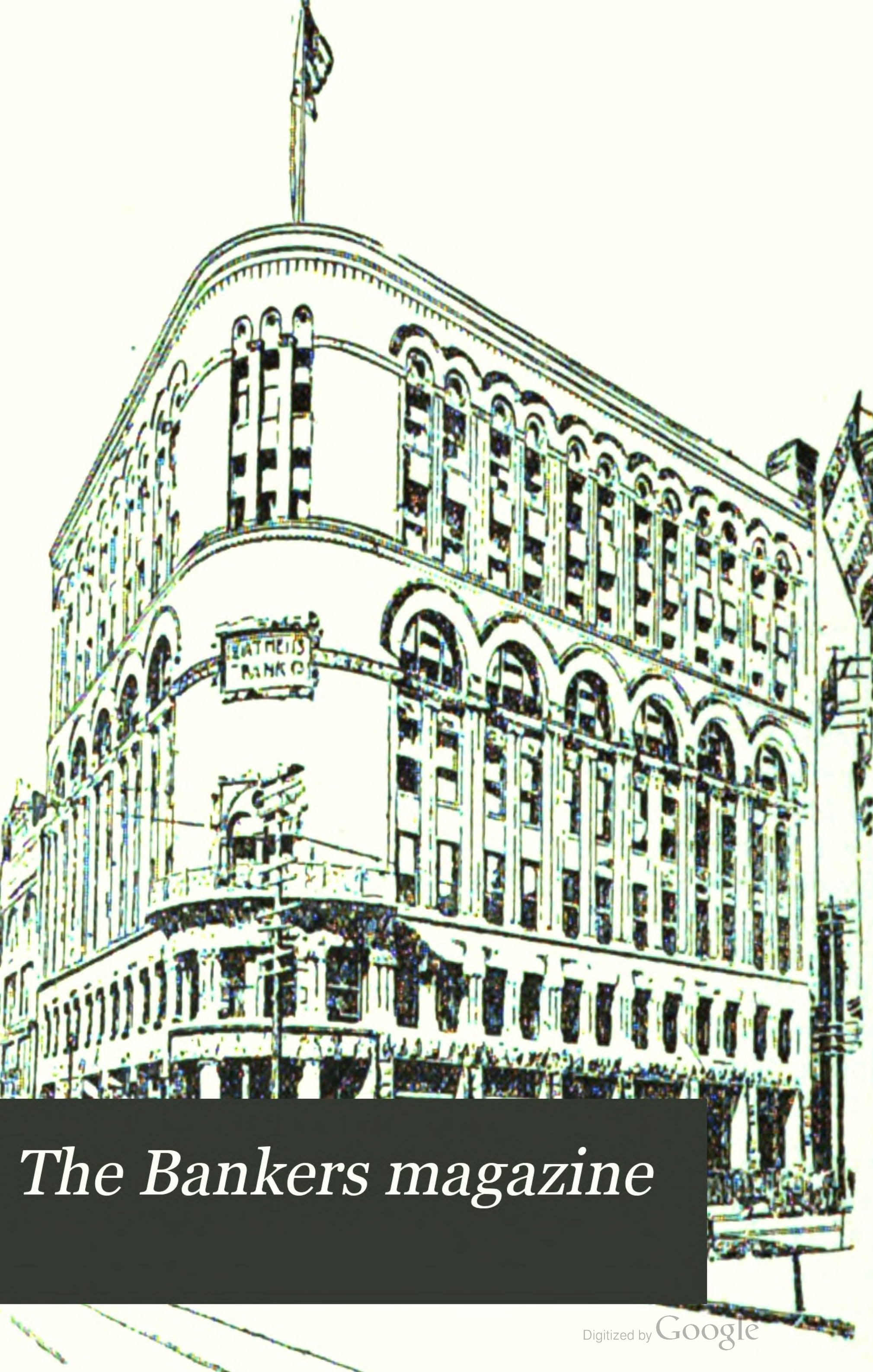

The Bankers magazine

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THE

BANKER'S MAGAZINE,

AND

Statistical Register.

ALBERT S. BOLLES, EDITOR.

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VOLUME FORTY-SIXTH

OR,

VOLUME TWENTY-SIXTH OF THE THIRD SERIES.

FROM JULY, 1891, TO JUNE, 1892, INCLUSIVE.

NEW YORK

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GENERAL INDEX

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OF THE

BANKER'S MAGAZINE AND STATISTICAL REGISTER,

FROM

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THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVI. JULY, 1891. No. 1.

THE BANKS AND PUBLIC DEPOSITS.

After the overthrow of the Second United States Bank the Government deposits were kept in State banks. The selections were often unwisely made, and after a few years many of them failed and a large portion of the public deposits was lost. The Government was suddenly reduced from seeming plenty to almost bankruptcy; and a special session of Congress was convened for the purpose of borrowing money to pay the ordinary public expenditures. After this experiment of depositing the public money with private or State banks the Sub-Treasury system was established, which has been continued ever since. For several years, however, the opinion has been growing that the system is antiquated, that it has the effect of retaining a large amount of money that ought to be in active circulation, and that the business prosperity of the country is seriously impaired by the maintenance of the system. Those, therefore, who think that it has outlived its usefulness urge that the public money ought to be returned to the banks for safe keeping. It is contended that if this were done the monetary stringency, which has now become an annual thing, either would not exist or would be less serious; but does not the same danger confront the Government if its deposits are placed in State or National banks as existed fifty years ago? The banks, as a system, are more wisely managed now than they were at that time; yet new evils surround the system which then were unknown. It may be that if the Sub-Treasury system were abolished, antiquated as it may be, costly and slow as it certainly is in its operations, that a worse state of things would exist. Surely the system, imperfect as it may be, ought not to be supplanted unless we are confident that a real improvement can be effected.

Some of the evils resulting from the deposit of public moneys in State or private banks have been experienced within a few months in several parts of the country; and they are so grave that the people ought to hesitate in abandoning the system, or at least ought to insist that public deposits should not be deposited in banks without adequate security for them.

One of the consequences springing from the present system is, if the public deposits, whether of States, cities, counties, charitable or other institutions, can be placed in State or private banks, and by the action of one or two or a few public officers, there is the danger that they will be placed in institutions which are the least worthy to keep them. For, undoubtedly the opportunity to receive interest on such deposits, and to retain them, instead of accounting for them, will lead officials to get the largest profits possible by the operation. They realize that the opportunity to make anything in this way in most cases is short and, therefore, must be improved to the fullest extent. They must, therefore, find out quickly who will pay the highest rates These for the most part are not the highly flourishing banks, not those which have the largest surplus, and which, consequently, can offer the greatest security, but rather the newer, and perhaps more ambitious banks, those which perhaps feel impelled to take larger risks in order to make money. Such are the banks which generally offer the highest rates, and which get command of the public money. Of course, there are banks in every part of the country of the highest standing which have public deposits; but we repeat the statement that large amounts are kept with banks of a lower standing, and which, by reason of their smaller surplus and ability to respond to losses, and to lend their money less profitably and securely, ought not to receive and keep public moneys.

Again, the banks which receive such deposits know, in too many cases, that they are not doing the correct thing in giving interest thereon, or rather that the depositors are not accounting for it properly as they should. They know that in most cases the depositors are in truth trustees, that the money deposited does not belong to them, that it ought not to be deposited in their names, and that they ought not to retain anything for the use of the same. They well know that in many cases the law absolutely prohibits them from receiving and retaining interest; that it states as plainly as a law can state that they must not do this thing. Consequently, in agreeing to pay interest on such deposits, knowing or believing that no official return thereof will be made, the conduct of a depository is highly questionable. Thus, under the present loose way of keeping the public money, not only is it often put in the less secure banks, but their officers, by participating in breaking or disregarding the law, by consenting to the private use of public money for private gain, know that the public is wronged, nor can they escape condemnation. They may interpose as many technical defenses as they choose, public opinion makes short work of all of them. A trustee has no right to use the property intrusted to him for private gain, and if he does, those with whom the gains are shared are guilty also if they know, or have reason to question the true nature of the property thus employed. The sin of the banks in such cases is not in paying interest on deposits, by no means, but in paying it with the expectation that the depositor will not properly account for it. Whenever a depository pays interest on public deposits, knowing or believing that the depositor will not account therefor, it is clearly in the wrong. Thus a system which is conceived in evil brings forth evil fruits. Has not the time come, therefore, to destroy this system of using public money for private ends, and henceforth to regard public money as public money at all times and in all places? This is an old story of the abuse of trust relations, of using another's money for one's own purposes, but surely it is quite time that more stringent regulations prevailed in the keeping and administering of trust funds.

What shall be done? In a paragraph in the May number of the MAGAZINE we described the practices in many places. Proposals are advertised for the keeping of the public money, the rates of interest that depositories are willing to pay, the kind of security they will give, and the amounts they are willing to take. These proposals are made to every bank, without regard to politics or favoritism; the entire proceeding is in daylight, no one is favored, no one is disappointed. Offers are received and the results are made known; the highest bidder, offering adequate security, receives the deposits; and the city or other municipality receives whatever gain may accrue from the use of it as a deposit. Thus the public has the full earnings from its money, as it should have in every instance. If it be said that public officers do not receive sufficient salaries, and that their income should be increased by making whatever they can from the use of the public funds, we reply that the correct thing is to increase their salaries, but to keep their personal remuneration distinct from all public moneys. Under no circumstances should they be permitted to use the public moneys as their own, to deposit it in their names, or to receive any benefit or advantage directly or indirectly therefrom.

This is a plain and simple method of dealing with the question. There are hundreds of millions of deposits belonging to the States, cities, counties, hospitals, and other public institutions. No doubt, the amount of benefit derived by public officers, directly or indirectly, from the use of these moneys is very great. It is quite time that this state of things came to an end; not only should regulations be made for public officials who receive public money, but the trustees of the various hospitals and other charities should be required to give a faithful account of the moneys placed in their charge. We know of some trustees of a State institution who derive interest enough on their moneys to pay the cost of superintendence, while other institutions having a larger amount of public money make no return of the interest received. Indeed, an investigation would doubtless show that many public institutions which have a large amount of deposits for considerable portions of the year, if not always, derive no benefit whatever from them, while their trustees derive a very considerable benefit either in the way of interest or in some other manner.' In short, the personal advantage derived from the use of public moneys in the aggregate is enormous, and is in direct violation of law, and in utter violation of the relation which exists between themselves and the State, municipality or other institution which they serve. This question is very general in its scope, and is confined to no State and to no city. The revelations in Philadelphia are very serious, but the evils there unearthed are by no means limited to that place. Many are now wondering why such a lack of system prevailed there, but the truth is, that in many other places there is a similar disregard concerning the public moneys and of the use made of them. This subject is worthy of general attention. Every one, who can think at all, must realize that by permitting public officers to use public funds for private advantage they become demoralized, and the revelations in Philadelphia are only a repetition of what has happened many times before, and will happen many times hereafter, unless the public shall take interest enough in preserving the moneys which they contribute for the public support to break up a system which is so costly to themselves and so ruinous morally to those who seek to profit by it.

FINANCIAL FACTS AND OPINIONS.

Mr. Lacey and the Philadelphia Bank Failures.—Some of the newspapers in Philadelphia are unreasonably criticising the conduct of the Comptroller of the Currency. Now, that the real nature of the frauds of the Keystone and Spring Garden Banks are known, it is an easy matter to declare what ought to have been done months ago with these institutions. Everybody can fight a battle easy enough after it is over; all know then how the troops ought to have been moved, and who were in error in conducting the fight. To judge of the Comptroller's conduct, one should consider his knowledge of these institutions several months ago, and not his present knowledge. Those who are familiar with the administration of this bureau at Washington know that, whenever an irregularity occurs in a National bank, every effort is taken to find out the extent of it, and, if the institution is deemed worthy of saving, to save it, instead of putting it in the hands of a receiver. The desire of the bureau always is to save every institution whenever this is possible, and there are many reasons, which need not be stated, fully justifying this general course. Several times it has happened that a receiver has been appointed and the affairs of a bank settled, which, as events subsequently proved, by careful management might have been saved. A case of this kind occurred in Cincinnati only a few years ago. The Fidelity failed and an investigation disclosed a shocking state of things; not long after an irregularity was discovered in another, and the Comptroller of the Currency, suffering from his experience with the Fidelity, immediately appointed a receiver, when, as events subsequently proved, the bank ought to have been continued. It is a serious thing, therefore, to give an order for closing a bank until all reasonable efforts to save it are exhausted. Mr. Lacey had no occasion for doubting the truth of the reports received from the bank examiner; and it seems to us in the light of these, that he was clearly justified in giving the directors time for rescuing the bank if possible. Messrs. Haines, McFadden and other directors owned a large amount of the stock, and the Comptroller had no reason to doubt that these men were trying to raise the money sufficient to restore the bank to a sound condition. We now know what the real facts were; but if ever an officer was justified in supposing that those most interested meant what they said, and would probably succeed in raising the funds needed to keep their institution alive, surely Mr. Lacey was justified in supposing that this would be done by the Keystone directors. We have no doubt that, when the excitement attending this miserable failure shall subside, and the course of the Comptroller is carefully reviewed, the unreasonableness of these hasty criticisms will be acknowledged. The only fair way to judge him is by the facts in his possession at the time he acted, and not in the broad daylight of all the facts subsequently acquired.

The Treasury and the Money Market.—A few months ago a considerable portion of the newspaper press was denouncing the policy of the Government for collecting and retaining so much money in the Treasury. All are familiar with the complainings which were heard in many quarters. It was insisted that the tariff was the main cause of this evil, others declared that the Sub-Treasury department ought to be abolished; at all events the croakers agreed that the Government ought not to have any money, except, perhaps, enough to pay to-morrow's bills. Now, they have changed their tune, and are complaining over the probable insufficient supply of money this autumn for the wants of business, and that the Government is in fault in not having a surplus around somewhere to pour into the stream of circulation when it begins to run low. Why is the Treasury so depleted at the present time? Certainly there is more money in the country than there was last year, notwithstanding the outflow of gold to Europe. But there is much less in the Treasury, by reason of the changed policy of the Government. In other words, the policy which the croakers last year were insisting should be in vogue has been adopted, and the Government is now running on a much smaller balance than it did at that time; yet the croaking goes on as loudly as ever. Evidently these gentlemen are professionals in their way, and will never cease to croak, whatever the policy of the Government may be. Doubtless there is a good deal of method on the part of many of these croakers; some of them are the holders of four per cent. bonds, who perhaps have been buying them at the lower rates prevailing for several months, hoping or expecting that the money market will become depleted in the autumn and that they can compel the Government to buy them in response to popular clamor at a greatly enhanced price. This, indeed, is business, and having been practiced successfully several times and with great ease they would, of course, be pleased to continue the business this year. Something, however, may be said in favor of buying the four per cent. bonds, even at a considerable premium, instead of redeeming all of the four-and-a-half per cents. So long as any of the latter remain within the control of the Government it is possible for the Treasury department to make better terms with the holders of the fours. It has seemed to us all along that the Treasury was somewhat shortsighted in not purchasing more of the fours and thus saving the four-and-a-half per cents. as an alternative purchase, but the quantity of these left is so small that they will not avail much in this respect. If the purchase of the debt was to come to an end this would not be a matter of much moment, but we do not believe, notwithstanding the unfavorable statements of the last few months, that debt-paying has permanently ceased. We do not believe that there will be another Congress so utterly reckless in appropriations as was the last, for many years; furthermore, the revenues are likely to increase after a few months, and, therefore, the reduction of the National debt ought to begin again. If the fours can be had at a reasonable figure it certainly would be good policy to buy them, leaving to the banks whatever advantage there may be from the continuance of the four-and-a-half per cents at a low rate of interest.

Savings Bank Receiverships.—The Albany correspondent of the New York *Herald* has been investigating into the methods of some of the receivers appointed to take charge of the affairs of failed savings banks. The primary object of appointing such an officer, of course, is to realize as much as possible from the assets, and to pay the amount collected to the creditors without delay. But it would appear that some of these officers entertain a different conception of their trust; instead of closing the business promptly, they have continued to keep it alive for years. While the statute requires that a receivership in New York shall be wound up in a year, there are now eight savings bank receiverships which have been running from five to twenty years, and perhaps may run for many years longer. This is a grievous abuse and ought to be speedily corrected. Probably the same state of things exists in every State, though we trust that the evil is not so serious as it is in New York. One may wonder who has committed the greatest evil, the directors or managers, who drew their institutions into bankruptcy, or the receivers who refuse to take it out of this condition. The fault of the latter class of officers is mainly one of wrong selection, which in most cases must be charged to the courts; instead of appointing competent and honest persons, too often they have been appointed on political grounds or personal friendship. We suppose that discretionary authority must rest somewhere, but the question may well be asked, cannot the authority be lodged with some person or persons who will have a more conscientious regard for the interests of the public, and, consequently, who will make worthier selections?

Monthly Payment of Bank Interest.—A bill has been introduced into the Massachusetts Legislature to compel savings banks to pay monthly interest on their deposits. Why these institutions should be obliged to pay oftener than money borrowers generally, including Governments and municipalities, is not apparent. To exact monthly payments would be to require additional accountants and to reduce the rate of interest in the same ratio that the expenses and friction would be increased. Nevertheless, this crude idea had many supporters in the Legislature. Savings banks are established on a sound financial basis, at a low and safe rate of interest, and should be encouraged by legislation.

The Farmers' New Plan of Borrowing.—The Alliance executive committee of Kansas is considering a scheme which practically places the Sub-Treasury plan of the National Farmers' Alliance in the hands of private capitalists. The plan is to establish a bank in each county of the State, under the direction of the local Alliance exchange. The capital stock is to be furnished by private subscription. In connection with each bank an elevator or storehouse is to be built. A farmer may then deposit his grain, corn or cotton into the storehouse, receiving therefor a check for 80 per cent. of the value of the grain deposited by paying a small percentage for storage and insurance. He will be permitted to keep his grain in the depository until he wishes to sell it. The amount of produce deposited in this way must not exceed the amount of stock subscribed for the bank. The checks are made payable in gold or silver at any of the banks. It is intended that they shall be circulated as money. This is a far more sensible plan than the Sub-Treasury scheme. Nevertheless, the farmers may really get more money by this plan than they can conveniently circulate. It will be well for them to ascertain if the Alliance banks will be actually able to redeem the checks in gold or silver on demand. They ought to be very certain on this point. By giving the system a good test they will find out more about it.

The Foreign Money Market.—It is evident that the losses abroad of late, from unwise investments, are enormous, and investors are keenly beginning to feel them. There is such an abundance of capital in Great Britain and Western Europe seeking for investment that very considerable losses can be borne without seriously affecting the money market, or any great interest, either at home or abroad. But the losses in Turkey, Egypt, Panama Canal, and nearly all of the South American countries aggregate an enormous amount, and serious consequences are appearing. The Baring crash last autumn was the first announcement of the loss, but since then other houses have been tumbling, and compromising; not a few European banks are heavily weighted with worthless securities, some of which are likely to yield to the financial storm. Enormous sums have been lost in this country from time to time by building railroads too far in advance of their need; but the American people have not been guilty, with all their unwisdom, of throwing away thousands of millions in foreign countries, as the English, French and German people have done. These losses cannot be repaired for many years; the effect of them is very different from a commercial or financial panic originating in a loss of confidence, for as soon as this is restored, the operations of trade go on as before; but when a large amount of capital has been sunk, either temporarily or permanently, the movements of trade must necessarily be impaired until the lost capital has been restored by new accretions. This is the growth or work of years, and thus it follows that the enormous sums lately sunk by Europeans, the magnitude of which we are just beginning to comprehend, are not likely to be made good, notwithstanding the wonderful recuperative power of Great Britain and the continental countries, for several years. Doubtless the loss will eventually be made good, but during the interval untold suffering must result. We are familiar with this experience in our own country, though perhaps our losses have never reached the magnitude of the European losses which are now revealed to us. Besides, our country has grown with such marvelous rapidity that most of the railroad enterprises in which capital has been sunk, after a few years have become paying investments. The losses, therefore, were only temporary. In other words, it may be said in a general way that most of the investments in this country, which were losses in the beginning, did not continue so long, and therefore no permanent ill effects followed; but the case is very different with the foreign investors we are now describing. The Panama Canal enterprise, for example, is not a temporary loss, but probably a permanent one; no gain is ever likely to come from that undertaking. The thousand millions poured into the Argentine country during the last seven years are likely to prove a heavy loss, probably not ten per cent. will ever be returned to the investors. It is certain that a vast amount of money during the last ten years that has gone to Brazil will never be returned. All who have been engaged in these enterprises are likely to suffer permanently, nor will the loss stop with them, but in many cases will doubtless be felt by their families for a generation.

The Baltimore Clearing House.—The Baltimore Clearing House Association is following in the wake of the New York Clearing House Association in withholding the privileges of clearing to non-Clearing House banks. Of course, it is well understood that the object of this action is not to deprive any bank of the advantages of the association, but to require all who wish to enjoy them to observe the same regulations with respect to the amount of their reserve, besides other regulations which are designed to promote conservative banking. The resolution passed by the Baltimore association is the following: "On and after the first day of July next no bank not a member of the Baltimore Clearing House Association shall be permitted to make the exchanges or to clear for any bank, corporation or banking firm, directly or indirectly, who may not be a member of this association, without incurring the penalty of expulsion as a member of the Baltimore Clearing House." To be eligible for admission to the Clearing House Association a bank or banking house must show $200,000 paid-up capital, and are also required to pay an initiation fee of $500. The resolution will affect the trust companies, banking houses, and such State and National institutions whose paid-up capital does not reach the required amount.

The Gold Export Movement.—The New York *Journal of Commerce* strenuously maintains that, beside the causes of export which have been generally mentioned, the fear of passing from a gold to a silver basis of payments is a very important one. The *Journal* maintains that the exports certainly were not occasioned by the needs of owners, nor have bankers sent them over to cover themselves for the exchange which they have sold. It is undoubtedly true that the desire of foreign financiers to accumulate specie, for the purpose of strengthening their position, is one of the causes for the exports which have taken place. This was the cause for the demand by the continent of Europe without regard to the increased cost of supply. But the *Journal* adds that, after allowing for all the demands above specified, there was a further reason for the movement.

We may say, besides, that the call itself could not have been met unless there was capital here which the owners were anxious or at least willing to transfer to the other side. And there must have been also a large realization upon American securities held abroad or here on foreign account to make up the sixty millions thus transmitted.

Why were the securities sold and why was the capital withdrawn? No matter how much the bankers in London and on the Continent may have desired to pile up a supply of money in their vaults, they could not have obtained it here unless for some reason investments in the markets of this country were regarded with increasing disfavor. We can see, therefore, that the silver craze and the legislation it has thus far secured is chiefly responsible for the whole outward movement of gold. The call would never have been answered as it has been if there was no dissatisfaction with the financial condition here on the part of those who supplied the funds. The ground of the apprehension is plainly apparent to every thoughtful observer. A foreigner has a thousand pounds sterling which he sends to this city to be loaned or invested for his account. It is reckoned at $4,866.50 in our currency, and when he calls for the principal this amount will be tendered to him in payment.

If he wishes to take it home again it makes a very great difference whether he is paid in gold or silver. The sum of $4,866.50 in gold coin sent to London will sell for £1,000. The sum of $4,866.50 in silver dollars, at its quoted price as we write, will only sell for £750, making a net loss to him of two hundred and fifty pounds. As long as silver and gold are interchangeable here he can always obtain the gold when he wishes to remit. But both gold and silver are a legal tender here at their face value, and the moment gold is worth a premium only, silver will be tendered to him, and he must turn it into gold at whatever the difference may cost before he can take it home. Some lend their capital here on the express stipulation that it shall be returned in gold when they want it. Others have answered the advanced rates of interest abroad and the increased price paid for gold by taking their capital out of the country. In the same way those have reasoned who have sold their securities. If silver became the sole standard and gold was at a premium the price of stocks might be advanced nominally, but even then it might not pay as well to a foreigner if he could only realize the return in what to him would be a depreciated currency.

Industrial Speculation.—A noteworthy editorial appeared not long ago on this subject in the New York *Commercial Bulletin.* The individual industries which have been capitalized and converted into joint stock corporations are of a twofold character. First, those which were not profitable, and which the owners were desirous of selling to the public; and secondly, profitable ones, but which, for a heavy consideration, the owners were induced to sell. Most of the enterprises thus converted during the last two or three years had a good record, and no imposition has been practiced on the public, except in the amount of capitalization. The results from these enterprises are now beginning to appear, and, as many expected they would be, are by no means satisfactory. The promised dividends are not declared; either they are much smaller, or unhappily there are none. There is another side of this subject which is emphasized by the *Bulletin,* that the capital of a vast business, which formerly was entirely free from speculation because owned by a few persons, has, by the change in ownership, come into the arena of speculation. All of the industrial property thus converted is now speculative, while a few years ago it was wholly free from this influence. As the *Commercial Bulletin* well says: "There is too much gambling already in modern business life. The creation of so-called industrial companies as at present conducted adds an enormous amount of it, and brings all its vices and dangerous influences into branches of business which have been measurably free from it. Instead of the patient and sure creation of wealth, the corporation offers to everybody the prospect of an enormous rise in the market value of stocks. Instead of buying carefully, handling economically and selling shrewdly, the industrial corporation has only to pay big dividends and put up the stock, and by speculating therein to take money from the public for more dividends. Business thrift, business integrity, business enterprise, give place to the methods and too often to the morals of the gambler. That there are important benefits to be gained in the management of large business concerns as stock corporations, no intelligent individual will gainsay; but the public craze now developing for "industrials" threatens the most serious consequences to the industry and commerce of the whole country, unless checked or else conducted upon sounder and more honest foundations than at present."

Postal Savings Banks.—The Postmaster General has issued a pamphlet setting forth, clearly, the reasons for establishing the postal savings bank system. He maintains that "savings banks are the outgrowth of a popular desire for some safe place for the deposit of money where it will add to itself interest instead of lying idle and useless. The public sentiment of our day, as voiced through the press, is almost unanimous in advocating the institution of savings banks under the patronage of the Government. Charitable institutions of various sorts are united in pressing upon the public attention and upon legislators the need of such banks. Financiers who have sought for channels of benevolence have established various private affairs for the savings of the poor and of the so-called working classes." Mr. Wanamaker is of the opinion that private banks do not meet the wants of all the people, 'because they do not afford adequate protection to those who are not able to protect themselves, because their hours of business are not convenient and because their location is removed from the proper places. He considers the State laws as inadequate to the introduction of savings banks. The strong advocacy in the past of the proposed system is referred to, and then he declares that the universal sentiment of the public press of the country is seeking continually at the hands of the Government the establishment of these institutions as an incentive to thrift and a remedy for the ills of extravagance. He states that the main obstacle to the inauguration of this system has been in providing for the disposal of the immense sums which would be deposited. European countries have always their varying indebtedness, not likely to be materially reduced for centuries, but America pays off her obligations as rapidly as her revenues will permit. He recommends that the deposits be handed over to the National banks for investment." This pamphlet states the argument in favor of establishing such institutions as strongly perhaps as it can be, yet we are not convinced. Our savings banks, for the most part, are excellent institutions, and serve as many purposes as the postal savings banks, unless it be that the security of the Government is superior. It is true that security is of the utmost importance, but the other side must not be overlooked. The Government is trying to do too many things now, and its functions should not be extended, except whenever the necessity clearly appears. The savings banks have the confidence of the people, and, as a whole, their record is admirable. Of late, they have been supplemented by the nickel savings banks and school banks, and we think there is but little occasion for the Government to enter this domain; however, the Postmaster General's argument is well worth reading.

Brazilian Finances.—The *Journal de Commercio* estimates that in the last twelve months the railroad grants of the new Government have amounted to over 20,000 kilometers, with an aggregate guaranteed capital of $210,000,000, and a nominal interest charge of $12,600,000 a year. The attempts to increase immigration have cost the Government $17.50 per capita. It is estimated that 1,415,-750 families have thus been assisted to emigrate to Brazil. The total number entered is given as 7,078,750, at an aggregate expense of over $122,500,000. During the administration of Minister Glycerie 210 land grants were issued, embracing 76,727,500 acres—an area equal to that of Great Britain and Ireland together, larger than Italy, and three times the size of Portugal. Over 100 banks are said to have been established within a year. Prior to October 13, 1890, but 10 per cent. of the nominal capital of these banks was required by law to be paid in before they could be organized, since which date the law has been changed so as to read 20 per cent. instead of 10 per cent.—a provision which has in every instance been evaded. Many of these banks are allowed to issue notes which pass as currency based on a deposit of gold of which their issue cannot be more than three times the amount. On January 31 the circulation of six banks of issue was $62,675,343.50; on February 28 the circulation of these banks had increased to $73,170,762. One of the leading journals of the Republic writes as follows: "The situation is certainly far from reassuring, and if the signs are not altogether misleading we are not far from the day when Brazil will be compelled to experience the natural penalty for the excesses which have ruled during the past eighteen months. That this contingency is being anticipated may be seen in the haste with which a few of the shrewdest speculators are transferring their gains into pounds sterling and sending them abroad."

Italian Finances.—The finances of Italy are in a bad way. This is the result of the policy of the Government, which has been too lavish in expenditures, considering the circumstances of the people. Not only have vast sums been expended in public works, but also in strengthening the army and navy. For example, last year, military and naval expenditures aggregated no less than $86,000,000. These, with others involved by the public works, and the charges arising from the large public debt, have swollen the last year's expense to as large a sum as $250,000,000. Moreover, while the public side of Italian finances has been thus recklessly managed, the banking business has not been more prudently carried on. Building enterprises have been carried on in the cities greatly ahead of any necessity, and with money supplied on mortgages that have been foreclosed, throwing the ownership of the property on the banks, and leaving the buildings tenantless to a large extent.

Russian Finances.—Professor Geffcken has lately given a startling array of statistics showing the bankrupt condition of the Russian agricultural classes, the stagnation existing in the industries, and the overwhelming indebtedness of the State. The Russian budget of 1890, he said, amounted to £111,000,000, of which the public debt absorbed £33,000,000 and defenses £32,000,000—an enormous burden on a country in which 92 per cent. of the population are poor. Of £180,000,000 of inconvertible paper money, only £26,000,000 was covered by a metallic reserve. The speaker warned investors that the failure of the last loan was the bursting of the bubble, and declared that Russia must reform her corrupt administration and preposterous fiscal policy and abandon her aggressive foreign policy.

A Belgian Monetary Commission.—A Belgian royal decree has been issued, establishing a permanent commission to study monetary questions. The commission, which is appointed in connection with the Ministry of Finance, will collect details regarding the monetary legislation of foreign countries, the monetary circulation, the production and international distribution of the precious metals, etc. The commission will enter into communication with committees or offices in other countries examining the same subject, and will point out to the Belgian Government matters of particular interest to the country, etc.

Nicaragua Canal.—A report on its prospective traffic has been made by Mr. Atkins, who is secretary and treasurer of the new maritime waterway. His analysis of the traffic that may be reasonably expected is interesting. He divides the tributary tonnage into three classes: Class 1, entirely tributary; class 2, largely tributary; and class 3, partially tributary. Class 1 includes the existing commerce of Europe and the Atlantic ports, with the Pacific coast from Callao north, and of the Atlantic ports, with the East Indies, the Archipelagos of the Pacific, Australia, Japan, China, etc. Mr. Atkins estimates the tonnage as follows: Class 1, 5,333,415 tons; class 2, 9,269,662 tons; class 3, 4,194,170 tons—making a total of 18,797,247 tons, all of which is to a greater or less degree within the zone of attraction of the Nicaragua Canal. From data furnished on the general increase of commerce of the four great commercial nations of the world from 1879 to 1888, he believes that the increase of trade from 1889 to 1897 would amount to 20 per cent. from natural growth alone, and the additional tonnage developed by opening the canal would make an aggregate in 1897 of 9,934,302 tons. These figures may be optimistic and be largely qualified by the transfer of industries and the international complications that sometimes make a big change in commercial arithmetic, but with all reasonable allowance for exuberance there can be no doubt that the diversion of traffic to the Nicaraguan route will be heavy and continuous. It may be delayed by exorbitant rates and the cupidity of monopolistic Shylocks, which must be expected as possible contingencies, but the eventuality, if deferred, will, in the inevitable course of events, assert its own economic supremacy and make man's intelligent use of God's geography subservient to the best interests of all included in the zone of the Nicaragua Canal.

Who are Mainly Answerable for Recurrent Financial Crises?—In a late number of the London *Economist* a noteworthy article appears, answering this question. The writer declares that many persons invest their money on the strength of the names of persons who sell securities. In the Stock Exchange, particularly, this is the case. Subscriptions are made in the first instance largely on the strength of the houses who sell the securities with the expectation of unloading them on the public. On the Continent the supremacy of great houses in this regard is declared to be greater than in England. "The press is largely in their pay, and the public can be blindfolded more completly than in this country. In this way we have had no monopoly, or unsound or rotten securities, and for the time many would-be borrowing Governments find that their securities are going begging to the advantage of investors, if not to the inconvenience of themselves." More than fifteen years elapsed between the late and the previous foreign loans mania. In some respects the gambling of 1872–3–4 was greater and the collapse of 1875–6 more complete than the similar events recently experienced. For two years after 1874 not a single foreign loan was introduced to the London market, and a still longer time passed before the Stock Exchange would take one. "But the speculation in South American Government loans has, time after time in the past sixty years, been renewed, and the British investor has always suffered afterwards."

Yet South American loans, as well as Turkish, Egyptian, Spanish, and other issues by which we have been victimized in times past, have almost invariably been financed through firms of high position, financial houses who are still, or were at the time, household words. The conclusion is, therefore, justified that it is not because Barings, or others, have stood sponsor for a loan, that it is a sound investment. Financial houses are, in the long run, as likely to err as others, and it is a good rule that the Stock Exchange is not the place to seek advice as to the merits of investments. Dealers in the Stock Exchange, as well as dealers in Lombard Street—or dealers in merchandise, for that matter—have a habit of magnifying the immediate present and ignoring the future in a remarkable degree; and as the quiet investor does not need what is fashionable, but rather what is possessed of staying powers, the moral of such conditions is that he should learn to judge for himself.

It is, we consider, an advantage that of late years this country has restricted, and even curtailed its holdings of continental securities. They have been bid for on continental account, and we have relinquished our hold upon them. Even with all our recent accession of River Plate securities, it is probable that British holdings of foreign Government securities are not so great as they were ten or fifteen years ago. We have learnt to employ our accumulations more amongst communities of our own race; and in the long run this should pay us best. We are more in touch with our colonies and with America, and should therefore be in a position to deal with their finances better than continental markets would be. But South America has always been a bone of contention. The trade of that continent is mostly in British hands, and British influence is considerable, even though the governing classes there are of Spanish and Portuguese origin. But they have suffered a good deal from what, according to our ideas, is the corrupting influence of French finance; and when we add to this the late greed of the financial houses here to amass wealth through the floating of loans, it is not surprising that Governments like that of the late President Celman have been corrupted, and there is a pronounced reaction. On the River Plate, however, there is a fair prospect of a substantial salvage, more especially as English influence has become more consolidated in the region of River Plate finance, and as the leading financial institutions of this country are themselves involved in the arrangement of Argentine claims. But let us fully understand that while the name of a well-known house must and should always be of value, it has never been an index to the permanence of a country's solvency, and we should learn to accept it for what it is worth, and no more.

A REVIEW OF FINANCE AND BUSINESS.

IMPROVEMENT IN PROSPECTS DURING JUNE.

The first month of summer has been one of suspense rather than important development, either favorable or unfavorable, to business in general. Yet the changes have generally been for the better. It has been a month of great expectations and small realizations, even in speculation; because few have cared or dared anticipate the future, either in business or finance, so uncertain have been the conditions on which the future of values depended. "Weather markets" and "crop prospects" have still been the controlling influences on this side the Atlantic, both in commercial and financial circles, while the conditions of finance and the crop deficit in Europe have been the chief factors in the situation abroad. Hence the state of suspense in which business has remained. It was betting on the weather to anticipate the future, under such circumstances, so far as this country was concerned, as commercial values were more than usually dependent upon climatic conditions, owing to the lateness of the season at home and abroad, and to the general deficit in the crops of all Europe. The finances of this country, which are more dependent, first upon the crops and second upon the railways, than those of any other country, have waited, like business of all kinds, upon the outcome of the crops. Bulls have feared to further discount the calamity to the European crops, because of the prospects of the largest ones ever raised here. The Bears have alike been afraid to sell our markets down heavily, lest the deficit in Europe shall be farther increased and our exports so large that prices will hold or advance in face of great crops at home. In stocks, the Bears have hesitated to sell railway shares off, even with the rate cutting and defiance of associations whose object was to maintain higher ones, lest there shall be more than all can do soon, at full rates, in moving the new crops to the seaboard, while the Bulls in stocks have been afraid of further gold exports and financial complications in Europe, and have not dared to load up, as London has been an uncertain factor in the market for American securities.

Hence the railway interests have depended on the crops, the iron industries on the railways, and the speculative markets, both financial and commercial, have waited for developments. The suspense, therefore, has not been an evidence of unsound business conditions nor fear of them, but rather of prudence and caution notwithstanding the great expectations of our crops and of the best export demand in over a decade; or, since the United States lost the supremacy in the food markets of the world, which it enjoyed for the ten years from 1870 to 1880. That realizations should have been as small as expectations were great, is equally void of unfavorable significance, from the fact that short crops last year compel us to wait for the harvest of this year, before the advantages of the situation will be available. The general business situation, so far as this country is concerned, is therefore all right, and substantial improvement has been made the past month, by so much as these bountiful crop prospects are one month nearer fulfillment, together with a reduction in the estimates of the harvests of Europe, that will still further increase former estimates of our export demand. In the absence of developments (other than of the crop situation) there has been an improvement in business prospects during June.

THE FINANCIAL SITUATION ABROAD,

however, like crop conditions, has not shown either improvement or important change from the bad outlook explained in this article last month. The best that can be said is that it has remained in *statu quo*, except so far as it has been unfavorably affected by the reduced crop estimates. If these latter are correct they mean many millions more of European products or gold to be sent to other countries, to pay for what it must consume the coming crop year. This adds to the consuming, and reduces the producing power of all the countries affected; and, of course, by so much increases the financial burdens to be borne by Europe and the uneasiness in its monetary markets. The effects of this have not yet been felt, because it has not yet occurred, and because the shipments of over $60,000,000 of gold from here has created a temporary relaxation in the strain of the past nine months on the other side. But when this gold, and probably more, shall come back to us for bread and feed, Europe will be in as bad a way as before, except as it may have distributed its financial obligations, or shifted, or extended them. That the crop shortage is sufficient to be a general calamity to both Eastern, Central and Western Europe is apparently certain, unless the deficit has been grossly and generally exaggerated, which seems hardly probable, in view of continued and free purchase of our grain for shipment away into next December. It is impossible, therefore, to look for radical and general improvement in her financial condition for another year at least, or until another good crop, after such enormous losses as she has sustained for a series of years, by the Panama Canal swindle, the Copper Syndicate gamble and the Argentine collapse, together with the mountain of unproductive securities of other South American and

European nations, whose solvency must end, like that of the Argentine States, with their ability to borrow more of the three lending nations of Europe, England, France and Germany. Many years will be required to wipe out the losses that have already occurred; and, many more, to get over the effects of those that must inevitably come, either with peace or war, as shown in last issue. Fortunately for this country, we have felt, during and since last fall's panic, about all the loss we will have to bear, even indirectly, in these present or future losses, while we are in position to profit directly, and still more largely, by this year's crop calamity in Europe. This country, therefore, is in good shape for the coming year, whatever may happen in Europe, unless the crop promise of to-day should be materially reduced before harvest, which is now reasonably assured for winter wheat and oats, with spring wheat and corn promise better than a month ago, having improved since the June Government report, which was so much better than expected, except on oats, as to cause a sharp decline in prices, though part was afterwards recovered on worse reports from the European crops generally, including Central and Eastern Europe.

GOLD EXPORTS AND MONEY MARKETS.

The exports of gold, as indicated in last issue, have fallen off sharply the past month, though there were a few round lots taken in the early and latter part. The former were in anticipation of a million sterling shipped by the Bank of England and the Rothschilds from London to Russia, while the latter were also to provide a portion of two million sterling more to be shipped by the same bank to the same destination early in July. This latter sum, however, is about double the amount taken here of late, which will leave the other half to be drawn out of the Bank of England's stock of gold, which had increased by the middle of the month to over twenty-seven million pounds, against 21¾ millions a year before. This increase had come chiefly from this country, though considerable may have returned from Scotland, where money was drawn from London last month. Yet the movement is expected to set toward the country at an early day, to move the harvests; and the position of the Bank of England is not so very strong in view of the fact that its managers anticipate the return to this country of a large part of the amounts drawn from here in the last three months to pay for our wheat crop as soon as it moves into export. To provide for this return gold movement, it is understood that the Bank of France has agreed to re-sell to the Bank of England enough of the gold the former has lately drawn from New York, at the price it paid for it here, to enable the latter to meet the drain upon its resources. The Bank of England, in order to keep as much of its gold as possible, has endeavored by the aid of the joint stock banks o. London to hold the rates for money in London artificially high; and it succeeded for a while until Continental sources of supply were so greatly increased as to force a reduction of the bank's rate to meet that of the street. Since that time the money markets on the other side have ruled lower as well as here, in spite of the further gold exports which have been more than made good by the increased supplies of loanable funds here, due to an unusual inflow from the South and West, chiefly the latter, which has been marketing the balance of the last crops at high prices and freely. This has left the interior banks equally strong with the New York banks, whose reserves have been rapidly increasing the latter half of the month, producing easier rates, both for call and time loans, even in the face of the enormous demand expected after this month to move the new crops into export as fast as harvested. This confidence has been based upon the fact that the reserves are larger now than during 1889, and double a year ago. The reserves of the Western banks, also, are larger than a year ago.

THE STOCK AND BOND MARKETS.

The increase in deposits at this point has not been offset by an increase in loans to the Stock Exchange, as speculation and investment in both railway stocks and bonds have continued to decrease. The Bank of England reduced its rate to three per cent. after the middle of the month in consequence of the Continental banks loaning their funds in the London market at that, while four per cent. was asked by the local banks. The Bank of France now holds fifty million sterling silver and about three million more than that of gold, or practically the same as a year ago. The Bank of Germany holds over thirty million sterling gold and fifteen million of silver against about a million less of each a year ago.

114 MILLION INCREASE IN OUR CURRENCY FOR THE COMING YEAR.

In an interview, Director Leach, of the United States Mint, gives the following interesting figures for the increase in the currency of this country for the coming year under the operation of the coinage and other financial legislation of Congress now in force. He said:

"The entire number of standard dollars coined from March 1, 1878, when the coinage was resumed, down to to-morrow night, when the mandatory coinage ceases, will aggregate $405,458,158. Of these, $378,-166,793 were coined under the act of February 28, 1878, commonly known as the Bland law; and against them certificates have been or may be issued. The coinage under the act of July 14, 1890, amounts to $27,291,365. All of these are still in the Treasury. Of the coinage under the act of 1878, $59,225,696 are bodily in circulation, and $318,-

941,097 are still in the Treasury vaults, though all except $3,863,162 are covered by certificates. In addition, there are $7,095,760 in silver certificates in the Treasury cash; so that the total number of silver dollars coined under the act of 1878, still in the Treasury and not covered by certificates actually outstanding, is $10,958,922. Of the silver dollars coined under the act of July 14, 1890, about $4.500,000 represent the seigniorage or profit, against which, according to an opinion of the Attorney-General, certificates may lawfully be issued. Adding this to the amount not covered by certificates outstanding, we have $15,458,-922 in silver dollars on which certificates may be paid out. The coinage from the trade-dollar bullion will add more than $5,000,000 still, making $20,000,000 and upward of silver dollars and silver certificates in the Treasury, which may be put out as desired during the next few months."

"But, as you still go on buying silver, this showing does not represent the Treasury's entire prospective output?"

"Oh, by no means. Even supposing that the Secretary should conclude not to continue the coinage of standard dollars under the law of July 14, 1890, the monthly purchases will call for the issue of at least $55,000,000 of Treasury notes during the next year. Allowing for a slight advance in the price of silver, the issue of these notes might pretty safely be estimated as high as $60,000,000. Add to this the $20,000,000 of silver dollars already referred to as now in the Treasury, or to be there as soon as the trade dollar bullion is coined, and against which certificates may be issued, and we have $80,000,000. The gold coinage will probably reach $30,000,000 more, making a total addition to the circulating medium from these sources alone, of $110,000,000.

"Accepting the Treasury estimate of $16,000,000 in retired bank notes as correct, we are still left with a net increase of $94,000,-000. On the other hand, you must remember that the question of disposing of the 4½ per cent. bonds is still to be settled. If the Secretary should decide to extend them at two per cent., and the National banks should carry through the present programme of taking out notes upon those bonds which are not now on deposit in the Treasury, this would add some $20,000,000 more to the circulation. The $16,000,000 of retired bank notes would be offset, with say $4,000,000 to spare, and the total increase of the circulation for the year would be raised to $114,000,000, which ought to be enough to satisfy the most ardent advocate of the 'more money' doctrine.

"There will be coin, coin certificates, Treasury notes, and bank notes. But all except about $20,000,000 will be gold money—that is, money redeemable in gold or with a gold dollar's worth of silver bullion behind it pledged for its redemption. That is the best feature of it all."

Hence the ease in time, as well as call money; for nobody yet seems ready to discount the benefits of big crops and exports to our railways, though both are partially assured by the end of June. This has been a disappointment to the pools which have held the stock market since the panic, in the expectation that big crops would bring in the public as buyers of shares, as well as of new bonds, with which these same pools, as officers of railways, had provided an almost inexhaustible supply beforehand. Now both are left on their hands while the public is investing in the stocks of industrial and commercial companies, of which so many have been formed the last two years by our leading mercantile and manufacturing houses of the East and West. This lack of support has enabled the Bears to depress prices, and some of these pools have been selling what they could without breaking prices too badly. More long Villard stocks have come on the market, as well as the Grangers, and Union Pacifics, on the more unfavorable statements of earnings that have been published during the month. These, and the apparent breaking up of the Trunk Line, as well as Western Rate associations; the cutting of rates by some lines and the demand for differentials by others, which the associations dare not refuse lest it rupture them altogether; the refusal of the Alton to regard their notices, while its connections have nearly all withdrawn from the attempted boycott, which has proved a failure—all these influences are at the bottom of the lack of public confidence in the future of their stocks, in spite of big crops and easy money. It therefore looks as if each road is going as it pleases, in order to get what it can of the light traffic until the new crops, while the officers of these rate associations are permitting this general cutting of rates because they cannot stop it, and hope to be able to restore them when the new crops move, and furnish enough tonnage for all, at full rates, when they will be able to enforce their rules. In the meantime, these officials are holding on to their places and salaries, even if they are powerless to accomplish the chief purpose for which the organizations over which they preside were created. It may be they serve other ends than the roads that created them, and pay these big salaries to "commissioners" whose word is of no more force than the schedules he makes or the orders he issues, and which nobody regard, except as a basis upon which he can out-cut his rival on rates and secure the business for their lines.

THE PUBLIC DEBT INCREASE.

The debt statement for June 30 showed an increase in the public debt for the fourth time in the past five months. The net surplus, including the bank deposits, but excluding the fractional silver and minor coin, according to the method of the monthly debt statement, in round numbers, was $28,000,000. The corresponding figures on May 31 were $33,342,200, a difference of more than $5,000,000. Nothing has been spent during the month in the redemption of the bonded debt, so that the reduction in the surplus is the exact measure of the excess of expenditures over current receipts.

The record of the first half of the present calendar year is not an encouraging one. The month of January showed a reduction of $15,835,496 in the debt, but since then there has been no reduction except in April. The reduction in the bonded debt during the entire six months has been only $8,490,620, about one-sixth of the annual requirements for the Sinking Fund. The purchase of bonds does not change the aggregate of the net debt, for it simply reduces the available cash by the value of the bonds. The figures at the end of June show that in six months the net debt of the United States has been reduced only about $8,000,000. In this connection it is estimated that the Treasury will have to pay in bounties to sugar raisers nearly $7,000,000 the next six months, and $15,000,000 for the year beginning July 1st. The Treasury balance is reduced to forty-five millions in round numbers, of which less than twenty-three millions is deposited with National banks and twenty million is in fractional silver.

SILVER PURCHASES AND COINAGE.

There has been more interest in the silver market during the month, owing to an advance in prices and the question of the continuance of the present coinage.

An advance of more than five cents per ounce has occurred as compared with the figures of a month ago. The proposition to continue the coinage of the silver dollars under the Silver Act of last summer may not be disposed of for several weeks. It is customary to reduce the coinage at the mints to the minimum after the beginning of the new fiscal year, July 1st, for the purpose of taking account of stock and making necessary repairs. This will prevent any considerable coinage for two or three weeks, and afford the administration time to consider the question. It is said, however, that it will suspend, for the present, coinage under this act, and substitute that of the trade dollar bullion. This is regarded as a victory for the opponents of continued coinage, though not a refusal to resume it when the mints are clear of this "mandatory" work, including the coinage of subsidiary silver.

Meanwhile, says a Washington dispatch, the coinage of the trade dollar bullion, required by Congress to be done "as soon as practicable," will be of much more value than the coinage of twice as much silver under the coinage act of last summer, for every dollar coined will be added to the circulation, and certificates can be issued upon it. The value of this bullion now held in bars is $5,087,795, and it is estimated that it will coin into $5,148,281. The coinage of subsidiary silver will amount to about $3,000,000 before the appropriation is exhausted. A part of this coinage has already taken place.

The cause of the advance in silver was in part the heavy demand in London from India to pay for the big shipments of silk and wheat thence to Europe, and also to make up the deficit in shipments of silver from London to India of £1,500,000 sterling to date, compared with a year ago. But the chief cause of the advance here is believed to be the buying by the old Congressional silver pool of last year, who have revived speculation on the expectation that the next Congress will be favorable to the making of increased purchases by the Government, or further free coinage legislation. The Bulls in silver, however, claim that the strength is on the foreign markets for silver. They say that "Rupee paper has been selling for some time below the price of silver in London, that the advance is perfectly natural at this season of the year, as the China silk trade begins on July 1, then the India season follows, and in the last six months of the year about £8,000,000 is remitted to China, India and the Straits of Malacca. In anticipation of this, the bids for rupee paper or Government drafts are far in excess of the supply." Rupee bonds are also in good demand in London, advancing 1¾; the 4½s to 79⅛, and the 4 per cents to 77¼.

THE COAL AND IRON TRADES.

The coal trade has been more quiet at the East, though fairly good at the West and improving at the South, while deliveries on old contracts have prevented accumulations at tide water, in excess of usual stocks. Yet prices are still being cut 15c. to 25c. per ton to induce sales, but with little effect. The official figures of Mr. John H. Jones, Chief of Bureau of Anthracite Coal Statistics, gives the output for the respective years to May 31, 1891, 14,184,851 tons; 1890, 11,920,390 tons, and 1889, 12,113,985 tons. The total stock of coal on hand at tide-water shipping points May 31, 1891, was 692,874 tons, compared with 719,939 tons at the corresponding date of last year. The total amount of anthracite mined thus far in the year 1891 shows, compared with the same period last year, an increase of about 3,000,000 tons.

Bituminous coal continues in good demand, which is still limited by the supply, so far as the Eastern trade is concerned, and prices remain firm. The iron trade has shown very little change in price or activity in demand, as the railroad interests are slow about placing orders for new rails or equipment and the demand for structural iron is low, owing to the dullness in the building trade since the panic, which has produced general stagnation and depression in the lumber business, which is the poorest in years. Prices of iron have remained fairly steady, and the demand for pig of the best qualities has kept all but common grades firm.

CONDITIONS OF THE LUMBER TRADE.

The Boston *Commercial Bulletin* gives the following interesting facts and figures for the first five months of this year's lumber trade and the causes of the present depression. It says:

General business depression, labor troubles, and the foreign financial situation have been the principal causes for a very unsatisfactory business. Probably the most important factor was the foreign market. Mills that have been for years cutting lumber to go to South America, Great Britain, France and the West Indies have done less since January 1st than in any similar period for years.

Among our most important exports of lumber are those of yellow pine. Taking this as a criterion, the exports to the River Plate, our principal market, for the first five months of this year amounted to 14,000,000 feet, with a prospect of no improvement for the rest of the season. The exports for the year 1890, which was a quiet one, amounted to 65,000,000 feet, and in 1889, the year of the boom, reached 134,000,000 feet. The exports of white pine and other lumber have been in proportion, all being affected alike.

A prominent feature of the lumber trade usually, is the demand from the railroads, but there has been very little this year, as the roads have not been able to make large expenditures.

RECIPROCITY AND RETALIATION.

The policy of reciprocity between the States of North and South America and the West Indies, that was adopted by the last Congress of the United States, seems to have borne fruits in Europe sooner than in this country in causing the formation of a Zollverein by the States of Central Europe, including Germany, Austria, Hungary, Italy and Switzerland against the world, and especially against the New World, whose attempt at reciprocity thus seems to be met with retaliation by the Old World. The definite terms of the agreement are not made known, as the conference to draft this customs league or treaty of commerce will not meet until July 20th at Berne. The basis, however, has been agreed upon already and provides, according to the cable announcement of the same, for an intimate commercial alliance, in which no one of the contracting powers will be privileged to form a trade treaty with any other outside the union, unless it first obtains the assent of the other parties to the alliance. It is understood here that the Government has obtained the consent of the federal States of Germany to a denunciation of the treaty of Frankfort, and to accepting whatever grave consequences may arise from the hostility of France to such a course. The existence of the league will naturally affect the trading relations of the four contracting powers with France, England, the United States, and every quarter of the globe. How far their independent action will be controlled depends upon the nature of the decisions of the Berne conference.

How much worse off it will leave this country than now, with its breadstuffs and provisions nearly taxed out of the markets of these countries, except on short crops, remains to be seen.

THE PRODUCE MARKETS

have varied with the crop prospects, generally advancing early in the month, to fall back on the Government crop report, which was more favorable than expected, followed by a mid-month advance on less favorable reports of weather and crop outlook in Europe and wet weather in the Southwest, where harvest had already commenced. But clear weather here since then, and warmer weather abroad, turned their markets weaker on both sides of the water, and resulted in a general decline the latter part of the month on increased crop estimates at home and some gains abroad, large receipts here of old crops, which are overrunning the estimates, as indicated in this article months ago, and probably 40 to 50 million bushels on wheat, while cotton is likely to go 500,000 bales more than the highest figures. The deficit in the grain crops in Europe has prevented prices of cereals from going back to old figures so far; but with only 300,000 bales shortage in the crop of cotton in India, and 1,500,000 increase here last year, prices of this staple have gone lower than since 1847 in Liverpool, or to 4⅛d. for middling uplands, against 4⅜ in that year. Prices here, November 12th last, were 9.90 June; and 10.02 August; they have sold this month at over 2 cents per pound less, with 8,500,000 bales, the most conservative estimate of last crop, and 8,800.000 the highest. The report for June indicated another large crop, and this was the last straw on the Bulls' backs, as the damage by frost and late planting was not general. The stock in sight in this country is now 265,000 bales more than last year. The crop movement 1,325,000 bales more than a year ago to date.

MINOR MARKETS.

The sugar market has advanced ⅛c. per pound. On the deficit in the Cuban crop, according to the sugar trust, which is credited with having already secured the crop of that country, and in consequence of the usual large demand at this season of the year for canning berries and fruits, the crops of which are likely to be abundant in most cases, notwithstanding the reports of general damage by frost during May.

H. A. PIERCE.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONCLUDED.]

Switzerland, without going to the liberty of banks as practiced in the Isle of Jersey, is the country where the banking industry has obtained, thanks to liberty, the most striking results. For many years the credit institutions, with the more or less requisite authority of the Government, and more frequently as joint-stock companies than as banks of issue, have prospered freely, doing great service to the manufacturing, and particularly the agricultural industry around them. In a few months we shall see whether this service has been appreciated. But we must not anticipate upon a serious incident to be spoken of later. In fact, for many years the Swiss banks lived on somewhat in a state of isolation, and the public was compelled to estimate the commercial value of each note offered in payment, and most of the time to refuse it for want of sufficient acquaintance with the condition of some particular bank of issue. The inconvenience of this state of things, in contrast with the especial prosperity of these generally well-managed institutions, appeared so plainly that the idea not of a fusion, but of an agreement, was born, so to speak, spontaneously, in all the brains of this intelligent country.

A concordat, signed July 8, 1876, imposed on the banks accepting it the duty of submitting each to the control of the other institutions and of accepting reciprocally their notes, even of redeeming them on presentation. Thus each bank was free, except in what might hurt its credit, and the public had the advantages of the unity of the bank note; the mere statement of the bank's being in the concordat was enough to prevent the fear of having received debased currency. The central office established at Zurich was also to act as a clearing house. We shall spare our readers all the details of the concordat: limitation of small notes to a minimum of fifty francs, collection of notes, certificates of clearing, etc. It is well known how much the Swiss mind is open to banking operations. On June 30, 1882, twenty-three out of thirty-six banks of issue had consented to this act. The twenty-three banks under the concordat represented a circulation of 82,000,000 francs, and that of the thirteen banks not entering into this engagement amounted to only 8,000,000 francs. It may be said, therefore, that the success was complete.

This concordat was a free agreement, as we see; a few banks

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

(some of the least important) preferred isolation. This concerned only themselves; they might have consented to the common act and accepted its conditions. They liked better to remain outside; they were free to do so. The liberty of banking wished it to be thus, but the spirit of regulation pondered and prevailed.

A federal law of March 8, 1881, on bank notes, changed the free consent into compulsion: "Art. 20. Every bank of issue *is obliged*, as well as its branches, to accept at all times in payment, at par, its own notes, *as well as those of the other Swiss banks of issue*, so long as they punctually redeem their own notes."

At present Switzerland is living under this system of compulsion. A few banks, and some of the most important, preferred at this time to give up their right of issue; but most of them consented; after all they lost but a part of their liberty, greater, no doubt, than in 1876, but the sacrifice was still practically possible for them, since they kept, for most of their operations, their right of initiative and their responsibility.

Consequently it is not surprising that this concordat, comprising compulsorily all the banks of issue, notwithstanding its imperfections, has still allowed thirty-five banks (with a present circulation of 150,000,000 francs) to render the country unostentatious but great service.

Unfortunately, it is in the essence of the spirit of regulation to be insatiable. Not without painful surprise we now learn that an attempt is being made not only to establish the unity of banking in Switzerland, but also to reserve to the State the exclusive right to issue notes. Article 39 of the Helvetic Constitution puts in the power of the confederation (which is in itself an abuse) the right to legislate concerning bank notes. But, adds the author of the report from which we borrow these details (M. Ernest Pictet, President of the Bank of Commerce at Geneva, in his report of January 26th last, on the operations of that institution, now half a century old), with two important restrictions: the prohibition of monopoly, that is to say, the maintenance of a plurality of banks, and the legal currency of the notes. But that does not matter at all; the constitution will be revised. Switzerland, however, should be on her guard. She is a Federative Republic, and the centralization or the absorption in so direct a form of individual activity would be a slow poison, which in time (in a short time, perhaps), would annihilate all her liberties. A beginning is made on the economic side, which is State socialism, and the end may come in the annihilation of political liberty, which would not, perhaps, be displeasing to all the neighbors of this country.

Let us now leave Europe, not because there is nothing interesting to say about other countries from our restricted point of view, about Italy, for example, but we have merely wished to show briefly what is most original in both ways, liberty and restriction, in the old world. Let us look at a newer country, the United States.

On October 31, 1890, there were in the United States 5,667 banks of issue, namely: 3,566 National banks under the rule of the Federal laws, and 2,101 State banks, not managed by a State (as would be understood in Europe), but so called because each is under the rule of the special laws of the particular State where it is situated. The National banks date from the law of February 25, 1863, amended by various others, as that of June 3, 1864, and more recently the law of June 22, 1874. In the details their organization has experienced numerous but not very great modifications, and their chief outlines have not varied much. Their principle is as follows: Any stock company of at least five members may found a bank of circulation. The notes it may issue are delivered to it by the Federal Government, but against a deposit of Government bonds in such proportion that the amount of the notes delivered is 90 per cent. of the value of the bonds, if they are below par, or their value at par, if they have gone above this. In case of great depreciation, the banks must increase their covering by so much more specie or bonds. The notes delivered by the Government are, therefore, uniform in size, color, and denominations for all the banks (they are of 1, 2, 5, 10, 20, 50, 100, 500 and 1,000 dollars; but the denominations most used are the 5, 10, or 20 dollars). They are delivered to the banks with the name of the bank left blank, and it must have that printed on; a blank space is left also for the signature engaging the institution, the Government's signature being represented by that of the Comptroller of the Currency, the head (under the Secretary of the Treasury) of the National banks of the whole country. The number of the banks is unlimited. Formerly the Union's total circulation was limited, at first (1864) to $300,000,000, later (1870) to $354,000,000; but since 1874 there have no longer been any limits. The specie reserve of the banks had formerly to be also 25 per cent. of the circulation; since 1874 this limit has been replaced by the obligation to deposit 5 per cent. of this circulation in the treasury's coffers. By bank the circulation is limited to a proportion of the capital; over $500,000 of capital 90 per cent. of the paid-up capital; from $500,000 to $1,000,000 80 per cent.; from $1,000,000 to $3,000,000 70 per cent.; and over $3,000,000 60 per cent. of the paid-up capital always. However, though only for the National banks formed since the law of July 12, 1870, the circulation cannot exceed $500,000 per bank, the gold banks excepted. These gold banks are banks of issue established in California (where the forced currency has never been practiced), and which must redeem their notes in gold, and not in silver or paper money.

The State banks differ a great deal in their constitutive conditions, each State having, by the Constitution, the right to legislate on this subject as it pleases.

The weak sides of the American system are evident at once; the solidity of the National banks is bound to that of the Government; certainly we are not among those who mistake the value of the political bond uniting the Yankees;* yet it had to undergo, in 1863-1865, a severe test; and their Republic was very near being cut in two. Can it be affirmed that reasons of an economic nature, free trade or protection for example, will not bring about another conflict? Was it prudent in the American legislators to bind the fate of the banks to that of the Government?

In fact, these National banks have thus far had nothing to regret. No great crisis has put them to the proof, and besides, the bonds they bought with their paid-up capital to deposit in the public treasury have constantly increased in value. In 1863, right in the war of Secession, the American 6 per cent. was worth 35 per cent. (it was issued at par, but payable in paper money which, in July, 1864, fell to $285 paper for $100 gold), and now (since ten years the paper money remaining in circulation is on a par with gold) the 4½ per cent. is only at 105 on account of the right of redemption at par coming on September 1, 1891, while the 4 per cent. is at 125, its redemption at par not taking place before July 1, 1907. It is evident that the National banks, especially the oldest ones, must profit by this revival of the public credit of the United States. That is well. But for the banks now being founded or existing only within a few years, let a conflagration come once more to put in doubt the solidity of the Federal bond, and it is easy to understand what losses they will suffer upon their capital in consequence of the depreciation of the funds deposited by them.

The origin of this form goes back to the system established in the State of New York in 1838, under the name of the Free Banking System. It was in competition with another, the Suffolk System, flourishing from 1803 in New England. (It is well known that this is the name of the group of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, which the English began to colonize in the reign of Elizabeth.) Observing how much the diversity of bank notes localized in each credit institution, accepting its own, refusing those of the others, injured the credit of this sort of paper, a certain number of banks, at the invitation of the Suffolk Bank of Boston (still existing in our day as National Bank No. 629), formed a group, engaging, under certain conditions, to continue to accept reciprocally all the

* From the word *English*, as pronounced by the Indians.

notes of the banks joining the association. This is what we have seen above existing in Switzerland and in Sweden particularly. The result was a very great security in the matter of credit in this northeastern part of the United States. Until 1863, when the creation of the National banks broke the bonds uniting them, they rendered New England eminent service, fortifying it against the crises that too often afflicted the other parts of the Union.

Here we end our banking excursion, having taken from one side and another only what might, in the present state of things, offer the most comparative interest. We have thought best also to omit the countries with paper money, a slow poison whose disastrous ravages are only seen in the long run, and those countries which have but a mere pretense of free banks, using it to cloak fraudulent operations that do not belong in economics. They are no longer faults, they are crimes.

If we seek a conclusion to this rather rapid view, too rapid even for the importance of the subject and the interest of the question, we remark first that absolute liberty is nowhere practiced. Absolute liberty is an ideal aim which must never be lost sight of, although there may be no hope of attaining it at any time. To practice it a perfect and ideal humanity would be required like the aim itself. Must we give up the idea of coming anywhere near it? This would be like giving up the effort to be virtuous, since perfection cannot be reached. Progress, incessant progress is the order of the day; since Smith and Turgot it is the rule of economic movement; we may admit human weakness, but let us not set it up as a guiding principle. Temporary concessions may be made to it, but let us not abdicate in its favor.

The English system and even the German system, though in a less degree, are hostile to credit. Now, credit is the best division of capital; it is the most judicious distribution in a state of liberty of this wonderful factor of production; thanks to credit, capital goes to the most capable without despoiling its less skillful owner. Any system, therefore, which declares credit inimical to economic development is false, and consequently dangerous. It should be rejected. Moreover, we may judge it by its tendency. Putting the principal instruments of credit in the hands of a single institution, which is itself the State's vassal, reminds one of the single head that a certain Roman emperor wanted to see on the whole human race, for what purpose is well known. At least he did not make a secret of it.

The American system mixes the Government's credit with private credit, a regrettable and dangerous confusion. When the day of disaster comes, there is really but a single bank, and that in the Government's hands, with several thousands of offices. A fatal mingling this is of the public finances with private business. We know what this cost us at the time of the assignats.

The Swedish system, better no doubt, is still defective, since it locks up, under the pretext of security, resources which the practice of credit teaches should be left constantly in use. This rigidity of the economic organs is not equal to the elasticity suited to industrial enterprises. There remains the system used formerly in the most prosperous, intelligent, and moral part of the United States, the Suffolk System, practiced a century earlier in Scotland, fifty years later in Switzerland: the voluntary union of the banks of circulation of a country, amenable only to a general law, laying down summarily the most important rules, such as publicity and the severe repression of fraud, in the matter of credit institutions, a union giving to industrious populations liberty of credit joined to unity of notes.

We do not hope to convert rapidly the disinterested partisans of the perpetuity of the Bank of France's privilege to the ideas that have been advocated by the most illustrious masters of economic science; no, this will take time. But to condemn us for thirty years to stand still in the matter of credit, when we behold around us the most varied systems testifying to the importance attached by everybody to that organic instrument of production called credit, this is to condemn the country in advance to go further on that road towards inferiority, where our laws upon international exchange have already put us too far. After all, is the country waiting for the prolongation of the privilege of the Bank of France, as much as is said, in order to have confidence in that fine and great institution, which has but one serious defect, the privilege, which prevents its being appreciated at its just value and for itself? Will its notes be refused, because the privilege is not renewed at once? We have still six years of privilege, six years in which our legislators may study more thoroughly the systems practiced abroad now and in the past, systems which they know but little about, absorbed as they are in political interpellations and petty contests. The public does not fear to trust funds, payable either at sight or at longer or shorter periods, sometimes four or five years, amounting to several hundreds of millions of francs, almost a milliard for one of them, to various credit banks, and we are frightened at the idea of seeing the same public free to accept or not a note payable at sight. Really this is slandering its tact or intelligence; its education has been complete these forty years, and it deserves more confidence from those who, after all, are but its representatives, we may say without offense to them.

LIABILITY OF A BANK FOR SPECIAL DEPOSITS.

SUPREME COURT OF THE UNITED STATES.

Preston v. *Prather*.

When a bank receives bonds for compensation without compensation in any form, but exclusively for the benefit of the depositor, the bank is only required to exercise over the bonds such reasonable care as men of prudence usually bestow for the protection of their own property of similar character.

But persons depositing valuable articles with bankers and banking institutions expect that such measures will be taken as will secure the property from burglars outside and from thieves within, and that, whenever ground for suspicion arises, an examination will be made to see that the deposit has not been abstracted or tampered with, and also that the bailees will employ fit men, both in ability and integrity, for the discharge of their duties, and remove those employed whenever found wanting in these particulars. An omission of such measures would in most cases be deemed negligence so gross as to amount to a breach of good faith, and constitute a fraud upon the depositor.

Therefore, it was held that the plaintiffs were grossly negligent in retaining their assistant cashier, after having been informed he had been engaged in speculating in stocks and grain, and that his means were scant, without any effort on their part to see that he had not converted to his own use the property of others, or that his statements were correct, and rendered them liable for the value of the bonds deposited with them and stolen by him.

If a deposit is changed from a gratuitous bailment to a security for loans, it becomes a bailment for the benefit of both parties; and the bank is required to extend such to the property as a prudent owner would extend to his own property of a similar kind, being in that respect under an obligation of a more stringent character than that of a gratuitous bailee, but differing from him by becoming liable for the loss of the property if caused by his neglect, though not amounting to gross negligence.

FIELD, J.—The plaintiffs below, the defendants in error here, are citizens of Missouri, and for many years have been co-partners, doing business at Maryville, in that State, under the name of the Nodaway Valley Bank of Maryville. The defendants below are citizens of different States, one of them of Michigan and the others of Illinois, and for a similar period have been engaged in business as bankers at Chicago, in the latter State. In 1873, the plaintiffs opened an account with the defendants, which continued until the spring of 1883. The average amount of deposits by them with the defendants each year, during this period, was between two and four hundred thousand dollars. Interest was allowed at the rate of two and one half per cent. on the deposits above three thousand dollars, but nothing on deposits under that sum.

On the 7th of July, 1880, the plaintiffs purchased of the defendants four per cent. bonds of the United States to the nominal amount of $12,000, but the bonds being at a premium in the market, the plaintiffs paid for them, including the accrued interest thereon, $13,005. The purchase was made upon a request by letter from the plaintiffs, and all subsequent communications between the parties respecting the bonds, and the conditions upon which they were to be held, are contained in their correspondence. The letter directing the purchase concluded with a request that the defendants send to the plaintiffs a description and the numbers of the bonds, and hold the same as a special deposit. In the subsequent account of the purchase rendered by the defendants, the plaintiffs were informed that the bonds were held on special deposit, subject to their order. The numbers of the bonds appear upon the bond register kept by the defendants, and the bonds remained in their custody until some time between November, 1881, and November, 1882, when they were stolen and disposed of by their assistant cashier, one Ker, who absconded from the State on the 16th of January, 1883. The present action is brought to recover their value.

By the defendants it was contended below in substance, and the contention is renewed here, that the bonds being placed with them on special deposit for safe keeping, without any reward, promised or implied, they were gratuitous bailees, and were not chargeable for the loss of the bonds, unless the same resulted from their gross negligence, and they deny that any such negligence is imputable to them.

On the other hand, the plaintiffs contended below, and repeat their contention here, that, assuming that the defendants were in fact simply gratuitous bailees when the bonds were deposited with them, they still neglected to keep them with the care which such bailees are bound to give for the protection of property placed in their custody; and further, that subsequently the character of the bailment was changed to one for the mutual benefit of the parties. . . .

Undoubtedly, if the bonds were received by the defendants for safe keeping, without compensation to them in any form, but exclusively for the benefit of the plaintiffs, the only obligation resting upon them was to exercise over the bonds such reasonable care as men of common prudence would usually bestow for the protection of their own property of a similar character. No one taking upon himself a duty for another without consideration, is bound, either in law or morals, to do more than a man of that character would do generally for himself under like conditions. The exercise of reasonable care is in all such cases the dictate of good faith. An utter disregard of the property of the bailor would be an act of bad faith to him. But what will constitute such reasonable care will vary with the nature, value and situation of the property, the general protection afforded by the police of the community against violence and crime, and the bearing of surrounding circumstances upon its security. The care usually and generally deemed necessary in the community for the security of similar property, under like conditions, would be required of the bailee in such cases, but nothing more. The general doctrine, as stated by text writers and in judicial decisions, is that gratuitous bailees of another's property are not responsible for its loss, unless guilty of gross negligence in its keeping. But gross negligence in such cases is nothing more than a failure to bestow the care which the property in its situation demands; the omission of the reasonable care required is the negligence which creates the liability; and whether this existed is a question of fact for the jury to determine, or by the court where a jury is waived. (See *Steamboat New World* v. *King*, 16 How. 470, 474, 475; *Railroad Company* v. *Lockwood*, 17 Wall. 357, 383; *Milwaukee R. Co.* v. *Arms*, 91 U. S. 489, 494.) The doctrine of exemption from liability in such cases was at one time carried so far as to shield the bailees from the fraudulent acts of their own employes and officers, though their employment embraced a supervision of the property, such acts not being deemed within the scope of their employment.

Thus, in *Foster* v. *Essex Bank*, 17 Mass. 479, the bank was, in such a case, exonerated from liability for the property intrusted to it, which had been fraudulently appropriated by its cashier, the Supreme Judicial Court of Massachusetts holding that he had acted without the scope of his authority, and, therefore, the bank was not liable for his acts any more than it would have been for the acts of a mere stranger. In that case a chest containing a quantity of gold coin, which was specified in an accompanying memorandum, was deposited in the bank for safe keeping, and the gold was fraudulently taken out by the cashier of the bank, and used. It was held, upon the doctrine stated, that the bank was not liable to the depositor for the value of the gold taken.

In the subsequent case of *Smith* v. *First National Bank*, 99 Mass. 605, 611, the same court held that the gross carelessness which would charge a gratuitous bailee for the loss of property must be such as would affect its safe keeping, or tend to its loss, implying that liability would attach to the bailee in such cases, and to that extent qualifying the previous decision.

In *Scott* v. *National Bank of Chester Valley*, 72 Pa. St. 479, 480, the Supreme Court of Pennsylvania asserted the same doctrine as that in the Massachusetts case, holding that a bank, as a mere depositary, without special contract or reward, was not liable for the loss of a Government bond deposited with it for safe keeping, and afterward stolen by one of its clerks or tellers. In that case it was stated that the teller was suffered to remain in the employment of the bank after it was known that he had dealt once or twice in stocks, but this fact was not allowed to control the decision, on the ground that it was unknown to the officers of the bank that the teller gambled in stocks until after he had absconded, but at the same time observing that:

"No officer in a bank, engaged in stock gambling, can be safely trusted, and the evidence of this is found in the numerous defaulters, whose peculations have been discovered to be directly traceable to this species of gambling. A cashier, treasurer, or other officers having the custody of funds, thinks he sees a desirable speculation, and takes the funds of his institution, hoping to return them instantly, but he fails in his venture, or success tempts him on, and he ventures again to retrieve his loss, or increase his gain, and again and again he ventures. Thus the first step, often taken without a criminal intent, is the fatal step which ends in ruin to himself and to those whose confidence he has betrayed."

As stated above, the reasonable care which persons should take of property intrusted to them for safe keeping without reward will necessarily vary with its nature, value and situation, and the bearing of surrounding circumstances upon its security. The business of the bailee will necessarily have some effect upon the nature of the care required of him, as, for example, in the case of bankers and banking institutions, having special arrangements, by vaults and other guards, to protect property in their custody. Persons, therefore, depositing valuable articles with them expect that such measures will be taken as will ordinarily secure the property from burglars outside and from thieves within, and that whenever ground for suspicion arises an examination will be made by them to see that it has not been abstracted or tampered with; and also that they will employ fit men, both in ability and integrity, for the discharge of their duties, and remove those employed whenever found wanting in either of these particulars. An omission of such measures would in most cases be deemed culpable negligence, so gross as to amount to a breach of good faith, and constitute a fraud upon the depositor.

It was this view of the duty of the defendants in this case, who were engaged in business as bankers, and the evidence of their neglect, upon being notified of the speculations in stocks of their assistant cashier who stole the bonds, to make the necessary examination respecting the securities deposited with them, or to remove the speculating cashier, which led the court to its conclusion that they were guilty of gross negligence. It was shown that about a year before the assistant cashier absconded, the defendant Kean, who was the chief officer of the banking institution, was informed that there was some one in the bank speculating on the Board of Trade at Chicago. Thereupon Kean made a quiet investigation, and the facts discovered by him pointed to Ker, whom he accused of speculating. Ker replied that he had made a few transactions, but was doing nothing then and did not propose to do anything more, and that he was then about a thousand dollars ahead, all told. It was not known that Ker had any other property besides his salary. His position as assistant cashier gave him access to the funds as well as the securities of the bank, and he afterward kept in his position without any effort being made on the part of the defendants to verify the truth of his statement, or whether he had attempted to appropriate to his own use the property of others.

Again, about two months before Ker absconded, one of the defendants, residing at Detroit, received an anonymous communication, stating that some one connected with the bank in Chicago was speculating on the Board of Trade. He thereupon wrote to the bank, calling attention to the reported speculation of some of its employes, and suggesting inquiry and a careful examination of its securities of all kinds. On receipt of this communication Kean told Ker what he had heard, and asked if he had again been speculating on the Board of Trade. Ker replied that he had made some deals for friends in Canada, but the transactions were ended. The defendants then entered upon an examination of their books and securities, but made no effort to ascertain whether the special deposits had been disturbed. Upon this subject the court below, in giving its decision (29 Fed. Rep. 498), after observing that the defendants knew that Ker had been engaged in business which was hazardous, and that his means were scant, and after commenting upon the demoralizing effect of speculating in stocks and grain, as seen in the numerous speculations, embezzlements, forgeries and thefts plainly traceable to that cause, and the free access by Ker to valuable securities, which were transferable by delivery, easily abstracted and converted, and yet his being allowed to retain his position without any effort to see that he had not converted to his own use the property of others, or that his statements were correct, held that it was gross negligence in the defendants not to discharge him or place him in some position of less responsibility. In this conclusion we fully concur.

The second position of the plaintiffs is also well taken, that, assuming the defendants were gratuitous bailees at the time the bonds were placed with them, the character of the bailment was subsequently changed to one for the mutual benefit of the parties. It appears from the findings that the plaintiffs subsequently to their deposit had repeatedly asked for a discount of their notes by the defendants, offering the latter the bonds deposited with them as collateral, and that such discounts were made. When the notes thus secured were paid, and the defendants called upon the plaintiffs to know what they should do with the bonds, they were informed that they were to hold them for the plaintiffs' use as previously. The plaintiffs had already written to the defendants that they desired to keep the bonds for an emergency, and also that they wished at times to overdraw their account, and that they would consider the bonds as security for such overdrafts. From these facts the court was of opinion that the bonds were held by the defendants as collateral to meet any sums which the plaintiffs might overdraw; and the accounts show that they did subsequently overdraw in numerous instances.

The deposit, by its change from a gratuitous bailment to a security for loans, became a bailment for the mutual benefit of both parties, that is to say, both were interested in the transactions. For the bailor it obtained the loans, and to that extent was to his advantage; and to the bailee it secured the payment of the loans, and that was to his advantage also. The bailee was, therefore, required, for the protection of the bonds, to give such care as a prudent owner would extend to his own property of a similar kind, being in that respect under an obligation of a more stringent character than that of a gratuitous bailee, but differing from him in that he thereby became liable for the loss of the property if caused by his neglect, though not amounting to gross negligence.

Two cases cited by counsel, one from the Court of Appeals of Maryland and the other from the Court of Appeals of New York, declare and illustrate the relation of parties under conditions similar to those of the parties before us.

In the case from Maryland (*Third Nat. Bank* v. *Boyd*, 44 Md. 47), it appeared that a firm by the name of William A. Boyd & Co. was a large customer of the Third National Bank of Baltimore, and on the 5th of February, 1866, was indebted to it in about $5,000. Subsequently, the senior member of the firm, pursuant to an agreement between him and the president of the bank, deposited with the bank certain bonds and stocks as collateral security for the payment of all obligations of himself and of the firm then existing or that might be incurred thereafter, with the understanding that the right to sell the collaterals in satisfaction of such obligations was vested in the officers of the bank. Some of the bonds were subsequently withdrawn and others deposited in their place. While these collaterals were with the bank the firm kept a deposit account, having an average of about $4,000, and from time to time, as it needed, obtained on the security of the collaterals discounts ranging from three to fifteen thousand dollars. The firm was not indebted to the bank subsequently to July, 1872, when it paid its last indebtedness; the bonds, however, were not then withdrawn, but left in the bank under the original agreement. In August, 1872, the bank was entered by burglars and certain of the bonds were stolen. In an action by the senior partner against the bank to recover the value of the bonds stolen, it was held: "First. That the contract entered into by the bank was not a mere gratuitous bailment. Second. That the original contract of bailment being valid and binding, the obligation of the bank for the safe custody of the deposit did not cease when the plaintiff's debt had been paid. Third. That the defendant was responsible if the bonds were stolen in consequence of its failure to exercise such care and diligence in their custody and keeping as banks, of common prudence in like situation and business, usually bestowed in the custody and keeping of similar property belonging to themselves; that the care and diligence ought to have been such as was properly adapted to the preservation and protection of the property, and should have been proportioned to the consequence likely to arise from any improvidence on the part of the defendant. Fourth. That the proper measure of damages was the market value of the bonds at the time they were stolen. Whether due care and diligence have been exercised by a bank in the custody of bonds deposited with it as collateral security is a question of fact exclusively within the province of the jury to decide."

In the case from New York (*Cutting* v. *Marlor*, 78 N. Y. 454), it appeared that the defendant, as collateral security for a loan made to him by a bank, delivered to it certain securities, which were taken and converted by the president to his own use. In an action by the receiver of the bank to recover the amount loaned, it was found that the trustees of the bank left the entire management of its business with the president and an assistant, styled manager; that they received the statements of the president without question or examination; that they had no meetings pursuant to the by-laws, and made no examinations of the securities, and exercised no care or diligence in regard to them; also, that the president had been in the habit of abstracting securities and using them in his private business, most of them being returned when called for; and that the manager, who had knowledge of this habit, did not take any means to prevent it, nor did he notify the trustees. It was held that the bank was chargeable with negligence, and that the defendant was entitled to counter-claim the value of the securities; that the bailment was for the mutual benefit of the parties; that the bailee was bound, for the protection of the property, to exercise ordinary care, and was liable for negligence affecting the safety of the collaterals, distinguishing the case from the liability of a gratuitous bailee, which arises only where there has been gross negligence on his part.

It follows, therefore, that, whether we regard the defendants as gratuitous bailees in the first instance, or as afterwards becoming bailees for the mutual benefit of both parties, they were liable for the loss of the bonds deposited with them. And the measure of the recovery was the value of the bonds at the time they were stolen.

Judgment affirmed.

DELAY IN COLLECTING CHECK.

SUPREME COURT OF TEXAS.

Curtis & Co. Manuf'g Co. v. *Douglass, et al.*

A check made by a third person, payable at a bank in Mt. Vernon, Tex., was mailed to plaintiff at St. Louis, Mo., in payment of the note of the defendant. The check was mailed the bank for collection, and protested for non-payment on December 26, 1888. Evidence for the defendent tended to show that the check was mailed plaintiff December 12 or 13, 1888, accompanied by a letter dated December 12, 1888, and that the letter, in ordinary course of mail, should have reached St. Louis in two days from that date. It was also shown that the envelope containing the letter was not preserved by the plaintiff, and that the part of the letter where the date should have been written was torn off. *Held*, that the evidence was sufficient to sustain a finding that the plaintiff had not used due diligence in the collection of the check.

STAYTON, C. J.—This action originated in a justice's court, and the statement of the case by counsel for appellant is as follows: "Douglass & Glass were indebted to appellant, Curtis & Co. Manufacturing Co., on a note for $165.50, with interest at 8 per cent. from 7th of July, 1888. On the ——— day of December, 1888, appellees forwarded by mail to appellant in St. Louis, Mo., a check for $171.34, drawn by Goudelock & Co., a firm in Mt. Vernon, Tex., composed of S. D. Goudelock, on the Mt. Vernon Bank, of Mt. Vernon, Tex., in favor of appellant to cover the amount then due on the note, and 40 cents as exchange. This check was received by appellant on 22d of December, 1888, and it was forwarded to the Mt. Vernon Bank for payment. The bank, on 26th of December, 1888, refused to honor the check, and protested it, at a cost of $4.04. Appellant was notified of the refusal of the bank to pay the check, and of its protest, on the 29th of December, 1888. On the 28th of December, 1888, before receiving notice of the protest by the bank, appellant forwarded the note to appellees by mail, acknowledging receipt of payment of note by check. On receiving notice of the refusal of the Mt. Vernon Bank to pay the check, appellant drew on appellees for the amount specified in the check, and the protest fee, $4.04, aggregating $175.38, which appellees refused to pay, claiming that the debt due by them to appellant had been paid by the check." The correctness of this statement, however, is controverted as to some matters, about which the evidence is conflicting. The evidence shows that the check was mailed to appellant at Mt. Vernon on the 12th or 13th of December, 1888, and that by ordinary course of mail it would take two days for it to reach St. Louis, and the same time for a return. Evidence for appellees tends to show that a letter bearing date December 12, 1888, accompanied the check, and that a letter did accompany it is not denied; but the evidence for the appellant is to the effect that the letter bore no date, that it was not received until the 22d December, 1888, and that December 20, 1888, was placed on the letter by an employe of appellant as the supposed date. The envelope in which the letter and check were inclosed was not preserved, and there was great conflict in the evidence whether a part of the paper on which the letter was written, embracing the part on which the date was, had not been torn off after it reached appellant. The evidence upon that issue was such that the jury might have found that the part of the letter containing statement of place from which sent, date, and other matters on the paper relative to the business of Goudelock, on whose business paper the letter was written, had been torn off after it was mailed, or to the contrary. The evidence is positive to the effect that the letter was not received by appellant until 22d December, 1888, and the evidence tending to show the contrary consists in proof that in the ordinary course of mail it ought to have reached appellant earlier than that date, and in the evidence tending to show spoliation. Evidence for appellant shows that due diligence was used to collect the check, if it was not received by it earlier than the 22d. Goudelock had an account with the Mt. Vernon Bank, growing out of deposits made in ordinary course of business, but the bank was not indebted to him when the check was presented, and therefore refused to accept or pay it. Whether checks of Goudelock & Co. would be honored by the bank at all times depended upon the state of his deposit account, and Goudelock & Co. generally checked out their funds about as fast as he made deposits. The state of Goudelock's account with the bank up to 22d of December renders it uncertain whether, on account of deposits, the check would have been paid had it been presented; but his evidence is to the effect that, had the check been presented even as early as December 24th, it would have been paid. The evidence further renders it probable that, since the 26th of December, Goudelock was not in condition to protect the draft. Douglass & Glass paid Goudelock for the check when he issued it,

No complaint is made of the charge of the court which instructed the jury as to the facts which would entitle the one or the other party to a judgment, but it is claimed that the evidence was not sufficient to sustain a verdict for the defendants. Under the facts proved, it is clear that appellant did not receive the check under any express agreement that it should be received in payment of the sum due from Douglass & Glass. It was under no obligation to receive it at all, but, having received it, was under obligation to use diligence to collect it. We understand the law to be as thus stated by an elementary writer: "When the debtor transfers by delivery, merely, the bill or note of another for an antecedent debt, he is undoubtedly not entitled to require strict presentment and notice, as he is not a party to the instrument. Still, by accepting the instrument in conditional payment, the creditor comes under an obligation to use due diligence in making it subserve the purpose for which it was given, and if, by his delay and laches, he loses the opportunity to collect and apply the proceeds, he cannot then enforce the original right of action against the transferrer." (2 Daniel, Neg. Inst. §§ 1,278, 1,276; Story, Bills, § 109.) The same rule applies to the facts of this case. Under the evidence, it was for the jury to determine when appellant actually received the check, and, although that tending to show that it was received before December 22d is circumstantial, we are not prepared to hold that it was not sufficient to justify a finding that it was received much earlier than the date at which appellant claims to have recived it. If the letter accompanying the check was mutilated as claimed, the inference would not be unfair that this was done for the purpose of destroying the date of the letter. The date entered by the employe of appellant as the supposed date of the letter was in black ink, while all others, including the address from which sent, was in red ink. The envelope in which the check and accompanying letter were sent was not preserved, so that the stamped date showing when received at the post-office in St. Louis might be exhibited. That this was not done was a circumstance to be considered by the jury. The jury must have come to the conclusion that appellant received the check in usual course of mail, and, if it did, it cannot be held that it used proper diligence to collect it; or at least the finding of the jury, which involves a finding that due diligence was not used, is not without sufficient evidence to sustain it. Finding no error, the judgment will be affirmed.—*Southwestern Reporter.*

USURIOUS INTEREST.

COURT OF APPEALS OF KENTUCKY.

Henderson Nat. Bank v. *Alves.*

Assignees under a deed of trust for the benefit of creditors are "personal representatives" within Rev. St. U. S. § 5,198, providing that, in case a greater rate of interest has been paid to a National bank than is allowed by the laws of the State in which the bank is located, the person by whom it has been paid, or his legal representative, may recover twice the amount of interest thus paid.

The liability of the bank is for "twice the amount of the interest paid," and is not limited to double the excess above the legal rate.

Said section 5,198 providing that the action must be commenced "within two years from the time the usurious transaction occurred," the limitation runs from the date of the usurious transaction, and not necessarily from the payment of the note on which the interest is reserved.

The action may be brought in a State court of the county or city in which the bank is located.

The petition need not refer to the statute.

Said section 5,198 providing that taking, etc., a greater rate of interest than is allowed "shall, when knowingly done, be deemed a forfeiture of the entire interest," and that in such case twice the amount of interest thus paid may be recovered, the petition must allege that the taking, etc., the greater rate of interest was "knowingly done," and, a general demurrer having been overruled, the defect is not cured by verdict.

LEWIS, J.—By section 5,197, Rev. St. U. S., it is, in substance, provided that any banking association organized under act of Congress may take, receive, reserve and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate allowed by the laws of the State where the bank is located, and no more. Section 5,198 is as follows: "The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, twice the amount of interest thus paid from the association taking or receiving the same; provided such action is commenced within two years from the time the usurious transaction occurred. That suits, actions and proceedings against any associatiion under this title may be had in any circuit, district, or territorial court of the United States held within the district in which such association may be established, or in any State, county or municipal court in the county or city in which said association is located, having jurisdiction in similar cases." This action was brought October, 1886, by Rentlinger and Eisfelder, suing for use of W. S. Alves, their assignee, and by the latter suing for himself, as assignee, to recover of Henderson National Bank judgment for twice the amount of interest alleged to have been paid at the rate of 8 per cent. per annum, on divers notes for borrowed money, described in the petition. And, judgment having been rendered for part of the amount sued for, defendants have appealed, plaintiffs prosecuting a cross-appeal. To the petition were filed special demurrers that the plaintiff, W. S. Alves, as assignee, has not legal capacity to sue, and that the court has no jurisdiction of the subject of the action, and also a general demurrer.

1. It seems to us the term "legal representative," used in the statute, comprehends an assignee under deed of trust for benefit of creditors, such as Alves is, and the action might have been maintained, if at all, by him alone; for he is entitled in his representative capacity to what may be recovered.

2. The question of jurisdiction of State courts of cases like this has never been directly presented to or decided by this court. In *Haney* v. *Sharp*, 1 Dana, 441, decided in 1833, a warrant was issued against the defendant for a penalty denounced by an act of Congress for refusal to give to the marshal a list of his family, when required to do so, for completing the fifth census; and on appeal from the judgment against him this court used the following language: "The courts of this State, deriving their jurisdiction, as they do, from the authority of the State, cannot take cognizance of a penal case arising under an act of Congress, unless some law of this commonwealth had given the right to do so, and the General Government had by an act of Congress also consented. In such a case as this no tribunal of the State has an inherent concurrent jurisdiction; and, therefore, without such co-operative legislation as that just suggested, the jurisdiction of the courts of the Federal Government must necessarily be exclusive. And whether any Legislature could confer jurisdiction in such cases on State courts depends upon the proper construction of the Federal and State constitutions, which we will not now consider." The liability incurred in that case was in the nature of a fine or penalty for violation of a general law by which the public was affected, but that did not directly injure or affect private rights at all; and the proceeding was strictly penal in its nature and result. But the reciprocal power of Congress to confer and of the commonwealth to accept or confirm jurisdiction of State courts was not denied, even then. But, as said in *Ordway* v. *Bank*, 47 Md. 217, a case like this, and where the same question—of jurisdiction—was decided: "In this case the cause of action is a forfeiture, a penalty of a civil nature, for the exact-

ing and taking of usurious interest upon money loaned; and the remedy given by the statutes is by private civil action of debt to the party grieved. The Government or the public is not concerned in it. It is therefore a private right pursued by a private civil action." In *Bletz* v. *Bank*, 87 Pa. St. 87, it was held that, the form of the action being within the jurisdiction of the State court, the right claimed in this form being private, belonging to the borrower alone, it is immaterial whether the source of the right is a State or Federal law. And to the same effect is *Hade* v. *McVay*, 31 Ohio St. 231. In fact, such seems to be the general current of decisions on the subject. In *Claflin* v. *Houseman*, 93 U. S. 131, in discussing the relation of Federal and State governments, the Supreme Court say: "The laws of the United States and laws in the several States are just as much binding on the citizens and courts thereof as the State laws are. The United States is not a foreign sovereignty, as regards the several States, but is a concurrent, and, within its jurisdiction, paramount sovereignty. Every citizen of a State is a subject of two distinct sovereignties, having concurrent jurisdiction in the State, concurrent as to place and persons, though distinct as to subject-matter. Legal or equitable rights acquired under either system of laws may be enforced in any court of either sovereignty competent to hear and determine such kind of rights, and not restrained by its constitution in the exercise of such jurisdiction. Thus a legal or equitable right acquired under State laws may be prosecuted in the State courts, and also, if the parties reside in different States, in the Federal courts. So rights, whether legal or equitable, acquired under the laws of the United States, may be prosecuted in the United States courts or in the State courts competent to decide rights of the like character and class; subject, however, to this qualification—that when a right arises under the law of the United States, Congress may, if it see fit, give to the Federal courts exclusive jurisdiction. . . . If an act of Congress gives a penalty to a party aggrieved, without specifying a remedy for its enforcement, there is no reason why it should not be enforced, if not provided otherwise by some act of Congress, by a proper action in the State court. The fact that a State court derives its existence and functions from State laws is no reason why it should not afford relief, because it is subject also to the laws of the United States, and is just as much bound to recognize these as operative within the State as it is to recognize the State laws." Whether, if the statute under which this action is brought was criminal or strictly penal in its nature, consent of the State Legislature would be necessary to exercise of jurisdiction by State courts, is immaterial. The infraction of the statute affects alone private rights, and the complaint must be by a private citizen, seeking a remedy against another citizen or corporation expressly given by the statute, and which can be obtained in many cases (this being one) alone in a State court; for, under operation of the statute in question, not only is the right to seek the remedy in State courts expressly given, but it can in this case and others like it, on account of the amount involved, be obtained nowhere else. Moreover, a banking association created by the statute can unquestionably make complaint and obtain complete redress in a State court against a debtor or other person dealing with it who has in any way infringed its rights existing in virtue of the statute. And it would be a strange interpretation to decide that such debtor may not seek and obtain in the same tribunal such redress of grievance as the statute affords him against the bank. It seems to us, as the right to maintain such action is a legal and enforceable one, and jurisdiction is expressly given to State courts by the statutes, consent of the State Legislature to the exercise of it, even if necessary, must be implied.

3. The criterion of recovery in such case is, we think, in the unambiguous language of the statute, "twice the amount of the interest thus paid"; for, if it had been the intention to limit recovery to excess of interest above the legal rate, which is 6 per cent., terms would have been used describing the amount recoverable as such excess, or as the usury paid and received.

4. We also think that the limitation of two years, prescribed by the statute, within which an action may be commenced, begins to run, in the language of the statute, "from the time the usurious transaction occurred," which appears to have been in each instance mentioned in appellees' petition as the dates, and not times of payment, of the several notes. Consequently the lower court properly limited recovery in each case where the transaction had occurred two years before commencement of the action.

5. One ground of demurrer is failure of appellee to state in the petition under what statute the penalty had been incurred, and the right of action therefor had accrued, and *Bell* v. *Norris*, 79 Ky. 48, is cited to support the demurrer. But in this case, unlike that, there is no right of alternative recovery, nor any right to recover at all except under the statute creating appellant as a corporation, and fixing liabillty for taking or receiving usury.

6. But the statute makes a banking association liable for the penalty sued for in this action only when "the taking, receiving, reserving or charging a rate of interest greater than is allowed" thereby be knowingly done; and as the petition does not contain this allegation, which we regard indispensable, the general demurrer ought to have been sustained for that reason. It, however, appears the cashier of the bank stated as a witness, and the court found as a fact, trial by jury having been waived. that the excess of interest was taken and received by appellee knowingly. But we think the defect of the petition was not cured thereby, because, in absence of the allegation mentioned, there was no cause of action stated, and, a general demurrer having been filed, no judgment could be properly rendered without amending the petition. We have considered and determined the other questions presented and argued, notwithstanding that defect of the petition; wherefore, for that reason, the judgment is reversed on the appeal, and the cause remanded for further proceedings consistent with this opinion, which may include an amendment to the petition, and is affirmed on the cross-appeal.

LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENTS—TRANSFER.—G. was the owner of a promissory note payable to bearer, and delivered it to J., who agreed to pay for it if he could use it in a certain way. J. died without having been able to use the note as contemplated, and his widow transferred it to plaintiff, who took it in good faith and for value, but after maturity: *Held*, that G. was entitled to recover the note from plaintiff. [*Walker* v. *Wilson*, Tex.]

NEGOTIABLE INSTRUMENTS—BONA FIDE PURCHASER.—A purchaser of a note before maturity is not affected by a judgment against the makers, as garnishees of the payee, where he had no notice of the garnishment, and it is immaterial that the payee held the note when the proceedings were instituted, no steps being taken to impound it, and he being able to transfer it with all the evidence of ownership and authority. [*Head* v. *Cole*, Ark.]

NEGOTIABLE INSTRUMENTS—GRACE.—In Arkansas, a bill payable at sight is entitled to grace. [*Wards* v. *Sparks*, Ark.]

TAXATION.—Under Rev. St. Tex. 1879, art. 4,684, pl. 4, as amended by Laws Tex. 1883, p. 111, providing that private bankers shall list for taxation their money on hand and in transit, and in the hands of others subject to draft, except treasury notes, and their bills receivable and other credits, and that from this aggregate shall be deducted the amount of "money on deposit," they are entitled to deduct the full amount due depositors, though part of the money deposited may have been treasury notes, "money on deposit" being general deposits, and not special deposits held by the bank as a bailee. [*Griffin* v. *Heard*, Tex.]

BANK EXAMINERS—COMPENSATION.—Under the act of March 29, 1889, requiring banks, corporations, firms and individuals transacting a banking business to report their resources and liabilities to the auditor of public accounts, and providing for their yearly examination, the fees of bank examiners, appointed by the board of State officers under the act, are to be strictly in conformity to section 8 of the act, and any resolution or order of the board of State officers prescribing any other rule or rate of compensation is without authority and void. [*State* v. *Benton*, Neb.]

BONDS—INTEREST COUPONS.—Interest coupons attached to negotiable bonds are distinct and independent promises to pay the interest installments, and a recovery on one is no bar to a suit on another, though the latter was past due when the first action was brought. [*Butterfield* v. *Town of Ontario*, U. S. C. C., N. Y.]

CORPORATION—RIGHTS OF CREDITORS.—The creditors of a corporation have an equitable claim on the corporate property which may be asserted against the stockholders, to whom the property has been apportioned on a dissolution of the corporation, and the fact that it was not lawfully dissolved is immaterial. [*Panhandle Nat. Bank* v. *Emery*, Tex.]

NEGOTIABLE INSTRUMENT—BONA FIDE PURCHASERS.—Where in an action on a note there is evidence from which the jury might find that the note was procured from defendant by fraud, the burden is on plaintiff to show that he or some former holder of the note had purchased it in good faith, before maturity, for full value, and in the usual course of business. [*Franc* v. *Dickinson*, N. Y.]

NEGOTIABLE INSTRUMENT—PROTEST.—The banking house at which a promissory note was made payable having ceased to do business, *held* proper to make such demand at the only existing bank in the city. [*First National Bank* v. *Wever*, Tex.]

PLEDGE.—Where a party holds a note as collateral security, and delivers it to the maker to pledge to a second party, with an obligation, when it shall have performed its functions, to be returned to him, to protect his indebtedness, the note is not extinguished, and the pledge lost. [*Cahn* v. *Ford*, La.]

NEGOTIABLE INSTRUMENTS—INNOCENT PURCHASERS.—Where a due-bill payable one day after date is assigned by the payee on the day of its date as collaterial security for a cash loan not evidenced by any note, but ten days afterwards the payee in the due-bill gives his note, payable with ten per cent. interest, for the cash previously loaned him, and permits the assignee of the due-bill to keep it as security for this note, such assignee is not an innocent purchaser before the maturity of the due-bill. [*City Bank of Dowagiac* v. *Dill*, Mich.]

THE NEW BANKING LAW OF MICHIGAN.

SECTION 1. *The People of the State of Michigan enact,* That any number of persons, not less than five (5), may associate to establish offices of discount and deposit to be known as commercial banks, and also to establish offices of loan and deposit to be known as savings banks, or to establish banks having departments for both classes of business, upon the terms and conditions and subject to the liabilities prescribed in this act, but the aggregate amount of the capital stock of any such bank shall not be less than one hundred thousand dollars ($100,000), except that banks with a capital of not less than fifteen thousand dollars ($15,000) may be organized in a city or village the population of which does not exceed one thousand five hundred (1,500) inhabitants, and banks with a capital of not less than twenty-five thousand dollars ($25,000) may be organized in a city or village, the population of which does not exceed five thousand inhabitants, and with a capital of not less than fifty thousand dollars ($50,000) in a city or village the population of which does not exceed twenty thousand (20,000) inhabitants. No bank shall take as security for any loan or discount a lien upon any part of its capital stock. The same security in kind and amount shall be required of stockholders and of persons not stockholders. No bank shall be the holder or purchaser of any portion of its capital stock unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith. Stock so purchased shall in no case be held by the bank for a longer time than six months, if the stock can be sold for what it cost, and it must be sold for the best price obtainable within one year, or canceled as hereinafter provided for the reduction of capital stock: *Provided,* That the provisions of this act as to the amount of capital shall not apply to any bank now organized and doing business at the time of the passage of this act.

SEC. 2. The persons associating shall execute articles of incorporation, which shall specify:

First, The name assumed by such bank, which shall be, in no material respect, similar to the name of any other bank organized under the laws of this State;

Second, The county and city or village where such bank is to be located and to conduct its business;

Third, The nature of its business, whether that of a commercial bank, savings bank, or both;

Fourth, The amount of its capital stock, which shall be divided into shares of one hundred dollars each;

Fifth, The names and places of residence of the stockholders, and the number of shares held by each of them;

Sixth, The period for which the bank is organized, which shall not exceed thirty (30) years. Such articles of incorporation shall be acknowledged before any officer authorized by the laws of this State to take and certify acknowledgments.

SEC. 3. Such articles of incorporation shall be executed in triplicate, one of which shall be recorded in the office of the County Clerk for the county in which the bank is located, one filed in the office of the Commissioner of the Banking Department, and one filed in the office of the Secretary of State. Such articles of incorporation, or copies thereof, duly certified by either of said officers, may be used as evidence in all courts for and against such bank.

SEC. 4. Upon making and filing the articles of incorporation required by this act the bank shall become a body corporate, and as such shall have power:

First, To adopt and use a corporate seal;

Second, To have succession for the period of years named in the articles of incorporation;

Third, To make contracts;

Fourth, To sue and be sued in any court of law or equity as fully as natural persons;

Fifth, To elect or appoint directors, who shall choose from their members a president and one or more vice-presidents, and shall have power to appoint and employ a cashier or treasurer, and other officers, define their duties, require bonds from such officers and clerks, dismiss such officers so elected or appointed, or any of them, at pleasure, and elect or appoint others to fill their places;

Sixth, To prescribe by its board of directors by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors and officers elected or appointed, its stockholders convened for special meetings, its property transferred, its general business conducted and the privileges granted to it by law exercised and enjoyed;

Seventh, To exercise by its board of directors or duly authorized officers or agents, subject to law, all such powers as shall be necessary to carry on the business of banking by discounting and negotiating promissory notes, drafts, bills of exchange and other evidences of debts, by receiving deposits, by buying and selling exchange, coin and bullion, and by loaning money on personal and real security as provided hereinafter; but no such bank shall take or receive more than the rate of interest allowed by law in advance on its loans and discounts: *Provided*, That this restriction shall not authorize any transaction for a less sum than fifty cents; and no bank shall transact any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the Commissioner of the Banking Department to commence the business of banking.

SEC. 5. At least fifty per cent. of the capital stock of every bank shall be paid in before it shall be authorized to commence business, and the remainder of the capital of such bank shall be paid in in monthly installments of at least ten per cent. on the whole of the capital, payable at the end of each succeeding month from the time it shall be authorized by the Commissioner of the Banking Department to commence business, and the payment of each installment shall be certified to the Commissioner, under oath, by the president, cashier or treasurer of the bank.

SEC. 6. Whenever any stockholder or his assignee fails to pay any installment on the stock when the same is required by the preceding section to be paid, the directors of such bank may sell the stock of such delinquent stockholder at public sale, as they shall deem best, having first given the delinquent stockholder twenty days' notice, personally or by mail at his last known address. If no bidder can be found who will pay for such stock the amount due thereon to the bank, with any cost incurred, the amount previously paid shall be forfeited to the bank, and such stock shall be sold as the directors may order, within six months from the time of such forfeiture, and if not sold it shall be canceled and deducted from the capital of the bank. If sold before cancellation, any surplus over the amount due on said stock to said bank, including all costs incurred thereon, with interest for the time delinquent, shall be returned to the original stockholder, his heirs or assigns. If such cancellation shall reduce the capital of the bank below the minimum required by law, the said capital shall, within thirty (30) days from the date of such cancellation, be increased to the required amount by additional subscriptions, in default of which a receiver may be applied for by the Commissioner of the Banking Department, with the advice and consent of the Attorney General, to close up the business of the bank.

SEC. 7. Whenever articles of incorporation are filed with the Commissioner of the Banking Department, as provided in this act, and the bank transmitting the same notifies the Commissioner that at least fifty per cent. of its capital has been duly paid in, and that such bank has complied with all the provisions of this act required before the bank shall be authorized to commence business, the Commissioner shall examine into the condition of such bank, ascertain the amount of money paid in on account of its capital, the name and place of residence of each of its directors, and the amount of capital stock of which each is the owner in good faith, and whether such bank has complied with all the other provisions of this act required to entitle it to engage in the business of banking. If upon such examination it appears that such bank is lawfully entitled to commence business, the Commissioner shall, within thirty (30) days after receiving notice that fifty per cent. of its capital has been paid in, give to such bank a certificate under his hand and official seal that such bank has complied with all the provisions required before commencing business, and that such bank is authorized to commence business; but the Commissioner, with the advice and consent of the Attorney General, may withhold such certificate whenever he has reason to believe that the stockholders have formed the same for any other than the legitimate business contemplated by this act.

SEC. 8. The bank shall cause the certificate issued under the preceding section to be published in some newspaper printed in the city, village or county where the bank is located, at least once in each week for six successive weeks, the first publication to be made within ten days after the receipt of said certificate, or, if no newspaper is there published, then in a newspaper published at the nearest county seat.

SEC. 9. The shares of stock of such bank shall be deemed personal property, and shall be transferred on the books of the bank in such manner as the by-laws thereof may direct, but no transfer of stock shall be valid against a bank so long as the registered holder thereof shall be liable as principal debtor, surety or otherwise to the bank for any debt which shall be due and unpaid, nor in such case shall any dividend, interests or profits be paid on such stock, so long as such liabilities continue, but all such dividends, interests or profits shall be retained by the bank and applied to the discharge of such liabilities; and no stock shall be transferred on the books of any bank without the consent of the board of directors, where the registered holder thereof is in debt to the bank for any matured and unpaid obligations.

SEC. 10. A bank may increase or reduce its capital at any time by a vote of its stockholders representing two-thirds of the capital had, at a meeting duly called for that purpose. A certificate of that fact shall be executed by its officers, including a majority of its directors, and filed as required for articles of incorporation. But no increase shall be valid until the amount thereof has been subscribed and actually paid in; and no reduction shall be made to a less amount than is required in section one for capital, nor be valid or warrant the cancellation of stock certificates, or diminish the personal liability of stockholders until such reduction has been approved by the Commissioner of the Banking Department. Such approval must be based upon a finding by him that the security of existing creditors of the bank will not be impaired by the proposed reduction.

SEC. 11. A bank may purchase, hold and convey real estate for the following purposes, but no other:

First, Such as shall be necessary for the convenient transaction of its business, including with its banking office, other apartments to rent as a source of income, but which shall not exceed fifty per cent. of its paid-in capital;

Second, Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its business;

Third, Such as it shall purchase at sale under judgments, decrees or mortgage foreclosures under securities held by it; but a bank shall not bid at any such sale a larger amount than to satisfy its debts and costs. Real estate shall be conveyed under the corporate seal of the bank, and the hand of its president, or vice-president, and cashier or treasurer. No real estate acquired in the cases contemplated in the second and third sub-sections above shall be held for a longer time than five years. If not sold before the expiration of said five years it must be sold at private or public sale within thirty days thereafter.

DIRECTORS.

SEC. 12. The affairs of each bank shall be managed by a board of not less than five directors, who shall be elected by the stockholders and hold office for one year, and until their successors are elected and have qualified. A majority of the board of directors shall constitute a quorum for the transaction of business: *Provided,* That when the number of directors shall exceed nine, they shall once in three months designate by resolution nine members, any five of whom shall constitute a quorum. In the first instance the directors shall be elected at a meeting held before the bank is authorized to commence business by the Commissioner, and afterwards at the annual meeting of the stockholders to be held on the second Tuesday in December of each year; and if for any cause an election is not had at that meeting it may be held at a subsequent meeting called for that purpose, of which due notice shall be given as provided in the by-laws adopted by such bank. At a meeting of stockholders for election of directors each share shall entitle the owner to one vote for each director, but no stockholder shall be entitled to vote who is indebted to the bank upon any obligation past due. A stockholder may vote at any meeting of the corporation by a proxy in writing signed by him, but no officer, clerk, teller or bookkeeper of such corporation shall act as proxy. Every director must own and hold in his own name not less than ten shares of the capital stock of such bank, except, that in banks having a capital of fifteen thousand dollars, a director must own and hold in his own name not less than five shares of the capital stock of such bank. He shall take and subscribe an oath that he will diligently and honestly perform his duties in such office, and will not knowingly violate, or permit to be violated, any provision of this act; that he is the owner in good faith of stock of the bank, as required to qualify him for such office, standing in his name on the books of the bank, and that such stock is not pledged as security for any debt; such oath shall be transmitted to the Commissioner and filed in his office. Any vacancy in the board of directors shall be filled by the board, and the directors so appointed shall hold office until the next election.

SEC. 13. The board of directors of a bank may declare a dividend of so much of the net profits of the bank, after providing for all expenses, losses, interest and taxes accrued or due from said bank, as they shall judge expedient; but before any such dividend is declared, not less than one-tenth of the net profits of the bank for the preceding half year, or for such period as is covered by the dividend, shall be carried to a surplus fund until such surplus shall amount to twenty per cent. of its capital stock.

SEC. 14. The directors and officers of any bank who shall fraudulently and with intent to cheat and defraud any person, receive any deposit, knowing, or having good reason to believe, that such bank is insolvent, shall be deemed guilty of a misdemeanor, and punished, upon conviction thereof, by a fine not to exceed one thousand dollars, or imprisonment in the county jail or State House of Correction and Reformatory at Ionia for a period not exceeding one year, or both such fine and imprisonment, at the discretion of the court.

SEC. 15. Every bank shall at all times keep a correct list of the names of all its stockholders, and once in each year on the second Monday of April, file in the office of the county clerk and with said Commissioner a correct copy of such list.

SEC. 16. Any State bank reorganized under the laws of the United States as a National bank, as soon as it shall have obtained the certificate from the Controller of the Currency authorizing it to commence business under the United States banking laws, shall retain and hold all the assets, real and personal, which it acquired during its existence under this act, and shall hold the same subject to all liabilities existing against said bank at the time of its reorganization.

SEC. 17. Whenever any bank existing under the laws of the United States is authorized to dissolve, and shall have taken the necessary steps to effect dissolution, it shall be lawful for a majority of the directors of such bank, upon the authority in writing of the owners of two-thirds of its capital stock, with the approval of the Commissioner, to execute articles of incorporation as provided in this act, which articles, in addition to the requirements above, shall further set forth the authority derived from the stockholders of such dissolved National bank, and upon filing the same as hereinbefore provided upon the organization of banks, the same shall become a bank under the laws of this State. Thereupon all assets, real and personal, of said dissolved National bank shall, by act of law, be vested in and become the property of such State bank, subject to all liabilities of said National bank not liquidated under the laws of the United States before such reorganization.

SEC. 18. Every officer, clerk, agent or employe of a bank who shall knowingly aid or assist in a violation of any of the provisions of this act, shall, upon conviction, be deemed guilty of a misdemeanor, and punished as provided in section fourteen of this act.

SEC. 19. It shall not be lawful for any officer, clerk, agent or employe of a bank to certify a check unless the amount thereof actually stands to the credit of the drawer upon the books of the bank, or to resort to any device, or receive any fictitious obligations, direct or collateral, in order to evade the provisions of this prohibition; and any officer, clerk, agent or employe who shall attempt any such evasion shall, upon conviction thereof, be deemed guilty of a misdemeanor, and punished as provided in section fourteen of this act.

SEC. 20. If the board of directors, or a quorum thereof, of a bank shall knowingly violate, or knowingly permit any of the officers, agents, or employes of the bank to violate any of the provisions of this act, and after warning from the Commissioner shall fail to make good all loss and damage resulting from such acts or omissions, such conduct shall constitute a ground for a forfeiture of the charter and privileges of said bank; and it shall be the duty of the Commissioner, with the assent of the Attorney General, to institute proceedings to enforce such forfeiture and to secure a dissolution and liquidation of said bank.

REPORTS.

SEC. 21. Every bank shall make to the Commissioner of the Banking Department not less than four reports during each calendar year, at such times as said Commissioner shall require the same, according to the forms which he shall prescribe and furnish. Such reports shall be verified by the oath or affirmation of the president, vice-president, cashier or treasurer thereof, and signed by at least three of the directors. Such reports shall exhibit in detail, and under appropriate heads, the resources, assets and liabilities of the bank at the close of business of any past day by him specified, and shall be transmitted to said Commissioner within five days after the receipt of a request therefor from him, and in the same form such report shall be published in a newspaper in the city, village or county where such bank is located, and proof of publication shall be furnished to said Commissioner. Such Commissioner shall also have the power to call for special reports from any bank or banks, whenever, in his judgment, the same are necessary to inform him fully of the condition of such banks. In addition to the reports required above, each bank shall report to the Commissioner, within ten days after declaring any dividend, the amount of such dividend, the amount carried to surplus fund, and the amount of net earnings in excess thereof; such report to be verified by the oath or affirmation of one of the executive officers of the bank.

SEC. 22. Every bank failing to make and transmit to the Commissioner any of the reports required by this act shall be subject to a penalty of one hundred dollars for each day after the time mentioned above for making such reports. Whenever any bank delays or refuses to pay the penalty herein imposed for a failure to make and transmit a report the Commissioner is hereby authorized to maintain an action in the name of his office against the delinquent bank for the recovery of such penalty, and all sums collected by such action shall be paid into the State treasury and applied upon the expenses of the Banking Department.

COMMERCIAL BANKS.

SEC. 23 Any bank which, by its articles of incorporation, shall designate its business as that of a commercial bank, shall have power to carry on the business of banking as prescribed and limited in this act, but it shall not lend to exceed fifty per cent. of its capital stock upon mortgage or any other form of real estate security, and then only upon the adoption of a resolution by a two-thirds vote of the board of directors stating to what extent its officers may loan on real estate, as herein provided, except to secure a debt previously contracted in good faith on personal security deemed at the time adequate to secure such loan.

SEC. 24. Commercial banks may allow interest on accounts or certificates of deposit, but all deposits in such banks shall be payable on demand without notice, except when the contract of deposit otherwise provides. Said banks may invest their capital and deposits, except the reserve provided for in this section, in negotiable or commercial paper, or loan the same upon personal securities. Each bank shall keep on hand at all times at least fifteen per cent. of its total deposits, except that in cities of over one hundred thousand population each of such banks shall keep on hand 20 per cent. of its deposits, one-half of which reserve shall be in lawful money, and the balance may be in funds, payable on demand, deposited in banks in cities, approved by the Commissioner as reserve cities.

SEC. 25. Whenever the reserve of any commercial bank shall fall below the amount above required, such bank shall not increase its liabilities by making any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight or on demand, and the Commissioner of the Banking Department may notify any bank whose reserve shall be below the amount above required to make good such reserve, and in case the bank shall fail for thirty days thereafter to make good its reserve the Commissioner may, with the concurrence of the Attorney General, institute proceedings for the appointment of a receiver to wind up the business of the bank.

SAVINGS BANKS.

SEC. 26. Any bank which, by its articles of incorporation, shall designate its business as that of a savings bank, shall have power to carry on the business of banking as prescribed and limited in this act, and may receive on deposit money offered by tradesmen, mechanics, laborers, servants, minors, and other persons; and all deposits in said banks shall be repaid to the depositors, or his or her lawful representatives, when required, at such time or times and with such interest and under such regulations as the board of directors of the bank from time to time prescribes, which regulations shall be printed and conspicuously exposed in some place accessible and visible to all in the business office of said bank.

SEC. 27. A savings bank shall keep on hand at least fifteen (15) per cent. of its total deposits, one-third of which reserve shall be in lawful money in its own vaults, and the balances on deposit payable on demand with banks, National or State, in cities approved by the Commissioner as reserve cities, or invested in United States bonds; three-fifths of the remainder of its savings deposits shall be invested by the board of directors in bonds of the United States, or of this State, or in the bonds of any other State of the United States: *Provided*, That such State has not in ten years preceding the time of such investment, repudiated its debt and failed to pay the same or the interest due thereon or upon any part of such debt; or in the public debt or bonds of any city, county, township, village or school district of any State in the United States which shall have been authorized by the Legislature of such State: *Provided*, The total indebtedness of such municipality does not exceed five per cent. of the assessed valuation, except by a vote of two-thirds of the board of directors such bonds may be purchased if the total liabilities do not exceed ten per cent. of its assessed valuation, or loan the same upon 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 worth at least double the amount loaned; the remainder of such deposits may be invested in notes, bills or other evidences of debt, the payment of which is secured by the deposit of collateral security consisting of personal property, of known marketable value, worth ten per cent. more than the amount so loaned and interest for the time of the loan; or may be deposited in any National bank, trust company, or bank in cities in this or any other State approved by the Commissioner of the Banking Department as reserve cities; and a portion of said remainder, not exceeding the capital and additional stockholders' liability, may be invested in negotiable paper approved by the board of directors; but the deposits in any one bank shall not exceed ten per cent. of the total deposits, capital and surplus of the depositing bank. In case the actual reserve shall fall below the fifteen per cent. above provided, the bank shall promptly, and in good faith, take measures to restore and maintain its lawful reserve, in default of which the Commissioner of the Banking Department shall require such restoration within thirty days after notice, and a failure to comply with such demand shall warrant proceedings to wind up the bank, as provided in section six of this act.

SEC. 28. A pass-book shall be issued to each depositor in the savings department, containing the rules and regulations adopted by the board of directors governing such deposits, in which book shall be entered each deposit made by, and each payment made to, such depositor, and no payment or check against any such savings account shall be made unless accompanied by and entered in the pass-book issued therefor, except for good cause and on assurances satisfactory to the officers of the bank; but nothing in this section shall prevent savings banks issuing time certificates of deposit or certificates of deposit specifically issued subject to the rules and regulations governing savings deposits.

SEC. 29. Any bank combining the business of a commercial bank and a savings bank shall keep separate books of account for each kind of business: *Provided,* That all receipts, investments and transactions relating to each of said classes of business shall be governed by the provisions and restrictions herein specifically provided for the respective kinds of banks.

SEC. 30. It shall be the duty of the board of directors of each savings bank from time to time to regulate the interest to be allowed depositors, and pay the same at regular and stated periods.

SEC. 31. When any deposit is made in any savings bank by a person being a minor, the said bank may pay to such depositor such sums as may be due to him or her, although he or she have no guardian, and the receipt of such minor shall be in all respects valid in law.

SEC. 32. All certificates or evidences of deposits made by the proper officers of any bank shall be as effectual to bind the bank as if made under the common seal thereof; but said bank shall not issue any bill, note, or certificate intended to circulate as money, and no such bank shall issue post notes.

SEC. 33. All the general powers and privileges, as well as the general restrictions and limitations provided in this act, and applied to the corporations to be organized under and regulated by this act, by the general designation of banks, be understood and construed to include commercial banks, savings banks, and those combining both branches of business.

SEC. 34. The powers, privileges, duties and restrictions conferred and imposed upon any bank existing and doing business under the laws of this State are hereby abridged, enlarged or modified, as each particular case may require to conform to the provisions of this act, and to such amendments as may be made thereto. But nothing in this act shall be construed to affect the legality of investments heretofore made, or of transactions heretofore had, pursuant to any provisions of law in force when such investments were made or transactions had, nor to require the change of investments for those named in this act, except as the same can be done by the sale or redemption of the securities so invested in, in such manner as to prevent loss or embarrassment in the business of such bank, or unnecessary loss or injury to the borrowers on such securities; but no renewal or extension of any such loan or investment shall be made by any bank, unless necessary to avoid loss or embarrassment, as above provided. All debts due to any association on which interest is past due and unpaid for a period of six months, unless the same are well secured, and in process of collection, shall be considered bad debts, and shall be charged off to the profit and loss account, at the expiration of that time.

BANKING DEPARTMENT.

SEC. 35. There is hereby established in the State department a separate and distinct bureau which shall have charge of the execution of the laws relating to banks, trust, loan, mortgage security, or safety deposit companies formed and transacting business under the laws of this State, to be designated as the State Banking Department.

SEC. 36. The chief officer of the department shall be denominated the Commissioner of the Banking Department. He shall be appointed by the Governor, by and with the advice and consent of the Senate, and shall hold his office for the term of four years. He may appoint a deputy, and revoke such appointment at pleasure, who shall possess the powers and perform the duties attached by law to the office of the Commissioner during a vacancy in such office, and during the absence or inability of his principal. He may also employ from time to time such clerks to assist him and his deputy in the discharge of the several duties imposed upon them by this act as he shall find necessary. The salary of the Commissioner shall be two thousand five hundred dollars per annum. The salary of the deputy and such clerks as may be employed under this act shall be at such a rate per annum as the Commissioner shall decide: *Provided*, That such rate is not in excess of that of the deputies and clerks of the several State departments. The salaries of the Commissioner, deputy and clerks shall be paid monthly or quarterly by the State Treasurer, upon a voucher countersigned by the Auditor General. Vouchers for the Commissioner's salary must be first approved by the Governor. Vouchers for the deputy and clerks' salaries must be first approved by the Commissioner. All actual and necessary traveling expenses of said Commissioner, deputy or clerks, incurred in the discharge of their duties under this act, shall be fully itemized upon proper vouchers and certified in the order indicated for the salaries, and presented to the Board of State Auditors. If allowed, the Auditor General shall countersign. The State Treasurer shall, upon the presentation of vouchers so allowed and countersigned, reimburse the said officers' expenses. Within fifteen days from the notice of their appointment, respectively, the Commissioner and his deputy shall take and subscribe the oath of office prescribed by the constitution, and file the same in the office of the Secretary of State. The said Commissioner of the Banking Department and his deputy aforesaid shall each give to the people of this State a bond in the penal sum of twenty-five thousand dollars, with two or more sureties, to be approved by the State Treasurer, conditioned for the faithful discharge of the duties of their respective offices; and the Commissioner or his deputy shall not be interested, directly or indirectly, in any National bank, nor in any bank or other corporation under their supervision, nor engaged in the business of banking. There shall be assigned to said Commissioner suitable rooms in the State capitol for conducting the business of said department.

SEC. 37.* The said Commissioner shall devise a seal for the use of his office, which shall continue to be the seal of said department. A description of the seal, with an impression thereof, shall be filed in the office of the Secretary of State.

SEC. 38. Every bank existing or hereafter incorporated under the laws of this State shall be subject to the inspection and supervision of the Commissioner of the Banking Department as provided in this act.

SEC. 39. It shall be the duty of the Commissioner of the Banking Department, and he shall have power for himself, his deputy, or any examiner he may appoint for that purpose, to examine once in each year the cash, bills, collaterals, or securities, books of account, condition and affairs of each bank under the law, and also when requested by the board of directors of any bank. For that purpose he may examine, on oath, any of the officers, agents, clerks, customers or depositors of such bank touching the affairs and business of such bank. Any willful false swearing in any examination shall be deemed perjury. He shall also ascertain whether each bank transacts its business at the place designated in the articles of incorporation, and whether its business is conducted in the manner prescribed by law.

SEC. 40. For each annual examination the bank examined shall pay into the State treasury for the credit of the general fund one-hundredth part of one per cent. of the gross amount of the assets of said bank: *Provided*, That the examination fee of any bank shall not be less than ten dollars. The expenses incurred and services performed especially for any bank shall be paid by such bank. If such charges or the annual fee are not paid after due notice, the Commissioner shall maintain an action in his name of office against the delinquent bank for the recovery of such charge, or annual fee, with interest thereon, and the sums so collected shall be paid into the State treasury. No person shall be appointed to examine a bank in which he is interested as stockholder, officer, or employe, or otherwise. The Commissioner of the Banking Department, his deputy, every clerk in his employment, and examiner, shall be bound by oath to keep secret all facts and information obtained in the course of such examinations, except in as far as the public duty of such officer requires him to report upon or take official action regarding the affairs of such bank. No bank shall be subject to any visitation other than such as is required by this act, or otherwise authorized by law.

SEC. 41. Whenever any officer of a bank shall refuse to submit the books, papers and concerns of such bank to the inspectors [inspection] of the Commissioner, deputy, or examiner appointed as aforesaid, or refuse to be examined on oath touching the concerns of the bank, the Commissioner may, with the concurrence of the Attorney General, institute proceedings for the appointment of a receiver for such bank to wind up its business.

SEC. 42. Whenever it shall appear from the report of any bank, or the Commissioner shall have reason to believe, that the capital of any bank is impaired or reduced below the amount required by law, it shall be the duty of the Commissioner, and he shall have power to examine said bank and ascertain the facts, and, in case he finds such impairment or reduction of capital, to require such bank to make good the deficiency so appearing. If any bank shall refuse or fail for ninety days after written requisition to make good the deficiency so appearing or found to exist, it shall be the duty of the Commissioner, with the concurrence of the Attorney General to institute proceedings for the appointment of a receiver of such bank, to wind up its business.

SEC. 43. On the thirty-first day of December the Commissioner of the Banking Department shall make an annual report to the Governor of the State, which report shall be published, and shall exhibit:

First, A summary of the state and condition of every bank from which reports have been received during the year, with an abstract of the whole amount of capital returned by them, the whole amount of their debts and liabilities, the total amount of means and resources, separating the reports of such banks and other corporations, and specifying the amount of lawful money held by banks at the time of their several returns, and such other information in relation to such banks and corporations as in his judgment may be required;

Second, A statement of the banks and corporations whose business has been closed during the year, the amount of their resources and liabilities, and the amount paid to the creditors thereof;

Third, The names and compensation of the clerks employed by him, and the whole amount of expenses of the banking department during the year;

Fourth, The amount of fees received for the examination of banks or other corporations, and fines collected and paid over to the State Treasurer.

SEC. 44. Whenever the Commissioner shall deem it expedient he may call a meeting of the stockholders of any bank, organized under the laws of this State, by a personal notice of such meeting for fifteen days previous thereto, and in case a majority of the stockholders cannot be reached by personal notice, then by publishing such notice at least once in each week for four successive weeks previous to the meeting in a newspaper published in the city, village or county where the bank is located, and if no newspaper is published there, then in the newspaper published at the nearest county seat.

SEC. 45. A book shall be provided and kept by every bank, in which shall be entered the name and residence of the stockholders in the bank, the number of shares held by each, the time when each person became such stockholder, also all transfers of stock, stating the time when made, the number of shares, and by whom transferred. The said book shall at all times be, during the usual hours of transacting business, subject to the inspection of the directors, officers, stockholders and depositors of the bank. A neglect to provide and keep such book ready for examination, as herein provided, shall subject the officers of the bank, whose duty it is to provide and keep the same, to a penalty of one hundred dollars for every day's neglect; and a refusal by such officer to exhibit such book to any person rightfully demanding inspection thereof shall subject him to a penalty of fifty dollars; the said penalty may be sued for and recovered with costs by any person who will prosecute for the same in the name of the people of the State, and shall be paid to the State Treasurer for the credit of the banking department. In all actions, suits and proceedings under this act, the said book shall be presumptive evidence of the facts herein stated.

SEC. 46. The stockholders of every bank shall be individually liable, equally and ratably, and not one for another, for the benefit of the depositors in said bank to the amount of their stock at the par value thereof, in addition to the said stock; but persons holding stock as executors, administrators, guardians or trustees, and persons holding stock as collateral security, shall not be personally liable as stockholders, but the assets and funds in their hands constituting the trust shall be liable to the same extent as the testator, intestate, ward or person interested in such trust funds would be, if living or competent to act; and the person pledging such stock shall be deemed the stockholder and liable under this section. Such liability may be enforced in a suit at law or in equity by any such bank in process of liquidation, or by any receiver, or other officer succeeding to the legal rights of said bank.

SEC. 47. All transfers of notes, bonds, bills of exchange or other evidences of debt owing to any bank, or of deposits to its credit, all assignments of mortgages, or other security on real estate or judgments or decrees in its favor, or deposits of money, bills or other valuable things for its use, or for the use of its stockholders or creditors, all payments of money, either after the commission of an act of insolvency or in contemplation thereof, with a view to prevent application of its assets in the manner prescribed in this act, or with a view to the preference of one creditor over another, shall be held to be null and void.

SEC. 48. Legal process against any such bank shall be served upon its president or cashier or treasurer in the county where its business office is located or the plaintiff resides, or by leaving any attested copy at its banking house during banking hours with the teller, clerk or any officer of the bank.

SEC. 49. All proceedings by any bank to enjoin the Commissioner in the discharge of his duties under the provisions of this act shall be had in the county where said bank is located, or before the Supreme Court of this State.

SEC. 50. All suits and proceedings arising out of the provision of law governing banks in which the State or any of its officers or agents shall be parties shall be conducted under the direction and supervision of the Attorney General.

SEC. 51. Copies of all records and papers in the office of the Commissioner of the Banking Department certified by him, and authenticated by his seal of office, shall be evidence in all cases equally and with like effect as the original.

SEC. 52. The total liabilities of any bank or any person or of any company, corporation or firm for money advanced, including in the liabilities of the company or firm the liabilities of the several members thereof, except special partners, shall at no time exceed one-tenth part of the amount of the capital and surplus of such bank; but the discount of bills of exchange drawn in good faith against actually existing values and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as money borrowed: *Provided, however*, That the foregoing limitations shall not apply to loans upon real estate or other collateral securities authorized by this act: *Provided, further*, That by a two-thirds vote of the directors the liabilities of any bank or any person or company or corporation or firm, may be increased to a sum not exceeding one-fifth of the capital and surplus of the bank.

SEC. 53. Any bank organized under the provisions of this act may go into liquidation and be closed by a vote of its stockholders owning two-thirds of its capital. Whenever a vote is taken to go into liquidation it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal of the bank, by its president, cashier or treasurer, to the Commissioner of the Banking Department, and publication thereof, notifying creditors to present their claims against the bank for payment, shall be made once in each week for eight successive weeks, in a newspaper published in the city of Detroit, and also in a newspaper published in the city, village or county in which the bank is located, or if no newspaper is there published then in the newspaper at the nearest county seat.

SEC. 54. A bank which is in good faith winding up its business for the purpose of consolidating with some other bank, may transfer its assets and liabilities to the bank with which it is in process of consolidation; but no such consolidation of banks shall be made without the consent of the Commissioner of the Banking Department, and not then to defeat or defraud any of the creditors in the collection of their claims against said banks, or either of them.

SEC. 55. On becoming satisfied that any bank has refused to pay its deposits in accordance with the terms on which such deposits were received (if received in accordance with the provisions of this act), or that any bank has become insolvent, or that its capital has become impaired, or that any bank has violated any of the provisions of this act, or for any cause hereinbefore or hereinafter stated, the Commissioner of the Banking Department may forthwith, with the approval of the Attorney General, apply to a court of record of competent jurisdiction for the appointment of a receiver for such bank, who, under the direction of such court, shall take possession of the books, records and assets of every description of such bank, collect all debts, dues and claims belonging to it, and sell or compound all bad or doubtful debts, and sell all the real and personal property of such bank on such terms as the court shall direct, and may, if necessary to pay the debts of such bank, enforce all individual liability of the stockholders. Such receiver shall pay over all money so collected or received to the State Treasurer, and also make report to the Commissioner of all his acts and proceedings.

SEC. 56. The Commissioner shall, upon the appointment of a receiver as above provided, cause notice to be given by advertising in such newspapers as he may direct once in each week, for twelve successive weeks, calling on all persons who may have claims against such bank to present the same to said receiver and make legal proof thereof.

SEC. 57. From time to time, under the direction of the Commissioner of the Banking Department, the receiver shall make ratable dividends of the moneys realized or collected by him on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction, and the remainder of the proceeds, if any, after the costs and expenses of such proceedings and all debts and obligations of the bank are satisfied, shall be paid over to the stockholders of such bank, or their legal representatives, in proportion to the stock by them respectively held.

SEC. 58. Every president, director, cashier, treasurer, teller, clerk or agent of any bank, who embezzles, abstracts or willfully misapplies any of the moneys, funds, credits or property of the bank, whether owned by it or held in trust, or who, without authority of the directors, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, draft, bill of exchange, mortgage, judgment or decree, or who makes any false entry in any book, report or statement of the bank, with intent in either case to injure or defraud the bank, or any company, corporation or person, or to deceive any officer of the bank, or any agent appointed to examine the affairs of such bank, and any person who, with like intent, aids or abets any officer, clerk or agent, in violation of this section, or who shall issue or cause to be issued, or put in circulation, any bill, note or other evidence of debt to circulate as money, upon conviction thereof shall be imprisoned in the State Prison or in the State House of Correction and Reformatory at Ionia, not to exceed twenty years.

SEC. 59. All real estate owned by any bank may be taxed as other real estate in the city, village or township where the same may be situated, and the residue of its capital and surplus shall be taxed as personal property, but the assessment thereof for taxation shall not be at a greater rate than is assessed on money capital in the hands of individual citizens in the same city, village or township.

SEC. 60. The provisions of this act shall apply to and govern all State banks organized and now existing within this State, and all such banks shall, on or before the first day of January next following the time when this act become operative, file with the Commissioner of the

Banking Department a certificate executed by the executive officers of each bank in substantial conformity to requirements of original article of incorporation provided for in section two (2) of this act; or any bank so existing may within the same time reorganize under this act, and when so reorganized, all securities, real estate, property and assets of every kind shall become vested in such reorganized bank without any formal conveyance or transfer, but no such reorganization shall have the effect to discharge the original bank, its directors or stockholders, from any liability to its depositors, or any other person, but the same shall continue until legally discharged, and such reorganized bank shall be legally liable to pay every claim, demand and obligation existing against the bank whose assets and property, or any part thereof, it has received by virtue of such reorganization.

SEC. 61. Every officer or employe of a bank required by this act to take any oath or affirmation, who shall willfully swear or affirm falsely, shall be deemed guilty of perjury, and upon conviction thereof shall be punished as provided by the laws of this State in case of perjury.

SEC. 62. Nothing in this act contained shall be so construed as to prevent any bank organized or doing business under this act from making or issuing bills of exchange on foreign countries or places beyond jurisdiction of the United States; which bills of exchange may be made payable at or with the customary usance, and at or within ninety days' sight, but no such draft or bill of exchange shall be used or put in circulation as money by any such bank.

SEC. 63. The Legislature may at any regular session thereof alter or amend this act, or any part thereof, by a vote of two-thirds of the members of the Senate and House of Representatives constituting said bodies; and hereafter it shall not be necessary to submit any such proposed alteration or amendment to the electors of the State for adoption or approval, but all such acts shall be valid and effectual when so passed by the Legislature and approved as other laws are in accordance with the constitution of this State.

SEC. 64. All acts and parts of acts of which this act is amendatory or supplementary, inconsistent with the provisions of this act, are hereby repealed.

SEC. 65. This act shall be submitted to the electors of this State for their approval or disapproval at the next general election. At said election a ballot-box shall be provided and kept by the several boards of inspectors thereof for receiving the votes cast for or against this act; and on the ballot shall be written or printed, or partly written and partly printed, the words, "A general banking law—Yes," or, "A general banking law—No."

SEC. 66. The canvass of the votes cast for or against this act, and the returns thereof, shall be made by the proper canvassing officers, within the same time and in the same manner as now provided by law for the canvass and return of the votes cast at the said general election, and the result be declared by the board of canvassers at the same time and manner as the result of the canvass for State officers; and if it shall appear that a majority of the votes cast at such election have thereon "A general banking law—Yes," this act shall become a law, and take effect within sixty days after said general election.

Approved June 21, 1887.

THE IOWA BANKERS' CONVENTION.

The Iowa bankers convened at Sioux City on the 9th of June. In the absence of the president, Mr. D. N. Cooley, of Dubuque, Mr. J. T. Remey, of Sioux City, presided. The papers presented were of a varied nature, and we regret the lack of space for more copious extracts from them. Passing over those which were of a local character, mention may be made first of a paper by Mr. V. F. Newell, cashier of the Des Moines National Bank,on the old question of the right to take usury. He maintained that "banks and usury are right. Abolish them, and what can take their place in regulating confidence and credit? Banks are the product of these principles. They are not a tax upon enterprise, but stimulate it. They need no defense or apology. Are banks and usury right? Yes, if profit is right. Profit is the incentive to create a value, and is right. That it is right to create anything of value no one will deny; the more kinds of values, the greater foundation for commerce."

John T. Remey, president of the National State Bank, Burlington, delivered an address on the "Free Collection Business: Its Growth and Evil Effect."

One of the greatest abuses, he said, with which the banker has to contend is the free collection business. The bulk of the business of the country is carried on and settled through the medium of checks and drafts. The percentage of actual money used in classing these transactions is very small, probably would not exceed an average of ten per cent. Instead of gold, silver and paper money, checks and drafts are substituted, and the use of these is greatly facilitated by the Clearing Houses which we find in all the important cities. Such facilities, however, are only intended to embrace the checks held by one bank drawn upon another bank in the same association, and hence are only local in their action. This, then, leaves each bank daily with a number of collections, limited only by the extent of its business,which are payable in different towns throughout the country. For the purpose of taking care of this branch of banking, a number of plans have been proposed at various times, many of them quite complicated and all of doubtful utility. But thus far no entirely satisfactory system has been devised.

These collections, in the main, consist of the drafts of merchants and manufacturers upon their customers (frequently nothing more than mere "duns"); also the notes, accounts and checks upon interior towns that may be deposited over the country, or received from the many friendly banks upon the reciprocal list. Were it possible for the banks to account for these items only after final payment, and make a moderate charge to cover expense, risk and trouble, there could be little ground for complaint, but the struggle for business is so sharp the bank is obliged to advance cash or credit and then collect them the best and cheapest way it can.

The collection department is one of the most vexatious and expensive branches of the business. It must, necessarily, be a separate department, requiring a distinct and complete system of books and blanks, in charge of high-priced clerks, for in order to be fully trusted they must be competent. Postage and stationery also form an important item of expense, for the correspondence is almost endless, occasioned by the errors, delays and general carelessness of the reciprocal correspondent.

for it will readily be seen that, in order to properly facilitate this business, reciprocal relations must be established with a large number of the other banks, all of which means "free collections," turn and turn about.

Direct and indirect points, items "for protest" and items "no protest," items time, sight or demand, "with interest," "with exchange and all collection," charges to be paid by drawee or returned at once, "bill of lading attached, surrender only on payment, deduct for freight and telegraph if not paid"—these comprise some of the instructions, all of which must be made a matter of record. Failure to protest or to forward an item promptly, a note or bill filed in the wrong compartment and held until after maturity; in fact, an error in any of the above minutiæ, whether of omission or commission, is liable to entail a serious loss upon the philanthropic though unfortunate banker. Neither is his chagrin tempered or modified with the reflection that he has undertaken all this responsibility and labor without direct compensation. Yet for an error the owner of the collection, as a matter of course, demands the utmost penalty coolly and almost benignantly. This "free collection business" certainly is an imposition, self-imposed, it is true, but for that reason none the less an evil. It should be eradicated root and branch.

The free collection business is the result of extreme competition. To remedy the evil you must strike at the source of it.

One of the most valuable papers was by Judge Joseph R. Reed, of Council Bluffs, on "Our Relations and Responsibilities to Our Correspondents as Collecting Agents." He summarized his very able and exhaustive discussion of the question by stating the legal points involved, as he understood them, as follows:

1. When a banker receives for collection an evidence of indebtedness, which by its terms appears to belong to a particular person, such as a negotiable instrument payable to such person or bearing a general indorsement, he is warranted in treating both the instrument and the proceeds of the collection as the property of that person.

2. When a banker receives negotiable paper for collection, which bears a restrictive indorsement and which is payable at another place, his undertaking is merely to forward it to a competent and responsible sub-agent at that place. And he is held to ordinary diligence in the performance of that duty.

3. Paper so indorsed remains the property of the indorser, and the sub-agent who receives it for collection is answerable immediately to him, both for his conduct with reference to the paper and the proceeds of the collection.

"The West and the Silver Question," was considered by Hon. Joseph Sampson, of Sioux City.

A general impression seems to prevail that western people are in favor of increasing the quantity of American money, without regard to its quality. It is urged by many very able men that what we need in the West is a larger sum per capita in order to secure a greater degree of prosperity. In round figures we have, it is said, $1,500,000,000 of gold and silver coin and notes with which to carry on our domestic commercial exchanges, making an average sum of $23 for each man, woman and child in the United States. This small amount per head is usually contrasted with the high average of about $50 held by the people of France. Those, however, who write and speak on these intricate questions of finance often forget or overlook our peculiar State relation to one another, as well as the relation of the United States to the Continent of Europe.

A very brief analysis of this silver question, for purposes of discussion by members of your association, is all that time will permit me to present. I beg, therefore, to offer the following synopsis of the situation:

The maintenance of American credit through a single standard of value which shall be recognized by all nations seems not only desirable, but necessary, because:

1. Many of our greatest enterprises, giving employment to thousands of workmen, can secure capital at exceedingly low rates of interest only so long as European lenders can feel secure that the same quantity and quality of money lent will be returned. They lend us their gold only upon condition that gold of equal weight and fineness shall be repaid. Only by international agreements as to what may be considered a legal tender in lieu thereof can existing or future contracts be changed.

2. So long as we continue to export any part of our surplus wheat, pork, cotton or other products of farm or factory, settlements will be made with us in foreign countries on a gold basis. It is now an axiom of trade that the price of the surplus sold abroad in the competitive markets of the world fixes the price of the remainder sold at home. It is therefore clear that the American farmer wants his pay for what he sells at home in as good a coin as he can get—which is gold—so long as the total value of his whole crop is fixed in Liverpool, on a gold basis.

3. Silver itself from time immemorial has been an article of merchandise, finding its chief use in the mechanic arts. It has always had a constantly changing value, when measured by the superior metal gold. By keeping silver in its proper place as a metal, to be used in the arts and for subsidiary coinage purposes only, an ever widening foreign market is kept open for it in obedience to the ordinary laws of supply and demand. Arbitrary interruption of the working of these laws, and the stamping of the words "one dollar" upon a quantity of metal that at present can be bought at 74 cents only invites disaster to any nation that carries the principle too far. History is full of solemn warnings on this point.

The maintenance of a uniform standard of value between the States and between the people of each State seems necessary, because:

1. Almost all the bonds issued by States, counties, municipalities and school districts, which have been taken by eastern investors, expressly provide for payment in gold coin. If not expressly stated, it is tacitly assumed that as good money as was lent will be returned.

2. The free and abundant use of trust funds, savings bank deposits, and small hoardings of Eastern people, has been of inestimable value to the West, and the majority of mortgages taken on farm and city property provide for repayment in gold. If gold commanded a premium of 10 to 20 per cent., the debtor and not the creditor would be the loser. The mere agitation of this question has already stopped the influx of funds into the West for the time being. As soon as confidence in western integrity and honesty is restored, the normal flow of money westward will begin again, bringing possibly a reduced rate of interest.

3. Depreciation of our currency by unlimited coinage of silver would be first discerned by the rich, who could arrange their affairs and investments so as to protect themselves. Distraction, uncertainty and a panicky feeling always gives to the shrewd and far-sighted the largest opportunities for gain. The losers in such a period would be the widows and orphans, with insurance policies paid at a discount of 10 to 20 per cent.; savings bank depositors, who put in bank gold wages, and who must take back funds with reduced purchasing power; salaried employes and wage workers, who could not get larger pay, but whose living expenses would be increased.

In view of these things, it seems to me highly fitting that Iowa bankers should be willing to take a decided stand and vigorously oppose any further experimental tinkering of our monetary system. When it is clearly proven that the present addition of four and a half millions of silver per month has done us no harm—and this is still an open question—then it will be time enough to weigh and debate further increase of our circulating medium. In all such measures, bankers ought to insist upon their right of initiative. Economic questions of such moment ought not to be left to be taken care of by the average stump speechmaker. The unique place occupied by the American banker to-day enables him to establish a bank at almost every crossroads and village in the land, where he becomes by force of character, more than by show of capital, the custodian of the funds of the community. Such a thing is unheard of in France. There the individual hoards his cash in his trunk or buries it in his cellar. Accumulated conspicuous capital, in the absence of banks, in such a country is out of the question. Hence more money is needed in France than with us, so that references to countries dissimilar from ours proves nothing for us. State and National loans with foreigners mean wars; with us, when we borrow, it means some large industrial enterprise, whereby man's wants will be more readily supplied.

Ours is the most enterprising among the nations, therefore we need to keep our National credit good. The West is to-day the most progressive, and at the same time most dependent section of our country; therefore it needs to keep its sectional credit good. Among western States, Iowa occupies a unique and proud position as to financial integrity, so that it, as a State, cannot afford to be found clamoring for some unwise measures which if enacted might prove hurtful to us as a people. Iowa bankers have undoubtedly a duty to perform for themselves and for their State in becoming exponents of sound conservative principles of finance. If this is done, our representatives in Congress will have no difficulty in placing themselves on record as being in favor of sound, honest money, that will be good not only in our own land, but in every portion of the globe where Iowa products are sold or the face of an Iowa man is seen.

Without a dissenting voice, on motion of John R. Lemon, of Storm Lake, the address was adopted as expressing the sentiments of the convention.

THE RESOLUTIONS.

The committee on resolutions presented the following:

Resolved, That the matter of legislation be placed in the hands of the executive committee with power to act.

Resolved, That it is the sense of this convention that the banker is justly entitled to a reasonable compensation for services rendered, and we regard free collections and remittances as a violation of the fundamental principle that the "laborer is worthy of his hire."

Resolved, That we believe it would be expedient for the State to exercise such supervision over the private banks of this State as shall properly protect the interests of depositors and customers of said banks.

Resolved, That we accept the proposition of the *American Banker* to place the cipher code in every bank in the State.

Resolved, That we recognize labor as the source of all wealth; that capital is the result of labor, and that each should receive adequate protection under the laws, without any favoritism or discrimination in favor of either.

As soon as the resolutions had been read, F. H. Helsell, of Sioux Rapids, moved that they be read and adopted by sections. It was evident that something was coming. Several members twitched about nervously, as if they were aching to pounce upon some particular resolution. No one, save those on the inside, could get any inkling as to which resolution it was. But it presently developed. Helsell's motion carried. The first and second resolutions went through with a whoop, and then came the tug of war. The third resolution, regarding State supervision of private banks, was no sooner read than Helsell was again on his feet.

"Mr. President," he said, "that's a resolution that must not be passed with a rush. It needs to be considered, and well, too. I want to say right here, and as a private banker, that personally I have not the slightest objection if the Legislature passes a law that will regulate private banks, but I do most unqualifiedly object to the bankers of Iowa putting their approval upon a measure that has not been enacted into law. In effect such approval would amount to putting the seal of disapproval of this convention upon private banks and private bankers."

Banker Patterson, who was a member of the committee on resolutions, demurred to this view. It was the intention of the resolution merely that the convention, in view of the advantage that had come to the National banks through National control and to State banks through State control, should mildly indorse the idea of State supervision of private banks, to the end that the private banks might be made sharers with other banks in the benefits of supervision.

Banker Young, another member of the committee, said that three members of the committee were private bankers. They favored the resolution, which simply says to the Legislature "Don't be radical or extreme." We ask only that they exercise such supervision as seems expedient.

John R. Lemon, of Storm Lake, said vigorously: "I am a private banker and indorse fully the views of my friend Helsell, of Sioux Rapids. The proposition outlined in the resolution is imprudent."

Several other private bankers indorsed this view.

Chairman Miller, of the resolutions committee, said that a radical resolution had been handed to the committee. It had been sat down upon and the resolution read accepted as a sort of compromise expression. As a matter of fact, however, he didn't think it wise for the convention, composed as it was of National corporations and private bankers, to say anything on the question. Over half of the banks of Iowa were private banks.

Banker Fenton, of Ottumwa, said: "I have a great deal of confidence in private bankers. I speak, too, as a National banker. I believe that the private banker, liable as he is for all of his possessions, is as safe as the National or corporation banker liable only to the amount of twice his capital stock. I can see no good reason why the resolution should pass."

The resolution was laid on the table by a large majority.

The other resolutions were adopted without opposition.

OFFICERS ELECTED.

The committee on nominations recommended as the officers of the association for the ensuing year the following, and the convention ratified the recommendations:

President, John T. Remey, Burlington.

First Vice-President, C. R. Hannon, Council Bluffs.

Vice-Presidents, T. J. Van Horn, Mt. Pleasant; C. C. Coan, Clinton; J. H. Carleton, Iowa Falls; A. E. Bigelow, New Hampton; R. Van Nechten, Cedar Rapids; Calvin Manning, Ottumwa; C. B. Worthington, Des Moines; S. S. Wick, Osceola; J. M. Kelley, Macedonia; Abner Graves, Dorr City; J. W. Reed, Ida Grove.

BOOK NOTICES.

A Treatise on the Law of Negotiable Instruments, including bills of exchange; promissory notes; negotiable bonds and coupons; checks; bank notes; certificates of deposit; certificates of stock; bills of credit; bills of lading; guaranties; letters of credit; and circular notes. By JOHN W. DANIEL. In two volumes. Fourth edition. New York: Baker, Voorhis & Co., publishers. 1891.

A Treatise on the Law of Bills of Exchange, Promissory Notes, Bank Notes and Checks. By JOHN BARNARD BYLES. Eighth edition. By H. G. WOOD. Philadelphia: T. & J. W. Johnson & Co. 1891.

The great merits of these works are well known. Byles' work is more concise than the other, and though very useful to the legal profession, perhaps may serve bankers a better purpose than the larger work. The excellence of both is largely due to the revision they have received in passing through several editions. No legal work covering a considerable field is wholly free from errors in the beginning. Not only are mistakes made in citations, but the principles of law are not always correctly apprehended and stated. No writer can explore so large a subject as that of commercial paper and wholly escape errors of this nature. But in successive editions these are discovered and corrected. We hardly need add that the worth of these works is everywhere recognized by bench and bar, and the editions which have just appeared show a careful gleaning of a very wide field. The principles which relate to commercial paper, like the ocean, are never entirely at rest, but are modified by Courts and Legislatures as the changing conditions of society require. The present state of the law on this subject is stated with fullness and accuracy in these volumes, and it is believed that their usefulness, always great, has been enhanced by the thorough revision and additions they have received.

Laws of the United States relating to Currency, Finance and Banking, from 1789 to 1891. Compiled by CHARLES F. DUNBAR, Professor of Political Economy in Harvard University. Boston: Ginn & Co. 1891.

Prof. Dunbar has stated in his preface that the object of making this collection was to bring within the easy reach of students and teachers of political economy and history the most important National legislation respecting currency, coinage, loans and banking. The leading provisions of the acts of Congress are presented in full in their chronological order, while those of less consequence are abridged. Other provisions, which are not likely to be used, financial legislation relating to the District of Columbia, for example, is wholly omitted. Some vetoed bills and a few other papers of historical importance complete the volume. Prof. Dunbar is so familiar with our financial history that no one need distrust his fitness to prepare a work like that before us. While in one sense it is a compilation, yet a greater knowledge than that of the laws here presented was needed to perform in the best manner the part of a compiler. This larger knowledge is the well-known possession of the eminent professor, and the present work, which is one of the fruits of it, will be gladly welcomed by those who are exploring in a special or general way, the field of American history.

The Monetary Question. By G. M. BOISSEVAIN. London: Macmillan & Co. 1891.

This is an essay which obtained the prize offered by Sir H. M. Meysey-Thompson, Bart., at the Paris Monetary Congress of 1889, on the subject of the advantages which might be expected from the simultaneous adoption of a bi-metallic system by France, Germany, the United States, Holland, Belgium, Italy and England under these conditions:

1. Free mintage of both gold and silver without expense to the public.
2. Full legal tender power for gold and silver in a certain proportion to be fixed by the said nations.

The author's conclusion is, "that not only is bimetalism the best solution of the monetary problem, but that there is nothing else which is a real solution." The facts and arguments in support of this conclusion are marshaled in strong manner, and may perhaps make an impression on those who differ from the author. Nothing very new has been added in the discussion of this question for a long time, but the importance of the controversy justifies the presentation of all the facts and arguments in every conceivable light, in order to bring the world to a clearer knowledge of the truth.

The reports of the New York Clearing-house returns compare as follows:

1891	*Loans*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus*
June 6	$386,236,400	$59,751,300	$42,906,900	$383,882,400	$3,439,700	$6,687,600
" 13	383,034,600	60,504,400	45,853,300	383,491,500	3,485,700	10,484,825
" 20	386,189,700	65,382,200	49,496,200	394,824,700	3,570,100	16,172,225
" 27	389,930,300	67,845,600	51,075,000	402,036,000	3,533,300	18,411,600

The Boston bank statement is as follows:

1891.	*Loans*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
June 6	$151,242,400	$9,212,300	$4,172,600	$125,459,300	$3,256,600
" 13	149,533,100	9,341,400	5,114,000	124,777,700	3,258,300
" 20	149,951,900	9,736,800	5,315,400	125,451,400	3,283,300
" 27	150,570,400	9,392,200	5,652,000	125,186,600	3,343,400

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
June 6	$93,782,000	$30,636,000	$97,405,000	$2,068,000
" 13	93,409,000	30,464,000	97,142,000	2,077,000
" 20	93,111,000	30,141,000	96,069,000	2,082,000
" 27	93,137,000	29,560,000	95,685,000	2,082,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	June 1.	June 8.	June 15.	June 22.	June 29.
Discounts	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
Call Loans	4 @ 2½	3½ @ 2½	3 @ 2½	2½ @ 1½	3½ @ 2½
Treas. balances, coin	$107,766,033	$103,557,951	$103,371,040	$100,909,038	$95,651,272
Do. do currency.	15,974,217	17,937,782	17,444,352	17,997,189	21,206,575

Sterling exchange has ranged during June at from 4.87¼ @ 4.88¾ for bankers' sight, and 4.84½ @ 4.86¾ for 60 days. Paris—Francs, 5.18¾ @ 5.16⅞ for sight, and 5.21⅞ @ 5.19⅜ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.86 @ 4.86½; bankers' sterling, sight, 4.88 @ 4.88¼; cable transfers, 4.88½ @ 4.88¾. Paris—Bankers', 60 days, 5.20⅝ @ 5.20; sight, 5.18⅛ @ 5.17½. Antwerp—Commercial, 60 days, 5.23¾ @ 5.23⅛. Reichmarks (4)—bankers', 60 days, 95⅛ @ 95¼; sight, 95¾ @ 95⅞. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40 7-16 @ 40½.

BANKING AND FINANCIAL ITEMS.

GENERAL.

THE AMERICAN BANKERS' ASSOCIATION.—At the annual meeting of the Executive Council of the American Bankers' Association it was decided to hold the sixteenth annual convention of the Association at New Orleans, La., on Wednesday and Thursday, November 11 and 12. The committee on speakers and addresses are Charles Parsons, president of the State Bank of St. Louis; George S. Coe, president of the American Exchange National Bank of New York City; George A. Butler, president of the National Tradesman's Bank, New Haven, Conn.; Joseph S. Chick, president of the National Bank of Kansas City, Mo.; Edward S. Butts, president of the Vicksburg Bank, Vicksburg, Miss.

HOW TO DEAL WITH DEFAULTERS.—A Biddeford bank director has come to the conclusion that the only way to deter a dishonest cashier from stealing is to adopt the Chinese method of dealing with defaulters. "In China," says he, "when a man becomes a defaulter his head is cut off and hurled against a stone wall, and China doesn't have a thousandth part as many defaulters as we do in this country. To enact some such law as that, especially against bank robbing, is the only way I know of to prevent such defalcations as Gould's and Percival's."

NEW LIGHT ON BOOKKEEPING.—Mr. Asker—They tell me that the bookkeeper of your firm is behind in his accounts; is that so? Mr. Tasker—Far from it; he came out ahead. It's the company that's behind.—*Yonkers Gazette.*

EASTERN STATES.

BANGOR, ME.—One of the oldest bank officers in the country died last month, Mr. George Stetson, president of the First National Bank, who was born in Hampden, January 25th, 1807. In 1838 he succeeded the late Samuel F. Hersey as president of the Market Bank, and in 1863 became president of the First National Bank of this city, the Market Bank being then merged into the National, and he has continued to hold the position till the present time. He was largely instrumental in the trying days of the war in extending financial aid to the Government from Bangor, by placing the bonds here. He served two terms in the Legislature during the war. In company with other Bangor gentlemen, he built Norombega Hall and was a director for years in the Central Market House corporation, and its president from 1879. He was chairman of the Board of Commissioners appointed by the Legislature in 1875 to build the Bangor Water Works, and during the construction of the dam and water works gave almost his entire time to the city's interests. He served on the Water Board also for a number of years, while his connection with the Mount Hope Cemetery corporation, and his untiring zeal in its behalf is noted above. He was one of the principal organizers of the Union Insurance Company and the Bangor Mutual Fire Insurance Company and held the office of president of both companies for many years.

WESTBROOK, ME.—The deposits in the Westbrook Trust Company exceed $103,000.

MADISON, ME.—At a meeting of the stockholders of the proposed National bank in Madison it was decided to raise stock to the amount of $75,000. $50,000 are already subscribed. This bank will supply a long-felt need in that village.

LYNN, MASS.—A new bank is to be organized in Lynn—the Manufacturers' National.

BOSTON, MASS.—Ever since the failure of the Pacific National Bank in 1881 there has been an endless number of cases which arose out of the complications attendant upon the failure. The end of all that litigation has probably been reached, and it can be said with comparative certainty that the stockholders will receive about 63 per cent. of their investment.

CAMBRIDGE, MASS.—The removal of the National City Bank, from the dark, dingy and inconvenient quarters that it has too long occupied, to the new and fine rooms in the insurance building, calls to mind the early days of its existence. Some brief reminiscenses may not be uninteresting at the present time. The bank was chartered in March, 1853, went into operation September 1 of that year, and was located in the Athenæum building (afterward the City Hall), where it remained until the building was sold to the city in 1865, when it was removed to the rooms on the second floor of the block on the corner of Main and Norfolk streets. Its first board of directors were: George T. Gale, Eliphalet Davis, Henry M. Chamberlain, William P. Fisk, Samuel P. Heywood, George W. Whittemore and John Livermore. The board organized by the choice of John Livermore as president; Edward Richardson, cashier; and R. Litchfield, manager; capital, $100,000 At the time the charter was obtained a petition was pending from the Cambridge Bank for an increase of $50,000 capital, but after a full hearing by the committee on banks and banking, leave to withdraw was given to the Cambridge Bank and a charter was granted to the petitioners for a new bank with a capital of $100,000, which it now has, and it now is and has been in a sound and flourishing condition. Mr. Livermore, one of the original directors, and its first president (in which office he continued eighteen years), is the only one of the members now living. This bank was reorganized as a National bank in 1865, and has a surplus of $77,122. Its present location is favorable for an increase of business and its fine and commodious suite of rooms are very attractive and convenient.—*Cambridge Chronicle.*

GLOUCESTER, MASS.—The City National Bank of Gloucester is going to establish a savings department with all the security of the National banking system. The Springfield *Republican* objects to this as an assumption of power which belongs to the State, and as not contemplated by the National banking system. If it can be done, it says that the State institutions work under disadvantages that must ultimately drive them from the field. The latter are closely restricted in the form of investments in which they can place deposits; the National banks might go as they please, and, having free rein, regardless of the safety of investments, could pay interest rates that would draw away the business of the State institutions. Thus the National banks would soon crowd the State entirely out of this sphere of action, and bring under the reach of Federal authority, without proper regulation or supervision, the business of receiving and investing the savings of the people. It urges State action to test the legality of the proceeding.—*New Bedford Standard.*

SALEM, MASS.—The Naumkeag National Bank, which has just removed to new quarters, was organized as a State bank in 1831, with a capital of $200,000, increased in 1836 to $500,000. David Pingree was the first president, and Col. Joseph G. Sprague the first cashier. The bank was reorganized as a National institution in 1864, having then a surplus of $77,777. The surplus fund and undivided profits now amount to $366,000—making a capital and surplus larger than any other bank in Essex county. The new quarters of the bank are finished in oak, and are very convenient. The rooms will be as handsome as any on the street. A burglar-proof vault, with rooms and desks for customers using the vaults, and other improvements, have been added to give every facility for the transaction of business.—*Salem News.*

BOSTON, MASS.—The $1,000,000 additional capital for the Third National Bank has all been subscribed. Many stockholders will prepay their subscriptions, which prepayments draw interest at 4 per cent. up to the dates when calls mature. Stock will be delivered after October 1.

NEW HAMPSHIRE.—The reports of fifty-two National banks doing business in this State, recently made to the Comptroller of the Currency at Washington, showed that these institutions had resources amounting to $19,991,700.54, with individual deposits aggregating $6,896,375.77.

LANCASTER, N. H.—Action has been taken by the Lancaster Trust Company, chartered at the last session of the Legislature, to accept the charter and effect a temporary organization. Samuel H. Legro, Esq., was chosen president *pro tem.*, and E. V. Cobleigh secretary *pro tem.*, to hold office until permanent organization by the stockholders. The capital stock was fixed at $100,000. Messrs. Henry O. Kent, George Van Dyke and E. V. Cobleigh were made a committee to call in the subscriptions for stock, which were made payable on or before Saturday, June 20, 1891.

NASHUA, N. H.—The Nashua City Savings Bank was reorganized on Monday as a guaranty savings bank, under the name of the Guaranty Savings Bank, by virtue of an amendment to the charter granted by the Legislature at its recent session. A guaranty fund of $50,000 has been paid in for the protection of the general depositors, and the bank starts off under its reorganization with a new lease of life, and upon a solid foundation. The guaranty fund shall always be equal to 10 per cent. of the deposits. The officers are as follows: Hon. Charles H Burns, president; Hon. George A. Ramsdell, treasurer, and the following board of trustees: Charles H. Burns, Luther A. Roby, J. A. Spalding, E. O. Blunt, E P. Brown, J. M. Swallow, D. A. Fletcher, James A. Reed, Charles A. Roby, G. A. Ramsdell, A. N. Shepard, Joseph Flather Mark R. Buxton, Daniel T. Buttrick, George F. Wilson, F. W. Winn, George B. McQuesten, C. H. Burke, W. B. Rotch and Charles W. Stratton.—*Concord People and Patriot.*

NEWARK, N. J.—Receiver Wilkinson, of the Newark Savings Institution, is to be ordered to wind up the the accounts of the first failure of the bank which took place about thirteen years ago. About 1,300 depositors will be affected.

NEW YORK CITY.—Mr. Logan C. Murray, president of the United States National Bank at 37 Wall street, having decided to retire from active business for the present, has placed his resignation in the hands of the directors, to become effective on July 1. During more than twenty years Mr. Murray has been highly regarded in financial and business circles as a successful, conservative financier; his services to the United States National Bank since its organization are recognized by the directors as having been of the highest value to that institution. His resignation is founded entirely upon personal motives, as he feels the need of rest and intends to spend some time in travel with his family. In accepting his resignation the directors have adopted resolutions expressing their high appreciation of his eminent services to the bank, continuing his salary for three months from July 1, and requesting him to give his successor such advice and information as may be desirable for the interests of the bank. Mr. Murray is succeeded by James H. Parker, vice-president of the National Park Bank, whose ability and fitness for the position has been well tested during his connection with one of the largest and best known banks in this city—a word which, as used here, is synonymous with country.

NEW YORK CITY.—A very favorable report, and one showing an unusually prosperous state of affairs, is the quarterly report of the Bowery Bank of New York, published recently and showing the condition of that institution on the morning of Saturday, June 13. All those items upon which the prosperity of the bank depends show a very favorable increase as compared with the last previous quarterly report, the increase in deposits being especially noticeable. The resources of the bank are now $2,421,186.40. It has a capital stock of $250,000, a surplus fund of the same amount, and undivided profits aggregating nearly $250,000. The report proves conclusively that President H. P. de Graaf, Vice-president Richard Hamilton, and Cashier F. C. Mayhew have used rare skill and judgment in the management of the bank's affairs.

NEW YORK CITY.—The stockholders of the Bank of North America have authorized the changing of the bank's organization from State to National. The reasons given for the change are that the State banks are not viewed with favor by outside institutions, and cannot act as depositors for National banks or receive National funds, because they are not compelled by law to maintain a 25 per cent. reserve. The capital of the bank is $700,000, with a surplus of nearly $600,000. The institution has just been examined preparatory to the change, and the examiner pronounced its condition excellent.

NEW YORK CITY.—The resignation of Gardiner Sherman, president of the Seventh National Bank, has been accepted by the board of directors. The following minute was also adopted: The service of Mr. Sherman as president, although short, has been distinguished by a zealous devotion to the performance of the responsible and difficult duties associated with such an office. He has given his whole time, energies and ability towards promoting the interests of the bank, and in the service of its stockholders, and has maintained the high reputation and standing which the bank has so long and justly enjoyed in this community and elsewhere.

NEW YORK CITY.—The Hide and Leather National Bank has opened for business. The bank has a capital of $500,000 and a surplus of $50,000. In accepting subscriptions for the stock the amount which any one person was allowed to take was limited to $5,000. The result is that there are a large number of stockholders among the merchants of the vicinity, each interested in the bank's success. It is the only bank in the Fourth ward, and its customers will be chiefly dealers in leather, stoves and ranges, and those doing business in and around Fulton Market. About 200 accounts have already been promised to the bank. Its directors and other officers are well-known and successful business men, and there is every reason to suppose that the Hide and Leather National Bank will meet with a large measure of success.

NEW YORK CITY—AN AGREEMENT CONCERNING INTEREST.—Conferences between Wall street bankers and a few individual capitalists, it is reported, have resulted in a movement to form a combination of money-lending concerns in this city for the purpose of maintaining a uniform rate of interest. The recent agreement entered into by the Bank of England and the thirty-two joint-stock banks in London, to make the minimum rate of interest 3¼ per cent. suggested to certain New York capitalists that a similar combination here might serve a good purpose. The proposition is to get about fifteen of the strongest New York banks, half a dozen big trust companies, and such individual money lenders as Russell Sage and John D. Rockefeller to unite in an agreement to keep the rate of interest for large loans at a uniform figure. The idea is advanced that such a policy may stop the flow of American capital Europeward.

BUFFALO, N. Y.—Buffalo, N. Y., is gradually increasing its banking capital. Within a year the Citizens' Bank, capital $100,000, has begun business. About two weeks ago the Queen City Bank, capital $600,000, was started, and work is now being done on the location for the new Metropolitan and Union Banks. These two last named will probably be opened by or before midsummer. The Metropolitan will have $250,000 capital and the Union $150,000. The entire banking capital of the city is now about $4,500,000, which is considered yet too small for the city's needs; thus the new banks are welcomed, and they will probably do a good business.

BUFFALO, N. Y.—Superintendent Preston, of the State Bank Department, has issued a certificate of authorization to the Union Bank of Buffalo to do a discount and deposit business with a capital of $150,000, with privilege to increase the same to $1,000,000. The certificate of the payment in full of the capital stock is signed by Joshua S. Bliss, John G. McDonnell, Henry A. Menker, Alexander McMaster, Frederick W. Johraus, Daniel H. Person, Adam Cornelius, Conrad Sippel and Louis H. Eckhert, as directors of the bank.

BUFFALO, N. Y.—One of the newer banking institutions of the city is the Citizens' Bank. It was organized October 1, 1890, and has steadily advanced in public favor. The want of a bank where this is located has been felt for some time. Manufactories and workshops have been springing up on all hands. This want has now been supplied and a handsome bank building has been erected. Among its officers and directors are to be found leading business men The board of directors consists of Messrs. Joseph Block, president; Christian Klink, J. Adam Lautz, Deville W. Harrington, William A. Rinehart, Louis Weill, W. F. Wendt, Jerome I. Prentiss, Nathaniel W. Norton, John S. Langner; George F. Zeller, vice-president. These gentlemen are all well known to the citizens of Buffalo. The cashier, Mr. T. E. Waters, is eminently qualified for his responsible position, and fills it to the entire satisfaction of the patrons and stockholders. Mr. Waters was formerly first paying and receiving teller of the Bank of Commerce, and recently cashier for the Herkimer County National Bank at Little Falls, N. Y. The Citizens' Bank is organized under the laws of the State of New York, with a capital of $100,000.

BROOKLYN, N. Y.—The Hamilton Trust Company has been opened for business. The company has been preparing for business with careful deliberation, and the various steps of its formation have been as symmetrical with reference to a complete organization, and as well calculated to inspire well-founded confidence in the institution as it was possible to be. The trust company starts with a paid-up capital of $500,000 and a cash surplus of $250,000. All this was subscribed and paid in last January, and when it became known among business men who were its originators it would have been an easy matter to have increased the capital stock to $1,000,000, or even to $2,000,000. "The Hon. Silas B. Dutcher, the president of the Hamilton Trust Company," says the Brooklyn *Standard-Union*, " is a gentleman well known for many years past in Brooklyn and New York business circles, for an unswerving integrity and firmness of character, and a shrewdness of judgment acquired by an experience that has again and again led to success in his undertakings. Whether in public or private life, Mr. Dutcher has always merited and received the esteem and confidence of all who have come in contact with him."

BROOKLYN, N. Y.—The constant growth and general success of the Broadway Bank, of Brooklyn, corner of Graham avenue, has prompted the officers to allow interest on all daily balances in excess of $1,000.

SINCLAIRVILLE, N. Y.—Joy Love & Son, bankers, have a safe which has been used for fifty years. It is seven feet high and weighs 8,000 pounds. Some years ago burglars tried in vain to break it.

PHILADELPHIA.—The Penn National Bank, in its statement of June 6, 1891, reports its capital at $500,000; surplus and net profits, $361,143; circulation, $44,250; deposits, $2,972,320 ; loans and investments, $2,636,975; amount due from banks, $112,490; and cash and reserve, $1,128,247. The aggregate resources of the bank are $3,877,714.

The Market Street National Bank has appointed the Philadelphia Mortgage and Trust Company register of the stock of the bank, and all shareholders have been notified to present their certificates to the register to be countersigned.

PHILADELPHIA.—The National Bank of the Republic has reached its twenty-fifth year. Organized December 5th, 1865, the bank was opened for business on May 22d, 1866, at 809 and 811 Chestnut street, where the National Exchange Bank was merged into it in January, 1870. Removal was made to the building of the Guarantee Trust and Safe Deposit Company in December, 1874, and to the present location in December, 1884. The president and cashier have been associated in their respective positions for nearly twenty-five years, the former having been first elected August 29th, and the latter September 1st, 1866. Since then, under the conservative management of officers and directors, and the faithful services of the subordinates, the net earnings have amounted to $1,318,696.57, of which $967,500 have been divided to the stockholders, and $351,196.57 remain as surplus and undivided profits.

BRADFORD, VT.—The returns from the National Bank of Newbury, located at Wells River, shows $177,700 of its stock owned by non-residents. This institution is one of the oldest in this northern country, and has an enviable reputation in financial circles. Under the management of George Leslie as cashier, the bank has gained a local reputation for general banking business enjoyed by few institutions of its kind in this section.—*United Opinion.*

WESTERN STATES.

PUEBLO, COL.—The Western National Bank has increased its surplus from $135,000 to $140,000, another evidence of the prosperity of this, one of Pueblo's most solid and substantial institutions.

MITCHELL, SOUTH DAKOTA.—The first annual meeting of the State Bankers Association has been held. The following officers have been chosen. President, N. G. Hale, Scotland ; vice-president, Wm. Fisher, Volga ; secretary, D. R. Williams, Webster ; treasurer, Geo. H. Rathman ; executive committee, D. M. Inman, Vermillion ; J. D. Lawler, Mitchell ; Eugene Steere, Pierre ; W. P. Bebee, Ipswich ; D. W. Diggs, Milbank ; Elb Martin, Deadwood ; A. Loomis, Columbia; Fred Ware, Clarke ; Frank Drew, Highmore.

YANKTON, SOUTH DAKOTA.—The private banks throughout the State have formed a coalition for the purpose of testing the law passed by the Legislature last winter, which compels private bankers to organize under the State or National laws on or before June 10, 1891. The banks claim that the law is unconstitutional and the test case will be carried clear through the State courts and beyond to the highest judicial tribunal available.

CHICAGO, ILL.—The most noteworthy banking event for June was the retirement of Mr. Nickerson, and the election of Mr. Gage, as president of the First National Bank. Though long serving as vice-president, Mr. Gage has been the generally recognized head. This is one of the great banks of the country; and it is perfectly just to say that Mr. Gage, by his marked efficiency and popularity, has contributed more than any other person to the success which the bank has attained. Mr. Gage is succeeded as vice-president by Henry R. Symonds, while R. J. Street becomes cashier, and Holmes Hoge, assistant cashier.

JOLIET, ILL.—The Joliet National Bank starts out with ample capital and a good list of depositors. The officers and directors are gentlemen who have the entire confidence of the community, and the bank will no doubt do a good business from the start. The officers do not expect to spring at once into a big business, but they hope by faithful service, fair dealing and strict integrity, to merit the confidence of the business men of Joliet and Will County.—*Joliet Sun*.

BLOOMINGTON, ILL.—General John N. McNulta, formerly receiver of the Wabash Railway; General G. F. Dick, former Postmaster of Bloomington; Lincoln H. Weldon and Robert P. McNulta have made application to the Secretary of State for a license to incorporate the State Bank of Bloomington, with a capital stock of $300,000

EVANSVILLE, IND.—Of the death of Hon. John A. Reitz, the Evansville *Journal* says: In 1854 he was one of the organizers of the Crescent City Bank, of this city, and one of the best banks of the State of Indiana, and continued with it as a director and its vice-president until its close, caused by the enactment of the National bank law. Immediately thereafter he became one of the original stockholders in the Merchants' National Bank, and for many years was one of its directors. Upon disposing of his interests therein, he became director of the German National Bank of this city, and its vice-president. Later he became its president, and has continued as such ever since. During his active business life Mr. Reitz always took great interest in all things pertaining to the welfare of the city and the good of her people. Especially was he interested in making Evansville a railroad center. He was one of the incorporators, and president of the then Evansville, Carmi & Paducah Railroad, now the western division of the Louisville & Nashville Railroad, and for many years a director representing the city of Evansville in the Evansville, Henderson & Nashville Railroad.

DES MOINES, IOWA.—This city has been added to the number of reserve cities under the National banking law. The Iowa *State Register* remarks: "The importance of this to Des Moines is not to be underestimated, for it means the addition of many thousands of dollars to the deposits in the National banks of this city. Under the provisions of the National bank statutes every bank is required to keep on hand at all times a certain per cent. of reserve in lawful money, and three-fifths of such reserve may consist of balances due from banks in reserve cities; hence the 140 National banks in Iowa may now keep such balances on deposit with the National banks in Des Moines, where they will hereafter count as reserve, instead of keeping it in Omaha, Chicago and Eastern money centers. The great advantage to Des Moines from this must be apparent, and especially in times of monetary stringency, as at such times miscellaneous bank balances are closely drawn and centered in cities where they will count as reserve. The National banks of Des Moines are to be commended for so promptly acting in the matter, and thus not only securing for their city this substantial benefit, but thereby enabling Des Moines to take position and rank under the National bank system, with the leading cities of the country—a position to which, under the Federal census, no other city in Iowa is entitled."

DETROIT, MICH.—The organization of what is to be one of Detroit's large financial institutions has been completed. The new corporation is a double-headed one, and will be known as the Equitable and Loan Trust Co. of Omaha and Detroit, and among the projectors of the plan are some of the best known and most "solid" business men of the two cities named. The new enterprise has been pushed by S. M. Christenson, of Omaha, who has labored most assiduously for the completion and realization of the plan. The objects of the concern, as set forth in the articles of association, are to facilitate the negotiation of first mortgage loans, act as surety on bonds and do a general banking and title business. The articles also guarantee to patrons the insurance of titles for a small consideration.—*Detroit Tribune.*

BAY CITY, MICH.—The annual report of the stockholders of the First National Bank, filed with the County Clerk, shows that there are fifty-six persons holding shares which aggregate $200,000.

SAGINAW, MICH.—At the council meeting on the 8th of June contracts for city deposits were awarded to the Home National and Bank of Saginaw.

MINNEAPOLIS, MINN.—The Northwestern National Bank is about to move into the Guaranty Loan building. In connection with this change it is interesting to note that the Security Bank is said to have doubled its business since moving into the new location.

MINNEAPOLIS, MINN.—"Commission row" will have an important accession during the coming summer, one which will add materially to its standing as one of the newly-developed business centers of Minneapolis. James McMillan, who owns the lot on the northwest corner of Second street and First avenue north, opposite the old Harmonia Hall, will remove the frame structures now occupying the site, and erect a handsome business block. The corner of the new block will be fitted up expressly for a banking house, and Mr. McMillan intends to make it one of the finest in the city. Nearly all the immense banking business of "the row" is now handled by institutions located at a considerable distance, and a number of the leading houses have expressed a desire for improved or more convenient facilities in this direction.—*Minneapolis Tribune.*

ST. PAUL, MINN.—The plan adopted by the directorate of the St. Paul National Bank in the disposal of $100,000 of additional capital stock at $120 per share to prospective patrons has excited a good deal of comment in the business world and in circles where moderate means prevail as well. The bank makes no secret of the fact that those applications will be most favorably considered which come from persons who can and will give the institution more business. More than the price asked per share would have been paid, and gladly, by present stockholders, but to sell to them exclusively would not be to attain the end desired. Granting, as every one does, the desirability of the stock as an investment, the plan and purpose of the directorate commends itself not only to prospective purchasers of new stock, but to present holders of former issues.—*Pioneer Press.*

ST. LOUIS, MO.—The various Kansas City banks are in receipt of a circular sent out by Cashier J. C. Russell, of the National Bank of the Republic, of St. Louis, urging a meeting to be held some time this summer, for the purpose of organizing a State association of bankers. The scheme is said to be favored by many St. Louis bankers, and it is probable that such a meeting will be arranged for. The circular, explaining the objects of the proposed association, says it is to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance, and from the discussion of subjects of importance to the banking, commercial and industrial interests of the State of Missouri, and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws which affect the banking interests of the State of Missouri, and for protection against loss by crime.

BRIGHAM CITY, UTAH.—The Bank of Brigham City has removed to the handsome quarters recently occupied by the Utah Loan & Trust Co.

SOUTHERN STATES.

ALABAMA.—The Comptroller of the Currency has issued an abstract of reports showing the condition of the thirty National banks in the State of Alabama on the 4th of May last. These banks had resources to the amount of $14.766,442.98, of which loans and discounts were $8,765,694. United States bonds to secure circulation, $1,229 500; stocks, securities, etc., $996.383.46; due from the reserve agents, $647,245.36; due from other banks, $722,722.28; specie, $551,628.04; and legal tender notes, $306,628.94. These banks have a capital stock paid in of

$4,329,000; surplus fund, $1,029,657.67; undivided profits, $742,493 24; National bank notes issued, $1,094,330; individual deposits, $6,260,527.27; due to other banks, $513,370.33; notes and bills rediscounted, $631,269.13. The reserve held was 22 97 per cent.

FULTON, KY.—The Mayfield Banking and Trust Company is fitting up a building for the removal of the Mayfield Banking and Trust Company to this city, where it will be made a National bank, with a capital stock of $100,000.

THIBODAUX, LA.—The stockholders representing 250 shares of $100 each of the Bank of Thibodaux have elected the first board of directors to serve the ensuing year. The following eleven gentlemen will constitute the board of directors: Messrs John S. Seely, Ernest Roger, Ellis Brand, Cleophas Lagarde, Thomas Beary, Ozeine Naquin, Anatole J. Brand, J. Lewis Aucoin, C. P. Shaver, L. McLayman and Leonidas Trosclair. Ellis Brand is president; Major Cleophas Lagarde, vice-president; and C. P. Shaver, cashier. The above named officers and board of directors are sure to lend solidity to the enterprise and obtain the entire confidence of the people. The Bank of Thibodaux will soon be in thorough operation and will undoubtedly prove a great financial success in every respect.—New Orleans *New Delta*.

CUMBERLAND, MD.—The Second National Bank occupies one of the finest buildings of the kind in the State. It was started with a capital of $100,000, and now has a surplus of $150,000, with individual deposits of $743,748.04.

The Third National Bank is erecting a handsome edifice on Baltimore street, a few doors west of its present location. Its capital is $100,000; surplus and undivided profits, $50,000; deposits, $220,000. The showing presented by these banks indicates the financial strength and prosperity of the city.—*Washington Post*.

CHESTERTOWN, MD.—The Second National Bank of Chestertown has entered upon its second year. The first year has been a most successful and satisfactory one, and the bank to-day is in a more flourishing condition than at any time since its organization one year ago, its discounts amounting to $125,000 and deposits $122,454.—*Chestertown Transcript*.

SEYMOUR, TEXAS.—The First National Bank has completed its building, which is a handsome two-story structure. The recent report of the First National shows that it is on a safe basis and is doing a prosperous business. The tact, discernment and general cleverness of all the gentlemen engaged in conducting the business is sufficient guarantee of its continued success.—*Seymour Monitor*.

PACIFIC STATES.

STOCKTON, CAL.—Farmers and Merchants' Bank—This bank has been established two to three years, and is the only bank in this city that possesses a safety deposit vault. This vault contains 246 boxes, which are rented to the patrons of the bank and the public generally at $3 to $6 a year, and has proved a great convenience to the people. The Farmers and Merchants' Bank transacts a general banking business, buys and sells domestic and foreign exchange, and makes collections at all available points. The bank has an authorized capital of $500,000, of which $300,000 is paid-up, and a surplus of $40,000. Its officers are Philip B. Fraser, president; David S. Rosenbaum, vice-president, and Chas. H. Keagle, cashier.

Stockton Savings Bank—This bank was established in 1882. It has a paid-up capital of $300,000, and a deposit patronage exceeding $800,000. It transacts a general banking business, deals in foreign and domestic exchange, and makes collections at all available points. The Stockton Savings Bank is a solid and popular institution, and does a good business. The officers are: H. S. Sargent, president; J. D. Peters, vice-president; and Sidney Newell, cashier.

Stockton Savings and Loan Society—This bank was established in 1867. It does a general banking business, deals in home and foreign exchange, and makes collections at all available points. It pays liberal interest on time deposits. The Stockton Savings and Loan Society occupies large and finely furnished quarters, and does a prosperous business. It has a capital of $500,000, a reserve fund of $100,000, and a surplus of $200,000. Its officers are L. U. Shippee, president;

Fred. M. West, cashier; and S. S. Littlehale, assistant cashier; all safe and reliable business men, and conservative financiers.

The First National Bank—This is the only bank in Stockton doing business under and subject to the National banking laws of the United States. It has a history of forty years, and was organized as a National bank in 1872. It was the first National currency bank established in California. It has a paid-up capital of $200,000, and a surplus of $170,000. It transacts a general banking business, deals in home and foreign exchange, makes collections at all available points, does the largest business in this region, and beyond question is one of the most reliable and responsible banks in the State. Mr. Hewlett, the president, is a large shareholder and director in the Bank of California and also a director in that institution. He is also interested in several other banks in the State. The officers of the First National Bank are H. H. Hewlett, president; James H. Hough, secretary; S.W. Newell, cashier; Arthur W. Bell, accountant—all competent and reliable gentlemen of high social standing. Mr. Hewlett, the president, is also director in the Security Savings Bank of San Francisco.—*San Francisco Journal of Commerce.*

MERCED, CAL.—The First National Bank of this city has decided to surrender its charter as a National bank and to incorporate as a commercial and savings bank, with $300,000 capital stock.

SUMAS CITY, WASHINGTON.—"The First Bank of Sumas," owned by J. A. Cloud, of New York City, and B. Hufty, of Sumas City, Wash., with the latter gentleman as manager, has commenced business with $50,000 capital. Wells, Fargo & Co., of New York and San Francisco, and Merchants National Bank of Tacoma, as correspondents. Mr. Hufty is an old hand at the cashier's desk, having been manager of the Skagit River Bank of Mt. Vernon, Wash., from its organization until that bank was converted into a National bank, and Mr. Cloud disposed of his controlling interest some months ago.

CANADA.

CANADA.—The Union Bank of Halifax is the latest of the city's monetary institutions to improve its business quarters. The premises were always light and airy, and the change now accomplished was rendered necessary only on account of the need for increased accommodation. The long, square counter that stretched across the office furnished comfortable and convenient room only for three clerks, so that the staff of the bank was seriously handicapped. Now the bank clerks can work rapidly and to good effect behind the handsomely railed mahogany counter which faces the south and west. In it there are wickets for the teller, ledger keeper, for collections, for the accountant, the savings bank, discount, and the messenger. The counter is a fine piece of workmanship in mahogany, the rail being a combination of nickeled grill and ground and plate glass. The porch entering from the street is of mahogany and glass and is most attractive looking. The interior woodwork of the banking office is painted and varnished in excellent keeping with the design and material of the porch and counter. The floor is of Nova Scotia birch and the walls are covered with embossed paper of a rich antique design. The fresco work on the ceiling is fine, and well sets off the beautifully molded plaster. At the rear, as before, are the cashier's and directors' rooms. The bank makes a specialty of its savings department where sums of from $1 up are taken on deposit and interest given at the rate of 4 per cent. Four weeks were taken in the alterations, and the inconveniences suffered by customers during that time are amply compensated by the spacious and excellent banking room that is now provided for their use. Edward Elliott was the architect; Mackintosh and McInnis the contractors, and Reardon had the painting and decorating to do.—*Halifax Herald.*

The People's Bank was a short time ago remodeled and improved, and the Bank of British North America has just been undergoing alterations. The Bank of Montreal is gloomy after the morning sunshine departs from its windows, and on dark days gas is necessary nearly all the time. Only a few days ago we were reading of the experience of a merchant whose clerks were frequently ailing. He had his offices moved to light and airy apartments, and his clerks immediately improved in health. Air and sunlight are necessary to all, and young men should discriminate in accepting situations, so that they will not have to spend a large part of their lives in unhealthful offices.—*Halifax Critic.*

CANADA.—The annual meeting of the shareholders of that well-managed institution, the Eastern Townships Bank, was held at Sherbrooke on the 3d June. This bank is a real credit to the country. It is conducted on business principles and sound judgment. The proprietors will get 3½ per cent. dividend on their investment for the half year just closed. The gross profit during the last financial year has been $174,211—$2,300 in excess of the preceding year. After paying the dividend ordered, $50,000 of the earnings will go to the reserve fund. That fund now amounts to $600,000, or over 41 per cent. of the paid-up capital of the bank —quite a handsome showing, all things considered. R. W. Heneker, Esq., president, presents the report in a few words, and speaks less despondently of the future than most men. He thinks that the harvest prospects are bright. A hint is given to the local Government and the Legislature and their policy of extra-hazardous taxation, which, it is to be hoped, may have a good effect on the Treasurer of the province, when he returns home. Mr. William Farwell, the popular and able general manager, deals entirely with figures. The old board of directors was re-elected, and at a later meeting of that body, Mr. Heneker and Hon. G. G. Stevens were elected president and vice-president, respectively.—*Quebec Chronicle.*

MERCHANTS BANK OF CANADA.—One of the most noteworthy addresses annually made by the Canadian bank managers usually is Mr. George Hague's. For many years he has been the general manager of the Merchants Bank of Canada. In his admirable address at the last annual meeting, among other things, he remarked: "The year just closed has been disappointing in some respects and satisfactory in others. The volume of the business of the bank has been as large as usual. The greater part of those who were customers of the bank a year ago are customers still, and I think they are well satisfied with the treatment they have received. We have endeavored to render our customers good service in the various departments of their business. Some of them we have supplied with money as they needed it, and I think none have reason to complain even if we did at times restrict them. In the case of others we have taken care of the money they have entrusted to us. We have paid the checks of our customers to the amount of nearly two hundred millions at the thirty points where checks were presented. We have discounted their bills and passed through their loans to the extent of over one hundred millions. This amount was not, of course, all current at one time; but bills to that amount have passed through our books during the year. We have received on deposit over the counter over one hundred and sixty millions, and we have collected and transmitted from one point to another in Canada, the United States and England, about a hundred millions more. We have done this business apparently to the satisfaction of our customers, and in so far as they have been satisfied we have been satisfied too. There are, however, some things upon which we cannot look with as much satisfaction as the foregoing. I cannot but express the opinion that the bank has not been reasonably remunerated for much of the business it has done. In the United States, in England, Scotland, or Australia, for transacting the same volume of business far more would have been earned by the bank. I refer now to what the bank earns, irrespective of deductions for expenses, and if I mention the fact, I must also mention the reason of it, namely, severe competition. The stress of competition affects every line of business, banking included. I do not intend, at present, to discuss the matter at length, but merely put on record my judgment that the banks at present are not paid a reasonable remuneration for what they do for their customers. I will, however, say, and I say it emphatically, that such competition as leads banks to make larger loans to customers than they otherwise would, and to be less careful about security, is not less dangerous to their customers than to the banks. Many mercantile failures in this country have arisen from borrowing too freely. I have never known any one to fail in Canada because he borrowed too little."

MONTREAL.—In the address of Mr. E. S. Clouston, general manager of the Bank of Montreal, to the shareholders at the last annual meeting, he remarked: "The lesson to be learnt from our past experience is that in good years it is a mistake to distribute all that is earned. It is much more prudent, in order to equalize dividends, to set aside a considerable percentage of our surplus earnings in good years to meet unexpected contingencies in bad ones, which are sure to come. It is becoming more and more difficult, owing to competition, to earn our dividends, and unless we can increase our loaning power by adding to our rest, or by increasing our deposits, I do not think we would be safe, even if we made them, in distributing a larger percentage of our profits than we have done for the last few years. If we were only satisfied that the commercial community were fully alive to the necessity of greater economy and curtailment of credit we could look forward with more confidence to the future. I cannot help feeling, however, that they are in no position to stand a succession of bad seasons arising from indifferent harvests, or other causes—there are too many in business with insufficient capital, and their stability is honeycombed by too much and too long credit. If I am right in my interpretation of the present condition of the financial market in London, it is hardly necessary to point out to those controlling the finances of municipalities, cities, corporations and even Governments, the absolute necessity of the greatest prudence and economy. Of late there seems to have been a fever of borrowing, extending even to the smallest village. The local market can only absorb a certain quantity of securities, and if these borrowers are obliged to appeal to a market already overloaded, it means that they must negotiate their securities with difficulty, and at a much lower rate than they have hitherto obtained. There is one reassuring feature to the shareholders, which perhaps I may be allowed to refer to. The credit of the bank never stood higher than it does at present, and its earning power is unimpaired. Notwithstanding the fact that during the periods before referred to we were obliged to keep several millions of cash unemployed to meet any possible panic that might arise, our gross profits were the largest, with one exception, since 1878—our commercial losses for this year were not abnormal, and had it not been for the special appropriations I mentioned, we could have shown a very favorable statement. We were able to make unusually handsome profits out of our exchange operations, owing to the fact that, during the troubled times when the community were inclined to scrutinize bills very closely, our credit stood so high that our Exchange was in active demand, at remunerative rates, when others were taken only at lower rates, or avoided altogether. During a considerable portion of the year, also, rates for money ruled high in the United States; but we cannot, in the future, count on so active and profitable a demand, or on such remunerative exchange transactions."

TORONTO, CANADA.—The annual meeting of the shareholders of the Canadian Bank of Commerce has been held. The annual report showed that the net earnings of the bank, together with the balance carried forward from last year, amounted to $552,406, out of which, after making provisions for all bad and doubtful debts and assets, the customary dividend of 7 per cent. was paid; $100,000 was transferred to the rest account and $22,406 was carried forward to profit and loss The general statement presented at the meeting showed the assets of the bank to be $25,360,000. B. E. Walker, the general manager of the bank, in his address, said that the directors' report exhibited a steady prosperity, and although the profits resulting from the year's business were moderate, they would no doubt be satisfactory to the shareholders. He drew attention to the increase in deposits, which have now reached the handsome figure of $15,000,000.

QUEBEC.—Mr. Stevenson, manager of the Quebec Bank, in his address to the shareholders at the annual meeting, remarked, in alluding to the losses of the bank through failures during the year, that they were perhaps less than had been anticipated, and the management had been enabled to provide for bad and doubtful debts out of the profits which had been made during the twelve months, and had added something to the profit and loss account instead of trenching upon it to pay dividends. And he added: "That losses in the management of a bank are inevitable must be patent to the understanding of every one connected with the business of banking in Canada; but I venture to say that the losses would not be so large, nor so frequent, if a sounder policy were pursued in the business of banking generally. Great competition and an eager desire to make profits often lead to undue extension of business, and consequent loss."

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from June No., page 1001.*)

	Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY	N. B'k of North America.	Heman Dowd, *Ass't Cas.*	....
"	" ...Ninth National Bank.	C. Henry Garden, *P.*	John T. Hill.
"	" ...Seventh National Bank.	John McAnerny, *P.*	Gardiner Sherman.
		James Hall, *V. P.*	John McAnerny.
"	" ...United States Nat. Bank.	James H. Parker, *P.*	Logan C. Murray.
"	" Union Dime Sav. Institu'n.	Gardner S. Chapin, *P.*	Silas B. Dutcher.
		Chas. E. Sprague, *Treas.*	Gardner S. Chapin.
		Francis M. Leake, *Sec.*	Chas. E. Sprague.
ALA.	First National Bank, Florence.	Wm. Porterfield, *A. Cas.*	P. S. Tice.
"	First National Bank, Fort Payne.	H. B. Hill, *P.*	W. P. Rice.
		T. P. Randall, *V. P.*	A. W. Train.
		Edw. P. Landes, *A. Cas.*	....
ARIZ.	Bank of Mammoth Springs.	G. C. Buford, *P.*	Wm. A. Beatty.
"	First National Bank, Mobile.	Chas. D. Willoughby, *A. Cas.*	....
"	Arizona Nat. Bank, Tucson.	L. M. Jacobs, *V. P.*	Samuel Hughes.
ARK.	Peoples Bank, Bentonville.	A. W. Dinsmore, *P.*	John Smart.
"	Citizens Bank, Pine Bluff.	H. Riley, *Cas.*	H. C. Rather.
CAL.	Broadway Bank, Los Angeles.	Warren Gillelen, *P.*	H. Sinsabaugh.
		H. C. Veazie, *Ass't Cas.*	G. Sinsabaugh, *C.*
"	Garden City Nat. B'k, San Jose.	C. W. Breyfogle, *P.*	A. McDonald.
DEL.	Equitable Guar. & Tr. Co., Wilmington.	Preston Lea, *P.*	Wm. Bush.
		Thos. B. Smith, *V. P.*	....
D. C.	Farm. & Mechanics Nat. B'k, Georgetown.	E. P. Berry, *Cas.*	W. Laird, Jr.
		Chas. W. Edmonston, *A. C.*	....
FLA.	First National Bank, Orlando.	John H. Gilbert, *P.*	H. S. Kedney.
		W. L. Palmer, *V. P.*	F. R. Webber.
GA.	Chatham Bank, Savannah.	Beirne Gordon, *P.*	R. D. Guerard.
ILL.	First National Bank, Chicago	Lyman J. Gage, *P.*	S. M. Nickerson.
		Henry R. Symonds, *V. P.*	Lyman J. Gage.
		R. J. Street, *Cas.*	H. R. Symonds.
		Holmes Hoge, *A. Cas.*	R. J. Street.
"	L. M. Yocum & Co., Galva.	W. D. Patty, *Cas.*	O. S. Houghton.*
IND.	Bank of Westfield, Westfield.	Abel Doan, *P.*	L. A. Estes.
		Wm. H. Conklin, *V. P.*	Abel Doan.
		M. E. Cox, *Cas.*	R. Estes.
IOWA.	First National Bank, De Witt.	A. M. Price, *Cas.*	E. W. Price.
"	Dubuque Nat. Bank, Dubuque.	E. J. McLaughlin, *A. Cas.*	....
"	Mills County N. B., Glenwood.	A. C. Sabin, *Cas.*	W. H. Anderson.
"	Keokuk Savings Bank, Keokuk.	A. J. Mathias, *Cas.*	E. Johnstone.*
"	Security National Bank, Sioux City.	W. P. Manley, *P.*	J. D. Spaulding.
		F. M. Case, *Cas.*	W. P. Manley.
"	Bank of Sully.	A. Smith, *P.*	C. Taylor.
"	Farmers & Citizens B'k, Wilton.	J. E. Park, *Cas.*	Frank Bacon.
KAN.	Cherry Vale National Bank, Cherry Vale.	A. H. Harding, *V. P.*	Wm. H. Powell.
		C. F. Godbey, *Ass't Cas.*	D. F. Powell.
"	Citizens Nat. Bank, Concordia.	W. B. Harper, *Ass't Cas.*	F. W. Morgan.
"	Bank of Garnett.	Walter Latimer, *Cas.*	John A. Gilmore.
"	First National Bank, Howard.	W. S. Lambert, *P.*	Geo. S. Hanna.
		S. J. Haines, *V. P.*	J. M. Gwyn.
		N. Momma, *Cas.*	S. C. Hanna.
"	Howard Nat. Bank, Howard.	J. M. Gwyn, *V. P.*	N. Momma.
"	National Bank of Commerce, Hutchinson.	John Hall, *P.*	W. T. Atkinson.
		W. T. Atkinson, *V. P.*	John Hall.
"	Lawrence Nat. Bank, Lawrence.	W. L. Howe, *Ass't Cas.*	....
"	Wellington N. B'k, Wellington.	John S. Stewart, *V. P.*	....
KY.	First Nat. Bank, Nicholasville.	Wm. H. Hoover, *V. P.*	Brown Young.
"	Clark Co. Nat. B'k, Winchester.	T. C. Robinson, *V. P.*	Jas. Hodgkin.
LA.	First National Bank, Franklin.	J. M. Burquieres, *V. P.*	....
ME.	First National Bank, Bangor.	Edward Stetson, *P.*	Geo. Stetson.*
"	Farmers Nat. Bank, Houlton.	F. Woodbury, *V. P.*	J. P. Donworth.
MASS.	Security Safe Dep. Co., Boston.	Edward R. Andrews, *P.*	....
"	Union Savings Bank, Fall River.	A. G. Hart, *Treas.*	J. C. Borden.
		M. B. Horton, *Sec.*	A. G. Hart.
"	New Bedford S. D. & Tr. Co., New Bedford.	J. W. Macomber, *P.*	C. E. Hendrickson.

* Deceased.

	Bank and Place.	Elected.	In place of.
MICH...	Mechanics Bank, Detroit.	E. H. Butler, *P*.........	Wm. A. Butler.*
		Wm. A. Butler, Jr., *Cas*..	E. H. Butler.
		Fred. E. Butler, *A. Cas*..	Wm. A. Butler, Jr.
″ ..	First National Bank, Marquette.	F. J. Jennison, *Cas*......	Geo. Barnes
MINN...	Twin City N. B., New Brighton.	C. Jno. Alloway, *P*......	D. W. Edwards.
MISS ...	First Nat. Bank, Aberdeen.....	C. R. Sykes, *Cas*.........	B. C. Jinkins.
″ ..	Bank of Carrollton............	J. M. Jones, *Cas*.........	R. A. Bacon, *Actg.*
MO.....	Farmers Union Bank, Cowgill.	J. W. Houston, *Cas*......	J. S. Houston.
″ ..	Farmers Bank, Foster.	J. H. Sullens, *Cas*.......	Wm. E. Walton.
		W. A. Ephland, *Ass't Cas*.	....
″ ..	Miners Bank, Joplin...........	Thos. Connor, *P*........	Thos. E. Tootle.
″ ..	Ætna Nat. Bank, Kansas City.	A. W. Allen, *P*..........	R. W. Tureman.
″ ..	Central Nat. Bank, Springfield.	Geo. M. Jones, *P*........	J. W. Powers.
″ ..	First National Bank, Springfield.	A. S. Clements, *Cas*......	R. L. McElhany.
		Chas. Ewing, *Ass't Cas*..	A. S. Clements.
″ ..	Schuster-Hax N. B., St. Joseph.	R. L. McDonald, *2d V. P.*	W. E. Hosea.
″ ..	Chemical Nat. Bank, St. Louis.	Francis Kuhn, *V. P*......	....
″ ..	Citizens Sav. Bank, St. Louis..	J. B. C. Lucas, *P*........	Jos. O'Neil.
MONT...	First National Bank, Boulder ..	D. McNeil, *V. P*.........	....
″ ..	First National Bank, Castle....	J. L. Fraser, *Cas*.........	....
″ ..	Livingston Nat. B., Livingston.	J. A. Savage, *P*..........	C. A. Broadwater.
NEB....	First National Bank, Alma.	A. L. Burr, *P*............	L. B. McManus.
		Dan Sullivan, *V. P*......	Wm. Campbell.
		J. S. Griffin, *Cas*........	E. O'Keefe.
″ ..	State Bank, Cortland..........	Silas Tigard, *Cas*........	Jas. F. Prentiss.
″ ..	Bank of Harrison, Harrison.	John A. Lucas, *P*........	Chas. E. Verity.
		Chas. E. Verity, *Cas*.....	Chas. E. Holmes.
		Chas. E. Holmes, *V. P*...	....
″ ..	First National Bank, Ord......	E. N. Mitchell, *Cas*......	W. E. Mitchell.
″ ..	West Point N. B'k, West Point.	Jas. W. Shearer, *Cas*.....	Neils Larsen.*
N. H....	Lancaster Trust Co., Lancaster.	Henry O. Kent, *P*........	....
		Chester B. Jordan, *V. P*..	....
		George Van Dyke, *V. P*..	....
		Henry Percy Kent, *Treas*.	....
N. J....	First National Bank, Plainfield.	F. S. Runyon, *Cas*......	Carmon Parse.*
		D. M. Runyon, *Ass't Cas*.	F. S. Runyon.
″ ..	First National Bank, Trenton..	Ellwood Parsons, *P*......	Philip P. Dunn.
N. Y....	Nat. Exchange Bank, Albany..	John J. Gallogly, *Act'g*...	T. W. Cantwell, *C.*
″ ..	First National Bank, Bainbridge.	Elliot Danforth, *P*......	Gervis Prince.*
″ ..	Sprague Nat. Bank, Brooklyn..	Frank L. Brown, *Cas*....	F. K. Smith.*
″ ..	Cortland Savings B'k, Cortland.	Calvin P. Walrad, *P*.....	R. Holland Duell.*
″ ..	Lake Shore Nat. B'k, Dunkirk..	M. L. Hinman, *P*........	W. T. Cohnan.*
″ ..	Tioga National Bank, Owego..	H. A. Clark, *V. P*........	C. A. Clark.*
″ ..	Sherburne Nat. B'k, Sherburne..	A. B. Wetmore, *Ass't Cas*.	....
OHIO...	Farmers Bank, Canton.	Henry A. Wise, *V. P*....	A. C. McDowell.
		Frederick M. Fast, *Cas*...	H. G. McDowell.
″ ..	Atlas Nat. Bank, Cincinnati....	Wm. Guckenberger, *A. C*.	....
″ ..	State National Bank, Cleveland.	M. A. Bradley, *P*.........	James Farmer.
″ ..	Peoples Savings Bank Co., Martin's Ferry.	J. S. Harrison, *P*........	A. D. Seamon.
″ ..	First National Bank, Norwalk..	S. M. Fuller, *Ass't Cas*...	....
″ ..	Paulding Dep. Bank, Paulding.	E. P. Copeland, *Cas*.	W. H. Mohr.
″ ..	Second Nat. Bank, Sandusky...	W. Hubbard, *V. P*.......	C. C. Keech.*
″ ..	Commercial Bank, Tiffin.	S. B. Sneath, *P*..........	W. P. Noble.
		W. P. Noble, *V. P*.......	....
″ ..	Northern National Bank, Toledo.	F. B. Shoemaker, *V. P*...	M. Shoemaker.
		A. E. Lawrence, *Ass't Cas*.	....
ORE....	First Nat. Bank, Island City. .	H. Owens, *Ass't Cas*.....	....
″ ..	Portland Nat. Bank, Portland..	J. O. Bingham, *Cas*......	Wm. Lowe.
PA.....	First Nat. Bank, Cannonsburg.	W. H. Paxton, *V. P*.....	....
″ ..	Miles National Bank, Delta.	H. R. Lloyd, *V. P*.......	Robt. S. Parke.
		Robt. S. Parke, *Cas*......	J. H. Miles.
″ ..	Harrisburg Nat. B., Harrisburg.	Wm. L. Gorgas, *Ass't Cas*.	....
″ ..	Hazleton National Bank, Hazleton.	Frank Pardee, *V. P*......	E. P. Kisner.
		A. M. Eby, *Cas*...........	E. S. Dowd.
″ ..	Third National Bank, Philadelphia.	M. Dobbins, *P*...........	P. M. Lewis.
		B. F. McFillin, *V. P*.	Geo. Myers.
″ ..	Farmers & Mech. B., Royersford.	Geo. W. Bowman, *Cas*...	J. H. Johnson.
″ ..	City Nat. Bank, Susquehanna..	Le Grand Benson, *Cas*...	W. S. Brandt.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
R. I....	Rhode Island N. B., Providence.	S. S. Sprague, *P.*	H. Lippitt.*
TENN ..	Fourth Nat. B'k, Chattanooga.	R. F. Rather, *Ass't Cas.*	....
" ..	Safe Dep. Tr. & Bank'g Co., Nashville.	Nat. F. Dortch, *P.*	John G. Houston.*
" ..	Traders Nat. Bank, Tullahoma.	W. N. Byers, *Ass't Cas*	C. R. Gwyn.
TEXAS..	First National Bank, Brenham.	Heber Stone, *P.*	C. A. Engelke.
		C. A. Engelke, *V. P.*	E. Reichardt.
		H. K. Harrison, *Cas.*	H. O. Engelke.
" ..	First National Bank, Bryan....	J. W. Howell, *2d V. P.*	....
..	Gainesville N. B'k, Gainesville.	Geo. R. Edwards, *Cas.*	C. Chambers.
..	City National Bank, Paris.....	H. H. Kirkpatrick, *V. P.*	W. E. Dailey.
..	Glover National Bank, San Marcos.	G. W. Donalson, *Cas.*	T. H. Glover.
		G. A. Franklin, *Ass't Cas.*	....
" ..	Bell County Nat. Bank, Temple.	W. L. Rogers, *V. P.*	A. Bentley.
" ..	Inter State Nat. B., Texarkana.	H. L. Vaughan, *Ass't Cas.*	....
" ..	State Nat. Bank, Vernon	Robt. Houssels, *V. P.*	....
VT.....	Howard Nat. Bank, Burlington.	H. T. Rutter, *Ass't Cas.*	....
VA.....	First Nat. Bank, Bedford City..	J. Law'nce Campbell, *V.P.*	A. W. Talley.
" ..	First Nat. Bank, Richmond....	A. L. Boulware, *P.*	Isaac Davenport, Jr.
WASH..	First Nat. Bank, Mt. Vernon...	F. R. Van Tuyl, *V. P.*	....
W. VA..	Citizens Nat. Bank, Charleston.	W. T. McClurg, *Cas.*	W.T.McClurg, *Ac'g*
WIS....	Bank of Antigo, Antigo.	H. G. Borgman, *P.*	Albert Solliday.
		L. E. Bucknam, *Cas.*	Amos Baum.
" ..	Bank of Ellsworth.............	H. B. Warner, *P.*	S. Strickland.
" ..	Bank of Kewaunee............	Chas. Brandes, Jr., *Cas.*	F. Steiskal.
" ..	Bank of Menasha.............	Jos. L. Fieweger, *Cas.*	H. Hewitt, Jr.
WYO..	Laramie Nat. Bank, Laramie..	E. D. Hiskey, *Ass't Cas.*	....
ONT.... "	Standard Bank of Canada, Stouffville.	John Elliott, *Agt*	....
NOVA S.	Halifax B'k'g Co., Lunenburg..	Boies Deveber, *Agt*	W. G. Greenwood.
" ..	Merch. B. of Halifax, Lunenburg.	Robt. S. Currie, *Agent.*	John McKane.
" ..	Merch. B. of Halifax, Maitland.	G. H. Dalziel, *Agent*	Geo. Freize.
" ..	Halifax B'k'g Co., New Glasgow.	Thos. A. H. Mason, *Agt.*	J. B. Moorman.
" ..	Merchants Bank of Halifax, Port Hawkesbury.	J. A. McIsaac, *Agt*	F. L. M. Paint.
" ..	Halifax Banking Co., Truro...	J. B. Moorman, *Agt*	Thos. A. H. Mason.

* Deceased.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from June No., page 999.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
N. Y. CITY		Astor Place Bank.	....
	$250,000	Alfred C. Barnes, *P.*	John T. Perkins, *Cas.*
		Francis L. Hine, *V. P.*	
ARK....	Batesville.......	Peoples Savings Bank...	....
	$50,000	Simon Adler, *P.*	Chas. P. Coffin, *Cas.*
		James Rutherford, *V. P.*	
" ..	Little Rock....	Union Guar. & Tr. Co..	....
	$25,000	L. B. Leigh, *P.*	R. V. Yeakle, *Sec.*
		S. N. Marshall, *V. P.*	R. B. Gress, *Treas.*
" .	Russellville.....	First National Bank.....	Hanover National Bank.
	$50,000	W. G. Weimer, *P.*	Jas. E. Battenfield, *Cas.*
		R. F. Roys, *V. P.*	
" ..	Wynne.........	Cross Co. Bank.........	....
		Isaac Block, *P.*	Eli S. Bray, *Cas.*
		R. M. Smith, *V. P.*	
COL....	Pueblo.........	Mechanics Savings Bank.	....
		C. E. Henkel, *P.*	F. I. Meston, *Cas.*
		C. E. Gast, *V. P.*	
FLA....	Chipley.........	Washington Co. Bank...	Western National Bank.
	$6,000	(John Barr Glen.)	....

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
GA.	Bainbridge.	Bainbridge State Bank.	Hanover National Bank.
	$50,000	W. M. Blount, *P.*	E. J. Perry, *Cas.*
		J. W. Tayntor, *V. P.*	
"	Eastman.	Citizens Banking Co.	Hanover National Bank.
	$25,000	W. W. Ashburn, *P.*	Jno. B. Caldwell, *Cas.*
		E. J. Procock, *V. P.*	
"	Greeneville.	Greeneville Banking Co.	....
		Robt. D. Render, *P.*	Wm. T. Revill, *Cas.*
		R. J. Atkinson, *V. P.*	
IDAHO.	Montpelier.	Bank of Montpelier.	Western National Bank.
	$20,000	S. B. Thompson, *P.*	Grove C. Gray, *Cas.*
		F. L. La Rue, *V. P.*	
"	Moscow.	Moscow National Bank.	....
	$75,000		C. S. Scott, *Cas.*
ILL.	Austin.	Austin State Bank.	....
	$25,000	Henry F. Frink, *P.*	Perley D. Castle, *Cas.*
		E. A. Cummings, *V. P.*	P. V. Castle, *Ass't Cas.*
"	Emden.	Farmers Bank.	....
		E. S. Hobart, *P.*	Wm. McCormack, *Cas.*
		J. W. Crabb, *V. P.*	
"	Freeport.	State Bank.	First National Bank.
	$125,000	D. C. Stover, *P.*	H. H. Antrim, *Cas.*
		R. G. Shumway, *V. P.*	Fred Dorman, *Ass't Cas.*
"	Moline.	Peoples Savings Bank.	....
	$100,000	Chas. H. Deere, *P.*	John S. Gillmore, *Cas.*
		Morris Rosenfield, *V. P.*	
"	Odin.	Independent Bank.	....
			Calvin L. Miller, *Cas.*
"	Roseville.	State Bank.	....
	$25,000	E. Mitchell, *P.*	Wm. T. Gossett, *Cas.*
		Frank E. Chase, *V. P.*	
"	St. Anne.	Bank of St. Anne.	
	$15,000	E. M. Winslow, *P.*	....
"	Shabbona.	Farmers & Traders Bank.	....
			Chas. Rystrom, *Cas.*
IND.	Cannelton.	Commercial Bank.	United States National Bank.
		Sam'l L. Sulzer, *P.*	Sam'l L. Macy, *Cas.*
"	Covington.	Citizens State Bank.	Central National Bank.
	$20,000	William H. Young, *P.*	Sampson Reed, *Cas.*
			S. P. Gray, *Ass't Cas.*
"	Covington.	Farmers & Merch. Bank.	National Broadway Bank.
	$30,000	E. H. Nebeker, *P.*	Geo. K. McComas, *Cas.*
		Samuel Cade, *V. P.*	Jas. G. Moffett, *Ass't Cas.*
"	Monroeville.	Citizens Bank.	....
		James M. Starbuck, *P.*	C. P. Mitchell, *Cas.*
"	Versailles.	Versailles Bank.	Chase National Bank.
		Chas. H. Willson, *P.*	Rowland W. Holman, *Cas.*
		Samuel S. Fleming, *V. P.*	
IOWA.	Alvord.	Bank of Alvord.	....
	$25,000	Cornelius Ellis, *P.*	Wm. E. Ellis, *Cas.*
		Will C. Ellis, *V. P.*	
"	Ayrshire.	Peoples Bank.	....
		John Calvin, *P.*	S. L. Clark, *Cas.*
"	Ireton.	Citizens Bank.	....
			Lewis E. Day, *Cas.*
			A. M. Day, *Ass't Cas.*
"	Mason City.	City National Bank.	....
	$50,000	James Rule, *P.*	H. A. Merrill, *Cas.*
"	Radcliffe.	State Bank.	....
	$50,000	A. N. Drake, *P.*	R. B. Ballard, *Cas.*
		Thos. Hollis, *V. P.*	
KAN.	Glen Elder.	Glen Elder State Bank.	Hanover National Bank.
	$20,000	Thos. Lyle, *P.*	Daniel M. Lyle, *Cas.*
		Fred. P. Nash, *V. P.*	
KY.	Pineville.	First National Bank.	Hanover National Bank.
	$50,000	Jas. F. Slusher, *P.*	J. R. Rice, *Cas.*
		Jas. S. Bingham, *V. P.*	
LA.	Thibodeaux.	Bank of Thibodeaux.	Hanover National Bank.
	$25,000	E. Brand, *P.*	C. P. Shover, *Cas.*
		C. Legarde, *V. P.*	P. L. Brand, *Ass't Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
MICH	Grand Haven	Nat. B'k of Grand Haven.	National Bank Republic.
	$100,000	Dwight Cutler, *P.*	Geo. Stickney, *Cas.*
		Nelson R. Howlett, *V. P.*	
•	Lapeer	State Savings Bank	....
	$45,000	Henry K. White, *P.*	Chester G. White, *Cas.*
•	Lawton	American Bank	Chase National Bank.
	$10,000	E. W. Bowman, *P.*	H. D. Brown, *Cas.*
•	Manistee	Manistee Co. Sav. Bank.	Chase National Bank.
	$50,000	Thos. Kenny, *P.*	Wilber J. Gregory, *Cas.*
		Edwin Russell, *V. P.*	
•	Merrill	Bank of Merrill	Hanover National Bank.
			W. Otis Mason, *Cas.*
•	Middleville	State Bank	Chase National Bank.
	$25,000	Andrew J. Bowne, *P.*	William E. Keeler, *Cas.*
		Russel E. Combs, *V. P.*	
MINN.	Duluth	St. Louis County Bank	Chase National Bank.
	$50,000	Chas. W. Elston, *P.*	Chas. A. Britts, *Cas.*
•	Kenyon	Citizens State Bank	....
	$25,000	A. K. Finseth, *P.*	B. J. Kelsey, *Cas.*
		C. L. Brusletten, *V. P.*	K. A. Finseth, *Ass't Cas.*
•	Madison	Farmers State Bank	Hanover National Bank.
	$25,000	L. M. Webster, *P.*	P. G. Jacobson, *Cas.*
		J. B. Oadson, *V. P.*	
•	Mantorville	Bank of Mantorville	Importers & Traders Nat. Bank.
	$25,000	H. J. Roe, *P.*	F. S. Haines, *Cas.*
		Geo. H. Parker, *V. P.*	....
•	Minneapolis	Washington Bank	Seaboard National Bank.
		(Haugan, Johnson & Co.)	....
MISS	Woodville	Edw. Aaron	Chase National Bank.
MO.	Higginsville	Citizens Bank	....
	$30,000	J. W. Harrison, *P.*	C. W. Seeber, *Cas.*
			W. H. Harrison, *Ass't Cas.*
•	Kidder	Kidder Savings Bank	....
	$10,000	Wm. M. Wilhoit, *P.*	John T. Stagner, *Cas.*
			O. D. Van Note, *Ass't Cas.*
•	Lewistown	Lewistown Savings Bank.	National Park Bank.
	$10,000	Joel C. Brown, *P.*	Wm. D. Briscoe, *Cas.*
		Wm. L. Arnold, *V. P.*	
•	Mount Vernon	Farmers Bank	....
	$12,500	Wm. A. McCause, *P.*	Joseph B. Lindsey, *Cas.*
		R. H. Landrum, *V. P.*	
•	St. Louis	Southern Com. & Sav. B.	Chase National Bank.
	$100,000	John Krauss, *P.*	W. Frank Street, *Cas.*
		L. P. Andrews, *V. P.*	
•	St. Louis	South Side Bank	N. Y. Produce Exchange Bank.
	$150,000	Adolphus Busch, *P.*	Chas. C. Reuss, *Cas.*
		Chas. Rebstock, *V. P.*	
•	Westport	Deutsche Spar Bank	Kountze Bros.
	$25,000	Joseph Feld, *P.*	
		C. A. Rollert, *V. P.*	Ralph Kitchen, *2d Ass't Cas.*
MONT	Big Timber	First National Bank	....
	$50,000	J. E. Martin, *P.*	J. A. Hall, *Cas.*
•	Kalispel	First National Bank	
	$50,000		Wm. C. Whipps, *Cas.*
NEB.	Arlington	First National Bank	Chemical National Bank.
	$50,000	George H. Jewett, *P.*	Otis M. Dye, *Cas.*
		J. T. May, *V. P.*	
•	Auburn	Farmers & Merch. N. B'k.	....
	$50,000	J. C. Bousfield, *P.*	W. H. Bousfield, *Cas.*
•	Dunbar	Dunbar State Bank	....
	$25,000	George R. Voss, *P.*	E. G. King, *Cas.*
•	Milford	Nebraska State Bank	Merchants National Bank.
	$41,000	Fred. S. Johnson, *P.*	Geo. E. Salladin, *Cas.*
		Jas. F. Johnson, *V. P.*	
•	Omaha	Mutual Loan & Tr. Co.	....
	$100,000	John N. Woodfin, *P.*	Chas. K. Collins, *Treas.*
		Chas. F. Dodge, *V. P.*	
•	South Omaha	Packers Savings Bank	....
	$12,500	Albert C. Foster, *P.*	Albert P. Brink, *Cas.*
		John L. Miles, *V. P.*	

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State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
N. Y....	Brooklyn.......	Hamilton Trust Co.	Manhattan Co. Bank.
	$500,000	Silas B. Dutcher, *P.*	Jos. B. White, *Sec.*
		Wm. H. Lyon, *1st V. P.*	Alfred J. Pouch, *2d V. P.*
"	.. Buffalo........	Niagara Bank..........	....
	$250,000	P. H. Griffin, *P.*	H. S. Champlin, *Cas.*
		M. M. Drake, *V. P.*	
"	.. Hamburgh.....	Peoples Bank..........	Hanover National Bank.
	$30,000	Robert B. Foote, *P.*	Perry M. Thorn, *Cas.*
		Burton M. Fish, *V. P.*	
"	.. Margaretville...	Peoples Bank..........	Merchants Exchange Nat. Bank.
	$25,000	Geo. G. Decker, *P.*	John Grant, *Cas.*
		E. L. O'Connor, *V. P.*	
N. C....	Raleigh........	Commercial & Farm. B'k.	(*organizing.*)
OHIO...	Ashtabula Har..	Marine National Bank...	Hanover National Bank.
	$50,000	Geo. B. Rasee, *P.*	Ezra W. Savage, *Cas.*
		Ed. S. Henry, *V. P.*	
"	.. Byesville.......	Byesville Savings Bank..	Hanover National Bank.
		(F. A. Baumgarten & Co.)	....
"	.. Cambridge.....	West End Sav. Bank....	Hanover National Bank.
		(F. A. Baumgarten & Co.)	....
"	.. Columbus......	Deshler Nat. Bank	American Exchange Nat. Bank.
	$200,000	Geo. W. Sinks, *P.*	John G. Deshler, *Cas.*
			Clinton P. Sinks, *Ass't Cas.*
"	.. Lewisburg.	Citizens Bank..........	....
		Zimri Dwiggins, *P.*	E. W. Longanecker, *Cas.*
		Jas. M. Starbuck, *V. P.*	
"	.. Lorain.........	Lorain Sav. & B'k'g Co..	Hanover National Bank.
	$25,000	E. M. Pierce, *P.*	Jas. B. Hoge, *Sec. & Treas.*
		Thos. Gawn, *V. P.*	
"	.. Mt. Sterling....	Citizens Bank..........	....
	$12,000	A. R. Alkire, *P.*	Stephen W. Beale, *Cas.*
		Jas. Johnson, *V. P.*	
"	.. Spencerville	Farmers Bank..........	....
		J. N. Bailey, *P.*	Austin Britton, *Cas.*
"	.. Toledo.........	Holcomb Nat. Bank... .	....
	$300,000	Horace Holcomb, *P.*	
"	.. Versailles	Citizens Bank..........	....
		Robt. W. Douglas, *P.*	John S. Wade, *Cas.*
			Chas. B. Douglas, *Ass't Cas.*
ORE....	Cottage Grove..	Commercial Bank.......	Hanover National Bank.
		Thos. S. Keep, *P.*	L. E. Hubbard, *Cas.*
		G. H. Keep, *V. P.*	
PA......	La Porte.......	La Porte Bank..........	American Exchange Nat. Bank.
		(Jordan Bros.)	J. Alfred Jordan, *Cas.*
"	.. Pittsburgh.	Mercantile Trust Co.....	....
	$250,000	T. Sproull, *P.*	Geo. D. McMorran, *Sec. & Treas.*
		W. P. Potter, *V. P.*	
S. C....	Barnwell.......	Citizens Savings Bank...	Hanover National Bank.
	$11,000	N. F. Kirkland, Sr., *P.*	P. M. Buckingham, *Cas.*
		G. Duncan Bellinger, *V. P.*	
"	.. Charleston.....	Exchange B'k'g & Tr. Co.	Chase National Bank.
	$50,000	Geo. B. Edwards, *P.*	Patrick N. Pickens, *Cas.*
"	.. Spartanburg. ..	Spartanburg Sav. Bank..	....
	$50,000	Wm. Adger Law, *P.*	John A. Law, *Cas.*
		R. L. Bowden, *V. P.*	
"	.. Winnsboro.....	Fairfield Sav. & L. Ass'n.	National Park Bank.
	$40,000	Wm. C. Beatty, *P.*	Jas. Q. Davis, *Cas.*
		T. W. Louderdale, *V. P.*	
TENN.	. Chattanooga...	American Bank & Tr. Co.	....
	$22,500	C. Winthrop Smith, *P.*	C. Burton Martin, *Sec.*
		F. W. Sanders, *V. P.*	
"	.. East Cumberland Gap.....	Bank of Shawanee......	Chase National Bank.
	$10,000	J. W. Divine, *P.*	Chas. F. Eager, *Cas.*
		T. A. Hamilton, *V. P.*	
"	.. Obion..........	Bank of Obion..........	Hanover National Bank.
	$10,000	Smith Parks, *P.*	Robt. M. Jones, *Cas.*
		Samuel D. Wilson, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
TEXAS..	Moody.........	Moody Bank............	....
			J. I. Hamilton, *Cas.*
			A. I. McEachern, *Ass't Cas.*
UTAH ..	Ogden..........	Farmers & Merch. Bank.	Kountze Bros.
	$300,000	Chas. Woodmansee, *P.*	Jesse M. Langsdorf, *Cas.*
VA.....	Iron Gate......	Bank of Iron Gate.......	National Park Bank.
	$10,000	John T. Anderson, *P.*	Geo. J. Anderson, *Cas.*
" ..	Pocahontas.....	Radford Trust Co.......	Wm. H. Galway, *M'g'r.*
" ..	Richlands.....	Bank of Richlands.......	....
	$25,000	Geo. R. Dunn, *P.*	Allen Cucullu, *Cas.*
		Geo. McCall, *V. P.*	
W. VA.	Bluefield.......	Bank of Bluefield........	Chase National Bank.
	$50,000	J. H. Bramwell, *P.*	Jas. E. Mann, *Cas.*
WASH..	Pomeroy.......	Pomeroy Savings Bank..	Importers & Traders Nat. Bank.
	$50,000	Robert L. Rush, *P.*	Robt. E. Wills, *Cas.*
" ..	Sumas City....	First Bank of Sumas	....
	$50,000	B. Hufty, *Cas. & M'g'r.*	
" .	Tacoma........	Columbia National Bank.	....
		Henry Oliver, *P.*	N. B. Dolson, *Cas.*
WIS....	Monticello......	Bank of Monticello......	....
		J. H. Trogner, *P.*	J. F. Sears, *Cas.*
" ..	Omro..........	Bank of Omro...........	....
		Zimri Dwiggins, *P.*	Frank Dennis, *Cas.*
		J. M. Starbuck, *V. P.*	

PROJECTED BANKING INSTITUTIONS.

CAL....Gilroy.........Another bank to be established here soon.

" ..San Jose.......Security Savings Bank begins business with a capital stock of $500,000. Directors: J. O. Hayes, J. A. Clayton, A. King, H. Courtner, H. M. Leonard, Henry Booksin and J. H. Henry.

" ..Sebastopol.....There is some talk of a bank being established at this place.

" ..South Berkeley.It is stated that a bank will be started here.

COL...Craig..........A bank will be established at Craig July 1st.

CONN...Branford.......The new board of trade of Branford is considering the project of establishing a savings bank, for which a charter has been secured.

" ..East Berlin.....There is talk of a savings bank in East Berlin.

" ..Moosup........A National bank with a savings institution is being strongly agitated among our business men.

GA.....Harmony Grove.Northeastern Banking Co.

ILL.....Alpha...........Alpha State Bank. Capital stock, $25,000. A. J. Streeter, *President;* W. A. Fraser, *Vice-President;* J. A. Widney, *Cashier.*

" ..Bloomington...Gen. John McNulta, Gen. G. F. Dick, Lincoln H. Weldon, and R. P. McNulta, all of this city, have made application to the Secretary of State for a license to incorporate the State Bank of Bloomington. The bank is to have capital stock of $300,000 and is to be a private concern.

" ..Chicago.......Royal Trust Co. organized under State bank act. Capital stock, $500,000. Apply A. L. Coe, J. B. Wilbur, Robert Lindblom, C. I. Peck and I. N. Camp.

" ..Collinsville.....State Bank of Collinsville. Capital stock, $25,000. W. C. Hadley, *President;* William Hadfield, *Vice-President;* John Cook, *Cashier.*

" ..Highland.......Another new bank has been incorporated at Highland, with a capital stock of $25,000.

IND....Muncie.........Peoples National Bank. Apply L. L. and C. M. Turner.

IOWA...Des Moines.....Home Savings Bank. Capital, $50,000. Hon. V. P. Twombly will probably be *President*, and Al. C. Miller, *Cashier.*

KAN... Lyndon........Exchange Bank organized, with capital stock of $10,000. Directors: Henry Gehring, Wm. H. Green, P. E. Gregory, Alex. Roell, N. Frankhouser, A. Beasley and A. A. Downer.

ME.....Brewer........New National bank to be established here.

" ..Lewiston.......Androscoggin Trust Co. T. F. Callahan, *President;* W. W. Stetson, *Secretary* and *Treasurer.*

" ..Portland.......New safe deposit company. Mr. Ricker, *President,* Mr. Herman Weber, *Treasurer.*

" ..Presque Isle....Merchants Trust and Banking Co.

MASS...Boston.........Messrs. Hodges, Woodman & Doane, bankers, have started.

" ..Haverhill......Pentucket Savings Bank organizing. Apply to G. H. Carleton, E. O. Bullock, W. M. Nichols, Oliver Taylor.

" ..Provincetown ..New savings bank to be started soon.

MICH...Clare..........Clare County Savings Bank. Capital, $30,000.

" ..Detroit.........Equitable Loan and Trust Company of Omaha and Detroit is soon to be started. S. M. Christenson, of Omaha, *President* and *General Manager;* Warren L. Casady, Omaha, *Secretary;* John E. Griffiths, Detroit, *Treasurer.* The Detroit office will receive deposits, and the loaning will be done in Omaha.

" ..Durand........St. Johns business men have arranged to start a State bank in Durand with a capital stock of $25,000. Frank Conns, of St. Johns, will be *Cashier.*

MINN...Lamberton.....New bank to begin business here about July 1st. John Street, *Cashier.*

" ..Minneapolis....Minneapolis Savings and Loan Association incorporated. Capital stock, $5,000,000.

" ..Stillwater......St. Croix Savings and Loan Association. J. C. Henning, *President;* A. C. Harper, *Secretary;* Theodore Jassoy, *Treasurer.*

MO.....Clearmont......J. Linebaugh will open a new bank here.

" ..Kansas City....Merchants and Manufacturers Trust Company. Apply Dr. Woods, George Law, S. M. Ford.

" ..Meadville......Meadville will soon have a new bank. So far $12,000 of the stock has been taken.

" ..Stanford.......Stanford State Bank. Capital stock, $25,000. William Paul, *President;* Thomas J. Stubblefield, *Vice-President;* A. H. Linckbarger, *Cashier.*

NEB....Alvo...........New bank to be started. Apply, Ed. Jeary.

" ..Humboldt.....A new State bank is to be organized here, with plenty of capital to back it up.

N. J....Summit........New National bank to be started here. Those mentioned are, Prof. E. A. Chapman, Geo. Manley, W. Z. Larned, John N. May, and other prominent gentlemen.

" " ....State Banking Company has been incorporated. Capital, $50,000. Incorporators: John N. May, W. Z. Larned, Geo. Manley, Jos. S. Palmer, W. Hall, Jr., Ernest A. Chapman and George W. Dillingham.

N. Y...Cold Spring....Cold Spring Bank.

" ..Crown Point...A branch of the New York Savings and Loan Association has been organized here.

" ..Lancaster......New bank to be established here, with a capital of $25,000.

" ..Silver Springs..Messrs. Smith, of Belfast and Manley, of Ellicottville, are to start a State bank at Silver Springs.

" ..Stillwater......There is talk of establishing a National bank here.

OHIO...East Liverpool.East Liverpool will have a new bank.

" . Kinsman.......Kinsman Savings Bank Company incorporated.

" ..Marion.........Farmers and Mechanics Bank Company. Capital stock, $200,000.

" ..Shelby.........Savings, Loan and Trust Co. Capital stock, $1,000,000.

PA...... Hagerstown ...Conner, Smith & Co. will open a banking business by the 10th of July.

" .. Harrisburg.....County Savings Bank organized. Incorporators: John T. Ensminger, C. A. Rahter, Charles T. George, Wm. Sheesley, A. E. Moiley, N. T. Hench, Geo. A. Keller, Wm. Witman, W. E. Machlin and Meade D. Detweiler, of Harrisburg, and Geo. W. Grove and E. M. Hoffer, of Hummelstown.

" .. Norristown.....Norristown Title, Trust and Safe Deposit Co. Directors: John W. Loch, Ashley P. Hunter, Henry M. Tracy, N. H. Larzelere, Horace C. Coleman, J. A. Strassburger and Silas Jones.

VT..... Morrisville......Union Savings Bank and Trust Co. Carlos Noyes, President of the Lamoille Co. National Bank for many years, will be *President;* and Harvey M. Rich, formerly of Fargo, Dak., will be *Cashier.*

VA..... Elizabeth City..New National bank started.

WASH.. St. John.......A bank needed here.

WIS.... Juneau.........The Bank of Juneau building and fixtures have been purchased from the receiver by John Nelson, W. E. Hallock, Theo. P. Hemmy and W. T. Rambusch, who will conduct a banking business.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from June No., page 1007.*)

N. Y. CITY............ August T. Post succeeded by E. D. Shepard & Co.

" " .... Bank of North America now National Bank of North America, same officers.

ALA.... Florence....... Florence National Bank suspended.

ARK.... Batesville...... Simon Adler succeeded by Peoples Savings Bank.

" .. Russellville.... Citizens Savings Bank now First National Bank.

COL.... Friend......... Eureka Park Bank reported closed.

DAK. S.. Castalia....... Missouri Valley Bank discontinued.

" .. Gary........... Bank of Gary reported closed.

" .. Oelrichs....... Fall River Co. Bank has bought out the Bank of Oelrichs.

ILL..... Austin......... Austin Bank (Castle Bros.) succeeded by Austin State Bank.

" .. Decatur........ Gorin, Dawson & Co. now Citizens National Bank.

" .. Lee............ Lee County Bank succeeded by Farmers & Traders Bank, at Shabbona.

" .. Naperville..... No change in banking firm of Willard Scott & Co.

" .. St. Anne....... Exchange Bank succeeded by Bank of St. Anne.

IND.... Cannelton...... J. F. Sulzer & Bro. now Commercial Bank, same correspondents.

" .. Covington..... Citizens Bank now Citizens State Bank.

" .. Covington..... Wabash Valley Bank succeeded by Farmers & Merchants Bank.

IOWA... Radcliffe....... Bank of Radcliffe and Farmers Bank closed, and succeeded by State Bank of Radcliffe.

KAN.... Dresden .... Bank of Dresden discontinued.

" .. Independence .. Citizens Bank will soon be succeeded by Citizens National Bank.

" .. Miltonvale..... W. R. Davis & Co. succeeded by Chas. Davis.

KY..... Pineville....... Peoples Bank succeeded by First National Bank.

MICH. . East Saginaw.. East Saginaw National Bank has gone into voluntary liquidation.

" .. Grand Haven.. First National Bank has expired by limitation, succeeded by National Bank of Grand Haven.

MICH...	Marshall.......	National City Bank reported closed.
"	.. Middleville.....	Bowne & Combs succeeded by State Bank.
MINN...	Duluth.........	Stewart & Britts now St. Louis County Bank, same correspondents.
"	.. Red Wing.....	Bank of Pierce Simmons & Co. has been incorporated, same correspondents.
NEB....	Arlington......	Bell Creek Valley Bank now First National Bank. Same officers.
"	.. Auburn........	J. C. Bousfield & Co. succeeded by Farmers & Merchants National Bank.
"	.. Bartlett........	Yeazel, Brown & Arnold now Yeazel & Brown.
"	.. Broken Bow....	Central National Bank reported closed.
"	.. Milford........	F. S. Johnson & Co. succeeded by Nebraska State Bank.
"	.. Palisade........	Bank of Palisade reported closed.
"	.. Red Cloud.....	First National Bank reported closed.
"	.. Red Cloud.....	Red Cloud National Bank reported closed.
N. J....	Asbury Park....	Asbury Park National Bank reported closed.
N. Y...	Delhi..........	Bank of Delhi now E. R. & W. L. Bell, same correspondents.
"	.. Margaretville...	G. G. Decker succeeded by Peoples Bank.
OHIO...	Columbus......	Deshler Bank now Deshler National Bank.
PA.	Petrolia........	Argyle Savings Bank closing out business.
"	.. Philadelphia ...	City National Bank, E. Hagert, *Cashier*, during absence of G. A. Lewis.
TENN ..	Knoxville......	Peoples Bank has discontinued business.
TEXAS..	Brenham.......	H. Stone has consolidated with First National Bank.
"	.. Dallas.........	Ninth National Bank reported closed.
WIS....	Mazomanie.....	Bronson, Draper & Co. suspended.
"	.. Menasha......	Bank of Menasha has been incorporated.
N. S....	Canning.......	Bank of Nova Scotia has closed its agency at this place.
ONT....	Essex..	R. C. Struthers succeeded by Reid & Elliott.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during June, 1891.

CAL....	Riverside	Riverside National Bank, by John W. Davis, Colton, Cal., and associates.
DAK. N.	Cavalier.......	First National Bank, by J. K. Mussellman and associates.
IND	Muncie.........	Peoples National Bank, by Edwald Olcott and associates.
IOWA...	Peterson.......	First National Bank, by F. H. Helsell, Sioux Rapids, Iowa, and associates.
"	..Tabor..........	First National Bank, by L. J. Nettleton and associates.
KY.....	Augusta........	First National Bank, by F. M. Falkerson, Catlettsburg, Ky., and associates.
LA.....	Crowley.......	Crowley National Bank, by W. W. Duson and associates.
ME.....	Madison.......	First National Bank, by C. A. Wilber and associates.
MD.....	Baltimore......	Canton National Bank, by Alfred E. Hatch and associates.
MONT ..	Big Timber	First National Bank, by W. L. Shanks and associates.
NEB....	Lincoln........	American Exchange National Bank, by S. H. Burnham and associates.
"	..Oakland	First National Bank, by Andrew Beekman and associates.
"	..Ulysses...	First National Bank, by F. W. Leonhardt and associates.
ORE....	Roseburgh......	First National Bank, by A. N. Bush, Salem, Ore., and associates.
TEXAS..	Archer City....	First National Bank, by E. H. East and associates.
WIS....	Beaver Dam. ..	German National Bank, by M. A. Jacobs and associates.
"	..De Pere........	De Pere National Bank, by C. B. Clark, Neenah, Wis., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from June No., page 1006.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4577	First National Bank........ ... Brownsville, Tex.	G. M. Raphael,	J. D. Anderson,	$50,000
4578	Nat. Bank of Grand Haven.... Grand Haven, Mich.	Dwight Cutler,	George Stickney,	100,000
4579	Deshler National Bank... .... Columbus, O.	Geo. W. Sinks,	John G. Deshler,	200,000
4580	Manufacturers National Bank.. Lynn, Mass.	Wm. A. Clarke, Jr.,	Frank L. Earl,	200,000
4581	Nat. Bank of North America... New York, N. Y.	Warner Van Norden,	Alvah Trowbridge,	700,000
4582	First National Bank........... Russellville, Ark.	W. G. Weimer,	Jas. E. Battenfield,	50,000
4583	First National Bank .... Arlington, Neb.	George H. Jewett,	Otis M. Dye,	50,000
4584	Moscow National Bank........ Moscow, Idaho.		C. S. Scott,	75,000
4585	Holcomb National Bank....... Toledo, Ohio.	Horace Holcomb,		300,000
4586	First National Bank........... Kalispel, Mont.		Wm. C. Whipps,	50,000
4587	City National Bank........... Mason City, Ia.	James Rule,	H. A. Merrill,	50,000
4588	Farmers & Merchants Nat. Bk. Auburn, Neb.	J. C. Bousfield,	W. H. Bousfield,	50,000
4589	Packers National Bank......... South Omaha, Neb.	Albert C. Foster,	Albert P. Brink,	100,000
4590	First National Bank........... Big Timber, Mont.	J. E. Martin,	J. A. Hall,	50,000

DEATHS.

COLMAN —On June 11, aged forty-six years, WILLIAM T. COLMAN, President of Lake Shore National Bank, Dunkirk, N. Y.

HAMMOND.—On June 6, aged forty-seven years, JOHN L. HAMMOND, President of Merchants' National Bank, Savannah, Ga.

HOFFMAN.—On June 2, aged fifty-three years, JOSEPH T. HOFFMAN, senior member of the firm of Hoffman, Eavey & Co., Hagerstown, Md.

HOUSTON.—On May 25, aged fifty-eight years, JOHN G. HOUSTON, President of Safe Deposit Trust & Banking Co., Nashville, Tenn.

HUMPHREYS.—On June 6, aged sixty-six years, JOHN H. HUMPHREYS, Treasurer of Bath Savings Institution, Bath, Me.

KEECH.—On May 31, C. C. KEECH, Vice-President of Second National Bank, Sandusky, Ohio.

LIPPITT.—On June 5, HENRY LIPPITT, President of Rhode Island National Bank, Providence, R. I.

POWERS.—On May 28, MRS. DEBORAH POWERS, of the firm of D. Powers & Sons, Lansingburgh, N. Y.

PRINCE.—On June 10, GERVIS PRINCE, President of First National Bank, Bainbridge, N. Y.

STETSON.—On June 15, aged eighty-four years, GEORGE STETSON, President of First National Bank, Bangor, Me.

WESTFALL.—On May 13, aged 38 years, M. P. WESTFALL, President of Central National Bank, Ellsworth, Kan.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JUNE, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in June.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
½s, 1891... .reg.	Quarterly Mar.	100	100	100	100
s, 1891......coup.	Quarterly	101	101	100	100
s, 1907.......reg.	Quarterly Jan.	118	119	116½	116½
s, 1907......coup.	Quarterly	119	120	117½	117½
	Quarterly Feb.				
s, cur'cy,1895,reg.	Jan. & July.	111	111	108	109
s, cur'cy,1896,reg.	Jan. & July.	113	113	110	111½
s, cur'cy,1897,reg.	Jan. & July.	115	115	112	114
s, cur'cy,1898,reg.	Jan. & July.	117	117	114	116½
s, cur'cy,1899,reg.	Jan. & July.	119	119½	116	119

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	5	4⅝	—
Canadian Pacific	—	80	76¾	80
Canada Southern	48¾	50	48⅛	—
Central of N. J	115	115	105¼	108½
Central Pacific	—	31	31	—
Ches. & Ohio	17	17½	15¾	16¼
Do 1st pref.	48¼	49	45¼	—
Chic. & Alton	—	126	124½	—
Do pref.	—	—	—	—
Chic., B. & Q	88¼	90¼	85½	87⅞
Chic. & East'n	63½	65½	62½	63½
Do pref.	—	94¼	91½	—
Chic., M. & St. P	63¼	66⅛	60¾	63½
Do pref.	—	113	110	—
Chic. & N. W	108	109	103½	105
Do pref.	—	133	132	—
Chic., R. I. & P	77⅜	77½	69⅞	72
Chic., St. P., M. & O	25	25¼	23	—
Do pref.	—	85	82½	—
C., C., C & St. L	62	63½	57¾	59½
Col. Coal & Iron	35¾	36	30⅛	32¼
Col., H. Valley & Tol	25⅝	26⅛	23½	24¼
Del. & Hudson	—	130¼	126	127½
Del., Lack. & W	136	137¼	133¼	134¼
Den. & Rio Grande	—	17⅝	15	—
Do pref.	56¾	56¾	46¾	48¾
East Tenn. V & G	—	6½	5¼	5¾
Do 1st pref.	—	—	—	—
Do 2d pref.	—	14½	13¼	13¼
Evansville & T. H	—	128	116	117¾
Illinois Central	98	98	92	92½
Lake Erie and Western	—	13¾	12¾	13¾
Do pref.	57	57½	55½	56
Lake Shore	109½	111	108	106½
Long Island	—	96½	93¼	96½
Louisville and Nashville	74⅝	75⅜	69⅝	72¾
Louisville, N. Alb. & Chic	25	25	19	21⅜
Manhattan Consol	103	103	99	101¼
Mexican Central	—	20⅛	18¼	—
Michigan Central	—	91	89	—
Mil., L. S. & W	—	80	80	80
Do pref.	—	111	102	111
Minn. & St. Louis	—	4	4	—
Do pref.	10	10	9	—
Mo., Kan. & Texas	—	14⅞	14	14⅜
Missouri Pacific	67½	70⅜	64¼	67¼
Nash., C. & St. L	—	108	107	—
N. Y. C. & Hudson	100½	101	99½	—
N. Y., C. & St. L	—	13½	12	—
Do pref.	—	68	65	—
N. Y., L. E. & W	19¾	20⅜	18¼	19⅝
Do pref.	—	53	47½	49
N. Y. & New Eng	34½	36⅝	31½	33½
N. Y., Ont. & W	16¼	16⅞	15	16
N. Y., Sus. & W	7¾	7¾	7	7
Do pref.	—	28¼	27	—
Norfolk & Western	—	15	14	—
Do pref.	51¾	53	50½	52

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	24½	25	22	23
Do pref.	68¼	69	62	64⅜
Ohio & Mississippi	—	18	18	—
Ohio Southern	—	15	15	—
Oregon Impt	—	—	—	—
Oregon R. & N	—	—	—	—
Oregon Short Line	25¼	27¼	23¾	—
Pacific Mail	36	37⅜	32½	34
Peoria, Decatur & Evansville	—	18½	15½	—
Philadelphia & Reading	32	32¼	27⅞	28⅝
Pullman Palace Car Co	—	180	180	180
Rich. & W. P. Term	16¼	16¼	12⅞	14½
Rome, W. & Ogd	—	110	109	—
St. Louis, A. & T. H	—	32	30⅛	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	—	34	28	34
Do pref.	—	97	94	—
St. Paul, M. & M	—	104	103	—
Southern Pacific Co	31½	33¾	30¼	32¼
Sugar Refineries	87½	90	80⅜	82⅞
Texas & Pacific	13⅞	14⅜	12¼	13⅛
Union Pacific	45¼	46¾	41¾	44½
Wabash, St. Louis & Pacific	10½	11⅛	9¾	10⅝
Do pref.	21¾	24	21	22⅛
Wisconsin Central	19	19⅜	16¾	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	—	23¾	21	21½
Nat. Lead Trust	18⅜	18¾	16¾	17½
Tenn. Coal & Iron	34½	35	30¼	32¾
Express—Adams	147	147½	146	—
American	—	118	113	113
United States	60	60	50⅛	—
Wells-Fargo	—	144½	143	—
Western Union	80	81⅝	78⅛	79¼
Wheel. & Lake E	36	36⅝	31¼	

THE

BANKER'S MAGAZINE

AND

Statistical Register.

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BANK PROSPECTS—WESTERN AND SOUTHERN BANKING.

The rapid increase in banks in the newer States requires no explanation. The reports of the Comptroller clearly show the growth in number of National banks in the various parts of the country; yet whoever reflects on the subject cannot help noting a great difference between investments of eastern capital in National and other banks in the newer States and territories, and in railroads in the same sections of country. While eastern capitalists have invested enormous sums in railway enterprises in the West and the South, they have not shown a similar disposition to invest in banking institutions in the same sections. Perhaps they think that a railroad company is more completely under their control, can be managed to a greater degree in the East than a bank; and for this reason are inclined to look with more favor on one class of investments than on the other. It is true that bank officers must necessarily be nearer the scene of operations than the chief officers in a railroad company need be; but years ago the investments in western banks by eastern capitalists were regarded with great favor; in the aggregate they were very profitable, and large sums for those days flowed westward for bank employment. When the National banking system was established, investments of eastern capital in western banks seemed to come to an end, or at all events the current was broken, and has never been restored to its former volume and state of activity. It is true that a large amount of eastern money has gone westward for investment in land and mortgages and the like, but only comparatively small amounts for ordinary banking operations.

We cannot help thinking that eastern investments in western banks in many cases would have been far more productive than investments which have been made in the East. Many persons have hesitated to send their money far away to be employed by persons who perhaps are not well known to them, and the preservation and increase of which depends almost wholly on their honesty and sagacity. Investments in land or mortgages, or in railroad stocks or bonds, is regarded as less risky, because there is something besides personal security; while in a bank investment the investor must rely almost wholly on the character and ability of the bank officers for the return of his money with increase. Yet a study of bank profits will clearly show that, as a whole, our western and southern banks have been far more profitable during the last ten years than the eastern ones. A qualification, though, must accompany this statement. Those who have been fortunate enough to buy stocks in some of the banks in our great cities years ago at their par value, or at a low figure, have obtained, in many cases, splendid returns, as the increase in their value, based on their profits, has been very large; but if one has bought his stocks of late years he has usually paid such a high price for them that his net profits have rarely exceeded four or five per cent. On the other hand, investments have been made in banks in the South and West, which, in a great number of cases, have netted more than twice that amount. The reasons for their prosperity are readily understood by those who have studied, even in a superficial way, their surrounding conditions. Prosperous banking depends on two things—capable and honest officers, and a prosperous community for which the bank does business. Now, when these conditions exist banks usually are profitable and losses are few, and this state of things exists in very many places in the South and West. In the East competition is very sharp, profits in many kinds of business are small, bankruptcies are not infrequent, and thus the risks of banking are really greater and the profits are smaller than they are in the other sections where competition in business is less keen, where the profits are greater, and where borrowers can afford to pay higher rates for money, and where they have more ability to discharge their indebtedness. In the final analysis undoubtedly the most serious objection to western investments is simply distance; the lack of knowledge concerning the officers who manage these institutions, and the fear to intrust money with persons whose character and fitness for their positions are unknown. And yet, in truth, what does the ordinary bank shareholder know about the character and ability of the officers of the bank in which he is interested? The entire business is largely confidential, and from its very nature can hardly be anything else. Perhaps no kind of business offers greater inducements for capital to-day than the creation and extension of banks in the western and southern portions of our country. Rapidly as they are multiplying, the need of others is still great; in other words, the need of more capital in these sections is unquestioned; and in the aggregate is likely to yield much larger returns than in the East, where capital is more abundant, where competition on the part of lenders for its employment is much keener than in other sections. We do not think that investors have always studied this western field with care; for we are certain that if they had, they would have thought less of buying western mortgages and more of establishing banks in these sections than they have done. Why have not eastern men sent representatives to unite with other men living in the West for the purpose of forming institutions of this kind, instead of lending their money on the security of land, as they have done? Not only would they have had greater command of their money, but in many cases they would have rendered a great service to their borrowers. One of the cardinal errors in taking mortgages has been, borrowers have often borrowed a larger amount and for a longer time than they desired, in order to get the money. Lenders were unwilling to part with it except on these conditions. If banks had been more numerous they would have accommodated borrowers far better by granting smaller amounts and for shorter periods, and thus this class would have been in a more prosperous condition than they are to-day. As capital is accumulating in the East, it is well worth the attention of its owners whether they should not put more money into new banks in these sections, and less into new railroads. In the long run they are more likely to get larger profits on their money than they are if invested in western railroad enterprises. Certainly a large experience has been accumulated concerning investments of this character. Is it not worth while to regard this experience, and to strike out in the direction just noted?

Looking more narrowly to banking prospects in the East, it is clearly enough seen that the trust companies have become formidable rivals of the banks, especially in the larger cities. Fifteen years ago, when the Comptroller of the Currency first collected statistics of these institutions, he secured returns from thirty-five trust and loan companies located in the States of New York, Massachusetts, Connecticut, Rhode Island and Pennsylvania. Since that time the number of companies has multiplied and extended to many of the money centers of the country. The report of Superintendent Preston, of the Banking Department of New York, shows that during the past decade the increase in the resources of trust companies in that State has been from $122,000,000 to $280,000,000; a more rapid growth than that of the National, State or savings banks. In Baltimore the trust companies have attained such prominence that it is stated that bank deposits have expanded but little in the past ten years, the trust companies absorbing the natural increase of the decade. In Philadelphia and in Boston the growth of trust companies has been no less remarkable.

The development of trust companies during the past fifteen years, compared with that of National, State and savings banks, as shown by the returns collected by the Comptroller of the Currency in 1875, and near the close of 1890, has been as follows:

1875.	*Number.*	*Capital.*	*Deposits.*
National banks..........	2,092	$504,000,000	$664,000,000
State banks..............	551	69,000,000	165,000,000
Savings banks...........	674	....	849,000,000
Trust & loan companies..	35	21,000,000	85,000,000
1890.	*Number.*	*Capital.*	*Deposits.*
National banks..........	3,567	$659,000,000	$1,594,000,000
State banks..............	2,101	188,000,000	553,000,000
Savings banks............	921	....	1,551,000,000
Trust & loan companies..	149	70,000,000	335,000,000

In view of the rapidity with which small National and State banks have been organized during this period, the comparison of growth in numbers is remarkable. Trust companies have multiplied from 35 in 1875 to 149—or more than four times that number—in 1890, while National, State and savings banks collectively have increased from 3,317 in 1875 to 6,589,—or a little less than twice that number—in 1890. The showing in regard to capital is no less striking. While the aggregate capital of National and State banks has increased from $573,000,000 in 1875 to $847,000,000 in 1890—or only about 50 per cent.—the expansion of capital of trust companies has been from $21,000,000 in 1875 to $70,000,000—or more than three times that amount—in 1890. A comparison of deposits shows that while the aggregate deposits of National, State and savings banks increased from $1,678,000,000 in 1875 to $3,698,000,000—or a little more than double—in 1890, the increase of trust company deposits was from $85,000,000 in 1875 to $335,000,000—or nearly four times that amount—in 1890.

As compared with State banks, the growth of trust companies in number, capital and deposits is not specially surprising.

	Number.	*Capital.*	*Deposits.*
State banks, 1875........	551	$69,000,000	$165,000,000
State banks, 1890....	2,101	188,000,000	553,000,000
Trust companies, 1875.....	35	21,000,000	85,000,000
Trust companies, 1890......	149	70,000,000	335,000,000

The development thus shown is approximately equal, but the comparison made by either National or savings banks is much less favorable. It is in regard to deposits that the showing is most significant. The trust company, even though limited strictly to its special and peculiar functions, is an important financial institution, the natural product of the accumulation of wealth and the business tendencies of the day, and plays an important part in the work of a financial center; but the rapid expansion of trust company deposits—nearly twice as rapid proportionately as that of National and savings bank deposits—represents what is essentially a banking business, resembling in some respects more closely the business of the National and State banks, and in others that of the savings banks. The prosperity and development of trust companies shows that this business is the cream of profitable banking, and it is on the employment of these deposits, rather than the discharge of their peculiar functions as trust institutions, that most of the companies mainly rely.

Two reasons exist for this; one is that in many of the cities they are not required to maintain a definite amount of reserve, and the other is that they can do things which are forbidden to the banks. The National banks are the most restricted of all in these regards, but, on the other hand, their restrictions are in the line of conservative banking, and render them more popular than they would be if they enjoyed a larger discretion in these matters. So it is a question, after all, whether a National bank loses anything by the restrictions which are imposed on them, and which are the fruit of long experience. But, at all events, it will be admitted that the trust companies are making rapid progress, not only in doing a trust business, which generally is very profitable, but also in drawing deposits away from the ordinary banks of discount and deposit. These are attracted, for the most part, by the payment of interest which the banks still decline, in many cases, to give. Indeed, so many deposits are going into the trust companies that the banks are beginning to realize the necessity of meeting this movement by offering interest themselves. Of course, this has the effect of diminishing a bank's profits, and thus directly affecting dividends. The competition on the part of trust companies has not been serious until within a few years; and would not be now except for the great abundance of capital. Formerly, borrowers were so dependent on banks that it was needful for them to keep all their deposits with the institutions on which they depended for their supplies, and without ever a thought of getting interest thereon. Depositors felt their dependence, and knew that the larger and more regular their deposits were, the more inclined would the banks be to grant to them all needed aid. So this question has not been a serious one with the banks until the present time, but now capital has become abundant, borrowers have quite got in the way of making their notes and giving them to bill brokers for negotiation, and thus are no longer dependent on particular banks for money. Dependence on their part having ceased, there is no especial reason why they should keep a good bank account, and so they are as desirous of getting as much for their deposits as they can, and consequently listen with favor to proposals for a high rate of interest. Thus the relations existing between banks and depositors having changed, the latter are breaking away, so to speak, and lending their money to the highest bidder.

There is another phase in banking in the East worthy of consideration, namely, that the opportunity for starting banks with much prospect of success, except in the newer portions of our cities and in new villages, is poor enough. Why should a depositor, for example, in New York City, change from an old bank having a large surplus, and whose officers are well known, to a new bank which affords no additional inducements for making the change. There are, indeed, some exceptions; if a body of strong men, financially, start a new bank, their names and wealth may give it a standing at once and attract depositors; but save in this single instance, the creation of a new bank in an old city, except in the newly settled portions, is a somewhat venturesome enterprise. Recent experience in this direction shows that the business which such a bank must do is usually of a less desirable character, for the simple reason that, relations having been already established with old banks, there is no inducement for changing to a new one; the methods of business, etc., of an old bank are of great value, while a new bank has nothing to give to offset these advantages. The consequence is, that its business, to a considerable extent, must be of a less desirable character; that which the old banks do not care to transact, and which, on the whole, involves greater risks. The more recent experiences of this kind show that the discounts are often of less desirable paper; that the depositors are men of less standing in the community, and in almost every respect the bank is of an inferior character to the older institutions. We repeat, however, that there is an exception which should not be overlooked. In some cases the newer banks have been established by men having a high standing in the community where they live, and under such conditions they have been prosperous from the beginning. We would also emphasize the fact that the banks established in the newer portions of cities where the population is rapidly growing serve a highly useful purpose, and have generally succeeded.

In view of these things it happens that in many of the larger cities there are banks, the business of which is very small in proportion to the number of officers, and the total expenditure required to transact it. If, therefore, two or three of such banks were consolidated into a single institution, no more room would be required, no more officers, unless perhaps two or three clerks, no additional expense except the tax bill, for transacting the larger volume of business. The entire saving effected by such a consolidation would be very great. There is no other way of effecting much of a saving in the transaction of banking. In the department of production, economies are all the time introduced in the way of improving machinery, and therefore dispensing with labor, and thus reducing the cost of production; but this is quite impossible in the banking business. The salaries for the most part are not higher than they ought to be, and, indeed, every economy has been introduced except the single one of putting two or three banks into one. Of course, this means the displacement of some officials who would not look on such a movement probably with much favor, but from the money-making point of view, this is the thing to do; and we have no doubt that the next great movement in the banking world will be consolidations of this character. In such a weeding out it is fair to presume that the most experienced officers will be retained, while the less efficient will be discharged and so probably there will be, not only greater profit for investors, but greater efficiency also in conducting the business.

Can a National Bank Become a Savings Bank?—The determination of the City National Bank of Gloucester, Mass., to become a savings bank has started the inquiry whether it can legally do this. It is contended that savings institutions are purely of State creation, while National banks are of National origin. Surely National banks were never intended to transact business of this nature. The chief function of a savings bank is to collect money, for the most part in small amounts, and to invest it for a considerable period. A savings bank is not supposed to have much money on hand, and, therefore, its rules provide that notice must be given for the withdrawal of large sums. A National bank, on the other hand, lends its money for shorter periods and to a different class of borrowers, and is supposed to be able to meet instantly all demands of depositors. This question has never arisen before, but we hardly think the bank will be permitted to execute its purpose. If National banks can, under the National Bank Act, do a savings bank business, their advantages are such that the State institutions must finally abandon the field, and the safeguards which the States impose upon the investment of savings will be avoided. Under State law, savings banks are closely restricted as to the form of investments in which they can place the money of depositors. The National banks, having a freer rein, could pay a higher rate of interest and invest at their pleasure, so that the element of security sought to be established under State law would thus be lost.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL BUSINESS SITUATION has not improved during the midsummer month, but has been more stagnant than usual, owing to distrust of the future of values, as well as of finance, or to the losses of the panic of last year, or both. The condition of the money market at home and abroad has been one of the chief unsettling features; gold exports have not yet ceased altogether, while the movement of currency to the country has commenced earlier than usual, and in larger volume. The harvest of winter wheat and of rye has been earlier than usual by more than two weeks, and the premium for July delivery over the later months has induced the farmers to sell freely, making the July movement of the new crop one of the largest on record. This has been made possible, by a continuous and almost unlimited demand for our new crop of wheat for export. The Western banks have not only been drawn upon heavily for this purpose, but shipments from New York began in the middle of the month and have been steadily increasing since. This has caused a lack of loanable funds on time, although the call rates for money have not been advanced, because the demand for the latter has been limited, on account of the stagnation in Wall Street, while the rates for time loans have advanced. This has brought new enterprises to a halt, and nothing beyond the absolute needs of legitimate business have been supplied. The result has been general stagnation in all branches of trade, in addition to the midsummer dullness. It was expected that fall trade would open earlier and on a larger scale than usual, owing to the bountiful crop prospects and the unusual export demand. But instead of beginning early in July, as anticipated, there has been very little doing during the entire month, except in early fall cotton and woolen fabrics. Prices of woolen goods have barely held their own, while the tendency of cotton has been to still lower prices, owing to the continued decline in the cotton market. Print cloths have been sold at 2⅞ cents, or the lowest price on record. Yet most of the mills are running, expecting a better trade in the fall for staple cotton goods, which have not yet begun to move. But prices of woolen goods, foreign as well as domestic, have been disappointing to the manufacturers, partly because of the large supplies of the former imported last fall, and partly because of the slow demand for the latter, while importations continue at former prices, notwithstanding the increased duty on an unexpected scale, owing to a reduced cost on the other side.

The iron trade has been equally disappointing, and gone backward both in demand and prices, rather than improved, as was expected a month ago, in view of the abundant crop prospects. While the movement of the crops has begun unexpectedly early and in unusual volume, they have not yet reached the seaboard, and hence we have felt little effect as yet of the increased export demand, except as sterling exchange has been sold against future shipments to the amount of 12 to 15 millions of dollars, or against about half the wheat taken for export, during July, August and September. The railroads have also but just begun to move the new crop, and hence do not show increased earnings as yet, while the public lacks confidence in the present or future of their securities, or the ability to purchase them, and remains out of Wall Street, leaving that the most deserted and forlorn market in the country.

CROP PROSPECTS

have continued good, or to improve for the most part during the month, on this side of the water, while the weather for the harvesting of winter grain has been mostly favorable, and threshing has been general, with the most gratifying result in a far larger yield per acre than the usual average, or than expected this year. Instead of a 10 to 12-bushel crop to the acre, the average is now raised to 15 to 17 bushels, while 30 bushels, and even more, has been harvested in Indiana and other portions of the central winter wheat belt. The condition of spring wheat has been maintained, and the prospects of an equally good yield in that section are now nearly assured. The rye crop has been unusually good with wheat, and both are of the highest and most uniform quality ever known, while the latter is in as good demand for export as wheat, owing to a far greater deficit in the German and Russian rye crops than in the wheat crops of Europe, the prospects of which have improved in Great Britain and the southern half of the continent during the month, while in the northern half, and in Russia, reports have still been generally unfavorable. The corn crop has made good progress, although the weather has been generally cool and not exceptionally favorable during the month; but the stand is good and although the crop is still two weeks late, it is making fine progress, and will be one of the best ever raised, barring early frosts in September. It is now estimated for a 2,000,000,000 crop, and wheat for at least 540,000,000, while oats will be a larger crop than last year. The surplus of the old wheat crop will be about 30 million bushels larger than the Government estimate, and this, added to a 30 to 40 million larger crop this year than ever raised before, will give us nearly 70 million bushels more than the largest crop ever raised, with which to supply the greatest deficit in Europe since 1879–80. We have raised but one corn crop as large as the above estimate, and but one larger oat crop than this year's, while the rye crop is probably the best, if not the largest, ever raised in this country. These crop prospects, together with those for an enormous export demand, have been the paramount influences in the forecast of the future of both financial and commercial affairs, and they are generally more favorable to this country than the prospects of a month ago; yet they have not lifted business out of the rut of stagnation in which it has lain since the panic of last fall.

THE MONETARY SITUATION

at home and abroad is the next most important factor, and is still in a very unsettled condition. There have been no general financial disturbances here or on the other side; still, the distrust of the last six months exists, and bank failures are frequent. Banks in London which are loaded with Argentine securities are still embarrassed, while there have been some important failures among them during the month. Even the successful liquidation of the Baring Bros. has been questioned, and some financial institutions on the Continent are supposed to be in an equally weak condition. The wholesale withdrawals of gold to Russia have been discontinued, for the present, but the fear of their renewal, the general impoverishment of the investment classes, and the embarrassment of financial institutions, together with the great deficit in the crops of Europe, to be supplied by importations which must be paid for in gold or American securities, keeps the financial situation in Europe very strained and uneasy. As to the condition of the moneyed institutions on this side of the water, they are considered to be unusually sound and prepared to meet the drain upon their resources the coming autumn; notwithstanding the Government has withdrawn its bank deposits to less than twenty-five millions, and the inability of the Treasury to come to the relief of the money market this fall should it become necessary. The absence of speculation and the general fear of tight money have made both banks and business houses trim their sails for a squally autumn. The enormous exports of gold since the first of January have also tended in the same direction, and the banks of the country, both East and West, have been strengthening themselves since the effects of the panic last fall had passed away. The inability of railway corporations to float their new issues of bonds has kept more money on deposit in the banks than usual at this time of the year, and leaves the reserve held by them in New York, above the 25 per cent. legal requirements. The loan market at the close of the month is firm and moderately active, particularly for time contracts. For sixty days, 4½ per cent. was the average rate; for ninety days, 4½ to 5 per cent., and for five and six months, 5½ to 6 per cent., closing at the higher rates, as a rule. The offerings of commercial paper have been large and the demand light. Call loans have averaged two per cent. with very little demand. At the West the banks are accommodating regular customers, but are doing very little in outside loans, discriminating against speculative paper and refusing a good deal of commercial paper as well, while bank deposits in that section are declining steadily.

THE GOLD AND SILVER PROBLEMS

are still attracting general attention in financial and commercial circles. The fight for the world's supply of gold and against its production of silver is still progressing on both sides of the water. The Banks of England, France and Germany are still strengthening their gold reserves, and have added to them during the month by importations, at rates of exchange that have paid a loss, and it is thought by bankers here, that they will make a bitter fight to prevent the return of any considerable part of the seventy-four millions of gold drawn from this country since the first of January. At the same time, we have exported less silver than a year ago for the same period, or only about eight millions, notwithstanding some recent purchases here by England to supply the demand for her East Indian and China trade. There has been a revival of the silver speculation based upon the supposed prospects of further legislation by the next Congress, favorable to the increased coinage of silver, and there has been considerable agitation by the press of the country of these prospects, in view of the probable coalition of the Farmers' Alliance and the Silver Ring, in the next Congress, on the silver question, while the possibility of the adoption of the Farmers' Alliance scheme for increased issue of currency by the Government, is discussed in financial circles, as likely to affect unfavorably the future of all investments and commercial values. Indeed, the stagnation in the stock and bond market and in many branches of trade are attributed in large part to the fear of such radical currency legislation by those opposed to both it and further coinage of silver. There has even been talk of hoarding gold in view of such a contingency, and of making contracts and dividends payable in gold in consequence.

THE RAILROAD OUTLOOK AND THE STOCK MARKET.

The former was apparently never brighter, with enormous crops of everything but hay, in prospect and reasonably assured, while part is already realized; still there is not yet enough confidence in the future of these great properties to enable them to sell their equally enormous crop of new bonds, to say nothing of their stocks. The trouble is partly, that this crop of securities has been too abundant in recent years, and that we must wait till demand overtakes this excessive supply. The roads themselves generally seem to be in an unsatisfactory condition financially, even with the enormous crops to be moved by them the coming year, as they are still suffering from last year's short ones, and their depleted equipment for handling these crops is not yet being renewed. The effect of this is seen in the depressed and stagnant condition of the iron trade, which was expected to be favorably influenced by an increased demand from this source, during the past month; yet, as stated above, the roads have scarcely begun to move the new crops, except the Granger system, beyond the primary winter wheat markets. That an increase of traffic will soon show in their earnings, however, is certain, and with the movement of other crops later on, their finances are certain to be improved, whether Wall Street comes in to buy their securities or not. That all the great railway systems of the country will be benefited by these crops is certain, as they are generally good on both the Atlantic and Pacific coasts. In spite of this, however, the Bears are in possession of the stock market, and, in the absence of European buying, with occasional selling by foreign houses, and only the overloaded pools to sustain prices, in face of closer money and discrimination against speculative loans, the Bears find it easy to raid the market. Stock Exchange, as well as investment houses, complain of the dullest period seen in Wall Street for years.

THE PRODUCE MARKETS AND OUR EXPORT TRADE

are in the best position of any branch of business, and in the strongest and most healthy condition for fully ten years; yet they have not escaped the general depression, though they have been less stagnant than other departments of business. Speculation has been generally on the Bear side during the month, and Americans have been the Bears, in view of our large crops and their free movement. On the other hand, Europe has been the Bull and a consistent and persistent buyer, whether our market declined or advanced, or stood still, until it is estimated that exporters have bought between twenty-eight and thirty millions of bushels of our wheat for export during July, August and September. This wheat has not only been bought here by exporters, but sold by them on the other side, and the ocean freight taken to arrive, while it is estimated that twelve to fifteen millions of sterling exchange have been sold against these shipments. Not since 1882 has there been anything like such a demand for our wheat; yet, contrary to the usual rule, the buyers are the Bulls and the sellers the Bears.

This fact, and the organization of the Farmers' Alliance, have brought new elements into the situation that are likely to complicate it, and make very lively times ahead for those who have sold their wheat short, for the farmers. That most of it has been sold short by the speculators, beyond July delivery, has generally been conceded, although that sold for July was believed to have been by the farmers, in order to secure the premium there has been all the month for cash and July wheat over the price of August. The fact that the shorts have been covering August freely toward the close of the month, indicates that they begin to fear the effect of this practical combination between the American producers and European consumers of wheat to advance the price. This is partly the result of a circular issued by the Farmers' Alliance during the latter part of the month, to its members throughout the United States, advising them to hold back their wheat and compel these Bear speculators to pay their price for it, or, ten to fifteen cents a bushel more than present prices, at which Europe was as free a buyer as she has been since the decline, and at which she would have taken as much of our wheat as she has at lower prices. This condition of the wheat market is indeed anomalous, and goes far to bear out the charge of the Farmers' Alliance, that the speculators have been for years robbing the farmers of a profit on their products. Toward the close of the month, Continental crop reports were more favorable; yet European markets kept advancing and buying here on wet weather there.

THE IRON TRADE,

instead of improving during the month, has been more stagnant and depressed than almost any other industry or market, except that for railway securities. Business has been not only at a practical standstill, but prices have declined where not held by combinations of manufacturers. The true condition of the trade was not generally understood until the semi-annual report of the production of pig iron in the United States was issued during the month, showing a shrinkage of 1,188,588 gross tons, or over 25 per cent. less than the same period last year. Of this loss, Pennsylvania sustained 636,304 tons, Ohio 237,568 tons, Illinois 149,819 tons. Even the Southern States have fallen off this year, although the percentage is only 17½, against 26 per cent. for the whole country. This is a greater falling off than recorded in the history of the trade, being even greater, proportionately, than following the panic of 1873. The total output is 3,331,925 gross tons, against 4,500,513 tons in the first half of 1890. This, however, is a less unfavorable comparison than the above figures indicate, from the fact that last year's production was abnormally large. The great increase last year was due not only to railway extension, but to an enormous increase in demand for structural iron for building purposes. This demand, as well as that from the railroads, has fallen off materially this year, in consequence of the panic last fall, the inability to sell railway bonds for construction purposes since, and to the strikes in the building trades which have been quite general throughout the country. The decrease in the production of Bessemer steel rails alone, in the first half of this year, was larger by far than that in pig iron, being nearly 44 per cent. less than for the first six months of 1890. This of itself accounts for a large part of the decrease in the consumption of pig iron. The coal trade has remained dull and prices easy without important change or feature, as usual during the summer months, though in a more healthy position than a year ago, even with accumulating stocks.

THE NATIONAL BANKS AND THEIR CIRCULATION.

The following interview with Comptroller Lacey regarding the National banks, their circulation and future policy, was recently published by the *Commercial Bulletin:*

I think most of the National banks contemplate getting along on their present basis until 1907. The majority are not relying much upon circulation for their profits, and will probably not care to antagonize the advocates of other forms of currency by making any strong effort at present to increase the volume of National bank note circulation. The amount of bank note circulation based on United States bonds on June 30, was $127,221,791. The remaining circulation of some $40,000,000 is covered by lawful money, which has been paid into the Treasury, and will gradually disappear. The circulation on October 2, 1890, was $125,176,956, and at that time the minimum deposit of bonds required from the 3,540 National banks in operation was $101,247,615, upon which $91,122,854 in circulation could be issued. The circulation, therefore, could not be greatly reduced, so long as circulation is taken out upon the minimum bond deposits, and the banks with very few exceptions take out circulation on their minimum deposits, rather than allow them to lie idle.

Of course the prosperity of the banks for the next sixteen years will depend in a measure upon the price of bonds. If the bonds should reach a high premium, it would discourage the incorporation of new banks, which would have to go into the market to purchase their bonds, and would make large holdings less profitable to the existing banks. If the bonds are at only a fair premium, new banks will doubtless continue to be established, as they are needed in growing parts of the country.

THE EXTENDED BONDS AND INTERNAL REVENUE.

A dispatch from Washington to the *Post*, dated July 28, says: Much to the surprise of everybody at the Treasury, apparently, the private holders of 4½ per cent. Government bonds have been sending in their requests for the extended 2 per cents lately, at a rate which bids fair to eclipse that of the offers from the National banks. Since the 10th of June, when the movement among private holders began, these requests have reached an aggregate of about fifteen millions of dollars.

Besides the requests for the extended bonds themselves, there have been a very large number of changes of ownership in the registered 4½s, as shown by the demands for transfers on the Treasury books. This unwonted activity, at a season of the year when the market for the heavier securities is generally rather inactive, and at a point in the normal life of these bonds when they could scarcely be expected to change hands at all, is interpreted by Secretary Foster as a sign that they are now passing into possession of persons who are anxious to buy first-class bonds at par, though bearing even the lowest rate of interest—not as a matter of profit, but of safe keeping.

As the figures stand at present, there are in round numbers about $26,000,000 of 4½s held by the banks, some ten millions registered held by private owners, and another ten millions or so of coupon bonds, concerning whose ownership the Government knows nothing.

There seems to be a general expectation at the Treasury that, if crop prospects remain good, the banks will absorb before the 2d of September all the extended bonds which private holders do not care to keep, and that the Government will not be called upon to redeem any more of them than it finds perfectly convenient.

The official statement of the internal revenue collections for the fiscal year 1891 shows a rapid increase of this source of revenue, in spite of the changes in the tobacco tax which took effect during the last quarter of the year. The receipts from all sources, were $146,035,376.18. For the fiscal year ended June 30, 1890, the total collections were $142,594,696.57, an increase of $3,440,679.61 in favor of 1891. The Act of Congress abolishing all special taxes relating to tobacco, which for the last quarter of the fiscal year 1890 amounted to $1,304,746.91, and reducing the tax on snuff, chewing and smoking tobacco from 8c. to 6c. per pound, to the amount, on the basis of the returns of the last fiscal year, of $2,504,895.34, and also changing the beginning of the special tax year from May 1 to July 1, so that a large part of the special taxes which were formerly paid in May were this year paid in July, aggregating $1,557,944.91, made a total loss of taxes for the year just closed of $5,367,587.16. This sum, added to $3,440,679.61, would, but for changes in the law, have made the increased collections aggregate $8,808,266.77.

H. A PIERCE.

FINANCIAL FACTS AND OPINIONS.

Unclaimed Deposits.—Considerable money is in the possession of the Superintendent of the State Banking Department of New York, consisting of unclaimed dividends of banks which have failed, and whose receiverships have been closed. Some of these dividends have been in his possession for nearly twenty years. During that period seventeen savings banks in New York City and vicinity have either failed or voluntarily closed their doors. The total amount of their deposits was over $12,000,000. Dividends varying from fifteen to eighty-six per cent. have been declared, and the depositors have received a large proportion of these sums. The reason why all the money has not been paid is simply because it has not been demanded. The names of the depositors and their addresses are always known to the receiver, but he makes no effort to pay them their dividends. When his receivership is closed he hands over the unclaimed money and the open accounts to the State Banking Department, sometimes with the signature book, giving the addresses and names of parents, and sometimes without. There is no law requiring the signature book to be filed, though very clearly there should be. The receiver, therefore, can do as he pleases with that very important record. It seem to be nobody's business to hunt up the depositor at any time. There is no law compelling the Bank Superintendent to publish at intervals the names of owners of unclaimed dividends in his hands. He merely announces in his yearly report the amount deposited with him by the receivers of the various banks, and the amount he has paid out in each instance. The department gets about $2,500 interest on this fund, and has, it is said, no money to pay for publishing the names. It is certain that a more vigorous effort ought to be made to find out who are the depositors of such unclaimed funds. Probably an investigation into this subject would disclose the fact that dividends might be paid to a larger number if a stronger inclination existed to do so.

Philadelphia Clearing House Controversy.—An important question has arisen concerning the validity of an agreement between the Philadelphia Clearing House and the National banks of that city. It appears that the Spring Garden Bank owes the Clearing House $300,000, for which the Clearing House holds $500,000 of collateral which can be utilized, if the contract with the Clearing House is illegal, for the benefit of the depositors. So, too, the Keystone Bank owes the Clearing House $90,000, for which the Clearing House holds $300,000 of collateral. Another question which will be raised is, whether a bank has the right to borrow from the Clearing House, giving for the loan collateral securities on which the bank itself has already loaned. This, it is contended, constitutes a rehypothecation, and is unlawful. The decision of this question will be awaited with great interest.

Growth of Western Capital.—Western financiers are calling attention to the fact that a marked change has recently developed in the commercial circles of that section. It had been the custom among prominent merchants and large manufacturers to send their paper to New York or Boston for discount because western banking facilities and western capital were not equal to the demands made upon them. The West appears to have outgrown this condition of dependence on the older sections of the country. The corn and wheat belt now discounts its own paper, and is thus rapidly becoming independent of eastern financial ties. The strength of the banks of Chicago and St. Louis is due not alone to the concentration of wealth in those two cities, but also to the rapid development of wealth in the territory tributary to them.

The Bonds Continued.—The decision of the Secretary of the Treasury concerning the continuance of the bonds must be commended. The remarks of Mr. St. John, president of the Mercantile National Bank of New York, well expressed the views of nearly every banker in New York:

The issue of National bank notes being at 90 per cent. of the United States bonds deposited to secure them, and assuming the bonds to be obtained at par, 10 per cent. of the bank's investment in the bonds is idle, earning nothing. Valuing money in use at 6 per cent. per annum, the first expense to the bank will then be six-tenths per cent. per annum. The 90 per cent. in circulation being taxed at the rate of 1 per cent. per annum adds, as a second expense, nine-tenths per cent. per annum. The bank's share of the general expenses of the Comptroller's operations will add about one-tenth per cent. per annum additional. The minimum total expense, therefore, is thus sixteen-tenths, or 1 6-10 per cent. per annum. To extend the bonds at 2 per cent. per annum will offer four-tenths per cent. of the face of the bonds as profit to any National bank which obtains the 4½ per cents at par and extends them at 2 per cent. as security for circulating notes with which to increase the volume of the currency. This annual profit on circulation against a bond bearing 2 per cent. per annum assures par in market for 2 per cent. bonds. The assurance of loss on circulation secured by bonds bearing 1½ per cent. per annum will leave it questionable whether par is to be always obtainable for bonds extended at a lower rate of interest than 2 per cent. per annum. And, furthermore, the assurance of par for 2 per cents is due to the bank demand, which promises to prevent all contraction of the currency, and intimates also a likely increase of this currency to meet unusual needs this fall. This increase may be small as secured by 2 per cents, because 4½ per cents are scarce and are likely to continue scarce as extended 2 per cents. But this removal of the compulsory demand by National banks for 4 per cents to replace redeemed 4½ per cents will gradually allow a decline in the market price of the 4 per cents, and thus afford a profitable issue of notes secured by 4 per cents as a further increase of the currency, if that is deemed a desirable achievement.

We have always believed that it was a good policy to pay the four per cent. bonds rather than those bearing a higher rate of interest; for the holders of four per cents would not be inclined to ask so much as they would if the Secretary of the Treasury had no alternative.

Mr. Drew and National Bank Examinations.—A deeper probing into the failure of the Keystone National Bank has revealed the fact that the examiner was remiss in his duty. We have been inclined to defend him because of his long and excellent record as a public examiner. The facts, however, which have finally come to light clearly show that he did not act as he ought to have done. One of the consequences is a general criticism of the National banking system. Much of this is very unreasonable. The obvious fact is that it is quite impossible to make men honest or competent by a system. A thorough examination depends on the ability and honesty of the examiner, and not on the law or system under which he may act. Banking from beginning to end is a business based on confidence and ability, and legal regulation of any sort cannot effect great results. It is true that an examiner possessing the requisite ability and integrity can do something toward correcting irregularities in a bank, in short, of keeping it in a more perfect way; but everything depends on the character of the examiner. If he is not of the type described, bank examinations are worse than nothing; they are delusions, and are likely to create confidence when it ought not to exist. The outcome of the Keystone National Bank business is, not that the National bank system is wrong, but that the officials connected with the bank are wrong, as well as the National Bank Examiner, and through them most extraordinary results have followed. No system can be invented that will wholly prevent such things. The important lesson of these events is that better men should be selected for such offices. If we continue to tinker at the system, and devote no more attention to the selection of men, no real improvement will follow. These revelations in Philadelphia ought to lead to a most careful consideration of the habits and methods of bankers, their outside operations and personal character generally, and the weeding out of incompetent or suspicious officials. This is of far more importance than any attempt to improve the system itself. Of course, if the system can be improved in any respect, this should be done, but we repeat that the important thing of all is to select honest and competent officials, to try them in every proper manner; and now that these unwelcome events have occurred, a re-examination should be made everywhere into these matters. Some time ago we remarked that a bank officer, who was engaged largely in outside operations requiring the outlay or investment of large sums of money, unless he had a fortune of his own, should be regarded with solicitude; for he is more likely to depend on his own institution than on any other, for his supply of capital. Again and again have banks been wrecked by having a president or manager who was thus engaged in outside operations in which he put money of his bank, either with or without the knowledge of the directors. If they cannot attend meetings and assist in making discounts, at least they can take time enough to know in a general way what their officers are doing; and if they are quite as busy in their personal affairs as in those of their bank, and possess only small means of their own, directors should not omit to make the sharpest inquiry into their sources of obtaining means for conducting their operations. Furthermore, it should be remembered that examiners generally have rendered a valuable service; and this latest revelation ought not to lead to a hasty condemnation of the system. Let us remember that the worst evils are not in the system, but in the men chosen; and that no system can be invented by which the fittest men can always be chosen. Machinery can accomplish wonderful things, but it cannot think, and select, and decide.

Savings Bank Deposits.—The New York *Commercial Bulletin* comments at some length upon the decrease of deposits in the savings banks of this State during the past year. The *Bulletin* is not disposed to take an alarmist view of the decrease, but rather attributes it to the rapid growth of loan and building associations and investments in the stocks of industrial companies. The *Bulletin* is undoubtedly correct. Never before in the history of the State have the masses of wage earners been so well able to make investments as now.

Public Examination of Private Banks.—Two carefully prepared papers are published in the present number on this subject, which were read at the last convention of Iowa bankers. One of them is by Judge Reed, who for several years was a member of the Supreme Court of that State, and whose opinion is a weighty utterance. We do not question the right of the State to extend its examinations into the domain of private banking; the only serious question is that of expediency. Every now and then, when a great failure occurs like that of the Keystone or Spring Garden, in Philadelphia, revealing the worthlessness of the examinations made by the public examiner, one's confidence in the system of public examinations is badly shaken. A person may conclude, after a few examples of this kind, that perhaps the best thing is for the State to keep entirely away from the banks, leaving the public to depend on their own wits in taking care of their money. There is no question, however, concerning the duty of the State to make the courts of justice as efficient as possible; and if such a system of justice prevailed in all of the States, and the rogues who rob banks were brought speedily to trial and punished, as they ought to be, this would be a more potent deterring force than all the paternalism which the Government can possibly exercise. Whatever, therefore, may be regarded as the expedient thing, concerning public examinations of private or other banks, certainly there can be no question that the highest duty of the State is to establish and maintain a system of justice whereby all wrong-doers connected with banking institutions may be speedily punished. Let us not overlook the greater importance of this question when considering the expediency of supervising their business.

State Taxation of Banks.—A controversy has been raging for several months between the authorities of the State of South Carolina and the banks, concerning the taxation of their surplus. Rather than pay the tax demanded, the stockholders of the People's National Bank of Charleston have decided to divide the surplus, and, accordingly, a dividend of thirty per cent. has been declared, five per cent. of which was payable early in July, and the remainder will be paid in October. In a communication to the stockholders, the president of the bank, Mr. Charles O. Witte, said:

When, in July, 1871, you raised the capital of this bank to one million dollars, it was understood that it was your intention and ardent desire to increase the same still further, from time to time, until the limit of our charter was reached, and the bank be established with a capital of $2,500,000—two million and one-half of dollars. Your motives were patriotic. You wanted this institution to tower high above any similar corporations of neighboring cities, and not only be a pride and ornament to Charleston and the State of South Carolina, but also to be a benefit to its merchants and planters, by making money cheap, and by facilitating trade generally. Unfortunately, your wishes could not be realized. Excessive taxation soon proved to your board of directors that a large capital could not be profitably employed under it. And when a bank cannot pay a dividend equal in amount to the current rate of interest, and lay up a sufficient amount of profit to meet losses likely to be incurred by the risk of banking, it becomes the duty of the directors, no matter how reluctantly, to return part of the capital of the bank to its stockholders. And it is from this cause that the capital of this bank has gradually been reduced by dividends to $250,000, its present capital. On this amount the bank would be able to earn a fair dividend, if taxes were assessed on its par and recognized value, but the State demands that a tax be paid on the market value of the stock, which is $208 per share, or on a capital of $520,000. Now, under such circumstances, the case stands thus: That the bank will have to be operated for the benefit of the State, and that stockholders shall run the risk of the losses. The only alternative the directors have, is "to divide the surplus."

Some of the banks in Michigan have surmounted the difficulty in a different way. For example, the Lumberman's State Bank has invested sixty thousand dollars of its surplus and undivided profits in Government bonds, which, of course, are not taxable. As stated in the communication by the president of the Charleston bank to the stockholders, it is not worth while for the State or any other authority to collect too much in the way of taxes, for the inevitable result must be to lead stockholders to employ their capital in other ways. Banks ought to bear their full share of the public burden, but no more. There is, however, a strong current of opinion running everywhere against corporations of every kind, and especially banking institutions. The fact cannot be disguised that capital has strong enemies who would confiscate it to-morrow if they could; and one of the methods of accomplishing this end is excessive taxation. The conclusion cannot be denied that unjust or illegal taxation always results in the confiscation of somebody's wealth for the benefit of those who pay less than their fair share.

Interest on Deposits.—In the address of the general manager of the Canadian Bank of Commerce, Mr. Walker, at the annual meeting of the stockholders, after remarking that the deposits had reached $15,000,000, the payment of interest on deposits was considered. "A part," he said, "of the increase is doubtless temporary, but the gain in deposits of a permanent character during the last five years is in the neighborhood of five million dollars. This has been accomplished without the offer at any time of higher rates than those paid by other banks in the first grade of credit. That the average cost of interest-bearing deposits in Canada is at present too high, owing to the excessive competition, is unfortunately true, and we can but hope that before long there will be some improvement. Money is cheaper to the borrower here than elsewhere in the British Empire, except Great Britain, and cheaper than in the United States, except in the large cities where uninvested capital accumulates. Our profits are therefore curtailed at both ends. During the past year, at least two United States journals have commented on the practice among Canadian banks of paying interest on deposits, the impression apparently being that ordinary deposits of business firms are sometimes obtained in this manner. I need not say that no bank in good credit will pay interest on the fluctuating deposits of a merchant. Our interest-bearing deposits come from deposit receipts and our saving bank departments, and represent capital from petty savings upwards, invested with us either directly for the income afforded by the interest, or in order to earn some interest until by mortgages or otherwise a larger income can be obtained. Sound banking, as we understand it, and as it is understood in Great Britain, is inseparable from the accumulation, as far as possible, of every dollar of the savings and capital of the community not otherwise invested. Individual banks in great cities may obtain all the deposits they desire without paying interest to any extent. We would astonish the shareholders with our profits if we could do the same, but we are, in the main, country bankers, and it is a large part of our business to enable the depositor living near any of our country branches to put the money he may get for the farm products he has sold, or for his labor, into a bank for savings, so that he may earn interest and his capital may be utilized."

The Liability of Bank Directors.—The United States Supreme Court has rendered a decision on this important matter, which is published in the present number. The court were divided, five voting in favor of affirming the judgment of the court below, and four for reversal. The division was so close that the question can hardly be considered as settled. This must be regretted, for the rights and liabilities of directors of these institutions under the National banking law ought to be more clearly defined, if possible, than they are by the statute. It will be seen that the majority are of the opinion that the directors are required to exercise only ordinary prudence. The decision has been criticised in many quarters, and much can be said on both sides of the question. If directors are required to exercise only ordinary prudence, it is certain that the general confidence in these institutions will be lessened, and in the end they will suffer; it is unquestionably true that the public judgment or opinion concerning them is not expressed or interpreted by the majority of the Supreme Court. Should not directors be required to exercise at least as much prudence when acting in a trust capacity as they exercise in their own business; is not this the lowest general conception of their duties? Of course, by thus limiting their liability, the directors escape on this occasion; but the subject ought to be considered from a wider point of view. What will be the effect of establishing this rule of liability on the banks? Will not the public confidence in them be lessened, and if so, ought they not, for their own protection, to seek to have the statute modified regulating the liability of their directors? It can hardly be doubted that this decision is a disappointment to the public, and if permitted to remain as the rule of liability, will certainly not improve the standing of banks in the public estimation. The welfare of the greater number should be carefully weighed against the possible losses of the few directors who may suffer if a higher degree of liability is imposed. May not greater confidence in these institutions be acquired by establishing a severer rule of duty for their directors? We think that they should be required to exercise at least as much vigilance in caring for the money of others intrusted to them as they do for their own. We cannot help thinking that the vigorous dissenting opinion of Mr. Justice Harlan, in which Justices Gray, Brewer, and Brown concurred, expresses the sounder view, and which will, in the end, be established:

We are of opinion that when the act of Congress declared that the affairs of a National banking association shall be "managed" by its directors, and that the directors should take an oath to "diligently and honestly administer" them, it was not intended that they should abdicate their functions, and leave its management and the administration of its affairs entirely to executive officers. True, the bank may act by "duly authorized officers or agents" in respect to matters of current business and detail that may be properly intrusted to them by the directors. But certainly Congress never contemplated that the duty of directors to manage and to administer the affairs of a National bank should be in abeyance altogether during any period that particular officers and agents of the association are authorized or permitted by the directors to have full control of its affairs. If the directors of a National bank chose to invest its officers or agents with such control, what the latter do may bind the bank as between it and those dealing with such officers and agents. But the duty remains, as between the directors and those who are interested in the bank, to exercise proper diligencé and supervision in respect to what may be done by its officers and agents. As to the degree of diligence and the extent of supervision to be exercised by directors, there can be no room for doubt under the authorities. It is such diligence and supervision as the situation and the nature of the business require. Their duty is to watch over and guard the interests committed to them. In fidelity to their oaths and to the obligations they assume, they must do all that reasonably prudent and careful men ought to do for the protection of the interests of others intrusted to their charge. In respect to the dealings of a bank with others, this court has said: "Directors cannot, in justice to those who deal with the bank, shut their eyes to what is going on around them. It is their duty to use ordinary diligence in ascertaining the condition of its business, and to exercise reasonable control and supervision of its officers. They have something more to do than, from time to time, to elect the officers of the bank, and to make declarations of dividends. That which they ought, by proper diligence, to have known as to the general course of business in the bank, they may be presumed to have known, in any contest between the corporation and those who are justified by the circumstances in dealing with its officers upon the basis of that course of business." (*Martin* v. *Webb*, 110 U. S. 7, 15, 3 Sup. Ct. Rep. 428.) A rule no less stringent should be applied as between a banking association and directors representing the interests of stockholders and depositors. Subscriptions to the stock of a banking association, and deposits with it, are made in reliance upon the statutory requirement, which cannot be dispensed with, that its affairs are to be managed and administered by a board of directors, acting under oath, and with such diligence as the situation requires. . . . No usage of a National bank, nor any authority to carry on its business through executive officers and agents, will relieve its directors from the duty imposed upon them by law of diligently managing and diligently administering its affairs, and actively supervising the conduct of its officers and agents. There was here no diligence, no supervision, but absolute inaction in respect to the affairs of the bank. It was said at the bar that if such a rule be rigidly applied, a gentleman of property and means would hesitate long before accepting the position of director in a banking association. This could not be the result if gentlemen of that class, becoming directors of such institutions, would exercise anything like the care and supervision they or any other prudent, discreet persons give to the management of their own business. They ought not, by accepting and holding the position of directors, give assurance to stockholders and depositors, whose interests have been committed to their control, that the bank is being safely and honestly managed, without doing what prudent men of business recognize as essential to make such an assurance of value. A banking corporation, publicly avowing that its business was to be wholly administered by executive officers, and that the directors would have nothing in fact to do with its management, would not long retain the confidence of stockholders and depositors; a fact which, of itself, shows that the abdication by directors of their duties and functions not only tends to defeat the object for the creation of such an institution, but puts in peril the interests of stockholders and depositors.

THE FALL OF THE SOCIÉTÉ DE DÉPÔTS ET COMPTES COURANTS.

BY ARTHUR RAFFALOVICH.*

Within two years two great credit establishments have succumbed in Paris under the weight of faults, which, for the Comptoir d'Escompte, were chiefly the result of temporary blindness, of a gigantic and wild speculation in copper, and which, for the Société de Dépôts et Comptes Courants, were the consequence of a radically false system, of persistent violations of the spirit, if not of the letter itself of the law.

The fall of the Société de Dépôts et Comptes Courants was less sensational. It was not accompanied by any tragic incidents. The institution had lost a large part of its prestige for some years past; it lived on in relative obscurity, while the Comptoir d'Escompte was, after the Bank of France, the dean of the financial establishments of Paris, and the one whose signature was best known and most appreciated outside of Europe, a few months before the disaster.

For the two establishments in distress, there was, however, the same intervention upon the part of the Minister of Finance, the credit establishments, and the Bank of France, because, in both cases, it was a question of deposit banks, and because it was desired to avoid the consequences that might follow the suspension of the repayment of money deposited by the public, especially the reaction upon the other institutions.

Contemporary financial manners make a sort of necessity of optimism, it seems; the conviction is strong that the vigilance and

* Translated from the *Journal des Economistes* by O. A. Bierstadt.

suspicions of the public must be put to sleep, if by chance an accident happens to tear the rosy cloud, in which people like to wrap the operations and the condition of the credit establishments and the Bourse.

The State, through the Minister of Finance, intervenes by exerting a pressure upon the similar credit establishments and the Bank of France, by causing their co-operation with a view to stop the panic; and yielding to the solicitations of uneasy and timorous people, the Government, it is said, is elaborating a bill for regulating the financial institutions that receive deposits from the public.

These are facts that deserve to be criticised and commented on with thorough independence.

The Société de Dépôts et Comptes Courants was constituted on July 4 and 6, 1863, for a period of thirty years. The statutes approved by imperial decree fixed the company's capital at sixty million francs, a fourth of which was paid up. By Article 5 of the statutes explaining the purpose of the concern, it was declared that the institution might receive current accounts to an amount one and a half times larger than its capital and the reserve.*

The Société de Dépôts et Comptes Courants laid claim to playing in France the part of an initiator, in whatever concerns the use of deposits of funds on current account, unengaged, for a fixed period, and especially in the employment of the check, which was then a financial novelty imported from England. A year after the formation of the Société, the law gave a definition of the check, regulated its use, and the liabilities attached to it.

In 1877, a modification in the statutes, approved by decree of the President of the Republic, raised the company's capital from sixty to eighty million francs, by the creation of 20,000 new shares issued at 630 francs, of which 125 francs were applicable to the capital, and 130 francs allotted to the reserve. Moreover, according to the original statutes, the Société was authorized to receive subscriptions for the account of third parties, but only with the

* The operations of the Société were limited to the discount of commercial paper, warrants, all kinds of engagements for a fixed date, resulting from commercial or industrial transactions, to loans on collateral up to two-thirds of its value, and on condition that these loans made for ninety days should never exceed altogether a fifth of the capital realized, and a half of the reserve, to making loans upon guarantees, but for a maximum of six months, etc.

The first board of directors was composed of the Duke de Valmy, de Rougemont, Aubry, Baron de Bussière, Sébastien de Neufville, de la Bouillerie, Viscount Daru, William Gladstone, Pedro Gil, Henri Poisson, Baron Levavasseur, Baron Gustave de Bussière, and Armand Donon. The board in office at the time of the catastrophe was composed of Messrs. Donon, president, Gautier, Boitelle, de Bussière, Pierre Donon, G. Delahante, Achille Fould, Gros Hartmann, Gomot, de Guerle, Charles de Lesseps, M. Aubry, Ad. Peghoux, and Baron Poisson.

approbation of the Minister of Finance, if it was a case of foreign securities; in 1877, this authorization was suppressed and the Minister's moral responsibility set free.

From a table compiled by the *Moniteur des Intérêts Matériels* here is an abstract of the balance sheet on December 31, of the years 1864, 1873, 1877, 1887, and 1890, as well as on January 31, 1891, the date of the last balance sheet published (in thousands of francs): *

Assets.	1864	1873	1877	1887	1890	1891
Cash	1,541	10,301	4,763	10,845	4,567	6,660
Portfolio	23,297	42,627	94,037	100,137	82,551	81,579
Current accounts	8,205	4,632	6,387	20,432	19,259	20,003
Real estate	—	6,975	6,975	6,975	6,975	6,975
Payments to be called in	45,000	45,000	60,000	60,000	60,000	60,000
Liabilities.						
Capital	60,000	60,000	80,000	80,000	80,000	80,000
Reserves	173	3,000	8,200	10,000	8,500	8,500
Accounts, checks	4,464	15,752	47,197	24,445	24,268	26,368
" at seven days	1,403	1,854	7,447	18,809	18,716	16,765
Current accounts	5,159	22,888	20,366	53,994	33,264	35,918
Acceptances	6,194	4,085	7,381	9,604	7,005	7,687

The Société de Dépôts was noted for the fixity of its dividend: in the last twenty-one years it distributed, during eleven years, fifteen francs, during six years, sixteen francs fifty centimes, and then fifteen francs. The price of its shares from 1877 to 1890 turned around 600 francs, deviating from that figure by only a few points.

Apparently it had gone through without difficulty the financial and political crises since its foundation; it had even stepped in, two years ago, with the other credit establishments, to save the situation brought about by the embarrassments of the Comptoir, and to facilitate its liquidation. But, for some years already, its credit had suffered, if not materially, at least morally; the sums confided to it by third parties ran up to 110 million francs in 1888, they dropped to 79 millions at the end of 1890.

Nineteen years ago the Société de Dépôts formed by its side another credit establishment, the Société Financière, which had the same managers, and whose object was to help the parent Société in getting rid of securities difficult to dispose of, and all its dangerous business. The liquidation of the Société Financière had to be effected a few years since, under rather unfortunate conditions, and since then all the embarrassments of the Société de

* According to the report of the provisional administrators, the portfolio or bill-case comprised, on January 31, 1891, 73,700,000 francs of loans upon the guarantee of securities or pledges backed up by the notes or acceptances of the parties receiving these loans. These notes, forming two-tenths of the portfolio, had none of the characteristics of commercial paper, and were not discountable. In brief, upon assets of 103 million francs, there was a complete impossibility of a rapid realization of eighty-nine millions; the Société was absolutely paralyzed and compelled to suspend.

Dépôts have been increasing; its mistakes (Châlons-Orléans Railroad, Grande Compagnie d'Assurances, Crédit Viager, etc.,) produced a number of sensational lawsuits, which ended in heavy pecuniary losses.*

The failure of an architect of Paris, a contractor for great building operations, whose notes for fifteen to sixteen million francs were in the portfolio of the Société de Dépôts, made the situation still more dangerous and involved. The directors considered some plans of fusion or absorption by other credit establishments, on the pretext that the Société was to expire in 1893, having been created in 1863 for thirty years. Those who had anything to lose declined very quickly after a brief examination; there was but one competitor left, whose credit was no longer intact either, which was closely connected with the Société de Dépôts, and which hoped to secure a chance to manufacture some new paper. These negotiations could not be kept secret; they were awkwardly explained in the newspapers friendly to the concern; the loss of the last lawsuits had already given the alarm, sales on short account or by holders sent the price of shares flying down.† The depositors grew frightened, and as money had already been drawn out, in presence of the increasing demands, the assistance of the other credit establishments had to be called in; the resources on hand were no longer sufficient. The Minister of Finance, strong in the precedent of the Comptoir d'Escompte, and believing London had trained him, interfered in person; he called together the heads of the credit institutions, and not without some sharp discussion, he suc-

* On August 17, 1890, Blanchard, the Société de Dépôts, and its directors, were condemned to repay to the stockholders of the Grande Compagnie d'Assurances the sums paid by them for the discharge of the third and fourth quarter of the company's capital. On December 28, 1890, in a suit with the Crédit Viager, the Société de Dépôts was condemned to pay 7,192,000 francs.

† It is quite wrong to attribute the downfall of the Société to Argentine Republic affairs. The Société was, indeed, the correspondent of the house of Murrieta, which has managed to pull through by transforming itself into a limited liability company; the Société de Dépôts saw its situation undermined by suits for liability, by the failure of large customers whom it was supporting. The assets at its disposal and realizable were not sufficient to cover the liabilities soon due. As the *Moniteur des Interets Materiels* very truly says, all the various operations of the Société were resolved either into loans on current accounts or into the discount of bills. These operations being manifold, often of long duration, sometimes complicated, it followed that the current accounts appearing in the assets were no longer entirely recoverable, a part of the portfolio was neither rediscountable nor payable when due. In 1882, a syndicate redeemed 26,500 documents, in 1890, a second syndicate 10,000 documents.

Moreover, as the relative stability of the price of the shares was a vital question for the Société, it is claimed that a syndicate formed by the directors bought great bundles of shares (between 15,000 and 50,000); the Société advanced the money on notes payable to order.

ceeded in getting a guarantee of fifteen million francs signed (among others, Crédit Foncier, two millions; Comptoir d'Escompte, two millions; Crédit Lyonnais, two millions; Banque d'Escompte, one and a half millions; Banque de Paris, one and a half millions, etc.). As sixty million francs were required to pay off the deposits and settle with the creditors, the Bank of France alone could give the money, and negotiations had to be begun with it.

On March 13 and 14, the Crédit Foncier advanced sixteen million francs, while terms should be agreed upon with the Bank of France for the advance of sixty millions. These negotiations were much more difficult than those of 1889 for the Comptoir d'Escompte; if the question had not been pending of the renewal of the privilege, I really do not know whether the Bank would have interfered. However, M. Magnin, supported by the board of directors, dictated his conditions. The advance of sixty million francs was agreed to at the rate of 3 per cent. a year against the following assignments: 1st, the current accounts and the portfolio of loans on securities, backed by bills upon certain borrowers, these bills receiving the signature of the Société de Dépôts et Comptes Courants; 2d, the balance of the commercial bills of exchange that might still be addressed to the Société by its correspondents; 3d, the calling in of the funds on the shares, to the amount of the sixty million francs remaining to be paid; 4th, the company's real estate.

Further, in order that the Bank should not be engaged indefinitely in this operation, it was understood that, after the expiration of eight months from the last calling in of funds deemed necessary, if the Bank should not have received the whole of its advance, the guarantee syndicate was to come in and make up the balance. Against the advice of some of the guarantors, who wished that the liquidation of the Société should be intrusted to the board of directors then in office, to which members of the syndicate might have been added, the Bank required that liquidators should be appointed by the president of the Tribunal of Commerce.

The board of directors resigned; the president of the Tribunal of Commerce was not satisfied with appointing as provisional administrator M. Mercet (of the firm of Périer Brothers), administrator of the Comptoir National; he appointed, in conjunction with him, M. Edmond Moreau, a specialist in the matter of the liquidation of companies *in extremis*.

Messrs. Mercet and Moreau called a general meeting of the stockholders for April 7; they submitted to it a report upon the situation of the Société, which is a document of remarkable sincerity, and, consequently, a striking arraignment of M. Armand Donon. They had the dissolution of the Société voted, authority to sell the real estate for eight million francs, the business for four millions. The capital and reserve seem lost; it is hoped to avoid a calling in of funds, with the aid of the repurchase of securities difficult to dispose of by the directors, for fourteen million francs, and with the aid of payments from M. Donon, senior, who owes seven millions, Donon, junior, 300,000 francs, as well as Messrs. Gautier and Poisson, who have given up their fortunes. This does not prevent further claims of injured stockholders.

The shares are discharged of only 125 francs; they are registered by names. Our readers know the strict legislation upon this subject. All those who have at any time been owners of these shares are exposed to claims, with a chance to recover from those succeeding them.

The shares, which were worth 585 francs just before the disaster, have fallen to 250 francs, that is, the seller makes good 125 francs to the buyer on delivering to him the document, in exchange for the latter's assuming the contingency of payments. They have gone up since then, on the rumor that there would be no calling in of funds.

The question has been asked, whether it was necessary to have the Bank of France intervene, and whether the Société de Dépôts et Comptes Courants ought not to have been left either to itself, or at least to be saved by the board of directors and by the co-operation of the credit establishments, to which the Bank of France might have lent its assistance in a subsidiary manner instead of being put forward.

The way in which the Bank of France interfered, the perfectly legitimate conditions it dictated, would seem to prove that it acted this time only by overcoming real reluctance, and without the least enthusiasm. M. Magnin and the board of directors cannot be too highly praised for having imposed the conditions. In our opinion, the *Journal des Débats* has very well characterized the situation.*

* While approving the Bank's intervention, it must not be imagined that it will always be thus, and that help will be given to every deposit bank, provided the figure of the liabilities reaches a considerable amount. This would be a very unfortunate illusion, and its consequence would be to put to sleep the vigilance of the parties interested themselves, of the depositors, who would think themselves relieved of all personal care and control. The Bank of France was not founded to play the part of a perpetual rescuer. To use it as an instrument for removing the responsibility of the errors of judgment committed by the depositors would be very bad socialistic politics. It is to be hoped that we shall not soon again see a run upon a deposit bank, and that, if there should be such a run, the establishment will be able to face it with its own resources; it must be wished above all that the situation of our banks may never be comparable to that of the Société which has just collapsed.

M. Cottet, a Lyons banker, in a very interesting circular, is of our opinion when he says: we have heard the remark made that a certain joint responsibility is getting to be established by the necessity of things between the various

It was natural (we do not like to say that it is reasonable) that the immediate consequence of the collapse of the Société de Dépôts et Comptes Courants should be the preparation of a bill for regulating the deposit banks of France. We live in an atmosphere absolutely infected with State socialism. As soon as any accident happens, whatever its origin may be, people turn to the State to implore its interference, and beg it to put up a safety rail. It matters little that its intervention will paralyze the initiative of individuals, and break the spring of liberty and responsibility of private parties.

It is assured that the bill prepared by the Government would oblige the deposit banks to keep the equivalent of the deposits payable on demand or at short date in commercial paper with two signatures, and rediscountable at the Bank of France or in loans upon securities accepted by the Bank of France (that is, French Government funds and securities guaranteed by the State). As for the rest of the funds belonging to these establishments or proceeding from other sources than the deposits, the banks would have the right to employ them as they pleased. Besides, it would be required that the balance sheet should contain full details about the various deposits and the use made of them, as well as a complete inventory of the securities accepted as collateral for loans.

We believe that the legislator is here encroaching upon ground that ought to be reserved to the private interests involved. It does not belong to him, in a country where the system of concession no longer exists for joint-stock companies, to regulate the use of funds which private parties lend to their bankers. It is not, indeed, to be denied that a person lends his money, when he takes it to a credit company and has himself credited with the deposit of it.

Long practice of the banking business and theory agree upon this point, that a deposit institution is obliged of itself to invest the money confided to it and payable either on demand or at short date in things equally temporary, easy to realize, that is in good three months' paper, in loans upon securities easily sold, with

deposit companies, in order, for their mutual interest, to save the property of depositors in the weak companies, and, consequently, to maintain the credit of those which are strong and upright; all the more so, it is added, because the rescuers have thus far not had to pay for their intervention with their own money. Just as it would be very dangerous for a legal, official, and minute regulation to give depositors a deceptive security and lull their watchfulness to sleep, so it would also be a very great harm to see the opinion believed in that any compromised institution will infallibly be saved. Thus all feeling of responsibility and individual prudence would be annihilated; it is certainly to be presumed that the institutions guaranteeing various sums for the Société de Dépôts et Comptes Courants have promised themselves not to renew this assistance, if there should unfortunately be other failures in the future.

a margin for the possible depreciation of the collateral. This is the very essence of the profession of the bankers, who on a large scale carry on what the Germans call the passive branch of deposits. What guarantee does legislation offer us on this subject? If the men at the head of the establishment are wanting in honesty, or even in intelligence, the portfolio will at some critical period give rise to great disappointments.*

We have rapidly run through the documents giving information on the foreign legislation relating to banks, and we have not found in Europe any special law affecting private banks; it is otherwise for the banks endowed with the privilege of issuing notes, which are almost everywhere subjected to a strictly determined system in order to assure the institution's solvency and the redemption of the notes. In our opinion it would be wrong to assimilate the private banks of deposit to the banks of issue and the savings banks.

On the other hand, it would be very dangerous always to be putting forward the name of the Bank of France, to talk of paper rediscountable at the Bank, and of securities accepted by it as collateral for loans. This would give birth to the idea that the Bank will always at critical times rediscount the whole portfolio of the credit institutions, and take of them the securities serving as collateral for their loans. Must the Bank's discount committee undertake a permanent verification of the portfolio of the establishments? A signature good in ordinary times may cease to be solvent some day of general difficulty, without speaking of accommodation paper and pseudo-commercial paper.

Start on this road and go to the end of it. Suppose that one or several establishments are threatened with a run, that they all bring their portfolio to the Bank, and that the latter has reached the limit of its issue, must it draw on its metallic reserve? Or will not the Minister of Finance be compelled to take the floor and solicit from Parliament authority for the Bank to issue a few hundred million francs more? Let us not *nationalize* the Bank of France, to use the technical term of the socialists, for the depositors' profit any more than for the profit of the State. It is quite as absurd to restrict the kinds of collateral upon which loans may be made. The public ought not to be deprived of the facilities of credit on good securities (foreign governments of the first rank, foreign railroad or industrial stocks or bonds), under the pretext of protecting the property of depositors. It would be more simple

* The investment of the company's capital in Government securities has been advocated, in order to increase without doubt the embarrassments at critical times, when the sales of 3 per cents will come upon the market for Government securities. Will the offer be made to the depositors to receive Government coupons?

and effectual to prohibit banks from paying interest on deposits for life and check accounts.

With regard to the question of the balance sheet, there is no lack of people who have no objection to the legislator's laying down the principle of greater clearness and publicity. The balance sheets of our banks are usually wanting in this quality: the last balance sheets of the Comptoir d'Escompte and the Société de Dépôts do not differ in appearance from those of prosperous times. They are often indecipherable rebuses even to those most initiated into the mystery of joint-stock company bookkeeping.*

When a man has charge of considerable deposits, he must know how to resist the temptation of possible profits, however enormous they may be, and however sure the operation may seem.

In England, a sort of complete separation has become established between the banks, properly so-called, and the financial institutions cultivating personal credit, issues, and stock exchange business.

In France, on the contrary, many of our great establishments unite the two branches; they are at the same time deposit banks and banks for personal credit. Not finding the business of capital sufficiently lucrative, they go into business on their own account; they engage both the capital of the company and the money intrusted to it in operations of long duration, in loans to foreign governments, as Portugal or the Argentine Republic, they become interested in industrial enterprises, they take part in the formation of joint-stock companies, speculative syndicates. The name of deposit banks is very useful to them, because they absorb the floating capital and, instead of seeking chiefly temporary investments, such as are easily realizable, they go into remunerative but more risky locking up of money. The difference between the rate of interest on discounts, secured loans, amounts carried forward, and that paid to customers, is not sufficient to give large dividends and to cover the expenses of administration, advertising, and the interest on the buildings occupied by the institutions. Profits are therefore sought outside.

* The balance sheets are valuable only from the sincerity and capacity of the men signing them. Read that of the Société de Dépôts of January 31; it shows a situation very far from the truth. The establishment appears in it as ahead in its business. Besides, what idea can you get from a balance sheet of the composition of the portfolio of commercial paper? An interminable list would have to be given of signers, drawers, acceptors, indorsers. It is impossible to do this, and even should it be done, it would be a violation of professional secrecy. Only the composition of the portfolio of securities can be given, and for certain companies whose principal object consists of the subscription for, and buying and selling of securities, Government funds or others, this publication would often be hurtful to the company, which might be aimed at in the disposal of its stocks. Finally, this list means nothing, with the possibility of selling before the end of the year and buying back in settlement.

The French public has also different habits from those existing in Germany, and particularly in England. It has less enterprise, and is not so accustomed to managing its own fortune and taking care of its capital; it has the high interest allowed by the savings banks, with all the dangers and inconveniences of the necessary investment in French Government securities.

In other countries, the balance of capital, the amount required for daily needs, is left with the bank. Thus, in Berlin, the deposits in private banks at the end of 1889 amounted to only $32,500,000.

In England, the great deposit banks exact as the first remuneration of their services, that a fixed sum should be left without interest during the whole course of the business relations between them and the customers drawing checks on them.*

The public forgets too willingly that there is a contradiction between a high interest and the permanent readiness of sums of money. If the debtor is likely to be called on for immediate payments, he will be forced to seek temporary investments, which will be much less profitable than those of long duration.

On the other hand, the banker's business would scarcely be possible, if the money trusted to him remained at his disposal only a longer or shorter time. He presumes that all the deposits will not be withdrawn the same day, except in case of a panic, and he keeps on hand only a small portion. The credit he enjoys,

* In England, bank shares are always registered by the names of holders. In the banks, that used to be with unlimited liability, and that have adopted the form introduced by Sir Stafford Northcote after the Glasgow Bank catastrophe, the stockholder is liable: for the payments to be called in, for a fixed amount (reserve liability) which can only be called in case of liquidation. In almost all the banks the managers have the right to refuse officially the name of a buyer of stock, if his credit does not seem to them equal to the payment of future assessments. Former stockholders are liable during twelve months, if their purchaser should not pay. In selling bank stock the numbers of the shares ought to be given according to Lehman's list, but the law is often disregarded. However, a dishonest buyer might decline to pay.

The general rule at London is that a deposit bank must not do *finance* at any price. If one were suspected of taking an interest in any other loan than an Australian colonial loan, its credit would be at once and irretrievably ruined. A deposit bank, too, cannot use its credit twice over. If it has deposits, it must not accept at three months. Some banks have tried to accept, and public rumor is constantly busy with their name. Finally, it is said that demand deposits, if it is desired to keep clear, are not profitable and are very dangerous, when a cent of interest is paid.

The division of labor has been introduced, as we see, in the banking industry of England, and it has caused the attainment of a degree of perfection and solidity that would in France be vainly sought in establishments uniting deposits, acceptances, and the business of personal credit; this separation of departments constitutes the strength of such wisely managed establishments as the Banque de Paris et des Pays-Bas.

that is the probability that he is solvent, is the guarantee with which his customers are satisfied.*

It is for the depositors to make their choice, to keep watch over their debtor, it may be said. This is not easy for the mass of the public, which, as we said above, will cast off all care the moment the State appears to do anything to prevent the recurrence of catastrophes like those of the Comptoir d'Escompte and the Société de Dépôts, only to perceive later that the State's interference in this particular branch of the business of capital has had nothing but disappointing effects.

LIABILITY OF DIRECTORS.

SUPREME COURT OF THE UNITED STATES.

Briggs v. *Spaulding*.

Rev. St. U. S. par. 5,145, providing that directors of National banks shall hold office for one year, and until their successors have been elected and qualified, does not prohibit resignations within the year.

Since the National banking law is silent as to the time when and method by which a director may resign, the common law governs, and where a director verbally resigns to the president, to whom he at the same time sells his stock, giving a power of attorney to transfer it on the books of the bank, which is done, the resignation is effective to release the director from responsibility for the subsequent conduct of the bank's affairs.

The president and director of a National bank, who is absent on account of ill health, under a leave of absence granted by the board of directors, cannot be liable for the negligent management of the bank during his absence.

Where the affairs of a bank are managed by its president, who has the reputation of being trustworthy and efficient, and who owns the greater part of the stock, and the bank is generally considered to be in a prosperous condition, directors cannot be held liable for losses through mismanagement on the ground of negligence, in that they did not, within ninety days after they became directors, compel the board of directors to make a thorough investigation of the books and condition of the bank.

The First National Bank of Buffalo failed on April 14, 1882, and Briggs was appointed receiver. In this capacity he brought suit against Spaulding and other directors of the bank to hold them for losses incurred in the management of the bank. It was not contended that the directors knowingly violated or permitted a violation of the National banking act, or were guilty of any personal dishonesty in administering the banks affairs. They were not charged with a misappropriation of the bank's property, nor with carelessness in respect to any particular property, but with the omission of duty, which, if performed, would have prevented certain specified losses. The losses were occasioned by reckless and improvident loans made by the president of the bank, to whom the sole control of its business had been left. It was asserted that the directors were liable to the bank for losses due to their inattention.

By a bare majority the court decided that the directors were not lia-

* The higher the rate of the interest paid to the depositors is, the more need the institution has of money belonging to other parties.

ble, the Chief Justice delivering the opinion. It was a very elaborate deliverance; and as the court was so evenly divided, and other cases are pending involving the same question, it can hardly be regarded as settled. We therefore have published only the more important portions of the opinion, in which the court stated the law on the subject.

The articles of association of the First National Bank of Buffalo were framed under section 5,133, Rev. St., and provided for an annual meeting of the stockholders; that the board of directors should appoint a president, cashier, and such other officers and clerks as might be required to transact the business of the association, and define their respective duties, and by their by-laws specify by what officers of the association or committee of the board the regular banking business of the association should be conducted, and empowered the board of directors to require bonds of the officers. The by-laws of the institution were adopted December 13, 1863, and had relation to the then powers of the board of directors. By section 13 a standing committee was provided for, to be known as the "exchange committee," consisting of the president and three directors, appointed by the board every six months, which had power to discount bills, notes, etc., and was required to report at the regular board meetings. Under section 19 a committee was to be appointed every three months to examine into the affairs of the bank, and report to the board. Regular meetings were required to be held monthly. It is alleged that on the 7th of January, 1879, the board requested itself to meet thereafter regularly on the 1st of every month, "to look after the affairs of the bank," etc. It appears that the provisions of the by-laws were not observed, at least after the amendment in sub-section 7, § 5,136, and that the management of the bank was left almost entirely to the officers. No exchange committee nor examination committee was appointed, and the meetings of the board were infrequent and perfunctory. For years prior to the failure—fourteen at least—the business of the bank had been conducted by the president.

It is not contended that the defendants knowingly violated, or permitted the violation of, any of the provisions of the banking act, or that they were guilty of any dishonesty in administering the affairs of the bank; but it is charged that they did not diligently perform duties devolved upon them by the act. Our attention has not been called, however, to any duty specifically imposed upon the directors as individuals by the terms of the act, although, if any director participated in or assented to any violation of the law by the board, he would be individually liable. The corporation, after the amendment of 1874,* had power to carry on its business through its officers; and although no formal resolution authorized the president to transact the business, yet, in view of the practice of fourteen years or more, we think it must be held that he was duly authorized to do so. It does not follow that the executive officers should have been left to control the business of the bank absolutely and without supervision, or that the statute furnishes a justification for the pursuit of that course. Its language does enable individual directors to say that they were guilty of no violation of a duty

* When the banking act was originally passed, and this bank was organized, that which is now subdivision 7 of section 5,136 did not contain the words "or duly authorized officers or agents, subject to law"; that is, the original act provided that the board of directors might exercise all such incidental powers as should be necessary to carry on the business of banking as there specified, but said nothing about the exercise of those powers by the bank officers or agents. The words were inserted in the Revised Statutes 1873–1874.

directly devolved upon them. Whether they were responsible for any neglect of the board as such, or in failing to obtain proper action on its part, is another question. Indeed, it is frankly stated by counsel that, "although special provisions of the statute are quoted and relied upon, these do not create the cause of action, but merely furnish the standard of duty and the evidence of wrong doing"; and section 556, Mor. Priv. Corp., is cited, which is to the effect that "the liability of directors for damages caused by acts expressly prohibited by the company's charter or act of incorporation is not created by force of the statutory prohibition. The performance of acts which are illegal or prohibited by law may subject the corporation to a forfeiture of its franchises, and the directors to criminal liability; but this would not render them civilly liable for damages. The liability of directors to the corporation for damages caused by unauthorized acts rests upon the common law rule, which renders every agent liable who violates his authority to the damage of his principal. A statutory prohibition is material, under these circumstances, merely as indicating an express restriction placed upon the powers delegated to the directors when the corporation was formed." It is perhaps unnecessary to attempt to define with precision the degree of care and prudence which directors must exercise in the performance of their duties. The degree of care required depends upon the subject to which it is to be applied, and each case has to be determined in view of all the circumstances. They are not insurers of the fidelity of the agents whom they have appointed, who are not their agents, but the agents of the corporation; and they cannot be held responsible for losses resulting from the wrongful acts or omissions of other directors or agents, unless the loss is a consequence of their own neglect of duty, either for failure to supervise the business with attention, or in neglecting to use proper care in the appointment of agents. (Mor. Priv. Corp. § 551 *et seq.*, and cases.) Bank directors are often styled "trustees," but not in any technical sense. The relation between the corporation and them is rather that of principal and agent, certainly so far as creditors are concerned, between whom and the corporation the relation is that of contract, and not of trust. But, undoubtedly, under circumstances, they may be treated as occupying the position of trustees to *cestui que trust*.

In *Percy* v. *Millaudon*, 8 Mart. (N. S.) 68, which has been cited as a leading case for more than sixty years, the Supreme Court of Louisiana, through Judge Porter, declared that the correct mode of ascertaining whether an agent is in fault "is by inquiring whether he neglected the exercise of that diligence and care which was necessary to a successful discharge of the duty imposed on him. That diligence and care must again depend on the nature of the undertaking. There are many things which, in their management, require the utmost diligence and most scrupulous attention, and where the agent who undertakes their direction renders himself responsible for the slightest neglect. There are others where the duties imposed are presumed to call for nothing more than ordinary care and attention, and where the exercise of that degree of care suffices. The directors of banks, from the nature of their undertaking, fall within the class last mentioned, while in the discharge of their ordinary duties. It is not contemplated by any of the charters which have come under our observation, and it was not by that of the Planters' Bank, that they should devote their whole time and attention to the institution to which they are appointed, and guard it from injury by constant superintendence. Other officers, on whom compensation is bestowed for the employment of their time in the affairs of the bank, have the immediate management. In relation to these officers the duties of directors are those of control, and the neglect which would render them responsible for not exercising that control properly must depend on circumstances, and in a great measure be tested by the facts of the case. If nothing has come to their knowledge to awaken suspicion of the fidelity of the president and cashier, ordinary attention to the affairs of the institution is sufficient. If they become acquainted with any fact calculated to put prudent men on their guard, a degree of care commensurate with the evil to be avoided is required, and a want of that care certainly makes them responsible."

Spering's Appeal, 71 Pa. St. 11, was the case of a bill filed by Spering, as assignee of a trust company, against its directors and others, to compel them to make good losses sustained by the depositors, on the ground of fraudulent mismanagement of the affairs of the company; and Judge Sharswood, speaking for the court, said: "It is by no means a well-settled point what is the precise relation which directors sustain to stockholders. They are undoubtedly said in many authorities to be trustees, but that, as I apprehend, is only in a general sense, as we term an agent or any other bailee intrusted with the care and management of the property of another. It is certain that they are not technical trustees. They can only be regarded as mandataries—persons who have gratuitously undertaken to perform certain duties, and who are therefore bound to apply ordinary skill and diligence, but no more. . . . We are dealing now with their responsibility to stockholders, not to outside parties—creditors and depositors. It is unnecessary to consider what the rule may be as to them. Upon a close examination of all the reported cases, although there are many *dicta* not easily reconcilable, yet I have found no judgment or decree which has held directors to account, except when they have themselves been personally guilty of some fraud on the corporation, or have known and connived at some fraud in others, or where such fraud might have been prevented had they given ordinary attention to their duties. I do not mean to say by any means that their responsibility is limited to these cases, and that there might not exist such a case of negligence, or of acts clearly *ultra vires*, as would make perfectly honest directors personally liable. But it is evident that gentlemen selected by the stockholders from their own body ought not to be judged by the same strict standard as the agent or trustee of a private estate. Were such a rule applied, no gentlemen of character and responsibility would be found willing to accept such places." (And see *Association* v. *Coriell*, 34 N. J. Eq. 383; *Hodges* v. *Screw Co.*, 1 R. I. 312; *Wakeman* v. *Dalley*, 51 N. Y. 27.) It was in this aspect that Lord Hatherley remarked in *Land Credit Co.* v. *Lord Fermoy*, L. R. 5 Ch. 763: "Whatever may be the case with a trustee, a director cannot be held liable for being defrauded. To do so would make his position intolerable." And the same view is expressed by Sir George Jessel, M. P., in his opinion *in re* Dean Coal Min. Co., 10 Ch. Div. 450, where he says: "One must be very careful in administering the law of joint-stock companies, not to press so hard on honest directors as to make them liable for these constructive defaults, the only effect of which would be to deter all men of any property, and perhaps all men who have any character to lose, from becoming directors of companies at all. On the one hand, I think the court should do its utmost to bring fraudulent directors to account; and, on the other hand, should also do its best to allow honest men to act reasonably as directors. Willful default no doubt includes the case of a trustee neglecting to sue, though he might by suing earlier have recovered a trust fund. In that case he is made liable for want of due diligence in his trust. But I think directors are not liable on the same principle." The theory of this bill is that the defendants are liable, not to stockholders nor to creditors, as such, but to the bank, for losses alleged to have occurred during their period of office, because of their inattention. If particular stockholders or creditors have a cause of action against the defendants individually, it is not sought to be proceeded on here, and the disposition of the questions arising thereon would depend upon different considerations.

In *Preston* v. *Prather*, 137 U. S. 604, 11 Sup. Ct. Rep. 162, it was ruled that gratuitous bailees of another's property are not responsible for its loss unless guilty of gross negligence in its keeping; and whether that negligence existed or not is a question of fact for a jury to determine, or to be determined by the court where a jury is waived. And, further, that the reasonable care which the bailee of another's property intrusted to him for safe keeping without reward must take, varies with the nature, value, and situation of the property, and the bearing of surrounding circumstances on its security. That was a case of persons engaged in the business of banking receiving for safe keeping a parcel containing bonds, which was put in their vaults. They were notified that their assistant cashier, who had free access to the vaults where the bonds were deposited, and who was a person of scant means, was engaged in speculations in stocks. They made no examination of the securities deposited with them, and did not remove the cashier. He stole the bonds so deposited; and it was held that the bankers were guilty of gross negligence, and were liable to the owner of the bonds for their value at the time they were stolen. And Mr. Justice Field, delivering the opinion, said: "Undoubtedly, if the bonds were received for safe keeping, without compensation to them in any form, but exclusively for the benefit of the plaintiffs, the only obligation resting upon them was to exercise over the bonds such reasonable care as men of common prudence would usually bestow for the protection of their own property of a similar character. No one taking upon himself a duty for another without consideration is bound, either in law or morals, to do more than a man of that character would do generally for himself under like conditions." No one of the defendants is charged with the misappropriation or misapplication of or interference with any property of the bank nor with carelessness in respect to any particular property, but with the omission of duty which, if performed, would have prevented certain specified losses, in respect of which complainant seeks to charge them.

The doctrine that one trustee is not liable for the acts or defaults of his co-trustees, and while, if he remains merely passive, and does not obstruct the collection by a co-trustee of moneys, is not liable for waste, is conceded; but it is argued that if he himself receives the funds, and either delivers them over to his associate, or does any act by which they come into the possession of the latter or under his control, and but for which he would not have received them, such trustee is liable for any loss resulting from the waste. (*Bruen* v. *Gillet*, 115 N. Y. 10, 21 N. E. Rep. 676; 2 Pom. Eq. Jur. §§ 1,069, 1,081,) and that this case comes within the rule as thus qualified. Treated as a cause of action in favor of the corporation, a liability of this kind should not lightly be imposed in the absence of any element of positive misfeasance, and solely upon the ground of passive negligence; and it must be made to appear that the losses for which defendants are required to respond were the natural and necessary consequence of omission on their part. And in this connection the remarks of Mr. Justice Bradley in *Railroad Co.* v. *Lockwood*, 17 Wall. 357, 382, may well be quoted: "We have already adverted to the tendency of judicial opinion adverse to the distinction between gross and ordinary negligence. Strictly speaking, these expressions are indicative rather of the degree of care and diligence which is due from a party, and which he fails to perform, than of the amount of inattention, carelessness, or stupidity which he exhibits. If very little care is due from him, and he fails to bestow that little, it is called 'gross' negligence. If very great care is due, and he fails to come up to the mark required, it is called 'slight' negligence. And if ordinary care is due, such as a prudent man would exercise in his own affairs, failure to bestow that amount of care is called 'ordinary' negligence. In each case the negligence, whatever epithet we give it, is failure to bestow the care and skill which the situation demands, and hence it is more strictly accurate, perhaps, to call it simply 'negligence.' And this seems to be the tendency of modern authorities. If they mean more than this, and seek to abolish the distinction of degrees of care, skill, and diligence required in the performance of various duties and the fulfillment of various contracts, we think they go too far, since the requirement of different degrees of care in different situations is too firmly settled and fixed in the law to be ignored or changed." In any view the degree of care to which these defendants were bound is that which ordinarily prudent and diligent men would exercise under similar circumstances, and in determining that the restrictions of the statute and the usages of business should be taken into account. What may be negligence in one case may not be want of ordinary care in another, and the question of negligence is therefore ultimately a question of fact, to be determined under all the circumstances. The alleged liability of the defendants is such that the facts must be examined as to each of them.

COLLECTIONS.

SUPREME COURT OF GEORGIA.

Freeman v. *Exchange Bank.*

Generally the payee of a bill of exchange, by indorsing it (otherwise in blank) "For deposit to the credit of" himself, retains ownership not only of the bill, but of its proceeds, until they are so deposited. The money realized by collecting the bill is, in the hands of a disinterested bank, through whose agency the collection was made, subject to garnishment as assets belonging to such indorser.

Expert testimony is not admissible to aid in the interpretation of an indorsement having a definite legal import, and being expressed in terms free from ambiguity.

It is settled law that the presiding justice is not bound to charge the jury trying an appeal in a justice's court.

BLECKLEY, C. J.—1. An indorsement for collection, or the like, is not a contract of indorsement, but the creation of a power; the indorsee being a mere agent to receive or enforce payment for the indorser's use. (*Central R. Co.* v. *First Nat. Bank*, 73 Ga. 383; Tied. Com. Paper, § 268; 1 Daniel, Neg. Inst. §§ 698, 698*d*; 2 Rand. Com. Paper, §§ 727, 1,009; 1 Morse, Banks, § 217; 2 Morse, Banks, §§ 583, 593; Bolles, Banks, §§ 220, 384*e et seq.*; Benj. Chalm. Bills (2d Amer. Ed.) 132; *Bank* v. *Armstrong*, 39 Fed. Rep. 684; *Bank* v. *Hubbell*, 117 N. Y. 384, 22 N. E. Rep. 1,031.) A suit is not maintainable by the indorsee against the indorser. (*White* v. *Bank*, 102 U. S. 658. And see *Lee* v. *Bank*, 1 Bond 387.) To sue other parties in order to enforce payment is deemed within the delegated power of the agent; and by reason of the great favor shown by the law to commercial paper, the restricted indorsee is allowed in some jurisdictions to sue in his own name. (*Wilson* v. *Tolson*, 79 Ga., 137; 1 *Boyd* v. *Cor-*

bitt, 37 Mich. 52; 2 Rand. Com. Paper, § 726; Benj. Chalm. Bills (2 Amer. Ed.), 133, 149.) The maker of a restricted indorsement can follow the bill or its proceeds over any number of subsequent indorsements, the terms of his indorsement being notice of his title. (Elementary works cited *supra; First Nat. Bank* v. *Reno Co. Bank*, 3 Fed. Rep. 257; *Bank of the Metropolis* v. *First Nat. Bank*, 19 Fed. Rep. 301; *First Nat. Bank* v. *Bank of Monroe*, 33 Fed. Rep. 408; *In re* Armstrong, *Id.* 405; *Bank* v. *Hamilton*, 42 Fed. Rep. 880.) The last case is criticised from the standpoint of bankers, but only with reference to transmitting the proceeds of collection from the collecting bank to the intermediary through whom the bill was received. The expert opinion seems to be that transmission according to custom, by correspondence, and proper entries of debit and credit founded thereon, the entries being made after collection, will serve commercially, and therefore legally, as the equivalent of paying over the money, or forwarding it by mail or express; and, consequently, that transmission by such entries, each bank making the appropriate entry for itself, will discharge the collecting bank. (See 45 Bank. Mag. 241; 4 Bank. Law J. 3.) The learned United States Circuit judge who decided the case which is thus criticised took a different view. The bill of exchange upon which the question in the present case arises was drawn at Kansas City, Mo., by S. A. Brown & Co. upon F. A. Ross, agent Central Railroad, Macon, Ga., payable at sight to their own order. It was indorsed by them thus: "For deposit to the credit of S. A. Brown & Co." Following this indorsement was another in these terms: "Pay Exchange Bank, or order, for collection account of National Bank of Kansas City. M. ANDMON, Cashier." The bill, after its receipt for collection under the latter indorsement, was paid to the Exchange Bank at Macon, and thereupon, while that bank had possession of the money, a garnishment, issued at the instance of Freeman as a creditor of S. A. Brown & Co., the drawers and payees of the bill, was served upon it. No facts are in evidence as to the actual ownership of the money at the time the garnishment was served except the bill itself and the indorsement thereon. The legal import of the first indorsement—that of S. A. Brown & Co.—being that the ownership of the bill was retained by them, the terms of the second indorsement—that made by the cashier of the National Bank of Kansas City—are of no consequence. As the indorsements stand, there is no express link of connection between them, no written link naming or constituting the National Bank of Kansas City a holder of the bill for any purpose whatever. But, in virtue of being an actual holder, that bank would have the right to fill up the first indorsement so as to make it read thus: "Pay to the National Bank of Kansas City, or order, for deposit to the credit of S. A. Brown & Co." There might be other terms in which the full indorsement which that bank would be authorized to supply could be expressed; but, on the state of facts before us, that bank would have no authority to insert any terms which would vary substantially the legal import of the original indorsement, or render it other than a restrictive indorsement confining ownership of the bill and its proceeds to S. A. Brown & Co. (*Lee* v. *Bank*, 1 Bond, 387.) The proceeds would be impressed with this ownership until they were actually so deposited. The garnishment fastened upon them before this did or could take place, for the money was in the hands of the collecting bank, the Exchange Bank of Macon, when the garnishment was served. The agency created by the owners of the bill by means of their indorsement had not been fully executed. The Kansas City bank was still the immediate agent under them, and the Macon bank was a sub-agent under it. The latter held the money as a bailee for the ultimate use and benefit of the owners. It could discharge itself by transmitting to the Kansas City bank at any time before the garnishment was served, but could not do so after such service, the fund being then *in gremio legis*. There being in evidence no facts extrinsic to the bill itself and its indorsements to throw light upon the question of title, we are not to be understood as holding that such facts might not exert a controlling influence on the question. Indeed, there is authority for giving them such effect when duly proved. A deposit of paper in bank by a customer, he indorsing it, "For deposit," may operate to clothe the bank with title under certain circumstances. (*Bank* v. *Miller*, 77 Ala. 168; 2 Morse, Banks, § 577.) But the general rule is that by a restrictive indorsement the depositor retains the title. (Bolles, Banks, § 220.)

2. The indorsement to be construed being free from ambiguity, and having a clear and definite legal meaning, expert testimony to aid in its interpretation was not admissible. The duty of construing such an indorsement, by its own terms and without the opinion of witnesses, devolves upon the court, or upon the jury, the case being on appeal in a justice's court. Mr. Cabiniss, the cashier of the bank garnished, deposed to no fact which actually transpired in relation to this particular indorsement, but only gave his opinion, founded upon his expert knowledge, as to what had probably transpired between the Kansas City bank and the payees of the bill, and as to the legal effect of such an indorsement. His opinion was wholly irrelevant and inadmissible. But, as no ground of objection to his evidence is stated in the petition for *certiorari*, we cannot say that the Superior Court ought to have sustained the *certiorari* because of this error committed by the justice's court.

3. That it is not the legal duty of the justice of the peace presiding over a jury trial in his court to instruct the jury as to the law of the case has heretofore been ruled more than once. (*Johnson* v. *Nelms*, 21 Ga. 192; *Adams* v. *Clark*, 64 Ga. 648; *Bendheim* v. *Baldwin*, 73 Ga. 594.) But, inasmuch as the jury, under the evidence before them, erred in finding in favor of the garnishee, the *certiorari* should have been sustained for that reason, and the Superior Court erred in not sustaining it.

Judgment reversed.—*Southwestern Reporter*.

COLLECTIONS—DRAFT OF AN INSOLVENT BANK.

COURT OF APPEALS OF NEW YORK.

Importers and Traders' Bank v. *Peters, et al.*

The drawers of a draft deposited with a bank for collection, and by it forwarded to a correspondent bank, which collects it and credits the proceeds to the forwarding bank, are entitled to recover the amount from the collecting bank (it being still in the hands of that bank) as against the receiver of the forwarding bank, which was insolvent, and known to be so by its officers when it received the draft, and suspended payment before the proceeds were withdrawn from the collecting bank.

That the drawers of the draft included it in their claim against the insolvent bank, presented to and allowed by the receiver, does not affect their right to recover the proceeds of the draft from the collecting bank, as against the receiver, when it appears that, on discovering the facts constituting the fraud on the part of the officers of the insolvent bank, they paid back to the receiver the dividends already received on the draft, and refused to accept any further dividends on it.

That the collecting bank collected a number of other drafts, forwarded by the insolvent bank at the same time, and credited all the proceeds to its account, does not prevent plaintiffs from recovering the proceeds of their draft, as against the receiver, the owners of the other drafts not claiming the fund.

O'BRIEN, J.—On the 2d day of April, 1885, the plaintiff, a National banking association in the city of New York, had on deposit to the credit of the Exchange National Bank of Norfolk, Va., the sum of $7,207.36, and on the same day the latter bank, being insolvent, failed, suspended payment, and ceased to transact business. The defendant Peters was subsequently appointed receiver. In August, 1885, when this suit was commenced, there were two actions pending against the plaintiff in the Supreme Court for the recovery of the fund above mentioned. One of the actions was brought by the receiver, claiming to be entitled to the money as the representative of creditors, and the other by the defendants Everett Bros., Gibson & Co., merchants at Norfolk, and who claimed to be entitled to the fund on the ground that it represented the proceeds of paper collected by the defendant bank for them, but to which paper or the proceeds the bank had no title. The plaintiff then brought this action, stating in the complaint that it had the fund, but was ignorant whether it belonged to the receiver or to Everett Bros., Gibson & Co.; that it was willing and desirous to pay the same into court or to such custodian as the court might designate, and prayed that it might be permitted to do so, and that then the defendants the receiver and the Norfolk claimants be required to interplead with each other concerning their respective rights to the same. Each of the defendants answered, setting up their respective claims to the fund as above stated, and offered to allow the plaintiff to pay the fund into court. Subsequently an order, in the nature of an interlocutory judgment, was entered in the action, by which it was adjudged that the complaint was properly filed; that the plaintiff pay the fund into court, and be dismissed from further liability; that the defendants be restrained from further prosecuting their respective actions against the plaintiff concerning the fund; that the defendants litigate and settle the matters in controversy, and their respective rights to the money so paid in between themselves. Thenceforth the litigation proceeded between the defendants who claimed the fund, upon their respective answers, and the plaintiff, as an active interested litigant, disappeared from the case. The trial court held that the defendants Everett Bros., Gibson & Co. were entitled to the fund as against the receiver of the Exchange Bank. The general term modified the judgment by reducing the recovery to $5,349.45, and from this determination the receiver appeals to this court. The answer of the Norfolk claimants states, and the trial court found, certain important facts in their favor, which, in the process of working out the result reached in the courts below, were fundamental: (1) That on the 30th day of March, 1885, Everett Bros., Gibson & Co. deposited with the Exchange Bank at Norfolk, for collection only, what is designated in the case as an "out-of-town draft," to wit, their sight draft drawn on Murchison & Co., of New York city, and payable there for $12,303.52. That this draft was indorsed by the drawers in the form in which, by agreement and custom between the parties, drafts for collection only were to be indorsed, and then mailed by the collecting bank to the plaintiff at New York on the same day that it was deposited. On the afternoon of March 31st the draft was presented by the plaintiff to the drawees, who gave the plaintiff their check for the same, which, on April 1st, was collected through the clearing house, and the amount placed by the plaintiff, on its books, to the credit of the Exchange Bank in its account. (2) That on April 2, 1885, the Exchange Bank, to which the draft had been delivered and credited as above stated, suspended payment in the morning, notice of which was not received by the plaintiff till the afternoon, and, prior to the suspension at Norfolk, no notice had been received by that bank of the collection and credit of the proceeds of the draft by the plaintiff in New York. That this suspension was due to the fact that, for more than six months before, the bank was utterly and hopelessly insolvent, to the knowledge of all its managing officers, and that this state of insolvency was produced by the misconduct of its managing officers in withdrawing large sums of money from the funds of the bank for their own purposes. That this condition of the Exchange Bank was not disclosed to or within the knowledge of Everett Bros., Gibson & Co. when the draft was deposited and credited, and that its receipt by the bank was a fraud upon the parties depositing it, which precluded the collecting bank from acquiring any title to it or its proceeds. The finding that by agreement the draft was received for collection only is supported by some, and that in regard to the fraud perpetrated on the drawers of the draft by abundant evidence. Indeed, the latter fact is admitted by the receiver, and assumed by his counsel, in almost every step of the discussion. That the drawers of the draft had the right, under such circumstances, to reclaim it or the proceeds, upon discovery of the facts, from any one to whose hands it came, who did not occupy the position of a *bona fide* holder, is too clear to admit of controversy. (*Cragie* v. *Hadley*, 99 N. Y. 131, 1 N. E. Rep. 537; Anon., 67 N. Y. 598.) The argument in support of this appeal, as we understand it, denies the application of this rule to the peculiar facts and circumstances of this case, but not the rule itself. The proceeds of the draft in question were intermingled with a credit on plaintiff's books, before the draft was collected and credited, of $5,142.66, and those of thirty other drafts mailed at the same time from the Norfolk Bank to the plaintiff, and collected and credited at the same time, substantially, and in the same way, by the plaintiff, together with some smaller items received at or about the same time, but subsequently collected and credited, the whole mass, including the draft which is the subject of controversy in this suit, amounting to something over $26,000. This credit to the Norfolk Bank, however, was reduced to $5,349.45, the sum awarded to the respondents, subsequent to the collection of the draft, in consequence of payments made by the plaintiff for or upon the order of the Norfolk Bank, and before notice of its suspension. As the Exchange Bank did not acquire any title to the draft, by reason of its fraud, it became the trustee of the drawers as to its proceeds, and, as the identical money received upon its collection could not be reached, certain equitable rules are applicable to the facts of the case.

When money held by a person in a fiduciary capacity has been paid or deposited by him in his general account at a bank, the party for whom the money is held can follow it, and has a charge on the balance in the banker's hands; and if a person holding money in a fiduciary capacity pays it to his account at his bankers, and mixes it with his own money, and afterwards draws out sums by checks, generally, and in the ordinary manner, the drawer of the checks must be taken to have drawn out his own in preference to the trust money. The rule attributing the first drawing out to the first payments in, does not apply to such a case. (*Knatchbull* v. *Hallett*, 13 Ch. Div. 696; *Baker* v. *Bank*, 100 N. Y. 31, 2 N. E. Rep. 452; *National Bank* v. *Insurance Co.*, 104 U. S. 54.) In the course of administration of the assets of the bank by the receiver, the respondents presented and proved a claim as creditors, which included the draft in question, and received a dividend thereon. The trial court has found that, when they presented the claim and received the dividend, they were in ignorance of the facts which constituted the fraud on the part of the bank. It is also found that a second dividend was ordered upon the claim filed by the respondents which embraced the draft as well as other claims resting wholly in contract. The respondents refused to receive this dividend, so far as it included the draft, and they allowed to the receiver, out of the second dividend upon their claim, exclusive of the draft, the full amount they had received in the first dividend upon the claim involved in this action. This was a sufficient rescission of what had been done under a mistake as to the facts. They were not bound to return the identical money received. The equitable rule, requiring the party rescinding to restore what he has received, was satisfied when the receiver was permitted to retain an equivalent sum, which belonged to the respondents in any event as general creditors under another claim. (*Allerton* v. *Allerton*, 50 N. Y. 670.)

Much of the argument in support of the appeal is based upon the assumption that the sum awarded to the respondents represents in part the proceeds of drafts delivered by other parties to the Norfolk Bank at the same time, and under the same conditions and circumstances as the one in question: that the rights and equities of these parties to the fund are as strong as the equities of the respondents. The answer to this position is that the drawers and owners of the other drafts have not elected, as the respondents have, to pursue this peculiar form of remedy, but have elected to waive the fraud, if any was perpetrated, in receiving their drafts by the bank, and to confine their claim, as simple contract creditors, to the assets in the hands of the receiver. They are not parties to this action asserting that any fraud was committed against their rights, or that for that or any other reason their title to the drafts or their proceeds was not affected by the transaction with the bank. The receiver takes the position that the title to all the drafts passed to the bank, and what remained of their proceeds to him, and does not claim in his answer, as the respondents do, that the bank committed any fraud upon them; nor is there any finding or request in the record upon which this argument can be based. The counsel for the receiver claims that in any event an item of $417.06, the proceeds of one or more of the small drafts last mentioned, and which was allowed in the amount awarded to the respondents, but which had been restored or allowed by the receiver to the owner, was erroneously included in the judgment. As to that point it is sufficient to say that the process of tracing the proceeds of the respondents' draft, and computing the amount of the balance to which they were entitled, upon the equitable rules above stated, which were adopted by the trial court, involved the determination, in some sense, of a question of fact; and as there is no distinct finding or request to find, as to this particular item, we cannot say that any error was committed in that regard. On the whole, we think that the case was rightly decided below, and that the judgment should be affirmed, with costs. All concur, except Andrews, J., not voting, and Earl, J., dissenting.

NEGOTIABLE INSTRUMENT—CONSIDERATION—BAIL-BOND.—Plaintiff, at defendant's request, signed a bond to replevy a judgment against defendant's son for a fine and costs, whereby the son obtained a stay of execution for five months, the bond being also signed by defendant. The son had been released from custody before the bond was signed. At the end of the five months, plaintiff paid the amount due on the judgment: *Held,* that the execution of the bond, and the payment by plaintiff, constituted a good consideration for a note by defendant to plaintiff for the amount so paid. [*Davis* v. *Meisner*, Ind.]

BANK COLLECTION.

The discussion of the subject here presented is by Judge Reed, formerly a member of the Supreme Court of Iowa. It forms a part of a paper prepared by the request of the Iowa bankers, and read at their recent convention.

1. When a banker receives for collection an evidence of indebtedness, which by its terms appears to belong to a particular person, such as a negotiable instrument payable to such person or bearing a general indorsement, he is warranted in treating both the instrument and the proceeds of the collection as the property of that person.

2. When a banker receives negotiable paper for collection, which bears a restriction indorsement, and which is payable at another place, his undertaking is merely to forward it to a competent and responsible sub-agent at that place; and he is held to ordinary diligence in the performance of that duty.

3. Paper so indorsed remains the property of the indorser, and the sub-agent who receives it for collection is answerable immediately to him, both for his conduct with reference to the paper and the proceeds of the collection.

The practice of making collections by and through banking institutions has become so general, that it may be said to be part of the business of banks and bankers, not only to make such collections, but to receive for transmission to others engaged in the business the evidences of debts to be collected.

The question as to the rights and liabilities of the parties engaged in such business is governed by plain and simple rules of law, established by the adjudications of the courts. And the generality of the practice makes it important that those rules be understood by all engaged in the business. Except in the case of a special deposit, whenever a bank receives moneys from or for another, the title thereto at once vests in it, and the relation of debtor and creditor arises between it and the one entitled to demand and receive the same. But it often happens that the question as to who that person is, is one of practical difficulty. It may be laid down as a general rule that when the evidence of the debt to be collected appears upon its face, and by its terms, to be the property of a certain person, the collecting bank or banker will be warranted in all his dealings, both with reference to the paper and the proceeds of the collection, in treating that person as the owner.

Of course there are exceptions to that as to all general rules; as when the collecting bank, before paying over the money, receives notice that the paper in fact belongs to another, or when the appearance of ownership was created by a forged indorsement or the like. But aside from these exceptions, the rule undoubtedly is that if the evidence of the debt on its face appears to be the property of the one from whom the collecting bank receives it; or if, being negotiable, it bears a general and unrestrictive indorsement, it is warranted in paying over the proceeds of the collection to the one from whom received. And the manner of making such payment would be a matter of no consequence at all as between it and one subsequently making a claim to the amount. But in the practical conduct of the business a restrictive form of indorsement of commercial paper is often adopted—as when it is indorsed "for collection," either to the collecting bank or one of its offices, or to some other bank or bank office, with a view of having it forwarded to a bank in the neighborhood of the debtor for collection.

In performing the task assigned me on this occasion, I have deemed it important to inquire (1) as to the duties and responsibilities of the intermediate bank or banker who receives paper of that character to be transmitted for collection. And (2) as to those of the one who receives it and assumes the duty of collecting it. With reference to the first, it is perhaps not necessary to say more than that he is held merely to ordinary care and diligence in the performance of the duties he assumes. His undertaking is that he will select a competent and responsible sub-agent to make the collection, and that he will transmit the paper in due course of business, and when he has done that his responsibility in the matter terminates. He is simply the agent of the owner for the performance of those duties, and, having performed them, he is not responsible for any loss that may occur through the failure, negligence, or even the fraud of the sub-agent.

The Supreme Court of this State, in the case of "*Gulich* v. *The National State Bank of Burlington*," 56 Iowa, 434, had occasion to determine the question as to the liability for the neglect of a sub-agent of one who assumed those duties. Gulich deposited with the Burlington bank for collection a foreign bill of exchange, drawn in Munich on New York. The bank in the due course of business forwarded the bill to the Metropolitan Bank, its correspondent in New York, but the latter neglected to present it for payment and have it protested within the time provided by law, by reason of which neglect the drawers and indorsers were discharged. On that state of facts the court held that the Burlington bank was not liable for the loss, the grounds of the holding being that its undertaking was not to make the collection, but merely to forward the paper to the place of payment, to be there collected by a sub-agent; and that, as the sub-agent was employed with the assent of Gulich, implied from the circumstances and the known custom of the bankers in such cases, it was responsible directly to him.

And the same doctrine has been held by the courts of last resort of Massachusetts, Illinois, Indiana, Pennsylvania, Connecticut, Louisiana, Mississippi, Wisconsin and Missouri, and by the Supreme Court of the United States. The contrary doctrine has been held in New York and Ohio. But there appears to be a want of harmony in the holding of the courts of the former State on the question.

And if the conditions were such that the usual course of business would be for the receiving bank to send the paper through one or more intermediate banks, the last of which should select the sub-agent to make the collection and forward the paper to him, the result would be the same. It and each of the intermediate banks would be held to merely ordinary care and diligence in the performance of the duties assumed by it.

In the case of the *Commercial Bank of Cincinnati* v. the *Hamilton Bank of Fort Wayne*, the question as to the relation and liabilities of a collecting bank was considered by Judge Gresham, of the United States Circuit Court. The plaintiff bank forwarded a draft to a banking firm at Indianapolis, which it had indorsed "for collection," to the cashiers of the Indianapolis firm. The latter indorsed it in the same manner, to the cashier of the defendant bank, and forwarded it in due course of business. The defendant bank made the collections on the 10th day of July, 1884, and on the 15th day of the same month it wrote to a firm of bankers in New York, to credit the amount to the Indianapolis firm, in accordance with an arrangement previously entered into, by which collections made by either of the parties for the other were to be placed to its credit with that firm. The Indianapolis firm failed on the 14th, and knowledge of that fact was communicated to the defendant bank on the 15th, but not until after they had posted the letter of directions to the New York firm. But the directions might have been countermanded by telegraph before the letter reached New York. The Indianapolis firm was indebted to the New York house at the time of its failure, and the amount passed to its credit by the Fort Wayne bank operated to extinguish such indebtedness. The holding of the court was that the defendant bank was answerable to the plaintiff, for the amount of the collection; and that holding would seem to be entirely consistent with what was said by our Supreme Court, in the Gulich case, as to the relation the parties bore to each other. It acted as agent for the plaintiff in making the collection. True it was a sub-agent, appointed by the Indianapolis firm, and if the appointment had been made without the assent or direction of the principal (the Cincinnati bank), it would have been answerable only to the one appointing it. But when a sub-agent has been appointed by the authority of the principal, the rule is that he acts for and is answerable to him—(Parsons on Contracts, 5th ed., p. 84; Story on Agency, p. 217 a). The draft remained the property of the Cincinnati bank, and the restrictive character of the indorsement was notice to the collecting bank of that fact. It knew who was its principal, and the law holds it to a knowledge of the party to whom it was answerable.

In Judge Gresham's opinion some consideration appears to be given to the fact that the collecting bank knew of the failure of the Indianapolis firm in time to have countermanded the directions to the house in New York before the credit was then given to the Indianapolis firm. But in my judgment the holding must have been the same, if the facts with reference to that transaction had been otherwise. For, as the Fort Wayne bank was the agent of the owner of the draft, it became indebted to it in the amount of the collection the instant the money came into its hands, and it could not discharge its liability by transferring the amount to another, even if solvent. True, if it had transferred the money directly to the Indianapolis firm, and the Cincinnati bank had accepted them as its debtor for the amount, the collecting bank would probably have been held discharged. But in that case the result would have followed—not from the transfer of funds to that bank, but from the acceptance of it by the Cincinnati bank as its debtor. Such acceptance would have amounted to a ratification of the act of the agent in making the transfer. The Cincinnati bank was notified of the collection, and it proceeded to charge the amount to the Indianapolis firm on its books, but it did that in ignornnce of the fact that the funds had not been remitted to it, but had simply been passed to its credit in New York.

Its act was not, therefore, a ratification of what had been done by the agent, and its rights, and the relation of the parties was not at all affected by what it had done. While it may be true, as a general rule, that the agent will be warranted in remitting through the channel through which the collection came to him, the absolutely safe course is to remit directly to the one to whom he is answerable. But it was contended that, as the adjustment of the balance was made in accordance with an established custom of banks, it had the same effect that a payment of the amount directly to the Indianapolis firm would have had. Parties often contract with reference to the custom of a trade or business, and in such cases the custom enters into the contract, and the evidence of the custom is often admissible to show sense in which ambiguous words or phrases were used in a written instrument.

If the Indianapolis firm had been the real party in interest I have no doubt but the custom would have governed, and if it had been the apparent owner of the draft, that is, if the indorsement had been general, the same result would have followed; but, as we have seen, that was not its relation to the subject. The Cincinnati bank retained the title to the paper, and by its restrictive indorsement it gave notice of its ownership to all parties who should thereafter deal with reference to it. What was done amounted in effect simply to an attempt by the Fort Wayne bank to substitute the Indianapolis firm as the debtor to it. A moment's reflection must, I think, satisfy any one that that could not be done without its consent. A custom can no more be shown to defeat the rights which the parties have created or reserved by the terms of the contract than can parol evidence of any other character be given to show that the agreement was otherwise than as expressed in writing.

WASHINGTON BANKERS' CONVENTION.

The third annual convention of the Bankers' Association has been held at Olympia, Mr. Samuel Collyer, cashier of the Merchants' National Bank of Tacoma, presiding. In his opening address he remarked that "the banking business in the State during the past year has increased most wonderfully. New banks have been opened wherever there seemed to be a living prospect for one, and a good many have been organized in the larger cities, whether for good or ill time alone will tell. We have unbounded resources in coal, iron, timber and agricultural lands, and large amounts of capital are needed for the development of these resources, as well as for the extension of trade by our merchants and manufacturers.

"Some effort should be made at this meeting to effect a reform in the method of cashing drafts for traveling men and others not possessing proper credentials or letters of credit. Tellers and cashiers are frequently embarrassed by requests from commercial travelers to cash drafts for them, and in our bank we make it a cast-iron rule not to cash drafts for travelers without a satisfactory indorser. Other State associations have taken actions on this subject, and a resolution to the effect that it is the sense of this convention that no drafts of the kind referred to should be cashed unless the drawer presents a letter of credit or furnishes good personal indorsement, would not be out of place and would aid many timid tellers and bankers to demand from the person to be benefited satisfactory security. Some action should also be taken with reference to the detection of frauds and forgeries. Most bankers dislike to admit that they have been taken in, but I believe that if prompt notice is furnished the secretary in all such cases, members can be notified and the culprit caught without great expense.

"Another subject which demands attention is the constantly growing and pernicious practice of forwarding checks on country banks through various correspondents for collection, to save a few cents, instead of to the bank direct.

"This practice is dangerous as well as senseless, and I trust that the convention will adopt strict regulations in regard to it. It is a rule in our bank to send checks direct for collection and returns where we have no regular correspondent, and charge our customer with the cost of collection."

W. H. Wheeler read a paper on "The Perpetuation of National Banks," displaying a comprehensive understanding of this important subject.

R. J. Davis read a short but interesting paper, entitled "The Relation of the Bank to its Customers."

A discussion of Mr. Davis' essay developed into a consideration of the subject of overdrafts, in which Messrs. Furth, Lord, Graves, Ankeny and Lewis participated. The practice of Washington banks, in permitting overdrafts. was declared to be a troublesome evil. Mr. Ankeny seemed to express the sentiments of the association when he said: "As Daniel Drew once remarked of corners, overdrafts 'is no good.'"

At the afternoon session the overdraft discussion was resumed and engaged in by Messrs. Cutter, Gowey, Chapin, Brooke, Furth and Lewis. After a number of resolutions had been proposed and criticised, the following compromise one was adopted:

Resolved, That it is the sense of this convention that the practice of banks in permitting overdrafts is alike injurious to the bank and its customers, and should be discontinued.

Mr. Pentecost brought up the subject of fees of bank examiners, which he stated to be three times as large here as elsewhere. Messrs. Wheeler, McGraw, Furth, Gowey, Owings, Ankeny and Lewis debated the subject, after which the following resolution was adopted, on motion of Mr. Graves:

Resolved, That in view of the large increase in the number of National banks in the State since the fees for the examination of Washington National banks were established, the Controller of the Currency be requested by the Bankers' Association of the State of Washington to readjust the same upon an equitable basis.

The practice of cashing drafts for parties without letters of credit or indorsement was disapproved, Mr. Lord making a happy hit in speaking against the practice.

The subjects of State taxation of banks and bankrupt and attachment laws were referred to a standing committee to be announced to-day, which was authorized to employ counsel, if necessary.

The silver question was dodged by the convention, Mr. Furth saying that it would be for the best interests of the association to dodge it, as the committee had done.

The list of officers for the coming year are the following:

President, Levi Ankeny, president First National Bank, Walla Walla.

First Vice-President, Jacob Furth, cashier Puget Sound National Bank, Seattle.

Second Vice-President, C. M. Atkins, president First National Bank, Whatcom.

Third Vice-President, J. D. Cornett, cashier Yakima National Bank, Yakima.

Treasurer, A. A. Phillips, president First National Bank, Olympia.

Secretary, D. C. Guernsey, vice-president Columbia National Bank, Dayton.

The officers named above were elected, and Jule L. Pricket, cashier Spokane Savings Bank; Edmund Rice, vice-president Tacoma National Bank, Tacoma; A. W. Engle, president First National Bank, North Yakima; O. E. Williams, Bank of Colfax; H. W. Smith, cashier First National Bank, Hoquiam, were made the executive council.

Hon. J. R. Lewis, of Dexter, Horton & Co., Seattle, was chosen delegate to the American Bankers' Association, and George S. Brooke, president First National Bank, Sprague, alternate.

THE NEW CANADIAN BANKING LAW.

The new Canadian banking law, which is now in operation, is thus summarized by the Toronto *Mail*, beside mentioning some of the more important differences between it and the former law. Under its provisions new restrictions are placed upon the banking business. To commence with, it will not be so easy henceforth to establish a bank as it formerly was. No new bank can be opened unless at least a quarter of a million of capital, instead of $100,000 as formerly, is paid in and has been placed on deposit with the Government. After this money is in hand directors may be chosen. The old law stipulated that all directors should be British subjects by birth or naturalization. But this requirement has been modified. A majority of the directors only need be British.

Under the old law, too, each director had to hold a certain proportion of stock; for example, $3,000 worth if the entire capital stock aggregated a million, and $4,000 worth if over a million and less than three millions. It was not necessary, however, that the director should have paid one cent upon this stock. The new law makes the payment of $3,000 in cash where the entire stock is a million, and $4,000 where the stock exceeds a million, compulsory. Every director thus must have a cash interest in the institution he directs. In the issuing of notes the old system obtains, but with the safeguard which a redemption fund provides. All banks will contribute 5 per cent. of their average circulation to this fund, and out of the fund the notes of suspended banks shall, two months after the suspension is effected, be paid. The fund is to be replenished out of the assets of the defunct bank, but, pending its restoration, the banks in general are to be called upon to make it good. It is believed that under this system the depreciation of notes when a failure occurs will be avoided. In a word, whether banks are solvent or insolvent, the notes will always be worth their face value. Whenever a bank fails and the redemption fund has been drawn upon, the fund must be restored, not, however, in a lump sum, but at the rate of one per cent. annually of the circulation of each bank. To prevent the danger arising from an over-issue of notes by banks *in extremis*, the penalties for excess of circulation have been increased tenfold. Thus, there is to be a fine of $10,000 instead of but $1,000 for an over-issue of $20,000 upwards to $100,000.

The act stipulates, however, that these penalties shall not form a charge upon the assets until the other liabilities are paid. That is to say, creditors and noteholders are not to be fined for the misdeeds of the manager or cashier. Another protective clause prohibits the pledging, assignment, or hypothecation of notes. A bank, as a last resort, may endeavor to raise money on notes it cannot issue in the ordinary way. Seeing that notes are a first lien upon the assets, the practice establishes preferential claims. The punishment for this offense is to be a fine of from $400 to $2,000, imprisonment for not more than two years, or both fine and imprisonment. Under the new law the banks are also required to make provision for the acceptance of the bills of all banks at par. Hitherto the bills of distant banks, as for example those of Halifax and British Columbia, have been received by home banks at a discount. Now a bank is to be named in all the large business centers at which the bills of distant banks will be accepted at par or exchanged for bills of banks which will pass at par. All these provisions are calculated to protect note holders. Further regulations of a protective character to shareholders require that no bank shall declare an annual dividend exceeding eight per cent., unless it has a reserve equal to thirty per cent. of its capital, and that all banks shall in their annual reports indicate their losses as well as their profits. It was originally intended that all unclaimed dividends and balances should pass to the Government. But it is provided instead that a list of such of these dividends and balances as are of five years' standing shall be furnished to the Government for publication every year. In case of insolvency the unclaimed money is to go to the Government for safe keeping.

One of the striking points in the law is a provision rendering the sale of stock on margin illegal, and indeed penal. The thirty-seventh section provides that all sales and transfers of shares, and all agreements in respect thereof, shall be null and void unless the person making such sale is at the time thereof the registered owner of the shares in the books of the bank. It also sets forth that in all sales the registered numbers of the shares shall be mentioned. Any person selling a share by a false number, or selling a share of which he is not the registered owner, or selling a share without the consent of such owner, shall be liable to a penalty of $1,000, or to imprisonment for a term not to exceed five years. This puts an end to gambling in stocks. The act is an important departure from the old law, and its provisions cannot be too closely studied.

PUBLIC EXAMINATION OF PRIVATE BANKS.

At the last convention of the Iowa bankers there were two well-considered presentations of this subject. The first was Hon. Joseph R. Reed, formerly a judge of the Supreme Court of Iowa.

I have been invited to express my views on the question whether the General Assembly of the State has the power under the Constitution to enact laws for the control and regulation of the business of banking, when carried on by private bankers.

In my judgment this question is dependent upon (1) whether there are any provisions of the Federal or State Constitutions which exhibit the exercise by the Legislature of such power, and (2) whether the business of banking is one so far affecting the interests of the people of the State, as to be a proper subject of governmental control. As to the first of those considerations, I deem it sufficient to say that I know of no constitutional provision which either in terms or by implication forbids the exercise of such power. The legislative power of the State is vested in the General Assembly, and that body, unless restricted or forbidden by the Constitution, may legislate with reference to any subject of vital concern to the people.

And as to the second consideration, I think it equally clear that the business of banking is a proper subject for governmental control. One of the objects of Government is the protection of the people in the enjoyment of their property rights. But it has never been contended that, in the exercise of its power to protect, the Government was limited merely to the punishment of those who, by fraud or stealth, invade the property rights of their neighbors. But, on the contrary, the Government of every civilized people, in the exercise of its power in this behalf, enacts laws and provides tribunals for the determination of every disputed question of right, and for the enforcement of the right when determined under the law.

The business of banking in this country is one of constantly increasing importance to the people. In this year 1891 a greater proportion of the business of the people will probably be transacted by means of and through the medium of banks and bankers, than in any previous year of our history. Those who have made the subject a matter of special study and investigation tell us the balances arising on more than 90 per cent. of the business transactions of the country are adjusted by means of bills of exchange, drafts and bank checks.

It would be most remarkable indeed if a business of such magnitude and importance to the people, affecting as it does their most important interests, and entering to such an extent into their daily transactions were not a matter of public concern, to be controlled and regulated by the State. And it seems to me that the Government would fail in the performance of one of its highest duties if it were left uncontrolled.

For many years we have had in this State statutes for the government of corporations engaged in the business of banking. Such corporations are required to make stated reports to the Auditor of State, showing the condition of their affairs. And that officer is empowered to examine their books and assets, and if he find any such corporation to be insolvent he may require the Attorney-General of the State to institute proceedings for the appointment of a receiver. The validity of those statutes has never been questioned, and in my judgment they were enacted in the exercise of the power for which I am contending.

It is true they are applicable to corporations only, but their effect is upon the business in which these corporations are engaged. The power to enact them did not grow out of the fact that the instrumentality by which the business is conducted is the creation and creature of the law, but is founded in the character and nature of the business itself.

The carrying trade is very largely in the hands of corporations, and the State has enacted stringent laws for the control and government of those corporations in the conduct of their business. But the power to enact such regulations arose out of the character of the business, rather than the character of the person engaged in it. The power to regulate and control the common carrier has always been recognized as abiding in the State, and has been exercised from the beginning. When the first cartman, engaged in the business on the streets of London, sought in the English courts a definition of his rights, it was adjudged that his business was public in character, and therefore subject to municipal control. And the effort of all Governments from that day to this has been to subject it to that control.

The business of banking is of the same character. It affects the people in their most important interests and is therefore public in character, and no matter by whom conducted, is the subject of control. The laws now in force in the State are preventive in their nature. Their object is to protect the people from the losses and inconveniences which would occur from a reckless, dishonest, or irresponsible conduct of business.

Every bank failure or defalcation entails immeasurable loss upon the community in which it occurs. The evil, however, is not confined to the mere pecuniary losses incident to it. It includes as well the destruction of confidence and the impairment of credit. And it is as far as possible to prevent these evils that the statutes were enacted. But failures and defalcations by private bankers are quite as frequent, in proportion to the number engaged, as by corporate banks, and the same train of evils which follows from the one results also from the other.

And if the State possesses the power by restrictive legislation with reference to the one class to prevent those evils, which no one denies, it as certainly possesses it with reference to the other.

But the State in very many instances has exercised this very power. The usury laws are of general application, affecting alike the corporation and the individual citizen. Their effect is to regulate the whole business of loaning money, the most important and profitable branch of the banker's business.

Chapter 153, of the eighteenth General Assembly, forbids bankers, as well as banks, to receive deposits of money when insolvent, and prescribes severe penalties for the violation of its provisions. And I am informed that at least one private banker is now serving a term in the State penitentiary for a violation of that statute. Those statutes have existed for many years; that against usury almost from the foundations of the State Government, and their validity has never been questioned.

I am not to be understood as contending for the present exercise of this power. That is a question quite beyond the scope of my subject. The people of the State, and you, gentlemen of this association, need no enlightenment from me as to the necessity for its exercise. And if that necessity shall be found to exist, I doubt not it will, in good time, be fully exercised. But as to the existence of the power, and that it would be competent for the State to apply to the private banker the same restrictive legislation that now affects the corporate bank, of which future experience may demonstrate to be necessary for the protection of the people, I entertain no doubt.

The other paper was by the State bank examiner, Mr. Copeland. There are at present, he said, doing business in Iowa, 860 banks, of the following classes or divisions, to-wit:

Private banks	508
State and savings banks	203
National banks	149

Of the last or third of these classes I have but little to say. They exist and operate by virtue of special acts of Congress, and are under the supervision and inspection of officers appointed by the Federal Government, and the Treasury department sees that such banks are so conducted that harm cannot come either to the Government or to bill holders, and that depositors are reasonably safe.

In all the new States the State banks derive their authority from the laws of the State in which they do business. They are creatures of the statute and can have no existence other than that conferred upon them by legislative enactment.

Such banks are established for private profit. Their existence is authorized because of the benefits and advantages they confer upon the community. Supervision and restraint are held over them to prevent detriment either to the banks or the community. Is not such supervision and restraint wise and proper? Let us see.

It is a natural law, and a divine law, that the creature shall not rise superior to the power that made it, but shall always be under the control, direction, guidance and protection of such creative power, and the law of this State has wisely provided that all banks created by that law shall be periodically examined by a qualified person appointed by the State for that purpose.

This is done, not that bankers are less honest or less shrewd than other men, but because many interests besides their own are intrusted to their care. They are in a peculiar sense, in many senses, the repositories of the community, and they are but human, and as disease may insidiously invade the human system without the knowledge of the suffering party, so may carelessness and mismanagement invade a bank and their evil presence not be discerned.

This matter of inspection and examination is not confined to banks alone. In military matters, by act of Congress and the orders of the commanding general, inspection is had of the most minute details of the army. In the State charities and the State educational and agricultural institutions, and in all public works of magnitude, inspection is provided for by law.

And it is right, right and proper, that State banks should be examined, that it may be seen that they are carrying on the business for which they were created, and in the manner provided in the contract. For the bank's acceptance of a charter is the bank's contract to do business according to the charter, and in the case of an incorporated bank the laws and statutes of Iowa constitute the charter.

Now, how does examination affect the bank? In case everything is all right, and the business conducted properly, as it generally is, the examiner so reports, and the State puts its seal of approval on the bank, and this operates as an advertisement for the bank and is accepted by the people as a recommendation from the State, and as an expression of confidence by the State in the bank's trustworthiness.

This rule of inspection and examination ought to extend to all corporations organized by law to do business with the public. They are artificial beings, are accorded special and extra privileges, and derive their very existence from the law, and the people are the law, and the State exists for the very purpose of affording protection to the people, and no person or legal unity should be allowed to say or to feel: "I am above the law and it cannot reach me." The growth of corporations, either in number or in power, is at least a doubtful good, but as long as people think their existence is necessary to the development of the country and the management of its industries, let them be held strictly within the limit of their legitimate functions.

In some quarters a demand has arisen from officers of corporate banks that private banks also be examined. This is a mistake as a business proposition. It originates in selfishness, and selfishness is ever an erring guide.

Let me tell you, gentlemen who are interested in corporate banks, that it is not to your interest that private banks be examined. My experience tells me that wherever there is a corporate bank, either State or National, existing in a town, that bank does far more business than its private bank competitor in the same town, and this is the case, as a rule, no matter how wealthy and honorable and reputable the private banker may be.

Why is this?

Because the Government's recommend convinces people that the corporation bank is all right, and that is all they care to know, and this confidence exists, not only in the minds of the general public, but also in the minds of the other bankers, as is evidenced by this circumstance.

Take the case of a collection a banker desires to make in a distant town where he knows not a soul. He takes his bank directory and examines the list of banks in that particular town, and nine private bankers out of ten, nine corporate bankers out of ten, nine any bankers out of ten will send the collection to a National bank if there be one; if none, he will send to a State bank if there be one; and if no State bank be there, then last of all, and last choice, he will send his collection to a private bank.

Another truth in connection herewith is this: Many people invest money in the stock of National and State banks when they are wholly unacquainted with a single member of the management, relying solely on the protection afforded by governmental and State supervision of such institutions. Some of the great insurance companies are investing large sums in this way. Whether such a course of "going it blind" is wise or not, let every one judge for himself. I do not think it wise, but some do.

Now if it be made law that the business of a private banker be examined, the State makes the examination, and finding everything correct, places the stamp of its approval on his business, and to that extent makes him equal with you.

Did you ever consider the difficulties that would attend the examination of a private bank? A private bank consists of a man and his property or men and their property. Often one man is sole owner of the entire thing, and the only person responsible. He may, and he usually does, have a bank and a general store, and a farm and stock, and carries them all at once and together.

Now any examination that failed to show every dollar he owned and every dollar he owed would be deficient and unsatisfactory, and would not answer the purpose at all. The examiner would have to make a list of all his realty and an invoice of all his personalty and place a value on it all, and then go to the court house and rummage through the records to see if his realty was unincumbered. The examiner, instead of being a "bank examiner," would become an inquisitor-general, a discoverer of property, an appraiser of values, and the proceeding would arouse more wrath in the breast of the private banker than could be allayed by the sudden accession to power of his own political party.

There is another very important reason why the same reasons do not exist for the examination of the private banker as exist for the examination of the corporate bank. As a rule, the private banks are managed by the owners of them, while the managers of the corporate banks often own very little of them; and the private banker is personally liable to depositors, while the personal liability of the stockholder is limited, and I believe this to be the secret of the fact that the percentage of losses to depositors have been very much less from private banks than corporate banks.

I would like to see this bankers association make an effort next winter to have our Legislature pass a good and complete State banking law. With a few exceptions we have a splendid law in reference to savings banks, but our State and commercial banks are organized under the general incorporation act, which is very conflicting in many instances with a good banking business.

From time to time the Legislature has passed some additional laws in reference to banks organized under the general incorporation act. We have very little law on this subject. They are not surrounded by restrictions that good healthy banking demands. They are not satisfactory to the banks that are incorporated under them, and there are many unsettled questions and differences of opinion between them and the State as to what the law is.

I have recently read the laws enacted by the States of Kansas and Nebraska, and it seems to me that if we had such a law in the State of Iowa, excepting that part relating to private banks, that a very large number of our private bankers would incorporate under it that are now doing a private banking business, because the law for incorporated banks is not satisfactory.

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

NOTARY PUBLIC.

Can a cashier or other officer of a bank act as a notary public in protesting its paper?

REPLY.—It is customary for tellers and other officers of banks to act as notaries in protesting paper, and unless a statutory prohibition exists their action is probably legal. We have examined quite extensively the decisions, and are unable to find a case in which the question has been fully considered. In some States, however, bank officials are positively forbidden from thus acting, and among these is the State of Rhode Island, from which the inquiry comes. It provides that "No protest of any note, draft or check shall be made by any notary public who is the president, cashier, director, clerk or agent of any bank or institution for savings, wherein such note, draft or check has been placed for collection, or has been discounted." (Pub. Stat. 1882, sec. 31, ch. 153.)

WHAT IS NOTICE?

Suppose we have a correspondent in an adjoining State, and we are informed by Bradstreet, or Dun, or by another bank (in the same place that the bank reported failed is located), that the bank in question has failed and has closed its doors.

Is this enough notice on which to refuse checks drawn against funds in our hands, or should we wait until we receive official notice from the bank which has failed, or is it our duty to telegraph the bank for information?

In answering through your MAGAZINE, do not confine yourself strictly to questions asked, but give your views fully on the general question.

REPLY.—The obligation of a bank to pay checks drawn against funds deposited with it by another bank is in no wise affected by the fact that the other bank is a correspondent, or by the fact that the other bank is located in an adjoining rather than in the same State. Eliminating these elements, therefore, from the present inquiry, we may answer in general terms that the obligation of a bank to pay checks drawn upon it by another bank, which has funds deposited with it, is the same as its obligation to pay checks drawn upon it by an ordinary depositor.

At the time the deposit is received this and other obligations arise in favor of the depositor, but no obligations of any kind arise in favor of other persons who are strangers to the original contract. It follows that the obligation of the bank which receives the deposit, to pay checks drawn upon it by the depositor, whether such depositor be an ordinary person or another bank, continues until the fund is exhausted, unless the bank receives express or "official" notice from some person having authority to give it, that it must not pay such checks. Such notice, in order to be effective, must either proceed (1) from the depositor himself, who has a right to order the bank not to pay checks which he has drawn, because a check, being a mere order to make a certain payment, may be countermanded by the drawer at any time before it is actually paid, or accepted. Or it must proceed (2) from some person to whom the right, title and interest of the depositor has been duly transferred, like an assignee or receiver; in other words, from one who stands in the shoes of the depositor, with authority to do whatever the depositor himself might have done. Or finally (3) it must be a notice in the shape of some legal process served on behalf of a person who has a right to attach or garnishee the depositor's funds.

Addressing ourselves now more particularly to the case stated in the inquiry, it follows from what we have already said, that information derived from Bradstreet or Dun, or any other stranger, to the effect that the bank which made the deposit has failed, no matter how trustworthy and definite, would not excuse the bank holding the deposit from its obligation to pay the former's checks. And it is not the duty of the latter to telegraph the other bank for information, or take any measures whatever to protect the rights of creditors or third persons in the funds which the other has deposited with it.

We may add that the bare failure of a depositor without a transfer or assignment of his interest in the deposit, duly notified to the bank, has no legal effect whatever on the duties and obligations of the bank with respect to the payment of its depositor's checks.

The reports of the New York Clearing-house returns compare as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus*
July 3..	$303,860,800	$66,235,400	$50,394,400	$404,658,900	$3,608,200	$15,465,075
" 11..	392,003,500	65,333,400	49,907,500	402,795,500	3,670,500	14,542,025
" 18..	392,479,000	67,599,800	53,092,600	408,810,900	3,732,300	18,489,675
" 25..	390,591,400	68,339,000	53,060,000	406,754,700	3,913,600	19,710,325

The Boston bank statement is as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
July 3	$151,704,000	$9,358,300	$5,248,100	$129,092,900	$3,442,900
" 11	151,870,300	9,311,400	5,454,300	130,236,000	3,453,700
" 18	152,549,900	9,253,600	5,701,000	128,443,200	3,457,600
" 25	152,082,200	8,758,900	5,756,100	125,928,900	3,456,300

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
July 3	$93,410,000	$28,621,000	$95,741,000	$2,088,000
" 11	93,028,000	29,004,000	95,231,000	2,097,000
" 18	92,968,000	29,813,000	95,193,000	2,098,000
" 25	92,614,000	29,688,000	94,800,000	2,101,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	July 6.	July 13.	July 20.	July 27.
Discounts	6 @ 7	6 @ 7	6 @ 7	6 @ 7
Call Loans	3 @ 2	2 @ 1½	2 @ 1½	2 @ 1½
Treas. balances, coin	$93,867,253	$94,087,426	$92,764,022	$91,294,713
Do. do currency	21,245,675	22,005,093	24,162,585	25,503,593

Sterling exchange has ranged during July at from 4.86¼ @ 4.87¼ for bankers' sight, and 4.84 @ 4.85½ for 60 days. Paris—Francs, 5.19⅜ @ 5.18⅛ for sight, and 5.22½ @ 5.20⅝ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84¼ @ 4.84½; bankers' sterling, sight, 4.86¼ @ 4.86½; cable transfers, 4.86½ @ 4.87. Paris—Bankers', 60 days, 5.22½ @ 5.21⅞; sight, 5.19⅜ @ 5.18¾. Antwerp—Commercial, 60 days, 5.24⅜ @ 5.23¾. Reichmarks (4)—bankers', 60 days, 94⅞ @ 95; sight, 95½ @ 95⅝. Guilders—bankers', 60 days, 40 1-16 @ 40⅛; sight, 40 5-16 @ 40⅜.

BANKING AND FINANCIAL ITEMS.

GENERAL.

WE invite attention to the July edition of the BANKER'S ALMANAC AND REGISTER, now ready for delivery. Price, $4.00. HOMANS PUBLISHING CO., 251 Broadway, N. Y.

HOW SOME OF OUR BANKS INVEST THEIR SURPLUS.—The surplus funds of many of our chartered banks are invested to some extent in Dominion, Provincial, British and foreign securities. This is done for safety, as these issues are always marketable in distrustful times. Merchants Bank leads with the largest investments of any Canadian bank in Dominion securities, but it is followed closely by the Bank of Montreal. Then comes Ottawa, Commerce, Imperial, Quebec, Ontario, Hamilton and Standard. Within a year, however, these investments in Dominions have decreased, while the investments in Provincial, British and foreign securities have increased. Our banks now hold in the latter issues $6,411,000, as against $5,398,000 a year ago; while they own only $2,512,000 in Dominion Government securities, as against $2,698,000 one year ago.—*Toronto Monetary Times.*

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—So many banks are erecting new buildings that it is quite impossible to describe many of them at length. The occupancy of them is one of the evidences of prosperity. Perhaps the banks have never improved their offices so generally, or shown so much taste in improving them, as during the last half a dozen years. The following is the record of buildings recently completed or in progress.

ALA.	Birmingham.	Steiner Brothers.
COL.	Durango.	Colorado State Bank.
DEL.	Wilmington.	Equitable Guarantee and Trust Co.
GA.	Opelika.	Bank of Opelika.
ILL.	Elgin.	Home Nat. Bank.
ME.	Presque Isle.	A new bank building is in progress.
MD.	Cumberland.	The Third N. Bank.
"	"	The Second N. Bank.
"	Gaithersb'rg.	A Nat. bank building.
MASS.	Dedham.	The Dedham Institution for Savings.
"	Marlborough.	The Peoples Nat. B.
"	Medford.	Medford Sav. Bank.
"	Rockland.	Rockland Sav. Bank.
"	Salem.	Naumkeag National Bank.
"	Springfield.	First National Bank.
"	Worcester.	Five Cents Sav. Bank.
MINN.	Minneapolis.	Farmers & Mechanics Savings Bank.
MO.	St. Joseph.	The Saxton Nat. B'k has purchased two lots on the northwest corner of Sixth and Felix Sts., on which a new bank building will be erected.
N. J.	Newton.	Sussex Nat. Bank.
"	Paterson.	Paterson Sav. Institution.
"	Woodstown.	A new bank building.
N. Y.	Brooklyn.	Brooklyn Sav. Bank.
"	"	Franklin Trust Co.
N. Y.	Brooklyn.	Twenty-Sixth Ward Bank.
"	Buffalo.	Citizens Bank.
"	"	Erie Co. Sav. Bank.
"	Goschen.	N. B'k of Orange Co.
"	Troy.	Nat. Bank of Troy.
"	Williamsb'g.	Williamsburg Sav. B.
N. C.	Raleigh.	First National Bank.
OHIO.	Bridgeport.	A new savings bank building is in progress.
PA.	Atlantic C'y.	Union Nat. Bank.
"	Oil City.	First National Bank.
R. I.	Providence.	Old National Bank.
"	"	City Savings Bank.
TENN.	Knoxville.	Merchants Bank.
TEXAS.	Aransas Pass.	The First Nat. Bank.
UTAH.	Ogden.	Utah Loan and Trust Co.
"	Ogden.	Woodmansee Bank building.
VT.	Bradford.	Bradford Sav. Bank and Trust Co.
"	"	The new bank building when completed will be the finest business block in the county, and a credit to the town.
"	Rutland.	Rutland Sav. Bank.
VA.	Norfolk.	Work has begun on the building for the new National bank.
"	So. Boston.	Bank of So. Boston.
WASH.	D. C.	American Security and Trust Co.

Other banks which have fitted up offices in buildings, or made other improvements, are the following:

Conn.	Ansonia	Ansonia Nat. Bank.
Ga.	Columbus	N. B'k of Columbus.
Ind.	Elkhart	Elkhart Nat. Bank.
Iowa	Ft. Madison	First National Bank.
Ky.	Bowling Gr.	Warren Dep. Bank.
"	Fulton	Mayfield Banking & Trust Co.
Me.	Auburn	Auburn Trust Co.
"	Biddeford	Forest City Safe Dep. & Trust Co.
"	Caribou	Aroostook Trust & Banking Co.
"	Casco	Casco Bank.
"	Gardiner	Gardiner Sav. Institution.
Mass.	Amesbury	Provident Institution for Savings.
"	Amherst	First National Bank.
"	Athol	Millers River N. B'k.
"	Chicopee F.	Chicopee Falls Sav. B.
"	Florence	Florence Sav. Bank.
"	Leominster	Leominster N. Bank.
"	Lowell	Old Lowell Nat. B'k.
"	Newburyp'rt	First National Bank.
"	No. Adams	Hoosac Sav. Bank.
"	Somerville	Broadway Nat. Bank.
"	South Framingham	Framingham N. B'k.
Mass.	Worcester	Citizens Nat. Bank.
"	"	Worcester Co. Institution for Savings.
Mich.	Saginaw	Bank'g room of Geo. L. Burrows & Co.
Mo.	Bellevue	First National Bank.
"	Kansas City	First National Bank.
N. H.	Lancaster	Lancaster Sav. Bank.
"	Nashua	Security Trust Co.
"	Pittsfield	First National Bank.
N. J.	Elizabeth	First National Bank.
N. Y.	Herkimer	First National Bank.
"	Kingston	First National Bank.
"	Syracuse	The Commercial B'k.
Pa.	Oil City	First National Bank.
R. I.	Pawtucket	Pacific Nat. Bank.
"	"	Pawtucket Institution for Savings.
"	Westerly	First National Bank.
Texas	Seymour	First National Bank.
Vt.	Barre	Barre National Bank.
"	Poultney	First National Bank.
"	Winooski	Winooski Sav. Bank.
Wash.	Tacoma	National Bank of the Republic.
W. Va.	Huntington	Commercial Bauk.

An Important Bank Change.—The Hon. Thomas W. Palmer, ex-Senator from Michigan, and president of the World's Columbian Exposition at Chicago, was recently elected president of the Preston National Bank of Detroit, Michigan. This bank is one of the largest and best known in that State, with a capital of $1,000,000. In addition to the usual business of an interior bank, the Preston National does a large foreign business in exchange, commercial and travelers' letters of credit, drawn directly on its own correspondents in London, Paris, Berlin, Vienna, Rome and other chief cities of Europe. It is the only bank in that State doing this kind of business in this way; and also issues travelers' circular notes with exclusive use of forms of introduction and identification, on which travelers are enabled to draw, without delay or annoyance, funds at any important point in the United States, Canada and Mexico. With its large capital, new and unusually extensive facilities for doing all classes of banking business for a country bank, the Preston National, under a new president of great executive ability and of national reputation, assisted by its former able officers and directors, will no doubt rank with leading banks of the West, as it has formerly in its own State.

Identification.—Paying Teller—You will have to be identified—have some one introduce you to me—before I can cash this check.

Young Lady (haughtily)—But I do not care to know you, sir.—*Puck.*

A Great Loss to Banking Circles.—Banking circles in Chicago have recently lost one of their brightest lights in the enforced retirement of Mr. David B. Dewey from the presidency of the American Exchange National Bank of that city, on account of overwork and consequent ill health, following the vigorous and protracted efforts required to restore that bank to the strong position it held prior to the famous Harper wheat corner in Chicago in 1887, the failure of which, with that of the Fidelity National Bank of Cincinnati, innocently involved the American Exchange in over $400,000 loss on the worthless drafts of the former. This happened during Mr. Dewey's absence on account of ill health, which made his return necessary to save the bank, which has since recovered on those drafts by a suit which was carried to the U. S. Supreme Court, notwithstanding the heavy expenses of which a 6 per cent. dividend has since been paid and a quarter of a million added to the bank's surplus in four years. Now that the bank has been thoroughly established in public confidence and financial ability again, Mr. Dewey feels compelled to attend again to his health, which has become seriously impaired. The resolution of esteem passed by the board of directors upon his retirement was a tribute to the ability and integrity of their late president, which any bank officer might be proud to possess. Mr. Dewey was also requested to remain on the board of directors of the bank, which elected its former vice-president, Mr. John B. Kirk, of the great soap manufacturing firm of Chicago, to the presidency, in the administration of which office he has taken a prominent part during the temporary absence of President Dewey on account of ill health within the past few years. Hence there will be no change in the policy or management of the bank.

EASTERN STATES.

BATH, ME.—The Marine National Bank has adopted a new style of check, such as is coming into favor with all the large metropolitan institutions of this kind. By this arrangement of the face the number of the check, the date, the amount and the signature are all on one end, and one can thus run over a file of checks and see all the necessary features at a glance.

GREENFIELD, MASS.—The Greenfield Savings Bank has been examined by the auditors and found in excellent condition. Its assets are $1,651,585, a gain of $114,000 during the year. The deposits are $1,583,288, a gain of $107,000. The guaranty fund is $44,300 and the profit account $24,000.

HAVERHILL, MASS.—President Charles H. Goodwin, of the Essex National Bank, whose resignation has been accepted by the directors, says that his resignation was forced, but that the bank is in no way involved and will not in the least suffer by the change. The cause of his retirement, he says, is a difference of opinion between himself and Bank Examiner Getchell as to the manner of conducting business, coupled with the fact that since the trouble with the Keystone Bank the bank officials at Washington have been more exacting and have curtailed the privileges of the National banks. The Government objects to the bank carrying more $10,000 of the president's notes, although he owns three-quarters of the stock. Mr. Goodwin purchased the Essex National Bank of W. S. Jewett, of Lawrence, who is one of a number of men who have made a profitable business of buying banks and selling them. Mr. Getchell says that his action was due in a great measure to the recent purchase of the bank by Mr. Goodwin, and was the expected outcome of this custom of buying and selling banks. The condition of the bank is in no way involved.

LYNN, MASS.—Lynn's new monetary institution, the Manufacturers' National Bank, is ready for business. It has handsomely equipped and substantially furnished rooms. The officers of the bank in charge of its business are: Cashier, Frank L. Earl; teller, C. A. Dearborn; bookkeeper, Clifton Colburn; messenger, Lester Moulton.

MARLBOROUGH, MASS.—At a meeting of the directors of the People's National Bank it was voted to increase the capital of the bank fifty thousand dollars, making the whole capital one hundred and fifty thousand dollars. It was also voted that stockholders be entitled to subscribe at par for one share for every two shares they now hold. Interest at four per cent. per annum will be allowed on all payments.

MILFORD, MASS.—At the meeting of the stockholders of Holliston National Bank, over four-fifths of the stock was represented. The committee previously appointed reported that the bank was solvent and the stock worth $105 per share. On motion of Judge Bishop, of Newton, it was voted to reduce the capital of the institution from $150,000 to $100,000, and to pay $105 per share for the surplus stock.

CLINTON, N. J.—The Clinton National Bank has declared an 8 per cent. semi-annual dividend. Eight per cent. semi-annual dividend, which is equivalent to 16 per cent. per annum, is certainly a fine showing for a country institution; in fact, many city concerns could well feel envious of such a showing.

New York City.—The directors of the Seventh National Bank have elected John McAnerney president and James Hall vice-president. The new president was formerly an iron merchant, and has a well-established business reputation. The new vice-president is a member of the firm of Cooper, Hewitt & Co., and has been a director in the bank for the past eighteen years. Mr. Grady, who has been with the bank for thirty-five years, will remain as cashier.

New York City.—One of the most valuable bank stocks in New York is that of the Fifth Avenue Bank. A short time since the bank moved into its elegant new quarters, which may be thus conveniently described. The offices contain separate waiting-rooms for men and women, as well as separate apartments for receiving tellers, for men and women, the main banking room being divided in two, practically, for that purpose, by the enclosure for the tellers and bookkeepers. The paying teller's desk is in the center, opposite the Fifth avenue entrance. The officers' room is on the left of the Fifth avenue entrance, and on the right is the stairway leading to the deposit vaults. In the basement, besides the safe deposit vaults, are accommodations for the clerks, committee rooms, coupon room, etc. The bank offices and safe deposit vaults are believed to be absolutely fire-proof.

New York City.—I. W. Seligman is regarded in banking circles as one of the cleverest men in Wall street. He is not much over thirty years of age, but takes a leading part in the big banking house of which his father and uncle were founders. He studied civil engineering at the Troy Polytechnic, and after a course in Europe he obtained practical experience in connection with a western railroad.

New York City.—Judge Ingraham has handed down in Supreme Court Chambers his decision upon a motion to continue an injunction obtained by the National Park Bank, the chief attaching creditor of the insolvent firm of Levy Brothers & Co., against various creditors who attempted to replevin parts of the stock of the firm which they had sold to the firm just before its failure. Judge Ingraham holds that the Court has the power to compel all claimants of the property of Levy Brothers & Co. to come into the equitable action started by the National Park Bank, and in it settle all disputes. The Court also has power to send any question to a jury, in case any of the replevying creditors desire a trial by jury, to which they are entitled. Accordingly, the motion for the injunction is continued.

New York City.—Negotiations are in progress between the directors of the Ninth National Bank and a syndicate, for the sale of the 1,000 lots on the Southern Boulevard, the possession of which enabled the bank to tide over its difficulties without impairment of its capital when its late president was discovered to be short in his accounts to the amount of $400,000. The value of the lots at the time was placed at $300,000, and the amount was added to the bank's assets. This has proved to be a low estimate. President Garden said this morning that more than a half million had been offered for the property, and that the sale would probably be consummated in a few days.

Brooklyn, N. Y.—Ditmas Jewell, president of the Twenty-sixth Ward Bank of Brooklyn, says that $2,800 was the amount of the defalcation of Benjamin R. Spelman, Jr., who resigned the office of cashier of the bank, under compulsion, on June 1.

Brooklyn, N. Y.—The building which is to be built by the Brooklyn Bank is thus described by the *Standard Union*: The first floor will be occupied by the bank, while the rear part of that floor will be devoted to safe deposit vaults of the most thorough modern construction. The president's room will front on Fulton street, and the bank proper will be elegantly furnished in dark woods. The basement and second floor will be devoted to offices in this temporary structure, and when fully completed, all the room above the second floor will be devoted to office purposes. The location is directly opposite the new Liberty street terminal, and on a line with all the main street cars and elevated trains. The property was purchased three months ago for $60,000. It is considered worth double that to-day. For the two stories and basement the bank expects to pay $75,000; for the full and complete structure, from $175,000 to $200,000. The architecture is after the new American style of front, long windows covering several floors from the second story upward, with a Holland or Dutch roof. The stairway to the bank will be about eight steps. This front will consist of stone and iron work. Work is to be commenced immediately.

BUFFALO, N. Y.—The Metropolitan has opened for business. It has a capital of $200,000, all paid up. To make it popular a large number of stockholders have been let in, numbering nearly 100. Viewed from the exterior the bank has a truly metropolitan appearance, with its iron and polished plate glass front. From the vestibule, double-beveled plate glass doors lead into the banking rooms, which, it is claimed, have been furnished in as costly a manner as any bank in the city. The partitions are composed of a wainscot of dark marble and quartered oak with beveled glass panels, surmounted by a handsome railing. The ceiling is of paneled steel, painted in white and buff. The furniture of all the rooms is of solid oak. The whole interior has a most substantial appearance. A valuable feature is the light let in by the large windows on the Mohawk street side, which floods every portion of the interior. The bank is in charge of the following officers, all capable and experienced men: President, William Meadows; vice-president, Clarence M. Howard; cashier, Jacob Dilcher; directors, N. K. Hopkins, Charles Lautz, E. H. Butler, Michael Nellany, Joseph Kam, E. N. Cook, Henry Weill, Anthony Neupert, William Meadows, J. N. Scatcherd and Clarence M. Howard. H. A. Clark is teller and William A. Bliss general bookkeeper. Both were formerly of the Bank of Buffalo. John Mixer is assistant.

PORT JERVIS, N. Y.—The Hon. Charles St. John, a prominent business man of Port Jervis, and president of the First National Bank of that village, who died early in July, was born in Mount Hope, Orange County, October 8, 1818, and was a son of the late Stephen St. John, one of the most prominent business men of the State. He was educated at Newburgh, and early in life engaged in lumbering on the Delaware River. He was subsequently associated with Dr. John M. Conklin in the general merchandise business, and afterward with M. E. Everitt. In these various enterprises he accumulated a large fortune. Early in the fifties he purchased a large tract of land on the Susquehanna River in the vicinity of Williamsport, Penn., and engaged in lumbering on a scale that made him, with one exception, the largest individual operator in the world. In 1848 and 1849 Mr. St. John was in the wholesale boot and shoe business in this city. He was an extensive operator in real estate, and at one time had possessions in Palatka, Fla., Aberdeen, S. D., Duluth, Minn., and in various parts of Pennsylvania and this State. At the time of his death he was the largest individual owner of real estate in this section. He had been an active and influential member of the Republican party since the date of its organization. He represented the Fifteenth Congressional District in the House of Representatives from 1871 to 1875, and was a presidential elector in 1880.

OIL CITY, PA.—Of the new bank building the *Oil City Derrick* says: "The ceilings and walls are frescoed in light tints that harmonize with the paneled oak wainscoting. The floor is laid in tile of geometrical design. The vault is of the latest burglar and fire-proof design. The counters and railings that divide the cashier, teller and city treasurer's offices from the public portion of the banking room is one of the handsomest structures of its kind in this portion of the State. The counter is of solid oak paneled, and the glass fronts are handsome beveled plate glass, which are frosted part way by a crackle glass design. A circular desk stands at the left of the door and is divided by four partitions, which are also of crackle glass. Taken altogether, it is an establishment that is a pride to any city."

PHILADELPHIA.—A charter has been granted for the Philadelphia Bourse. Capital, $112,000. Directors: Francis B. Reeves, Louis H. Ayres, John Lucas, Emil P. Albrecht, Robert Dornan, Frederick Schaff, Richard L. Austin, Walter Wood, Edward H. Hance, Charles W. Henry, George C. Hetzel, Charles N. Thorpe, George H. McFadden, George E. Bartol, D. Lewis Moore, William W. Harkness, John T. Bailey, Lawrence Johnson, Cyrus Borgner, William T. Miller, treasurer.

PHILADELPHIA.—A suit has been brought for Robert M. Yardley, receiver of the Keystone National Bank, in the United States Circuit Court, against Andrew Marshall, to hold the defendant liable as indorser of a $500 note. Mr. Marshall desired to have his deposit in the Keystone Bank considered an offset against the demand on him as indorser, but Mr. Yardley would not allow this to be done, and brought the action to have the matter decided by the court. There are numerous similar instances, and this case will serve as a test.

SUNBURY, PA.—John R. Packer, president of the First National Bank of Sunbury, died on the 7th of July. He was born in Sunbury, March 21, 1824. He was an engineer on the State's exploration of the route between Harrisburg and Pittsburgh, on which was afterward constructed the Pennsylvania Railroad. He was admitted to the bar in 1844, and he became at once prominent in his profession, and at the time of his death stood at the head of the bar in Central Pennsylvania. In 1849 he was elected to the House of Representatives of the Pennsylvania Legislature, and was re-elected in 1850. He was instrumental in having passed a bill incorporating the Susquehanna, now Northern Central Railway Company, and it was largely through him that the road was built. In 1857 he was elected president of the Bank of Northumberland, now First National Bank of Sunbury, and he remained at the head of the institution up to the time of his death. In 1868 Mr. Packer was elected to Congress on the Republican ticket, and was re-elected in 1870, 1872 and 1874, declining a unanimous renomination in 1876.

PAWTUCKET, R. I.—The Pacific National Bank has opened for business in its new quarters.

WESTERN STATES.

BATESVILLE, ARK.—A new bank with $50,000 capital is to be organized at Batesville, with James P. Coffin, of Walnut Ridge, as cashier. The Bank of Batesville will increase its capital to $50,000 on July 1.

FORT SMITH, ARK.—The Arkansas Guaranty and Trust Company, of Fort Smith, has filed articles of incorporation with $100,000 capital. It will furnish security on bonds and other obligations and assume the management of trusts of all kinds. George Sengel is president and Samuel Fellner treasurer. The Bank of Paris, Logan County, capital $50,000, has been organized. P. B. Cox is president and W. R. Cherry cashier. The Merchants and Planters' Bank, of Warren, has completed its first year, and reports a fair net profit.

PUEBLO, COL.—Secretary Bowman has been collecting bank statistics to use in the Board of Trade report for 1890. The report will show that the total capital and surplus of all the Pueblo banks in 1890 amounted to $1,730,068.50, as against $1,145,290.53 in 1889 ; the total deposits in 1890 were $3,302,078.90, as against $2,902,271.55 in 1889 ; the total amount of loans and discounts in 1890 were $3,335,287.37, as against $2,398,010.25 in 1889.—*Pueblo Chieftain.*

ILLINOIS.—There are sixty-eight State banks in Illinois, with an aggregate capital stock and surplus of $17,291,249; loans and discounts, $55,315,470; cash and reserve, $18,191,842; undivided profits, $1,161,224; deposits, $61,547,888; total resources, $81,286,740.

HIGHLAND, ILL.—The Auditor of Public Accounts has issued to the Highland Bank, located at Highland, Madison County, a certificate of authority to begin business with a capital stock of $25,000. Louis E. Vienne is president, Joseph C. Ammann, vice-president, and Selmar Pabst, cashier.

PEORIA ILL.—The stockholders of the Peoria Savings, Loan and Trust Company have voted to increase the capital stock of the institution from $100,000 to $200,000. The deposits have reached about $150,000 during three months of business, and the desire for the stock and the ample opportunities for lending more capital clearly justify the movement.

DUBUQUE, IOWA.—It is understood to be the purpose of Mr. Isaac Bates, of

Minneapolis, to establish a branch of the Colonial and United States Mortgage Company here. It deals in commercial and real estate securities, and makes investments in rather than loans on real estate, bonds, etc. Such associations have been prominent factors in the growth of Minneapolis, and will be welcomed to Dubuque.—*Dubuque Telegraph.*

NEWTON, KANSAS.—The Newton National Bank, which failed November 30, 1890, has reopened its doors for business. The president is E. B. Philbrick, a wealthy and capable man of Rye Beach, N. H. The stockholders have paid in $100,000 new capital and established the bank on a firm footing; all the old assets, too, are retained.

BAY CITY, MICH.—The Bay City Bank has moved into its new building concerning which the Bay City *Tribune* remarks: "It may be said without exaggeration or the making of invidious distinction, that it is complete in every detail, and the handsomest banking house in Bay City. Of the building itself little need be said, further than that it is an imposing, substantial structure, appropriately ornamented with granite columns, which support massive carved stones, all combined to give it a distinctly metropolitan appearance. The building is one of the features to which our residents direct the attention of strangers with justifiable pride. The Bay City Bank will occupy the entire first floor fronting on Washington avenue and about one-half the space fronting on Center avenue, the cashier's office being directly at the front, overlooking every department. Cashier George H. Young, who has, by untiring industry and excellent financial management, steadily increased the business of the bank until the new quarters have become an absolute necessity, will have a desk in the department just referred to, where he will be enabled to communicate readily with any member of his staff. The Bay City Bank is one of the pioneer institutions of the city, having made its start when Bay City was, comparatively speaking, but a village. It was the outgrowth of the private banking house of George Lewis & Co., established in 1868. This firm readily saw that they had the confidence of the community, as was evidenced by the liberal bestowal of business and the large amount of money deposited with them for safe keeping. To better meet the demands of the times the firm organized three years later, the Bay City Bank, under the State laws, fixing the capital stock at $50,000. George Lewis was chosen president and George H. Young cashier. The new bank, under the old management, retained its popularity, not only at home, but outside; and it was given favorable recognition in all the prominent monetary markets of the country. The city grew, the patronage of the bank increased, and the necessity for additional capital stock was felt. In 1873 it was raised to $100,000, and again it was increased to $150,000 with a surplus of $50,000. The original quarters of the bank, then in room now occupied by Rogers & West, soon proved inadequate for the requirements of the institution, and the directors secured the location in the Munger block, but even these quarters, though enlarged from time to time, are outgrown, necessitating the present move. When the bank first opened its doors for business, in 1871, its controlling spirit then, as now, was Cashier George H. Young, under whose skillful and careful management it has had a steady record of prosperity and growth. The organization at present is as follows: William Peter, president; J. Wentworth, vice-president; George H. Young, cashier; H. C. Moulthrop, assistant cashier; directors, William Peters, A. McDonell, J. Wentworth, James McKeon, Hon. F. W. Wheeler, C. E. Young, and George H. Young.

SAGINAW, MICH.—The capital stock of the Home National Bank is now $400,000, the stockholders of that solid financial institution having voted to issue $100,000 additional stock.

DULUTH, MINN.—Duluth bankers are very much alive to the fact that the city needs more banking capital. On July 1 two banks increased their paid-in capital. The American Exchange Bank increased its capital from $350,000 to $500,000, and the National Bank of Commerce increased its capital from $100,000 to $200,000. In addition to increasing its capital, the American Exchange Bank declared a semi-annual dividend amounting to some $17,000, besides laying by a surplus of $285,000. This is a record which cannot be beaten by any bank in the country, and shows beyond a doubt that there is plenty of use and an excellent profit for banking capital in Duluth. It is proof positive and irrefragable that Duluth needs more banking capital than she now has. The amount of our banking capital has scarcely reached the $3,000,000 limit yet. Every other city in the country of the population of Duluth has a larger banking capital. Duluth ought to do a larger banking business than any other city of its size in America, considering the wheat, mining, mercantile, jobbing, lake traffic and real estate interests, which are centered here. To transact all this business and keep it in the most healthy condition, there is no question but that a large and flexible banking capital is needed, which is capable of expanding and contracting the current circulating medium as trade exigencies demand. There is a great deal of complaint among business men, and especially among real estate men, about the difficulty experienced in Duluth to negotiate good commercial paper with bankers. The usual resort is to the money loaner, who makes a fat profit out of large discounts. The crying need is for more banking capital and more banks to distribute it into the arteries and channels of trade. The showing made by other banks which are now in business here is such as to warrant the establishment of new banks here on the belief that they will yield excellent returns on the capital invested.—*Duluth Tribune*.

ST. PAUL, MINN.—One of the most noteworthy of new bank buildings is that of the St. Paul National Bank. Says the St. Paul *Pioneer Press*: "The history of the St. Paul National is a part of that of St. Paul itself, and has been for eight years, for it was in 1883 that the bank was established. Its capital is $500,000 and its officers—Peter Berkey, president; F. W. Anderson, vice-president, and A. C. Anderson, cashier—have been in charge of the affairs of the bank since its inception. Its high rank as a financial and fiduciary institution has always and everywhere been acknowledged. Its prosperity is evinced in various ways, and by none more than by the fact that the superb new quarters were necessitated. The bank has outgrown, as respects both quantity and quality, its old rooms on Jackson street. The first impression upon the visitor on entering the new St. Paul National is "How light it is," the second "How handsome," and the third "How convenient." The apartment is 100 feet in length, 37 feet wide and 18 feet high; has seven large windows, each with 100 square feet of undivided French plate glass, and is well lighted on the inner side from the court of the building proper and from a special skylight in the rear. The walls are of cream-white (some day they will be frescoed), and the seven huge pillars which run down the central line add to the general effect. The floor outside the railings is of mosaic tile, and within the railings, of solid maple. So much for the effects of the apartment itself. Added thereto are fixtures which challenge special and particular admiration. The woodwork is solid, massive, deep-toned mahogany, and the lighter and superimposed rail of oxidized nickel, with surrounded panes of iridescent glass. The effect is very fine indeed—especially so since the mahogany is from a special cut, and is said to be the handsomest in grain and color ever shown, in such large quantities, in the Northwest. The washboard is of Tennessee marble, whose rich colors blend admirably with that of the wood above."

ST. JOSEPH, MO.—Nothing is a better indication of the financial condition of the country than the bank statements. When the banks prosper all other business enterprises are certainly doing likewise. The result for the past six months of the St. Joseph banks is most encouraging. The Schuster-Hax National Bank has declared a dividend of 4 per cent., $20,000; placed to surplus, 1 per cent., $5,000; credit to furniture, fixtures, premium on bonds, $1,960.56; credited to undivided profits, $12 826.27. The Merchants' Bank has declared a dividend of 4 per cent., and added $5,000 to the surplus. In addition to this the taxes were paid for the year out of the earnings of the first six months. The National Bank of St. Joseph has never declared a dividend since it was established. The entire earnings go into the surplus fund. The bank reports that the past six months have been very prosperous, and the earnings larger than usual for the first half of the year. The Saxton National declares quarterly dividends. Recently a dividend of 2 per cent. was declared, and $1,000 added to the surplus. In addition to this, $4,000 in taxes was paid from the earnings. The State National Bank declared a dividend of 3 per cent., and added to the surplus the required one-tenth of the earnings. The Central and Commercial have each declared 4 per cent. dividends. The

Tootle, Lemon & Co. concern does not declare dividends, but adds all earnings to the surplus. "The earnings for the past six months" says Mr. Tootle, "have been very encouraging."—*St. Joseph News.*

NEBRASKA.—Ben R. Cowdry has filed his official bond in the sum of $10,000 as a newly appointed State Bank Examiner. His sureties are J. H. McClay and Alva E. Kennard.

CLEVELAND, OHIO.—Edwin B. Hale, banker and millionaire, died suddenly on the 9th of July at his bank in Cleveland. He was 72 years old. He was born in Brooklyn, but was reared in Connecticut, and in 1837 went to Ohio, and in 1841 graduated at Kenyon. He was admitted to the bar in 1843, but in 1852 began his career as a banker. He was one of the trustees of the Case School of Applied Science and a director in several enterprises.

SALT LAKE CITY, UTAH.—At a special meeting of the members of the Clearing House Association the initiation fee was reduced from $250 to $125, and $125 ordered refunded the State Bank, who paid $250 to enter. The new entrance fee is understood to be acceptable to the three outside banks. The three banks to enter are the Utah National, the National Bank of the Republic, and the Bank of Commerce.

SOUTHERN STATES.

BRIDGEPORT, ALA.—The First National Bank of Bridgeport, capital $50,000, will begin business about June 15. E. J. Nellis is president, Dr. E. L. Lee vice-president. The cashier has not been selected. W. L. Reider has been chosen president of the Florence National Bank, in place of A. Gould, resigned. Ground has been broken for the new building of the Bank of Opelika.

BAINBRIDGE, GA.—The Bainbridge State Bank has commenced business. W. M. Blount is president and E. J. Perry cashier. T. J. Brooks is the present cashier of the Bank of Cordele. The Greenville Banking Company has been organized with $25,000 capital. R. D. Render is president, R. J. Atkinson vice-president, and B. F. McLaughlin temporary secretary and treasurer.

HENDERSON, KY.—The Kentucky Loan Association, capital $100,000, has been organized at Henderson. The National Loan Association, capital $100,000, has commenced business at Maysville. A. H. Brown has been elected cashier of the First National Bank of Nicholasville. Frank P. Straus is president of E. W. Hall & Co., incorporated, of Shepherdsville, succeeding E. W. Hall, deceased.

NEW ORLEANS.—The New Orleans *Item* contains the following account of the dividends and condition of many of the banks in that city: Beginning with that conspicuously successful and prosperous institution, the New Orleans National Bank, it will be found that for the past six months, after paying a 15 per cent. half-yearly dividend and a necessarily large sum in taxes and expenses, it has transferred to its surplus account a round hundred thousand dollars (making its capital $200,000, surplus $700,000), and yet has a reserve of $45,184.06 in undivided profits! The great leader of the State banks, the Canal, with $1,000,000 capital and $300,000 surplus, has yet on hand, after all dividends and current expenses are paid, the large sum of $199,006.11 in undivided profits! The Whitney National is a notable example of successful banking. Comparatively of recent foundation, it has, by enterprise and energy, attained a strong position in the front rank of local banks. Back of its capital of $400,000, it shows a surplus of $350,000 and $23,443.29 of undivided profits, after payment of taxes and other heavy expenses. The Whitney avails itself of the privileges of the National banking law in respect to circulation to a far greater extent than any of the others, having $360,000 of notes outstanding, as against less than $50,000 by any of its competitors. The Louisiana National is making also steady progress in prosperity, its capital of $500,000 being strengthened by a surplus of $250,000 and net undivided profits of $101,983.87, out of which latter sum it has declared a dividend of 5 per cent. The Germania National has long been a generous dividend payer, the rate of ten per cent. per annum having been established several years ago, and steadily maintained ever since. Its capital, however, of $300,000 has at the same time been increased by a surplus of $200,000, while there remains as undivided profits the sum of $34,014.19 after the semi-annual dividend is provided for. The figures of the State National are a high testimonial to the capacity of the present management. Taking control when its affairs had become involved and its standing impaired, in a few years it has grown "solid as a rock," with a steadily increasing patronage, and a surplus and undivided profits of $151,147.22 behind its capital of $425,000. The Metropolitan, second only to the Canal as a State bank, has also shown that an able financier is at its helm, $102,108.84 having already been accumulated as net profits on its capital of $250,000. The Southern is the latest addition to the local National bank forces, and at once sprung into popular favor. Organized late in 1890, it paid dividends from the start, and now has a net profit and surplus (all current expenses and taxes being paid) of $21,003.51. The Hibernia National, noted for its conservatism and enjoying an assured business of great value, presents the gratifying return of $300,000 capital, $150,000 declared surplus, and $39,795.03 of undivided profits in addition. The Bank of Commerce (State bank) has been a splendid success, too, and its management can confidently look forward to greater prosperity. Its capital of $100,000 has been reinforced by $18,000 of surplus, besides $2,755.54 of undivided profits. The Traders' Bank, which has been slowly but surely fighting its way to the front, this year enters the list of dividend payers, and has laid the corner-stone of a surplus fund. An institution which has accomplished untold good for this community is the famous Germania Savings Bank. Entering the field at a time when bad management, if not worse, had brought savings banks into disrepute—a public calamity—the Germania soon dissipated distrust by its prudence, conservatism, and close attention to every detail of business, finding a reward for such effort in a popular good will and confidence that has grown from year to year, and with a munificent opening for continued enhancement. Its depositors regularly receive their interest, the shareholders have been paid large dividends, yet the paid-in capital of $100,000 has already been augmented by surplus earnings aggregating $97,892.22.

Baltimore, Md.—The Central Savings Bank has erected a handsome building. The institution was incorporated in 1854, says the Baltimore *Herald*, under the style of the Dime Savings Bank of Baltimore, under which name its business was transacted until 1872, when the institution was removed to the southeast corner of Charles and Lexington streets, and, at the same time, its name was changed to that which it now bears. The growth of the bank since the close of the late war has been so rapid that its officers finally decided to enlarge the building which it occupied and thus increase the accommodations of the institution. With this object in view, the old building which it formerly occupied was torn down a year ago last March, and the work of erecting the present structure was begun, under the supervision of Architect Charles L. Carson; Wm. Ferguson & Bro., builders, and Superintendent of Construction William H. Leek. The front of the elegant new building is ornate, but dignified, and is of brown stone and pressed brick. The building covers 63 feet on Lexington and 75 feet on Charles street, the entrance to the bank being at the corner of the intersecting streets, while that to the offices is at the eastern end of the building on the Lexington street side. From cellar to roof the edifice is thoroughly fire-proof, the partitions which separate the rooms and halls being of brick or lime of tiel, while the roof is of similar material and covered with cement. The staircases are of iron with slate treads. The offices are reached by means of an elevator, and in the wall of each office a fire-proof safe is built. Every office is finished in quartered oak and the banking-room in mahogany. In the planning of the latter all the security offered by modern improvements in banking construction has been borne in mind, and the money and book vaults are almost absolutely impregnable. The building will be heated throughout by steam and lighted by electricity. The windows in all the rooms are of large size and fitted with plate glass. The forty offices occupy four of the five stories of the building, the first floor of which will be used exclusively as a banking room, the height of which is 17 feet in the clear. The average dimensions of the offices are 18x22 feet and 13 feet high, and those on the upper floor command a fine view of Baltimore's splendid harbor. In the center of the building there is a hollow square or court, the floor of which is formed by the banking-room ceiling. A large glass skylight covers this court and furnishes light to the offices which surround the four sides of the hollow square. Francis T. King has held the office of president of the Central Savings Bank since its origin. John Curlett is the vice-president and treasurer of the institution, in which capacities he has served for thirty years.

HAGERSTOWN, MD.—Mr. Joseph T. Hoffman, one of the most prominent citizens of Hagerstown, who died not long since, was for many years engaged in general merchandising with his brother, the late Worthington W. Hoffman, on Beaver Creek. He removed to Hagerstown in the spring of 1872 and embarked in the banking business with his brother, under the firm name of W. W. Hoffman & Co., which changed its name to that of Hoffman, Eavy & Lane, and up to his death was the senior member of this well-known institution. In early life he gave some attention to the veterinary practice. He possessed rare business qualifications, and his word was his bond.

MISSISSIPPI.—The Mississippi State Bank, of Canton, has elected J. R. Cannon vice-president, and I. Gross financial director. The Port Gibson Bank has increased its capital to $50,000. Subscriptions are being received to the capital stock, $250,000, of the new Commercial Bank, of Meridian.

RALEIGH, N. C.—The Commercial and Farmers' Bank has been organized in Raleigh. Its authorized capital is half a million dollars, but it was decided to begin on $100,000 paid-up capital, and to increase the capital whenever it is deemed necessary. Stockholders of the bank are solid business men, and represent at least six million dollars. This bank will probably start out with the richest stockholders of any single corporation ever organized in the State. But this is not the best feature of the bank. Among its stockholders are a number of solid farmers in this and adjoining counties. One of the beauties of this bank is that it enables even those of very small savings to become stockholders, shares being in denominations of $5 and $50. The following officers have been chosen: President, Capt. J. J. Thomas; vice-president, Alf. A. Thompson; cashier, B. S. Jerman; asst. cashier, H. W. Jackson.

SOUTH CAROLINA.—The Nickel Savings Bank, capital $10,000, has begun business at Charleston. J. C. Mallonee is president, H. I. Greer cashier. The City Bank has been organized at Greenwood. D. A. P. Jordan is president, Geo. A. Barksdale cashier. The bank will begin business about September 1. A charter has been issued to the Ridgeway Savings and Loan Association, capital stock $15,000. W. H. Buck is president. The corporate existence of the National Bank of Spartansburg has been extended for twenty years.

TENNESSEE.—The Atlas Savings and Loan Association has applied for a charter. Capital, $500,000. G. N. Henson, president of the Citizens' Bank, and F. W. Rood are interested. The American Banking Company of Memphis has organized by electing R. A. Parker president, and D. F. Sett cashier. The capital is $200,000, and the bank will soon be ready for business. The corporate existence of the National Bank of Franklin has been extended to 1911. John G. Houston, of Nashville, is dead. He was president of the Safe Deposit, Trust and Banking Company.

TEXAS.—The Abilene Mortgage, Loan and Trust Company, capital $100,000, has been organized. James P. Massie, B. B. Paddock and others are directors. The First National Bank of Brownsville, J. D. Anderson cashier, has begun business. A new bank is in process of organization at Brownwood, to commence business about September 1. The First National Bank, of Childress, has been authorized to begin business. The Improvement and Loan Company, capital $100,000, has been organized at Galveston. J. E. Taylor, president of the State Bank at Seneca, Kan., will establish a bank at Hempstead. The Hutto Bank has begun business. Woolsey & Carpenter are its owners. The Fort Bend County Bank has been organized at Richmond, capital $25,000. Newell Porter is president, and G. W. Hayward cashier. Banks are wanted at Elgin, Corpus Christi, Gordon, Sunset, Jefferson and Kuyaor.

FORT WORTH, TEXAS.—The First National Bank has moved into their new building, which is one of the finest in the West.

VIRGINIA.—The Citizens' Binding, Banking and Investment Company, capital

$25,000, has been organized at Lynchburg by H. P. Woodson and others. The First National Bank of Newport News has applied for a charter. The Washington Investment Company, capital $56,000, has been chartered at Roanoke. J. D. Langhorne is president. B. L. Baldwin treasurer. The Home Building Company, capital $50,000, has been organized at Salem by George Allen and others.

BERKELEY SPRINGS, WEST VA.—The Bank of Berkeley Springs, capital $250,000, has received a charter. John T. Siler is president, J. W. Alderton, cashier. The Merchants and Mechanics' Savings Bank, of Grafton, capital $25,000, has been organized by William Watkins, John M. Tregellas, and others.

PACIFIC STATES.

CALIFORNIA.—Thirty-seven National banks in the State had, on May 4th, assets of $35,127.987. loans and discounts $20,615,940, specie on hand $4,180,829, of which gold was $3,213.989. The capital paid up was $8,675,000, the surplus fund $2,305.794, National bank notes $1,219,650, deposits $18,896,179. It seems from this that the National banks of California do very little in circulating legal tender notes, and are to all intents and purposes gold banks. In the course of the year the resources have increased from $32,181,865 on May 17th to the figures given above. This is $2,946,122, or nearly three million dollars—over nine per cent. in one year; a pretty good ratio of growth. The full statement is as follows:

RESOURCES.

Loans and discounts		$20,615,940
Overdrafts		461,402
U. S. bonds to secure circulation		1,323,750
U. S. bonds to secure deposits		400,000
Other stocks, bonds and mortgages		1,017,525
Due from reserve agents		2,298,787
Due from other National banks		537,909
Due from State banks and bankers		1,393,894
Banking house, furniture, fixtures		1,407,535
Other real estate and mortgages		278,104
Current expenses and taxes paid		134,021
Premiums paid		244,319
Checks and other cash items		207,686
Exchanges for Clearing House		228,935
Bills of other National banks		109,190
Fractional currency		3,614
Specie—		
Gold coin	$2,213,989	
Gold Treasury certificates	406,710	
Gold Clearing House certificates	239,000	
Standard dollars	169,708	
Silver Treasury certificates	26,340	
Fractional silver	75,082	
		4,180,829
Legal tender notes		218,838
Five per cent. redemption fund		65,449
Due from U. S. Treasury		240
Total resources		$35,127,987

LIABILITIES.

Capital paid in		$8,675,000
Surplus fund		2,305,794
Other undivided profits		1,228,710
National bank notes issued	1,254,350	
Amount on hand	34,700	
Amount outstanding		1,219,650
Dividends unpaid		6,596
Individual deposits		18,896,179
U. S. deposits		249,813
Deposits U. S. disb. officers		178,103
Due to National banks		1,388,659
Due to State banks		960,246
Notes and bills re-discounted		19,237
Total		$35,127,987

SAN FRANCISCO.—The Security Savings Bank is in the field with $5\frac{28}{100}$ per cent. on term and $4\frac{2}{8}$ per cent. on ordinary deposits. This is one of the most prosperous of our savings institutions, and has a well-merited record for reliability. Its officers: President, Jerome Lincoln; vice-president, Winfield S. Jones; secretary, S. L. Abbot, Jr. Directors: D. C. McRuer, William Babcock, William Alvord, Adam Grant, Winfield S. Jones, D. O. Mills, H. H. Hewlett, Jerome Lincoln and A. K. P. Harmon.

The Hibernia Savings and Loan is probably the greatest savings institution in America, if not in the world. Its gigantic resources distance a long way those of any bank in the West. It grows steadily in public favor from year to year.

SACRAMENTO, CAL.—The Farmers and Mechanics' Savings Bank commenced to do business in October, 1890, with a guaranteed capital of $500,000, and is already doing a prosperous business, devoting itself exclusively to savings, which are judiciously managed in the interest of depositors. The officers of the Farmers and Mechanics' Savings Bank are B. U. Steinman, president; E. K. Alsip, vice-president; C. H. Cummings, secretary; D. D. Whitbeck, cashier.

SEATTLE, WASH.—The first meeting of the Seattle Savings Bank was held at the office of the Seattle National Bank. By-laws were adopted, after which officers were elected as follows. W. R. Ballard, president; H. E. Holmes, of Stewart & Holmes Drug Company, vice-president; Fred. Ward, manager. Mr. Frank W. Goodhue was appointed cashier and secretary, and was authorized to receive subscriptions until July 1, when the bank will open for business in the room now being fitted up in the Seattle National Bank block on Yesler avenue, at the foot of North Second street. The paid-up capital of the Seattle Savings Bank will be $50,000 and the authorized capital $1,000,000. The bank will do an exclusive savings business and act as trustee for estates. None of the officers are to receive any compensation for the first year, which, under good management, will make the stock very profitable. A large number of subscriptions have been received, and the stock has virtually all been taken by the trustees, whose intention is to make a strictly home institution. The trustees of the Seattle Savings Bank are some of Seattle's most influential and respected men of means, which will insure for the bank financial standing from the start.

TACOMA, WASH.—The State Savings Bank has passed into strong financial hands. The new organization takes hold with a paid-up capital of $50,000, which may be increased to $70,000. The officers elected are as follows: President, H. D. Lombard; vice-president, S. S. King; cashier, E. A. Charlton; trustees, Messrs. King, Charlton and Lombard.—*Tacoma Globe.*

CANADA.

CANADA.—The statement of the Imperial Bank of Canada should be very encouraging to shareholders and reflects great credit on Mr. D. R. Wilkie. The business has grown to such proportions that the capital had to be increased, and the new stock is issued at 50 per cent. premium. The net profits for the year were $222,828 as compared with $199,035 in 1889–90, and $186,879 in 1888–89. In addition to the regular dividend of 8 per cent. a bonus of 1 per cent. was paid stockholders. The sum of $27,098.55 was reserved for rebate on bills discounted, $8,000 written off bank premises and furniture account, and $50,000 carried to rest. The latter account was supplemented by $28,340 obtained in premiums on new stock. The rest account now aggregates $778,340, and the paid-up capital $1,556,710. Specie and Dominion notes aggregate $1,043,239, and the immediately available assets are $3,763,300.

CANADA.—A highly satisfactory statement was presented to the shareholders of the Bank of Toronto at the annual meeting. Notwithstanding the unfavorable condition under which many branches of trade suffered during the year, the result, as far as the earnings of this bank are concerned, ought to satisfy the most sanguine shareholder. The net profits of the Bank of Toronto for 1890–91 are placed at $282,449, or nearly $14\frac{1}{8}$ per cent. on its capital. This is rather better than the profits of the two previous years, which were $281,845 for 1889–90 and $281,448 for 1888–89. In addition to the payment of ten per cent. in dividends, $100,000 was added to rest account, which brings that fund up to $1,600,000, or 80 per cent. of the capital. A feature of the report is a review by the president, Mr. Gooderham, showing the progress of the bank since 1861. Within this period the bank has increased its capital from $789,570 to $2,000,000, while its deposits have grown from $478,467 to $7,197,570. The note circulation increased from $571,674 to $1,394,219. Loans and discounts in 1861 were only $1,407,318, while at the present time they are $10,422,118. The rest and profits reserved have risen from $79,993 to $1,740,046 in the same period. The Bank of Toronto has in Mr. D. Coulson, the cashier, an able and experienced banker, and the high standing of this institution in the community is due in a great measure to his careful administration.

MEXICO.

MEXICO.—One of the great banks of the world to-day, as well as one of the most successful, is the National Bank of Mexico. With a nominal capital of $20,000,000, of which $12,000,000 is subject to call, the bank is working on a paid-in capital of $8,000,000. At the last annual meeting of the stockholders the following account was presented:

GENERAL BALANCE FOR 1890.

Excess of profits in 1889		$64,732 52
Gross profits of Central Bank		2,096,238 11
Net profits of the branches		598,074 89
		$2,759,045 52
Deducted:		
Unrealized profits	$281,876 30	
Rebates, amortizations, deductions and expenses	440,249 47	$722,125 77
Net realized profits		$2,036,919 75
Dividend granted, 6 per cent. on $8,000,000	480,000 00	
Ordinary reserve fund 10 per cent. on net products	203,691 98	
Precautionary fund	200,000 00	
2d Precautionary fund	250,000 00	
To new account	49,894 44	1,183,586 42
Remaining divisible profits		$853,333 33
15 per cent. Founders' bonds	128,000 00	
10 per cent. Council of Administration	85,333 33	
75 per cent. stockholders (or an additional dividend of 8 per cent.)	640,000 00	853,333 33

As to the balance, profit and loss account, and plan of distribution and profits, which accompany the report, the directors state that they have merited the approval of the auditors and were drawn up in accordance with the principles and rules which have invariably been sanctioned with the vote of the stockholders in previous meetings. Besides paying a dividend of 14 per cent. on the shares and $128,000 to the founders' bonds, the reserve and provisional funds have reached a sum that will contribute to the reputation of solidity which the bank already enjoys.

DEATHS.

GOLDSMITH.—On July 16, aged seventy years, RENSSELAER T. GOLDSMITH President of Southold Savings Bank, Southold, N. Y.

LANE.—On July 6, aged sixty-three years, C. L. LANE, Cashier of Atlas National Bank, Boston, Mass.

NELSON.—On July 17, aged sixty years, WM. H. NELSON, President of the Old Colony National Bank, Plymouth, Mass.

NORMAN.—On July 27, STEPHEN H. NORMAN, Cashier of National Exchange Bank, Newport, R. I.

STODDARD.—On July 23, aged seventy-eight years, ISAAC N. STODDARD, President of Plymouth National Bank, Plymouth, Mass.

WILSON.—On July 21, aged fifty-four years, THOMAS W. WILSON, President of Bank of Minneapolis, Minn.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from July No., page 83.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ARK.	Arkansas City	Desha Bank	....
	$10,000	Henry Thane, *P.*	Chas. K. Leslie, *Cas.*
		David A. Gates, *V. P.*	
CAL.	Merced	Commercial & Sav. Bank.	National Park Bank.
	$300,000	C. H. Huffman, *P.*	M. S. Huffman, *Cas.*
		E. T. Dixon, *V. P.*	
DAK.	N. Northwood	Northwood Tr. & Safety B.	Hanover National Bank.
	$15,000	J. P. Haber, *P.*	M. V. Linwell, *Cas.*
		J. Rosholt, *V. P.*	
"	S. Vermillion	First National Bank	....
	$50,000	Darwin M. Inman, *P.*	Martin J. Lewis, *Cas.*
ILL.	Alpha	Alpha State Bank	....
	$25,000	A. J. Streeter, *P.*	J. A. Widney, *Cas.*
		W. A. Fraser, *V. P.*	
"	Aurora	Old Second Nat. Bank	Importers & Traders Nat. Bank.
	$200,000	Alonzo George, *P.*	James A. Egleston, *Cas.*
		Wm. F. Dickinson, *V. P.*	
"	Collinsville	State Bank of Collinsville.	Hanover National Bank.
	$25,000	W. C. Hadley, *P.*	John Cook, *Cas.*
		Wm. Hadfield, *V. P.*	
"	Highland	Highland Bank	Kountze Bros.
	$25,000	Louis E. Kinne, *P.*	Selmar Pabst, *Cas.*
		Jos. C. Ammann, *V. P.*	
"	Sheldon	Citizens Bank	Ninth National Bank.
	$25,000	Robert Wilkinson, *P.*	Geo. W. Eastburn, *Cas.*
IOWA	Akron	Farmers Loan & Trust Co.	Chemical National Bank.
	$300,000	Jos. H. Hoopes, *P.*	Joshua C. Button, *Cas.*
		Lot Thomas, *V. P.*	
"	Anita	Citizens Bank	....
	$25,000	Benj. P. White, *P.*	Albert N. White, *Cas.*
		Neale A. White, *V. P.*	
"	Des Moines	Home Savings Bank	Kountze Bros.
	$50,000	V. P. Twombly, *P.*	A. C. Miller, *Cas.*
		H. E. Teachout, *V. P.*	
"	Ellsworth	State Bank of Ellsworth	....
	$35,000	Marshall H. Brinton, *P.*	Simon Sogard, *Cas.*
		L. L. Estes, *V. P.*	
"	Hawarden	First National Bank	....
	$75,000	Wm. W. Hall, *P.*	Fred. E. Watkins, *Cas.*
		J. A. Moody, *V. P.*	T. A. Greiner, *Ass't Cas.*
"	Parnell	Parnell Savings Bank	....
	$12,000	Bernard Sheridan, *P.*	Frank V. Mullin, *Cas.*
		M. Callaw, Jr., *V. P.*	M. Dwyer, *Ass't Cas.*
"	Peterson	First National Bank	....
	$50,000	J. P. Farmer, *P.*	G. C. Allison, *Cas.*
"	Plover	Bank of Plover	....
		W. D. McEwen, *P.*	W. S. McEwen, *Cas.*
"	Tabor	First National Bank	Western National Bank.
	$50,000	Frank C. Johnson, *P.*	L. J. Nettleton, *Cas.*
		Gilbert D. Gregory, *V. P.*	
"	Wesley	Wesley Savings Bank	....
	$10,000	E. F. Bacon, *P.*	Z. S. Barrett, *Cas.*
		Thos. A. Way, *V. P.*	S. X. Way, *Ass't Cas.*
"	West Bend	Exchange Bank	....
	$2,500	L. Sly, *P.*	Thos. M. Daniels, *Cas.*
KAN.	Green	Bank of Green	National Park Bank.
	$5,000	R. J. Morton, *P.*	Wm. E. Davies, *Cas.*
		L. McChesney, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
KAN.	Hillsboro	Farmers State Bank	United States National Bank.
	$10,000	H. M. Thorp, *P.*	Brown Corby, *Cas.*
		E. R. Burkholder, *V. P.*	J. C. Fast, *Ass't Cas.*
"	Independence	Citizens National Bank	Importers & Traders Nat. Bank.
	$50,000	Henry Foster, *P.*	A. C. Stich, *Cas.*
"	Le Roy	State Bank of Le Roy	Kountze Bros.
		John Reid, *P.*	T. F. Emerson, *Cas.*
"	Lyndon	Exchange Bank	Winslow, Lanier & Co.
	$5,000	P. E. Gregory, *P.*	A. A. Downer, *Cas.*
"	Newton	Newton National Bank	Mercantile National Bank.
	$100,000	E. B. Philbrick, *P.*	E. L. Parris, *Cas.*
		John A. Randall, *V. P.*	
LA.	Alexandria	Alexandria State Bank	Fourth National Bank.
	$50,000	W. A. Doak, *P.*	F. M. Doak, *Cas.*
		A. E. Lemee, *V. P.*	
ME.	Madison	First National Bank	....
		Omar Clark, *P.*	M. A. Hewitt, *Cas.*
MASS.	Haverhill	Pentucket Savings Bank	....
		Geo. H. Carleton, *P.*	Chas. S. Titcomb, *Treas.*
		Oliver Taylor, *V. P.*	John A. Gale, *2d V. P.*
MICH.	Petoskey	First State Bank	Hanover National Bank.
	$25,000	Ira Chichester, *P.*	Leon Chichester, *Cas.*
		F. I. Chichester, *V. P.*	
MINN.	Marshall	Lyon County Nat. Bank	Chase National Bank.
	$50,000	Horace B. Strait, *P.*	Squire D. How, *Cas.*
		M. Sullivan, *V. P.*	F. W. Sickles, *Ass't Cas.*
"	McIntosh	Bank of McIntosh	....
		J. A. Drew, *P.*	S. H. Drew, *Cas.*
MO.	Jamestown	Bank of Jamestown	....
	$12,000	John N. Muri, *P.*	Arthur B. Meyer, *Cas.*
		J. C. Myers, *V. P.*	
MONT.	Billings	Yellowstone Nat. Bank	....
	$50,000	Albert L. Babcock, *P.*	George A. Griggs, *Cas.*
"	Neihart	Bank of Neihart	Garfield National Bank.
	$50,000	Geo. W. Brown, *P.*	E. B. Norell, *Cas.*
		Riverius Marsh, *V. P.*	
"	Neihart	First National Bank	....
	$50,000	Timothy E. Collins, *P.*	Gold T. Curtis.
NEB.	Bennet	Bank of Bennet	Chemical National Bank.
	$25,000	J. G. Southwick, *P.*	J. C. Johnston, *Cas.*
"	Lincoln	Amer. Exchange Nat. B'k.	Western National Bank.
	$200,000	Isaac M. Raymond, *P.*	Silas H. Burnham, *Cas.*
		Lewis Gregory, *V. P.*	D. G. Wing, *Ass't Cas.*
N. C.	Hickory	First National Bank	....
	$50,000	A. A. Shuford, *P.*	K. C. Menzies, *Cas.*
OHIO.	Glouster	Glouster Bank	....
	$10,000	E. A. Lewis, *P.*	David Edwards, *Cas.*
"	Oxford	First National Bank	....
	$50,000	Sutton C. Richey, *P.*	C. A. Shera, *Cas.*
R. I.	Providence	Globe Loan & Trust Co.	....
	$100,000		Chas. D. Norton, *Cas.*
TEXAS.	Claude	First Bank of Claude	....
		E. H. Treci, *P.*	M. E. G. Cates, *Cas.*
VA.	Blacksburg	Bank of Blacksburg	....
	$20,000	Alexander Black, *P.*	W. E. Hubbert, *Cas.*
			W. J. Hardwick, *Ass't Cas.*
WASH.	Chehalis	Commercial State Bank	Hanover National Bank.
	$18,000	M. L. Holbrook, *P.*	Jas. S. Greig, *Cas.*
		Wm. West, *V. P.*	
"	Port Angeles	Bank of Port Angeles	Southern National Bank.
	$50,000	Benj. F. Schwartz, *P.*	
		W. Brumfield, *V. P.*	David S. Troy, *Ass't Cas.*
"	Seattle	Seattle Savings Bank	....
	$50,000	W. R. Ballard, *P.*	Frank W. Goodhue, *Cas.*
		H. E. Holmes, *V. P.*	
"	Sumas City	Bank of Sumas	Chase National Bank.
		James M. Holland, *P.*	Lewis Lofgren, *Cas.*
WIS.	Beaver Dam	German National Bank	....
	$50,000	Theodore Huth, *P.*	Geo. C. Congdon, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
WYOM..	Sheridan....... $50,000	First National Bank...... E. A. Whitney, *P.*	....
ONT....	Brussels........	Standard Bank of Canada. G. P. Scholfield, *Agt.*	....
N.W.T.	Calgary........	Molsons Bank............ Geo. C. McGregor, *M'g'r.*	Mechanics National Bank.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from July No., page 79.)

	Bank and Place.	*Elected.*	*In place of.*
ARK....	Bank of Fordyce, Fordyce.....	Chas. McKee, *Cas.*......	C. E. Frost.
CAL....	Carver National Bank, St. Helena.	M. G. Richie, *P.*..........	D. B. Carver.*
		D. O. Hunt, *V. P.*........	M. G. Richie.
COL....	First National Bank, Lamar ..	B. B. Brown, *P.*..........	M. D. Parmenter.
CONN...	Stonington Sav. B., Stonington.	R. A. Wheeler, *P.*........	Moses Pendleton.*
DAK. N.	Union Nat. B'k, Grand Forks..	David H. Beecher, *V. P.* ..	.... *
" ..	First National Bank, Lakota..	H. G. Merritt. *Cas.*......	W. J. Strain.
FLA....	First National Bank, Gainesville.	Jas. M. Graham, *P.*........	John W. Ashby.
		D. F. Graham, *Cas.*.......	Jas. M. Graham.
IDAHO..	Moscow Nat. Bank, Moscow...	Robt. S. Browne, *P.*.......	....
ILL.....	Amer. Exchange Nat. B'k, Chicago.	John B. Kirk, *P.*..........	D. B. Dewey.
		Wm. C. Seipp, *V. P.*.....	John B. Kirk.
		Geo. F. Bissell, *2d V. P.*...	Wm. C. Seipp.
		Arthur Tower, *2d A. Cas.*..	....
" ..	First National Bank, Chicago.	Lyman J. Gage, *P.*........	S. M. Nickerson.
		Henry R. Symonds, *V. P.*..	Lyman J. Gage.
		R. J. Street, *Cas.*..........	H. R. Symonds.
		Holmes Hoge, *Ass't Cas.*..	R. J. Street.
" ..	First National Bank, Farmer City.	G. W. Chisholm, *V. P.*....	J. G. Watson.
		C. H. Chisholm, *A. Cas.*...	....
" ..	First National Bank, Mattoon.	H. P. McNair, *Cas.*........	Preston F. McNair.
" ..	First National Bank, Mount Carroll.	Uriah Green, *P.*...........	Henry Ashway.*
		John Kridler, *V. P.*........	Uriah Green.
IND.....	Commercial Bank, Lowell.....	C. B. Wisner, *Cas.*........	Jas. A. Otto.
IOWA...	First National Bank, Griswold.	R. L. Brown, *Cas.*........	W. L. Mote.
" .	Security State Bank, Hartley..	E. E. Hall, *Cas.*...........	W. J. Lorshbough.
" ..	City National Bank, Mason City.	O. T. Denison, *V. P.*......	....
		R. Valentine, *Ass't Cas.*...	....
" ..	Valley Bank, Missouri Valley..	J. J. Amen, *P.*............	M. Holbrook.
KAN....	First National Bank, Mankato.	N. B. LaMar, *P.*...........	Jno. J. LaMar.
		Jno. J. LaMar, *Cas.*.......	D. C. Smutz.
" ..	First National Bank, Washington.	E. B. Fox, *V. P.*..........	W. F. Hackney.
		J. W. Allibone, *Ass't Cas.*..	J. O. Homing.
KY.....	Catlettsburgh Nat. Bank, Catlettsburgh.	Chas. Russell, *Ass't Cas.*...	....
" ..	First National Bank, Middlesborough.	G. W. Arthur, *P.*..........	Theodore Harris.
		W. J. Kinnaird, *V. P.*.....	C. M. Woodbury.
		Edw. LaBorteaux, *Cas.*....	....
LA.....	Commercial Nat. Bank, Shreveport.	J. G. McWilliams, *P.*......	S. B. McCutchen.
		P. Youree, *V. P.*..........	John P. Scott.
		J. P. Scott, *2d V. P.*.......	....
MASS...	Atlas National Bank, Boston.	Benjamin P. Lane, *Cas.*....	Chas. L. Lane.*
		Joseph L. Foster, *Ass't Cas.*	Benj. P. Lane.
" ..	Nat. Rockland Bank, Boston..	Geo. Curtis, *P. pro tem.*...	Samuel Little.
" ..	Essex Nat. Bank, Haverhill....	Oliver Taylor, *P.*..........	Chas. H. Goodwin.
" ..	First Nat. Bank, Northampton.	L. D. James, *V. P.*........	....
MICH...	Commercial Sav. Bank, Adrian.	S. Howell, *Cas.*...........	Wm. B. Thompson.
" ..	Bellevue Bank, Bellevue.......	G. E. Neasmith, *Cas.*......	C. B. Mason.
" ..	Preston Nat. Bank, Detroit....	T. W. Palmer, *P.*.........	R. W. Gillett.

* Deceased.

Bank and Place.	Elected.	In place of.
MICH. . . First National Bank, Escanaba.	C. C. Royce, *V. P.*	....
	R. Lyman, *Cas.*	C. C. Royce.
" . . North Adams B'k, No. Adams.	L. E. Russ, *Cas.*	Geo. W. Cutler.
" . . Exchange Bank, Vicksburgh...	Jas. M. Neasmith, *P.*	S. J. Wing.
MINN. . . Merchants Nat. B'k, Crookston.	A. D. Stephens, *Cas.*	W. C. Kelso.
" . . First National Bank, Duluth.	H. A. Ware, *V. P.*	A. M. Miller.
	J. H. Dight, *Cas.*	H. A. Ware.
" . . Bank of Kenyon, Kenyon.....	B. J. Borlaug, *Cas.*	Wm. L. Luce.
" . . Metropolitan B'k, Minneapolis.	E. R. Gaylord, *Ass't Cas*	....
MO. . . . First Nat. Bank, Grant City...	Jno. F. Robertson, *Cas.*	W. M. Watson.
" . . Bank of Hannibal, Hannibal..	W. J. Dakin, *Ass't Cas.*	J. C. Helm.
" . . Merchants N. B., Kansas City.	John C. Gage, *V. P.*	C. S. Wheeler.
" . . First National Bank, Macon.	Thos. E. Wardell, *P.*	John H. Babcock.
	C. A. Shortridge, *A. Cas.*	....
" . . Mountain Grove Bank, Mountain Grove.	C. W. Wade, *P.*	J. W. Powers.
" . . Third National Bank, Sedalia..	W. H. Van Wagner, *A. C.*	....
" . . First Nat. Bank, Springfield...	R. L. McElhany, *P.*	R. J. McElhany.
MONT. . . First Nat. Bank, Big Timber ..	W. L. Shanks, *V. P.*	....
" . . First National Bank, Kalispel.	Aaron Hershfield, *P.*	....
	G. H. Adams, *V. P.*	....
NEB. . . . Farm. & Merch. N. B., Auburn.	C. B. Thompson, *V. P.*	....
" . . First National Bank, Sterling..	J. K. Moore, *Act'g Cas.*	J. P. Renshaw.
" . . York National Bank, York....	W. K. Williams, *V. P.*	J. C. Kingsley.*
N. H. . . Ashuelot Nat. Bank, Keene...	Henry O. Coolidge, *Cas.*	J. E. Wright.
N. J. . . Citizens Bank, Elizabeth......	John Manvel, *Cas.*	John W. Whelan.
" . . German Nat. Bank, Newark...	A. W. Conklin, *Cas.*	Allen Durand.
N. MEX. Second Nat. Bank, Santa Fe...	J. D. Proudfit, *Cas.*	W. G. Simmons.
N. Y. . . Metropolitan Bank, Buffalo.	Wm. Meadows, *P.*	....
	Clarence M. Howard, *V. P.*	....
" . . Second Nat. B'k, Cooperstown.	G. M. Jarvis, *Ass't Cas.*	....
" . . City Nat. Bank, Watertown...	J. O. Hathaway, *Cas.*	R. H. Huntington.
N. C. . . . Commercial & Farm. Bank, Raleigh.	Jas. J. Thompson, *P.*	....
	A. A. Thompson, *V. P.*	....
	B. S. Jerman, *Cas.*	....
	H. W. Jackson, *Ass't Cas.*	....
OHIO. . . First National Bank, Miamisburg.	N. J. Catrow, *P.*	....
	Elmer M. Hill, *Cas.*	N. J. Catrow.
" . . Holcomb National Bank, Toledo.	S. R. Maclaren, *V. P.*	... .
	J. V. Shoemaker, *A. Cas.*	....
PA. . . . . First Nat. Bank, Catawissa....	J. H. Vastine, *P.*	M. G. Hughes.*
" . . First National Bank, Charleroi.	Wm. D. Hartupee, *V. P.*	....
" . . Consolidation N. B'k, Phila...	Geo. Watson, *P. pro tem.*	J. V. Watson.
" . . Third Nat. Bank, Philadelphia.	Louis Wagner, *P.*	Murrell Dobbins.
" . . First Nat. B'k, Port Allegany..	Francis H. Root, *P.*	....
" . . Second Nat. Bank, Titusville.	F. de L. Hyde, *V. P.*	Louis K. Hyde.
R. I. . . . Nat. Warren Bank, Warren...	Luther Cole, *V. P.*	J. E. Pollard.*
TEXAS. . First National Bank, Childress.	C. E. Brown, *Cas.*	C. L. Stone.
" . . Fourth National Bank, Dallas.	Jas. B. Simpson, *P.*	W. C. Connor.
	H. B. Strange, *Cas.*	T. J. Oliver.
" . . Wise County National Bank, Decatur.	J. L. Norris, *Cas.*	C. W. Collom.
	E. T. Bradley, *Ass't Cas.*	J. L. Norris.
" . . First National Bank, Mexia....	H. Kempner, *P.*	Wm. Kamsler.
WIS. . . . Stephenson N. B'k, Marinette..	C. R. Johnston, *V. P.*	J. W. P. Lombard.
" . . Plankinton Bank, Milwaukee.	Fred. T. Day, *P.*	....
	Wm. Plankinton, *V. P.*	....

* Deceased.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during July, 1891.

DAK. S. Sioux Falls......Union National Bank, by Chas. E. Johnson and associates.
IND. T.. Vineta..........First National Bank, by Edgar Ratcliffe and associates.
IOWA... Knoxville......Citizens National Bank, by S. L. Collins and associates.
KAN.... Cawker City....Farmers & Merchants National Bank, by U. G. Paris, Sandy Hill, N. Y., and associates.
" ..St. Mary's......National Bank of St. Mary's, by Silas B. Warren and associates.
KY..... Augusta........Farmers National Bank, by John M. Harbeson and associates.
MINN... Austin.........National Security Bank, by Henry Birkett and associates.
PA...... Coudersport....Coudersport National Bank, by N. J. Peck and associates.
TEXAS.. Nacono..... ..First National Bank, by L. M. Smith and associates.
WASH.. Everett ... .Everett National Bank, by John F. Plummer, Tacoma, Wash., and associates.
" .. " ....First National Bank, by A. R. Nicol, Tacoma, Wash., and associates.
" .. Waitsburg. ....First National Bank by Levi Ankeny, Walla Walla, Wash., and associates.
W. VA.. Huntington....Commercial National Bank, by W. B. Prickitt and associates.
WIS.... Berlin.........Berlin National Bank, by J. W. Brown, Portage, Wis., and associates.
" .. " ....First National Bank, by George B. Sacket and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from July No., page 87.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4591	First National Bank........... Bridgeport, Ala.	Edward J. Nellis,	Thos. R. Patterson,	$50,000
4592	Citizens National Bank........ Independence, Kan.	Henry Foster,	A. C. Stich,	50,000
4593	Yellowstone National Bank.... Billings, Mont.	Albert Lawrence Babcock,	George Albert Griggs,	50,000
4594	First National Bank........... Hawarden, Iowa.	William W. Hall,	Fred. E. Watkins,	75,000
4595	Lyon County National Bank... Marshall, Minn.	Horace B. Strait,	Squire D. How,	50,000
4596	Old Second National Bank..... Aurora, Ills.	Alonzo George,	James A. Egleston,	200,000
4597	First National Bank........... Hickory, N. C.	A. A. Shuford,	K. C. Menzies,	50,000
4598	First National Bank........... Pineville, Ky.	James F. Slusher,	John R. Rice,	50,000
4599	First National Bank........... Oxford, Ohio.	Sutton C. Richey,	C. A. Shera.	50,000

NOTE.—The report of the National Bank of North America, New York City, shows a surplus of $571,435 on July 1st; but this is not shown in the BANKER'S ALMANAC for July, 1891, as the ALMANAC contains capital *only* for banks organized since 4th of May.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from July No., page 86.*)

ALA....Montgomery...Moses Bros. assigned.

ARK....Arkansas City..Desha County Bank succeeded by Desha Bank, incorporated.

CAL....Merced.........First National Bank has gone into voluntary liquidation and is succeeded by Commercial and Savings Bank.

COL....Glenwood Sp'gs.Glenwood National Bank has gone into voluntary liquidation.

DAK. S. Vermillion .....Bank of Vermillion succeeded by First National Bank.

FLA....Lake City......Lake City Bank closed.

" ..Palatka........First National Bank suspended.

ILL.....Aurora.........Second National Bank now Old Second National Bank, same officers.

" ..Highland......C. Kinne & Co. succeeded by Highland Bank.

" ..Sheldon........Sheldon Bank succeeded by Citizens Bank.

IND.....Nappanee......Farmers & Traders Bank (Henry Bechtel) now Coppes & Son, proprietors.

IOWA...Akron..........Button Bank succeeded by Farmers Loan & Trust Co., incorporated.

" ..Ellsworth..... Bank of Ellsworth now State Bank of Ellsworth, incorporated.

" ..Hawarden......First State Bank reorganized under title First National Bank.

" ..Mason City ....City Bank now City National Bank.

" . Tabor.........Tabor Bank succeeded by First National Bank.

" ..Wesley........Bank of Wesley succeeded by Wesley Savings Bank.

KAN....Kansas City....First National Bank suspended.

" .. " ....Central Bank reported closed.

" ..Le Roy........Bank of Le Roy succeeded by State Bank of Le Roy, same correspondents.

" ..Lyndon........Exchange Bank has been incorporated.

" ..Newton........Newton National Bank has resumed business.

" .. " ....Bank of Commerce has consolidated with Newton National Bank.

" ..Phillipsburg....State Bank has made an assignment.

" ..Salina..........Citizens Bank closed.

" ..Topeka.........United States Savings Bank resumed business.

KY.....Louisville......Falls City Bank assigned.

" ..Morganfield....National Bank of Union Co. has gone into voluntary liquidation, succeeded by Bank of Union Co., same officers.

MINN...Marshall.......Lyon County Bank succeeded by Lyon Co. National Bank.

MO.....Lamar.........C. H. Brown & Co. now C. H. Brown Banking Co., incorporated.

" ..Nevada.........Citizens Bank reported closed.

MONT..Livingston.....Bank of Livingston, name changed to Merchants Bank.

NEB....Auburn........J. C. Bousfield & Co. succeeded by Farmers & Merchants National Bank.

" ..Battle Creek....Farmers & Drovers Bank reported closed.

" ..Bennet.........Bank of Bennet has been incorporated, same correspondents.

" ..Lincoln.........American Exchange Bank succeeded by American Exchange National Bank, same officers.

" ..Raymond......Reagan & Son retiring from business.

N. J....Asbury Park...Asbury Park National Bank in the hands of a receiver.

OHIO...Oxford.........Citizens Bank and Oxford Bank have been succeeded by First National Bank.

PA.....Philadelphia....Dingee & Stavers succeeded by W. A. Stavers & Co., same correspondents.

TEXAS..El Paso........Merchants Exchange Bank closing out business.

" ..Fort Worth....Merchants National Bank reported closed.

" ..Gatesville......Citizens National Bank has gone into voluntary liquidation.

" ..Jefferson.......Citizens Bank assigned.

VA.....Blacksburgh....Conway & Hubbert succeeded by Bank of Blacksburgh, same correspondents.

PROJECTED BANKING INSTITUTIONS.

CAL....Golden Gate....The Collateral Bank is now started.

" .Redwood City..Redwood City has a new incorporated bank.

" ..San Mateo......A new bank, to be named the San Mateo County Bank, has been organized here. Capital stock, $200,000.

COL....Denver...........New banking house to be established in Denver, backed by English capital.

CONN...Berlin...........There is some talk of organizing a savings bank here.

" ..Hartford.......Charles W. Scranton Company, brokers. Capital, $10,000. General Bradley, *President;* Chas. W. Scranton, *Secretary.*

" ..Milford...........New National bank to be started by prominent business men.

DAK. N.Grand Forks...Branch of Vermont Loan and Trust Co. Apply H. D. Holton.

" N.Steele..........State Bank of Steele. Capital, $5,000. Incorporators: A. B. Clark, John Thornhill, of Steele; D. H. Clark, of Ironton, Ohio. A. B. Clark, *Cashier.*

DEL.. ..Wilmington....Perpetual Savings and Loan Association. Lea Pusey, *President;* Wilmer Palmer, *Treasurer;* Wm. H. Gibbons, *Secretary.*

GA.....Americus.......A new bank to be started here in the fall.

" ..Cuthbert.......Bank of Southwest Georgia organized.

IDAHO..Boise City......Capital State Bank. J. S. Fordyce, *President;* J. H. Buch, *Vice-President;* W. E. Mitchell, *Cashier;* H. E. Neal, *Assistant Cashier.* Capital, $50,000.

ILL.....Chicago.......Cook County Abstract and Trust Co. Capital stock, $1,500,000. David B. Lyman, *President;* Geo. L. Paddock, *Vice-President;* Thos. B. Marston, *Secretary;* Edwin G. Foreman, *Treasurer.*

" . Harvey........Bank of Harvey. Capital stock, $25,000. Officers: J. M. Wanzer, *President;* and W. H. Miller, *Cashier.*

" ..Peoria.........Peoria has a new $100,000 Bank of Commerce, with Almon G. Danforth, H. H. Fahnestock, C. A. Davis, Homer G. McCoy, Chas. R. Wheeler and B. F. Rhodehamel as chief contributors.

IND....Frankfort......A new bank has been organized here, to be known as the Clinton County Bank. Jos. E. Hilis is *President,* and T. N. Lucas, *Cashier.*

" ..Spiceland......Charles H. Gwynn will establish a new bank at Spiceland.

IOWA...Sioux City.....Frank R. Preston and J. McCormick will start a banking business here soon.

ME.....Rockport......A loan and trust company has been organized.

MD.....Baltimore......Boyd Mutual Loan and Savings Institution incorporated with capital stock at $25,000. Incorporators: Henry Bowers, Sr., Chas. E. Bowers.

" ..Hagerstown....Connor, Smith & Co., bankers.

MASS... Boston......... Banca Centrale Italiana, or Central Italian Bank, to carry on business at 210 North St.

" .. Waltham ...... A National bank is to be established here, with C. B. Jones as *Cashier*.

MICH... Elk Rapids..... A bank needed here.

MINN... St. Paul........ Security Trust Co. Subscribed capital, $800,000. Edward J. Hodgson, *President*; R. C. Jefferson, *Vice-President*; S. W. Matteson, *Secretary and Treasurer*.

" .. Tracy .... The First State Bank of Tracy has filed its articles of organization. Capital, $25,000.

" .. West Duluth... Mechanics Savings and Loan Association incorporated; the capital stock, $50,00c.

MO..... Walker .... New bank to be opened at Walker, August 1st, with a paid-up capital stock of $10,000.

NEB.... Beatrice........ Union Savings Bank. Capital, $50,000. Directors: H. W. Parker, L. G. Walker, J. G. Wiebe, W. G. Washburn, H. L. Ewing, Thomas Yule, A. B. Dempster, Nathan Blakeley.

N. Y... Angola .... There is a movement on foot to establish a bank here.

" .. East Randolph. New State bank, with M. V. Benson as *President*, and Wm. E. Searle as *Cashier*.

" .. Oneida .... The organization of a National bank, to be called the Hop Growers' National Bank of Oneida, is contemplated.

OHIO... Bridgeport..... Dollar Savings Bank.

" .. Brookville ..... New bank to be started in this place.

" .. Cincinnati...... Eighteenth Ward Loan and Savings Co. Capital stock, $500,000.

" .. Hilliard .... Hilliard has organized a savings bank company.

PA..... Pittsburgh...... National Homestead Loan and Trust Co. chartered. Capital, $150,000.

S. C.... Hampton...... Bank of Hampton. Capital stock, $50,000. Corporators: J. A. Lightley, J. W. Brenson, G. H. Hoover, W. F. Cummings, M. B. McSweeney, W. J. Gooding, W. H. Mauldin, W. H. Tutin and A. A. Browing.

TENN .. Memphis....... Shelby County Savings Bank organized. W. W. James, *President*; E. B. Lacey, *Cashier*.

TEXAS.. Wharton....... Bank of Wharton.

UTAH... Lehi........... Lehi Bank will open for business on the 15th, with a capital stock of $50,000. Directors: T. R. Cutler, Francis Armstrong, P. W. Madson, W. E. Racker, J. E. Jennings, Ira D. Wines.

VT..... Montpelier..... Capital Savings Bank and Trust Co.

VA..... Graham........ Nickel Savings Bank organized.

WASH.. Coer d' Alene... New bank organized. Directors: F. G. Pettibone, H. L. Bancroft, Gecrge F. Mims, W. F. Matlock, and E. L. Mims.

" .. Marysville...... A National bank is soon to be established here.

" .. Tacoma....... The State Savings Bank has opened under new management, with a capital stock of $50,000. H. D. Lombard, from Boston, is *President*; S. S. King, *Vice-President*; A. E. Charlton, *Cashier*.

N. B... Edmundston... A branch of the Imperial Bank will be opened.

HUNTINGTON, W. VA.—The Huntington Loan, Trust and Guaranty Company has been chartered to do a banking business, insure titles to real estate, guarantee the fidelity of persons, etc. Authorized capital, $100,000. A. C. Thomas, C. B. Harrold and others, incorporators.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JULY, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in July.

GOVERNMENTS.	Interest Periods.	Open-ing.	High-est.	Low-est.	Clos-ing.
4½s, 1891 ....reg.	Quarterly Mar.	100	100⅝	99⅝	99⅝
4s, 1891 ......coup.		100	100⅝	100	100⅝
4s, 1907 ....reg.	Jan.	116½	117¼	116	117
4s, 1907 ......coup.	Feb.	116½	117¼	116	117
6s, cur'cy, 1895, reg.	Jan. & July.	109½	110	109	110
6s, cur'cy, 1896, reg.		111¾	112	111	112
6s, cur'cy, 1897, reg.		114½	115	113½	114
6s, cur'cy, 1898, reg.		116½	117½	116½	117
6s, cur'cy, 1899, reg.		119	120	119	119½

RAILROAD STOCKS.	Open-ing.	High-est.	Low-est.	Clos-ing.
Atlantic & Pacific	—	4⅝	4½	4½
Canadian Pacific	—	82⅝	80¼	—
Canada Southern	49	49¼	47⅜	47½
Central of N. J.	108	115¾	106⅛	108½
Central Pacific	—	31	31	—
Ches. & Ohio	17	17	14¼	14¾
Do 1st pref.	46	48	42	43
Chic. & Alton	—	127	127	—
Do pref.	—	—	—	—
Chic., B. & Q.	88⅝	88⅝	79	80¼
Chic. & East'n	—	65	63½	64
Do pref.	—	94	90½	90½
Chic., M. & St. P.	64⅛	65⅝	60½	62
Do pref.	112	113	108	108
Chic. & N. W.	105¼	105½	102¾	103
Do pref.	133	133	132	—
Chic., R. I. & P.	72½	74⅛	69	71
Chic., St. P., M. & O.	23	24¾	21	21¾
Do pref.	—	82½	80	—
C., C., C & St. L.	60	62¼	56¾	58⅜
Col. Coal & Iron	34	34½	27½	30
Col., H. Valley & Tol.	24¼	25	22	23
Del. & Hudson	—	129¾	126	126
Del., Lack. & W.	135¼	135½	130⅜	132
Den. & Rio Grande	—	13¼	13¼	—
Do pref.	50	50	40	41¼
East Tenn. V & G.	—	5¼	5	—
Do 1st pref.	—	44⅛	42	—
Do 2d pref.	—	13⅞	9⅞	10
Evansville & T. H.	119½	120	114¼	—
Illinois Central	93¾	95½	93	94
Lake Erie and Western	—	14	12½	12½
Do pref.	56½	57¼	53	53½
Lake Shore	107¼	110½	106½	107⅛
Long Island	98	99	94	96
Louisville and Nashville	74⅛	75⅝	67½	69
Louisville, N. Alb. & Chic.	22	22½	18	18
Manhattan Consol.	—	100½	95	—
Mexican Central	—	18⅛	17⅝	—
Michigan Central	—	87⅝	87½	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	110	104	—
Minn. & St. Louis	—	4	4	—
Do pref.	—	9½	7⅝	—
Mo., Kan. & Texas	14½	14⅝	14¼	—
Missouri Pacific	67½	68½	64	64⅞
Nash., C. & St. L.	—	100½	80	—
N. Y. C. & Hudson	99¾	100¾	98½	98½
N. Y., C. & St. L.	—	12	12	—
Do pref.	—	65	64	64
N. Y., L. E. & W.	19¼	19¼	17½	17⅞
Do pref.	49¾	50	48½	48½
N. Y. & New Eng.	34	34	31	31⅞
N. Y., Ont. & W.	16¼	16⅝	14	14½
N. Y., Sus. & W.	—	7⅛	6⅝	—
Do pref.	—	28¾	26	—
Norfolk & Western	—	—	—	—
Do pref.	52	52	46¾	47

MISCELLANEOUS.	Open-ing.	High-est.	Low-est.	Clos-ing.
Northern Pacific	23	24⅛	20⅛	20¾
Do pref.	65	66⅝	58½	60⅝
Ohio & Mississippi	18	18	17¼	—
Ohio Southern	—	—	—	—
Oregon Impt.	—	20⅛	20	20⅛
Oregon R. & N.	—	69	69	69
Oregon Short Line	—	25½	22½	—
Pacific Mail	34	36¼	32	33
Peoria, Decatur & Evansville	—	17	15	15¼
Philadelphia & Reading	28⅞	29⅜	26	26⅜
Pullman Palace Car Co.	—	177	175	175
Rich. & W. P. Term.	15⅛	15⅛	10⅛	11⅛
Rome, W. & Ogd.	—	109	105¾	105¾
St. Louis, A. & T. H.	—	29⅛	27½	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	70⅛	69	—
St. Paul & Duluth	34¾	36¾	30	—
Do pref.	—	99½	99	—
St. Paul, M. & M.	—	105	102	—
Southern Pacific Co.	32¾	33½	29¾	30¾
Sugar Refineries	83⅛	83¾	76⅛	77½
Texas & Pacific	13½	13⅞	11½	11⅝
Union Pacific	44¼	45¼	39⅛	40⅞
Wabash, St. Louis & Pacific	—	10⅝	9⅞	—
Do pref.	22⅞	23⅝	20¾	21⅝
Wisconsin Central	—	18¼	15	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	21⅝	22¾	17¼	18
Nat. Lead Trust	17⅝	18⅜	14¾	15
Tenn. Coal & Iron	34	34	24½	27
Express—Adams	146	148	146	148
American	—	120	114	116¾
United States	55	62	54¼	62
Wells-Fargo	—	141	140	—
Western Union	79⅝	80⅜	78½	78¾
Wheel. & Lake E.	34	34	29¼	29⅞

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVI. SEPTEMBER, 1891. No. 3.

THE BANKS AND THE CURRENCY QUESTION.

Once more the country is facing the question, What shall be done to increase the volume of circulation so as to provide effectively for the wants of commerce during the autumn? This is an old question, which is asked annually, but whose solution seems as far off as ever. That more money is needed during the latter half of the year than during the first half for business purposes is certain; but how to increase the amount is one of the most important questions that presses for answer. Various plans are proposed from time to time, but none are satisfactory. The experience of last year fills some minds with dread concerning the immediate future. The pressure for money during the autumn of 1890 was much greater than it had been for many years, and some are fearful that this experience will be repeated in the months that are now before us. This opinion, however, is not shared by all; some think that the situation of last year was unusual; and that extraordinary circumstances existed which are not likely to appear this year. But probably all who think much about the matter are quite agreed that the pressure is greater during the last half of the year than during the first, and that some mode ought to be provided, if possible, of easing the money market and thus lessening the anxiety and the risks to which business is subjected during that trying ordeal. For it must be admitted that under the existing conditions the autumn months are dreaded by many who are engaged in business. They fear either that they will be unable to get the money required to discharge their obligations, or else that they must pay so much for it that a prospective profit will be turned into a positive loss. So, for several reasons, the question has become very serious; indeed, this and the silver question are the two great currency questions of the day, which require a speedy solution.

A closer examination into the situation discloses more clearly the nature of the difficulty. During the spring and summer months a large amount of money is collected in the Western States, and we might say in all the places of business excepting the great money centers of the East, and which cannot be profitably employed at home. One of two courses may be adopted by the banks having such unemployed deposits. They can keep them in their vaults, in which case no profit, of course, will accrue; or they can send them to New York City banks, which can lend them to speculators. The banks there have as little use for the money for ordinary business as the banks from which it came; but it so happens that the doors of the Stock Exchange are always open and men are always ready to speculate if they can borrow money. So the banks in the North, East, South and West, rather than have their deposits remain idle send them to New York to be used as the banks there shall determine. It soon finds its way into Wall Street. When the autumn comes, then, of course, the sending banks demand their money, because they can use it and get a larger profit thereon than they can get therefor in New York. The New York banks have no option in the matter; they must return it whenever demanded. Then the speculators are in trouble; the banks demand their loans, and borrowers must sell their stocks at once, or if the lending banks try to save them by continuing their loans, then the commercial class is sacrificed. Thus, in the end, the war is between speculators and the commercial class to obtain the money that is in the market. The consequence is, that the speculators often bid very high for it, because the loss is likely to be less by paying a high rate of interest than by throwing their stocks overboard and sacrificing them.

It must be clearly enough seen that if the banks outside New York retained their money, instead of sending it to New York, there would be no difficulty ordinarily in the autumn to obtain money. The speculators would not be in trouble, for they would not be in speculation; they would have no loans to pay and no stocks to sacrifice. The commercial men, therefore, would have a larger amount of money at their disposal, and could get favorable rates. Now, it may be a fair question to ask, ought not some different regulations to exist concerning the use of a bank's money? While it is certainly a very proper thing for every bank to keep an account in New York, and perhaps in other large cities, in order to accommodate their customers, ought not the regulations to be drawn a little more tightly in this regard, and be required to keep a larger amount of their deposits at home. It is true that by doing this their profits might be somewhat diminished in two ways. First, their money would not be so fully employed, and secondly, by thus diminishing the pressure for money in the autumn the rates of interest would undoubtedly be lessened. But such a policy would undoubtedly be a great gain to the business community. The popularity of the banks would be increased, and the annual money scare would be diminished in intensity, if it did not wholly pass away.

The other mode of compassing the difficulty is to issue a temporary currency which shall be used during the time when more money is needed, and withdrawn as soon as the unusual demand therefor is over. All are familiar with the expedient to which the New York Clearing House, and other Clearing Houses resorted last year. No one will question the success of that experiment. The certificates thus issued proved an admirable substitute for money and nothing better could have been desired. The vigilance which the Clearing House committee exercised in issuing these certificates was most commendable, and all, or nearly all of them, were promptly redeemed as soon as the extraordinary pressure for money subsided. Of course, there are some dangers attending the use of these substitutes. If the practice should become too general, then, of course, speculation would be stimulated to an unusual degree by the use of them. Then, too, there is danger of issuing them on insufficient security. On the other hand, if this policy was adopted, the fear of having the money market cornered will pass away. Those who have heretofore engineered this movement would not think of contending against the powers of the Clearing House; such a movement would be doomed from the start. Again, these substitutes seem to be sufficient to serve the ordinary purposes of money, to discharge indebtedness, and nothing more is needed of them. In view of the uses to which they can be put, ought not the Clearing Houses in the various cities to perfect their methods of issuing them, to devise regulations concerning the kind of security that shall be taken for them, and thus improve their quality. If this were done perhaps the banks would be more prudent in making loans, in order to have securities that would meet the Clearing House requirements.

The Clearing House committees have been very careful and vigilant in their selection of securities, but cannot they wisely go further, in prescribing the kind of collateral that will be received, and perhaps take only security based on bills of lading for merchandise?

Furthermore, the popularity of the issue of such securities for the benefit of the mercantile class will not be questioned. They make the strongest appeal for aid, and should be served in preference to any other. The speculators may well be sacrificed, if some class must be. Of all, they are the least deserving of assistance.

Surely, the possibilities of developing a substitute for money of this nature are so great that it is worthy of serious study by those who are most deeply interested in providing for the wants of commerce.

A REVIEW OF FINANCE AND BUSINESS.

THE KEY TO THE SITUATION.

The month of August has been devoid of important changes or features in the commercial or financal world, outside of the grain markets of Europe and America, which have been the most excited, active and unsettled ever known in the history of the trade. These have been the key to the whole business situation on both sides of the Atlantic. An unprecedented deficit in the crops of both Eastern and Western Europe, Great Britain excepted, and equally unexampled crops in the United States, have been the two conditions which have controlled all others, and have unsettled the commercial and financial markets of both the old and new world. The excitement and activity has been general, and at times intense, absorbing all other interests and the public attention of both continents, the Governments of Europe having intervened, to stop the exportation of rye from Russia, and also to relieve the corner caused in the German markets by this action. The full extent of the damage to the rye crop of Russia was not known or realized till the middle of the month, when the decree of the Russian Government forbidding the exportation of that cereal, after the 27th of August, caused a Bear panic in rye throughout the markets of both hemispheres, followed by one in wheat, which sent both above $1.15 in New York, while at one time $1.20 was touched for a few moments for wheat. The losses that followed this action of the Russian Government, were so enormous in Germany, that the Government of that country was compelled to interpose to save disaster in the grain trade, which had contracted with the German Government for its supplies of rye for the army. Its action was in the form of a decree, making wheat good delivery on contracts for rye, made with the Government, and of an order substituting wheat and corn for rye for the use of the army. Such a relative position of these two cereals shows more plainly than statistics even, the enormous deficit in the rye crops of Eastern Europe.

Hitherto it has been the chief food of the poor of continental Europe, and has been largely used also for ·feed for the cavalry of its armies; when, therefore, the corner in rye could only be relieved by accepting wheat on contracts in its stead, the seriousness of the situation may be conceived. The relative prices of these two cereals, in this country, have formerly been for rye, a little over half that of wheat. The impression at first created by this action of the Russian Government, was, that it was a political or military move, as much as one dictated by commercial necessity; but the subsequent reports of the almost complete failure of the crop in many provinces, followed by the destitution of the peasantry, in those sections, make the situation appear more serious than at first supposed. There has even been talk, which the Russian Government has denied, that it intends to prohibit also the exportation of wheat; and, that such a step will yet be taken, is believed by the grain trade of London and other European centers.

THE GRAIN MARKETS

on both sides of the water have since reacted, nevertheless, from the extreme prices and activity, because of the heavy arrivals from this country, at all the continental ports of Western Europe and at Liverpool and London, where the terminal facilities for handling the unprecedented receipts of wheat are wholly inadequate for the demand; and, a grain blockade at many of those ports has followed. The result has been free reselling of cargoes on the other side and in transit, and also of the options in our markets, against cargoes not yet shipped, which, together with enormous receipts at interior points, in this country, have caused the decline from the prices of the middle of the month.

Yet they have not begun to lose the advance, and there is a good profit still to the foreign buyers of these millions of our wheat, part of which they are taking here, rather than carry the wheat until the blockaded ports on the other side can receive it. The foreigners have made all the money, on our grain crops, so far this year, outside of the farmers, for they have been the Bulls since last spring, as well as the buyers, while American speculators have been the Bears, as well as the sellers, and have stood all the losses. Such an unnatural position of buyers and sellers is an anomaly in these markets, for, hitherto, Europe has been the Bear and America the Bull on anything like as strong an export situation as exists this year. The reason of this has been, that our enormous crops have attracted more attention at home than the deficit abroad; and, the same is true of Europe, where the deficit, staring them in the face, has overweighed all considerations of enormous crops on this side of the ocean. It has been estimated that nearly 40,000,000 bushels of our wheat had been contracted for shipment to Europe during the months of August, September and October; and the shipments up to the last ten days of August would have been heavier than they were, had the wheat arrived from the West fast enough to fill all these contracts; but, during the last ten days of the month, heavier receipts and this reselling by exporters has thrown considerable spot wheat upon our market, which has not been placed, for the first time in over six months. Wheat is now going to store at both seaboard and interior points, in consequence, as the farmers have been free sellers, at the enormous advance in prices, which came without waiting for the Alliance to hold back their crops. The movement thus far has been mostly of winter wheat, so far as the new crop was concerned; but, at the end of August, the harvest of spring wheat was completed; and, the movement of that crop, added to that of winter wheat, is likely to continue heavy so long as prices remain near or above the present level. The returns from the threshers have exceeded all estimates of big yields, and not only winter, but spring wheat will turn out more to the acre, and more acres than known in the history of the trade. There are very few places that have reported less than ten to twelve bushels per acre, and a great many sections are yielding from twenty to twenty-five and even thirty bushels and more per acre. The indications now are for at least a 600,000,000 crop, which is 88,000,000 more than ever raised before in the United States. The influence of such a surplus as we will have for export this year, at such good prices, as Europe is willing to pay, can scarcely be over-estimated upon other branches of trade. That we will have a surplus for export of practically 200,000,000 bushels is not now doubted, which is nearly double the average of the past few years, while the prices, so far, on this crop, have been about twenty-five cents a bushel more than the average for this period, excepting on the short crop of last year.

THE EFFECTS OF THE BEAR PANIC IN GRAIN,

on this side of the water, were nearly as serious as to the rye dealers of Germany, who had contracted with that Government for future delivery, on the basis of the opening prices for the crop; for, Germany had been a free buyer here of all American rye offered, from 70 cents up to a dollar, while the West had sold it to the New York shippers at those prices, expecting that the farmers would be free sellers at the relatively higher prices for rye than for wheat. The light movement of rye, however, from the interior left these Chicago sellers short on their contracts, when the Russian Ukase was issued, and a wild rush followed to cover those contracts, which ran the price up ten cents a day for two or three days, until the action of the German Government relieved the strain. There was more excitement for a time among those interested in this market than in that for wheat, as the advance and losses were so much greater, though upon much smaller volume of sales. There had been over 1,000,000 bushels of rye contracted for delivery in this market during August and September, which in turn had been sold by the exporters to Germany, and they stood in the gap between the Chicago sellers and the German buyers, with a loss of twenty-five to forty-five cents at one time staring them in the face, should the sellers fail to deliver. The break, however, relieved the pressure, with but one or two failures in the trade, and the market reacted below $1.00 in New York, while wheat reacted below $1.10. But before this reaction came, most of the short sellers in the West, chiefly on the Chicago Board of Trade, which has been the Bear center, had been compelled to cover their contracts at an enormous loss, which eliminated the late strong Bear element from our markets, as the old Bears are now too crippled to stand heavy losses. Since the export demand for wheat has fallen off, however, Europe has continued to take our flour more freely than it has done on this crop, until within the past month; the result has been to clean up our markets of the shipping grades, as flour can be handled and stored on the other side where wheat cannot. Our corn and oat markets have been similarly affected by this shortage of the feed as well as food crops of Europe, and both have advanced sharply with wheat and rye, in the face of a large crop of oats, and good prospects of the largest corn crop ever raised, barring early frosts. Corn, which usually is relatively half the price of wheat, has been selling at seventy-five to eighty cents and over, while wheat was selling at $1.10 to $1.15. The effect of these relatively higher prices of corn has been to turn exporters' attention from corn to oats, whose relative value is about half that of corn, but which have been selling at less than half that value, or at thirty-five to thirty-six cents, until the exporters began taking oats in place of corn, since when oats have begun to recover the decline on the new crop; hence, there is not a cereal crop raised in this country that is not in active demand for export to Europe, even at the highest prices of nearly a decade, except on corners, and for oats. There has been a little speculation in hog products, in sympathy with the grain markets, on the expectation that Europe will buy more freely of these food supplies, because they are relatively very much cheaper than breadstuffs, provisions having failed, so far, to follow the corn market, because of the enormous stocks in this country and on the other side, which make the load too heavy for anybody to Bull on speculation, while the other side has, so far, refused to take advantage of these cheaper food supplies, since it stocked up so heavily last spring, in anticipation of an advance to correspond with that in corn. Still, the packers of the West hold the bulk of these stocks well in hand, in the belief that later on, when stocks are reduced in Europe, there will be an active export inquiry from there, and a larger consumption both in Europe and America, because of the high prices of breadstuffs. Hence, as stated above, the prices of the great staples of food and feed have been controlled by the price of wheat.

THE FINANCIAL SITUATION

has also been chiefly influenced, if not absolutely controlled, by the same conditions. Europe has been hoarding the gold it bought from us during the spring, in order to pay for these heavy imports of wheat, and that has been the controlling factor in the finances of Europe, since the Russian Government ceased to call in its deposits with the bankers of Western Europe. The great loss entailed upon Europe by these short crops has made business generally bad or unsatisfactory, on the other side, and this, after last year's panic, has kept speculation at the lowest point for years, both in England and on the Continent. This is shown in bold relief by the British trade returns for July. Bankers have had no money to carry speculators, and have discouraged speculation in everything but grain, which has been the favorite staple both on that side of the water and this, while stocks in London and Paris have been as dull and neglected as they have here, until toward the close of the month, while there has never been such general and wild speculation throughout Europe in the grain markets as there has been in the past six months. We say speculation, because a large part of the foreign buying of grain has been regarded here as for speculative account; yet this may prove to be untrue if the deficit of Europe is so great as later accounts indicate. Notwithstanding the enormous movement of the new crop of winter wheat, and of the reserves of the old crop of spring wheat, corn and oats, the money market here has not yet shown any material stringency, although the shipments of currency to the country, or the requirements from country banks to move these crops, have been larger than known in August for years. This, too, in face of the doubts of the Treasury being able to extend all its 4½ per cent. bonds, and the possibility of its having all it can attend to, to redeem those unextended. That the banks of this country have been able to stand such drafts upon their resources, without materially advancing the rates for money, and, at the time when the Treasury was asking them to help it, instead of it helping them, as during the past few years, when they were obliged to move the crops, shows that both interior and Eastern banks must be in a very strong position. Probably the heaviest movement of the wheat crop has about been reached, having been enormously in excess of all recent years, while its rapid movement into export channels is already bringing the money advanced upon it, by the banks, back into the country. Gold, however, has not been imported yet, to pay for it, and some bankers are of the opinion that the banks of Europe will not let it return so long as they are able to pay for the wheat in any other way. It is even claimed that London will receive the bulk of the estimated value of forty millions sterling for the Brazilian coffee crop, most of which comes to the United States, and that this will pay us for what wheat England will want of us, without sending us any gold at all.

The fact that London has been buying our railway stocks during the latter part of the month may be accounted for by this belief, as, previously, London had been a seller rather than a buyer of our securities, since the panic of last fall. This buying was mostly confined to the Granger roads, which will be most benefited by the carrying of our enormous wheat crop to the seaboard for export. Our banks, however, are still pursuing a very conservative policy, discouraging speculation in stocks and scrutinizing time paper very closely, while taking no more than obliged to from their customers engaged in legitimate business; for, later on, the oat and corn crop and live stock will have to be moved, as well as the spring wheat, the movement so far having been confined to the winter wheat crop and the balance of spring left over from last year. Nevertheless, the stock market has taken a new lease of life during the latter half of the month, due to buying on account of the assurance of the largest crops, of all kinds, the country has ever raised, excepting hay, in some sections, which has been shortened by the drought; and fruit, which was damaged in other sections, by the cold weather last spring. This demand, however, came more largely from the shorts who had so successfully raided the stock market during July and early August, led by Keene, who conducted one of the most successful Bear campaigns in years, in face of the best prospects of earnings, for the coming year, the railroads have had in recent years. This was possible, because of the inability of speculators to borrow money to Bull stocks, while the public had been so badly bitten in the past few years that it could not be coaxed into the market again, while the grain markets afforded a much better prospect of profit on the Bull side, on which the American public must operate if at all. That part of this demand has come from the longs as well, is indicated by the fact that railway bonds have also exhibited more life of late, whereas for the previous three months they have been deader than stocks, owing to the entire absence of investment demand. The Grangers were the first roads to recover from the depression, in which it had been greatest, and advance, followed by the Trunk lines and the stocks of other roads that had been heavily oversold, including some of the Pacific lines, notably Union, and the coal roads, whose business has not been very prosperous for the last three months, as both the coal and iron trades are still dull and depressed. The lack of cars at the West, to move wheat as fast as delivered, is already a drawback to the earnings of the grain roads, and may compel them to do what they should have done before, namely, order new rolling stock. This is likely to come soon, however, and with it a revival in that branch of the iron trade, which has thus far been looked for in vain.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Money in Circulation.—Early in the month a statement was prepared at the Treasury Department, showing the amounts of money in circulation on the first day of July in the years 1860, 1865, 1885, 1889 and 1891, and that the assertions so often made, that there has been since the war a great reduction of the amount of money in circulation, are without foundation. The amount of each kind of money in the country is first stated, and from that is deducted the amount in the Treasury, and the remainder is given as the amount in circulation. The amount in circulation in 1860 was about 435 millions, and the amount per capita was $13.85. In 1865 there were 723 millions in circulation, and the amount per capita was $20.82. Twenty years later the circulation was over 1,292 millions, and the per capita was $23.02; while on the first of January last the amount was nearly 1,329 millions, with $24.10 as the per capita allowance, the highest in the history of the United States. Owing to shipments of gold to foreign countries, there has been a decline since January 1, 1891, not only in the per capita amount, but in the total also. Yet the total circulation on the first of August, notwithstanding the outflow of gold, was about 1,500 millions, and the amount per capita was $23.37.

The Four and a Half Per Cent. Bonds.—According to Secretary Foster's friends, the banks of this city left him "in a hole" in his scheme to extend the 4½ per cent. bonds at 2 per cent.; while our leading bankers denied that they promised him their co-operation. As a matter of fact, it looked as if they were rather enjoying a quiet laugh in their sleeves at the good-intentioned Secretary's expense, while leaving him to extricate himself from his dilemma as best he could. By the time this issue is in press, the solution of the problem will have been made, no doubt. Yet a matter of so much interest and discussion in financial circles during the month will be of interest still after it is settled. We therefore add the views, as to the outcome of the experiment, of several of our leading bank presidents, as published from interviews in the *Evening Post*. That paper of August 20th said:

The bank presidents of New York City are inclined to let Secretary Foster work out his own salvation in the effort to extend $50,000,000 of United States bonds, bearing 4½ per cent. interest, at the rate of 2 per cent. A reporter of the *Evening Post* tried in vain to-day to find a banker who is willing to invest his own money, or that of his depositors, at 2 per cent. even with the Government. The Secretary of the Treasury thought it would be an easy task to induce investors to accept this reduction of 2½ per cent., and therefore on July 2, public notice was given that "any of the bonds of this 4½ per cent. loan may be presented at the Treasury in Washington, on or before September 2, 1891, for continuance during the pleasure of the Government, with interest at the rate of 2 per cent. per annum. Upon the receipt of bonds to be continued, the interest thereon to September 2, 1891, will be prepaid at the rate the bonds now bear."

The *Post's* dispatches from Washington had said that the Secretary of the Treasury imputed bad faith to the bankers of this city, because, on June 4, he met about thirty of them in the Sub-Treasury and received from them the following: *Resolved*, That this meeting, composed of representatives of banks and trust companies and bankers and brokers of New York, hereby express to the Secretary of the Treasury its unanimous opinion that, in view of the necessity for an increase of circulating notes for the movement of the abundant coming crops of every variety, it is to the interest of the country at large to extend the maturing 4½ per cent. bonds at the pleasure of the Government, and that a lower rate of interest would tend to contract the currency at a time inconvenient to all business interests. "This resolution," said President Tappen, of the Gallatin Bank, "is entirely non-committal. The purchase and sale of bonds is not a sentimental transaction. The reputation of this administration for economy and cleverness is of less importance to me than the income from my investments. Each holder of these bonds has the option, of course, of receiving back his investments, or of selling them to others who will extend them at 2 per cent." President Baker, of the First National Bank, said that no living person could anticipate the success or failure of this extension scheme before September 2. His bank would not extend any of its 4½ per cents, unless he saw profit in so doing. President Perkins, of the Importers and Traders' Bank, attended the meeting of June 4, and said that he made no promises on that occasion, nor had the Secretary any reason to act as he did on the hope of support from the gentlemen who passed the resolution given above. "The Government," said Mr. Perkins, "kept us waiting nearly six weeks before it made up its mind what to do, and then it was too late. We had to get our supply of currency from other sources. Secretary Foster might have determined upon his policy then and there, but he did not do so." J. Edward Simmons, of the Fourth National Bank, regarded the plans of the Secretary as more amusing than sensible. The spectacle of the banking fraternity of New York in the eager pursuit of 2 per cent. bonds would be worth seeing, he thought. Mr. Simmons said that the Secretary deceived himself, and was not deceived by any one else, in expecting such a spectacle.

Farm Mortgages.—Data for the discussion of the vexed farm mortgage question have been published by the Census Office; and, though incomplete, they afford a much needed basis of facts and figures. There were returned by the enumerators 2,491,930 farms and homes occupied by owners, which are incumbered by mortgages. This number includes some farms and homes about which the enumerators made no report, and which belong partly to the class of hired and partly to the class of owned free, as well as partly to the class of owned and incumbered. Until this unknown quantity, due to the failure of the enumerators, is eliminated, it is estimated as approximately true that two and a quarter million families of the twelve and one-half million families of the United States occupy and own incumbered farms and homes, and that ten and a quarter million families occupy farms and homes that are either hired or owned free. The proportions of hired and owned free homes and farms will not be known until the population division completes the count of the returns pertaining to them. The preliminary results indicate that the average debt for a farm in Iowa is $1,233; home, $719; average for farm and home, $1,140. If these averages hold good for the country, the incumbrance on the farms and homes of the United States occupied by owners is about $2,565,000,000. The first volume relating to recorded indebtedness will probably go to press this year. Incomplete returns from several Western States indicate that farms and homes are mortgaged for about one-third the value put upon them by the owners.

The Wealth of the United States.—The bulletin just issued by the Census Bureau on the assessed valuation of property in the United States is one of the most interesting which has been issued. The following table shows the assessed valuation of the property of the country for the past four decades and the estimated true valuation for 1860, 1870 and 1880:

Years.	*Assessed Valuation.*	*Estimated True Valuation.*
1860	$12,084,560,005	$16,159,616,068
1870	14,178,986,732	30,068,518,507
1880	16,902,993,543	43,642,000,000
1890	24,249,589,804	......

From these returns it will be seen that the assessed value of all property has increased from $16,902,993,543 in 1880 to $24,249,589,804 in 1890, an increase during the decade of $7,346,-596,261, an amount equivalent to the true value of all property as returned by the United States Census in 1850 ($7,135,780,228).

Should it be found upon the completion of the inquiry in relation to the true value of all property in the United States, that the same relation exists in 1890 between assessed valuation and true valuation as existed in 1880, the absolute wealth of the United States, according to the Eleventh Census, may be estimated at $62,610,000,000, or nearly $1,000 *per capita*, as against $514 *per capita* in 1860, $780 *per capita* in 1870, and $870 *per capita* in 1880. It is a striking fact that the Eastern States, with barely a third of the population of the country, possess more than half of the assessed valuation. New England, with less than a twelfth of the population, shows an assessed valuation of $3,558,215,480, or more than one-seventh of the wealth, while New York, Pennsylvania and New Jersey, with about a fifth of the population of the country, possess but little less than a third of its wealth. These two groups of States, with Ohio added, have almost exactly one-third of the population, with an assessed valuation of $12,392,830,094, or more than half that of the whole country. While the average for the entire country is $387.62, Massachusetts stands easily at the head of all the States, with a valuation *per capita* of $962.12. The little manufacturing commonwealth of Rhode Island stands next, with a *per capita* valuation of $931.28. New York, in spite of the great wealth concentrated in the metropolis, shows an average valuation for the State of only $629.45. All these figures are in striking contrast with the poverty of the States of the far South. South Carolina stands at the foot of the list, with an average valuation of $114.83, Mississippi comes next, at $122.15. Alabama next, at $130.26, and North Carolina next, at $131.46. The wealthiest of the States which took part in the rebellion is Texas, with a *per capita* valuation of $311.27, but such border States as Missouri and Maryland show valuations of $293.50 and $462.58. The poorest of the Western States are Nebraska, with an average valuation of $174.49 and a loss of more than $25 since 1880, and Illinois, with an average valuation of $190.11 and a loss of more than $65 since 1880. In Illinois, however, the State Board of Equalization declares that in 1880 the assessed value was 50 per cent., and 1890 only 25 per cent. of the true value.

How the Treasury is Prepared to Redeem the Unextended 4½ *Per Cent. Bonds.*—A Washington dispatch of August 23 said:

The present available surplus, exclusive of deposits in National banks and subsidiary and minor coin, is over $20,000,000. This amount is being increased by the coinage of the trade dollar bullion and the subsidiary silver, and Secretary Foster believes that he can still further reduce the $16,500,000 held by the National banks. A reduction of some $3,000,000 will take place in any event by September 15 through the operation of the call issued in the middle of July, but Secretary Foster thinks that a further reduction to about $10,000,000 can safely be made. He has been going over the list of depository banks, and finds a number where the public deposits are of no use to the Government, either directly or indirectly. The calling in of these deposits is not likely to be necessary, however, for the purpose of meeting the 4½ per cent. bonds. The amount of bonds already in sight for continuance is nearly $25,000,000, and it is quite generally believed that there will be a good many more presented for continuance before the time expires. (This has been extended beyond the 2d of September by the Secretary.) There seems at present to be no indication of such a clamor for money as was witnessed last year, when Secretary Windom poured out in seventy-five days $76,660,000. This fact of itself furnishes an excuse, if not a justification, of the unwillingness of the banks to increase their circulation by purchasing the bonds at a premium. They would probably be able to make less profitable use of the increased circulation they would thus be able to take out than if there was a great demand for money. Some of the Treasury officials say, however, that the promise of New York bankers was absolute to buy a large amount of the 4½ per cent. bonds and deposit them here at the new rate of two per cent. as a basis for increased circulation. They are inclined, in spite of the comparative ease of the money market, to accuse some of the bankers with a breach of faith. The essential reason why Secretary Foster is anxious to have as many of the bonds continued as possible, is not the absolute lack of funds to redeem them, but the fear that the redemption will reduce his gold supply. He has been exerting himself for several reasons to increase the margin of free gold in the Treasury, and he has been very successful in doing so during the past month. The amount of free gold, over and above the $100,000,000 gold reserve, had reached on Saturday $28,308,813. The Secretary is endeavoring to increase this margin by exchanging small notes for use in moving the crops for gold certificates which are turned into the Sub-Treasury at New York. It will be with extreme reluctance that he sees his efforts set at naught by heavy disbursements of gold to redeem the outstanding bonds. He desires to make the accumulation of gold so large that there can be no question at any time of the ability of the Government to maintain the new legal tender notes issued under the silver bill of last summer, as well as the old legal tenders, at a parity with gold.

On the 24th the following notice was issued by the Treasury:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
WASHINGTON, D. C., August 24.

Public notice is hereby given that the United States Assistant Treasurer at New York has been authorized to pay on presentation at his office, on and after September 2, 1891, with interest to maturity, the coupon bonds of the 4½ per cent. loan called for redemption on that date by the circular of June 2, 1891.

CHARLES FOSTER, Secretary.

In relation to a misapprehension of this circular, the Secretary said that the department proposed to redeem on presentation after September 2 all outstanding 4½ per cent. bonds not continued at 2 per cent., and that there was no ground whatever for the impression prevailing in some quarters that interest would continue to be paid after September 2 on the non-extended bonds.

Condition of Cotton and Woolen Manufactures.—The Boston *Commercial Bulletin* of August 26 says the cotton mills seem to be finding a profitable market for their goods and are fairly well supplied with orders for staple goods. No new mills are reported this week, though considerable building is in progress in the industry. Printed cloths are very low, and some of the big mills at Fall River should shut down, but their managers do not think so. They argue that cotton is very cheap, and that by curtailing expenses they can make both ends meet. The woolen goods situation remains unchanged as far as the mills are concerned. They are generally well employed on light weight goods and no shut-downs, though an occasional small mill is curtailing production. Three new woolen mills are reported as to be built and several small knitting companies have sprung up since our last issue. The hosiery business is a little quiet at present, and some factories in New York State and in Philadelphia are running on short time. The shoe factories continue to run in about the same manner as they have been doing all summer. The work is unevenly distributed. Better days seem to be in store for the shoe manufacturers, however. They will make their collections next month, and as the crops in the West have been large and money is easier, it is expected that these will be quicker than heretofore. Then again the general demand for boots and shoes is improving and work will soon be commenced on spring goods. The long list of new paper and pulp mills in our manufacturing columns this week attests the prosperity of that industry. No less than twelve such enterprises are reported, to say nothing of additions to established plants and the starting up of heretofore idle mills.

Commerce and Immigration.—The returns of imports and exports of merchandise for July last show total exports of $62,654,129, as against exports in July, 1890, of $54,444,832, and imports of $66,339,657, as against imports in July, 1890, of $77,559,304. The exports for the first seven months of the calendar year have been $482,038,580, and the imports $498,984,113, against corresponding figures in 1890 of $446,851,021 and $488,686,986. The excess of gold exports in July was $5,633,526, and the excess for seven months $72,787,666, against an excess for the first seven months of 1890 of $13,522,012. The excess of silver imports in July was $244,408, and the excess of exports for seven months $3,084,963. The immigration into the United States during July was 46,091, against 37,697 in July, 1890. The figures for seven months ending July 31 were 371,398 for 1891, against 298,534 for 1890.

The Recent Decision of the Interstate Commerce Commission.—The complainants in the import rate case recently decided by the Interstate Commerce Commission have decided to carry the matter to the United States Courts with a view of compelling compliance with the commands of the Commission. The railroads continue to give the lower rates, as heretofore, to the interior, and maintain their right to do so in spite of the decision. It is proposed to present the test case against the Southern Pacific Railroad Company, inasmuch as that road has intimated a desire to have the doubt about the question removed by a judicial decision, and to that end will facilitate a fair presentation of the case. The facts in the case follow: Certain railroads had been giving rates on goods imported on through bills of lading from foreign points to points in the interior of this country, lower, frequently very much lower, than importers in New York City could get for the same goods over the same lines between New York and the said interior points. Thus by this system of discrimination against New York City in the interstate traffic the importing business was, it was claimed, being rapidly and surely transferred to interior importing houses, to the loss and injury of New York houses. Having knowledge of these facts, the New York Board of Trade and Transportation brought the case already referred to before the Interstate Commerce Commission, and secured a decision in which the Commission adopted the views presented by the Board's counsel, and commanded the railroads so doing to desist from giving rates which discriminated against the seaboard, and also forbade the giving of such rates by other roads. While all classes of imports have not as yet felt the effect of this practice, the Board claims that if the railroads can continue to successfully defy the commands of the Interstate Commerce Commission, it will not be long before all imports are affected, and the importers suffer loss accordingly. The case appeals, it is further claimed, to all importers at New York in a peculiarly forcible manner for their support and co-operation, because the railroads at New York, having a large and more profitable traffic, do not compete for this through business, while the roads from other ports seek after it. The counsel of the Board, Mr. John D. Kernan, presented to the Commission the definite cases of discrimination in rates on shipments from Dumferline, Scotland, to Chicago, Illinois, and from Liverpool, England, to Chicago, Illinois.

The Cotton Crop.—Cotton has gone so low that speculators are afraid to sell it, while the receipts of old crop are still too large, and prospects of new too good to buy. Indications are now as good as a year ago, when we had a "double," or phenomenal crop, there being a "top" crop all over the South; 8,750,000 bales is now the general figure for last crop, and some estimate it at 9,000,000 bales, as there is believed to be an unusually large reserve left this year—from 200,000 to 250,000 bales.

The Silver Coinage Problem.—The Washington correspondent of the New York *Commercial Bulletin* sent the following dispatch to his paper on the 23d of August, which is of importance, as it is supposed to reflect the views of the Treasury Department, and of the head of the administration, who appears to be practically controlling the policy of the Secretary, in the solution of the silver question, as in the bond extension matter:

WASHINGTON, August 23.—The policy of coining the product of American silver mines is under serious consideration in administration circles as a settlement of the silver question for the next few years. If this policy is decided upon, the President will probably outline a plan in his annual message which will meet his approval. He may suggest his preference for waiting longer, in order to convince European nations that the United States will not enter upon free coinage without their joint action, but he will have an alternative in case Congress insists upon doing something. The President's plan will aim to do two things at once—to satisfy the free coinage advocates and to maintain the currency at a parity with gold. He hopes to satisfy the free coinage people by opening the mints to the unrestricted coinage of American silver. Foreign silver would be shut out by a system of mint regulations similar to that suggested by Secretary Windom in the spring of 1890. The President hopes to maintain the new silver coin and the certificates issued against it at a parity with gold by making them convertible into gold. The way to do this, according to the plan of the President and Secretary Foster, is to accumulate a big reserve of gold in the Treasury and hold it in readiness for all demands. The present gold reserve of $100,000,000 would probably be made available for general redemption purposes and an effort made to add $60,000,000 to $80,000,000 to it. It is hoped that by this means no discrimination would be made in financial circles against silver dollar and silver certificates, and that we should remain substantially upon a gold basis, while the circulating medium rested nominally upon silver. If gold enough could not be obtained to meet the views of the administration by the ordinary processes of financiering, the Treasury Department might sell bonds to obtain gold. This would only be done in case of grave necessity, but would be held in reserve as an available resource. If the administration is in earnest in favoring this policy it is quite likely to succeed in compelling its adoption. The two houses will probably pass a bill providing for the absolute free coinage of silver. The President will veto such a measure, and his veto will be sustained in the Senate, if not in the House. It will then remain for the free silver men to make the best terms they can with the administration. They will probably be abundantly satisfied to obtain such a substantial concession as the coinage of the $60,000,000 or more which is taken out of American mines every year.

Option Trading in Farm Products.—The following very pertinent remarks were made by the great Minneapolis miller and wheat speculator in regard to the effect of option trading on the prices of our farm products. Mr. C. A. Pillsbury was interviewed recently in regard to a dispatch in which Congressman Baker quotes Mr. Pillsbury as saying that under normal conditions the farmers should receive $1.50 per bushel for their wheat this year. Mr. Pillsbury said that if it was not for short selling—gambling in wheat—it would be worth $1.25 to-day. "I don't wish to be understood as saying," he added, "that wheat would be worth $1.25 as long as parties can sell untold millions of short wheat. Before short selling became so prevalent as it is now, the present status would have put wheat as high as $1.25, and if Congress this winter can put a stop to short selling, we probably will see as high a price as that on this crop. By short selling I do not mean future sales by parties who have the wheat and sell for future delivery as an insurance, but I refer to sales of a purely gambling nature made by parties who don't own or expect to own a bushel of actual wheat." If anybody knows the effect of this gambling on the prices of wheat and flour, Mr. Pillsbury ought to be the man.

Comparative Statement of Bullion.—On the 20th of August the Bank of England's bullion balance, by its regular report, showed a decrease for the week of £327,000. The surplus reserve decreased £85,000. The proportion of reserve to liability was 45.22 per cent, against 44.23 the previous week, and 43.70 a year ago. The bank's holdings then compared as follows with those of a year ago:

1891.	1890.
£26,781,058	£22,653,225

The weekly statement of the Bank of France, at the same date, showed an increase of 100,000 francs in gold and of 1,675,000 francs in silver since the previous report. The bank's holdings on that date compared as follows with those of a year ago:

	1891.	1890.
Gold	£55,001,000	£52,668,000
Silver	£50,840,000	£50,757,000
	£105,841,000	£103,425,000

On August 25th, the statement of the Imperial Bank of Germany showed an increase in specie of 17,360,000 marks since its previous report on August 18. The bank's holdings in sterling, compared with those of August 21, 1890, were £47,449,000, against £41,268,000, of which about two-thirds are gold and one-third silver.

On August 20th, the United States Treasury statement showed the following balances in excess of outstanding certificates:

	August 20.
Gold	$127,270,686
Silver	14,503,278
U. S. Notes	*465,531
Treasury Notes	13,063,848
Total	$154,372,281

* Deficit.

Government deposits with National banks, $16,770,518, an increase of $963,973 on same day.

The Manufacturing Industries of Massachusetts.—The Massachusetts Bureau of Statistics of Labor has just issued its annual report upon the manufacturing industries of the State. This report is not as minute in its returns as the regular censuses, but Mr. Horace G. Wadlin, the Chief of the Bureau, says the returns "fully portray the condition of the industries of the commonwealth, and accurately show the trend of business from year to year." The main features of our manufacturing for the past year were these: The capital invested in production was 5.62 per cent. more in 1890 than in 1889. The gain in goods made was 4.37 per cent., and in value of stock used was 7.19 per cent. The average number of persons employed in all the establishments represented rose from 263,083 in 1889 to 270,195 in 1890, or a gain of 2.7 per cent. The number employed at the time of employment of the greatest number was 293,321 in 1889 and 300,227 in 1890, or a gain of 2.35 per cent. At the time of employment of the smallest number in 1889 there were 224,887, and in 1890, 234,324, or a gain of 4.2 per cent. "Unemployment," as the Bureau uses the term, was 3.7 per cent. less in 1890 than in 1889, the number being 68,434 for 1889, against 65,903 in 1890. The average yearly earnings per individual employed were $426.82 in 1889. and $433.56 in 1890, an increase of 1.58 per cent. The range from highest to lowest average yearly earnings was from $691.36 to $259.22 in 1889, and from $698.74 to $274.67 in 1890. The higher earnings ruled in the industries demanding greater skill and employing males chiefly, and the lower in factory industries employing a large proportion of females and young persons. The average proportion of business done, compared with the full capacity, reached 73.81 per cent. in 1889, and 72.65 per cent. in 1890. The estimated total value of goods made and work done in manufacturing and mechanical industries in 1890 is $871,061,163, against $674,634,269 in 1885, an increase of $196,426,894, or 29.12 per cent. The capital invested up to 1890, its increase over 1889, and the percentage of increase were as follows:

Boots and shoes	$27,031,212	$1,284,389	4.99
Carpetings	7,674,854	414,713	5.71
Cotton goods	115,474,265	8,071,103	7.51
Leather	9,302,452	817,113	9.63
Machines and machinery	22,825,669	3,007,285	15.17
Metals and metallic goods	25,193,285	1,685,871	7.17
Musical instruments and materials.	3,441,300	*15,918	*0.46
Paper and paper goods	18,364,678	263,919	1.46
Woolen goods	25,202,916	745,815	3.05
Worsted goods	9,082,136	*84,634	*0.92
Other industries	127,607,502	4,621,199	3.76
All industries	$391,200,269	$20,810,855	5.62

*Decrease.

The Union Pacific's Debt.—The Union Pacific's enormous floating debt, which has been a millstone about the stock market, as Atchison's was a year ago, has been lifted or extended during the month by a syndicate. Particulars concerning the plan adopted are in some doubt, but the agreement is said to contain the following provisions: The syndicate is to place in trust securities valued, even at the current low market prices, at $37,000,000. Against these, $24,000,000 worth of bonds bearing 6 per cent. will be issued. A portion of this issue only will be used to take up the floating debt of the road, which is now, after a close calculation, estimated at $19,000,000. A balance will probably be retained to be used to provide necessary funds in case any contingency should arise. The bonds will be issued to the syndicate of guarantors at 92½ per cent., and J. Pierpont Morgan is expected to become the custodian, in the transaction, of $38,000,000 worth of high-class securities.

Canadian Wheat.—A dispatch from Toronto, August 20, said: "Canada will export more wheat this year than ever before. The yield in Ontario will be 30,500,000 bushels, or nearly 10,000,000 bushels more than last year. Manitoba and the Northwest will yield, it is estimated, 30,000,000, and the other provinces 2,500,000 bushels, or, in all, 63,000,000 bushels. Deductions for seed and consumption, 30,000,000 bushels, will leave 33,000,000 for exportation. Of this amount, Manitoba expects to export 25,000,000 of hard wheat, the finest Canada produces. Last year the total export of wheat from Canada was a little over 15,000,000 bushels. The wheat crop here was nearly 1,000,000 bushels short of requirements for seed and bread in the Dominion, and this shortage was supplied by large importations of United States flour. The average yield of fall wheat per acre this year will be 24.4 bushels, or five bushels above the average in years past. In Western Ontario some fields produced as high as fifty-five bushels an acre, and sixty-three, sixty-four, and sixty-five pounds to the bushel."

Effect of Short Crops in Russia.—Stepniak draws a terrible picture of impending famine in Russia in the August number of *Free Russia.* He declares that it will be the most terrible on record, more so even than that of 1840. "The crops have been destroyed," he says, "or almost destroyed, in twenty-six provinces of European Russia. In six provinces more than one-half of the districts are afflicted with the same calamity. In thirteen provinces the harvest promises to be middling—sufficient for the needs of the population, leaving no surplus. Only in the Northern Caucasus, in the few northern provinces, and in three districts of the southeast, the harvest is expected to be above the average." Signs of acute famine, he adds, are already visible, and he speaks of "thousands of peasants starving upon grass boiled in water," of people dying of hunger in the streets, and of parents advertising their children for sale, in order not to see them die before their eyes. It is quite possible that he may have been misinformed, and probable that he may exaggerate, with the view of stirring public sympathy. But the same reports come also from other apparently equally reliable sources.

The Foreign Commerce of Mexico.—The official statement of shipping in Mexican ports, lately received by the Bureau of American Republics, covers the fiscal year ended June 30, 1889, and shows that 8,702 vessels, with a capacity of 1,941,206 tons, entered the ports of that republic during the year. These vessels were distributed among different nations as follows:

	No.	*Tonnage.*
Mexico	6,475	849,837
United States	643	511,788
Great Britain	253	197,884
Spain	98	144,358
Germany	54	53,242
France	49	65,650
Colombia	79	102,376

The shipping was divided among the principal ports thus:

	No.	*Tonnage.*
Vera Cruz	600	424,768
Progreso	720	352,305
Acapulco	112	144,892
Mazatlan	398	135,228
Frontera	338	66,219
Tampico	102	81,562

The number of steamships was 160 less than the number entered the preceding year, and the tonnage showed a diminution of 205,834, which is explained by the fact that shipping is affected by the steady increase of imports by rail from the United States.

Proposed Reforms of Internal Taxation in Mexico.—Mr. Luis Montez has submitted to the Congress of Economists in Mexico a proposition for the abolition of alcabalas, or taxes on internal trade, and the adjustment of State taxes. He proposes to amend the Federal Constitution by adopting the following provisions:

I. After July 1, 1892, all interior custom houses and all interior customs taxes shall be abolshed.

II. Neither the States or the federation shall impose any duty which directly or indirectly taxes the circulation of National or foreign merchandise, whether in transit or otherwise, through the interior of the republic. Transit duties shall be decreed only by the Federal powers, and shall be only on foreign effects which traverse the country by land or water.

III. Neither the States or the federation shall prohibit directly or indirectly the importation or exportation of any merchandise excepting for reasons of police, or tax any merchandise on its arrival at or departure from any place whatever.

IV. Neither National or foreign merchandise, legally imported, shall be subjected to conveyance by any determined route, or to inspection or examination during transport, and no fiscal document shall be required for the circulation thereof.

V. Taxation shall be based solely on the class or quality of the merchandise, and imposts establishing distinctions on account of the origin of merchandise are prohibited.

VI. The federation shall not make additions to State taxation, and the States are forbidden to impose taxes which shall be a charge upon the Federal taxes. They may, however, decree a revenue stamp tax, additional to the Federal stamp law, not exceeding one-fifth per cent. of the Federal stamp tax, payable on merchandise acts or contracts.

These changes, if adopted by the Government, which is the design of their discussion, will greatly facilitate the rapidly growing commerce between that country and the United States.

European Crops.—The serious shortage in the cereal crops of Europe make the following figures unusually important this year. The aggregate production of rye in European countries is nearly equal to that of wheat—it being more than double that of wheat in Russia and Germany. Rye is largely used for feeding animals, especially horses, in some continental countries, as well as for food; and a deficiency in this grain has more significance in the markets for breadstuffs than a shortage in wheat in those countries, particularly when the production of barley, oats, and maize is not good. It is very extensively consumed for food purposes, in Russia and Germany especially. The following, compiled by the Cincinnati *Price-Current*, indicates closely the average yearly production of wheat and rye (in bushels) in European countries generally recognized in cereal statistics:

	Wheat.	*Rye.*
Russia	225,000,000	625,000,000
Germany	95,000,000	225,000,000
France	300,000,000	70,000,000
Hungary	125,000,000	40,000,000
Austria	40,000,000	75,000,000
Roumania	45,000,000	35,000,000
Belgium	20,000,000	15,000,000
Holland	6,000,000	10,000,000
Denmark	5,000,000	15,000,000
Sweden and Norway	4,000,000	20,000,000
Italy	135,000,000	15,000,000
Spain	110,000,000	20,000,000
Other Countries	140,000,000	10,000,000
Total bushels	1,250,000,000	1,175,000,000

In Poland, not included in the above, the annual average production of wheat is about 15,000,000 bushels, and rye 40,000,000.

European Indebtedness.—A statement recently published, which is admitted to be approximately correct, gives the indebtedness of the different nations *per capita*, which makes a very favorable showing for the United States, whose indebtedness is approximately $22 for each person. The debt of Italy is about $147 for each inhabitant, the debt of France not far from $190 for each inhabitant, the debt of Germany not far from $47 for each inhabitant, the debt of Austria, if the published statement is correct, more than $100 for each inhabitant, the debt of Great Britain more than $77 for each inhabitant, while Canada owes $57, Australia $197 for each person, and the Argentine Republic about $154 for each inhabitant.

The Financial Condition of Europe.—In a former issue attention was called to the "Bad Financial Condition of Europe." Above we give the statistical proof of the statements then made. It was said some years ago by a British statistician that the yearly addition to the wealth of the United States was about as great as that of Great Britain, Germany and France combined. The population of Great Britain, Germany and France numbers about 120 millions, and their aggregate indebtedness is not far from 11,500 millions. If the people of the United States owe about $22 for each inhabitant, but add to the National wealth every year $1,000,000,000, or $15 for each inhabitant, while the other three countries owe nearly $100 for each inhabitant, and yet add to their National wealth a sum not greater than the annual accumulation in the United States, or about $8.30 for each inhabitant, the contrast as to resources for debt payment is suggestive. When one turns to less populous countries, such as the Argentine Republic, Australia and Canada, which have a population of about 4,000,000 or 5,000,000, each, and yet have debts amounting to several hundred millions, it is hard to conceive how competent and professionally honest financiers can have brought their nations into such difficulties, and how people could have been induced to throw away their money in such "investments." Thus the Argentine Republic, with but 4,000,000 inhabitants, of whom a comparatively small proportion are thrifty and industrious and largely productive in the modern sense, appears to owe 620 million dollars, or nearly seven times as much for each inhabitant as the United States. It does not seem at all strange that the collapse of Argentine credit is complete, and involves in great losses those European investors and financiers who have taken a prominent part in supplying the means so extravagantly expended by the Argentine Government. The debt of Australia is variously reported, but scarcely any account makes it less than $170 for each inhabitant, which is truly an enormous burden for a sparsely settled country, with its industries yet imperfectly developed. The indebtedness of Canada is not far from $57 for every inhabitant, and it is to be remembered that the population includes a large number of people who are not adding rapidly to the National wealth. The Argentine collapse would, therefore, appear to be but the beginning of the financial retribution that seems likely to overtake more of these greedy financiers and their credulous dupes. Could the indebtedness of Russia be learned it would doubtless make the worst showing of any great power.

Argentine Finances.—Argentine finances will be relieved somewhat by her good crops and European demand at high prices this year, as shown by shipments of gold from London to Buenos Ayres the past month. Yet this relief will not be sufficient to save further complications, according to a recent letter published upon the subject, which says:

"The National finances are, no doubt, in a very critical condition, and it is possible that the Government may be obliged to propose, and the creditors to accept, a compromise. Minister Lopez, however, feels confident that the country will recuperate so fast that the National Treasury, in spite of all its entanglements, will succeed in meeting its obligations in a manner satisfactory to all. He estimates the total revenue for 1891-92 at $29,070,000 gold and $16,720,000 currency. Total expenditure, including interest on the public debt, $9,566,994 gold and $35,994,838 currency. Besides there will be an expenditure of $2,400,000 gold on port works and $15,000,000 currency for the amortization or retirement of an equal amount of the paper money now in circulation. According to this account, there will be a surplus of $17,103,006 gold and a deficit of $34,174,838 currency. If the premium on gold should fall, as Minister Lopez thinks it will, to an average of 250 per cent. during the year, the final surplus will be $3,393,654 gold. The revenue from duties on imports is put down at $22,750,000 gold, dutiable merchandise being estimated to reach the figure of $65,000,000, upon which the average duty is about 35 per cent. During the first quarter of the present year total imports amounted to $19,184,398, of which $11,623,834 subject to duty and $7,560,000 free; while in the first quarter of 1890 the total of dutiable imports was $30,548,302—or nearly three times as much. During 1890, imports subject to duties amounted to $96,613,925 and imports duty free to $45,438,309. In 1889 the former was $129,258,900 and the latter $35,241,848. Minister Lopez, therefore, thinks he is justified in estimating the total imports for 1891-92 at $100;000,000, of which $65,000,000 subject to duties and $35,000,000 free. The proportion of that free merchandise was 80 per cent. in 1889 and 75 per cent. in 1890. In 1891-92, therefore, the country will be called upon to pay only about $74,000,000 of the total imports, and exports will certainly reach $100,000,000 gold, since last year they amounted to over that amount, and both cattle-raising and agriculture have greatly increased and are very flourishing.

Profits of English Syndicate Breweries.—Some idea of the money to be made in the brewing business in England may be obtained from the figures quoted at the general meeting of the Guinness Company held in London recently. The net profits for the year were reported at £749,518, and the total dividends for the twelve months amounted to 15 per cent. The amount of excise duty paid to the Government in that time was £524,138. The statement of profits, it may be added, does not include a trifle of £100,000 added to the reserve fund, which will be used, by and by, in great additions to the present brewing facilities. It was pointed out by the chairman that the dividend had been earned in spite of a considerable and unlooked-for increase in the cost of labor, coal and hops.

Financial Crisis in Portugal.—The London *Times* publishes a dispatch dated Lisbon, Aug, 14, which the Portuguese authorities refused to transmit. The dispatch asserts that the money crisis is becoming acute, that gold and silver have disappeared from circulation, and that copper is very rare. The money-changers are accumulating coin and small notes, and are reselling the latter at a premium of 25 per cent. Trade is stagnant and household shopping is almost impossible. Foreign produce is fast diminishing, and the customs receipts are reduced proportionately. The only hopeful sign is the promise of a good vintage.

Saving Gold to Buy Wheat.—A cable from Paris says the Bank of France is trying to keep gold to meet purchases of American wheat. The Governor, in an interview, estimated the amount required for the payment of wheat at £20,000,000, He urges that such a scarcity of gold has frequently happened and may endure, but the public has no cause for alarm. The bank has seldom been so flourishing. Another bank officer, when questioned in regard to the report on the gold premium, replied that money changers, learning that the bank was holding gold, collected all they could by offering a small premium, in the hope of reaping a profit when the wheat arrives.

Effect of the Prohibition of Exports of Russian Rye after August 27.—A cable from Berlin, August 22, said the exportation of rye from Russia to Germany goes on with feverish haste. All frontier stations are congested with wagons, Between 300 and 400 arrived at Wirballen yesterday, and are waiting to transfer their contents to German wagons. It is estimated that 1,000 wagon will pass Eydtkuhnen alone before the 27th. The total quantity from Poland is estimated at 30,000 tons. The army magazines are buying wheat and serving out half rye and half wheat rations.

Natural Gas Failing.—Further disclosures are made as to the diminution of the supply of natural gas in the Indiana field. The present supply for the city of Indianapolis is obtained from a new set of wells, and it is necessary continually to open new ones. Experience has proved, according to the published figures, that the average life of a well, when drawn upon continually, is about three years. In the beginning the supply was obtained at a point in the field twenty miles distant from Indianapolis. Now it is necessary to bring the gas a distance of nearly forty miles, and the wells are now within a few miles of the heart of the field. These facts are disclosed to enforce economy in the use of the fuel and to secure the introduction of the meter system, instead of permitting consumers to burn all the gas they want for a fixed yearly charge. There is great waste in the manufactories.

THE TAXATION OF PERSONAL PROPERTY.

The report of a special commission on taxation, appointed by the Hon. Thomas N. Hart, when Mayor of Boston, has been published. The principal feature of the report relates to the taxation of personal property. The interest in the subject is not confined to the taxpayers of that city, but is general; we are, therefore, justified in presenting the more important points presented by the commission to our readers.

A resident in a city like Boston, New York or Philadelphia owning bonds and stocks to the amount of several millions in railroad corporations located in various parts of the country, ought, so the ordinary citizen thinks, to be taxed on a large sum; and to tax him only on his house and furniture and whatever real estate he may have in the city where he lives is an unfair distribution of the burden of taxation. It is in obedience to this sentiment, or opinion, that attempts are made to tax the evidences of property, though the property itself may be located entirely beyond the jurisdiction of the taxing power. If the persons who thus regard the matter would only look from another side this seeming injustice would immediately disappear. This rich man, who is the owner of many millions of stocks and bonds, and which, if not taxed on them, pays perhaps hardly anything in the city where he resides, is taxed for the full value of the property represented by them in the State where it is located. Since this is the case, is it not as gross an injustice to tax these evidences of his property as it would be to tax the deed of the house in which he resides? Is it not clear that such a scheme of taxation is one of the worst forms of double taxation?

The commissioners adhere to the plan of taxing real estate, and one of the reasons given is, that the burden of tax is diffused or thrown on other persons, and so is not borne wholly by the owner of the property.

The burden of the tax upon personal property is an unreasonable one. The burden of a tax of $15 per thousand on land is easier to bear than a tax of the same rate on evidences of personal property. Land cannot be borrowed by one nation of another nation, or even by one town of another. The value of land, and the rent or profit, is local. It has no universal price. The value of land here is not diminished by the supply of land in London and Amsterdam. The value of money and the interest or profit is universal. Money can be borrowed. Broadly speaking, all the money in the world forms one mass, which is constanly readjusting itself to a common level. The supply in London and Amsterdam affects the value of money here, so that the returns upon invested capital are about the same here as abroad. The return on a safe bond now has become 3½ per cent. to 4½ per cent., instead of 6 per cent. to 7 3/10 per cent., as it was a few years since.

A tax of $15 on an income of $45 is an unreasonable burden. It is an exaction which no man will willingly suffer. Suppose every laboring man were forced to work without pay in the public service one hundred days in each year (one-third of his time). Suppose one-third of his income was so required, would he be patient? The tax on personal property is harder to bear than a tax on land, because the burden of the tax is not so readily distributed.

The holder of a four per cent. bond of the C., B. & Q. R. R., *if he is taxed*, pays the tax out of his own pocket, because his being taxed is an accident. It is not a payment under the universal law of trade, but a piece of ill-luck, like having his pocket picked of the same sum. The risk of such accident is greater in Massachusetts than anywhere else, because our system is more ingenious, and greater vigilance is exercised. The risk in New York and in Chicago is much less. In Philadelphia there is no risk at all. In foreign countries taxes of this character vary from five to twelve per cent. upon income. If all civilized nations were able to and did tax the lender on every railroad bond in the world $15 a thousand, there is no doubt that the C., B. & Q. R. R. would have to pay about one and one-half per cent. above the present average interest rates. While London and Berlin, New York and Philadelphia, stand ready to lend the C., B. & Q. R. R. at four per cent., that railroad will not pay five and one-half per cent. to a citizen of Massachusetts, who wants the extra one and one-half per cent. because he may be taxed.

The taxation of real estate on the other hand is not accidental. It is not a matter of accident which of two stores on Washington street will be exempt. It is not *certain*, as in the case of personal property, that at least half of them will be exempt, and at the same time *uncertain* which half it will be.

On the contrary, the tax is a known element in every transaction between the borrower (or tenant) of the real estate and the lender (or owner). The amount is known and fixed. If a few more stores are wanted they cannot be shipped from London by the next steamer.

One who lets a store on Washington street can exact the tax, in addition to the rent on both land and building, from his tenant, who in turn collects it in the price of his goods. The landlord gets a certain net return, while the Massachusetts man who invests in personal property must do it in competition with the world of untaxed lenders.

A tax of $15 per $1,000 does not take one-third of the rent of land; but it does take one-third of the income of personal property.

This is simply a re-statement of a doctrine which has long been current, but which, we believe, is full of error. It is true that in many cases the owner of real estate, if his tax be increased, can add it to his rent and thus throw it on the tenant, while he, in turn, can ask a higher price for his wares or commodities or services, and thus throw the burden ultimately on the consumer; but this cannot always be done. Whether the owner of property can do this depends on many circumstances. If, for example, business in a city be prosperous, and at such a time a landlord's tax is increased, he may have no difficulty in raising his rent, while the tenant in turn may with similar ease demand a higher price for his commodities or services, and thus diffuse the tax among a large number of persons. On the other hand, if the tax is increased during a business depression the landlord may be unable to increase his rent a single dollar; indeed, the probabilities are that he must remit a portion of his tenant's rent because of his inability to pay it. Clearly at such a time whenever a higher tax is imposed it must be borne by the landlord, and a diffusion of the tax among a considerable number of persons is impossible. Suppose the tax on farm land is increased, can the farmer demand a higher price for his products and thus throw the burden, or a portion of it, on those who buy them? By no means.

The western farmer is to-day making the price of all the principal commodities raised on the land, and the eastern farmer is quite helpless in the matter. He must sell his commodities at the prices fixed by his western competitor or remain outside the market. Numberless cases might be given, showing how unequally and unfairly this doctrine of the diffusion of taxation operates. Indeed, we have no hesitation in affirming that the diffusion is so unequal, the person paying the tax can reckon with so much uncertainty on carrying it forward and imposing it, or any portion of it, on others, that this doctrine as a practical working doctrine of taxation must be laid aside. All that can be said about it is perhaps, this—it is possible sometimes to throw it on others, while in the taxation of the evidences of property it is difficult to perceive a single case in which the tax assessed can be thrown on other persons. The tax must end with the taxpayer, like an income tax; and we know of no way in which the taxpayer can require other persons to share the burden of paying it with him.

It is true that in some States the owner of bonds and stocks is taxed on them, on the theory that the property which they represent escapes taxation in the place or State where it is located. For example, in Pennsylvania if the bonds issued by a railroad company are owned by non-residents the property thus represented is not taxed, on the theory that the bonds are taxed at the place where the owner resides. Would it not be far better to reverse this theory and to assess real estate, whether it consists of railroads, manufacturing plants, farm, or other forms of real property, for its full value in the city, town, county or State where located, and then to exempt the bonds, stocks or other evidences of this property wherever they may happen to be, or wherever the owner of such evidences may happen to reside? If this were done several important consequences would follow. First, a larger amount of property would be valued for purposes of taxation than is valued to-day. It is quite easy for the conscienceless to escape the taxation of bonds and stocks held by them; only the honest make returns of such evidences of value, and consequently a system of taxation founded on such a theory works the grossest injustice, for honest persons who thus make returns of the evidences of their property are not only taxed thereon, but are taxed a higher rate in consequence of the failures of other persons, holding similar forms of property, from making returns of the same. This is a very serious evil in the present system. The honest person is not only assessed on his own property, but he is obliged to pay a higher rate of taxation in consequence of the dereliction of others. Reverse the system and subject real estate to taxation for its full value wherever it may be, without regard to mortgages, bonds or other liens, and a much larger amount of property would come under the sway of the tax gatherer than is within his reach to-day. This is by far the simplest system, and the sooner it is adopted the better.

With respect to liens, mortgages, and the like, the taxation of these might be left for arrangement between the interested parties. If a farmer mortgaged his farm he might arrange with the lender for the payment of the tax on the mortgage, and the same thing might be said with respect to a railroad company. If it is to be taxed for the full value of its property, without regard to the bonds or other liens thereon, then, of course, it would issue bonds at a lower rate of interest than it would if the tax was to be paid by the bondholder.

It is true that in the adoption of this principle some changes woul be needful in the arrangements now existing between lenders and borrowers. Furthermore, such a system should prevail in all the States, and not in a single one. Indeed, it is becoming more and more evident that the leading principles of taxation should be uniform in all of the States, and this necessity is becoming so apparent that a movement looking to reciprocal taxation ought to be made without further delay. Elsewhere we have given extracts from this very valuable report. which we have no doubt will be highly interesting to our readers.

COTTON RAISING IN RUSSIA.

There can be no doubt that within a measurable distance of time Russia will prove a formidable competitor of every cotton-producing country, and there is also no doubt that the facilities she possesses for the production of cotton goods will ultimately enable her to enter into competition on something like equal terms with her rivals in foreign markets. It is only a few years ago that Russia was almost entirely dependent upon the United States for her supply of cotton, and in 1887 as much as $50,000,000 worth of American cotton was imported into the Tsar's Empire. Since then, however, the foreign importation has fallen off, and the supply has been drawn from Central Asia, where the growing of cotton from American seed was inaugurated a few years ago. Last year nearly 40,000 tons of Turkestan cotton entered Russia over the Transcaspian railway.

DAYS OF GRACE.

SUPREME COURT OF ARKANSAS.

Wards et al. v. *Sparks et al.*

In Arkansas, a bill payable at sight is entitled to grace.

In an action on a bill of exchange payable at sight, and indorsed for deposit with a bank at Memphis, Tenn., it appeared from the complaint that the note was executed in Arkansas on the 15th of March, and presented for payment on the 19th of the same month at Kansas City, Mo. *Held*, that an objection that the complaint showed on its face that the draft was presented for payment prematurely would not be sustained, as the court could not say that the draft did not pass to a party in Memphis, and reach Kansas City in time to be presented to the drawee on the 16th, in order to fix the time of actual maturity on the 19th.

An allegation that a bill was protested for non-payment will be deemed to include all the steps necessary to fix the liability of the drawer, in view of Mansf. Dig. Ark. § 469, providing that the holder shall have his action when protest has been properly made, and of the liberal construction to which pleadings are entitled.

HEMINGWAY, J.—From a judgment by default rendered against the appellants as drawees of a foreign bill of exchange this appeal is prosecuted. It is contended that the allegations of the complaint do not disclose a cause of action, for the reasons—*First*, that it appears that the draft was presented for payment prematurely; *second*, that it is not alleged that notice of dishonor was given to the appellants. The bill which was filed with the complaint as the basis of the action is as follows: "$562.50. Cherry Valley, Ark., March 15, 1888. At sight, pay to the order of Sparks & Mitchell five hundred and sixty-two and 50-100 dollars, value received, and charge to account of WARDS & DUDLEY. To B. F. Pratt & Co., Kansas City, Mo." Across the face is written: "Protested for non-payment March 19th, 1888. EDWIN C. MESERVEY, Notary Public." It bears the following indorsements: "SPARKS & MITCHELL." "For deposit only with Union Planters' Bank, Memphis, Tenn., for account of HILL, FONTAINE & CO." The complaint is as follows: "The plaintiffs for cause of action herein against the defendants state that they are indebted to them in the sum of five hundred and sixty-two dollars and fifty cents, evidenced by their certain draft dated at Cherry Valley, Arkansas, March 15, 1888, and due at sight, and drawn on B. F. Pratt & Co., Kansas City, Mo., and which was duly presented for payment to B. F. Pratt & Co., and payment refused, and which was protested for non-payment March 19, 1888. The original draft is hereto attached and made a part of the complaint. Wherefore, the premises considered, plaintiffs pray judgment for the amount of said draft and all costs."

1. That a bill payable at sight is entitled to grace seems to be held by the current of authorities; it has been so ruled by this court. (Tied. Com. Paper, § 315, and cases cited; *Craig* v. *Price*, 23 Ark. 633; 1 Daniel, Neg. Inst., § 611.) The complaint alleges that the bill was "duly presented for payment"—that is to say, that it was presented in all respects as it should have been. But it is contended that the indorsement in the bill contradicts the averment, and to support the contention it is said that the bill was executed in Arkansas on the 15th of March, that it was held in Memphis at a time unfixed, that it was presented for payment in Kansas City on the 19th of the same month, and that this precludes the idea that days of grace were given the drawee. Under the law the bill should have been presented to the drawee for

sight (1 Daniel, Neg. Inst., § 617), and should then have been presented for payment after the term of grace expired. We cannot say that the bill did not pass to a party in Memphis, and still reach Kansas City in time to be exhibited to the drawee on the 16th, in order to fix the time of actual maturity on the 19th; nor does it appear by the indorsement that it may not have been in Memphis after its dishonor.

2. The complaint alleges that the bill was protested for non-payment. In its original technical sense, protesting a bill was proving to a notary that due steps had been taken by the holder to protect him against loss by reason of non-acceptance or non-payment by the drawee. In its popular sense it includes all the steps necessary to fix the liability of the drawer or indorser. (2 Daniel, Neg. Inst., § 929.) The statutes of Arkansas seem to have adopted the popular use of the term "protest," since by them it is provided that the holder shall have his action when protest has been properly made. (Mansf. Dig., § 469.) The pleader used the term as it is employed in the statute, and, as all pleadings are to be liberally construed with a view to substantial justice, we think the complaint sufficient. The judgment will be affirmed.—*Southwestern Reporter.*

LIABILITY OF A BANK TO DEPOSITORS ON FORGED INDORSEMENTS.

COURT OF APPEALS OF NEW YORK.

Shipman et al. v. *Bank of State of New York.**

A bank is liable to its depositors for money deposited which it has paid out on checks drawn by the depositor, which checks have been stolen by the depositor's clerk, who has forged the indorsement thereon, where it appears that the depositor was guilty of no negligence in the matter, and that the bank paid the checks without inquiry as to the genuineness of the indorsements and in reliance upon the responsibility of the persons presenting them for payment.

The fact that such checks were returned to the depositor when his pass-book was written up, and were received by him without objection, does not relieve the bank from liability where the failure of the depositor to detect the forgeries was not caused by negligence on his part.

1 Rev. St. N. Y., p. 768, § 5, which provides that negotiable paper made payable to a fictitious person, and negotiated by the maker, has the same validity, "as against the maker and all persons having knowledge of the facts, as if payable to bearer," does not apply where the maker believes the payee of a check drawn by him to be a real person, and does not intend to have the check go into circulation until it has been indorsed by the payee, but the check is fraudulently negotiated by a third person without fault of the maker.

In an action by a depositor against a bank to recover money deposited, which the bank has paid out on checks having forged indorsements, the fact that the forger has made good the amount of the checks to the payees constitutes no defense, where the money with which he made good the checks was not furnished by the bank, and plaintiff had not profited by such payment, since the action is not founded upon the wrongful payment of the checks, but upon the debt created by the deposit.

O'BRIEN, J.—This appeal brings here for review a judgment of over $223,000, recovered by the plaintiffs against the defendant, upon a state of facts fully found and stated by the referee in his report, and in regard to which there is little, if any, serious dispute between the parties. The form of the action is for the recovery of a sum of money which it is

* Affirming 13 N. Y. Supp. 475.

claimed the defendant undertook, when accepting the plaintiffs' deposits, to pay to them, or upon their order and direction. It has been found and is admitted on both sides that on the 7th of April, 1884, the plaintiffs had upon deposit to their credit with the defendant the sum of $14,499.08. That from this date to the close of business on the 3d day of October, 1888, the defendant had and received to and for the use of the plaintiffs various other sums of money, deposited from time to time, between these dates, by the plaintiffs with the defendant, amounting in the aggregate to $6,213,586.71. That between the 7th day of April, 1884, and the close of business on the 3d day of October, 1888, the defendant paid to the order of the plaintiffs, on their checks drawn against the balance above stated and the deposits subsequently made, various sums of money, amounting in the aggregate to $6,030,040.29. This would leave a balance due to the plaintiffs by the defendant of $198,045.50, which, with interest, is the sum that constitutes the subject of this controversy. The defendant alleged in its answer that all moneys deposited with it by the plaintiffs were fully paid upon their order, and by checks drawn upon it by them; and, in order to meet and disprove the plaintiffs' claim that there was due to them from the defendant, at the close of business on the 3d day of October, 1888, the sum of $198,045.50, the defendant produced twenty-seven checks, all signed by the plaintiffs and drawn upon the defendant, directing the payment of sums respectively aggregating the total balance above mentioned, and to recover which the plaintiffs brought the action. That the defendant actually paid these checks is not disputed, and the case is thus made to turn upon the question whether they are available to the defendant as lawful vouchers, establishing the fact that the moneys claimed by the plaintiffs were paid out by the defendant upon these checks according to the order and direction of the plaintiffs.

A clear understanding of the question involved requires a brief statement of the facts and circumstances under which these twenty-seven checks were signed by the plaintiffs and presented to and paid by the defendant. The plaintiffs are a well-known law firm in the city of New York, engaged in an extensive business, which, in its organization, had a department known as the "Real Estate Department." In this branch of their business they examined titles for clients who were lenders of money on bond and mortgage, carried out and completed such loans, and occasionally examined titles for clients who were purchasers of real estate. One of the members of the firm had general charge of this department, but the details of the business and the execution of the work were intrusted to subordinates. One James E. Bedell, a lawyer who had been admitted to the bar in the year 1868, and had been in the employ of the plaintiffs since 1873, assisting in the real estate department, was, in the year 1881, practically put in charge of the work of this department, under the direction of the member of plaintiffs' firm who had the general charge. Bedell was an experienced and capable lawyer. The plaintiffs believed that he was honest and trustworthy, and, prior to the discovery of the very extraordinary crime in connection with these checks, they had no reason whatever to suspect or distrust him. During the period covered by the transactions in question the plaintiffs employed one Dodge, a competent expert bookkeeper, who took charge of the plaintiffs' books, and acted as cashier. He kept the account between the plaintiffs and defendant. He filled out all the checks and made all the entries in the check-books, and the checks, when paid by defendant, came to him with the pass-book, which was balanced by the defendant, and the vouchers, including the checks in question, returned with the book, from time to time, at frequent intervals. The course of the business in which the checks in question were issued was substantially as follows: The plaintiffs' client, who wished to make a loan through them, furnished the money, which went directly into the plaintiffs' general bank account with the defendant. Against the sum to be loaned, and thus put to the plaintiffs' credit, checks were filled up by Dodge, the cashier, from a written statement made by Bedell, showing the amount required to pay liens or charges on the property to be mortaged, the amount of the plaintiffs' charges, and any other items entering into the transaction, and the balance to be paid the borrower. After filling up the checks, Dodge would take the check-book, with the filled-up checks, to a member of the firm for signature, showing him the entries in the check-book of the deposit of the client's money, and the statement of Bedell as to the payments to be made; and thereupon the checks would be signed by the plaintiffs, in the name of the individual partner to whom it was presented by Dodge, the firm name being engraved on each check and the individual signature underwritten. Dodge would then take away the check-book, and deliver the several checks to Bedell. In this manner the twenty-seven checks in question were intrusted by the plaintiff to Bedell, their clerk, for delivery to the payees, respectively, therein named, who were in good faith believed by the plaintiffs to be real persons entitled to receive the amount of said checks, respectively, from them or their clients. The defendant paid the checks to a third person, upon an indorsement thereon of the payees named, forged by Bedell, who converted the proceeds to his own use. The names of the payees written in sixteen of the twenty-seven checks, drawn for sums aggregating $112,818.72, were not the names of real, but fictitious persons. The remaining eleven checks, drawn for sums aggregating $85,227.08, were made payable to the order of real persons, whose indorsements were in every case forged by Bedell. Only three of the checks, drawn for less than $2,400, were paid to Bedell by defendant. All the others were deposited, from time to time, in various other banks in the city of New York, and the money thereon received by Bedell from these banks, and the checks all ultimately paid by defendant through the exchanges in the Clearing House, in the due and regular course of business. As to the sixteen checks payable to the order of fictitious persons, the plaintiffs were led by fraudulent contrivances and representations on the part of Bedell, the details of which appear in the record, to believe, and they did in fact believe, until the discovery of the forgeries, that such payees were real persons; and as to all the checks the plaintiffs did not intend that any of them should go into circulation, or should be paid by the defendant, otherwise than through a delivery to and indorsement by the payee named therein. The checks were paid in every case by the defendant without any inquiry as to the genuineness of the indorsements, and in reliance upon the responsibility of the parties presenting the same, and not in reliance upon anything done or forborne by the plaintiffs, except that they were signed by them. There is no claim that, at the time the defendant paid the checks, it had any knowledge or suspicion or reason to suspect that any of the indorsements were forged, or that any of the names were fictitious, or that there was any fraud or irregularity in respect to any of the checks, or any indorsement or writing thereon. The plaintiffs' confidence in Bedell, and his representation of them in all their dealings with clients, concerning loans on real estate, continued without interruption until one of these clients, upon examining a fabricated mortgage sent to him by Bedell, had his attention arrested by the faintness of the impression of the seal of the register on the certificate of record, so that he sent the mortgage to the register's office for a better sealing. This led

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to the discovery of all the frauds, forgeries, fabrications of documents, attestations, and official certificates carried on by him in the plaintiffs office for more than four years. The plaintiffs did not discover that the indorsements on the checks had been forged, or that the amount thereof had not been paid to them or their order, until nearly four months after May 22, 1888, which was the date of the last check so forged. On the discovery of the facts, and before the commencement of this action, the plaintiffs tendered the checks to the defendant, and demanded that the amount of the same should be paid to them or credited in their account by the defendant, which tender and demand were refused.

The various deposits of money, made from time to time by the plaintiffs with the defendant, created the relation of debtor and creditor, and the law implies a contract on the part of the defendant to disburse the money standing to the plaintiffs' credit only upon their order and in conformity with their directions. The defendant is not entitled to charge against the plaintiffs' account any sums as payments, unless they have been made to such persons as the plaintiffs directed. Such payments as were made without the order of the plaintiffs of their funds by the defendant afford to it no protection, when called upon by the plaintiffs to account for the money deposited. Payments made upon forged indorsements are at the peril of the bank, unless it can claim protection upon some principle of estoppel or some negligence chargeable to the depositor. These rules are so familiar and so well established and illustrated by the adjudged cases that a bare reference to them is all that is needful here. (*Crawford* v. *Bank*, 100 N. Y. 53, 2 N. E. Rep. 881; *Ætna Nat. Bank* v. *Fourth Nat. Bank*, 46 N. Y. 86; *Corn Exchange Bank* v. *Nassau Bank*, 91 N. Y. 80; *Phœnix Bank* v. *Risley*, 111 U. S. 125, 4 Sup. Ct. Rep. 322; *Bank of British North America* v. *Merchants' Nat. Bank*, 91 N. Y. 106; *Marine Bank* v. *Fulton Bank*, 2 Wall. 256; *Bank* v. *Whitman*, 94 U. S. 347; *Citizens' Nat. Bank* v. *Importers & Traders' Bank*, 119 N. Y. 195, 23 N. E. Rep, 540.)

The statement of the account made by the defendant to the plaintiffs, from time to time, the balancing of the bank pass-book, and the return of the same to the plaintiffs with the vouchers, including, as they did, the checks in controversy, with the forged indorsements thereon, constitute no obstacle to the maintenance of this action by the plaintiffs, as they were ignorant of the facts and circumstances under which the checks were issued and put in circulation. An account thus stated can always be opened upon proof of mistake or fraud; and the only effect of the plaintiffs' silence as to the correctness of the account rendered by the defendant is to put upon them, in this action, the burden of showing that the account, as stated, was the result of fraud or mistake—a burden which they have fully assumed and met, as the referee has found.

It is urged that the plaintiffs owed the duty to the defendant of examining the vouchers returned to them with the balanced pass-book, from time to time, and that a careful examination of the same would have disclosed the fact that the money was received upon the checks by Bedell, and his forgeries thus detected. The duty of examining the returned vouchers was delegated by the plaintiffs to their cashier and bookkeeper, who was a faithful and competent person for many years in plaintiffs' employ. The referee found as a fact, from all the circumstances of the case, that the failure to discover the forgeries sooner than they were was not, in any case, caused by any neglect on the part of the plaintiffs, or their cashier, of any duty that the plaintiffs owed to the defendant. The examination of the checks would, of course, enable the plaintiffs to ascertain whether their own signature was genuine, and whether the amount, date, or name of the payee had been changed, but would not necessarily enable them to detect the forgery of the payee's name. The law imposed no duty upon the plaintiffs to do more than they did to ascertain whether the indorsements on the checks were genuine. The defendant's contract was to pay the checks only upon a genuine indorsement. The drawer is not presumed to know, and in fact seldom does know, the signature of the payee. The bank must, at its own peril, determine that question. It has the opportunity, by requiring identification when the check is presented, or a responsible guaranty from the party presenting it, of ascertaining whether the indorsement is genuine or not. When it returns the check to the depositor, as evidence of a payment made by his direction, the latter has the right to assume that the bank has ascertained the fact to be that the indorsement is genuine. (*Weisser* v. *Denison*, 10 N. Y. 68; *Welsh* v. *Bank*, 73 N. Y. 424; *Frank* v. *Bank*, 84 N. Y. 209; *Bank* v. *Whitman*, 94 U. S. 347; *Bank* v. *Morgan*, 117 U. S. 107, 6 Sup. Ct. Rep. 657.)

The plaintiffs committed the examination of the vouchers when returned from the bank to a faithful and competent cashier, who failed to discover the forged indorsements. There is not the slightest reason to believe that, if the checks had been examined by one of the plaintiffs themselves, the result would have been any different. We are unable to see that anything was done or omitted by the plaintiffs, with respect to the examination of the indorsements upon the vouchers, that excuses the defendant from its obligation to pay only upon a genuine order. Nor can we perceive anything done or omitted by the plaintiffs in the general conduct and management of their business, or in the employment of and confidence reposed in Bedell, that estops them from alleging that the twenty-seven checks were paid without their authority. Whether the plaintiffs were guilty of any negligence in that regard was a question of fact, and the finding is that they were, in so far as the defendant was concerned, reasonably prudent and careful, and that the payment of the checks was not caused by any negligence on their part, and we do not think it can be said that this finding is without evidence. Moreover, it is found that the defendant paid the twenty-seven checks. in each case, without any inquiry as to the genuineness of the indorsements, and in reliance upon the responsibility of the persons presenting the same for payment, and not in reliance upon anything done or forborne by the plaintiffs, except the fact that the checks had been drawn by them; and, further, that all the checks, except the three paid directly to Bedell, and amounting to less than $2,400, were presented to the defendant by and paid to banks perfectly solvent, and liable to respond to the defendant for all moneys paid upon the forged indorsements. These findings, supported, as they are, by the evidence, dispose of much of the argument upon which it is sought to establish the proposition that the plaintiffs, are, by reason of their own acts and omissions, estopped from claiming that the checks were paid by the defendant without their authority. The facts upon which an estoppel must always be based are found against the defendant. Bedell, in issuing the forged checks and fabricating the false papers to conceal his crimes, did not act as the plaintiffs' agent, and his acts in this regard are not binding upon them, nor are they in any manner affected by his knowledge of the facts. The questions that arise in this case, and are so ably and elaborately discussed in the briefs of counsel, with respect to the examination of the returned checks and pass-book, the manner in which the plaintiffs' business was conducted, and the degree of care and supervision that was exercised over their subordinates, how far the plaintiffs are bound by the criminal acts and knowledge of their clerk, as well as the general rule of estoppel, when applied to this class of cases, are not new. They have been frequently and fully discussed in the numerous cases in this court, involving the rights and duties of banks and depositors, and it would extend this opinion beyond reasonable limits, and serve no useful purpose, to go over the ground again. (*Frank* v. *Bank*, *supra*; *Welsh* v. *Bank*, *supra*; *Weisser* v. *Denison*, *supra*; *People* v. *Bank*, 75 N. Y. 547; *Bank* v. *Morgan*, *supra*; *Mayor*, *etc.*, v. *Bank of England*, 21 Q. B. Div. 160.) It is enough to state our general conclusion that, with respect to all these points, the defendant has failed to establish any defense to the action.

It is claimed by the defendant that the sixteen checks made payable to the order of persons having no existence were, in legal effect, payable to bearer. It is provided by statute that paper made payable to the order of a fictitious person, and negotiated by the maker, has the same validity, "as against the maker and all persons having knowledge of the facts, as if payable to bearer." (1 Rev. St. p. 768, § 5.) We are of the opinion, upon examination of the authorities cited by counsel on both sides, that this rule applies only to paper put into circulation by the maker with knowledge that the name of the payee does not represent a real person. The maker's intention is the controlling consideration which determines the character of such paper. It cannot be treated as payable to bearer, unless the maker knows the payee to be fictitious and actually intends to make the paper payable to a fictitious person. (*Bank* v. *Alley*, 79 N. Y. 536; *Turnbull* v. *Bowyer*, 40 N. Y. 456; *Vagliano* v. *Bank of England*, 22 Q. B. Div. 103, on appeal, 23 Q. B. Div. 243; *Armstrong* v. *Bank*, 22 N. E. Rep. 866 (Sup. Ct. Ohio, Oct., 1889); *Gibson* v. *Minet*, 1 H. Bl. 569.) The findings of the referee, that the plaintiffs in good faith believed that the names of the payees represented real persons, entitled to receive from them the amount of the check in each case, having been led to believe this by the fraudulent contrivances of Bedell, and that they intended that Bedell should deliver the check to a real payee therein named, and that they did not intend that they should go into circulation or be paid by defendant otherwise than through a delivery to and indorsement by the payee named, and that plaintiffs gave no authority to Bedell to indorse the name of the payee, or to put the checks into circulation, and that no one in fact relied on any appearance of authority, derived from the plaintiffs, in Bedell, to indorse the payee's name upon the checks, or to put them in circulation, disposes of this question. The indorsement of the names of the fictitious payees upon the checks, with intent to deceive and to put the checks in circulation, constituted the crime of forgery, by means of which, and without any fault of the plaintiffs, payment was obtained thereon. The defendant does not occupy any different position with reference to the checks payable to fictitious payees than it does with reference to those payable to real parties whose indorsements were forged. Bedell, of course, knew that the payees were fictitious, but he was not acting within the scope of his employment, but in carrying out a scheme of fraud upon the plaintiffs, and under such circumstances his knowledge cannot be imputed to his principals. (*Frank* v. *Bank*, *supra*; *Weisser* v. *Denison*, *supra*; *Welsh* v. *Bank*, *supra*; *Cave* v. *Cave*, 15 Ch. Div. 643, 644.)

The case presents another and peculiar question. It seems that ten of the eleven checks, which were made payable to the order of real persons, were made good by Bedell to the several payees, and the defendant has set up these facts in its answer as a partial equitable defense. The referee made no finding on the subject, but Bedell so testified, and was not contradicted, and the question arises upon a request by the defendant to find, in substance, that, the amount of these ten checks having been made good by Bedell to the several payees, the plaintiffs, having sustained no loss by reason of the payment thereof, are not entitled to recover in this action, against the defendant, any sum on account of or by reason of the payment by defendant of the same. The request was refused, and the defendant excepted. Keeping in view the theory of this action, and regarding the evidence before the referee, we cannot perceive that there was any error in refusing the requests. Bedell testified, in substance, that at the time of the commencement of the action the plaintiffs were liable to clients to the extent of $264,000 on account of his frauds. There were $200,000 in fabricated mortgages which had been delivered by Bedell to clients on account of an equal sum of money paid by the clients to plaintiffs for investment, and which Bedell had converted to his own use. The $64,000 was obtained through other frauds upon clients which the plaintiffs were liable to be called upon to make good. One of the plaintiffs testified that his firm had actually paid to clients on account of Bedell's frauds over $242,000. It was not shown by what funds or in what manner Bedell made good to the payees the amount of the checks intended for them. None of the money paid by him was traced to the defendant. The plaintiffs' action was not upon the checks, nor for damages by reason of their payment, but on defendant's implied promise to pay the money deposited to the plaintiffs or upon their order. The plaintiffs' case was made out without the checks at all, except so far as they were necessary as proof to open the account stated. In substance, the referee was asked to hold that, by reason of the payment by Bedell of the amount of the checks to the persons named therein, without any reference to the source from which the money came, they were to be charged to the plaintiffs the same as if paid by their authority. The proof given did not justify this conclusion. As it was not shown that such payment was made at the expense or to the injury of the defendant, or that the plaintiffs profited by it, the cause of action stated in the complaint was not affected by the fact. It is no doubt true that indemnity to the payees of checks diverted as these were, made by the wrong-doer, might, under certain circumstances, constitute a basis for equitable relief in an action of this kind, but the proof did not go far enough to warrant it in this case.

The very recent case of *Vagliano* v. *Bank of England* occupied such a prominent place in the discussions of the questions involved in this appeal by the courts below, and it is now so earnestly pressed upon our attention by the learned counsel for the defendant as a controlling authority in support of his views, that we consider it necessary to refer to it, and point out, so far as we can, the rule or principle which it decides. In the magnitude of the sum involved, the boldness and ingenuity with which a clerk perpetrated a stupendous fraud upon his employer, and in many other respects, that case, doubtless, bears a very strong resemblance to this. The question there was whether the defendant was entitled to debit the plaintiff, one of its depositors, with forty-three forged bills of exchange, amounting in the aggregate to £71,500, which it had paid, upon genuine acceptance by the plaintiff, but procured by fraud under substantially the following circumstances: Vagliano, the plaintiff, was a merchant and foreign banker in London, with correspondents in various parts of the world, and transacting an enormous business with the defendant, his general banker. He employed in his office a considerable number of clerks, and among them one Glyka, who had charge of the foreign correspondence. One Vucina, a merchant and banker at Odessa, was, and for thirty years had been one of Vagliano's correspondents, transacting with him a large business, and having practically unlimited credit. For many years he had drawn drafts for large amounts, when necessary, upon the plaintiff, payable sometimes to his own order, but more frequently to the order of a payee named therein. The course of business in the office was well known to Glyka, who procured specimens of Vucina's letters of advice, which always preceded the drafts, and specimens of the drafts themselves. Having done so, he had paper prepared identical in general appearance and texture with that upon which Vucina's genuine letters and bills were written. This enabled him to forge letters of advice and drafts with Vucina's name as drawer, which he executed with extraordinary skill, and in each case he wrote upon the face of the bill, as payees, the name of C. Petrida & Co., a firm who carried on business at Constantinople, and had business relations with Vucina, but had no connection whatever with the fabricated drafts. Glyka caused these forged letters of advice and drafts to be laid before Vagliano. his principal, who, being deceived by the skillful manner in which the papers were prepared, and the confidence he reposed in his clerks, wrote a genuine acceptance on the face of each bill, as it was put before him from time to time, during a period of some four months, payable in every case at the Bank of England. These fabricated bills, having been thus accepted, were placed with the other and genuine bills in a box in the office, to be delivered according to the usual course of business to the proper party, when called for. Glyka stole the bills from the box, forged the indorsement of the payees thereon, presented them at the counter of the bank, and received the money thereon. By the English bills of exchange act of 1882 (45 & 46 Vict. c. 61, § 7, subd. 3) it was enacted, with reference to bills of exchange, that, "where the payee is a fictitious or non-existing person, the bill may be treated as payable to bearer." The bank defended upon two grounds—*First*, that they were protected by this statute, and, *secondly*, that the plaintiff was guilty of such negligence as precluded him from claiming that the payments, made upon these bills, were without authority. On the trial of the action, before Mr. Justice Charles, the plaintiff recovered. (22 Q. B. Div. 103.) On appeal the judgment was affirmed, the master of the rolls alone dissenting, on the ground that the bank was protected by the bills of exchange act. (23 Q. B. Div. 243.) Thus far the views of the court, on both hearings, were in harmony with the contention of the plaintiffs in the case at bar, both as to the construction of the statute and the facts bearing on the question of negligence. The judgment, however, has recently been reversed by the House of Lords, and we have been furnished with copies of the opinions given upon the final decision of the appeal, and have given to them the careful consideration which the high authority of the tribunal from which they emanate and the importance of the case seem to demand. The main point upon which the case turned in the review by the House of Lords, as we understand the opinions, was the construction to be given to the bills of exchange act. It was held, contrary to the opinions below, that, whatever the name inserted as payee is without any intention that payment shall only be made in conformity therewith, the payee then becomes a fictitious person, within the meaning of the act, and therefore the forty-three bills were within the statute, though Petrida & Co. were in fact existing and real persons. When this conclusion was reached, the plaintiff's case necessarily failed, as it was but another way of stating that the bank paid the fabricated bills according to their legal tenor and effect, and according to the plaintiff's directions; that is, to bearer. It is hardly necessary to add that, if we could follow that case in giving construction to our statute, the same result would follow in this case. But it is quite obvious that we cannot. The language is different. Our statute is a codification of the common law, while the English statute is, and was intended to be, a departure from it. In so far as the opinions deal with the facts of the case, upon the question of negligence, it is difficult to deduce from them any abstract rule or principle. Moreover, there is, as it seems to us, a material difference, in some respects, between the facts of that case and the one at bar. Vagliano, through the contrivances of his clerk, had put before him a fabricated bill, the spurious character of which he failed to detect, and he affixed to it a genuine acceptance, thereby accrediting it to the bank as a genuine instrument. He left the bill, thus accepted, in a place where the dishonest clerk could easily purloin it. The manner in which the business was conducted was such as to enable the clerk to possess himself of the means whereby the fraud was successfully carried out without check or detection. The view of the case taken in the opinions delivered in the house of lords, aside from the question of the construction of the statute, may very well be attributed to a different shading in the facts, and to the further consideration which can be inferred from the record, that that tribunal is not confined, as we are, to a review of the courts below upon questions of law only. For these reasons the Vagliano case cannot be regarded as authority adverse to the conclusion at which we have arrived in this. We have examined the other exceptions appearing in the record, to which our attention has been directed, and we are of the opinion that none of them can be sustained. The judgment should be affirmed. All concur; Gray, J., in result.—*Northeastern Reporter.*

AUTHORITY OF A BANK COMMITTEE.

SUPREME COURT OF INDIANA.

Wallace et al. v. *Exchange Bank of Spencer.*

The by-laws of a bank provided for the appointment of an "exchange committee," without whose sanction the cashier was to make no loans above a certain amount. The committee was to consist of the president, cashier, and a designated director, of whom a majority were to have power to act. *Held*, that the failure to designate a director does not affect the power of the president and cashier to act as such committee.

It being still the cashier's duty under this by-law to consult the president in making loans above the prescribed amount, the fact that there was no director designated to act as the third member of the committee does not so enlarge the powers and duties of the cashier in such matters as to discharge the sureties on his bond from liability for losses resulting from unauthorized loans.

The total failure to appoint such committee, had there been such failure, would be no defense to the sureties, in an action for the loss of money by such cashier in dealing in "options" and in "bucket-shops," that being utterly unauthorized.

The complaint in the action against the sureties alleged, in respect of losses due to unauthorized loans, that the "exchange committee" provided for by the by-laws duly existed. The answer defended on the ground that there was no such committee, and that, in consequence, the duties of the cashier were enlarged beyond what was contemplated when the bond was executed. It also contained a general denial. *Held*, that the allegations of the answer as to the committee amounted to a denial of the complaint, and it was not error to sustain a demurrer to such allegations, as the general denial remained.

An agreement of the board of directors of a bank, increasing the salary of a cashier in consideration of his performing additional duties, not changing his duties as cashier, or his relation to the bank as such, does not release the sureties on a bond previously given for the faithful performance of his duties as cashier from liability for a breach of duty as such cashier.

BERKSHIRE, J.—The bond, which is the foundation of the action, reads as follows: "Know all men by these presents that we [naming the obligors] are held and firmly bound unto the Exchange Bank of Spencer, Ind., in the sum of $50,000, to pay which we, jointly and severally, firmly bind ourselves, our heirs, executors, and administrators. Sealed with our seals, and dated this 17th day of January, 1880. The conditions of the foregoing obligation is that said S. L. Wallace, as cashier of said Exchange Bank, shall faithfully and honestly do and perform all of the duties of such cashier in said Exchange Bank; receive, keep, and pay over, on demand, to the proper person or persons authorized to receive the same, all moneys and valuables, of whatever kind or description, which he may receive, or which may come into his hands as such cashier; and do and perform all such duties as may be imposed upon him as cashier of said Exchange Bank. Then, and in that event, this bond is to be void; else to be and remain in full force and virtue in law. Witness our hands and seals, day and date above written." The authority for the bond in suit is found in section 2,686, Rev. St. 1881: "The directors shall elect one of their number president, and shall also elect or appoint a cashier. The president and cashier shall each take an oath or affirmation that he will faithfully and honestly discharge his duties; and the board of directors shall require of the president and cashier to execute separate bonds, with sureties in such sums as they may deem proper, conditioned that they will honestly and faithfully discharge their several duties as such officers (which said bonds shall be filed in the office of the Secretary of State, for the benefit of stockholders and creditors of such bank) during their continuance in office." The bond required by the statute for each of the officers named is one that will cover all of the duties which he is called upon to perform as such officer; and it is to continue in force so long as he continues in office. The conditions of the bond given by Wallace, as such cashier, are broad enough to embrace all of his duties as cashier, so long as he should continue to hold the position.

The first paragraph of the complaint avers that large sums of money came into Wallace's hands as cashier of the said bank, and that he converted different amounts to his own use, giving an itemized statement. The second paragraph alleges that, pursuant to the by-laws of the bank, it had organized an "exchange committee," composed of its president, cashier, and a designated director; that it was further provided in said by-laws that the cashier should not make loans in excess of $500 without the approval of said committee, or one member thereof besides himself. It is further alleged that Wallace, as such cashier, in violation of his trust and the said by-laws, loaned and otherwise disposed of large sums of money belonging to said bank, which were wholly lost; and an itemized statement is given. The third paragraph charges several breaches of the bond. The first, second, and third breaches charge the conversion, by Wallace, during his term as cashier, of different sums of money. The fourth breach charges him with having permitted one of the patrons of the bank to overdraw the amount of his deposits in the sum of $300. The fifth charges a conspiracy between the cashier and James B. and David M. Wallace to defraud the bank, and, as the result, large sums of money were withdrawn from its vaults, and invested in "option" and "bucket-shop deals," so called. The sixth breach alleges the making of various loans of money by the cashier in violation of his trust and the rules and regulations of the bank. It is then alleged that all of said sums of money named in said several breaches of the bond were wholly and entirely lost to the bank; and, further, that said cashier concealed all of said various transactions from the other officers of said bank. The fourth and fifth paragraphs of answer admit the allegations of the complaint, but allege that, in violation of its duty, and the requirement of its by-laws in force when the bond in suit was executed, it failed to organize an exchange committee, and, because of such failure, the duties of Wallace were enlarged, and, as the result, the various breaches of duty and losses complained of ensued; and hence the sureties are not liable on their bond. The basal rock upon which these paragraphs of answer rest is the allegation that there was no exchange committee organized, as required by the by-laws. Strike out this allegation, and the answers stand as an admission of the various breaches of the bond alleged in the complaint.

The complaint alleges that there was, during all the time, an exchange committee, and hence the allegations in the answer, so far as the defense rests upon the want of such committee, amount to a general denial; and, the general denial being also pleaded, it was not error to sustain the demurrers to these paragraphs. But the answers themselves disclose the existence of the "exchange committee" provided for in the by-laws. They show that this committee was to be composed of the cashier, president, and a designated director. The committee was composed of three members. The by-laws named two of them, or a majority. The failure to name a director for that committee did not deprive the committee of its powers. The two had power to act. Besides, the by-laws provided that the cashier was at liberty to take any legitimate action in disposing of the funds of the bank, with the approval of its president; hence the approval of the chief officer would have been the cashier's justification as to any such transaction. But if it were conceded that the bank had entirely failed to provide for an exchange committee, and, in the absence of such committee, that the cashier had exclusive and complete authority to transact any and all of the business of the bank, this would not relieve his sureties from liability because of his fraudulent conduct in connection with James B. and David M. Wallace, whereby large sums of money belonging to the bank were invested in illegitimate transactions. Under no circumstances was the cashier authorized to dispose of the funds of the bank for such purposes. With or without the approval of an exchange committee, such as the by-laws provided for, this was a clear violation of duty, and rendered his sureties liable.

The sixth paragraph alleges that Wallace's duties as cashier were enlarged by an after-agreement with the board of directors of the bank, and his salary increased, and a definite time agreed upon during which he should serve under the new arrangement, there having been no definite period agreed upon theretofore. It does not appear that his duties as cashier were changed in any way, but other duties were cast upon him; nor does it appear that he resigned or was removed, or that he was re-elected. The most that can be claimed for this paragraph of answer is that the salary of the cashier was increased in consideration that he would perform certain other duties. His relation to the bank as its cashier does not appear to have been changed, and the losses complained of all occurred because of his breach of duty as cashier. If the averments of this answer are to be construed as disclosing a severance of the cashier's connection with the bank under his first engagement, and a new appointment or election, the appellants were not prejudiced because of the ruling of the court sustaining the demurrer, for, in that event, its legal effect was the same as the sixth paragraph, to which the demurrer thereto filed was overruled. What we have said covers the ruling in sustaining the demurrer to the fourth paragraph of the separate answer of Wallace. We find no error in the record. Judgment affirmed, with costs.

Coffey, J., took no part in the decision of this case.—*Northeastern Reporter.*

LEGAL MISCELLANY.

CORPORATIONS—SUBSCRIPTION TO STOCK.—Where the holders of stock issued in consideration of property transferred to the corporation transfer their stock to a trustee for the benefit of the corporation, to be by him sold or donated to subscribers to corporate bonds, such subscribers are not liable on the stock, on the ground that it has been issued to them contrary to the provisions of Const. Ala., art. 14, § 6, and Code 1886, §1,662. [*Davis* v. *Montgomery Furnace, etc. Co.*, Ala.]

BANKS—INSOLVENCY—PREFERENCE.—Section 4,429 of the Code (Act 1833) is a special statute of the State of Georgia with reference to banks, intended to prohibit preference by a bank insolvent at the time or in contemplation of insolvency, which preferences might be legal in the case of other insolvent debtors under the act of 1818. [*Hill* v. *Western & A. R. Co.*, Ga.]

NEGOTIABLE INSTRUMENTS—INDORSEMENT.—A person not a party to a negotiable promissory note, who places his name on the back thereof after its execution and delivery, before maturity and before it has been indorsed by the payee, is, as to subsequent *bona fide* holders, an indorser of the paper. [*Buck* v. *Hutchins*, Minn.]

NEGOTIABLE INSTRUMENTS—INDORSERS.—A bank which had discounted a note had, when it matured, funds of the maker on deposit applicable to the note, and sufficient to pay it; but the maker, who conceived that he had a defense against the payee, induced the bank not to charge the note to his account, but to bring suit thereon against the payee, who was also indorser; *Held*, that the indorser was discharged by the bank's failure to collect the note out of the funds of the maker in its hands. [*German Nat. Bank of Allegheny City* v. *Foreman*, Penn.]

ALTERATION OF BOND—RELEASE OF SURETIES.—Where an official bond has been altered after the same has been signed, but before its delivery and approval, by erasure of the name of one of the sureties thereon, and the alteration is plainly noticeable, all the sureties are released who had no knowledge of, or did not consent to, the alteration, nor ratify it. [*Hagler* v. *State*, Neb.]

NEGOTIABLE INSTRUMENT—VALIDITY.—A note having in the margin the figures $100, and promising to pay "the sum of one hundred—with interest," which is recited to be "in part payment of the purchase money" for a certain lot, is a valid note for $100. [*Garrett* v. *Interstate Bank*, Tex.]

NEGOTIABLE INSTRUMENTS—COMMUNITY PROPERTY.—Where a note, payable to a married woman or order is indorsed for value before maturity to one who supposes her to be married, but has no notice that the note is community property, a valid title passes, and the indorsee can recover against the maker, although the husband intervenes to disaffirm the indorsement. [*Caster* v. *Peterson*, Wash.]

CORPORATIONS—CONTRACTS.—A money obligation purporting and intended to be the obligation of a corporation signed by the chief officer only, but with the knowledge and assent of the other officers, is *in forma* properly executed. [*Louisville, etc. R. Co.* v. *Literary Society of St. Rose*, Ky.]

NATIONAL BANKS—ULTRA VIRES CONTRACT.—Though the National bank act does not authorize the bank to enter into the contract as here set out, yet when the amount which it paid for the bonds is tendered back to it, and their surrender demanded, its authority to retain them no longer exists; and the fact that the contract under which it obtained them may be illegal will not prevent the seller from maintaining an action for their value. [*Logan County Nat. Bank* v. *Townsend*, U. S. S. C.]

NEGOTIABLE INSTRUMENT—PAYMENT.—A party who pays money to another, to be applied on a note which such person has not in his possession, assumes the burden of proof to show the authority of the person to whom payment is made to receive the money. [*South Branch Lumber Co.* v. *Littlejohn*, Neb.]

NEGOTIABLE INSTRUMENT—FAILURE OF CONSIDERATION.—Where a person has a contract with a manufacturer to act as exclusive agent for him, and purchases a stock of his goods, and the seller subsequently gives the agency to another, thereby creating competition and making it impossible for the buyer to dispose of his stock, such breach of contract is a good defense to an action by the seller on notes given in payment for the goods. [*Ludington* v. *North*, Penn.]

TAXATION—BANK STOCK.—Deduction of indebtedness for assessed value of shares of State bank stock, as in the case of National bank stock provided by Code Ala., § 453, may be made, as discrimination between the two kinds of shares is in violation of Const. Ala., art. 11, §§ 1, 6. [*State Bank* v. *Board*, Ala.]

NEGOTIABLE INSTRUMENTS—MAKERS—INDORSERS.—Under Civil Code Cal. § 3,108, providing that "one who writes his name upon a negotiable instrument otherwise than as a maker or acceptor, and delivers it with his name thereon to another person, is called an 'indorser';" one who signs as maker, with the addition of the word "surety" to his signature, is liable to the payee as maker. [*Southern California Nat. Bank* v. *Wyatt*, Cal.]

BANK—ASSIGNMENT—CHECK.—A check is a valid instrument for the assignment of the credit of the drawer against the bank, but it does not bind the creditors of the drawer who are third persons, unless the drawer was notified to the bank before a change in the title to the credit has taken place. [*Bernard* v. *Whitney National Bank*, La.]

BOND—APPLICATION OF CHECK.—A check on defendant bank made payable to plaintiff's husband or bearer for goods sold by him as plaintiff's agent: *Held*, that the bank could not apply the check on indebtedness due bank by husband. [*Citizens Bank* v. *Harrison*, Ind.]

NEGOTIABLE INSTRUMENT—CANCELLATION ON CONDITION.—Where, upon the execution of a promissory note, and payee, as part of the contract, indorsed an agreement upon the note whereby it was promised and agreed that, in case the maker of the note should erect a dwelling-house upon the lot therein described on or before a certain date, the note should be canceled, *held*, that the right to cancel the note in this way was a privilege or option to be exercised within the time limited. [*Stout* v. *Watson*, Minn.]

PERSONAL PROPERTY TAXATION.

The policy of our laws is to tax all property, personal as well as real. Moreover, in the attempt to guard against the possibility of any property escaping taxation, laws have been passed under which real estate in some cases and personal property in many cases is subject to double taxation. Generally speaking, the determination of the question whether real estate or personal property is to suffer a double tax depends not upon the character of the property itself, but upon the nature of the ownership of that property.

A few years ago one form of double taxation was abolished. Explanation can best be made by an example: A owns a piece of real estate worth five thousand dollars, and B has no property at all. The amount of taxable property, then, is five thousand dollars, being the property belonging to A. Under the law as it was prior to 1881, if A conveyed his real estate to B and took B's note for five thousand dollars, secured by a mortgage of the estate, B was taxed for five thousand dollars as the holder of the real estate, and A was taxed for another five thousand dollars as the holder of the note. The total amount of property had not increased, and yet the amount of the tax on that property was doubled, simply because the ownership of the property had changed.

So soon as this form of double taxation was understood the legislature wisely put an end to it. In such cases the only actual property is the real estate, and the mortgage deed simply indicates the quality and the extent of the interest which the mortgagor and the mortgagee have in that real estate. The property is not increased by the execution of a mortgage. A and B together own no more than A owned originally, but instead of A's having the sole and absolute title to the real estate, that title, after the sale to B and the mortgage back by him, is vested in B, subject to the contingency of being taken away from B and re-transferred to A.

Most closely allied to the now abolished double taxation of mortgaged real estate is the still existing double taxation of mortgaged personal property. Suppose that A, instead of owning real estate, has a stock of merchandise worth five thousand dollars, and that B, as before, has no property at all. The amount of taxable property is then five thousand dollars. A, wishing to retire from business, and having confidence in B, who is young and enterprising, sells his stock of merchandise to B for five thousand dollars, and takes B's note for that amount, either secured by a mortgage on the merchandise or unsecured. As the law now stands, B is then taxed for the stock of merchandise belonging to him, and A is taxed for the note. A and B together own no more than they did before, but the amount of property, in the contemplation of the assessors, is doubled. B not only pays the tax assessed to him, but he is also obliged to pay a rate of interest on the note sufficient to enable A to receive a proper percentage after payment of the tax assessed upon him.

View the case from another standpoint: If A and B together own personal property worth five thousand dollars, and each has a bill of sale defining the nature and extent of his ownership in such property, no one pretends to claim that each should be taxed for the full amount of the property; but if the interest of A in such personal property is a contingent mortgage interest, then the property is doubly taxed to the extent of A's interest therein. In other words, the property is doubly taxed because the nature of its ownership has changed. There is strange inconsistency in a scheme of taxation under which the amount of taxable property is increased by the making of a loan when the loan is secured by a mortgage of personal property or not secured at all, but is not increased when the loan is secured by a mortgage of real estate.

Again, corporate bonds are only formal notes running generally for a series of years. They may be secured by a mortgage or pledge of real estate or personal property or both, or they may be unsecured. Suppose the case of a corporation with a capital stock of a hundred thousand dollars, the whole of which has been invested in personal property. The corporation then wants another hundred thousand dollars with which to carry on its business. It finds X, who is ready to furnish the hundred thousand dollars, and take the bonds of the corporation therefor. Before this transaction the amount of taxable property of the corporation was the value of its personal property, plus the value of its franchise, as indicated by the premium, if any, at which its capital stock sold in the market, and X was taxable on his hundred thousand dollars of cash.

In such a case as this, there is, after the transaction, no more taxable property in contemplation of our laws than there was before. The corporation, having a hundred thousand dollars more in its treasury, and being indebted to the amount of a hundred thousand dollars, is taxed for the same amount as it was before it negotiated the loan, and the money lender is taxable for his hundred thousand dollars of bonds instead of his hundred thousand dollars in cash.

If, however, an individual attempts to do the same work which the supposed corporation has done—if an individual pays out a hundred thousand dollars for the same personal property, and then borrows a hundred thousand dollars with which to carry on his business, he will be taxed for the value of his investment, and will also be taxed on the hundred thousand dollars of cash which he has on deposit. No allowance or deduction is made for his indebtedness. His bonds or notes will further be taxed to the person holding them. Hence, if an individual does what the supposed corporation did, he is punished for so doing by having a portion of his property doubly taxed. Individuals should not be subjected to burdens from which corporations are free.

If a man has one hundred thousand dollars in personal property and owes fifty thousand dollars, the real value of his property is but fifty thousand dollars. Fifty thousand and not one hundred thousand dollars is the measure of his ability. That is all for which in justice he should be taxed. The ability of a man who has one hundred thousand dollars in personal property and owes fifty thousand dollars is not as great as the ability of a man who has one hundred thousand dollars and owes nothing. To tax the note in the hands of the holder, and to tax the giver of the note for all his property, without making any deduction for his indebtedness, is a double tax which is entirely inconsistent with the principle of taxing every man according to his ability.

A note or bond for a thousand dollars is an evidence of property. It is a certificate that the holder of the note has parted with a thousand dollars, and that such thousand dollars is in the hands of somebody else. The tax may be laid either upon the man who has the money, or upon the man who is entitled to have the money returned to him at some future time. There is no good reason why the man who has the money, and the man who has it not, and who has a certificate that he has it not, should both be taxed.

It is strange that the idea was ever conceived that the amount of taxable property is increased by the making of a loan.

Suppose two beggars should go to a restaurant, and one of them should say to the proprietor, "I have twenty-five cents which I have borrowed from my friend here, and he has my I. O. U. for twenty-five cents; thus you see that I have twenty-five cents and he has property to the amount of twenty-five cents; so that we two together have fifty cents' worth of property, and we want fifty cents' worth of food." Such a claim would be as reasonable as it is to claim that the amount of property to be taxed increases when one man loans some of his property to another man. Under our tax system, whenever a loan is made, unless it is secured by a mortgage of real estate, the amount of taxable property is increased by the amount of the loan, and, when a debt is paid, the amount of taxable property is decreased by the amount so paid. If every man should pay his debts, millions of taxable property would disappear.

To test the justice of the taxation of a piece of paper, such as a note, bond, or certificate of stock, we recommend the following experiment:

Let the experimenter take a ten-dollar gold piece in his left hand. Let him write an I. O. U. ten dollars, and hold it in his right hand. Then exchange the two. Get the gold piece in the right hand, and the I. O. U. in the left.

Are you ten dollars richer by this process? Are you rich enough in consequence to pay two taxes instead of one?

Try the experiment with a friend. Let him hand you his I. O. U., and you hand him the gold. Are you two any richer? Do you two become able by this process to pay two taxes?

Call in a third man. Hand him your I. O. U. for ten dollars, and your neighbor's I. O. U. for ten dollars, as collateral. Are you three able, in consequence, to pay three taxes on the original ten dollars?

In this case the law, as it stands, gives the city three taxes on the ten dollars.

He who maintains that the present laws are just and equal must prove that the act of passing the I. O. U. from your right hand to your left creates an additional ten dollars.

He must show why a check for a trunk is worth as much as the trunk in addition to the value of the trunk itself.

Would not a tax on a trunk check be absurd?

A trunk check, if the trunk contains gold, and the check is in the form of a receipt and agreement to deliver, is taxable.

When the problem is reduced down to its simplest terms, it comes to this: After a tax has been levied upon all real estate and upon all tangible personal property, any tax upon the evidence of ownership of such real or personal property is double taxation. All taxation of bonds of corporations, whether organized under the laws of this or other States, is such double taxation. Moreover, as other States as well as Massachusetts tax all the property of the corporations organized by their authority, any tax imposed by this State upon the shares of stock in a foreign corporation is double taxation. When a resident of this State is taxed for the market value of his shares in a foreign corporation, the property, real and personal, which makes up that market value is doubly taxed. It is taxed in the State where the tangible property is; it is taxed in this State where the person who owns an interest in that tangible property lives. In fact, as the market value of corporate stock is made up in part of the corporate franchise, we tax our citizens for their ownership in franchises granted by other States.

There is another form of double taxation which affects a large amount of property. If a resident of this State owns personal property in another State, whether it be cattle, or machinery, or merchandise, he is, under the laws of this State, taxable for that property here, whether he has or has not any evidence of such ownership in writing. Inasmuch as other States as well as the State of Massachusetts tax such personal property within their own limits, the result is that such property is doubly taxed. On the other hand, if a resident of this State owns a piece of land in another State, he is not taxable here for such land. The excuse given for taxing a resident of this State for personal property actually in another State is that personal property, in contemplation of law, follows the residence of its owner. That this excuse is simply a subterfuge is shown by the fact that when we find personal property in this State belonging to a resident in another State, we tax it here because it is here, and because it has not, in fact, followed the residence of its owner.

He who approves the present law must maintain that it is just to exempt real estate taxed in another State, and not just to exempt personal property taxed in another State.

A proposition to tax real estate outside of the Commonwealth would be looked upon as monstrous. The idea would not be tolerated an instant. Yet its exemption from taxation here cannot be justified except for reasons which are equally conclusive for the exemption of personal property.

The inconsistency of our laws may be shown in still another way: If, as has been stated, a person holds a deed of real estate situated in another State, he is not taxed here for such real estate. On the other hand, if he holds a certificate of stock of a corporation in another State, the property of which corporation consists in part of real estate and in part of personal estate, or wholly of real estate, he is taxed in this State for the full value of his interest therein.

Again, if a resident of this State owns personal property or corporate property consisting of personal and real estate situated in another State, he is taxable for such property in this State; but if a corporation, organized under the laws of another State, and owning real and personal, or simply personal property, in that State, takes up its habitation in this State, such corporation is not taxed here for either the real or the personal estate situated in such other State. Some few foreign corporations have taken up their abode in this State. A great many have taken up their abode in the city of New York. If we should impose upon such corporations a tax like that which we impose upon an individual owning similar property, they would all leave the State before the next tax day.

There is no reason why the income derived from taxed personal property should be taxed which does not apply to the income derived from taxed real estate. No attempt is made to violate common sense and common justice by taxing income derived from real property, and yet that income depends upon care and skill just as much as the income of a merchant depends upon care and skill.

We are of opinion, therefore, that the laws ought to be modified so that their execution shall conform to their apparent intent, and so that the income derived from taxed personal property shall not be taxed any more than the income derived from taxed real estate. To tax income which by the exercise of care and skill is derived from taxed personal estate is a peculiarly objectionable form of double taxation.

Real estate situated within the Commonwealth is not taxed twice. Real estate situated without the Commonwealth, belonging to a citizen of Massachusetts, is not taxed here, or, in other words, is not taxed twice, unless the citizen's interest in such real estate is that of a stockholder in a corporation.

Personal property, whether within or without the State, is, to a large extent, taxed twice. If the laws in all the States were the same as ours, the total real and personal property of the country, as shown by the assessors' lists, would, in consequence of double taxation, far exceed the total wealth of the people. It is, therefore, misleading when the statement is made that a vast amount of personal property escapes taxation. Evidences of property are no more the thing itself than is the title deed of real estate real property. All the property thus duplicated is taxed somewhere at some valuation, and it is an error to assume that the owners escape taxation thereon.

It is not true that a vast amount of personal property wholly escapes taxation. The more correct statement is, that a vast amount of personal property escapes the double taxation which our laws attempt to impose upon it.

The assessors' lists, in so far as property is taxed twice, give a false and exaggerated estimate of wealth. If the combined property of A and B is, in contemplation of law and of the assessors, increased when A makes a loan to B, and if the evidence of title to property is taxed in addition to a tax on the property itself, the amount of property taxed must exceed the actual amount of property in existence. We believe that there is no inherent peculiar quality in personal property which justifies its subjection to a double tax.

The fact that the evidences of title to personal property are so readily negotiable has undoubtedly been instrumental in causing the taxation of such evidences in addition to the taxation of the property itself, but this fact does not furnish a good reason for the taxation of both. Negotiability of the evidence of title does not justify double taxation. If titles to real estate should be registered under the Australian system lately commended to the legislature by a special message of the Governor, and should become as readily negotiable as bonds, no one would have the hardihood to claim that for that reason the title deed or certificate as well as the property should be taxed.

Without going into the question as to whether it is expedient to tax personal property at all, we are clear that it is unwise and unjust to tax personal property more than once.

In considering the taxation of personal property, the distinction must be borne in mind between the thing itself, namely, machinery, stock of goods, supplies, furniture, jewels, pictures, money, etc., etc., and the certificate or other evidence of title thereto. We lay down these two propositions:

First. When both the thing itself and the holder of the evidence of title therein are within this State, it is not expedient or just to impose a double tax thereon.

Second. Since a tax is laid on things personal which are within the limits of the State, notwithstanding the owner lives without the State, the power and propriety of other States doing the same thing should be recognized, and a resident of this State should not be taxed here on account of his ownership in such things personal out of the State.

The inequalities, injustice, and inefficiency of our system of assessing personal property are sufficient to condemn it.

But there are reasons of policy as well.

In the present time, rapid and cheap transit and communication have brought the great rival competing cities here in the East close together. It no longer takes days to travel, or ship goods, or communicate. Time and space are annihilated. We are as much in close competition with New York and Philadelphia as if our boundaries touched.

In Philadelphia personal property is not doubly taxed; in New York it is seldom doubly taxed; in Boston the most strenuous efforts are made to collect a double tax upon it. Boston and Massachusetts are both avoided like a house guarded by a savage dog. It is true that one may not be bitten; but it is pleasanter to go where the dog is not so fierce.

Our system is a scarecrow, and a most efficient one.

Both capital and men are free in this country; they go where they please.

Enoch Ensley, of Tennessee, lays down this axiom: "Never tax anything that would be of value to your State that could and would run away, or that could or would come to you."

Untold millions of industrial capital has been warned away from Massachusetts, and driven out of it by our oppressive and unreasonable laws, and many a millionaire has feared to come here or left here for the same reason.

We all know that the value of real estate depends upon the capital employed on it. The more capital there is, the greater the demand for labor. We should seek to attract capital. We should not continue to warn it off and drive it out.

Some States wisely attract corporate and individual wealth. Our State repels it.

The most fertile spot upon the face of the globe, if not reached by capital, is worthless, while the accumulation of capital upon and around the peninsula on which is built the city of New York, gives to portions of that rocky waste a value amounting to hundreds of dollars the square foot. In our own State we see that the market value of real estate rapidly rises in those towns to which capital is attracted by reason of a low rate of taxation, or easy-going assessors. These towns now draw capital away from other cities and towns within the State, and especially from their neighbors. The same principle applied throughout the State would attract capital from other States, and if all personal property were exempted from taxation in this State, in advance of the adoption of the reform by other States, the result undoubtedly would be that capital would flow in, and that there would be a general increase in the value of real estate, owing to the greater demand for it and the greater amount of capital which would be placed upon it. In short, we believe that if the total tax levy should be laid upon real estate, and personal property wholly exempted from taxation, the State, as a whole, would be more prosperous; labor would be better employed, and better paid; and real estate, in spite of the greater burden laid upon it, would increase in value more rapidly than in the past, and would be a better investment than it is.

Many instances can be given of large corporations which have gone to Philadelphia or elsewhere, but which would have established themselves here had our laws been different.

The absence of great industrial establishments in Boston is evident to every one. There is many an empty site from which capital has fled.

Supposing an establishment employing $1,000,000 of capital and 500 men. Which is worth most to the city of Boston, a tax on the million dollars, or the incidental advantages?

The tax would be $14,000 we will say. We insist on that, and lose the company. Suppose we let them come.

Five hundred tenements are occupied. Supposing each man to receive $500 a year in wages; $250,000 is turned into the channels of trade by payments for provisions, groceries, clothing, rent, deposits in savings banks, etc.

The quick capital of the company is deposited in our banks, or loaned to our people.

Truckmen, longshoremen, expressmen, cab-drivers, and all the small tradesmen, find additional employment.

Many a retired man of fortune would like to bring his family to Boston; many a rich nominal resident would like to remain here longer each year.

Our system keeps such people away, and although it is now no longer necessary to go each year into the country or out of the State on the first of May, the tradition survives, and people do go, partly, perhaps, because they will take no risk, partly from established custom under the necessities of our laws.

It is impossible to make strangers come here against their will. It is impossible to make people stay here beyond the first of May to be taxed. It cannot be done. Experience has proved it very plainly.

What does this mean?

Ask the driver of the corner cab, the chore-man, the small grocer, the apothecary, all those who live on the expenditure of the wealthier classes, and they will tell you.

It means serious loss of business. On one street on the Back Bay there are some 400 houses. It has been estimated that the householders expend on this street alone between $3,000,000 and $4,000,000 yearly, or say $300,000 a month.

Whether these people remain in town one, or two, or three months longer, more or less, is a question of expenditure of from $300,000 to $1,000,000 on this street alone, and of money paid in to the general wealth of Boston instead of elsewhere, of which cabmen, expressmen, carriers, chore-men, mechanics, laborers, and so on would get their share.

Such are some of the advantages of relieving personal property from double taxation.

What are the objections?

It is said that the effect of relieving personal property from double taxation will be to raise the tax enormously upon real estate and make it a grievous burden.

The effect of the entire exemption of personal property would be to raise the tax at first to $17.31 per thousand, as we have shown; but the exemption of merchandise and other personal property would make this easy to bear.

The effect would be eventually to make the rate less than at present.

The establishment here of only a few large manufacturing establishments would shortly increase improvements in real estate to a value which would offset, and more than offset, the loss of personal property.

Moreover, there are ways of increasing the revenue of the city, and of decreasing her expenditures, without harmful results.

It will be asked whether an exclusive real estate tax will not fall heavily on the owners of small houses and prevent the increase of them?

Such is not the experience of Philadelphia, where there are more houses of small cost, owned by the occupant, than in any city in the civilized world.

In the city of Boston the sentiment in favor of the exemption of personal property is very strong and constantly growing, while in some of the other cities and towns the opposition to the reform would be strenuous. Discussion and investigation have done much to throw light upon and simplify the problem. If it is constitutional to pass a law allowing the city of Boston to raise money for its own expenditure (excluding county and State levies) by a tax upon real estate alone, the advantage of such a system could soon be developed, and, having been developed, other cities and towns would be eager to adopt the same system.

INTEREST ON DEPOSITS.

Some one has said that "Bankers are silent workmen in our wonderful development. If they were a little more noisy the public might be brought to appreciate the benefit banks are to the country."

In regard to commercial banks paying interest on deposits, circumstances alter cases; but let us consider the circumstances as they exist with us.

I think but few thorough, fair-minded men will ask a commercial bank to pay interest on even what are called time deposits. If a man stops to think of what the bank does for him, he will surely find it a convenience worth paying something for.

His bank furnishes him a safe place for his money, secure against fire and burglars; acts as his cashier in paying his bills, etc., making change, furnishing receipts (in way of order checks), and at times at the risk of having the wrong indorsement, all at no cost to him. A trade is made, one man gives his check, the other goes to the bank and gets his money; should there be an error in the counting it out to him of $10, $20 or $100, the man who gave the check loses nothing.

What would any business community be without its bank?

Think of a man carrying about with him the money needed for all his business transactions. With many people the bank pass and check books are all the books they keep.

Does not the business man owe the bank something for actually saving him money in way of avoiding express charges in transmitting his money from place to place, furnishing and cashing his exchanges? And in this section all these are done for nothing. It also adds, as it were, to his cash capital in many cases 60 to 90 per cent.

The shipper buys his carload of potatoes, oranges, barley, or what not, goes to his bank and draws on the consignee, attaches his bill of lading, and gets 60 to 90 per cent. of his selling price, which possibly is all of his money back.

With the aid of his bank he has the use of double his capital at every turn, and this in many cases at no cost whatever to him—the banker bearing the expense.

By the banks the circulating medium of the country is very much increased—a matter which the Farmers' Alliance should take note of and appreciate.

It has been shown that over 92 per cent. of all the deposits made in banks of the United States consists of checks, drafts and other items of bank credits, thereby increasing the circulating medium of the country over nine fold.

In this country the orange grower sells his crop and puts the money into the bank for safe keeping and draws it as he wants.

The barley grower has spent all of his money putting in his crop and wants more to pay for the harvesting. He goes to the bank and borrows some of the orange grower's money. The bank gets the interest for the care and risk taken, and so it goes—both have been accommodated. But some of you may say these commercial accounts are not the ones that ask for interest. Pay interest only on time deposits. There is little doubt but the party who wishes to make the so-called time deposits is one who has taken advantage of all privileges granted commercial customers, and he ought to recognize the fact that he owes his bank something.

But what are these so-called time deposits? Time deposits of a commercial bank differ from those of a savings bank; those in the savings bank, both by custom and law, are not payable until maturity, as positively stated in the certificate of deposit, while the so-called time deposit in the commercial bank almost invariably is a certificate of deposit drawing 3 per cent. interest if left three months, or 5 per cent. if left six months.

Sometimes both ifs on the same certificate.

They are so full of "ifs" that I shall call them "If" certificates or "If" deposits.

What can a banker count on or look for on that kind of a deposit? He does not know but he may have it to pay in thirty days, or it may be costing him 5 per cent. interest.

He knows not which. That, then, is practically interest on demand deposits, if not demanded. And that is surely the most deceptive kind of deposits. He rather expects the "If" certificate will run its full time, and possibly be renewed, and as he is paying 5 per cent. he cannot afford to carry much of that money on hand or have it idle.

Consequently he loans more, takes more chances on his loans, and if loans are scarce possibly buys bonds and stock, for he must have that money earn its interest, expenses and a profit.

Then he is disappointed if the depositor calls for his cash before the If runs out.

And if any evil rumor or crisis comes with 80 or 90 per cent. of these If deposits loaned, as the savings bank, his competitor, has, he is sure to wish he had done less business and been safer, as the If depositors are as sure to call for their cash, and all of it, as the commercial depositors, and most always in larger amounts each.

But some of you may say that it is the custom for Eastern banks to issue If certificates; but circumstances alter cases; in the farther East, and in the larger cities, demand loans can be made on collaterals, that can be realized upon, usually, at once. But even they sometimes get caught, as many were last November and December, when many of the old and so-called strong banks were shaken to their very foundations, and some wholly wrecked, simply because they thought they would not be called upon for money faster than they could realize on securities, and therefore had not limited their own credit, but had taken all the business they could catch, and when the crisis came they were caught short of cash.

If that is the result under the most favorable circumstances what can bankers in California (except possibly San Francisco) look for who, have no securities offered that justify demand loans? and if we had, and were obliged to realize at once, we would have no market for them. And what is worse, we are out of reach of help, as no great money centers are near us from which we could expect help in time of trouble.

Consequently every bank must stand as it were on its own cash.

In looking over the itemized statements of twenty-four National banks of Chicago, I find but four list any time deposits, and two of these have a total deposit of less than one-half million each. So the If certificates are not very popular there, nor are the banks which issue them. In looking up the statements of banks in other cities, I find very few which show any, and many banks to which I wrote, in different places east of the Mississippi River, say they pay no interest.

In Racine, Wis., they issue the If certificates with interest clause two per cent. if left six months, and three per cent. if left twelve months. A very low rate of interest.

But in Omaha most all show the If certificates. The same in Lincoln, Neb., and Sioux City, Iowa. And notice these same cities have fully as many savings banks in proportion to commercial banks as has Los Angeles.

Omaha has twelve commercial banks and nine savings banks. Lincoln has twelve commercial banks and four savings banks. Sioux City has thirteen commercial banks and five savings banks, making a total of thirty-seven commercial banks and eighteen savings banks—one savings bank to two commercial banks.

Now what are some of the figures where they are in the habit of issuing the If certificates? I find three of the larger banks in Omaha have total individual deposit of $5,386,000, of which $1,766,000 are the If certificates, or about one-third of their individual deposits.

The cashier of a leading bank in Lincoln, Neb., writes me: "Our deposits are as follows: Interest-bearing certificates, 33 per cent. Bank accounts bearing interest, 10 per cent. Individual accounts bearing interest, 22 per cent. Individual accounts no interest, 26 per cent." The certificates cost us an average of 4½ per cent.; bank accounts, 3 per per cent.; individuals, 4 per cent. (The latter are official.)

And he adds, "The situation here is about this: Every time a new bank starts, the interest allowed depositors is raised, and the rate of discount is lowered." How would that kind of banking suit you California bankers? Pay interest on 74 per cent. of your deposits, and that at an average rate of 4 per cent., and still plenty of savings banks. What are the results of this kind of banking? The per cent. of failure of banks is larger in the States bordering on the Mississippi and Missouri Rivers (where the If certificates flourish) than in any other section of the United States. California bankers may well be proud of their record.

According to the State Bank Commissioner's report for the year ending July 1st, 1890, there had been but two bank failures out of 232 banks, and those in the most trying year of the depression after the boom.

Taking Los Angeles as the criterion for Southern California, I find that for the two years and a half from July, 1885, to January, 1888, bank deposits increased over 400 per cent., and in the next year and a half decreased 25 per cent. Many visiting bankers from the East have wondered at the fact that, with such a sudden and great inflation and reaction in Southern California, there has been but one bank failure, and that a small private bank, which will pay depositors in full, and that the only one in ten years.

I challenge any State in the Union to show in its history a record of eight or ten years, with such a per cent. of growth as California has had and so few bank failures. I think that this good showing is mainly due to the fact that our banks paid no interest on deposits, therefore were not obliged to lend them to meet the promised interest.

There is no question but this country would have seen many more failures in the last three years if the If certificate had been in fashion.

Let us now figure a little for the profit in the If certificates. I have shown that where they are in general use over 33 per cent. of the individual deposits are bearing interest.

Suppose a bank carries $400,000 of deposits without interest, and by issuing the If certificates should gain $100,000 (and that could hardly be expected, if all the competing banks did the same), making $500,000 deposits, 33 per cent. of which bears an average rate of 3 per cent. interest; that I think would be low, allowing for the forfeited interest.

If it lend 60 per cent., or $300,000 at 8 per cent., it gets $24,000 interest. It pays interest on 33 per cent., or $165,000, at 3 per cent., $4,950. Say one-fourth of one per cent. for losses, $750. $5,700 off. It has a net amount of $18,300 interest.

Take $400,000 deposits, no interest, lend 60 per cent., or $240,000 at 8 per cent., $19,200. One-fourth of one per cent. for losses, $600. Net amount of interest, $18,600.

On that basis a loss to the "If" certificate banker of $300, besides the extra cost of handling more business and more risk and worry. If he thinks he can safely lend more than 60 per cent. of his "If" deposits, he must expect a larger per cent. of them will run to maturity, and therefore raise the average rate of interest. If you allow him to lend 70 per cent. of the "If" deposits and pay 3½ per cent., he is only $150 ahead, and that will not pay. If there are any errors in this statement they are in favor of the "If" certificate banker.

I am satisfied if all the commercial banks in this city or State issued the If certificates, they would not increase their deposits 25 per cent., still I believe fully as large a per cent. of the now non-bearing interest deposits would be made to bear interest. But some of you say, are you going to sit still and let the savings banks take all your steady deposits? I say yes, if we cannot hold them without issuing If certificates, and when we cannot get enough to pay to run the bank on a safe and profitable basis, then we had better quit banking and take to rolling pumpkins.

To sum it all up, I would say in *justice* to the banks, the great majority of the If certificate depositors should not ask interest. The issuing of the If certificate by commercial banks does not exclude savings banks, nor diminish their number. And as figures have shown, there is no profit in the practice of issuing the If certificates.

So I would say, let us not be led into temptation, but deliver us from the evils of the If certificates.—*A Paper read at the California Bankers' Convention by Mr. William F. Bosbyshell, Vice-President of the Southern California National Bank, Los Angeles.*

THE SILVER QUESTION IN CALIFORNIA.

At the last California Convention of Bankers a paper was read on the above subject by Mr. John M. C. Marble, president of the National Bank of California, which was prepared at the request of the Los Angeles Clearing House. After considering the unwisdom of the Government to attempt to act as a general lender of money, he continued as follows :

"Another question bankers should consider, that is prominent in politics, is free coinage of silver on a ratio sixteen to one, in comparison with gold, when the markets of the world say the difference is as twenty to one. This has narrowly escaped becoming a law, in a Republican Congress, and it remains to be seen whether the next Congress, a Democratic one, will adhere to the former great lights of that party, or succumb to the clamor of the silver mill owners, who want the Government to buy their product above the market value.

"I take it all are in favor of plenty of money, and yet I question whether any would favor its being so plenty as to drop to the value of base metals. In such a discussion, it is well to consider what money is—a measure of value—acknowledge that, and it follows that the measure, to be just, should be as stable as any measure of quantity, or injustice will follow. All, I take it, are willing to admit that a frequent change in the size of the bushel or the pound would not be a thing to commend, and yet the bushel or the pound measure but few things, while money really measures all things; by so much, therefore, the impolicy of this measure.

"Money without full intrinsic value is fiat money. Of course, to those who believe in fiat or imaginary money the argument advanced will have little weight; but the fiats of the Continental Congress of the Southern Confederacy, or, for that matter, of our own most powerful Government, whose notes, while declared by law the equal of gold as legal tender, dropped to thirty-three on this coast, show that, no difference whence derived, it is about as effective a means of maintaining values as the Chinese method of pounding gongs to dispel eclipses.

"So long as silver and gold maintain a parity of values, and are readily interchangeable at their declared ratios, little objection will be found, but when the United States, which only contains probably 1-25 of the population of the world, shall say to the remaining 24-25 that the two metals shall be equal in value on a basis of sixteen to one, while the opinion of that much larger number is that it is twenty to one, your fiats will fail, and the preferred metal emigrate to other climes, where it is better appreciated. This, I take it, would hardly be acceptable to a State that has always given the preference to the yellow metal, and that last year produced from her mines $9,896,851 of gold, and but $1,865,263 of silver.

"All understand that the present silver legislation is very valuable to the silver-producing localities, Colorado and Montana, which produce over 3-5 of the output of the United States. All are willing to do them full justice, but why should the great mass of the people be forced to buy their product above its real value in the markets of the world, and build warehouses to store it in? If desirable to popularize the silver dollar more as money, why not put into it a sufficient weight of the metal to make it the equivalent of the gold dollar, which is the favored metal, not only of California, but of the most enlightened nations of the world.

"We have an illustration of this preference even in this city. It is understood that taxes are not gold contracts, and I understand that some certifications of checks have been in silver. Why? Because it is the cheaper and less desirable metal, it being an axiom in finance that in time the poorer money will drive out the better, when the endeavor is to circulate them at even values.

"Further, I think the gentlemen present will bear me out in the assertion that, should any bank of this city turn out silver generally over its counter instead of gold, it would soon find its business departed, unless all adopted the silver standard. What I wish to emphasize especially now is, that if we have to have for our measure of value a thing that we must handle by the ton, and that is the favored metal of the Chinese and Asiatics only (whom this coast does not otherwise seem to greatly appreciate or affiliate with), that we should not place on it a value which every other intelligent people says is wrong. Let us act on the grandly Democratic principle that the voice of the mass of the most intelligent people of the world is the voice of Omnipotence and right, and not permit ourselves to be misled by the term dollar. Were it dropped from our vocabulary, and in its stead were we to speak of so many grains of silver or so many grains of gold, a better appreciation of the situation would be likely to follow.

"This is a more serious question to California than to any other country. Here the rule has always been to use the real thing—gold—

rather than its representative. Legislating gold into hoards or out of the country would necessitate a change in monetary modes, or cause a contraction of the circulating medium that would greatly reduce values.

"The latest statistics that I have before me show that there was on November 1, 1890, $634,010,285 gold coin, and $458,134,057 silver coin in the United States.

"A very slight premium will cause this entire volume of gold coin to disappear from circulation. This is much the larger as well as the preferred part of our metallic money, and this is a time when there is such a general cry for an increase of our circulating medium. Is it wise to take any chances in contracting the best part of our money, by driving it into hoards or out of the country, in exchange for our securities, held by people of other countries, who will fear our dropping to silver payments? Germany alone could return to us enough of our securities to about exhaust our entire stock of gold, and she is but one of many countries, holding our securities in large volume, that believe and prefer to believe an ounce of gold worth more than sixteen ounces of silver.

"This silver agitation has already given us some experience in what we may expect from hoarding. On July 31, 1890, there was in the United States Treasury and New York banks $264,452,000 in gold coin. On December 27, 1890, there was but $227,252,000 gold coin in these depositories. Between these dates there was very little loss by exports, proving that this large sum of our gold coin, amounting to $37,304,000, had passed out of circulation and into hoards. If the disappearance of such a sum—not fourteen per cent. of the holdings of the New York banks and the United States Treasury—aggravate a pressure such as we had last fall, what is likely to be the result if by bad legislation we drive all our gold coin out of circulation? Continue such a drain as I have referred to but a short time, with no limit on silver coinage, and you bring the country to silver payments. This means that instead of using the golden yard measure of plump thirty-six inches, as now, we will drop our standard by introducing the silver one, representing less than twenty-eight inches.

"The production of silver is very rapidly increasing. In 1873, the entire production of the world was 63,267,000 ounces; at the present time the United States is producing over 50,000,000 ounces, a quantity nearly as large as the world's production in 1873. At this time the world is producing over 124,769,000 ounces of this metal.

"Montana alone is expected by some of her sanguine friends to soon reach a much larger production, as large as the present output of the whole country. Over-production in the metals, whether precious or base, has the same result as over-production in other things. Their value is depressed; the difference between gold and silver widened. The cause of this great increase is the large profit made in its production.

"The average cost of silver from best authorities attainable is:

	Per Ounce.
In the United States, not to exceed................	52 4-10
In Mexico, not to exceed..........................	37
In South and Central America, not to exceed.......	34 5-8

"The Broken Hills mines of New South Wales produced in nine months last year 17,000,000 ounces of silver. If we were to take this large production of their silver at the price proposed by free coinage, we would pay those subjects of Great Britain fully $20,000,000 gold coin for what cost them some $3,000,000.

"The Government of Roumania has sold 25,000,000 ounces of silver recently to New York brokers, and has much more to sell. The Netherlands are also known to have sold 25,000,000 ounces to us. Europe is full of it, and they are ready to dump it on us at every favorable opportunity, and take our gold.

"The increased production of silver has been so great, that to keep it in circulation at the par of gold on old ratios has caused all mints of Europe for the past twelve years to be closed to the coinage of full legal tender silver.

"We hear much about France in these silver arguments. The fact is, that if we make no change in our coinage laws, but continue as at present, we shall soon have more gold and silver money in this country than that favored land possesses.

"The latest statistics I have seen place the gold coin of France at $900,000,000, and of the United States at $702,018,869. The United States stands next to France in the amount of its gold coin, and ahead of any other country.

"At the same time France possessed of silver coin $700,000,000, and the United States $482,051,346. No country possesses more silver than France, except India, which has $900,000,000. China ranks with France, the United States standing next.

"France for twelve years has coined no full legal tender silver, and limits the legal tender quality of her silver to fifty francs, about ten dollars, between individuals, and 100 francs to the Government. She finds this regulation necessary to retain the two coins in circulation as money on a gold basis.

"If such precautions are necessary to France, the most successful country in using the two metals interchangeably as money, is it not absurd to expect that we can maintain gold payments and our gold coin, if we embark in free coinage of silver, in unlimited quantities, making it redeemable in Treasury notes, that are legal tender for all debts, public and private?

"I have heretofore referred to the disposition shown in this vicinity to pay taxes in silver. No man will pay gold when it is more profitable to pay otherwise. He will buy silver, coin it, and pay Treasury notes, a legal tender for all debts.

"The money circulation of this country was increased last year $100,000,000, and is now being increased at the rate of $5,000,000 per month. To the extent that this is silver, the Government is making the difference between the cost of the metal and its coin value.

"The profits to the Government from coining silver for the twelve years prior to June 30th last have been $65,698,057.41. This large profit goes to the people, and to that extent lessens taxation. If free coinage had been in existence, this large sum would have gone to the comparatively few men who own silver mines, and to their Wall Street partners who are booming their stocks. Are not the profits of the silver producers sufficiently large already?

"By their own showings their products in the United States average a cost of but little more than fifty-two cents per ounce, which they are now able to sell at nearly double that price. Is there any good reason that the people should be compelled to buy all the silver men can possibly produce, whether they want it or not, at about two and a half times what it cost them? Are their profits not large enough already, without asking the people to give them such a bonus as taking all they can by any possibility mine at 129 29-100 per ounce, when no other part of the earth want their product at 100?

"All history shows that the market value is determined by the judgment of the world, and not by the laws of any one nation. There is no good reason that the people of Colorado and Montana, aided by Nevada, that produces but little but two senators, one representative, and a silver sentiment, should ask the Government of the United States to pay higher than the market price for a commodity which the Government wishes to purchase for common use. If it is not the desire to treat the metallic money as at present, by so regulating it that the Government can maintain its interchangeability, we should protect the standard by the other mode, that is, by making the coins equal in intrinsic value, by changing the ratios, so that the dollar, whether gold or silver, would be of equal value in the markets of the world.

"History has but one tale to tell of the effect of lowering standards of value. The purpose is defeated, leading to bankruptcy, distress, and at times the overthrow of Governments.

"Of gold, 240 tons were operated on by our mints in 1889, and of silver, the last fiscal year, 4,817 tons. The markets of 1889 would have required the silver dollar to contain 512 18-100 grains of silver, to have been the equal of gold, while at present it contains only 371¼ grains, and the simple question is, whether this great difference between legal value and market value shall go to a few wealthy silver producers or to the whole people.

"The last fiscal year our excess of exports over imports of gold and silver was $12,798,502.

"There was consumed in manufacture, $25,464,000.

"Our production of gold was	$32,800,000
" " silver "	64,446,464
"Total production	$97,246,464

"Leaving of our home products, $58,243,902, to annually increase our metallic money without drawing on the mines of other countries.

"Our coinage of gold last year was	$22,021,748
"And of other coins	38,232,688
"Total coinage for the year	$60,254,436

"On November 1st we had a metallic circulation outside the Treasury of $23.80 per capita, and our paper circulation was $1,004,200,553, nearly double that of the Bank of France, which had $579,593,765 on December 31, 1889.

"Money is simply a standard of value, a measure, as we have said. The impecunious will always be railing at its scarcity, and thus make much public opinion. The popular sentiment on any subject is, if not an argument, at least an influence not easily overcome, and if wrong in a land where public sentiment makes the laws, causes imminent danger.

"The real fact is, that where legislation has yielded to such clamor, it has been found that money was never scarcer than when required by the cord to purchase the common necessities.

"No one objects to the silver pool keeping up a bureau at Washington. But while the National Executive Silver Committee is sending printed matter broadcast over the land, at a large expense, to popularize its views and create a market for its product, the conservative people of the land should see to it that no one product or business receives an advantage to the detriment of all other products or businesses.

"What we want is a sound and stable currency of acknowledged value everywhere, not cheap and inferior money.

"The larger part of the business of the country, estimated at least 8-9 of it, is transacted on credit. The Clearing House will show how little money is really needed. What we really need is better credits. When you disturb the monetary standard of value, you cripple and demoralize business.

"The Government has no power to create money. Its saying a thing is what it is not does not change the fact. Its duty is to certify the weight and purity of the metal contained in its coin.

"The principle is false, that anything the Government stamps becomes money at what is expressed on its face; but many, so believing, create a cry for money in almost every form but gold.

"If the Government can create money, why not create all that everybody wants, and thus save all from working for a living?

"The attempts of Governments to make money valuable beyond the intrinsic value of which it was composed have always failed. The statistics of the nations are full of attempts to make paper, silver, copper, nickel, iron, leather, and other things used as money, have an intrinsic value they have not. These have always failed and always will, as there is no power but one, and that is Omnipotence alone, who can create something out of nothing."

TOTAL COINAGE OF THE UNITED STATES MINTS FROM THEIR ORGANIZATION.

Calendar Year.	*Gold.*	*Silver.*	*Minor Coins.*	*Total.*
1793 ... 1795	$71,485 00	$370,683 80	$11,373 00	$453,541 80
1796	77,960 00	77,118 50	10,324 40	165,402 90
1797	128,190 00	14,550 45	9,510 34	152,250 79
1798	205,610 00	330,291 00	9,797 00	545,698 00
1799	213,285 00	423,515 00	9,106 68	645,906 68
1800	317,760 00	224,296 00	29,279 40	571,335 40
1801	422,570 00	74,758 00	13,628 37	510,956 37
1802	423,310 00	58,343 00	34,422 83	516,075 83
1803	258,377 50	87,118 00	25,203 03	370,698 53
1804	258,642 50	100,340 50	12,844 94	371,827 94
1805	170,367 50	149,388 50	13,483 48	333,239 48
1806	324,505 00	471,319 00	5,260 00	801,084 00
1807	437,495 00	597,448 75	9,652 21	1,044,595 96
1808	284,665 00	684,300 00	13,090 00	982,055 00
1809	169,375 00	707,376 00	8,001 53	884,752 53
1810	501,435 00	638,773 50	15,660 00	1,155,868 50
1811	497,905 00	608,340 00	2,495 95	1,108,740 95
1812	290,435 00	814,029 50	10,755 00	1,115,219 50
1813	477,140 00	620,951 50	4,180 00	1,102,271 50
1814	77,270 00	561,687 50	3,578 30	642,535 80
1815	3,175 00	17,308 00	......	20,483 00
1816	......	28,575 75	28,209 82	56,785 57
1817	......	607,783 50	39,484 00	647,267 50
1818	242,940 00	1,070,454 50	31,670 00	1,345,064 50
1819	258,615 00	1,140,000 00	26,710 00	1,425,325 00
1820	1,319,030 00	501,680 70	44,075 50	1,864,786 20
1821	189,325 00	825,762 45	3,890 00	1,018,977 45
1822	88,980 00	805,806 50	20,723 39	915,509 89
1823	72,425 00	895,550 00	......	967,975 00
1824	93,200 00	1,752,477 00	12,620 00	1,858,297 00
1825	156,385 00	1,564,583 00	14,926 00	1,735,894 00
1826	92,245 00	2,002,090 00	16,344 25	2,110,679 25
1827	131,565 00	2,869,200 00	23,577 32	3,024,342 32
1828	140,145 00	1,575,600 00	25,636 24	1,741,381 24
1829	295,717 50	1,994,578 00	16,580 00	2,306,875 50
1830	643,105 00	2,495,400 00	17,115 00	3,155,620 00
1831	714,270 00	3,175,000 00	33,603 60	3,923,473 60
1832	798,435 00	2,579,000 00	23,620 00	3,401,055 00

Calendar Year.	*Gold.*	*Silver.*	*Minor Coins.*	*Total.*
1833............	978,550 00	2,759,000 00	28,160 00	3,765,710 00
1834............	3,954,270 00	3,415,002 00	19,151 00	7,388,423 00
1835............	2,186,175 00	3,443,003 00	39,489 00	5,668,667 00
1836............	4,135,700 00	3,606,100 00	23,100 00	7,764,900 00
1837	1,148,305 00	2,096,010 00	55,583 00	3,299,898 00
1838............	1,809,765 00	2,333,243 40	63,702 00	4,206,710 40
1839............	1,376,847 50	2,209,778 20	31,286 61	3,617,912 31
1840............	1,675,482 50	1,726,703 00	24,627 00	3,426,812 50
1841............	1,091,857 50	1,132,750 00	15,973 67	2,240,581 17
1842............	1,829,407 50	2,332,750 00	23,833 90	4,185,991 40
1843............	8,108,797 50	3,834,750 00	24,283 20	11,967,830 70
1844............	5,427,670 00	2,235,550 00	23,987 52	7,687,207 52
1845............	3,756,447 50	1,873,200 00	38,948 04	5,668,595 54
1846............	4,034,177 50	2,558,580 00	41,208 00	6,633,965 50
1847............	20,202,325 00	2,374,450 00	61,836 69	22,638,611 69
1848............	3,775,512 50	2,040,050 00	64,157 99	5,879,720 49
1849............	9,007,761 50	2,114,950 00	41,984 32	11,164,695 82
1850............	31,981,738 50	1,866,100 00	44,467 50	33,892,306 00
1851............	62,614,492 50	774,397 00	99,635 43	63,488,524 93
1852............	56,846,187 50	999,410 00	50,630 94	57,896,228 44
1853............	39,377,909 00	9,077,571 00	67,059 78	48,522,539 78
1854............	25,915,962 50	8,619,270 00	42,638 35	34,577,870 85
1855............	29,387,968 00	3,501,245 00	16,030 79	32,905,243 79
1856............	36,857,768 50	5,142,240 00	27,106 78	42,027,115 28
1857............	32,214,040 00	5,478,760 00	178,010 46	37,870,810 46
1858............	22,938,413 50	8,495,370 00	246,000 00	31,679,783 50
1859............	14,780,570 00	3,284,450 00	364,000 00	18,429,020 00
1860............	23,473,654 00	2,259,390 00	205,660 00	25,938,704 00
1861............	83,395,530 00	3,783,740 00	101,000 00	87,280,270 00
1862............	20,875,997 50	1,252,516 50	280,750 00	22,409,264 00
1863............	22,445,482 00	809,267 80	498,400 00	23,753,149 80
1864............	20,081,415 00	609,917 10	926,687 14	21,618,019 24
1865............	28,295,107 50	691,005 00	968,552 86	29,954,665 36
1866............	31,435,945 00	982,409 25	1,042,960 00	33,461,314 25
1867............	23,828,625 00	908,876 25	1,819,910 00	26,557,411 25
1868............	19,371,387 50	1,074,343 00	1,697,150 00	22,142,880 50
1869............	17,582,987 50	1,266,143 00	963,000 00	19,812,130 50
1870............	23,198,787 50	1,378,255 50	350,325 00	24,927,368 00
1871............	21,032,685 00	3,104,038 30	99,890 00	24,236,613 30
1872............	21,812,645 00	2,504,488 50	369,380 00	24,686,513 50
1873............	57,022,747 50	4,024,747 60	379,455 00	61,426,950 10
1874............	35,254,630 00	6,851,776 70	342,475 00	42,448,881 70
1875............	32,951,940 00	15,347,893 00	246,970 00	48,546,803 00
1876............	46,579,452 50	24,503,307 50	210,800 00	71,293,560 00
1877............	43,999,864 00	28,393,045 50	8,525 00	72,401,434 50
1878............	49,786,052 00	28,518,850 00	58,186 50	78,363,088 50
1879............	39,080,080 00	27,569,776 00	165,003 00	66,814,859 00
1880............	62,308,279 00	27,411,693 75	391,395 95	90,111,368 70
1881............	96,850,890 00	27,940,163 75	428,151 75	125,219,205 50
1882............	65,887,685 00	27,973,132 00	960,400 00	94,821,217 00
1883............	29,241,990 00	29,246,968 45	1,604,770 41	60,093,728 86
1884............	23,991,756 50	28,534,866 15	796,483 78	53,323,106 43
1885............	27,773,012 50	28,962,176 20	191,622 04	56,926,810 74
1886............	28,945,542 00	32,086,709 90	343,186 10	61,375,438 00
1887............	23,972,383 00	35,191,081 40	1,215,686 26	60,379,150 66
1888............	31,380,808 00	33,025,606 45	912,200 78	65,318,615 23
1889............	21,413,931 00	35,496,683 15	1,283,408 49	58,194,022 64
January 1, 1890, to June, 1890..	11,155,312 50	19,563,459 95	731,739 64	31,450,512 09
Total	1,522,688,045 50	604,107,088 15	21,981,448 25	2,118,778,581 90

INQUIRIES OF CORRESPONDENTS.

Addressed to the Editor of the Banker's Magazine.

A. gives his note at 4 months to his bank, and secures it with collateral worth 25 per cent. over par. B. gives his note to A., who has it discounted by his bank. Both make an assignment before maturity of the notes. B.'s note falls due, is protested and charged to A.'s account, making an overdraft. A.'s note matures, and his collateral is sold, and proceeds applied. Can you refer me to any decision giving the right of set-off of the surplus of A.'s collateral against his contingent liability, as indorser on B.'s note?

Reply.—We shall assume that the various transactions which together make up the case put in your inquiry are stated in precise chronological order, so that when the question at last arises between A.'s assignee and the bank as to whether the latter has a right to retain the surplus proceeds of the collateral, A.'s liability as indorser upon B.'s note is no longer a contingent liability, but has become an absolute debt, due and payable.

We have not been able to find any decision which holds that the bank would have the right to retain the surplus proceeds as against the assignee. Nor do we think that any such decision can possibly be found, because it would violate certain well established principles of law.

If the bank were entitled to retain the surplus it would be either because it had a lien of some kind for the purpose, or because it had a right of set-off, in the technical sense of that term.

It has no special lien except for the particular purpose of securing the payment of A.'s own note. Moreover, the very fact that this collateral was deposited for that single purpose is everywhere regarded as incompatible with any general lien for other purposes. It is the established rule that a bank has no general lien on the property of a customer to secure the payment of a balance due the bank on his account, when such property has been deposited for some other special purpose. (See Bolles' Banks and their Depositors, § 382. Morse on Banks and Banking [3d edition], § 325).

There being no lien in the case, it remains for us to consider whether any right of set-off exists, either at law or in equity. This question, as we have said, would arise after A.'s assignment between the bank and the assignee, but in order to determine whether the right would exist then, we have to go back and determine whether the bank had any right of set-off against A. before the assignment. For unless the right existed at that time the whole of A.'s interest in the collateral—his right to redeem, and his right to the surplus proceeds—passed to the assignee wholly free from any liability to a set-off which the bank might afterwards acquire against the assignor. (See Burrill on Assignments (5th ed.), § 403); Waterman on Set-off, p. 121; *Martin* v. *Kunzmuller*, 37 N. Y. 396; *Beckwith* v. *Bank*, 9 N. Y. 211; *Jordan* v. *Sharlock*, 84 Pa. St. 366.)

At the time of A.'s assignment no right of set-off existed at law, because no matured debt existed on either side. The existence of matured debts on both sides is essential to a legal right of set-off. (See Waterman on Set-off, p. 78 *et seq.*)

It is equally clear that no right of set off existed in equity. Stated in the form most favorable to an equitable set-off, the facts of the case at the time of his assignment were these: The bank was solvent; A. was insolvent; B. was insolvent, and his insolvency rendered A.'s liability as indorser, to all intents and purposes, a debt due absolutely but not then payable. The bank, on the other hand, held as collateral, for which it was bound to account, certain property belonging to A. worth 25 per cent. more than the face of the note which it had been given to secure. Now if the bank's obligation with respect to this collateral could possibly be regarded as an ordinary debt to pay money, which had been incurred by the bank in the course of its various dealings with A., and which was to become payable, in the natural course of events, when A.'s note matured, it might be difficult to see why a set-off should not be enforced on the principle of *Lindsay* v. *Jackson*, 2 Paige 581. For although the debt due to the bank would not be mature at the time of A.'s assignment, yet it would be a debt destined to become mature, in the natural course of events, before the maturity of the bank's debt to A. (See also *Spaulding* v. *Backus*, 122 Mass. 553; 2 Lead. Cas. Eq. (4th Am. Ed.) 1,346; *Smith* v. *Felton*, 43 N. Y. 419; *Jordan* v. *National Shoe and Leather Bank*, 74 N. Y. 467, 472; *Simpson* v. *Hart*, 14 Johns. 63, 74; Waterman on Set-off, p. 122, *et seq.*; *Stewart* v. *Anderson*, 6 Crouch 203.)

But even assuming that a court of equity would enforce a set-off in such a case, when the two debts were both payable *in futuro*, where one debtor was insolvent, and where the debt due to the solvent party was to mature earlier than, or simultaneously with, the debt due from him, it would not help the bank in the case we are considering, for the bank's obligation with respect to the collateral, at the time of A.'s assignment, could not possibly have been regarded as a debt payable *in futuro*. We need only observe that A., or his assignee for him, might, and probably would, pay the note at maturity in order to redeem the collateral, in which event the bank would be bound to surrender the specific articles deposited. A court of equity would surely never enforce a set-off with respect to an obligation which was likely to take this shape. (See *Hathaway* v. *Fall River National Bank*, 131 Mass. 14; *Brown* v. *New Bedford Institution for Savings*, 137 Mass. 262; Waterman on Set-off, §§ 107–110.)

Nor do we discover in the present case the slightest natural equity that the bank should have a set-off. A natural equity that a set-off should be enforced certainly does exist, after the creditor's insolvency, in favor of a solvent debtor, who has allowed himself to become indebted, because he relied upon using by way of set-off a debt which the other owed him. There was no such reliance in the present case. The bank did not discount B.'s note for A. with any reference whatever to the collateral previously deposited. The express agreement of the parties in respect to the collateral forbids any such inference. Such, indeed, were the terms of that agreement, that, in equity, the property deposited under it should be regarded and treated as having been, at the time of the assignment, A.'s own property for every purpose except the one special purpose which led him to part with the possession of it and intrust it to the keeping of the bank.

BANKING AND FINANCIAL ITEMS.

GENERAL.

SOUTHERN BANKING.—The banks in the South have increased very much within a few years, and it continues. The North had almost the whole circulation at one time. Even as late as 1875, the entire South had but 174 banks, while little New England had 538, and the Middle States 626. But there is a marked change. In 1890 the figures were 528 banks in the South, 582 in New England, and 837 in the Middle States. The Western States have 1,599. It will be seen that great as is the increase in the number of Southern banks, that there is room for many more. In fact, there is still some inequality, and to the disadvantage of the South. The capital, it is stated in the New Orleans *Times-Democrat*, is for New England and the Middle States $355,000,000—a falling off of $8,000,000 since 1878—and for the South $300,000,000, or more than double.— *Wilmington Messenger.*

THE FIRST SAVINGS BANK IN NEW YORK.—The first movement to form a savings bank in New York City was made in 1819. A charter to establish the Bank for Savings was granted on March 26, and business commenced on Saturday, the third day of July, at 6 o'clock in the evening. At 9 o'clock the doors were closed, and it was found that eighty-one accounts had been opened and $2,807 deposited. The largest deposit was $300 and the smallest two dollars. This bank, now more commonly known as the Bleecker Street Bank, still flourishes, and on the first of January, 1891, had a larger number of depositors than any other bank in the city, the number being 115,913. The amount deposited in 1890 amounted to $8,695,828.

A SMALL CHECK.—A check for one cent passed through the Citizens' National Bank the other day. It was drawn by New York parties, and was really a voucher for the completion of the settlement of an estate. Nevertheless the small amount attracted much attention.

WHERE THE SAVINGS BANKS ARE.—A large number—more than two-thirds of the whole—of the savings banks of the United States are centered in the Eastern and Middle States. Few banks for savings are to be found in the Western and Southern States; indeed, in some States not a single savings institution exists. The total deposits in the savings banks of Wisconsin in 1890 were but $67,539, divided among 615 depositors. Dakota, the smallest on the list (New York is the largest), numbered in 1890, 431 depositors, with $23,927 to their credit.

ART IN A BANK.—It is not often that an art gallery is found in a bank. Persons who visit the Lincoln National Bank in Forty-second street, however, will see a number of fine oil paintings—some of them quite large—hanging upon the walls. They are the works of Albert Bierstadt, some twenty in number, which were deposited with the bank a year or so ago for safe keeping. A full length oil portrait of Abraham Lincoln, by Marshall, has been added to this art collection. The Hon. Thomas L. James, the president of the bank, has an eye for the beautiful as well as a genius for finance, and he wants his patrons to enjoy with him all of the good things that he can get hold of.

THE NEW BANKING LAW OF KANSAS.—The new banking law of Kansas is very liberal in its inducements to capital, and at the same time is founded to a great extent upon the National banking law. All private banks must, within six months from March 21, 1891, make a showing to the Bank Commissioner or go out of business. If these banks organized under the new law are subject to the same careful supervision that National banks are, we know of no reason why their credit should not be equally good. Each bank is required to make four reports a year of its condition, which are published for the information of all concerned. The greatest objection that we see to the new law is the very small amount of capital required, " not less than $5,000." Of course there is no limit as far as the maximum amount of capital is concerned, and perhaps not many will do business on $5,000. But there is danger that a multitude of small banks will be organized under the new law, more than can be legitimately utilized by the people, and the temptation to fraud and speculation proportionately increased. The penalty for a violation of the provisions of the new law is not severe enough, in our judgment, and that feature should be changed. So far as the respective merits of the two systems are concerned we are hardly prepared to give a decided opinion, but under the new law, if strictly enforced, and we have a right to presume that it will be, we think all will be as nearly protected perhaps as is possible by legislative enactments.—*Wakeeney World.*

INSOLVENT BANK DIVIDENDS.—The Comptroller of the Currency declared dividends during the month in favor of the creditors of insolvent National banks as follows: A first dividend of 15 per cent. on claims amounting to $98,071 proved against the City National Bank of Hastings, Neb.; a first dividend of twenty cents on claims amounting to $166,753 against the American National Bank of Arkansas City, Kansas; a third dividend of 12½ per cent., making in all 62½ per cent. on claims amounting to $80,777 proved against the Kingman National Bank of Kingman, Kansas; a final dividend of 12.73 per cent., making in all 100 per cent. of principal and the interest in full on claims amounting to $232,908 against the First National Bank of Monmouth, Ill.; a fourth dividend of 5 per cent., making in all 50 per cent. on claims amounting to $4,324,673 proved against the Fidelity National Bank of Cincinnati, O.

GOLD PAYMENTS IN BRAZIL.—The Bureau of American Republics is informed that the Brazilian Minister of Finance has ordered the collection of all import duties in gold, and has forbidden the sale of gold at the custom houses.

DEATH OF A BANKER.—Francis M. Churchman, one of the best known bankers in Indiana, died recently at his home in Indianapolis. He was sixty-one years old and had been connected with Fletcher's Bank since its organization, nearly fifty years ago. The management of the bank will not be affected by his death.

SUGAR TRUST CONSOLIDATION.—It is stated by a party cognizant of all official actions of the Sugar Trust that close arrangements have been made with Claus Spreckels, by which his refinery will be operated in harmony with those in the Trust. It is intimated that the agreement made is on a tonnage basis, and does not provide for absorption of the property by the Trust at present, if at all. It is also stated that negotiations are in progress for the making of similar arrangements with other independent refiners.

BRAZILIAN GOLD IMPORT DUTIES.—A dispatch from United States Minister Conger says in regard to the law of November, 1890, requiring the payment of all import customs duties in gold, that as gold became scarce, and the premium thereon advanced, the Government put gold on sale at the regular price of exchange. About this time, meetings of commercial organizations and of merchants and importers were held in various importing cities, protesting so vigorously, that on the 11th of May last an order was issued by the Treasury Department authorizing the sale of gold at the Custom House for the payment of duties only at one-fourth of one pence below the regular price of exchange on the preceding day. This gave some relief to importers; but on July 17 the Minister of Finance issued a circular instructing the custom houses to collect import duties entirely in gold, and after October 1 next to stop the sale of gold at the custom houses.

HOW GOLD IS TO BE KEPT IN LONDON—LONDON, AUG. 27.—The bank return was strong. Notes returned from circulation counteracted the efflux gold to Germany and Egypt during the week. The bank still holds six millions of Baring securities, unrealizable. To-day the bank shipped gold to Germany to the amount of £60,000, and received £340,000. The Brazilian crop of coffee is valued at nearly £40,000,000, and most of it will be sent to the United States, and paid for in London, which will reduce the net balance of indebtedness by England for American grain. Therefore London may not export gold.

WAITING FOR WHEAT AND OTHER FREIGHT—NEW YORK, AUG. 27.—There are at present nearly 600 ocean vessels of all classes and nations in this port. They include 100 steamers, 56 ships, 92 barks, 31 brigs, and 295 schooners.

Eastern States.

Augusta, Me.—The Augusta Savings Bank has moved into its new banking rooms. They are regarded the best in New England, outside of Boston.

York, Me.—The York National Bank has just redeemed some of its State bank bills which were issued forty years ago. The bills were found in the settlement of an estate, and were first thrown away as valueless, but afterwards the bank officers were asked if they would be redeemed. As the bills were simply an ordinary note they were outlawed long ago, but the officers were perfectly willing to make good the face value of them. They were first examined, however, to see that they were not counterfeits, as the State bills issued by this bank were at one time extensively counterfeited.

New York City.—It is believed that the oldest seven presidents and cashiers of New York banks, in point of service, are the following: Mr. F. A. Palmer, National Broadway Bank, president, August, 1849; Mr. D. B. Halstead, New York National Exchange Bank, cashier, May, 1851, president, July, 1870; Mr. George S. Coe, American Exchange National Bank, cashier, 1855, president, 1860; Mr. George G. Williams, Chemical National Bank, cashier, December, 1855, president, January, 1878; Mr. F. D. Tappen, Gallatin National Bank, cashier, October, 1857, president, August, 1868; Mr. J. D. Vermilye, Merchants' National Bank, cashier, February, 1858, president, July 1868; Mr. Robert Bayles, Market and Fulton National Bank, cashier, November, 1861, president, November, 1863.

New York City.—Emerson McMillin & Co. have opened offices at 40 Wall street for the conducting of negotiations for the purchase and sale of gas, electric, water, street railway, coal, iron and industrial properties. Mr. McMillin will remain at the head of the Laclede Gas Co. and will give that company all required attention, although, in this respect, he is well relieved by the presence of Col. Stedman, in St. Louis, as manager. Mr. McMillin will also continue as president of the Columbus, Ohio, Gas Co., and for the present, at least, his home will remain in that city. His interests in some New York enterprises require his personal attention, and hence his choice of headquarters as above. Col. H. B. Wilson, who constitutes the "Co." in the above firm, has been associated with Mr. McMillin, in a business way, during the past twenty years. He is a banker by profession, and is now vice-president of the First National Bank of Ironton, O. Col. Wilson has had considerable experience in gas investments, and has been engaged in the management of several gas companies for many years. He will practically manage the business of the New York office.

New York City.—An action has been begun by the directors of the Ninth National Bank against the late president's estate to recover in part the $400,000 that he is alleged to have taken from the institution. Up to the time of his death President Hill had been at the head of the bank, and during his business career not a word was ever breathed that reflected upon his honesty or trustworthiness. It was not until the books of the bank were examined, after his death, that the fact dawned upon his associate directors that their chief had taken advantage of his position as the head of the institution to appropriate its funds to his own use.

Brooklyn, N. Y.—Many prominent citizens participated at the corner-stone laying of the new Twenty-sixth Ward Bank, at the corner of Georgia and Atlantic avenues, which was accompanied by appropriate ceremonies. The cost of the new building will be $45,000. It will be three stories high, 26 feet wide and 70 feet deep, and the style of architecture will be modernized Gothic. The first floor will be used for banking purposes, the second floor will contain offices, which will be rented, and the janitor and messenger will live on the third floor. The base of the building will be of granite and the body of buff brick, set off by Indiana limestone and terra cotta trimmings. The bank was organized in February, 1889, and began business a month later. It is expected that the new building will be ready for occupancy about Nov. 1. The Committee on Corner-stone consisted of Bernard Corrigan, J. W. Erregér and Adolph Keindl. The officers of the bank are: President, Ditmas Jewell; first vice-president A. H. W. Van Siclen; second vice-president, John V. Jewell; cashier, J. K. Alexander. Directors, D. Jewell, A. H. W.

Van Siclen, J. Adolph Mollenhauer, Bernard Corrigan, O. F. Richardson, Gilliam Schenck, J. W. Erregger, Morris Fosdick, Adolph Kiendl, Herbert F. Gunnison, John Ditmars, Charles H. Russell, A. D. Baird, William F. Wyckoff, James McGuigan, John V. Jewell, George W. Brown.

BROOKLYN, N. Y.—BROOKLYN TRUST COMPANIES.—If the rapid increase in the number of trust companies in this city has had a tendency to injure the business, the semi-annual reports just made to the State Superintendent do not indicate it. On the contrary, they show the utmost prosperity. Assets have increased during the past half year as a consequence of the judicious use of the funds, and profitable fields for the employment of money have been found. The new companies, instead of following in the beaten track of their predecessors, seem to have each found new fields and worked out new lines, until they have placed Brooklyn in the way of becoming a great money center. Western enterprises are seeking the aid of our trust companies, to help float their bonds, and some gilt-edged securities have thus been placed where Brooklyn investors could get the first pick at them. Thus the older and more wealthy sections of the country are helping to build up the new, and the trust companies of Brooklyn are coming to take a large share in this important department of finance The present condition of the trust companies, as shown by the semi-annual reports, is in every way encouraging, and reflects great credit upon the officers and directors thereof.—*Standard-Union.*

COOPERSTOWN, N. Y.—The new First National Bank building at Cooperstown is completed. It cost $30,000 and is an ornament to that village.

EAST RANDOLPH, N. Y.—There seems to be a good demand for the stock of the new State bank here, and it is rapidly being taken up.

PHILADELPHIA, PA.—In response to the request of the Governor of Pennsylvania, Secretary Foster has given the former permission to appoint experts to examine into the affairs of the Keystone Bank of Philadelphia to ascertain what became of $1,500,000 of State and city funds. Comptroller Lacey notified the Governor that a committee of three or five citizens, to be designated by the Governor, might examine the books and accounts of the bank, limiting the examination to deposits of public funds passing through the hands of ex-Treasurer Bardsley, in which the commonwealth might be directly or indirectly interested. The experts appointed by Governor Patterson have been too busy to serve, however, and nothing further has come of the investigation, as yet.

PHILADELPHIA, PA.—On August 18 Charles Lawrence, ex-assistant cashier of the broken Keystone National Bank, who pleaded guilty in the United States District Court to two indictments charging him with making false entries in the bank's books and with conspiracy with Gideon W. Marsh, president of the bank, to make false entries, was sentenced by Judge Biddle, of Philadelphia, to eight years' imprisonment in the Eastern Penitentiary at hard labor, and to pay a fine of $100 and costs. Francis W. Kennedy, president, and Henry H. Kennedy, cashier of the suspended Spring Garden National Bank, were also brought before Judge Butler in that city on the same day, and both pleaded guilty to making false returns to the Comptroller of the Currency, misapplying the funds of the bank, and making false entries in the books. After the two men had pleaded guilty, Judge Butler was petitioned by their counsel to suspend sentence, to allow them to get their affairs into order, and also on the ground that they could be of great assistance to the receiver of the bank in disentangling its affairs. Judge Butler decided to grant the petition, and postponed sentence until September 8.

PITTSBURGH, PA.—A suit has been entered by the Fidelity Title and Trust Co., as assignee of the Lawrence Bank, against all the directors of the defunct institution, for the recovery of $57,600 paid out in dividends. The bank was in existence thirteen years, and, it is alleged, paid out semi-annual dividends, which were in every case in excess of the net profits of the bank. Under the Incorporation Act this is not allowed, and the assignee seeks to recover the amount paid out in this way. The bank failed in November, 1889, with liabilities of over $1,000,000. It is still hopelessly insolvent.

WILLIAMSPORT, PA.—The Susquehanna Trust and Safe Deposit Company is now snugly enthroned in its new and handsomely arranged five-story building. The interior is simply a model of perfection and convenience. Under the skillful hands of the contractor, aided by a force of competent associates, the appearance has assumed a grandeur that places it on an equal with any other finely finished building in the State. The case surrounding the main business office is elaborately completed with handsome framework enclosed about with glass. The woodwork is solid cherry. The trimming in the front part of the room consists of copper and those in the rear of bronze, giving the general surroundings a fine appearance. The vault is composed of chilled cast-iron, manufactured by the National Safe Deposit and Vault Company, of Pittsburgh, furnished with time locks, and is strong enough to resist most any number of burglars. The walls are handsomely covered with adamant plaster. The trust deposit vault is fitted up with private boxes for individual patrons of the company. This vault is considered to be one of the best in the United States, the outer walls being composed of twelve-inch chilled metal. Immediately in the rear of the general office two large coupon rooms are being elegantly fitted up and furnished, one for the convenience of lady patrons, and the other for gentlemen. Still further back is a large room set aside for the use of the directors when desiring to assemble for the transaction of business pertaining to the interest of the trust and deposit company. As a whole, considering the manifold advantages the building possesses, it stands on an equality with any other of the kind in the country.—*Williamsport Sun.*

RHODE ISLAND SAVINGS BANKS.—Rhode Island contains thirty-eight mutual savings banks. They pay a small interest on deposits, like most savings banks, perhaps 3 per cent. on the average. But a feature of these mutuals is that the depositors receive dividends on the profits made by the bank, after the manner of building associations. This feature has made the mutual savings banks so popular that now in Rhode Island there are $60,000,000 deposited in them. The people of Rhode Island have put by small savings that amount to that much in the aggregate. Rhode Island has little agricultural resources to speak of. Her working people labor mostly in the factories, and the wages paid by these seldom make millionaires of the operatives. Yet, little by little, laying by fifty cents to a dollar a week, the thrifty Yankees of the smallest State in the Union have $60,000,000 put away for a rainy day. All Rhode Island contains a population of a little more than one-third as much as the one city of Chicago. The whole State is about equal in size to Cook County, in which Chicago is situated. Yet, averaging the money laid up among the mutual savings banks depositors in Rhode Island, it is found that it amounts to $472.88 per capita. This is probably the best showing of any savings bank or building association depositors in the country.

WESTERN STATES.

DENVER, COL.—The handsome new building of the Telluride First National Bank will soon be erected.

AURORA, ILL.—The Comptroller of the Currency has authorized the old Second National Bank of Aurora, Ill., to begin business with a capital of $200,000, and the First National Bank of Hickory, N. C., with a capital of $50,000.

KANKAKEE, ILL.—The City National Bank of Kankakee declared their semi-annual dividend on July 1, of 3 per cent., placing in addition $1,000 to the surplus account. Taking into consideration the additional expenses incurred in fitting up and moving into their new building on Court street, this showing is considered a remarkably good one.

SPRINGFIELD, ILL.—About thirty of the leading bankers of Central Illinois have organized the Central Illinois Bankers' Association, by the election of the following officers: President, O. S. King, of Mason City; vice-president, D. W. Smith, of Springfield; secretary, Lee Kincaid, of Athens; treasurer, H. Marbold, of Greenview; executive committee, W. S. Rearick, of Ashland; H. K. Weber, of Springfield; F. C. Orton, of Lincoln; J. M. Robbins, of Petersburg; N. C. King, of Havana, and J. N. Hall, of Delavan.

INDIANAPOLIS.—In accordance with the policy decided upon by the State Board of Tax Commissioners, bankers representing each of three classes of banks, National, State, and private, were arrested for refusing to deliver to the board the names of their depositors and the amount to their credit, on April 1. The bankers arrested were Volney T. Malott, President of the Indianapolis National; Hugh Dougherty, of Bluffton, President of the Bluffton State Bank, and Philip C. Decker, of Evansville, the head of a private bank in that city. The three bankers are among the best known in Indiana. Each was fined $500 for contempt of the Board of Tax Commissioners, and committed to jail until the fine is paid. By agreement, the cases were appealed, and the new Tax Law will be tested in the Supreme Court.

INDEPENDENCE, KAN.—The Comptroller of Currency has authorized the Citizen National Bank at Independence to begin business, with a capital of $50,000.

MICHIGAN BANKERS' ASSOCIATION.—The fifth annual meeting of the Michigan Bankers' Association was held at Marquette. The address of welcome was given by James N. Wilkinson, and the response by Hon. W. C. Maybury, of Detroit. Hon. Peter White, of Marquette, then delivered the annual address. State Banking Commissioner T. C. Sherwood read an address on "Bank Officers: Their Duties, Powers and Obligations." M. W. O'Brien, of Detroit, read a paper on "The Object and Scope of State Bankers' Association and Co operation among Banks," which was followed by a general discussion of the propositions made by Mr. O'Brien. Hon. Edwin F. Uhl, of Grand Rapids, spoke on "The Abolition of Days of Grace." Henry Russel, of Detroit, read a paper on "The Duty of a Customer to be Frank and Truthful to His Bank." The banquet of the association was held in old Masonic Hall. The hall was finely decorated. The steel plate menu cards bore views of Marquette and portraits of Charles Kobawgam, the old Chippewa chief, still living here. The seven regular toasts were: "The Upper Peninsula," James Russell, editor of the *Mining Journal;* "The Lower Peninsula," Hon. W. C. Maybury, Detroit; "The State Mining School at Houghton," Hon. J. W. Stone, of this city; "The Lady Customer of the Bank," Orrin Bump and Mr. Chandler; "Finance from a Clergyman's Standpoint," Rev. Dr. J. B. Bonar, of this city; "The Limb of the Law," Hon. D. H. Ball, of this city; "What has the Bankers' Association Accomplished?" W. P. Lacy. A number of impromptu toasts were also given, and the company finally broke up at midnight. The officers elected for next year are the following: President, George H. Russel, Detroit; first vice-president, Thomas Cranage, Bay City; second vice president, C. T. Hills, Muskegon; members of executive committee, E. H. Towar, Marquette; B. F. Davis, Lansing; Fred H. Potter, Saginaw; Reuben Kempf, Chelsea; J. W. Porter, Port Huron; Edward Ryan, Hancock; Charles E. Hiscock, Ann Arbor. A paper on "Taxation of Bank Stock" was read by H. H. Norrington, of West Bay City. He called attention to the irregularity and injustice in assessments under the present tax law by incompetent and unscrupulous assessors. In a radius of twenty miles in the Saginaw valley four different methods of taxation prevail, the assessments ranging from 50 per cent. to par, and in some cases the surplus being taxed, while in others not. In some parts of the State the only personal property taxed is bank stock. Frederick W. Hayes, of Detroit, read a paper on "Bank Statements" He advocated more specific and intelligible statements, which would enable the public to readily get at the exact condition of a bank's affairs. On motion of M. W. O'Brien, of Detroit, a committee consisting of H. H. Norrington, of West Bay City; J. B. Sturgis, of Houghton, and Edwin F. Uhl, of Grand Rapids, was appointed to formulate some plan of action for bringing to the attention of the next legislature the need for a reform law, as suggested in Mr. Norrington's paper. T. C. Sherwood, Commissioner of the State Banking Department, asked that, in order to make the statistics of the department as complete as possible, the National banks of the State be requested to send to the Banking Department copies of the published reports. A motion directing the secretary of the association to request all National banks represented to do this was agreed to, and the convention then adjourned. Many of the members went on an excursion to Houghton in the afternoon to visit the copper country, and the remaining ones spent the time in sight-seeing about Marquette. The meeting has been a very pleasant one. Frederick W. Hayes, of Detroit, was elected secretary, and Reuben Kempf, of Ann Arbor, treasurer, at a meeting of the executive council after the adjournment of the convention.

MINNEAPOLIS, MINN.—The Swedish-American Bank has been for several months attempting to induce Jacob Barge to alter his corner at First avenue south and Washington for a banking house corner. The scheme is reported to have fallen through, and it is understood that the bank will occupy the building now occupied by the Northwestern Bank.

MARSHALL, MINN.—The Lyon County National Bank, of Marshall, capital $50,000, has been authorized to begin business.

KANSAS CITY, MO.—The indications now are that there will be a criminal prosecution to follow the failure of the First National Bank of Kansas City, Kan. City Treasurer Ferguson says that he placed his money, to the amount of $34,000, in the bank after banking hours, and the officials received it while they knew that the bank would not open next morning. He has written a letter to the cashier and the Bank Examiner, in which he gives them fair warning that if the check which he placed there is used among the assets of the bank a criminal prosecution will follow.

ST. LOUIS, MO.—The Workingmen's Bank, East St. Louis, has recently declared an annual div dend of $8 per share, and has increased its capital stock from $50,000 to $150,000.

EAST ST. LOUIS, MO.—The First National Bank, of which Paul W. Abt is president, has established a nickel savings department, and will in the future open accounts with parties who desire to make deposits of that denomination.

NEBRASKA.—The State Banking Department is about to make war on the numerous National building and loan associations which are now operating in the State. Thousands of dollars are monthly collected throughout Nebraska by these associations without any proportionate return The war on these institutions will be waged under the act passed by the last legislature for their government. One of the first steps taken in the matter has been an open letter written by Bank Examiner Garber, in answer to an inquiry from Franklin, Neb., regarding the workings of the National Mutual Building and Loan Association of New York. He shows up the affairs of the institution in an unenviable light, and gives the reasons why the banking board refused to allow the association to do business in the State. It is the intention of the board to make it very warm for these associations, and protect the public from imposition.

OMAHA, NEB.—The Packers' National Bank, succeeding the South Omaha branch of the Nebraska Savings Bank, has commenced business.

WARREN, OHIO.—With respect to paying interest on deposits, it has been reported that the Kinsman Banking Company will pay 4 per cent. per annum on six months' certificates of deposit after July 15, 1891.

SOUTHERN STATES.

CHARLESTON, S. C.—The hand of the artist has wrought a marvelous change in the banking house of the Charleston Savings Institution, which is now one of the most handsomely decorated banking places in the South. Artist A. Lederberger has done himself and the bank credit in the exquisite interior decorations. The walls of both the counting-room and president's office have been frescoed in the most elaborate manner. The designs incorporated in the work were selected with the utmost care and show to the greatest advantage. The work is of a high grade. The furniture has all been repainted and everything looks as trim and neat as a lady's pin basket. President Morris Israel always does such things in the most acceptable manner. It ought to indicate genuine prosperity, but the $531,000 deposits of the bank is the most substantial index of prosperity.

WAXAHACHIE, TEXAS.—The new building of the Texas Mortgage Banking Company is nearly completed. It is an elegant structure.

PACIFIC STATES.

SAN FRANCISCO, CAL.—The new building of the Pacific Mutual Bank is now beginning to rise above its foundations.

HELENA, MONTANA.—The American National Bank of Helena has declared a dividend of 3 per cent. The bank was started less than a year ago, with a capital of $200,000.

HELENA, MONTANA.—A dividend amounting to $20,000 has been paid by the Helena National Bank, which is very good for the first year. The net earnings for the year were $27,076.65.

WASHINGTON.—Bank Examiner Campbell, in a report to Acting Comptroller Nixon, says the present indications are that the Farley National Bank of Montgomery, Ala., which closed its doors a few days ago, will resume business. The depositors and stockholders, he thinks, will not lose a cent. At the Treasury Department the Farley Bank is said to have had too much money on hand to make money. It does not owe a cent, has no bad debts, excepting the one that closed it, and was in all respects a model bank. Its surplus was about $110,000.

The reports of the New York Clearing-house returns compare as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus*
Aug. 1..	$389,650,800	$66,611,000	$54,145,800	$405,101,800	$4,085,600	$19,481,350
" 8..	391,129,800	65,882,800	53,590,800	404,211,000	4,299,000	18,420,850
" 15..	394,080,200	65,375,300	53,682,000	405,760,300	4,755,800	17,617,225
" 22..	395,455,500	63,385,000	51,452,900	402,912,400	4,976,200	14,109,800
" 29..	397,347,300	60,496,900	53,121,900	403,403,900	5,103,500	12,767,825

The Boston bank statement is as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Aug. 1......	$152,917,100	$8,356,000	$5,562,700	$124,262,800	$3,447,600
" 8......	152,019,300	8,246,500	5,184,200	123,042,500	3,500,200
" 15	150,951,700	8,067,100	5,582,400	122,846,700	3,581,600
" 22 ..	150,626,500	8,167,000	5,754,400	122,975,600	3,801,200
" 29......	150,980,500	8,126,300	6,018,100	122,691,900	3,624,600

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Aug. 1	$93,068,000	$29,099,000	$94,581,000	$2,111,000
" 8.	93,780,000	28,164,000	93,257,000	2,171,000
" 15............	94,139,000	27,297,000	93,306,000	2,292,000
" 22.	94,379,000	27,100,000	92,934,000	2,441,000
" 29.....	94,414,000	27,285,000	93,051,000	2,492,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Aug. 3	Aug. 10.	Aug. 17	Aug. 24.	Aug. 31.
Discounts..................	6⅛ @ 7½	6½ @ 7½	6½ @ 7½	6 @ 6½	6½ @ 7
Call Loans..................	2 @ 1½	2 @ 1½	3 @ 2	6 @ 2	6 @ 2½
Treas. balances, coin........	$91,891,722	$92,123,912	$92,294,188	$92,726,535	$92,749,018
Do. do currency....	25,266,254	25,781,696	27,940,126	28,975,155	29,499,439

Sterling exchange has ranged during August at from 4.84¼ @ 4.86½ for bankers' sight, and 4.82 @ 4.84½ for 60 days. Paris—Francs, 5.21⅞ @ 5.18¾ for sight, and 5.25 @ 5.21⅞ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.82 @ 4.82½; bankers' sterling, sight, 4.84¼ @ 4.84¾; cable transfers, 4.84¾ @ 4.85. Paris—Bankers', 60 days, 5.25 @ 5.24⅜; sight, 5.21⅞ @ 5.21¼. Antwerp—Commercial, 60 days, 5.27½ @ 5.26⅞. Reichmarks (4)—bankers', 60 days, 94½ @ 94⅝; sight, 95¼ @ 95⅜. Guilders—bankers', 60 days, 39 13-16 @ 39⅞; sight, 40 1-16 @ 40⅛.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from August No., page 162.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
CAL....	Redlands.......	Savings Bank of Redlands.	....
	$5,000	Frank P. Morrison, *P.*	John W. Wilson, *Cas.*
		A. L. Park, *V. P.*	
"	Riverside.......	Orange Growers Bank....	....
	$250,000	*(Organizing.)*	
"	San Francisco..	Tallant Banking Co.....	Drexel, Morgan & Co.
	$500,000	John D. Tallant, *P.*	John McKee, *Cas.*
			Fred'k W. Tallant, *Ass't Cas.*
CONN...	New Haven....	M. B. Newton & Co......	....
DAK.	N. Steele..........	State Bank...............	Merchants Exchange Nat. Bank.
	$5,000	D. H. Clark, *P.*	A. G. Clark, *Cas.*
		John Thornhill, *V. P.*	
"	S. Yankton........	Yankton National Bank...	Chase National Bank.
	$50,000	Newton Edmunds, *P.*	Wm. H. Edmunds, *Cas.*
		Chas. P. Edmunds, *V. P.*	
FLA....	Bartow.........	Bank of Bartow..........	Chase National Bank.
	$15,000	Frank Bentley *P.*	Lee Bentley, *Cas.*
		D. W. Stanley, *V. P.*	
"	Bartow	Polk County Nat. Bank...	American Exchange Nat. Bank.
	$50,000	Alfred A. Parker, *P.*	Warren Tyler, *Cas.*
GA.....	Summerville....	Bank of Commerce.......	Hanover National Bank.
	$15,000	C. W. Smith, *P.*	N. K. Bitting, *Cas.*
		J. S. Cleghorn, *V. P.*	
IDAHO..	Boise City......	Capital State Bank.......	Western National Bank.
	$50,000	J. S. Fordyce, *P.*	W. Ernest Mitchell, *Cas.*
		J. H. Bush, *V. P.*	H. E. Neal, *Ass't Cas.*
"	Payette........	Payette Valley Bank......	National Park Bank.
	$50,000	Ludwig G. Dyes, *P.*	Chas. S. Loveland, *Cas.*
		A. B. Moss, *V. P.*	
ILL....	Chicago........	National Bank Republic...	National Bank Republic.
	$1,000,000	John B. Mallers, *P.*	William W. Bell, *Cas.*
		A. M. Rothschild, *V. P.*	W. T. Fenton, *Ass't Cas.*
"	Harvey	Bank of Harvey..........	Hanover National Bank.
	$25,000	J. M. Wanzer, *P.*	William H. Miller, *Cas.*
"	Ogden.........	Busey's Ogden Bank......	....
		S. T. Busey, *P.*	L. A. Somers, *Cas.*
		M. W. Busey, *V. P.*	
"	Waukegan.....	Security Savings Bank....	....
		Chas. Whitney, *P.*	John Mulhall, *Cas.*
		W. C. Upton, *V. P.*	
IND.....	Charlestown....	Bank of Charlestown.....	....
		Mordecai B. Cole, *P.*	Arthur M. Guernsey, *Cas.*
		Wilford M. Green, *V. P.*	
"	Frankfort	Clinton County Bank.....	National Park Bank.
		Joseph E. Hillis, *P.*	Thomas N. Lucas, *Cas.*
		Amos Heaviton, *V. P.*	McL. Wasson, *Ass't Cas.*
"	Jonesboro......	Bank of Jonesboro........	United States National Bank.
		L. C. Curtis, *P.*	E. L. Zeis, *Cas.*
"	Patriot.........	Patriot Deposit Bank.....	....
	$13,250	H. J. Harris, *P.*	Calvin R. Green, *Cas.*
		L. L. Tiller, *V. P.*	
IOWA...	Emmetsburg....	Bank of Emmetsburg.....	....
	$42,300	Chas. McCormick, *P.*	P. O. Refsell, *Cas.*
"	Pleasantville...	Bank of Pleasantville.....	....
		Ira O. Isham, *P.*	N. T. Weston, *Cas.*
"	Postville	Citizens State Bank......	....
	$25,000	Reuben N. Douglas, *P.*	James McEwen, *Cas.*
		J. F. Smith, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
KAN	Cawker City	Farmers & Merch. Nat. Bk.	....
	$50,000	U. G. Paris, *P.*	Lincoln Paris, *Cas.*
		F. M. Owen, *V. P.*	C. W. Kellogg, *Ass't Cas.*
"	Lyndon	Peoples State Bank	National Park Bank.
	$1,000	Elisha Olcott, *P.*	Amos L. Wilson, *Cas.*
		J. H. Sowell, *V. P.*	
"	St. Mary's	Nat. Bk. of St. Mary's	....
	$50,000	Silas B. Warren, *P.*	Henry J. Warren, *Cas.*
		Geo. F. Anderson, *V. P.*	
KY	Augusta	Farmers National Bank	United States National Bank.
	$65,000	Francis W. Allen, *P.*	John M. Harbeson, *Cas.*
		J. B. Ryan, *V. P.*	Ben. Harbeson, *Ass't Cas.*
"	Augusta	First National Bank	Hanover National Bank.
	$50,000	C. L. Hook, *P.*	F. M. Fulkerson, *Cas.*
		S. W. McKibben, *V. P.*	
"	Covington	Covington Trust Co.	....
	$100,000	William Ernst, *P.*	W. K. Benton, *Sec. & Treas.*
		Frank P. Helm, *V. P.*	
LA	La Fayette	Peoples State Bank	Chase National Bank.
	$25,000	C. Debaillon, *P.*	Geo. L. McClure, *Cas.*
		C. C. Brown, *V. P.*	S. R. Parkerson, *Ass't Cas.*
ME	Lewiston	Androscoggin Trust Co.	....
		T. F. Callahan, *P.*	W. W. Stetson, *Cas.*
MD	Gaithersburgh	First National Bank	....
	$50,000	Upton Darby, *P.*	
MASS	Gloucester	Gloucester Safe Dep. & Tr. Co.	....
	$10,000	Geo. R. Bradford, *P.*	Sylvanus Smith, *Cas.*
		John J. Standly, *V. P.*	
"	Haverhill	Haverhill Safe Dep. & Tr. Co.	....
	$200,000	Chas. E. Wiggin, *P.*	
MINN	Elbow Lake	First National Bank	....
	$50,000	W. K. Barnes, *P.*	Thomas R. Marston, *Cas.*
		Wm. Moses, *V. P.*	
"	Marshall	First National Bank	National Bank Republic.
	$50,000	H. M. Langland, *P.*	M. W. Harden, *Cas.*
		R. M. Addison, *V. P.*	
"	Redwood Falls	Bank of Redwood Falls	Importers & Traders Nat. Bank.
	$25,000	W. F. Dickinson, *P.*	O. L. Dornberg, *Cas.*
			G. W. Dickinson, *Ass't Cas.*
"	Tracy	First State Bank	National Park Bank.
	$25,000	John S. Tucker, *P.*	D. T. McArthur, *Cas.*
		E. W. Holway, *V. P.*	
MO	Cape Girardeau	First National Bank	....
	$50,000	David A. Glenn, *P.*	Loren S. Joseph, *Cas.*
"	Meadville	Bank of Meadville	....
	$10,000	A. Lippitt, *P.*	Geo. W. Adams, *Cas.*
		W. H. Humphrey, *V. P.*	
"	Warsaw	Osage Valley Bank	....
	$5,000	Andrew J. Wright, *P.*	William J. Huse, *Cas.*
		Albert Kinkead, *V. P.*	
NEB	Morse Bluff	Bank of Morse Bluff	Seaboard National Bank.
	$7,500	Jesse Gidley, *P.*	John C. Hall, *Cas.*
		Andrew Fleming, *V. P.*	
"	Oakland	First National Bank	....
	$50,000	Andrew Beckman, *P.*	C. K. Cull, *Cas.*
"	Spencer	Boyd County Bank	Chase National Bank.
	$5,000	C. Lamoureux, P.	Sanford Parker, *Cas.*
			U. S. Adams, *Ass't Cas.*
N. H.	Whitefield	Whitefield Bk. & Trust Co.	....
	$25,000	Frank P. Brown, *P.*	Frank E. Dodge, *Treas.*
N. J.	Summit	Summit Bank	Hanover National Bank.
	$50,000	William Z. Larned, *P.*	Ernest A. Chapman, *Cas.*
		John N. May, *V. P.*	
OHIO	Marion	Farm. & Mechanics B'k Co.	First National Bank.
	$200,000	J. J. Hane, *P.*	H. B. Hane, *Cas.*
		A. H. Kling, *V. P.*	
PA.	Emlenton	First National Bank	....
	$50,000	James Bennett, *P.*	J. W. Rowland, *Cas.*

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
TENN.	Memphis	Shelby Co. Savings Bank..	....
		W. W. James, *P.*	Elijah B. Lacy, *Cas.*
		Geo. C. Love, *V. P.*	
TEXAS.	Nocona	First National Bank......	....
	$50,000	Edward Rines, *P.*	L. B. Smith, *Cas.*
UTAH	Lehi	Commercial & Savings Bk.	Chase National Bank.
	$50,000	Thomas R. Cutler, *P.*	O. Ellingson, *Cas.*
		Francis Armstrong, *V. P.*	
VT.	Morrisville	Union Sav. Bk. & Tr. Co..	....
	$25,000	C. S. Noyes, *P.*	H. M. Rich, *Cas.*
		Geo. W. Hindee, *V. P.*	
W. VA.	Grafton	Merch. and Mech. Sav. Bk.	....
	$50,000	Wm. Watkins, *P.*	W. Morgan, *Cas.*
		Chas. H. Rector, *V. P.*	
"	Huntington	Commercial National Bk..	Hanover National Bank.
	$100,000	G. N. Biggs, *P.*	W. B. Prickitt, *Cas.*
		F. F. McCullough, *V. P.*	
"	Jackson C. H.	Bank of Ripley	Hanover National Bank.
	$25,000	Warren Miller, *P.*	N. F. Pfust, *Cas.*
		D. K. Hood, *V. P.*	
WIS.	Berlin	First National Bank......	....
	$50,000	Geo. B. Sacket, *P.*	Robert A. Christie, *Cas.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from August No., page 163.)

Bank and Place.	Elected.	In place of.
N. Y. CITY...Seventh National Bank..	George W. Adams, *A. Cas.*	....
ALA....Amer. Nat. Bank, Birmingham.	W. H. Morris, *P.*	Geo. H. Waddell.
ARIZ....Pinal County Bank, Florence..	D. C. Stevens, *P.*	Wm. E. Guild.
COL....Greeley National B'k, Greeley..	Henry C. Watson, *V. P.*	Robert Hale.
CONN...First Nat. Bank, Wallingford..	W. J. Leavenworth, *P.*	Samuel Simpson.
DAK. N. First Nat. Bank, Grand Forks.	S. W. McLaughlin, *V. P.*	Wm. Budge.
DAK. S..First National Bank, Vermillion.	Myron D. Thompson, *V. P.*	....
	A. N. McKay, *Ass't Cas.*	....
GA.....Merchants National Bank, Macon.	W. T. Johnston, *V. P.*	....
	C. M. Boifeuillet, *Cas.*	W. T. Johnston.
IND.....First Nat. Bank, New Castle..	Geo. B. Morris, *V. P.*	M. E. Forkner.
" ..Bank of Reynolds, Reynolds...	E. A. Johnson, *Cas.*	Jerome Wood.*
IND. T. National Bank of Guthrie, Guthrie.	Louis de Steiguer, *P.*	R. de Steiguer.
	J. Elias Turner, *Cas*	Louis de Steiguer.
IOWA.. First National Bank, Peterson.	A. S. Weir, *V. P.*	....
	Jas. Kennedy, *Ass't Cas.*	....
KY.....Marion Nat. Bank, Lebanon...	J. B. Carlile, *V. P.*	Sam Spaulding.
" ..Owensboro Banking Co., Owensboro.	John Wandling, *Cas*	F. V. Stirman.
" ..First National Bank, Pineville.	J. S. Bingham, *V. P.*	....
" ..First Nat. Bank, Springfield.	B. L. Litsey, *P.*	D. R. Hays.*
MD.....Farmers & Merch. Nat. Bank, Westminster.	J. H. Cunningham, *Cas.*	W.A.Cunningham
MASS...Tremont National Bank, Boston.	D. E. Snow, *Cas*	A.T.Frothingham*
	Wm. J. Mandell, *Ass't Cas.*	D. E. Snow.
" ..Gloucester Nat. B'k, Gloucester.	L. A. Burnham, *V. P.*	....
" .Blue Hill Nat. Bank, Milton...	H. H. Allen, *Ass't Cas.*	....
" ..Old Colony National Bank, Plymouth.	Wm. S. Morissey, *P.*	Wm. H. Nelson.*
	James B. Brown, *Cas.*	Wm. S. Morissey.
" ..Plymouth National Bank, Plymouth.	C. B. Stoddard, *P*	I. N. Stoddard.*
	W. L. Boyden, *Cas.*	C. B. Stoddard.
" ..First National Bank, Westboro.	Wm. A. Reed, *Cas.*	Geo. O. Brigham.
	Otis K. Newton, *Ass't Cas.*	Wm. A. Reed.

* Deceased.

	Bank and Place.	Elected.	In place of.
MICH.	First National Bank, Allegan	F. I. Chichester, *Cas*	Leon Chichester.
"	Northern Nat. B'k, Big Rapids.	M. P. Gale, *P*	Geo. F. Stearns.
"	First National Bank, Cassopolis.	M. L. Howell, *P*	J. K. Ritter.
		S. T. Read, *V. P*	M. L. Howell.
"	State Bank, Williamston.	C. W. Beardsley, *P*	John B. Dakin.*
		Wm. Dennis, *V. P*	C. W. Beardsley.
MINN.	Bank of Minneapolis, Minn	Richard D. Kirby, *P*	Thos. W. Wilson.*
"	Farmers Nat. Bank, Owatonna.	Carl K. Bennett, *Cas*	C. F. Backus.*
MO.	First Nat. Bank, Independence.	Jos. W. Mercer, *V. P*	H. C. St. Clair.*
MONT.	First National Bank, Castle	G. E. Wiltse, *Ass't Cas*	....
"	First National Bank, Neihart	J. L. Neihart, *V. P*	....
NEB.	Citizens Bank, Atkinson	Geo. W. Lusk, *Cas*	H. H. Saunders.
"	B'k of Benkleman, Benkleman.	Oscar Callihan, *Cas*	Tom Glasscott.
"	First National Bank, Falls City.	J. H. Miles, *Cas*	P. H. Jussen.
"	Kearney Nat. Bank, Kearney	C. A. Wiley, *Ass't Cas*	H. P. Porter.
"	Nebraska State Bank, Schuyler.	E. F. Kenny, *P*	A. Stedman.
		J. M. Simmons, *Cas*	E. F. Kenny.
N. H.	Epping Savings Bank, Epping.	J. Q. Pike, *Treas*	N. G. Plumer.*
"	First Nat. Bank, Hillsborough.	Abel C. Burnham, *V. P*	....
N. Y.	Kingston Nat. B'k, Kingston	C. Hume, *Cas*	N. E. Brodhead.
"	First Nat. Bank, Middletown	Seymour De Witt, *Cas*	Chas. A. Douglas.
"	First National Bank, Port Jervis.	Francis Marvin, *P*	Chas. St. John.
		Thos. Sharp, *V. P*	Francis Marvin.
"	Southold Sav. B'k, Southold	H. Howard Huntting, *S. & T.*	H. Huntting.
N. C.	First Nat. Bank, Wilmington	B. F. Hall, *P*	Geo. Chadbourn.
OHIO.	City National Bank, Akron	Geo. W. Crouse, *P*	A. M. Cole.
"	Market Nat. Bank, Cincinnati	John N. Sullivan, *1st V. P.*	Michael Clements.
"	Merch. Nat. B'k, Cincinnati	H. C. Yergason, *P*	D. J. Fallis.
"	Marine Bank Co., Cleveland.	Wm. H. Barriss, *P*	Edwin B. Hale.
		W. B. Hale, *Cas*	Wm. H. Barris.
"	First National Bank, Oxford.	O. M. Bake, *V. P*	....
		W. M. Shera, *Ass't Cas*	....
PA.	Commercial National Bank, Bradford.	C. H. Lavens, *P*	R. F. Borckman.
		Chas. Duke, *V. P*	C. H. Lavens.
"	National B'k of Brookville, Brookville.	Henry Truman, *P*	N. Taylor.
		Calvin Rogers, *V. P*	Joseph Darr.
		Thos. L. Templeton, *Cas.*	B. M. Marlin.
"	First National Bank, Darby	Geo. M. Dwier, *Cas*	Wm. L. Buck.*
"	Mifflin Co. Nat. B., Lewistown.	Wm. Irwin, *Act'g Cas*	David E. Robeson.
"	Produce Nat. B'k, Philadelphia.	John A. Leslie, *P. pro tem.*	John J. MacDonald.
"	Third Nat. Bank, Pittsburgh	Chas. F. Wells, *P*	W. E. Schmertz.
R. I.	Nat. Exchange Bank, Newport.	Edward Newton, *Cas*	S. H. Norman.*
"	Rhode Island Safe Dep. Co., Providence.	Sam'l H. Field, *Sec*	A. J. Bennett.
S. C.	Hibernia Savings Institution, Charleston.	Frank Q. O'Neill, *P*	B. O'Neill.
		J. J. O'Connell, *Cas.*	F. J. McGarey.
TENN.	Clarksville Nat Bk, Clarksville.	A. Howell, Jr., *Ass't Cas*	....
"	Waverly B'k & Tr. Co., Waverly.	J. M. Trotter, *P*	Jas. N. Nolan.
TEXAS.	First National Bank, Bellville.	C. F. Helmuth, *P*	E. J. Marshall.
		J. G. Wessendorf, *Cas*	R. T. Erwin.
		Theo. Vinke, *Ass't Cas*	....
"	First National Bank, Gatesville.	F. M. Gardner, *P*	Jas. R. Raby.
		Jas. R. Raby, *V. P*	H. F. Straw.
		A. R. Williams, *Cas*	Y. S. Jenkins.
"	First National Bank, Rockwall.	R. E. Chandler, *V. P*	....
"	First National Bank, Seymour.	H. P. Branham, *P*	A. M. Britton.
UTAH.	First National Bank, Provo City.	S. S. Jones, *V. P*	T. R. Cutler.
		C. A. Glazier, *Cas*	W. H. Dusenberry.
VT.	N. B'k of Newbury, Wells River.	F. Deming, *P*	W. H. Cummings.*
WASH.	Port Townsend Nat. Bank, Port Townsend.	L. H. Pontius, *Cas*	J. S. Fenimore.
"	Exchange N. B., Spokane Falls.	F. Wiley, *Ass't Cas*	....
"	Tacoma Trust & Sav. Bank, Tacoma.	W. B. Allen, *P*	W. J. Thompson.
		Geo. F. Stacy, *Sec*	....
WIS.	German National Bank, Beaver Dam.	D. Dickinson, *V. P*	....
		M. A. Jacobs, *Ass't Cas*	....
"	First Nat. Bank, Columbus	C. E. Chadbourn, *P*	S. W. Chadbourn.*
WYOM.	First National Bank, Sheridan.	M. C. Alger, *V. P*	....
		W. G. Griffin, *Ass't Cas*	....

* Deceased.

PROJECTED BANKING INSTITUTIONS.

CAL....Azusa..........Azusa Valley Bank; capital stock, $50,000. Directors: W. F. Bosbyshell, of Los Angeles, P. C. Daniels, D. S. Shaw and Hy. Anderson, of Azusa, J. H. Adams, of Covina.

" ..Monterey.......Old Capitol Bank organized. Officers: Francis Doud Sr., *President;* Juan Malarin, *Vice-President;* E. M. Carver, *Cashier.*

" ..San Diego......New bank to be established; capital stock, $200,000. Projectors: Dr. Woodford, Mr. Wyatt and Mr. Barnes, all of Nebraska.

" ..San Francisco..New German savings bank to be established. Promoters: Herman Westerfield, Charles Schroth, Louis Westerfield.

" ..West Berkeley..The Pacific Coast Savings Society have organized a branch here with the following officers. E. F. Niehaus, *President;* D. H. Bruns, *Vice-President;* C. H. Spear, *Secretary;* O. E. Niehaus, *Treasurer.*

CONN...Branford.......The incorporators of the Branford Savings Bank have elected the following officers: John Hutchinson, *President;* M. P. Harding, *Vice-President;* Walter Foote, *Secretary and Treasurer.*

" ..Hartford.......Pratt Street Savings Bank opened for business at 228 Main Street, Aetna Fire Insurance building.

" ..Manchester.....New National bank wanted here.

DEL....Wilmington....Industrial Savings Society; capital stock, $2,000. Joseph Price, *President;* Empson L. Trusty, *Vice-President;* Richard H. Weeks, *Secretary;* John W. Dorrell, *Treasurer.*

ILL....Chicago........Hartford Deposit Co.; $310,000. J. S. Woodruff, *President.*

" .. " .....Homestead and Guarantee Co; $250,000; started by Jas. S. Norton.

" .. " ....Industrial Bank. A. L. Chetlain, *President;* Louis Hutt, *1st Vice-President;* A. M. Hair, *2d Vice-President;* John G. Shaar, *Cashier.*

" ..Chrisman.. ....New bank at Chrisman; capital stock, $35,000.

" ..Gridley.... ....A new State bank established. Incorporators, George P. Davis, of Bloomington, and R. J. Renn, Jasper Gilmore, Richard Bruce, Michael Vineyard, E. H. Hyneman, of Gridley; capital stock, $25,000.

" ..Rossville.......State Bank of Rossville; capital stock, $25,000. Incorporators: Berry M. Warner, W. T. Cunningham, Ed. Putnam, J. W. Wagner, G. S. Maurey and Adam Hoover.

" ..Sullivan........A bank has been organized by L. B. Scroggins, Abner Patterson and J. E. Eden, to be known as the Sullivan State Bank, with stock at $25,000.

IND.....Charlestown....Charlestown will have a bank, the institution to be under the management of Dr. S. C. Taggart.

" ..Seymour...... New State bank established; capital stock, $100,000. J. H. Peter, *President;* Sanford E. Carter, *Cashier.*

" ..Summitville ....Summitville Bank; capital stock, $25,000. Stockholders: Jas. Johnson, of Upland; Dr. Reasoner, of Marion; Dr. A. Henley and Mr. Levi Scott, of Fairmount; Jos. O. Allen, of Summitville.

IOWA...Dubuque.......A new State bank, with a capital of $50,000, is about to be established here.

" .. " ....Northwestern Deposit & Investment Co.; capital, $25,000,000. C. H. Valder of Decorah, Iowa, A. B. Eastman of St. Paul, C. J. Craxler, R. W. Taing and Robert E. Williams, of Minneapolis, Samuel R. House, of Painesville, O., and Wm. H. Wilcox, of Litchfield, Minn., are the incorporators.

IOWA...Marshalltown ..New savings bank will be organized soon.

KAN....Huron..........New bank; apply Charles Benning.

" .. " ....Huron State Bank; capital stock, $10,000. Shareholders: Edward Perdue, Huron; John Swartz, Dentonville; John Drohan, Purcell.

" ..McPherson.....A State bank will be opened here Sept. 1, by Kun Bros., Cerro Gordo, Ill.

" ..Seward.... ....Bank of Seward; capital stock, $5,000. Directors: George Wetig, Henry Bordewick, W. L. Curtice, J. Hundsack, all of Seward, and N. Hollister, of Hutchinson.

KY.... Smith's Grove..New bank established. E. G. Wilcoxson, *President;* Ben. S Cooke, *Cashier.*

LA......Alexandria.....Nearly enough stock is already pledged to open a Citizens Bank of $50,000 paid up capital, in this place.

MD.....Crisfield........It is proposed to establish a bank here.

MICH...Lansing........Marion Trust Co.; capital, $150,000.

" ..Marine City....First State Savings Bank; capital stock, $25,000.

" ..Marine City....Marine Savings Bank; capital, $50,000. Organized by Commissioner W. W. Sherwood.

" ..Niles...........First State Savings Bank; capital, $25,000.

" ..Three Rivers...First State Savings Bank; capital, $30,000.

MINN..Grand Rapids..Sheldon & Co., bankers, of Cloquet, will open a State bank with $20,000 capital, at Grand Rapids.

" ..Norcross........New bank.

MO.....Boonville...... The Farmers Bank has been organized by the election of Dr. J. H. Woolridge, *President;* C. C. Bell, *Vice-President,* and Ed. Chilton, *Cashier.*

" ..South Joplin...Arrangements are making looking to the establishment of a new bank here.

" ..Triplett........New bank here.

MONT..Butte..........State Savings Bank; apply Mr. A. P. Largey.

NEB....Bancroft.......Citizens Bank, Wm. Ward, *President;* J. W. Huntsberger, *Vice-President;* E. T. Rice, *Cashier.* The bank will begin business Sept. 1st with a capital of $25,000.

" ..Newman Grove.Citizens State Bank opens Sept. 1st. C. A. Randall, *President;* John Hoss, *Vice-President;* H. A. Smith, *Cashier.*

" ..Taylor.........A new bank is to be opened here Sept. 1, with a capital of $10,000.

" ..Wood River....New bank incorporated by Jas. Jackson, W. W. Mitchell, T. J. Smout, Geo. W. Miller and Thos. Costello.

N. J... West Hoboken.Hudson Trust Co.

N. Y...Findley's Lake..New bank opened for business.

" ..Mamaroneck...New bank open for business about Sept. 15th.

" ..Morris..........State bank to be organized.

OHIO...Bloomdale......The Exchange Bank, by T. J. Campbell & Son.

" ..Kinsman.......D. M. Yeomans, of Kinsman, O., is organizing the Industrial Banking and Investment Association, under the laws of West Va.

" ..Larue..........Larue, Marion County, has a new bank.

" ..New Castle.....New National bank to be established here.

" ..Wellsville......Savings bank established at Wellsville with $200,000 capital.

" ..Willoughby ....New bank.

PA.....Phœnixville....A branch of Dime Savings Bank of West Chester, Pa., will soon be opened at Phœnixville.

R. I....Warren........The Warren Trust Co. has organized. The Board of Directors have elected Jos. W. Martin, *President,* and J. W. Martin, Wm. B. Nichols and H. W. Eddy, Investment Committee.

S. C....Branchville.....New bank opened for business.

" ..Lexington......Lexington Savings Bank; Allen Jones, *President;* W. P. Roof, *Cashier*

TENN...Nashville......A real estate banking and trust company will be started shortly with capital stock of $250,000.

VA.....Newport News..A bank will be organized here, with a capital stock of $50,000.

W. VA..Elkins..........Elkins National Bank opened.

" ..Pocahontas.....Bank of Pocahontas incorporated, with $100,000 capital.

WASH..Rosalia.... ....There is talk of establishing a bank here.

" ..Tacoma........Tacoma Savings Bank by L. U. Loomis and Walter J. Stewart, trustees; capital stock, $25,000.

WIS....Fond du Lac...Fond du Lac has a new bank known as the Cole Savings Bank. Its capital is $25,000. Wm. E. Cole holds nearly all the stock.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from August No., page 164.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4600	First National Bank.......... Neihart, Mont.	Timothy E. Collins,	Gold T. Curtis,	$50,000
4601	First National Bank.......... Peterson, Iowa.	J. P. Farmer,	G. C. Allison,	50,000
4602	German National Bank....... Beaver Dam, Wis.	Theodore Huth,	Geo. C. Congdon,	50,000
4603	First National Bank.......... Vermillion, South Dak.	Darwin M. Inman,	Martin J. Lewis,	50,000
4604	First National Bank.......... Sheridan, Wyom.	E. A. Whitney,		50,000
4605	National Bank of Republic.... Chicago, Ill.	John B. Mallers,	William W. Bell,	1,000,000
4606	American Exchange Nat. Bank. Lincoln, Neb.	Isaac M. Raymond,	Silas H. Burnham,	200,000
4607	Commercial National Bank.... Huntington, West Va.	G. N. Biggs,	W. B. Prickitt,	100,000
4608	First National Bank.......... Gaithersburg, Md.	Upton Darby,		50,00
4609	First National Bank.......... Tabor, Ia.	F. C. Johnson,	L. J. Nettleton,	50,000
4610	First National Bank.......... Oakland, Neb.	Andrew Beckman,	C. K. Cull,	50,000
4611	First National Bank.......... Cape Girardeau, Mo.	David A. Glenn,	Loren S. Joseph,	50,000
4612	Farmers National Bank....... Augusta, Ky.	Francis Wm. Allen,	John M. Harbeson,	65,000
4613	Yankton National Bank....... Yankton, South Dak.	Newton Edmunds,	Wm. J. Edmunds,	50,000
4614	First National Bank.......... Marshall, Minn.	H. M. Langland,	M. W. Harden,	50,000
4615	First National Bank.......... Emlenton, Pa.	James Bennett,	J. W. Rowland,	50,000
4616	First National Bank.......... Augusta, Ky.	C. L. Hook,	F. M. Fulkerson,	50,000
4617	First National Bank.......... Elbow Lake, Minn.	W. K. Barnes,	Thomas R. Marston,	50,000
4618	Farmers & Merchants Nat. Bk. Cawker City, Kan.		Lincoln Paris,	50,000

No.	Name and Place.	President.	Cashier.	Capital.
4619	National Bank of St. Mary's... St. Mary's, Kan.	Silas B. Warren,	Henry J. Warren,	50,000
4620	First National Bank.......... Berlin, Wis.	George B. Sacket,	Robert A. Christie,	50,000
4621	First National Bank.......... Nocona, Tex.	Edward Rines,	L. B. Smith,	50,000

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during August, 1891.

CAL....Pomona........The National Bank of Pomona, by J. F. Brady and associates.
COL....Longmont. ....Farmers National Bank, by F. H. Stickney and associates.
DAK. S..Lead City..... The First National Bank of Lead City, South Dak., asked permission to establish a National bank.
FLA....Bartow.........First National Bank, by Lee Bentley and associates.
ILL.....Normal........McLane County National Bank.
IOWA...Sioux City. ....The Commercial National Bank, by J. W. Brown and associates.
KAN....Oberlin ....Oberlin National Bank, by Otis L. Benton and associates.
" ..Sabetha........The National Bank of Sabetha, by Geo. A. Guild and associates.
KY.....Greenup........First National Bank, by Wm. Sowards and associates.
" ..E. Grand Forks.The First National Bank, by E. R. Jacobi and associates.
" ..Owatonna......The Citizens National Bank, by Mark H. Dunnell and associates.
" ..Saint James....First National Bank, by Frank O'Meara and associates
MO.....Salisbury.......First National Bank, by George B. Oldham and associates.
NEB....Columbus......The German National Bank of Columbus, Neb., has asked for authority to establish a National bank there.
PA......New Castle.....Citizens National Bank, by David Jameson and associates.
" ..Royersford.....The Farmers and Mechanics National Bank, by W. A. Buckhalter and associates.
TENN ..Huntingdon....First National Bank, by R. F. Truslow and associates.
" ..Knoxville ......Holston National Bank, by W. H. Geers and asoociates.
TEXAS..San Angelo.....Citizens National Bank, by F. B. Gray and associates.
WIS....Grand Rapids..Twin City National Bank, by T. E. Nash and associates.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from August No., page 166.*)

N. Y. CITY.............Lenox Hill Bank closing.
" " ....Kemeys & Babcock succeeded by Hollister & Babcock.
ALA....Montgomery....Lehman, Durr & Co. have closed their banking business.
CAL....San Francisco..Tallant & Co. now Tallant Banking Co., incorporated.
COL....Lamar.........Merchants State Bank has consolidated with First National Bank under latter title.
DAK. S..Yankton.......Yankton Bank (Edmunds & Sons) succeeded by Yankton National Bank.
FLA....Bartow.... ....Polk County Bank succeeded by Polk County National Bank.
ILL.....Savanna. ......Savanna Bank now Savanna State Bank.
IOWA...Eldora.........City Bank succeeded by City State Bank, same correspondents.

IOWA...Lamoni........Farmers Bank succeeded by Lamoni State Bank.
" ..Sioux City.. ...Sioux City Trust Co. title changed to Sioux City Safe Deposit and Trust Co.
KAN....Cawker City....Farmers and Merchants Bank succeeded by Farmers and Merchants National Bank, same officers.
" ..Lyndon........Lyndon Savings Bank succeeded by Peoples State Bank.
" ..St. Mary's......Bank of St. Mary's succeeded by National Bank of St. Mary's, same officers and correspondents.
KY.....Augusta........Deposit Bank succeeded by Farmers National Bank.
LA.....La Fayette......Moss Bros. & Co. succeeded by Peoples State Bank.
MINN...New Brighton..Twin City National Bank has gone into voluntary liquidation.
" ..Redwood Falls..Bank of Redwood Falls incorporated.
" ..Tracy..........Commerce Bank succeeded by First State Bank.
MO. ...Kansas City....Fidelity Trust Co. has gone out of business.
NEB....Oakland........Oakland Bank has been succeeded by First National Bank.
" ..Ord............Ord National Bank has gone into voluntary liquidation.
" ..Sartoria........Clarke Banking Co. closed.
OHIO...Cadiz..........J. B. & R. Lyons retired from business, no successor.
" ..Marion.........Farmers Bank succeeded by Farmers & Mechanics Bank Co., same officers.
PA. ....Emlenton ......Emlenton Bank succeeded by First National Bank.
" ..Lancaster ......Reed McGrann & Co. have consolidated with the Conestoga National Bank.
" ..McKeesport ....Bank of McKeesport will be succeeded by National Bank of McKeesport.
S. C....Anderson ......National Bank of Anderson will be succeeded by Bank of Anderson.
TENN...Cardiff.........First National Bank has gone into voluntary liquidation.
TEXAS..Mason ....Citizens National Bank has changed its title to First National Bank.
W. VA.Huntington ....Commercial Bank succeeded by Commercial National Bank, same officers.
WYOM..Sheridan.......Bank of Sheridan now First National Bank.

DEATHS.

BACKUS.—On July 29, C. F. BACKUS, Cashier of Farmers National Bank, Owatonna, Minn.

BUCK.—On August 3, aged thirty-one years, WILLIAM L. BUCK, Cashier of First National Bank, Darby, Pa.

CHURCHMAN.—On August 23, aged sixty-one years, F. M. CHURCHMAN, President of Indianapolis Clearing House Association, Indianapolis, Ind.

DAKIN.—On July 14, aged sixty-seven years, JOHN B. DAKIN, President of State Bank, Williamston, Mich.

HEDGES.—On August 3, aged twenty-six years, J. K. HEDGES, Cashier of Exchange Bank, Decatur, Ala.

RITTER.—On July 30, J. K. RITTER, President of First National Bank, Cassopolis, Mich.

STANTON.—On July 29, aged seventy-four years, B. STANTON, President of La Porte Savings Bank, La Porte, Ind.

STONE.—On August 12, aged eighty-one years, P. J. STONE, President of Charlestown Five Cents Savings Bank, Boston, Mass.

THORN.—On August 23, JAMES H. THORN, Cashier of First National Bank, Rhinebeck, N. Y.

WOOLFENDEN.—On August 9, aged forty-four years, F. WOOLFENDEN, Cashier of Dime Savings Bank, Detroit, Mich.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, AUGUST, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in August.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
4½s, 1891 .... reg.	Quarterly Mar.	99⅝	101	99⅝	101
4s, 1891 ...... coup		100¼	101	100¼	101
4s, 1907 .... reg	Jan	116¾	117¾	116¾	116¾
4s, 1907 ..... coup.	Feb.	116¾	117¾	116¾	117¾
6s, cur'cy, 1895, reg.	Jan. & July.	110	110	109	109
6s, cur'cy, 1896, reg.		112	112	111½	111½
6s, cur'cy, 1897, reg.		114	114	113	114
6s, cur'cy, 1898, reg.		116½	116½	116	116
6s, cur'cy, 1899, reg.		119	119	118½	119

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	7	4⅜	7
Canadian Pacific	—	86⅞	81⅜	86⅞
Canada Southern	—	55	47¾	55
Central of N. J.	109	120	108	120
Central Pacific	—	33½	29	33½
Ches. & Ohio	16	22¼	15¾	22¼
Do 1st pref.	43½	55	42½	55
Chic. & Alton	—	—	—	—
Do pref.	—	—	—	—
Chic., B. & Q.	81⅝	96⅝	79⅝	98⅝
Chic. & East'n	64	72¼	62½	72¼
Do pref.	91	100	91	99¾
Chic., M. & St. P.	62½	71¼	61⅛	71¼
Do pref.	—	118	108½	118
Chic. & N. W.	104	112½	103¾	112½
Do pref.	132½	137¼	131¾	137¼
Chic., R. I. & P.	70¾	84⅛	69½	84⅛
Chic., St. P., M. & O.	22½	29¾	22¼	29¾
Do pref.	—	89½	82½	89½
C., C., C & St. L.	59⅛	70	58⅜	70
Col. Coal & Iron	30	36¼	29	36¼
Col., H. Valley & Tol.	—	28⅜	23	28⅜
Del. & Hudson	—	135¼	124⅞	135¼
Del., Lack. & W.	131⅞	142¼	130½	142¼
Den. & Rio Grande	—	18	14	—
Do pref.	41	48½	41	48
East Tenn. V & G.	5	6¾	5	—
Do 1st pref.	—	51	45	51
Do 2d pref.	10	14¾	10	14¾
Evansville & T. H.	117	123¾	114	—
Illinois Central	93¼	101½	92½	101½
Lake Erie and Western	—	17⅜	12½	17⅜
Do pref.	—	65	54	65
Lake Shore	107¼	117	107½	117
Long Island	—	97⅜	95⅞	97⅜
Louisville and Nashville	69⅝	78½	65⅞	78½
Louisville, N. Alb & Chic.	—	28¼	18½	28¼
Manhattan Consol	—	104½	96	104½
Mexican Central	—	23½	19	23⅛
Michigan Central	—	99	93	—
Mil., L. S. & W	—	75	75	—
Do pref.	—	108	104	—
Minn. & St. Louis	—	9	3¾	—
Do pref.	—	18	8¾	18
Mo., Kan. & Texas	—	17½	13½	17½
Missouri Pacific	65⅜	73⅞	63	73⅞
Nash., C. & St. L.	—	88½	79¾	88½
N. Y. C. & Hudson	99⅛	106¼	98⅞	106¼
N. Y., C. & St. L.	—	14¾	11¼	14¾
Do pref.	—	72	65	—
N. Y., L. E. & W.	18	26⅝	17⅞	26⅝
Do pref.	49	64⅞	49	64⅞
N. Y. & New Eng	32½	39⅜	31⅞	39⅜
N. Y., Ont. & W.	15	19	14¾	19
N. Y., Sus. & W.	—	9	6¾	9
Do pref.	26	33⅜	25	33⅜
Norfolk & Western	—	17½	13	17½
Do pref.	47	55	46½	55

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	21⅛	27⅜	21	27⅜
Do pref.	60	72	59⅜	72
Ohio & Mississippi	—	23	16½	—
Ohio Southern	—	17½	14	—
Oregon Impt	—	27¾	23	27
Oregon R. & N.	—	74	65⅛	—
Oregon Short Line	—	27	19⅞	26⅞
Pacific Mail	33¼	37	31½	37
Peoria, Decatur & Evansville	—	21⅝	15⅞	21⅜
Philadelphia & Reading	26½	35¾	25⅞	35¾
Pullman Palace Car Co.	179¾	188	177	188
Rich. & W. P. Term	11½	14¾	10⅛	14¾
Rome, W. & Ogd.	—	107¾	106¼	—
St. Louis, A. & T. H.	—	30	28	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	—	37	31	37
Do pref.	—	97	95	—
St. Paul, M. & M.	—	108	103½	107
Southern Pacific Co.	31¼	37½	30½	35¾
Sugar Refineries	77¼	87⅜	72⅞	87⅜
Texas & Pacific	—	15	11½	15
Union Pacific	41⅜	43¾	32¼	43¾
Wabash, St. Louis & Pacific	10	13½	10	13½
Do pref.	21⅞	28⅜	21½	28⅜
Wisconsin Central	—	20¾	16¾	20¾
MISCELLANEOUS—				
Am. Cotton Oil Trust	18¾	27	18¼	27
Nat. Lead Trust	15½	17¾	15	17¾
Tenn. Coal & Iron	28	34½	25¼	33½
Express—Adams	148	148½	147	—
American	—	119	116⅝	118
United States	—	62	58	—
Wells-Fargo	—	142	141	—
Western Union	80	84¼	78¼	84¼
Wheel. & Lake E.	29¾	37⅝	29¾	37⅝

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THE DUTIES OF STOCKHOLDERS.

It is a trite remark that persons rarely acknowledge that their failures in business are the consequences of their own shortcomings whenever they can trace them, however remotely, to others. No one is pleased to concede that he is a failure; and so he ascribes his ill success to a real or imaginary partner, if he can discover him. Illustrations are happening every day. One of the most common, however, is that of stockholders who make unlucky investments. Of late, the owners of bank stocks have been treated to some rough experiences of this kind. Bank failures within the last year have been unusually numerous, and their stockholders have been unusually loud in their complaints of mismanagement. Hardly one of them is willing to acknowledge any failure on his own part; the losses have been wholly due, either to the incapacity or rascality of the officers, or to the negligence, or something worse, of the directors. The Comptroller of the Currency and bank examiners have received their full share of condemnation from this source. All are to blame except the stockholders themselves. They do not acknowledge any neglect of duty; their misfortunes have been occasioned by the wrongs or negligences of others. Let us look into this subject a little and try to ascertain where the line of duty shonld be drawn between managers, directors and stockholders.

It must be admitted that, in some of the recent bank failures the leading officers have been bad to an extraordinary degree in executing their trust. In more than one of these cases the best grounds existed for suspecting them long before their rascalities were generally known. When, for example, a bank president is without much wealth, and is known to be deep in speculation, have not the directors and stockholders of his bank the best of reasons for fearing that he may go astray? To speculate, he must have money, and if not having much of his own, he must speculate with the funds of others. What is more reasonable than to suppose that he will put his hands on the money of his own bank, which can be more easily had than money from any other source; and knowing that, in general, speculation is against the speculator, the proper conclusion to reach in such cases is, that in the end he will make a failure of it and his bank will suffer. And yet, men of this type are kept in their places when the stockholders know, and the directors, and the public generally, that they are engaged in practices of this kind, which, to put the best face on them possible, are of a highly risky character, and even if successful by reason of their nature, the excitement and risks attending them impair the efficiency of all who may be engaged in them.

Of bank directors also it must be said that many of them devote little or no attention to their duties. Many persons are unwilling to serve; they are urged by stockholders to occupy the places and reluctantly consent. They have a good record in the community, and a bank is supposed to be strengthened by having a strong board composed of such men, whether they attend to their duties or not. The public see only the outside, and so it happens that many a director is chosen who only on rare occasions, perhaps, attends a board meeting. He lends his excellent record, and in most cases for nothing. He is aiding his bank, but deceiving the community, and for thus putting himself in a false position he gets no return, either directly or indirectly, whatever. He is willing to lend his reputation simply to please somebody, but without thinking of the possible extent of the sacrifice.

When a bank fails the directors are often blamed for not attending to their duties, and in reply they say, and with perfect honesty, we attended no meetings, we knew nothing about the affairs of the bank, we supposed that everything was all right; why should we be held liable for the misdoings of a president, cashier or other officer? From such a point of view they are innocent; but is this the only point of view from which they should be regarded? It is certain that the public suppose, or expect, something more of them. If they accept and do not attend to their duties they occupy a false position; and they should not be permitted to escape liability on the plea that they knew nothing about their institution.

It is said that the Comptroller of the Currency will deal with this question in his next report; we trust that he will, for surely, the situation of director is misconceived at the present time. Many men are unwilling to go on boards because they well know what the public expects of them, and that they have no time or inclination to attend meetings. So they decline to serve. But they are the men who would be the most faithful and conscientious in the discharge of their duties; and so it is contended that banks are better off with such men, even if they cannot attend meetings very often, than they would be with an inferior class of men who could attend more frequently. Thus we are in face of a very important question—should the legal responsibility of directors be lessened in order to draw a better class of men into the boards, or be increased, in which case they would be less inclined to serve, and banks would be obliged to select less desirable men? If the degree of responsibility be increased, many who are serving to-day would doubtless retire, but their places could be readily filled by those who are eager for these places, and chiefly because of the advantages which they expect to derive from their connection in the way of loans, or a higher standing in the mercantile community, and who are less sensitive concerning their duties and responsibilities than the class first mentioned. We have merely space to state the question here; its discussion must be reserved for another occasion.

Whenever a bank has been unfortunate in the selection of directors, are the stockholders wholly relieved from liability themselves? For, how came the directors to occupy their positions—were they not the choice of the stockholders? And thus we see at last that the management of a bank falls on them; the directors and managers are only their agents selected to do their bidding. While they ought not to escape if they have neglected their duties, neither ought the stockholders to be permitted to throw on others the blame which, after all, must rest on themselves.

The remedy for this state of things is evident. Stockholders should be more attentive to their duties; they should attend the annual meetings, and make investigations, in short, take a livelier and more intelligent interest in their undertakings. They cannot shield themselves by saying that they can accomplish nothing; that every bank or railroad is a mere machine, and that they are powerless to accomplish anything. The truth is that stockholders are negligent in all these particulars, and yet they are put in possession of more facts or hints with respect to their undertakings than ever before. The newspaper press to-day is wonderfully alert in bringing to surface all the wrongs of everybody and everything, and while they often go too far, and accuse unjustly, yet at the bottom of their accusations there is often a grain of truth; a clue or hint which, if followed by stockholders, would put them in possession of the truth. It cannot be denied that too often they are indifferent to their own interests. Were not the investors in South American securities warned for more than a year before the grand collapse of what was coming? and yet they continued to buy without hesitation. Have not the purchasers in the ingeniously contrived industrial syndicates, lately formed, been warned again and again of the consequences that are likely to be experienced, and at an early date? It is well known that most of the industrial properties thus purchased, however good they may be, have been stocked at two or three times their cost, and so heavily weighted will inevitably disappoint investors. Some of the early English ones are already in a bad way; the annual meeting of the Alsopp & Company's famous pale ale brewing establishment is one of the stormiest meetings of the kind that takes place annually. This was a swindle in its inception, and all the other syndicates formed on this model are of essentially the same nature, and yet a vast number of these enterprises have been easily floated. The gullibility of people seems to be as great as ever, and yet when the end comes, as it doubtless will, of all these enterprises, the stockholders or investors will be swift to accuse somebody of cheating them. Doubtless the charge will be true; but should they not also be blamed for not displaying a little intelligence themselves? Certainly they might have discovered easily enough the nature of their investments and their probable failure.

The Canadian banks offer a fine example for other banks to imitate in this country. Their annual meetings are very important; a full report is made, accompanied by appropriate remarks by the manager, and then the stockholders ask such questions as they desire for the purpose of obtaining further information. It may be that all the particulars of their business cannot be fully given to the stockholders; but surely very much can in safety be communicated to them. In truth, there is less and less secrecy in the managing of a bank or railroad than there formerly was. In these days of swift communication and bright men, the inside of nearly every kind of business is known by others, and business secrets are becoming less important and less numerous every day. Of course, there are exceptions. A case like that of the Keystone Bank, in which a large number were engaged in the swindle is phenomenal; the like never happened before in the history of banking. It is often said by a stockholder, when a bank or other financial concern has collapsed —this was the fault of the Government in having an incompetent Comptroller of the Currency, or superintendent, or examiner. If such officers did not exist, we do not believe that one stockholder in fifty would be any more vigilant than he is now. Those who, like Herbert Spencer, urge the paring down of the functions of

Government to the administration of justice, believing that persons will be more vigilant, we do not think have much of a case. If inspectors and examiners did not exist we are confident that stockholders would be just as negligent and thoughtless as they are to-day. The proof of this is at hand. In some of the States no such officers exist—Pennsylvania happens to be one of them. National banks have failed in that State during the last few years, and State banks, and private bankers. The State banks and private bankers were subjected to no examination or inspection whatever, and yet we do not believe there is a single individual who would maintain that the stockholders interested in them have been more vigilant in attending to their investments than the stockholders in the National banks existing in that State. In truth, they are all on the same plane; all have been equally negligent in this regard. If this be true, then examinations, whether conducted by the Government or by the State, are simply additional safeguards to those conducted by directors and others interested in these institutions. Admitting that State inspection has not been perfect, and that it ought to be improved, we do not believe that the vigilance of stockholders would have been greater if State inspection had not been exercised. Unless they can show that it would have been, they have nothing to say particularly in the way of excuse for their own negligence.

Of course, the negligence of a stockholder is no excuse for the negligence of others; on the other hand, we repeat that stockholders ought to heed the lessons which these failures teach them, namely, they should be more vigilant in the performance of their obvious duties. Let the work of National and State inspection be improved as much as possible, but even when this is done a stockholder should none the less carefully watch his investments. The failure of others to perform their duties will furnish no shield to him for practicing a similar negligence in this regard, or for his failure to realize the presence of dangers at all times and in all places. No business is absolutely safe; changes in law, business and men are constantly happening, therefore he should watch and examine without ceasing.

A REVIEW OF FINANCE AND BUSINESS.

THE WORLD'S CROPS AND FOOD SUPPLIES.

The first month of autumn has been the crowning one of the finest season for crops of all kinds that this country as a whole has ever seen. At the same time it has furnished the climax of the worst crop year Europe has seen within the memory of the present generation. While it has been the warmest and dryest September here on record, Europe has been equally cold and wet, and travelers returning from there confirm the press reports of bad weather for the crops during the first three weeks of the month, both on the Continent and in the United Kingdom. The effects of these climatic conditions upon the maturing and harvesting of the crops on both sides of the Atlantic can scarcely be over-estimated. The result has been to increase the surplus of this country above former estimates and to reduce the supplies of Great Britain as well as of continental Europe. Not only has the deficit been increased but the quality has been reduced by this wet harvest. It is now estimated that this country will raise a 2,000,000,000 crop of corn, a 585,000,000 wheat crop, a 695,000,000 oat crop, with the best crops of smaller grains and feed stuffs, excepting hay, ever raised. On the other hand, the European deficiency in the rye and wheat crop combined is estimated at 658,000,000 bushels as compared with an average. It is significant that revised estimates in nearly all the countries of Europe have aggravated the situation rather than improved it, while the reverse was the case in this country. The exports of wheat and rye during the first half of September have been larger than in August, and the two months combined give us the heaviest aggregate in nearly ten years. During the early part of the month ocean freights were easier and more plentiful, owing to the recharters of wheat vessels and to the lack of shipments of corn because of the high price in this country made by the corner in Chicago. After the failure of the clique that was running this corner, the market broke to a point at which exporters were heavy buyers of corn for the latter part of September and October shipment, and they bid higher rates for ocean tonnage than could be paid for wheat. This enabled purchasers of future cargoes of wheat for the Continent to resell them on this market at a profit and recharter their steamers for corn at higher rates of freight than originally contracted for; the result was decreased exports of wheat the latter part of the month, and increased exports of corn. At the time of the failure of the corn clique it was holding in round numbers 10,000,000 bushels, or practically the visible supply in this country. Since the failure of the attempt to corner the market, nearly three-fourths of this amount has been sold by the Chicago banks which held it as collateral for loans made to S. V. White & Co., to dealers and to exporters to go into consumption. Not only has the ocean freight available been monopolized for the shipment of this corn, but the Trunk lines from the West to New York, and the seaboard have been blockaded with these shipments until little through freight from the West to Liverpool was to be obtained at the close of the month, and local shipments to New York were absolutely refused by some of the roads. The effect of this changed position in the corn market has been to rally the price since this clique corn was placed, and the market is now regarded in a strong position for the balance of the old crop, for farmers have been shipping very freely early in the month to obtain the premium on September, and the old crop is considered pretty well out of the farmers' hands. Since the decline in price the receipts at interior points have fallen off nearly two-thirds, and until the new crop is available, which will not be general before December, there is little prospect for much lower prices. On the other hand, wheat has been depressed by this condition of things and the lack of new export demand, except for the English market, which came in towards the close of the month for our new spring wheat, which then began to arrive. The decline in prices has reduced the movement of winter wheat to about one-fourth of the volume early in the month, while the first rush of the spring wheat seems to be subsiding, and interior receipts from those points were running at the close of the month about one-fourth less than during the early and middle part of September. Taken together, however, the movement of grain at the West, of all kinds, including rye and barley, has been unusually heavy, and the shipments of currency from New York to the interior have steadily increased, until $6,000,000 were shipped out of this city during the fourth week in the month, mostly to the West, though some of it to the South for the movement of cotton. The course of the breadstuffs market is shown by the foregoing, both feed and food stuffs have declined from the prices current at the close of August, as the latter all sympathized with wheat and the former with corn.

THE IMPORTS OF GOLD

began about the middle of the month, and the first shipments were from France, to which point and Belgium the bulk of the August shipments of wheat had been made. But before the close of the month the bulk of the gold was coming from the Bank of England, notwithstanding the obstacles it had placed in the way of the shipment of gold to this country. As a result, over $10,000,000 of this coin had been shipped to this country from Europe up to the 26th day of the month, the bulk of it in the last week of the month. These imports had been increased by the renewed demand from London for American railway securities, which have been bought pretty freely for English account, in view of the undesirable condition of finances in Europe affecting home and other foreign securities, and the enormous movement of our crops, by which the earnings of our railroads must be greatly increased for the coming year. It is now generally conceded that the Bank of England, as well as the Bank of France, will lose a good part of the gold they had drawn from the United States during the summer, and the President of the British Board of Trade, Mr. Robert Giffen, has virtually admitted that $50,000,000 of those imports will be returned.

THE MONEY AND STOCK MARKETS.

The former has been steadily hardening during the month, under the continued and growing demand for currency to move the crops, until at the close it became quite stringent, at times, and worked very close at materially higher rates, as shown by the bank statement on the fourth week of the month, in the reduction of over 4,000,000 dollars in the reserve, as the imports of gold had not generally arrived. This was aggravated somewhat by the speculation in stocks which set in early in September, and became active and general by the middle, with a general revival of Bull confidence, in which the public joined with London and the professional traders on the Stock Exchange, for the first time in more than a year. But the sensational collapse on the last week of the month, brought about, it was believed, by Mr. Gould, relieved the money situation somewhat by checking the upward movement, although the price of money was bid up to the highest point, during the break in stocks, with which Gould was also charged. Another influence was the hanging fire of the Union Pacific scheme for the extension of its floating debt for the next three years, which was thought likely to fall through, for some time, owing to the delay of Gould and his fellow directors to subscribe to their part of the 5,000,000 collateral notes, necessary to secure the extension on its 18,000,coo of floating debt. This, however, was satisfactorily settled at the close of the month by their subscription to their share of the above collateral notes. Gould, however, was responsible for giving the stock market a still harder blow by passing the Missouri Pacific dividend, which had been semi-officially promised by some of the directors. With this hammer, and the throwing of this and other Gould stocks on the market by his brokers, the late Bull campaign was brought to an end for the time being, and nearly the entire advance was wiped out; though, at the close, the Vanderbilts were believed to be supporting their stocks by free buying orders, and also to be heavy buyers of Union Pacific, as some believed with the view of taking it out of the hands of Gould, as they never have to do with properties in his control. No such bitter feeling has been engendered in Wall Street speculation for a long time as this raiding of the market has caused; for the revival of the Bull speculation was believed to be based on the merits of railway properties, in view of the enormous traffic for the coming year from the carriage of our great crops. Beside, Wall Street brokers and commission houses had been starving for a long time, and had now got the public back into the market again and looked for their big harvest year, until this raid of Gould drove the public out again. During the fourth week of the month the Bank of England lost over $5,000,000 in gold, and the Bank of France nearly 7,000,000 francs, while Germany was still drawing small amounts of gold from England. The United States Treasury lost during the same week nearly $1,750,000 made up of $417,000 decrease in silver and $2,100,000 in Treasury notes, against $304,000 increase in gold and $526,000 in United States notes. Government bank deposits decreased during the same week $1,085,000, leaving only $15,000,000 in the Government depository banks. The Treasury books showed a balance on the 25th, of $44,219,000, of which $15,000,000 was on deposit in National banks, $17,250,000 in subsidiary silver, and $365,000 in fractional paper and minor coin. The margin of free gold in the Treasury was $30,000,000, while the amount of 4½ per cent. bonds continued at 2 per cent. was only $25,000,000 and $17,250,000 had been redeemed.

THE PRODUCE MARKETS

generally have been dull and depressed; and, in the case of provisions, in sympathy with corn in view of the maturity of the largest crop on record. The "hog famine" that has been predicted for the last year in this country, like the millennium has been delayed from time to time, until very few have any faith in its coming, as we are now within thirty days of the winter packing season and a new corn crop, with the largest stock of hog products on hand that has ever been held in this country at this season of the year. The result has been that the outside longs have been unloading, while the packers have encouraged lower prices, in order to begin the next packing season on a big corn crop basis of lower prices, rather than on the short crop basis of last year. Still we had a little Bull spurt early in the month, on the removal of the German prohibition of the imports of American meat subject to our new Government meat inspection law. But the result, so far, in actual business has been disappointing, and those who bought on the belief that France would soon follow Germany in this removal, have been selling out at a loss. The cotton market has had a little touch of the Bull fever on the cold weather in August, which reduced the crop estimates as per the Government report on the 1st of September to a 7,500,000 bale crop, on which Liverpool has since been a pretty fair buyer, considering the big stocks there and the large receipts at southern ports. This has given our market its principal support, although speculation is confined to the professional traders and southern dealers who sell in this market against their shipments. The last Egyptian crop, however, reached 3,000,000, the largest on record, while the coming one promises to be as large. Rye has suffered two heavy breaks during the month as a result of the over-speculation during August, when the enormous shortage in the Russian crop was first learned. Then our market advanced to $1.15, breaking afterward under ninety cents, rallying again on foreign buying to nearly $1, since when, it has had another set-back, on account of a break in the Berlin market, to nearly ninety cents. The speculation in this usually non-speculative grain has been more wild and the fluctuations more sensational than in wheat, because of the prohibition of its export by the Russian Government, and the subsequent acceptance of wheat on rye contracts by the German Government, the former advancing and the latter breaking the market from the top price. Notwithstanding this prohibition, the last break was caused by the heavy arrivals at Berlin, of Russian rye, which manages to get over the frontier somehow, although the prohibition was to have taken effect on the 27th of August.

The lake and inland water transportation companies, as well as ocean and rail, are all having a feast after a famine year and are busy at much higher rates than a year ago, at which there is a good profit. This is affecting ore and lumber as well as coal vessels, and indirectly all these trades as well.

THE RAILROAD SITUATION.

While it has been a bad month for Bull speculation in general, and for corners in particular, it has not been because the business situation, so far as this country is concerned, is not sound, or the tendency of prices downward, but because the merits of the strong position of commercial and financial affairs have been overdone by speculation, which has advanced prices too fast or too far, or by artificial means and manipulation, such as caused the reaction which was not yet due nor natural. Hence the collapse in the stock market boom, or the temporary set-back in the advance which had begun along the whole line of railway securities, was possible under the Bear tactics of Gould, who was either not ready for the Bull campaign, or was actually short of the market, or had unloaded his Missouri Pacific on the boom, as well as his other doubtful securities, which he had been compelled to carry for several years, while keeping up unearned dividends on them until the public would relieve him of his load of "squeezed lemons," among which his Missouri Pacific is classed, since he has given notice that he will lend money to keep up its dividends no longer. It was the realization that the Street and the Public had at length fallen into another Gould trap, that so startled Wall Street, together with the fear that other Gould stocks might soon follow Missouri Pacific, and the long list of his stocks, all of which bring up at the same bankruptcy landing, after they have been hopelessly diluted and "milked." Investors who had been led to believe that the Gould methods had been reformed, because there had been no public in the market, for some years past, on which they could be practiced, have again been rudely awakened to the fact, that the old proverb warning people to "touch not, taste not, and handle not" anything crooked, applies still to the "securities" of any property with which Jay Gould has anything to do. This is also true of other properties listed on the Stock Exchange, that are under the control of less able but equally unscrupulous financiers.

Not because the late advance was not based upon the increased dividend-earning power of all financially sound and honestly managed railroad properties north of the cotton belt, all of which, from one end of this country to the other, except the latter, will have enormously increased traffic the coming year, at better rates, because there is enough for all to do, not only in moving the largest crops of all kinds ever raised, except of cotton, but in carrying millions of people to the World's Fair next year. Hence 1892 is bound to be the monumental year in both passenger and freight earnings for American railways; and the recent Bull campaign had doubtless only begun in their stocks, when Gould and his abettors and imitators gave it and the public such a cold bath. Whether their backing and filling in the formation of the Union Pacific syndicate has been by collusion, and a part of the same scheme, is a matter of conjecture; but that it served to break the stock market, next to the passing of the Missouri Pacific dividend, no one will dispute.

THE BUSINESS SITUATION AT HOME AND ABROAD

is equally as sound in this country as that of our railways, and for the same reasons, notwithstanding "Deacon" White's attempt to corner the American corn markets failed, and the American Bulls in coffee were badly beaten by the French Bears, and the enormous new crop of Brazil. Good crops in the southern half of the western hemisphere have been secured during the current year, as well as in the northern half; and, strangely enough, the corn and coffee Bulls of this country were both beaten by betting on poor ones. At the same time, the finances of the South American States have been lifted out of the almost hopeless Slough of Despond into which some of them had fallen a year ago, by this timely godsend to these States east of the Andes; while those on the west coast have no less to be thankful for in the overthrow of the Chilian usurper and the restoration of peace, constitutional government and order, in spite of the Irish-American misrepresentation of our Government, by which this country has been placed in such a false, if not compromising position towards a sister republic. With peace and returning prosperity, resulting from good crops, the business situation in South America is therefore relatively as much improved as in North America, though by no means as sound either commercially or financially. Yet this gain over the condition of things existing in the former a year ago, and especially in the Argentine States, materially lessens the burden Europe has to bear for South America, this year, in addition to the enormous increase in her own, on account of the wretched crops throughout the former countries. Of the European situation there is little to add to what has been explained in recent issues, except that there is less war and more peace talk at the close of the month than during the early part of September, when war, this year, was regarded as imminent.

As to fall trade prospects at home, they are still regarded as good, but their realization has been delayed by the warmest September in many years, if not on record, throughout the United States. Of course, retail, and hence the general jobbing trade have suffered curtailment from this cause, yet, as a whole, they have both been fair, and show material improvement over August, if not over a year ago. The coal and iron trades are expected to improve soon, but have not yet done so.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Redemption of the Four and a Half Per Cents.—The papers have had much to say for several months concerning the probable action of the Secretary of the Treasury in redeeming these bonds, or continuing them. Doubtless much of the discussion bestowed on the subject is the consequence of dull times, and the lack of more interesting topics. There is a class of newspapers, however, who have been persistent in trying to make the public believe that the policy of continuing the bonds would prove a failure, and that the Secretary would not have money enough to redeem them in the event of their presentation for redemption. Neither of these prophecies have proved correct. About one-half of the bonds have been continued, and the Secretary has easily found the money to provide for the redemption of the remainder. Secretary Foster has never for a moment doubted the ability of the Treasury to redeem all the bonds, if necessary, but some of his critics have professed to know far more about the condition of the Treasury than the Secretary himself. It has also been asserted that the Secretary was disappointed concerning the action of the banks in not buying more of the bonds, and thus relieving him of the necessity of redeeming so many, but it may be questioned whether he has been disappointed in the least in this particular. The truth is, the remainder of the issue of the Four and a Half per Cents was not large enough to cause any serious difficulty concerning their disposition. All the doubts and difficulties have arisen from the outside, and not from within. Having easily disposed of these obligations, the critics must look around for some other point of attack. We cannot conceive a worse failure than they have made in this instance.

Loans on Gold in Transit.—Last spring, when gold exports were at their height, and could only be made, apparently, at a loss, they nevertheless continued. In other words, gold was exported while the sterling exchange rates were above the export point. Counting in freight rates, interest and insurance charges, and other incidental expenses to the ocean trip, the rate for demand sterling bills at which it is calculated gold coin can be exported to London is \$4.89¼; the rate at which it can be imported without loss is \$4.83¾. It was soon learned that these transactions were facilitated by the action of foreign banks in advancing interest on the amount of gold from the time of shipment. A Paris correspondent, who wrote on the 2d of May, thus describes what was taking place: "The extraordinary increase in the stock of gold held by the Bank of France creates in financial circles a feeling of the greatest astonishment. The more the foreign exchanges rise with us, the less should be the importation of gold, but, as a matter of fact, the larger it is at present. Strangely enough, most of it comes from America, where exchange on Paris becomes less favorable to us every day. In point of fact, francs have risen in connection with the advance of the sterling rate with us to 25.29, in New York to 520⅝, while the cross exchange would, at 4.85⅜ for the pound sterling, work even out at 521⅛. This latter figure reduced to sight, or rather to cable transfers, would mean 518⅜, and yet, as I have repeatedly mentioned, the gold remittances from New York to Paris stand in at about 515. We are, therefore, in the presence of something quite unique in the movements of the precious metal from one place to another, and our bankers look at it in that way. When on Wednesday it was announced that the Bank of France had received from America again seven and a half million francs, which in a few days would be followed by another twelve and a half millions, amazement grew still further. The Bank of France makes good the loss of interest on the transaction by advancing the full amount of the gold shipped from New York to France on the simple production of the dispatch advising the shipment, and without charging any interest. But there the bonification ends. There is, however, but one banking firm here which transacts this peculiar business, and it is one of the very highest standing. The broad fact remains that about 20,000,000 francs are imported into France, while all the foreign exchanges are against us, and at a moment when the most important among them, the rate of sterling, would already leave a good profit on the exportation of twenty-franc pieces if full-weight coin could be obtained. No wonder that under such circumstances the stock of gold could rise to 1,238,000,000 francs this week, against 1,120,000,000 at the beginning of the year, a fine increase, indeed, even if the repayment of the gold lent to the Bank of England be taken into consideration."

One of the New York City banks, the Fourth National, has determined to imitate the example of the Bank of France, and to lend money to importers of gold while it is in transit. The transaction is very simple. An exporter orders $1,000,000 in gold from Europe, for which he pays in bills of exchange. While the gold is on its way here he puts up good collateral with the bank for a loan not exceeding the amount of gold, payable without interest as soon as the gold arrives. The imported gold is, of course, used to pay off the loan, and the bank's stock of the precious metal is, of course, increased by that amount. The interest on $1,000,000 for seven days at 5 per cent. would be nearly $1,000. In banking and financial circles various opinions have been expressed concerning the action of the Fourth National Bank; some have condemned and others have approved of it. The opinion of the former may be said to be summed up in the statement made by one of them as follows: "It is all nonsense to do anything of the kind. Europe wanted the gold last fall and had to pay for it. We don't want it now. We have got all the money we want, and cannot get 3 per cent. for it on call on the street. These people who want to emulate the European bankers seem to forget that there are any natural laws. The gold will come back naturally, as it is required, without special efforts being made to bring it here. You say the Fourth National Bank is going to lend money without interest? I cannot believe it!" One well-known financier took an entirely different view of the affair, and his view was apparently shared by many other bank officers. After expressing his approval of the determination of the Fourth National Bank, he said, in relation to the statement that Europe wanted the gold, and that we do not want it now, and that therefore there is no necessity for trying to hasten its flow in this direction: "Everybody knows perfectly well that gold is the standard of value here, and that when it flows out of the country unduly it creates more or less alarm. When the large outflow of gold took place last fall, it is true it did not disturb the equilibrium, but the question that presented itself to every thinking man then was, whether that outflow would not drive us to a silver basis by putting gold at a premium. The inflow of gold this way has a tendency to restore confidence by relieving the people of all alarm on that question. If the Fourth National Bank can accelerate the natural flow of gold this way in the manner proposed, it will be a good thing for the country, and the bank is deserving of credit for initiating the movement. I hope other banks will follow its example."

Kansas Banks.—The new banking law of Kansas went into effect on the 21st of September. At that date two hundred and ninety-one banks had organized under the law. Two years ago suspensions were not unfrequent among the banks of Kansas, and there was no slight feeling of distrust in financial circles. Money was scarce and collections were slow. Farmers had no surplus to deposit in banks, and were short of means to pay their debts. The result was that those financial institutions whose loans were disproportionate to their resources were compelled to close their doors. A number of them have since resumed. This fact, taken in connection with the establishment of new banks in Kansas, proves that a great change for the better has taken place in the financial condition of that State. The improvement began last year, and has become decidedly marked this season, as the result of the bountiful harvest. It is estimated that Kansas will receive this year not less than 200 million dollars for her farm products. A noteworthy feature in the new bank organizations is the large representation of the farmers among the stockholders. The Kansas City *Star* says:

This indicates, unmistakably, a substantial increase of wealth among the farmers of Kansas and a revival of agricultural prosperity. From this time on the borrowing class in Kansas will diminish, and it will not be many years before it will be unnecessary for persons who desire to obtain loans to go outside of the State. The present indebtedness of the people of Kansas largely represents lands which were purchased on credit and improved with borrowed money. The rapid cancellation of mortgages which is going on in that State is a sure sign that the farmers are making headway, and if they continue to discharge their obligations at the present rate it will not be long until they are out of debt. The profits and savings of this class of farmers remain within the State and go toward the establishment of banks for the accommodation of their neighbors. The outflow of money from Kansas for the redemption of securities held by eastern capitalists will be diminished every time a mortgage is canceled in the State, and the available wealth of Kansas will be correspondingly increased. The testimony of the State Bank Examiner only confirms the encouraging reports which have come from other sources regarding the financial situation in Kansas.

Kansas Mortgage Statistics.—From returns in fifty-four counties it appears that the excess in releases over mortgages recorded is 26½ per cent. for the months of May, June, July, and August. The total mortgages recorded for this period were $4,683,805; the releases 6,370,370. The estimated gain for the seventy-four counties east of the 100th meridian for the year is $7,000,000. It is said that the funds employed in the releases have only in a small part been derived from the sale of this year's crops. It is reported that the total existing debt of the people of Kansas, secured by real estate mortgages, aside from State and railroad land contracts, Jan. 1, 1890, was $235,485,108, of which the debt on acres is $167,145,039, or 70.98 per cent. of the total. The per capita existing debt was $165. Considerable land has been sold on credit in Kansas by the State and railroads that have received Government grants on railroad contracts. There is an existing indebtedness of $3,667,785 on the State land sales, and of $3,993,988 on railroad sales. This, added to the mortgage debt, makes a total debt of $243,146,826, of which $174,720,071 is on farms.

The Liability of Bank Directors.—Judge Ewing, of the Court of Common Pleas of Pennsylvania, has rendered an elaborate opinion concerning the liability of the bank directors in the Penn Bank case of Pittsburgh. The judge thinks that bank directors, very generally, do not attend to their duties. They seem to regard their position as only nominal, not involving any work or responsibility, consequently careless or dishonest bank officers can make false entries and hide the real condition of their institutions quite as easily as they could if a bank had no directors. It is quite evident that the duties of a bank director, as defined by himself, do not correspond with the popular conception of them. The judge says, in so many words, that "when a bank officer intimates that a director should not examine any accounts in the ledgers, it is time for the removal of such officer. The depositor who would object to it needs watching as well." Of the Penn Bank case itself, the judge goes on to declare that "if we were to decide this case on first impressions we should say there was gross negligence or want of the ordinary care that a man of ordinary care would take of his own business." It is quite time that his duties were defined more clearly by statute, so that neither they nor the public shall be misled or deceived with respect to them. As we have elsewhere remarked, many conscientious and intelligent men, well knowing what the popular conception of a director is, and feeling their inability to devote the time and attention required to fulfill the duty, decline to serve. Of course, they are the very persons who ought to be induced to serve, but as they cannot be, and in too many cases directors of a different type are chosen, surely their duties ought to be more clearly defined than they seem to be by law. We cannot refrain from adding, however, that the State courts, in our judgment, have sought to establish a sounder rule of liability than the Supreme Court of the United States has done. In truth, the recent decision of that court on the subject is, in the judgment of many, one of the most unfortunate decisions which that tribunal has rendered for many years. It is true that the court was very nearly divided, and it is to be hoped that in another case involving the same question, which we believe will be determined at an early day, the court will seek to establish a rule more in harmony with that established by the State courts. This should be done, not only because the public welfare requires it, but the banks also, if they wish to retain the full confidence of the community. Nothing will certainly weaken it more quickly than to lessen the responsibility of any class of bank officers for negligence or misfeasance.

Lending to Small Borrowers.—The Haverhill *Bulletin* says that it is proposed to establish at Lynn a bank to accommodate small borrowers. In that city, as in many others, there are persons engaged in trade who would be benefited by such accommodations. It is generally true that the losses incurred by banks are by discounting paper issued by large manufacturers and traders, not living where the discounts are made. Such is the opinion of some of the most experienced bank officers. We suppose that in many of the smaller cities banks endeavor to accommodate every borrower worthy of credit, but they would be surprised to learn how far the Bank of France goes in the way of lending to small borrowers. Many of them do not borrow more than five, ten, or twenty dollars, and the bank does an enormous business of this kind. The American banks have hardly followed the example of this great institution, which in many respects must be regarded as the first bank in the world. Whatever may be said concerning some of its practices (and we may note that in several numbers we have been describing the management and history of this bank), it is certain that American banks could do much more than they have in the way of accommodating small borrowers. Of course, these transactions mean more bookkeeping and more expense, but they also mean the extending of the functions of a bank, of making it worth more to a community, and thus of increasing its popularity.

South Dakota Banking Laws.—The last Legislature of South Dakota enacted a law, which went into operation on the 10th of September, forbidding corporations and individuals to transact a banking business without organizing under, and complying with, the laws of the State. A failure to comply with the statute is made a misdemeanor. A part of the banks already incorporated claim that section twenty-seven is unconstitutional, because it requires them to reorganize, and become subject to conditions different from those under which they were first organized. It is, therefore, an interference with their vested rights. The public examiner, Hon. T. E. Blanchard, says this view seems plausible upon its face, "but there is another side in which to view this matter, without discussing the right of the State, by virtue of its police power, to absolutely control the business of banking in the interest of the public, viz.: a reference to section 2,891, of the compiled laws of 1887, shows that the Legislature, in passing the general incorporation law under which these banks now hold their charters, reserved the following right, viz.: 'Every grant of corporate power is subject to alteration, suspension, or repeal, in the discretion of the Legislature.' It will thus be seen that the Legislature has the right to repeal the old law and to require reorganization." The Supreme Court of North Dakota decided that a similar law was constitutional, and the decision was published in the March number of the MAGAZINE. The idea of requiring all banks and bankers to be incorporated originated in the State of California, where such a provision has been in force for several years. The operation of this law will be watched with interest.

Profits on Bank Circulation.—The campaign orators are busy in some sections denouncing the National banks, and especially for the profits derived from their circulation. The untruth of this assertion can be easily proved. A bank buys at the time of its organization, $50,000 United States four per cent. bonds, at the current market price, paying therefor $59,000. The bank is then entitled, on depositing these bonds with the United States Treasurer, to a circulation of $45,000. Five per cent. of this circulation, or $2,250, must be kept on deposit with the United States Treasurer to secure the redemption of the notes. The annual income of the bank on account of bonds and circulation will be as follows: Interest on bonds at four per cent., $2,000; interest on circulation at 6 per cent., $2,565; total, $4,565. From this must be deducted the 1 per cent. tax on circulation and other charges of the Government, amounting to $550. The net income is thus reduced to $4,015. On the other hand, the money invested in bonds would have produced an income, at 6 per cent. interest, of $3,540. The bank thus gains a net profit annually of $475, accruing from $45,000 National bank circulation based upon four per cent. bonds purchased to-day, being the difference between the actual income from bonds and circulation, and the possible income from the capital invested in bonds to secure the circulation. This is a trifle over 1 per cent. on the circulation. If there should be a decline in the premium on the bonds, this small percentage would be wiped out. Evidently stockholders in National banks are not getting wealthy by reason of the enormous profits of the bank circulation. In truth, many National banks do not issue notes at all, while others deposit the minimum amount of bonds required by law, and issue a minimum quantity of notes.

Bogus Investment Companies.—The Springfield *Democrat*, of Missouri, states that for several weeks a portion of Kansas and Missouri has been flooded with circulars of a so-called bond investment company, whose headquarters are in Leavenworth, Kansas. The scheme of this company is to issue $1,000 bonds, the purchaser paying $10 on receiving his bond and $1.25 per month thereafter. Of the $10, one dollar goes to the credit of the stockholders and the rest to the officers. Of the $1.25 monthly dues, $1 goes to the credit of the stockholders. As soon as there are $1,000 to the credit of the stockholders, the person holding the lowest numbered bond upon which dues have been kept paid receives it. When another $1,000 accumulates, it is to be paid to the person holding the next lowest numbered bond upon which the dues have been paid, and so on. The New England States, Massachusetts in particular, and also New Jersey and Pennsylvania, for a year or more past, have been treated to a number of such swindles, notwithstanding their fraudulent nature was apparent to every person. The expectation of each investor to make a good thing at the loss of some one else was so strong that they flourished for a considerable period. Every one of them ought to have been scotched in the beginning, nevertheless some of them lived for several months, though their rascalities were daily exposed. This western fraud ought not to live a day, and yet we fear that it will count many victims before it is killed. There ought to be law enough in this country to make short work of such a palpable fraud. The fact that it is permitted to exist and continue its swindling for a considerable period is proof of the impotence of the law, or the impotence of the administrators of it.

Postal Savings Banks.—It is well known that Postmaster-General Wanamaker is very desirous of establishing these institutions in our country. In this connection, the report of the Superintendent of the Post Office Savings Bank for Canada, which has been published for the period from April 1, 1868, to June 30, 1891, is worth giving. The number of post office savings banks in existence on the first of July was 634, as against 494 at the close of the previous year, although the number of deposits was not quite up to the maximum year, 1889. There were 147,672 deposits last year, a decrease of 7,006 as compared with 1889. The total amount of deposits received in 1891 (June 30) was $6,500,372, as against $6,599,896 last year. The average amount of deposits received last year was $44.22, as against $42.67. The total number of withdrawals was 84,963, as against 90,151. The amount withdrawn was $7,875,977, as against $8,575,041. The number of accounts opened was 29,791, as against 32,127, and the number of accounts closed was 32,006, as compared with 33,499 in 1890. The expenses of management show an increase for the year, caused in part by the extra printing involved in carrying into effect the changes created by the recently reduced rates of interest, the introduction of a new method of repaying deposits, and the establishment of so large a number (140) of new banks, and partly by recognizing the expense (estimated at about $4,000) of transacting savings bank interest at offices where no commission is allowed, and where work is associated with other duties jointly paid for by salary. The total expense of management was $60,194, as against $51,132. The total amount standing to the credit of all open accounts was $21,738,648, as compared with $21,690,653 in 1890. The statement for July shows that the deposits during the month amounted to $617,172, and the repayments to $627,559, leaving a balance at the credit of depositors of $21,728,260.

Savings Banks for Railway Employes.—A proposition to establish savings banks for railway employes has been made recently. The plan is already in operation in England, where no less than nine railway companies have secured the necessary authority from Parliament. It has been in operation on the Southeastern Railway for upward of twenty years, and over 4,000 of the 20,000 employes have invested their savings with the company. The railway allows

4 per cent. interest, the claim of the depositors is by Act of Parliament made a first lien upon all the property of the company, deposits may be withdrawn on at most seven days' notice, and finally, the scheme is managed by the employes of the company themselves.

STATE BANKS *v.* NATIONAL BANKS.

The question has been started once more, especially in the South and West, of granting authority to the State banks to issue notes. The Atlanta *Constitution* thus expresses itself on the subject:

We have never been able to draw out from any quarter a valid objection to a system of State banks of issue. The matter has been discussed in these columns from various points of view, but the only argument which those who oppose the system have to offer is the vague generalization that the people don't want any more wildcat institutions. This, it will be seen, is not an argument against State banks of issue, but is a simple declaration that the people can get along without wildcat banks; and it is a declaration that is perfectly true. The people do not want wildcat banks of any kind.

It does not follow, however, that State banks of issue ever were or ever will be wildcat banks. The term cannot be applied to them with any reason or justice. What were known as wildcat banks were banks of issue owned by individuals, and they were carried on under laws which did not provide for the regulation, inspection and control of the business, and which did not properly limit and restrict the issue of notes.

The General Assembly of Georgia has already requested the repeal of the ten per cent. tax on the circulation of State banks, and the Atlanta *Constitution* adds that the general concensus of the public opinion in the South is undoubtedly in favor of State banks of issue, properly guarded and restricted. On the other hand, the Columbus *Enquirer* of Georgia remarks:

Among the wild and altogether unsound schemes suggested by the present financial depression, as a means of relief, is the issue of money by State banks. The country has passed so far beyond that unsatisfactory and dangerous system of currency, that we are surprised it should be seriously advocated in any quarter. The system, when it was tried, was an utter and disastrous failure, and it is safe to say the people don't want it revived and won't have it. There are so many unanswerable arguments against it that it is hardly worth while to even summarize them. It is unprofitable to go into the discussion farther than to say that the country must have a currency of uniform value and stability in all the States. A dollar in the hands of a Georgian must be a dollar when he goes into Alabama, Tennessee, Florida, South Carolina, or any other State in the Union. The money issued by some State banks might command this superior and universal confidence, but that cannot be accepted as the rule, and the paper of many State banks would not pass current, except at home.

There is no exigent demand for that sort of currency, and, until there is, there need be no fear that the country will see any of it again. The more currency that is needed, whatever the amount may be, must have the United States stamp somewhere on its face, and must have the Government back of it.

We think that the views of the *Enquirer* are the safer to follow. It has been said, and we think the statement is correct, that the entire banking capital of the country, under the State bank system, was lost every sixteen years by the failure of banks. In the single item of premium upon exchange the people save every year, over the old banking system, as much as the interest they pay on the bonds to secure the circulation. Were the people to have paid upon the total exchanges of the country in 1890 at the average rate prevailing in 1859, exchange alone would have cost $115,000,000. What noteholder in the old days was not obliged to suffer constant shaving and discount upon his paper? It was a perpetual tax upon the holder, subtle and cruel; it is impossible to calculate it. There never was a time in the history of the country when the notes of the State were at par in the general trade. Even the notes of the best banks were at a discount away from home. The notes of the New England banks were never at a less discount than ⅛ of 1 per cent. in New York City, and the discount at the same place on the banks of the Southern and Western States was commonly from 1½ to 2½ per cent., while the notes of the smaller banks, esteemed unquestioned at their localities, were quoted at from 5 to 10 per cent. below par.

The National banking system possesses two great merits—first, that the circulation has been fully secured, and secondly, the circulation at no time has been excessive. The reason for keeping its circulation within a reasonable limit is not due to the law, but to an accident. The premium on the National bonds in a few years became so great that the banks were not tempted to buy them as a basis of circulation. If they could have been readily bought at par, we have no doubt that the country would have been flooded with a vast quantity of paper money, for it must be assumed that those who are engaged, or who wish to engage in banking business, are just as desirous of making money as other people.

A third fact, however, should be mentioned in this connection, namely, the large sums which have been paid as taxes. Since the date of their organization to July first, 1890, they have paid, as a tax on capital, deposits and circulation, $139,000,000, or $14,000,000 more than present circulation, in addition to the vast amount of taxes collected in the States of their organization. They probably pay more taxes to the Government of the United States and to the local governments than they receive in interest upon their bonds, but the saving to the people, especially the farming and laboring classes, from a stable and uniform paper money without loss to the bill-holder, is simply incalculable. If it costs something to have a good paper currency, it saves vastly more.

We think the controlling reason for desiring the restoration of the State bank system, as expressed by the Georgia Assembly, is to flood the country once more with cheap money. The cheap money party, which always means the poor money party, is always with us. Sometimes that party is weaker than at other times, but is never extinct. As we all know, the old State bank system, save in a few States, did not provide for the adequate redemption of bank notes, and we have not the slightest doubt that if the system were ever restored it would be quite as bad, 'and cause as much demoralization and loss as it did in former years. The one great fact to keep in sight in these matters is, that a money, to possess much of any value, must be the product of labor, and that a cheap money, which can be manufactured at little or no cost, means poor money, and yielding sooner or later ruin to the people using it. This has been the history of the circulation of cheap money from the beginning to the present; and no one is likely to invent any scheme whereby cheap money can be transformed into something better.

BANK TAX LITIGATION.

An unusual number of questions have arisen between the taxing authorities and the banks in several sections of the country. Perhaps the most noteworthy of these is the dispute in Indiana concerning the taxation of deposits. A law was enacted at the last session of the Legislature requiring their taxation, and the banks were required to give information to assessors respecting the accounts of their depositors. It is estimated that fifty millions of deposits have escaped listing in former years, and the object of the new law is to compel the owners of these deposits to pay taxes thereon. Bank officers may be punished for contempt for refusing to testify, and county boards are empowered to compel them to produce their books and papers. The bankers make two principal objections to the statute. One is that it is in conflict with the provisions of the State constitution guaranteeing "the right of the people to be secure in their persons, houses, papers and effects against unreasonable search or seizure," and the other that "just before the 3d day of April (when property is assessed) all depositors who are now in the habit of underrating their deposits, or not giving them in at all, will draw out from the banks and cancel the money," with the result that the banks will have to go into liquidation once a year. There is not much force to the constitutional objection, but depositors may seek to escape assessment of their deposits by withdrawing them. A prominent banker has thus stated his objection of the law:

"A merchant may have a large balance on deposit, and he may have given his check for two-thirds of the amount; but, as we have not received the check, he is credited with the full balance, and upon this they propose to tax him. He may purchase a negotiable certificate of deposit, assign the next day, but it may not reach us for a month, but still our books will show that man credited with the certificates. Bankers are justified in resisting the law."

More than 350 banks are affected by the law. The banks and taxing authorities have made a test case which will soon reach the Supreme Court, to determine the validity of the law. Should it be declared valid, which is very probable, certainly there is nothing to prevent depositors from keeping an account in banks outside the State. Probably the larger depositors would keep two or more accounts, one at home and another in Chicago, New York or elsewhere. It would be very difficult to reach deposits which were kept in banks in other States. The Dubuque *Telegraph*, in discussing the law, says, "that money ought not to be taxed at all, for the more it is taxed the more must borrowers pay for the use of it. It should be as free as the air and sunshine. Experience has demonstrated that in taxing it really increases the burdens of the poor." This is perfectly true, but it applies with almost equal force to any kind of taxation. A tax is a tax, a real burden, and the taxpayer generally, so far as possible, will throw that burden on others. If land is taxed, the farmer, if he can, will throw the burden on the consumer of his products by asking more for them. If a store in a city is taxed, which is paid by the landlord, he will demand a higher rent if he can get it; if the tax is paid by the occupant he will ask more for his groceries or wares whenever this can be done. The most important thing is to make taxation as equal and just as possible on all classes. Equity and justice are the ends which the taxing power should always keep in view. In most States the banks have borne their full share of the tax burden for many years, especially the National banks. It does not appear that the Indiana bankers are less willing than others to pay their fair share of the tax burden.

In the State of Washington the banks of Walla Walla have determined to test the constitutionality of the revenue law, which provides that the aggregate amount of capital, surplus and undivided profits of banks shall be assessed and taxed like other property in the State. The banks maintain that the law is unconstitutional, the National law providing that the capital stock of National banks shall not be taxed.

In New York the action of the city assessors of Albany, in taxing the surplus of savings banks, has caused some excitement. The plan of laying the tax is thus stated by Assessor Weaver:

"We take the United States bonds and all the real estate from the surplus and assess that which is remaining. In taking the bonds and real estate from the surplus we take them at their market values. All the other securities which make up the surplus are also taken at market value. The banks will try and claim that we are not assessing them rightly and that we should take the par value of the United States bonds and all the other securities, instead of the market value. If they can prove this to us, not by simple argument, but legally, we will willingly take off the difference. If they can show that the par value should be taken instead of the market value, it will be greatly to their interest, for the value of the bonds and other securities at par value might not leave any surplus for us to assess. The rate of assessment will be determined at the next meeting of the supervisors in December."

In Minnesota the loan and trust companies are seeking to obtain a reduction. The banks in Minneapolis, for instance, have been assessed at seventy cents on a dollar, while the trust companies have been taxed for the par value of their stock. The former claim that they should be taxed in the same manner as the banks. The counsel for one of the trust companies claimed that there was no law that justified the assessment of a bank at less than other property, and that such action was unconstitutional, but the State Board of Equalization have decided that a seventy per cent. valuation on the banks was equitable. It is said that some of the board have expressed their opinion that the correct thing is to raise the bank assessment from seventy per cent. to the full value. A member of the State Board of Equalization, who is a farmer, recently remarked, says a newspaper reporter:

"Everything has been clear sailing with the farmer members thus far, because they have been at home in the classes of property on which they have been called to fix values. But we are about through with horses and cattle and farm implements, and all that sort of personal property, and now will come the adjustment of matters with which the farmers are not so well acquainted. So you may look out for trouble." It is hinted that the farmers on the board will endeavor to make a sortie on the banking interests, and that a strenuous effort will be made to put up the assessment on bank stock to an unreasonable figure.

In California the question has been raised in Los Angeles before the city council whether county money, which was a special deposit, was subject to taxation like any other. The money, it is admitted, has not been kept separately. Another question of more general interest has been raised by Mr. Milner, cashier of the Farmers and Merchants' Bank, which keeps nearly three hundred thousand dollars on deposit in New York, San Francisco and other places. This money, he declared, was held by the several banks as a special deposit in United States greenbacks to meet drafts drawn by the bank. The drafts were payable in gold, and the greenbacks were taken from the deposit and converted into gold with which the drafts were paid. In reply to a question why the greenbacks were not paid, the cashier said that gold was the most convenient to draw, and that greenbacks were the most convenient to hold on deposit.

In other States, tax controversies are pending, but perhaps have a less general interest than those mentioned. The Legislatures are continually working at this problem of taxation, and every law gives rise to new questions. Some of the worst knots could be easily cut by the adoption of a few principles of the same character by all the States.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONTINUED FROM THE JULY NUMBER.]

SIMPLE HISTORY OF THE MONOPOLY OF THE BANK OF FRANCE.

We have been traveling over space; let us now travel over time.

At the moment when the public authorities are calling upon the nation's representatives to prolong for a new period, expiring in thirty years, the privilege of the Bank of France, it will not be without interest to sketch the chief features of this institution's precedents; thus a better understanding will be had of the real value of the pledges offered us to guarantee, in the future, the predominance of the public interest over private interest.

THE STATE BANK, 1796–1814.

The foundation of the Bank of France goes back to Pluviôse 24, year VIII. (February 11, 1800). It was owing to the First Consul's express desire. In the matter of credit what was the situation of Paris at this epoch?

On Pluviôse 16, year V. (February 4, 1797) the *mandats territoriaux*, those degenerated assignats, ceased to have currency. But, from Floréal 6, year III. (April 26, 1795), the legal currency of gold and silver had been re-established, and, without coming under the law of April 16, 1793, inflicting a penalty of six years imprisonment for this act, these materials could be exchanged for assignats and *mandats territoriaux* and *vice versâ*.

A few banks of circulation and discount began to be formed independently, asking only to be subject to the common law. Considering the country's economic situation, this was courage; they were generally rewarded with success.

The oldest and unquestionably the most important of these banks was the Caisse des Comptes Courants, constituted on Messidor 11, year IV. (June 29, 1796), or right at the time of the *mandats territoriaux*. One can understand that it had to struggle against many difficulties; but one of those least to be anticipated

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

was the flight of its director-general, Augustin Monneron, the elder of the brothers of this name, who disappeared on the morning of Brumaire 27, year VII. (November 17, 1798), leaving behind him a deficit of two and a half million francs. Now the capital of the Caisse des Comptes Courants was only five million francs, divided into shares of 5,000 francs each, entirely paid up. The holders of the notes became alarmed, and that is easily understood; they also flocked rapidly to the doors of the institution. The situation grew critical. The managers of the Caisse des Comptes Courants, men of experience and resources, most of them having been connected with the old Caisse d'Escompte of 1776, that had disappeared more by the faults of the State than by its own, the managers of this institution, we say, retained all their coolness. They began by publishing the balance-sheet of the Caisse des Comptes Courants, proving that, even after the loss above mentioned, this institution was still ahead in its business; they announced, moreover, that they would redeem only 1,500,000 francs a day. This last measure would have produced a bad effect, if, at the same time, in order to calm the uneasiness of the bank's creditors, they and other important stockholders had not ostensibly engaged to be jointly responsible for the liabilities of the Caisse des Comptes Courants. This decision quieted the panic, which soon ceased. Garat, who became later director-general of the Bank of France before it was endowed with a government, succeeded Monneron, and before long confidence came back to the Caisse des Comptes Courants. Its circulation rose to about twenty million francs in notes of 500 and 1,000 francs.

A year after its foundation, Frimaire 4, year VI., November 24, 1797, the Caisse d'Escompte du Commerce was constituted, with a capital of 24 million francs, of which a fourth only was paid up, and divided into shares nominally of 10,000 francs; this institution, which had its office No. 5 Rue de Ménars, discounted only for its stockholders. Mollien says in his memoirs: "It is not really a bank, it is a private association." It was not, indeed, a *public* bank; it was a sort of credit union, such as exists in various countries, particularly Belgium. The circulation of this institution also reached twenty million francs. It had, too, its days of trial. One of its directors robbed it of 800,000 francs; hence a panic; this occurred in Messidor, year X. (July, 1802). It skillfully surmounted this difficulty, and continued to render important services to its stockholders.

The Comptoir Commercial, which came third, devoted itself to the lower branches of business, while the two preceding banks aimed, the first at banking on a great scale, and the second at the higher branches of commerce. It was given the name of the Caisse Jaback, from the building where its offices were, at the corner of the Rue Saint-Martin and the Rue Saint-Merri. Its creation dated only from the year IX. (1800–1801). Mollien says of it: "Its discount business does not belie the modesty of its name; the circulation of its notes remains limited to small tradesmen." But it did them service and found its profit in so doing, which was the chief thing. To be useful is better than doing great things.

In the way of banks of issue and circulation, there were further the Banque Territoriale,* which claimed, as Mollien says again, to discount the value of the crops and the rent of houses (Mollien does not say how it prospered), the Factorerie, and some other institutions, about which we lack information. It must be believed that they were useful, each in its specialty, for they managed to live, and at a time when it was difficult for any institution of credit to live. Without doubt the profits were considerable; they may be judged of by the discount of the bonds of the receivers general, which, as Mollien says, in less than three months (at the end of 1799) was reduced from four to one per cent. a month. But certainly the risks were proportionally more considerable. It is acknowledged, in banking matters, by practitioners, that regular, normal times give in the end greater and more permanent net profits than times of trouble, unless, of course, an elastic conscience is in question, which is outside the line of our ideas.

All this may seem rather slender in our days; but it is necessary to carry ourselves back to the time we are speaking of, so near to the fall of the assignats and the *mandats territoriaux*, and we shall easily be surprised, on the contrary, to see, for example, the Caisse d'Escompte du Commerce discount in a year, with an operating capital of twenty-six million francs (twenty millions in notes, six millions in specie paid in by the stockholders), over 153 million francs of bills,† of commercial bills, since it did business only with its stockholders, all merchants, or an annual evolution of six times its working funds.

Why, then, did these banks not live? This is what we shall see.

Bonaparte, gifted with a marvelous genius from a military point of view (for the good of the human race, may God be pleased not often to create such geniuses!), wanted to apply to all things governmental or of private interest the qualities that

* Laffon-Ladebat, formerly director, then liquidator of the Caisse d'Escompte of 1776, was, on his return from exile in 1800 (he was deported by the Directory), appointed director of the Banque Territoriale.

† See Le Sol et la Haute-Banque ou les Intérets de la classe moyenne, by Paul Coq, 1850, second part, page 143 (the work, less known than it deserves, of an economist too early taken from science).

brought him such success in his campaigns. To wait patiently for the development of institutions, well managed generally, but slow in progress, prudence so demanding it, could not be agreeable to his temperament, feverish in its activity. He wanted to do great things, and began first by considering every bank of circulation as a necessary part of the State. It is the characteristic of the State to act by means of a monopoly; industrial liberty does not suit its method of operating. The creation of a single State bank, or at least of one depending upon it with servility, was certainly the ideal that he sought to realize. But with the skill that he possessed in the highest degree, he only advanced toward it progressively, feeling preliminarily the ground to be assured of its solidity.

Slightly acquainted with the professional qualities of this sort of business, he addressed himself to the notable bankers of the time, bankers, rather than merchants or manufacturers, judging, with a military man's disdain, that commerce and industry in a State are more suited to receive than to dictate the law.

He made overtures, therefore, to the bank already established that possessed, in the highest degree, the administrative quality which he had in view, the Caisse des Comptes Courants, proposing to it at first only the Government's support. But the Government's support was a perversion of the conditions of free competition. The managers of the Caisse des Comptes Courants, dazzled by the rising glory of the victor of Rivoli, did not perceive this, or at least they seemed not to have any idea of it.

The same day, Nivôse 28, year VIII. (January 18, 1800), the Caisse des Comptes Courants pronounced its dissolution in a general meeting of the stockholders, who, for the most part, exchanged their stock for shares in the institution then forming, and two consular decrees, before the Bank of France was even legally constituted, homologated agreements with this institution.

By the first of these decrees "the National building called the Oratoire and the former church forming a part of it, Rues Honoré and de l'Oratoire at Paris, are placed at the disposal of the Minister of Finance to serve for the establishment of the Bank of France,* etc."

By the second: "1st, all the money received by the sinking-

* We may say at once that the first office of the Bank of France was in the Hôtel Massiac, Place des Victoires, in the establishment of the Caisse des Comptes Courants. (The Hôtel Massiac, demolished a short time since, on account of the cutting through of the Rue Etienne Marcel, separated the Rue des Fossés-Montmartre (now the Rue d'Aboukir) from the Rue du Petit Reposoir, later the Rue Pagevin.) As soon as the Oratoire was ready to receive it, it moved there and remained there until 1809, when it established itself in the Hôtel de Toulouse, its present office, which it purchased of the State for two million francs (decree of March 6, 1808).

fund shall be turned over to the Bank of France; 2nd, half of the funds proceeding from the securities to be furnished by the receivers general of departments shall be carried on current account to the credit of the sinking-fund; the other half shall be converted into shares of the bank; 3d, the obligations of the receivers general of departments, that shall have been protested against them, shall be indorsed by the administration of the sinking-fund, and then redeemed by the bank to the amount both of the funds *paid in to the account of shares** and of those then existing on current account, etc., etc."

As we see, in the mind of the consular Government (to be exact: of the First Consul), the Bank of France, which is not to be legally constituted until twenty-five days later, already exists in fact. It is, we may say, the Caisse des Comptes Courants enlarged. The Bank of France, indeed, uses in the beginning the notes of the Caisse des Comptes Courants; while waiting for "the National building of the Oratoire" to be arranged for its offices, its place of business is the very one where the Caisse des Comptes Courants operates; finally, the officials are the same identically, with a few changes of title at the most. One may be mistaken for the other at first.

The account of the first regular meeting (Vendémiaire 25, year IX., October 17, 1800) is even simple enough to relate that the directors of the Bank of France were appointed before the signing of the decrees of the consuls of Nivôse 28, of which we have just spoken.

The constituent meeting of Pluviôse 24, year VIII. (February 13, 1800,) came to cover all these extra-legal acts. It seems not to have been a very large one. Indeed, the capital of thirty million francs, which was what it decided should be the corporate capital of the Bank of France, was slowly enough subscribed for. The shares being of 1,000 francs, there were 30,000 of them. Now, although the Government, as was seen above, had subscribed for 5,000 shares, only 7,590 participated in the dividend of the second half of the year VIII., 12,848 in that of the first half of the year IX., and 14,705 in the dividend of the second half of the same year. Only in the accounts of the year X. was the figure of 30,000 reached, and that was due to a subscription opened in Brumaire, year X. (October–November, 1801), at the price of 1,060 francs a share.† It was on the occasion of this subscription that

* We pass over this singular assimilation of funds paid for an interest in the shares with the funds deposited on current account at sight.

† See the Recueil des pièces relatives au régime de la Banque de France, Paris, P. Didot l'ainé, year XII., 1804. This work, now very rare, contains some documents which do not appear among those of the same nature printed since by the Bank of France.

the shares began to be quoted on the Bourse of Paris, from October 27, 1801.

The Bank of France is, consequently, declared constituted by the general meeting of its stockholders and adherents on February 13, 1800. It began business nominally on the 1st of Ventôse, year VIII. (February 20, 1800), in fact, on the 22d of February. Its duration is left indeterminate. Foreigners may acquire shares which, as now, are in the holders' names. Its circulation in notes payable to bearer and at sight is neither limited nor subject to any ratio to the metallic reserve. As at present, its general meetings are made up of the two hundred largest French stockholders. This exclusion of foreigners, not, as we have seen, from the ownership of shares, but from taking part in the general meeting, is significant. In these early times, a stockholder could have a vote for every five shares, and four votes at the most; from Germinal, year XI., a stockholder could have but a single vote, no matter how many shares he held.

The Bank of France is managed by fifteen directors and supervised by three censors. The meeting of both forms the general council. This council appoints a general secretary, a director general, a general controller, and a general cashier. These titles express the respective functions of each. All these administrators, censors, or functionaries were taken from the higher officials of the Caisse des Comptes Courants. This was certainly bringing to it a large amount of experience, acquired, as we have said, in the management of the Caisse d'Escompte; but, at the same time, the Government's interference allied with it the deleterious spirit of monopoly. We shall soon see the bad influence produced by this economic poison.

It is not that the former managers of the Caisse des Comptes Courants appear to be aware of the real conditions of their transformation. Far from that, they exult in words, the mere hearing of which makes one fear for their moral independence: "The Bank of France, by the very fact of the general character of its establishment, is not at all governmental. Free by its creation, which belongs only to private individuals, independent by its statutes, delivered from the conditions that a private contract with the Government or a legislative act might have imposed upon it, it exists under the protection of the general laws and by the mere collective will of its stockholders. Whenever it deals with the Government, its transactions assume the character which they ought to have with a free Government. It negotiates with it only when it finds the right time and sufficient security; in fine, it is absolutely outside of it."

Why sing its liberty so loud, and that before other institutions really free, which it so resembled yesterday, and of which it would still be to-day the equal, if, betraying the cause of free competition, it had not assured itself of the Government's custom and support? Will this not be repented of some day? In writing the fable of "The Horse wishing to be revenged upon the Stag," did not good old La Fontaine write in advance, without knowing it, the symbolical history of the Bank of France under the First Empire? We shall see about this.

Meanwhile, the other banks of issue besides the Bank of France continue to prosper; the proof of this is that the Comptoir Commercial, which survived the absorption of the right of issue by the Bank of France, and bravely preserved its autonomy until 1808, was founded after this latter institution. The decline of the banks independent of the State might not have encouraged small trade to create for itself a special agency.

Another proof is the happy way in which the Caisse d'Escompte du Commerce went through the crisis of July, 1802, of which we have spoken above.*

The Bank of France becomes more and more a State bank. "On May 6, 1800, the consular Government causes to be turned into the Bank of France the funds deposited in the reserve office of the national lottery; on April 6, the bank undertakes the national lottery's collections in the departments; on August 11, finally, it takes in hand the settlement in specie of the French Government's rentes and pensions, accepting in payment bonds of the public Treasury at dates out of the ordinary course."†

Do these successive favors make it prosper?

It is allowable here, as in many other cases, to doubt the efficacy of the State's interference, when one reads in the memoirs of Mollien, a partisan of the unity of banks, we may remark, a friend particularly of the First Consul's Bank, but a man of integrity and understanding in these matters: "The new bank, which is called the Bank of *France*, admits for discount but a small portion of the paper forming the not unnecessary discount of banks; it discounts only a very few of those true bills of exchange secured by goods in store which consumption calls for, which the income of the consumers must pay for, and, from the very nature of the paper making up its bills and acceptances, if there should come a crisis in the finances, such a bank would aggravate its danger instead of bringing it some relief."‡

* Dupont (de Nemours) asserts that the Bank of France helped it a little. A good point in its assets!

† Histoire des banques en France, page 114, by the author of the present article.

‡ Mémoires d'un ministre du Trésor, vol. 1, p. 458.

[TO BE CONTINUED.]

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PAYMENT OF NOTES BY A BANK.

SUPREME COURT OF MINNESOTA.

St. Paul National Bank v. *Cannon.*

If a pledgee of a promissory note acquiesces in the prosecution of an action by the pledgeor against the maker, to recover on the note, and lends his aid to such a recovery by voluntarily allowing the pledgeor to produce the note at the trial as evidence of his right to recover thereon, the pledgeor will be concluded by the result of the action, so that, the defense of payment being successfully made by the maker, the pledgee cannot subsequently recover against the maker in an action prosecuted by him. The doctrine of estoppel *in pais* is applicable.

Evidence considered as tending to show such a case.

A promissory note being payable at a specified bank, the mere deposit of money in such bank, to be applied in payment of the note, does not constitute payment, the note not having been left there by the holder for collection or payment. The bank receives the money as the agent of the person depositing it.

The holder of the note, suing the bank to recover the money thus deposited, does not thereby admit the payment of the note, and is not precluded by such an action from afterwards suing the maker. The remedies are not inconsistent.

An indorsee of negotiable paper before maturity, as collateral security for a debt then contracted, stands in the position of a *bona fide* purchaser; but if, in an action against the maker, the latter shows a good defense as to the pledgeor, the recovery against him should be limited to the amount of the principal debt for which the collateral security is held.

DICKINSON, J.—The plaintiff, as an indorsee of a promissory note, seeks by this action to recover thereon against the maker. The note was made by the defendant in April, 1888, payable on or before one year thereafter to one Heiser, at the Bank of Minnesota. It was conclusively shown by the evidence that before the maturity of the note it was pledged to the plaintiff bank by one Houghtaling, as collateral security, upon a discounting of Houghtaling's note by the bank. When Houghtaling presented the note as such security it bore the indorsement in blank of the payee, Heiser. It is claimed on the part of the defendant that the plaintiff was barred or estopped by a former action prosecuted by Houghtaling against this defendant to recover on the same note. This was after Houghtaling had transferred the note to this plaintiff as collateral security. It is alleged in defense that in that action judgment was rendered against Houghtaling on the ground that the note had been paid at maturity. On the trial the court allowed the defendant to introduce evidence to show that this plaintiff had consented to the prosecution of the action by Houghtaling. Afterwards, and upon the motion of the plaintiff to strike out such evidence on the ground that it did not show such consent, the court struck out the evidence. The striking out of this evidence is one of the grounds of error assigned. We will assume that the answer was sufficient to entitle the defendant to produce this evidence if the fact sought to be established by it would have constituted a defense. The motion of the plaintiff, and the ruling of the court striking out the evidence, were not based upon the insufficiency of the answer, but on the ground that the evidence did not go to make out a defense. Nor on this appeal is it urged that the evidence should have been stricken out because of any insufficiency in the answer. We are therefore to consider whether this evidence tended to show a defense.

We are satisfied that from the evidence in question it might have been found as facts that Houghtaling commenced the former action without the knowledge or consent of this plaintiff, which then held the note as collateral security; that afterwards, and before the trial of that action, the bank was advised of its pendency, and knew that thereby Houghtaling was seeking to recover against this defendant as the maker of the note, Houghtaling claiming to be the holder of it; that with this knowledge the bank consented to produce the note at the trial, and on the day of the trial did send the note to Houghtaling's attorney, and he produced it on the trial as evidence of the plaintiff's (Houghtaling's) right to recover. If such were the facts, the bank should be now estopped to prosecute this action, after a judgment on the merits in the former action. By the transfer of the note to the bank as collateral security, Houghtaling had conferred the legal title upon the pledgee, with the right to enforce and make available the security by action against the maker; and thereby the right of Houghtaling to recover on the note was necessarily suspended, for that would be inconsistent with the right of the pledgee by action on the note to make the pledged security available. (*Lamberton* v. *Windom*, 12 Minn. 232, 246, Gil. 151.) Nor, as it would seem, could the pledgeor have successfully maintained that action without the acquiescence and consent of the bank. He could not have shown a right to recover as the holder of the note without producing it, and thus showing that he was the holder. (*Armstrong* v. *Lewis*, 14 Minn. 406, Gil. 308.) The bank could not well be called upon to produce the note in support of Houghtaling's right of recovery, without being so far informed of the facts that it would be chargeable with notice of the nature of the action. In such case, as the maker ought not to be held doubly liable on the note, both to the pledgeor and to the pledgee, it would be the duty of the bank, even though compelled by *subpœna duces tecum* to produce the note, to disclose its own title, which, as must be assumed, would defeat a recovery by the pledgeor. But it is fair to construe the act of the bank in the former action as indicating its consent to so far waive its rights as pledgee as to allow the pledgeor to recover in his action against the maker. From its sending the note to Houghtaling's attorney in order that it might be produced on the trial in support of his right of recovery, the bank forbearing to assert its own right, inconsistent with that of Houghtaling in that action, such consent or waiver might be inferred. If the bank thus waived its right, and voluntarily lent its aid to enable the pledgeor to recover, the action might properly be maintained by Houghtaling; and, after judgment on the merits, whether in favor of Houghtaling or against him, the bank ought not to be heard to say that, because its right to recover on the note had not been adjudicated, it should be allowed to prosecute this action against the same defendant, as maker of the note. The doctrine of estoppel *in pais* is applicable. If under the circumstances Houghtaling had recovered judgment against the maker for the amount of the note, it would seem plain that this plaintiff ought not to be allowed afterwards to recover a second time against the maker for the same cause of action. But the principle of estoppel is equally applicable whether Houghtaling recovered judgment or the defendant succeeded in establishing the defense of payment, or any other defense. He was subject to the necessity of defending and to the risk of a recovery against him. It may of course be that the bank could not be prejudiced by an action by the pledgeor if it had pursued a course of conduct consistent with the holding to its own rights as a pledgee, and not such as to prejudice the defendant. Indeed, in that case we do not see how the defendant could have been subject to any risk of a recovery against him in the former action, or to any other prejudice than being compelled to defend an action which the plaintiff had no right to maintain. For that, this plaintiff, if without fault in its conduct, could not be held responsible. It is therefore considered that it was error to strike out the evidence relative to the Houghtaling action. This renders a new trial necessary. Some other questions are involved in the case upon which it is expedient that our opinion be expressed, as they may be expected to arise again upon another trial.

The defense was made that the note had been paid at maturity. The court directed a verdict for the plaintiff; and now the question is presented as to whether the evidence tended to show a payment. The note was secured by a mortgage on real estate executed by the maker to the payee. It appeared that after the giving of the note and mortgage by the defendant he sold the mortgaged premises to one Loeffelholz, who assumed the payment of the note. It is alleged in the answer that at maturity Loeffelholz did pay the note at the Bank of Minnesota, "by depositing and leaving with said bank a sum of money sufficient to pay said note and mortgage, and then and there instructing said bank to pay said money to the lawful owner thereof.' It is admitted that the money was paid to the Bank of Minnesota by Loeffelholz. The note was not at the bank, but was then held by the plaintiff as collateral security. Although the note was by its terms payable at the Bank of Minnesota, the mere depositing the money in that bank, in order that it might be applied in payment of the note, did not constitute a payment of it. In such a case the bank receiving the money is to be regarded as the agent of the person paying it, the holder of the note not having deposited it at the designated place for collection or payment. The law is well settled. (*Adams* v. *Improvement Commission*, 44 N. J. Law 628; *Hills* v. *Place*, 48 N. Y. 520; *Caldwell* v. *Cassidy*, 8 Cow. 271; *Gas Co.* v. *Pinkerton*, 95 Pa. St. 62; *Wood* v. *Saving, etc. Co.*, 41 Ill. 267; *Caldwell* v. *Evans*, 5 Bush, 380; *Ward* v. *Smith*, 7 Wall. 447; *Freeman* v. *Curran*, 1 Minn. 169 (Gil. 144); 3 Rand. Com. Paper, §1,119, and cases cited.) The court was therefore right in considering that the case did not show a payment of the note.

There is no claim that the note was paid, unless in the manner above stated. It was therefore not important that this plaintiff afterwards brought an action against the Bank of Minnesota to recover the amount of the note, alleging as the ground on which recovery was sought that the maker had deposited with the defendant bank the money necessary to pay the note, with instructions to pay the same to the lawful holder of the note. This allegation was not an admission that the note had been paid, and the maker's obligation thereby discharged. Nor was this plaintiff precluded by that action from afterwards seeking to recover against the maker. The remedies were not inconsistent, so that resorting to the former should be deemed an election to relinquish the latter. The defendant was not by the rulings of the court deprived of the right to show that the plaintiff knew that Houghtaling had not good title to the note when he pledged it to the plaintiff; and the evidence presented did not show that the plaintiff, taking the note as collateral security, was not entitled as a *bona fide* purchaser to the benefit of the security. It is urged, however, that the plaintiff's recovery should have been limited to the amount of the principal debt to secure which this note was pledged, and that for the purpose of thus limiting the recovery the defendant should have been allowed to show that Houghtaling acquired the note from one Maxwell, that the title of the latter was defective, and that Houghtaling knew this. Without considering the precise nature of the fact proposed to be proved, which is not very clearly shown in the case, it will be sufficient to say that, as we understand the law to be, although an indorsee of negotiable paper before maturity, as collateral security for a debt then contracted, stands in the advantageous position of a *bona fide* purchaser, and may recover as such against the maker, yet, if the maker can show a good defense as to the pledgeor, he is entitled to have the recovery limited to the amount of the principal debt for which the collateral security is held. Whatever the pledgee recovers in excess of that, he holds for the benefit of the pledgeor; and it is apparent that a recovery should not be enforced for the benefit of another when the latter would himself have had no right to recover. (*Bank* v. *Roberts*, 45 Wis. 373; *Bank* v. *Chapin*, 8 Metc. (Mass.) 40; Jones, Pledges, § § 674, 675.) Order reversed.—*Northwestern Reporter*.

IS A CHECK A BILL OF EXCHANGE?—LIMITATION OF ACTIONS.

SUPREME COURT OF THE UNITED STATES.

Rogers v. *Durant*.

Act Ill. Nov. 5, 1849 (Gross' Ill. St. 1870, 3d Ed., p. 430, § § 17, 18) provides in section 2, that "all actions founded upon . . . bills of exchange, orders," etc., "shall be commenced within five years next after the cause of action shall have accrued." *Held*, that this section includes checks, and that they do not fall within the terms, "other evidence of indebtedness in writing," as to which the limitation is fixed by section 1 at sixteen years.

FULLER, C. J.—This was an action of *assumpsit* brought by Henry J. Rogers, January 26, 1884, against William F. Durant and others, as "surviving partners of the late firm of James W. Davis and associates," in the Circuit Court of the United States for the northern district of Illinois, upon 20 instruments in writing, bearing various dates from April 12, 1869, to February 12, 1870. Durant alone was served with process. The original declaration consisted of the common counts, and was subsequently amended by the addition of special counts upon each of the pieces of paper sued on, describing eighteen of them as bills of exchange and two as bankers' checks. All were payable at sight, or on short time after date, and it was admitted that more than five years had elapsed after they became due before action was brought. The defendant filed eight pleas, which were ordered to stand as pleas to the amended declaration. The fourth plea was as follows: "And for a further plea in this behalf to said plaintiff's declaration, and each of the counts thereof, the said defendant, William F. Durant, says *actio non*," etc., "because he says that the said several supposed causes of action, and each and all of them, in said plaintiff's declaration, and each of the several counts thereof mentioned, are founded upon bills of exchange, and that no cause of action has accrued upon any or either of said bills of exchange to the said plaintiff, or the holder thereof, within five years next before the bringing of this suit, as the plaintiff hath above complained against him, the said defendant, but that each and all of said supposed causes of action accrued, if at all, after the 10th day of February, A.D. 1849, and prior to the 4th day of April, A. D. 1872; and this he is ready to verify. Wherefore he prays judgment," etc. To this plea plaintiff interposed a general demurrer, which was overruled by the court, and, the plaintiff electing to abide by his demurrer (the other pleadings being also at the same time disposed of), judgment was rendered for the defendant, and the cause brought here on writ of error. If the fourth plea was sufficient in law to bar the maintenance of this action, it is not necessary to set forth the other pleadings and the action of the court thereon. The first and second sections of an act of the General Assembly of the State of Illinois, entitled "An act to amend the several laws concerning limitation of actions," approved November 5, 1849 (Laws Ill. 2d Sess. 1849, p. 44; Gross' Ill. St. 1870, 3d Ed., p. 430, § § 17, 18) provided: "Section 1. That all actions founded upon any promissory note, simple contract in writing, bond, judgment, or other evidence of indebtedness in writing, made, caused, or entered into after the passage of this act, shall be commenced within sixteen years after the cause of action accrued, and not thereafter. Sec. 2. All actions founded upon accounts, bills of exchange, orders, or upon promises not in writing, express or implied, made after the passage of this act, shall be commenced within five years next after the cause of action shall have accrued, and not thereafter." An act revising the law as to limitations was passed by the twenty-seventh General Assembly, April 4, 1872 (Laws Ill. 1871-72, p. 556), and forms part of the Revised Statutes of Illinois of 1874, and the act of November 5, 1849, was expressly repealed, with a saving clause, thus expressed in the Revised Statutes: "When any limitation law has been revised by this or the twenty-seventh General Assembly, and the former limitation law repealed, such repeal shall not be construed so as to stop the running of any statute, but the time shall be construed as if such repeal had not been made." (Rev. St. 1874, c. 131, § § 5,6; *Dickson* v. *Railroad Co.*, 77 Ill. 331.) Conceding that the act of November 5, 1849, is applicable, it is contended that checks are not bills of exchange, and therefore that the fourth plea did not fully answer the declaration, and that, moreover, checks did not fall within the second section, which prescribed five years as the bar to actions "upon accounts, bills of exchange, orders, or upon promises not in writing, express or implied," but within the first section, which, as to "any promissory note, simple contract in writing, bond, judgment, or other evidence of indebtedness in writing," prescribed sixteen years. In the view which we take, the demurrer, which was general, was properly overruled, if the checks were within the second section, as the eighteen bills or drafts confessedly were. (*Simons* v. *Butters*, 48 Ill. 226.) Daniel comprehensively defines a "check" to be "a draft or order upon a bank or banking house, purporting to be drawn upon a deposit of funds, for the payment at all events of a certain sum of money to a certain person therein named, or to him or his order, or to bearer, and payable instantly on demand." (2 Daniel, Neg. Inst. § 1,566.) And in a note to that section he gives these definitions and descriptions of checks from the text-writers: "A 'check' on a banker is, in legal effect, an inland bill of exchange drawn on a banker, payable to bearer on demand." (Byles, Bills, Sharswood's Ed., 84.) "A 'check' is a written order or request addressed to a bank, or to persons carrying on the business of bankers, by a party having money in their hands, requesting them to pay, on presentment, to another person, or to him or bearer, or to him or order, a certain sum of money specified in the instrument." (Story, Prom. Notes, § 487.) "A check is a brief draft or order on a bank or banking house, directing it to pay a certain sum of money." (2 Pars. Notes & B. 57.) "A check drawn on a bank is a bill of exchange payable on demand." (Edw. Bills. 396.) The question presented is not one, however, of general commercial law, requiring a discussion of the distinctions existing between checks and bills of exchange, but merely whether checks were intended to be included within the words "bills of exchange," as used in the statute. In *Bickford* v. *Bank*, 42 Ill. 238, and *Rounds* v. *Smith*, *Id.*

245, it was held that a check might be regarded as substantially an inland bill of exchange, and many authorities were cited to the proposition that the rules applicable to such bills are applicable to checks. But the opinion of the court, by Mr. Justice Breese, did not proceed upon the ground that checks and domestic bills are identical, and the differences between them have been repeatedly recognized by the Illinois courts. (*Bank* v. *Ritzinger*, 118 Ill. 484, 8 N. E. Rep. 834; *Stevens* v. *Park*, 73 Ill. 387; *Heartt* v. *Rhodes*, 66 Ill. 351; *Willetts* v. *Paine*, 43 Ill. 432; *Allen* v. *Kramer*, 2 Ill. App. 205.) It has also been decided that an instrument is not less a check because it orders payment "on account of A." (*Bank* v. *Patton*, 109 Ill. 479); and that its character as a check is not changed by the fact that it is payable in another State than the one in which it is drawn. (*National Bank* v. *Indiana Banking Co.*, 114 Ill. 483, 2 N. E. Rep. 401; *Union Nat. Bank* v. *Oceana Co. Bank*, 80 Ill. 212.) And the settled rule in that jurisdiction is that where a depositor draws his check on a banker, who has his funds to an equal or greater amount, it operates to transfer the sum named in the check to the payee, who can sue for and recover the amount from the banker; and that a transfer of the check carries with it the title to the sum named in the check to each successive holder. (*Brown* v. *Leckie*, 43 Ill. 497; *Munn* v. *Burch*, 25 Ill. 35; and cases *supra*. Without pausing to examine the points of resemblance and the points of difference between these instruments, it is enough that the result of the decisions in Illinois puts them so far on the same footing as to involve the conclusion that checks were fairly embraced under the description, "bills of exchange," in the second section of the statute under consideration. In *Moses* v. *Bank*, 34 Md. 574, it was held that checks were embraced within the description "inland bills of exchange," in the article of the Maryland Code relating to protests, and the court said: "According to all the text-writers on bills and notes, as well as in numerous decisions, a 'check' is denominated a species of inland bill of exchange, not with all the incidents of an ordinary bill of exchange, it is true, but still it belongs to that class and character of commercial paper. The same reason, therefore, that would authorize the protest of an inland bill of exchange for non-payment would authorize the protest of a check, the payment of which had been refused on presentment." (See also *Lawson* v. *Richards*, 6 Phila. 179.) So in *Eyre* v. *Waller*, 5 Hurl. & N. 460, the Court of Exchequer decided that checks were within the "Summary Procedure on Bills of Exchange Act" (18 & 19 Vict. c. 67); not only within the mischief, but within the words of the act. And, while these cases are referred to by way of illustration merely, it seems to us clear that, whatever the legislative reason for the discrimination between the subjects of the first and of the second section, that reason manifestly requires checks to be placed in the same category as bills of exchange. Again, we are of opinion that checks might properly be held comprised in the word "orders," as associated with bills of exchange, rather than otherwise. Orders are frequently a kind of informal bill of exchange, and a check is, of course, an order for the payment of money; and we do not consider that by any reasonable construction checks should be included in the term "other evidence of indebtedness in writing," as used in the first section, rather than in "bills of exchange," or "orders," as used in the second. Counsel ingeniously argue that the first section specified obligations of a higher class than those mentioned in the second, and that checks, as contradistinguished from orders, belonged to the former; but it is difficult to perceive why checks should be classified with bonds, judgments, and promissory notes, rather than with bills of exchange, or why the simple contract or evidence of indebtedness in writing, of the first section, should necessarily be regarded as of higher dignity than a draft or an order for money. The fourth plea was inaccurate in its reference to a former statute of limitations, approved February 10, 1849, but that is immaterial; and, stripped of surplusage, it averred that the cause of action set forth in each of the twenty special counts, as well as the common counts, did not accrue within five years next before the bringing of the suit. The court properly held that, such being the fact, the drafts and checks were barred, and, as there was no pretense that there was any other cause of action, the judgment was right, and it is affirmed.—*United States Supreme Court Reporter.*

CHECK—DUTY OF INDORSEE—PAYMENT OF DEBT.

COURT OF APPEALS OF NEW YORK.

Carroll v. *Sweet.*

Defendant indorsed and transferred to plaintiff a check on account of a debt. The maker being informed thereof, requested plaintiff to hold it a few days, stating that he was pressed. Plaintiff assented, and did not present it until nine days thereafter, when the maker was insolvent. At the time plaintiff received the check the account was overdrawn, but between then and the time of presentment a deposit was made. During that time the maker was in daily receipt of money, part of which was kept in his office for use without being deposited. He testified tnat, if the check had been presented and payment insisted on, he would have paid it. The bank cashier testified that at no time after the check was given were there funds to meet the check. *Held*, in an action on the debt on account of which the check was indorsed to plaintiff, that it was error to direct a verdict for plaintiff without consideration of the check, as it was for the jury to determine whether the conduct of plaintiff injured defendant pecuniarily, and as to the extent of such injury, if any there was, the debt would be considered paid. Reversing 5 N. Y. Supp. 572.

ANDREWS, J.—The indorsement and transfer by the defendant to the plaintiff of the check of Woodruff operated as provisional payment only of so much of the antecedent debt owing by the defendant to the plaintiff. There was no agreement that it should be taken in absolute satisfaction of the debt, and, in the absence of such an agreement, the intendment of law is that it was conditional payment only. (*Hill* v. *Beebe*, 13 N. Y. 566; *Bradford* v. *Fox*, 38 N. Y. 289.) The debt remained until discharged by payment of the check, or by such dealing with the check by the plaintiff as would, in judgment of law, convert what was originally a provisional payment into an absolute one. The check was dated August 22, 1887, and was drawn on the Asbury Park National Bank, and was on the same day indorsed and delivered by the defendant to the plaintiff at the place where the bank was located. The plaintiff, on accepting the check, assumed, as between himself and the defendant, an obligation to present the same to the bank for payment within the time prescribed by the law-merchant—that is to say, not later than the next day after its date—and, if refused, to protest the same, and give notice of non-payment. (*Smith* v. *Janes*, 20 Wend. 192.) It was not presented until the 31st of August, nine days after it was received by the plaintiff. The defendant was by such delay discharged from liability as indorser of the check, irrespective of any question of loss or injury. Presentment in due time, as fixed by the law-merchant, was a condition upon performance of which the liability of the defendant as indorser depended, and this delay was not excused although the drawer of the check had no funds, or was insolvent, or because presentment would have been unavailing as a means of procuring payment. (*Bank* v. *Brod-*

erick, 10 Wend. 304; *Gough* v. *Staats*, 13 Wend. 549.) A different rule obtains as between the holder and drawer of a check. As between them, presentment may be made at any time, and delay in presentment does not discharge the liability of the drawer, unless loss to him has resulted. (*Little* v. *Bank*, 2 Hill 425.) The action here is not upon the indorsement of the defendant, but upon the original indebtedness. If the discharge of the defendant's liability as indorser discharges also his liability as debtor for the original debt, the judgment must on that ground be reversed. In *Hamilton* v. *Cunningham*, 2 Brock. 350, Chief Justice Marshall considered the effect of the neglect of the holder of a bill to give due notice of dishonor, whereby prior parties thereto were discharged, upon the liability of a debtor for the debt for which the bill was drawn. After showing that the authorities in which the debtor had been held discharged proceeded upon the theory that he had sustained an actual loss, he reached the conclusion that the true principle is "that, if a bill be received as provisional payment, the omission to give due notice of its dishonor deprives the creditor of his action on that bill, but does not compel him to take it in absolute payment, or deprive him of his action on the original debt, further than damage has been sustained actually or in legal supposition by the debtor." (See, also, *Gallagher's Ex'rs* v. *Roberts*, 2 Wash. C. C. 191; *Fleig* v. *Sleet*, 43 Ohio St. 53, 1 N. E. Rep. 24.) I am not sure that this doctrine is reconcilable with expressions in the opinion of this court in *Smith* v. *Miller*, 43 N. Y. 171, 52 N. Y. 545. That was an action to recover a debt for which the defendant had drawn his draft on J. K. Place & Co., and forwarded it to the plaintiff, the creditor. It was presented on the same day it was received to the drawees, and the plaintiffs received therefor the drawee's check on a bank, and surrendered the draft. The check was not presented to the bank until the next day, when payment was refused, the drawer meanwhile having failed. The check would have been paid if it had been presented on the day it was given, which might have been done. The plaintiffs did not demand a return of the draft, and it was not protested, nor was any notice of non-payment given to the drawees. The court rendered judgment for the defendant on two grounds—*First*, that, in the absence of proof of demand and refusal and notice to the drawees, according to the usual course, there could be no recovery upon the draft or upon the indebtedness upon which it was given, and *second*, on the ground of negligence in failing to present the check on the day on which it was given. The last ground stated was, upon the facts, a satisfactory basis for the judgment, and the same principle was applied upon similar facts in *First Nat. Bank* v. *Fourth Nat. Bank*, 77 N. Y. 320. In the view we take of the present case, it is unnecessary to inquire whether the cases cited from this and other courts are in conflict, or, if so, which class of cases stands upon the better reason. The court in this case directed a verdict for the plaintiff, and in this we think there was error. It cannot be doubted that if there was evidence tending to show that the delay in presenting the check to the Asbury Park Bank prevented its collection, or from which the jury might find that the whole or any part of the debt owing by the drawer of the check to the defendant, for which the check was given, was lost by reason of the delay in the presentment, or by dealings between the plaintiff and the drawer, in respect to the check, without the assent of the defendant, the case should have been submitted to the jury. To the extent of the injury, the law would treat the omission to make due presentment as tantamount to payment.

The facts most favorable to the defendant need to be stated. Woodruff, the maker of the check, was, when the check was given, conducting a hotel at Asbury Park, and the parties to the action were guests at his house. The defendant was indebted to the plaintiff for dentistry work, and the former, who resided in New York, had loaned money to Woodruff for which the check was given, and on the same day the defendant received the check he delivered it to the plaintiff on his debt. Woodruff had an account with the Asbury Park National Bank. On the day of the date of the check the bank charged to his account a demand note held by the bank against him for $500, but, so far as appears, without any notice to Woodruff, and this rendered his bank account overdrawn. Woodruff was in embarrassed circumstances, but was in the daily receipt of about $600 from his business. He used part of the receipts for current expenses, without depositing them, and between the 22d and 31st of August he deposited about $900 in the bank to the credit of his account, and the inference is that it was applied in part to pay the $500 note, and in part to pay current checks drawn by Woodruff. On the 22d of August, the day on which Woodruff's check to the defendant is dated, and after it had been indorsed to the plaintiff by the defendant, Woodruff, who had been informed of the transfer, requested the plaintiff to accommodate him by holding the check a few days, stating as a reason that he was pressed in the payment of his accounts, to which request the plaintiff assented. He asked the plaintiff to let him know when he wished to use the check, as he would then provide for it. Woodruff testified that he had money in his office sufficient to pay the check, and would have paid it at any moment, had payment been insisted upon; that he was in the receipt of about $600 a day, and that he redeemed a number of other checks which went to protest at this time; that, two or three days after the conversation of the 22d of August, he spoke to the plaintiff again, and the plaintiff informed him that he had sent the check west. Woodruff said to him that he regretted it very much, as he wished to make provision for the check. The cashier of the bank testified that there were no funds to meet the check, and that it would not have been paid if it had been presented any time after the 22d of August. On August 31st, Woodruff, who was behind in his rent, was dispossessed from the hotel premises, and his business was closed, and he then was and now is insolvent. It may be conceded that the only obligation upon the plaintiff, as between him and the defendant, was to present the check at the bank for payment within the time prescribed by law, and, if payment was refused, to have the same protested, and notice of non-payment given to the defendant. If he had performed this duty, the defendant would have been apprised of the default, and he would have had an opportunity to take such measures as he could to secure payment from Woodruff. One of the objects of requiring prompt notice to be given to indorsers and other parties secondarily liable on commercial paper, in case of default, is that they may have an opportunity to secure themselves. Checks are supposed to be drawn against funds of the drawer, and *prima facie*, where it is shown that the drawer's account was not good, the inference of injury from non-presentment would be rebutted. But where, as in this case, it is shown that the maker of the check was solicitous that it should be paid; that he had the means of payment at command, and would have provided for or paid the check if payment had been insisted upon; that the holder was apprised of the facts, and, for the accommodation of the maker, refrained from presenting the check, and presentation was delayed until open insolvency of the maker occurred, and he became, by the change of circumstances, unable to provide for the check—it cannot be said, we think, that there was no legal evidence of injury to be submitted to the jury. The plaintiff, instead of taking the usual course, undertook to deal with the maker of the check in disregard of his primary obligation to the defendant. It was for the jury to pass upon the circumstances, and to find whether the conduct of the plaintiff imposed a pecuniary injury upon the defendant. To the extent of such injury the law adjudges that the debt of the plaintiff has been paid. The judgment below should be reversed, and a new trial granted, with costs to abide the event. All concur.—*Northeastern Reporter.*

LEGAL MISCELLANY.

CORPORATION—POWER OF OFFICERS.—Where the board authorized the officers to make arrangement to procure funds and to execute mortgage on the property of the corporation as additional security for its old indebtedness, *held*, that the officers were authorized two months thereafter to give new note and mortgage for old indebtedness, though new property had been acquired in the meantime. [*Shaver* v. *Hardin*, Iowa.]

NEGOTIABLE INSTRUMENT—SEALED INSTRUMENT.—An instrument in the form of a negotiable promissory note, but with a scroll in which the word "seal" was written, after the signature of the maker, is a sealed instrument, and not a negotiable promissory note, though there is no reference to a seal in the body of the instrument. [*D. M. Osborne & Co.* v. *Hubbard*, Oreg.]

NEGOTIABLE INSTRUMENT—TRANSFER.—The transferee for value of a note, after maturity, acquires no better title than that of his transferer. [*Walker* v. *Wilson*, Tex.]

NOTARY PUBLIC.—Notaries public are not authorized by any law of the United States to administer oaths to affidavits required by the rules and regulations prescribed by the commissioner of the general land office. [*United States* v. *Manion*, U. S. D. C., Wash.]

PLEDGOR—FAILURE TO ENFORCE COLLATERALS.—Where a party who is indebted executes his notes to his creditor payable at different times, and subsequently assigns and transfers non-negotiable notes which he holds against other parties to said creditor as collateral security for the payment of his notes held by said creditor, it is the duty of such creditor to use reasonable care and diligence to make said notes, received as collateral security, available. [*Rumsey* v. *Laidley*, W. Va.]

NEGOTIABLE INSTRUMENT—MISTAKE IN DATE.—A promissory note intentionally postdated or antedated, though a valid contract from the time of its delivery, will be construed as it reads, for such is the contract. [*Almich* v. *Downey*, Minn.]

CORPORATIONS—ACTIONS.—The appointment of a receiver for a corporation does not work a dissolution, and a pending suit may proceed to judgment, in the name of the corporation, for the benefit of one to whom the receiver has duly assigned the demand in suit. [*Hasselman* v. *Japanese Development Co.*, Ind.]

NEGOTIABLE INSTRUMENT.—Where, in an action by an indorsee of a negotiable promissory note, payable to order, the plaintiff declares on such note, by setting out a copy of the same, with all the indorsements, and alleges ownership, and the indorsements are without date, the presumption of the law is that such note was transferred before maturity, and that plaintiff is the *bona fide* holder for value. [*First Nat. Bank of Fort Scott* v. *Elliott*, Kan.]

THE VOLUME OF MONEY IN CIRCULATION.

In response to many inquiries from different sections of the country as to the amounts of the various kinds of money in circulation in the United States at the present time, and in former years, the Secretary of the Treasury has prepared the following tables showing the facts for each year since 1860.

These tables have been compiled from records of the department which were made on or about the dates specified. They include everything properly belonging in a statement relative to circulation, except minor coins, which are not stated, because it is difficult to estimate accurately the amount in use. The figures agree with the reports published from year to year, and an estimate has been added of the amount of specie in circulation on the Pacific coast during the period of suspension of specie payments (1862 to 1878 inclusive). It will be observed that no attempt has been made in the table for 1862 to estimate the quantity of the nondescript currency, consisting of postage stamps, tickets, due bills, etc., which served as small change during the period subsequent to the disappearance of subsidiary silver and prior to the issue of the postal currency and fractional currency authorized by the acts of July 17, 1862, and March 3, 1863. Also that the one and two year notes of 1863 and compound interest notes supposed by many persons to have been in circulation, are not included in any of the tables. The small quantities of these classes of interest-bearing obligations which were in circulation as money for a few months when first issued had been absorbed as investment securities, and withdrawn from circulation before July 1, 1865, which is the date commonly selected for comparison with the present time as to money in circulation. The seven-thirty notes are also excluded from the tables. They were not used as money nor paid out as such by the Treasury, but were negotiated as a loan and issued by the Government to investors in exchange for legal tender notes, being sold at par and accrued interest, like any other loan. A small amount of these, however, less than ten millions, was issued to soldiers in the field, but the notes were taken only by those soldiers who desired to save, and were, therefore, not placed in circulation. The total amount of seven-thirty notes negotiated in 1864 and 1865 was $829,992,500, of which $44,509,900 were of the denomination of $50, $137,634,600 of $100, and the remainder $647,848,000 were $500s, $1,000s and $5,000s. The receipt of legal tender notes by the department in exchange for seven-thirty notes did not cause a contraction of the currency, because the legal tenders so received were immediately paid out by the Government in settlement of demand liabilities then pressing.

The one and two year notes and compound interest notes were sufficiently unlike the legal tenders to attract notice and cause an examination of their terms. In this way their interest-bearing quality was speedily discovered, and they were very soon retired. The seven-thirties were unlike the legal tenders, except in color, being very much larger and having coupons attached.

There are two facts which prove conclusively that these obligations were not in active circulation: One is that they were all redeemed within three years without creating monetary disturbance; the other is that nearly all of them came back into the Treasury as clean and unworn as on the day of their issue—a condition which they would not have presented had they been in active circulation.

The omission of the gold coin and gold certificates from the tables for 1862 to 1878 inclusive, and of subsidiary silver prior to the act of April 17, 1876, under which the fractional paper money was retired, need no explanation other than to say that they were not in use as money, but were bought and sold at their market value, like other commodities. The foot-note to the table for 1876 may be explained by saying that the tables 1862 to 1878 state separately the circulation of the Pacific coast, and that of the remainder of the United States, because the latter consisted of paper money and the former of coin, and it was thought advisable to preserve this distinction in the money of the two sections down to the time of the resumption of specie payments, January 1, 1879.

The amount of money in circulation July 1, 1865, as shown in the table for that date, was $714,702,995. Of this amount, $689,702,995 was paper money. During the calendar year 1865 the average market price of gold was 157. So it required $157 in currency to purchase as much of any commodity as could be purchased with $100 in gold. The $714,702,995 which was then in circulation was, therefore, equivalent, as an average for the year, to only $464,301,270 of the money which has constituted the currency of this country since January 1, 1879. This is an amount *per capita* of $13.36.

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED.

JULY 1, 1860.

[Population, 31,443,321; circulation per capita, $13.85.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Specie	$235,000,000	$6,695,225	$228,304,775
State-bank notes	207,102,477	....	207,102,477
	442,102,477	6,695,225	435,407,252

JULY 1, 1861.

[Population, 32,064,000; circulation per capita, $13.98.]

Specie	250,000,000	3,600,000	246,400,000
State-bank notes	202,005,767	....	202,005,767
	452,005,767	3,600,000	448,405,767

JULY 1, 1862.

[Population, 32,704,000; circulation per capita, $10.23.]

State-bank notes	183,792,079	....	183,792,079
United States notes	96,620,000	23,754,335	72,865,665
Demand notes	53,040,000	....	53,040,000
	333,452,079	23,754,335	309,697,744
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			334,697,744

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1863.

[Population, 33,365,000; circulation per capita, $17.84.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Fractional currency	$20,192,456	$4,308,074	$15,884,382
State-bank notes	238,677,218		238,677,218
United States notes	387,646,589	75,165,171	312,481,418
Demand notes	3,351,020		3,351,020
	649,867,283	79,473,245	570,394,038
Add: Specie in circulation on the Pacific coast			25,000,000
			595,394,038

JULY 1, 1864.

[Population, 34,046,000; circulation per capita, $19.67.]

Fractional currency	22,894,877	3,762,376	19,132,501
State-bank notes	179,157,717		179,157,717
United States notes	447,300,203	32,184,213	415,115,990
National-bank notes	31,235,270		31,235,270
	680,588,067	35,946,589	644,641,478
Add: Specie in circulation on the Pacific coast			25,000,000
			669,641,478

JULY 1, 1865.

[Population, 34,748,000; circulation per capita, $20.57.]

Fractional currency	25,005,829	3,277,074	21,728,755
State-bank notes	142,919,638		142,919,638
United States notes	431,066,428	52,149,686	378,916,742
National-bank notes	146,137,860		146,137,860
	745,129,755	55,426,760	689,702,995
Add: Specie in circulation on the Pacific coast			25,000,000
			714,702,995

JULY 1, 1866.

[Population, 35,469,000; circulation per capita, $18.99.]

State-bank notes	19,996,163		19,996,163
Fractional currency	27,070,877	2,383,814	24,687,063
United States notes	400,780,306	72,988,001	327,792,305
National-bank notes	281,479,908	5,467,195	276,012,713
	729,327,254	80,839,010	648,488,244
Add: Specie in circulation on the Pacific coast			25,000,000
			673,488,244

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1867.

[Population, 36,211,000; circulation per capita, $18.28.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
State-bank notes	$4,484,112	....	$4,484,112
Fractional currency	28,307,524	$2,001,230	26,306,294
United States notes	371,783,597	52,345,895	319,437,702
National-bank notes	298,625,379	11,861,418	286,763,961
	703,200,612	66,208,543	636,992,069
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			661,992,069

JULY 1, 1868.

[Population, 36,973,000; circulation per capita, $18.39.]

State-bank notes	3,163,771	....	3,163,771
Fractional currency	32,626,952	3,627,600	28,999,352
United States notes	356,000,000	27,428,335	328,571,665
National-bank notes	299,762,855	5,393,982	294,368,873
	691,553,578	36,449,917	655,103,661
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			680,103,661

JULY 1, 1869.

[Population, 37,756,000; circulation per capita, $17.60.]

State-bank notes	2,558,874	....	2,558,874
Fractional currency	32,114,637	1,672,398	30,442,239
United States notes	355,935,194	41,233,100	314,702,094
National-bank notes	299,742,475	7,992,791	291,749,684
	690,351,180	50,898,289	639,452,891
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			664,452,891

JULY 1, 1870.

[Population, 38,588,371; circulation per capita, $17.50.]

State-bank notes	2,222,793	....	2,222,793
Fractional currency	39,878,684	5,499,402	34,379,282
United States notes	356,000,000	31,037,362	324,962,638
National-bank notes	299,766,984	11,118,903	288,648,081
	697,868,461	47,655,667	650,212,794
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			675,212,794

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1871.

[Population, 39,555,000; circulation per capita, $18.10.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
State-bank notes	$1,968,058	....	$1,968,058
Fractional currency	40,582,875	$6,136,570	34,446,305
United States notes	356,000,000	12,931,030	343,068,970
National-bank notes	318,261,241	6,855,569	311,405,672
Add: Specie in circulation on the Pacific coast	716,812,174	25,923,169	690,889,005 25,000,000
			715,889,005

JULY 1, 1872.

[Population, 40,596,000; circulation per capita, $18.19.]

State-bank notes	1,700,935	....	1,700,935
Fractional currency	40,855,835	4,452,906	36,402,929
United States notes	357,500,000	11,331,320	346,168,680
National-bank notes	337,664,795	8,627,790	329,037,005
Add: Specie in circulation on the Pacific coast	737,721,565	24,412,016	713,309,549 25,000,000
			738,309,549

JULY 1, 1873.

[Population, 41,677,000; circulation per capita, $18.04.]

State-bank notes	1,379,184	....	1,379,184
Fractional currency	44,799,365	6,723,360	38,076,005
United States notes	356,000,000	7,535,855	348,464,145
National-bank notes	347,267,061	8,304,586	338,962,475
Add: Specie in circulation on the Pacific coast	749,445,610	22,563,801	726,881,809 25,000,000
			751,881,809

JULY 1, 1874.

[Population, 42,796,000; circulation per capita, $18.13.]

State-bank notes	1,162,453	....	1,162,453
Fractional currency	45,881,296	7,647,714	38,233,582
United States notes	382,000,000	10,578,548	371,421,452
National-bank notes	351,981,032	11,715,488	340,265,544
Add: Specie in circulation on the Pacific coast	781,024,781	29,941,750	751,083,031 25,000,000
			776,083,031

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1875.

[Population 43,951,000; circulation per capita, $17.16.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
State-bank notes	$964,497	....	$964,497
Fractional currency	42,129,424	$4,224,854	37,904,570
United States notes	375,771,580	26,085,245	349,686,335
National-bank notes	354,408,008	13,861,463	340,546,545
	773,273,509	44,171,562	729,101,947
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			754,101,947

JULY 1, 1876.

[Population 45,137,000; circulation per capita, $16.12.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
State-bank notes	1,047,335	....	1,047,335
Subsidiary silver	27,418,734	6,363,606	21,055,128
Fractional currency	34,446,595	1,507,750	32,938,845
United States notes	369,772,284	38,324,906	331,447,378
National-bank notes	332,998,336	16,877,634	316,120,702
	765,683,284	63,073,896	702,609,388
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			727,609,388

The amount of subsidiary silver in circulation, according to the records of the department, was $26,055,128, but for the sake of uniformity $5,000,000 of this amount is deducted and stated as a part of the specie in circulation on the Pacific coast as heretofore.

JULY 1, 1877.

[Population 46,353,000; circulation per capita, $15.58.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Subsidiary silver	40,837,506	2,952,653	37,884,853
Fractional currency	20,403,137	161,476	20,241,661
United States notes	359,764,332	21,864,988	337,899,344
National-bank notes	317,048,872	15,759,847	301,289,025
	738,053,847	40,738,964	697,314,883
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			722,314,883

JULY 1, 1878.

[Population, 47,598,000; circulation per capita, $15.32.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Standard silver dollars	16,269,079	15,059,828	1,209,251
Subsidiary silver	60,778,828	6,860,506	53,918,322
Silver certificates	1,462,600	1,455,520	7,080
Fractional currency	16,547,769	180,044	16,367,725
United States notes	346,681,016	25,775,121	320,905,895
National-bank notes	324,514,284	12,789,923	311,724,361
	766,253,576	62,120,942	704,132,634
Add: Specie in circulation on the Pacific coast	....	....	25,000,000
			729,132,634

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1879.

[Population, 48,866,000; circulation per capita, $16.75.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Gold coin	$245,741,837	$135,236,475	$110,505,362
Standard silver dollars	41,276,356	33,239,917	8,036,439
Subsidiary silver	70,249,985	8,903,401	61,346,584
Gold certificates	15,413,700	133,880	15,279,820
Silver certificates	2,466,950	2,052,470	414,480
United States notes	346,681,016	45,036,904	301,644,112
National-bank notes	329,691,697	8,286,701	321,404,996
	1,051,521,541	232,889,748	818,631,793

JULY 1, 1880.

[Population, 50,155,783; circulation per capita, $19.41.]

Gold coin	351,841,206	126,145,427	225,695,779
Standard silver dollars	69,660,408	49,549,851	20,110,557
Subsidiary silver	72,862,270	24,350,482	48,511,788
Gold certificates	8,004,600	40,700	7,963,900
Silver certificates	12,374,270	6,584,701	5,789,569
United States notes	346,681,016	18,785,559	327,895,457
National-bank notes	344,505,427	7,090,249	337,415,178
	1,205,929,197	232,546,969	973,382,228

JULY 1, 1881.

[Population, 51,316,000; circulation per capita, $21.71.]

Gold coin	478,484,538	163,171,661	315,312,877
Standard silver dollars	95,297,083	65,954,671	29,342,412
Subsidiary silver	74,087,061	27,247,697	46,839,364
Gold certificates	5,782,920	23,400	5,759,520
Silver certificates	51,166,530	12,055,801	39,110,729
United States notes	346,681,016	18,554,092	328,126,924
National-bank notes	355,042,675	5,296,382	349,746,293
	1,406,541,823	292,303,704	1,114,238,119

JULY 1, 1882.

[Population, 52,495,000; circulation per capita, $22.37.]

Gold coin	506,757,715	148,506,390	358,251,325
Standard silver dollars	122,788,544	90,384,724	32,403,820
Subsidiary silver	74,428,580	28,048,631	46,379,949
Gold certificates	5,037,120	8,100	5,029,020
Silver certificates	66,096,710	11,590,620	54,506,090
United States notes	346,681,016	21,425,589	325,255,427
National-bank notes	358,742,034	6,277,246	352,464,788
	1,480,531,719	306,241,300	1,174,290,419

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1883.

[Population, 53,693,000; circulation per capita, $22.91.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Gold coin	$542,732 063	198.078,568	344,653.495
Standard silver dollars	152,047,685	116,396,235	35,651,450
Subsidiary silver	74,960,300	28,486,001	46,474,299
Gold certificates	82,378,640	22,571,270	59,807,37
Silver certificates	88,616,831	15,996,145	72,620,686
United States notes	346,681,016	23,438,839	323,242,177
National-bank notes	356,073,281	8,217,062	347,856,219
	1,643,489,816	413,184,120	1,230,305,696

JULY 1, 1884.

[Population, 54,911,000; circulation per capita, $22.65.]

Gold coin	545,500,797	204,876,594	340,624,203
Standard silver dollars	180,306,614	139,616,414	40,690,200
Subsidiary silver	75,261,528	29,600,720	45,660,808
Gold certificates	98,392,660	27,246,020	71,146,640
Silver certificates	119,811,691	23,384,680	96,427,011
United States notes	346,681,016	27,993,802	318,687,214
National-bank notes	339,499,883	8,809,990	330,689,893
	1,705,454,189	461,528,220	1,243,925,969

JULY 1, 1885.

[Population, 56,148,000; circulation per capita, $23.02.]

Gold coin	588,697,036	247,028,625	341,668,411
Standard silver dollars	208,538,967	169,451,998	39,086,969
Subsidiary silver	74,939,820	31,236,899	43,702,921
Gold certificates	140,323,140	13,593,410	126,729,730
Silver certificates	139,901,646	38,370,700	101,530,946
United States notes	346,681,016	15,462,379	331,218,637
National-bank notes	318,576,711	9,945,710	308,631,001
	1,817,658,336	525,089,721	1,292,568,615

JULY 1, 1886.

[Population, 57,404,000; circulation per capita, $21.82.]

Gold coin	590,774,461	232,554,886	358,219,575
Standard silver dollars	237,191,906	184,523,283	52,668,623
Subsidiary silver	75,060,937	28,886,947	46,173,990
Gold certificates	131,174,245	55,129,870	76,044,375
Siver certificates	115,977,675	27,861,450	88,116,225
United States notes	346,681,016	22,868,317	323,812,699
National-bank notes	311,699,454	4,034,416	307,665,038
	1,808,559,694	555,859,169	1,252,700,525

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1887.

[Population, 58,680,000; circulation per capita, $22.45.]

	General stock coined or issued.	*In Treasury.*	*Amount in circulation.*
Gold coin	$654,520,335	$277,979,654	$376,540,681
Standard silver dollars	277,445,767	221,897,046	55,548,721
Subsidiary silver	75,547,799	26,963,934	48,583,865
Gold certificates	121,486,817	30,261,380	91,225,437
Silver certificates	145,543,150	3,425,133	142,118,017
United States notes	346,681,016	20,013,797	326,667,219
National-bank notes	279,217,788	2,362,585	276,855,203
	1,900,442,672	582,903,529	1,317,539,143

JULY 1, 1888.

[Population, 59,974,000; circulation per capita, $22.88.]

Gold coin	705,818,855	314,704,822	391,114,033
Standard silver dollars	310,166,459	254,639,063	55,527,396
Subsidiary silver	76,406,376	26,044,062	50,362,314
Gold certificates	142,023,150	20,928,500	121,094,650
Silver certificates	229,491,772	28,732,115	200,759,657
United States notes	346,681,016	38,680,976	308,000,040
National-bank notes	252,368,321	7,055,541	245,312,780
	2,062,955,949	690,785,079	1,372,170,870

JULY 1, 1889.

[Population, 61,289,000; circulation per capita, $22.52.]

Gold coin	680,063,505	303,581,937	376,481,568
Standard silver dollars	343,947,093	289,489,794	54,457,299
Subsidiary silver	76,601,836	25,124,672	51,477,164
Gold certificates	154,048,552	36,918,323	117,130,229
Silver certificates	262,629,746	5,474,181	257,155,565
United States notes	346,681,016	30,241,825	316,439,191
National-bank notes	211,378,963	4,158,330	207,220,633
	2,075,350,711	694,989,062	1,380,361,649

JULY 1, 1890.

[Population, 62,622,250; circulation per capita, $22.82.]

Gold coin	695,563,029	321,304,106	374,258,923
Standard silver dollars	380,083,304	323,804,555	56,278,749
Subsidiary silver	76,825,305	22,792,718	54,032,587
Gold certificates	157,562,979	26,732,120	130,830,859
Silver certificates	301,539,751	3,983,513	297,556,238
United States notes	346,681,016	11,992,039	334,688,977
National-bank notes	185,970,775	4,365,838	181,604,937
	2,144,226,159	714,974,889	1,429,251,270

STATEMENT SHOWING THE AMOUNTS OF MONEY IN THE UNITED STATES, IN THE TREASURY AND IN CIRCULATION, ON THE DATES SPECIFIED—Continued.

JULY 1, 1891.

[Population, 63,975,000; circulation per capita, $23.45.]

	General stock coined or issued.	In Treasury.	Amount in circulation.
Gold coin	584,524,184	176,450,378	408,073,806
Standard silver dollars	405,659,268	347,976,227	57,683,041
Subsidiary silver	77,947,619	19,656,695	58,290,924
Gold certificates	152,456,429	31,606,030	120,840,390
Silver certificates	314,715,185	7,351,037	307,364,148
Treasury notes, act July 14, 1890	50,228,417	9,765,252	40,463,165
United States notes	346,681,016	1,601,744	345,079,272
National-bank notes	167,927,974	5,655,174	162,272,800
	2,100,130,092	600,062,537	1,500,067,555

RECAPITULATION.

Year.	Amount of money in United States.	Amount in circulation.	Population.	Money per capita.	Circulation per capita.
1860	$442,102,477	$435,407,252	$31,443,321	$14.06	$13.85
1861	452,005,767	448,405,767	32,064,000	14.09	13.98
1862	358,452,079	334,697,744	32,704,000	10.96	10.23
1863	674,867,283	595,394,038	33,365,000	20.23	17.84
1864	705,588,067	669,641,478	34,046,000	20.72	19.67
1865	770,129,755	714,702,995	34,748,000	22.16	20.57
1866	754,327,254	673,488,244	35,469,000	21.27	18.99
1867	728,200,612	661,992,069	36,211,000	20.11	18.28
1868	716,553,578	680,103,661	36,973,000	19.38	18.39
1869	715,351,180	664,452,891	37,756,000	18.95	17.60
1870	722,868,461	675,212,794	38,588,371	18.73	17.50
1871	741,812,174	715,889,005	39,555,000	18.75	18.10
1872	762,721,565	738,309,549	40,596,000	18.70	18.19
1873	774,445,610	751,881,809	41,677,000	18.58	18.04
1874	806,024,781	776,083,031	42,796,000	18.83	18.13
1875	798,273,509	754,101,947	43,951,000	18.16	17.16
1876	790,683,284	727,609,388	45,137,000	17.52	16.12
1877	763,053,847	722,314,883	46,353,000	16.46	15.58
1878	791,253,576	729,132,634	47,598,000	16.62	15.32
1879	1,051,521,541	818,631,793	48,866,000	21.52	16.75
1880	1,205,929,197	973,382,228	50,155,783	24.04	19.41
1881	1,406,541,823	1,114,238,119	51,316,000	27.41	21.71
1882	1,480,531,719	1,174,290,419	52,495,000	28.20	22.37
1883	1,643,489,816	1,230,305,696	53,693,000	30.60	22.91
1884	1,705,454,189	1,243,925,969	54,911,000	31.06	22.65
1885	1,817,658,336	1,292,568,615	56,148,000	32.37	23.02
1886	1,808,559,694	1,252,700,525	57,404,000	31.50	21.82
1887	1,900,442,672	1,317,539,143	58,680,000	32.39	22.45
1888	2,062,955,949	1,372,170,870	59,974,000	34.39	22.88
1889	2,075,350,711	1,380,361,649	61,289,000	33.86	22.52
1890	2,144,226,159	1,429,251,270	62,622,250	34.24	22.82
1891	2,100,130,092	1,500,067,555	63,975,000	32.83	23.45

NOTE.—The difference between the amount of money in the country and the amount in circulation represents the money in the Treasury.

THE CONVENTION OF THE MISSOURI BANKERS' ASSOCIATION.

On the 28th of August the bankers of Missouri met at Lebanon and organized an association. A large number of the representatve bankers of the State were present.

The convention was called to order by John Caro Russell, of the National Bank of the Republic, of St. Louis, who called to the chair as temporary chairman, W. H. Owen, president of the Bank of Lebanon. John Caro Russell was unanimously chosen temporary secretary. Rev. C. W. Dunn, of the Congregational Church, offered prayer, after which Judge W. I. Wallace delivered an eloquent address of welcome, extending to the bankers the hospitality of Lebanon, the city of the famous magnetic wells, where rich and poor alike seek health and pleasure. Robert Robyn, of the Hermann Savings Bank responded in a speech both eloquent and witty.

John Caro Russell, of St. Louis, then delivered the opening address of the convention, on the objects and aims of the Missouri Bankers' Association, an ably prepared paper that was listened to with the closest attention. Mr. Russell said :

We have come here for the purpose of organizing an association, which, we hope, will be one that will do much good. Its object will be to bring the bankers of our State together, that we may first make friends. There is pleasure in knowing a man you are doing business with, and forming an opinion of him by having met and talked with him. This is an age of cold-blooded business, but the principal confidence we have in our fellow-men is obtained through personal contact with them. By coming together we will form their acquaintance, and strengthen our confidence in one another, and we will be in a condition to remedy any evil caused by undue competition, for we will become aware that each is striving to succeed, and only from that principle do we work. We see no reason why we cannot agree on certain principles of business that, by common consent, are considered sound, and better for us all. We will find that there is too much of this knifing business in the world—every man for himself and the devil for us all—and that it will be more profitable and far more pleasant to curtail our business a little.

As we are so essential to the welfare of the public, our safety should be guarded carefully, and injurious laws should not be passed. We must so do commercial business that we will be a benefit to the public, and at the same time a profit to ourselves ; that we may be rightly understood and appreciated by the public, I think it is a good thing for us to come together and discuss all questions of importance pertaining to our business, and that we put them before the public in such a way that our side will be considered and justice done us. I do not think that a discussion will injure our cause ; I believe all organizations, such as the Farmers' Alliance, Knights of Labor, and kindred organizations, have come to stay. We see some very foolish principles put out by all these associations ; but even these false and foolish theories have some good in them, and the men who cannot see it had better look closer, deeper, for there is a cause that developed the idea from the farmer's mind. It is a pleasure we do not appreciate, to live in this glorious Republic of ours, where the press is free and the public allowed to think and speak.

Every line of business should have an association, that their interests may be explained and protected. By the discussion of the subjects pertaining to our business new ideas will be brought out, old ways and usages criticised, and the best adopted. By attending our conventions we will be refreshed by a vacation of a few days, which will do us good. We will be the fifteenth State Bankers' Association, and ere long our associations will be as numerous as the stars in our nation's flag.

The object and aim of our association might be summed up as follows:

1. The bringing together the bankers of our State, thereby forming a friendship and good feeling which will be the cause of eliminating many ruinous practices, and destroying unjust competition.

2. By the consideration of subjects pertaining to our business, and the discussion of them, we can remedy many evils.

3. By uniting our voices in proclaiming our views, and sending our petitions to our Government, we can have a hearing as to what will constitute the circulating medium of our country.

4. Recreation and the enjoyment of social intercourse.

5. By our annual meetings being held at different points, we will be enabled to visit and view our State.

6. To submit forms and ways of handling the details of our work, and the adoption of the best.

7. To bring about co-operation in the handling of criminals.

8. To have the pleasure of hearing well-written and practical essays on live topics pertaining to our business, and thereby becoming the better fitted to handle our own business.

9. That we may find a way of making the public more honest, as well as cashiers of banks. Business being on a close margin, in banking and every other line, we lessen the losses in proportion.

10. That our responsibilities being grave and manifold, it behooves us to accept the proverb that "In multitude of council there is wisdom."

11. Prophesying that all the charter members of this association will be proud of the day we organized it, and with a wish that all our deliberations will be conservative, and discussed in such a way that only good can come from them, we will proceed to organize the Missouri Bankers' Association.

The next important subject was that of bank taxation. Mr. Robert Robyn, of the Hermann Bank, said no business was so much the subject of the inequality of taxation as banking. Even the railroads do not suffer so much. Banks are asked not only to pay taxes on their own property, but upon other people's property. Some of the Farmers Alliance men—those of them going about the country to gain notoriety in crying for a reduction of taxation—are the tax-dodgers, and not the bankers. If these calamity shriekers paid the same rate of taxation as the banks they would find the farmers are not down-trodden. The law should be amended by taxing everybody at an absolute cash value. It should be an equal taxation, everybody faring alike. It is the rate he is taxed higher than other people that he was complaining about.

Mr. W. S. Anderson, of the National Bank of Kansas City: There wasn't much to complain of up his way. There the banks were taxed on 40 per cent. of the surplus. To secure a remedy against any injustice of unequal taxation, let the County Court be shown that the bank should not be taxed higher than realty. The new law said banks should be taxed on the par value of their surplus. The County Court is the tribunal which had given him relief, but how to obtain it under the new law, unjust as that new law is, he did not know.

Mr. J. R. Hume, the Bank of Kahoka, of Kahoka: We were assessed at par value of our surplus. We went before the County Court, and undertook to argue the injustice of the rate, as others paid 40 per cent. We agreed to pay 60 per cent. We told the objecting member of the court that he could have his property assessed at double the rate then on it and would be glad to take it off his hands. This convinced him of the tenable stand we had taken, and we got the 60 cent rate.

Mr. John Caro Russell, of the National Bank of the Republic, of St. Louis, thought justice robbed no man. Farmers should have everything justly taxed; so should bankers. We have no right to ask for a law to let us put in property at 40 cents. The farmers are experimenting, but they are advancing. One of the objects of this organization is to see that our rights are protected, just as the farmer is seeking to do. We have no right to go before boards and ask them to do something dishonest. If property of the State was put at double its present valuation we would have only to pay half the taxes now paid. The way to obtain relief is to see that all property is taxed like our own. We all get poor when the assessor comes around. Let us all be assessed alike, and in the proverb that justice robs no man, we get the aid to which we are entitled.

Mr. Breck Jones, of the Mississippi Valley Trust Company: As he had seen taxation as levied in the city of St. Louis, he saw no special reason for complaint. There the assessment is at 75 per cent. Some real estate is assessed above, and some below its value. There are inequalities in taxes, and the George movement now going through the country is based on these inequalities. How many men here give in true returns for taxation? If I can find a man who does this I want to put him on a pedestal and exhibit him at the World's Fair. If we bankers want to make a specific question of taxes, as to whether we are justly treated, don't we give to ourselves all the benefit of doubt as to unearned interest, or discount bills receivable? We wicked fellows in the city might resort to such things. Men who own banks, if overtaxed, can even up by giving in personal property as others do. We get all we are entitled to, and if we are overtaxed, we simply put a higher rate of interest on the next fellow who comes along to borrow money.

Mr. Thomas M. Brown, Dallas County Bank, Buffalo: The bankers bear the burdens. It is like blowing against the wind to seek relief from a County Court. Take a merchant. He takes out $15,000 to $20,000 insurance on his stock and lists it with the assessor at $3,000.

Mr. F. P. Hayes, of the Schuyler Co. Bank, of Lancaster, knew of farms in his county which could not be bought or swapped for his bank. These farms paid $165 taxes; his bank paid $500.

Mr. H. C. Cowgill, of Carthage, said that the bankers have nothing to complain of, in regard to their taxation, and the further discussion should be dispensed with. We talk of our burdens, but are silent as to our benefits. I think it would be unwise to make public the discussion.

The report of committee on permanent organization was presented, resulting in the selection of the following gentlemen as officers for the ensuing year:

President—Mr. R. L. McEhany, of Springfield.

Vice-Presidents—Messrs. W. S. Anderson, Kansas City; C. W. Rubey, Lebanon; Breck Jones, St. Louis.

Executive Committee—Messrs. F. Schultz, Sedalia; D. W. Malcolm, Rolla; F. P. Hayes, Lancaster; J. L. Wilcoxson, Carrollton; Speed Stephens, Boonville.

Secretary and Treasurer—Mr. John Caro Russell, of St. Louis.

The proceedings of the third and closing day's session were opened with a report from the committee on resolutions, which was presented by Mr. Bigbee. The report was as follows:

Resolved, That the members of the Missouri Bankers' Association, having correspondents in St. Louis, Kansas City and St. Joseph, respectfully request them to become members of this association at their earliest convenience.

Resolved, That we use our best endeavors to induce all Missouri banks to become members of this association, as we deem it of material benefit to get as near to each other as possible.

Resolved, That we use our influence to procure the deposits of as great a per cent. of the balances of the Missouri banks with the reserve cities of the State as possible, deeming it to be of mutual interest to both city and country banks, as it will create a larger capital within our State, and tend to reduce rates of re-discount to country banks.

Resolved, That we act in unison for the mutual benefit of this association, and report all things individually coming under our observation as bankers to the secretary of the association, so that we may keep informed as to the general business of the State, and that the secretary be requested to issue a monthly bulletin to the members of the association for their mutual benefit and protection.

Resolved, That a vote of thanks is due to Mr. John Caro Russell for the active and energetic course he has taken to secure the organization of this association.

"How Shall Our Collections Be Made?" was then taken up. Mr. W. S. Anderson, of Kansas City, thought the bank should receive some pay, whether it succeeded in making a collection or not. The banks in his place had agreed on a price which they charged, but had not found much money was made in collections. All he could say was it was a money-losing business.

Mr. John Caro Russell thought if what a bank paid for the expense of keeping a collector was paid out of the profits or proceeds realized from collections it was doing well.

Mr. A. Clements, of Springfield, said a schedule of charges was made by the banks there, but some of them having deviated therefrom, the schedule was broken, and now the banks charged what they think is right.

The question was here asked how many of the bankers charge exchange on drafts to their customers. All the bankers did not vote, but eleven announced charges, and eight no charge. Mr. Schultz, of Sedalia, said his bank made no charge, but it was due solely to competition.

Mr. J. R. Hume, of Kahoka, said many country merchants send private checks to the wholesaler, rather than buy drafts, to save exchange. He thought the merchant who could not pay exchange for the transaction of his own business ought to go out of business. His bank even charged its officers exchange. If the country bank would refuse to receive these checks at par from the wholesaler, it would stop the checks and bring drafts, and the banks would get their exchange. He treated all customers alike.

Mr. Robert Robyn said he did not treat all his customers alike, but he treated them according to the worth of their accounts, and regulated charges by circumstances. He also graded collections sent him. He did not work for nothing. He was in business for money. If a merchant sent him a draft for collection he mailed the merchant a postal card asking for twenty-five cents for costs in endeavoring to make the collection, or four cents in postage for the return of the draft. On interest charges be believed in getting all he could, but did not hypocritically try to make the borrower believe the bank was doing him a personal favor. It was a business transaction.

The next subject was "What Causes High Rate of Interest?" Mr. F. W. Keller thought the amount of money on hand and the security regulated the rate of interest.

Mr. M. T. Davis thought the exemption laws were the cause of extortionate or high interest. If these laws were obliterated, interest would be reduced, and it would become comparatively uniform. If all and any of a man's property was liable for debt there would be a reduction of interest rates, as the lender would have greater security. A contract is a contract. If you agree to pay me 25 per cent. interest, or even 50 per cent., that should be law.

Mr. J. L. Thomas, of West Plains, thought the rate of interest was governed by the general law of supply and demand. Scarcity of money is not a cause of it. In such a case, as in a panic, a big rate is paid per day, perhaps, but that is in the nature of a premium. In 1849–53 in California rates of interest prevailed running from 3 to 10 per cent. a month, and at that time there was no country blessed with an equal amount of money *per capita*. The healthy employment of money in enterprises, industries and investments will naturally command a high rate of interest.

Mr. Russell said he felt assured that when the gentlemen spoke of charging all the interest they could get they did not mean to demand the pound of flesh, but simply to secure a reasonable or legitimate return. In a new country usury laws at a moderate rate are a good thing. It will aid us to learn how interest extremes are brought together, and a moderate course adopted. We ought to have a law which will bring us a just return on our money, and allow the borrower opportunities of meeting his obligations. We want to take our stand with labor organizations and the farmers in the right spirit. They have rights as well as we.

Mr. T. M. Brown said the money on hand governed the matter. A bank with a little money can get all the interest it asks; if it has plenty of money it took what interest it could get.

The closing address was by Mr. Bland, on the silver question, who spoke at great length. Among other things he said:

We have about 3,800,000,000 silver dollars in the world, and the same amount of gold. Now this 3,800,000,000 of silver and like amount of gold constitutes the world's bi-metallic circulation. Some nations are using silver only, some gold only, and others again, as ourselves, are using both.

According to the first mint act the silver dollar was made the unit, and was made to conform to the Spanish milled dollar, then in circulation in this country. It was ascertained that they averaged about 371¼ grains pure silver. Consequently the act said this should be the value of the dollar, and so has been ever since.

By this same act we find that all gold and silver coined and issued from the mint shall be legal tender for the payment of all debts; but it is simply said that the silver dollar shall be a unit. It is not made the standard, so to speak. The first mint act declared fifteen ounces of silver worth one ounce of gold. That was the ratio fixed at the mint.

That was not bimetalism. The view of the eminent statesmen of that day was to establish a ratio that might be the commercial ratio of the world, and after that ratio was established gold became more valuable and silver went to other countries on account of the great demand.

The close of Mr. Bland's address was followed, on motion of Mr. Robyn, by *sine die* adjournment.

Regarding the expressions of the bankers upon the question as something which would prove of interest, a representative of the Laclede

County *Republican*, from which this account of the convention has been taken, sought interviews with a number of them to obtain their views as to the unlimited coinage of silver.

Mr. Robert Robyn : I am opposed, most emphatically, to the unlimited coinage of silver.

Mr. A. J. Clements, of Springfield : I favor letting well enough alone. I am fearful of the results of experimenting.

Mr. Breck Jones, of St. Louis: No free coinage in mine. It is not the time to try experiments. We are dependent on the East, which is the money center. The East is opposed to free coinage. If we disturb it we disturb the whole heart—and consequently the whole system—of the money world. The elements of the financial world are now closely dependent on each other. If some ambitious fellow in the Argentine confederation makes a strike for glory the effect is such that the editor of the *Arizona Kicker* cannot negotiate a loan on his valuable newspaper plant.

Mr. Otto Shuttee, of Malden : I am opposed to it. I am willing that all the bullion in the United States should be coined, but oppose the measure unless it is thus restricted.

Mr. E. W. Salmon, of Marshfield : I am opposed to the unlimited coinage. I am afraid it would give us too much silver.

Mr. Frank P. Hays, of Lancaster: I am opposed to it. It is opposed in the East, but it is not in disfavor with me solely on that ground. I do not think America should be made the dumping ground for the silver of the world. Beside, unlimited coinage would decrease the purchasing power of our money.

Mr. J. R. Hume, of Kahoka: I am a limited man, and am not for free coinage, which is designed to favor a class. It would make millionaires of some at the expense of others. Free silver, too, would have a bad effect on our financial system.

Mr. F. W. Keller, of Seneca : I have no idea based on deep thought. It is not safe for the United States, or any other country, to have currency which needs the impress of the country to make it good. Any coin ought to be worth its intrinsic value. If it is a dollar's worth of gold it ought to be worth a dollar without governmental impress at all.

Mr. T. J. McCord, of Billings: I am opposed to unlimited coinage. As I see it, it would result in two kinds of money—that is, two values. It would drive the gold out of the country, and put silver at a discount.

Mr. J. L. Thomas, West Plains: Unlimited coinage, unless adopted by an international convention, will lead to the disturbance of values and the demonetization of gold, as the history of all debased measures of value being that the more valuable medium is hoarded and retired, and the depreciated money becoming the standard currency. Witness the relation of coin to greenbacks during the war and subsequently.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

ALA.... Opelika..... Bank of Opelika.
CAL.... San Luis Obispo... First National Bank.
" .. Santa Rosa. Sav. Bank of Santa Rosa.
COL.... Delta....... Delta County Bank.
" .. Leadville... American Nat. Bank.
CONN... Ansonia.... Sav. B'k of Ansonia.
" Hartford... State Savings Bank.
FLA.... Gainesville. First National Bank.
" .. Tampa..... Gulf National Bank.
GA..... Harmony Grove.... Northeastern Bank'g Co.
" .. Macon...... Exch. B'k of Macon.
IDAHO.. Boise City.. Boise City Nat. Bank.
ILL.... Belleville... Belleville Sav. Bank.
" .. " ... First National Bank.
" .. Freeport.... State B'k of Freeport.
IOWA... Ames....... Union Nat. Bank.
" .. Council Bluffs. Council Bluffs Sav. Bank.
LA...... Monroe..... Merchants & Farmers Bank.
ME..... Madison.... First National Bank.
" .. Searsport.. Searsport Nat. Bank.
" .. Skowhegan. First National Bank.
MASS... Amesbury.. Powow River Nat. Bank.
" .. Fall River.. Fall River Nat. Bank.
" .. New Bedford. New Bedford Five Cent Savings Bank.
" .. Provincet'n. Seamens Sav. Bank.
" .. South Framingham... Farmer & Mechanics Savings Bank.
" .. South Framingham.. Framingham Nat. Bk.
MICH... Muskegon.. Muskegon Sav. Bank.
MINN.. St. Paul.... Merchants Nat. Bank.
MO..... Parnell..... A new bank building.
" .. Springfield.. Bank of Commerce.
" .. Springfield.. Commercial Bank.
MONT.. Great Falls. First National Bank.
NEB.... Unadilla... Bank of Unadilla.
N. H... Woodsville. Woodsville Guar. & Sav. Bank.
N. J.... Newton.... Merchants Nat. Bank.
" .. Woodstown. First National Bank.
N. Y.... Middletown. Middletown Tr. Co.
" .. Mohawk.... Nat. Mohawk Valley Bank.
" . Rondout.... First National Bank.
N. C... Raleigh.... Citizens Nat. Bank.
OHIO... Springfield.. Springfield Nat. B'k.
" .. Toledo..... Merchants & Clerks Savings Inst.
OKL.... Oklahoma.. First National Bank.
PA..... Darby...... First National Bank.
" . Pittsburgh.. Germania Sav. B'k.
" .. Warren.... Warren Sav. Bank.
" .. Washington. Citizens Nat. Bank.
TEXAS. Beaumont.. First National Bank.
" .. Coleman... First National Bank.
" . Comanche.. Comanche Nat. Bank.
" .. Denison.... First National Bank.
" .. Fort Worth. First National Bank.
" .. Rockport... First National Bank.
UTAH.. Payson..... Exchange Sav. Bank.
VA. ... Manchester.. Mech. & Merch. B'k.
" .. Newport News. Citizens & Marine Bank.
WASH.. Olympia... Capital Nat. Bank.
B. C.... Vancouver.. Bank of British Columbia.
ONT.... Hamilton.. Bank of Hamilton.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

CAL.... San Francisco. German Sav. & Loan Society.
" .. " " Hibernia Sav. & Loan Society.
DAK. S.. Deadwood.. First National Bank.
IOWA... Correctionville...... Merchants State B'k.
" .. Sioux City.. Home Savings Bank.
MD..... Baltimore... American Nat. Bank.
" .. Chestertown. Chestertown N. B'k.
MINN... Dodge Centre....... Parson Bros. Bank.
" .. Duluth..... Nat. Bank of Commerce.
MO..... Carthage... First National Bank.
NEB.... So. Omaha. Packers Nat. Bank.
N. H... Concord.. .. First National Bank.
" .. Rochester... Norway Plains Sav. Bank.
N. J.... Orange..... Orange Nat. Bank.
N. Y... Belfast..... Bank of Belfast.
N. Y... Springville.. First National Bank.
N. C.... Elizab'h City. First National Bank.
OHIO... Lima....... First National Bank.
" .. Toledo..... Holcomb Nat. Bank.
" .. Wooster... Nat. Bank of Wooster.
PA...... Bangor..... First National Bank.
" .. Bethlehem.. First National Bank.
" .. Chester..... First National Bank.
" .. Gettysburg.. First National Bank.
R. I.... Newport.... New England Com. Bank.
" .. Woonsocket. First National Bank.
TEXAS.. McKinney... Collin Co. Nat. B'k.
VT..... Montpelier.. Capital Sav. Bank & Trust Co.
VA. .... Radford.... Bank of Radford.
WASH.. Spokane Falls. Pacific Bank.
" .. Tacoma.... Merchants Nat. Bank.
MAN'BA. Winnipeg.. Imperial Bank.
ONT.... Ottawa..... Merchants Bank.

Some Recent Bank Dividends.—

Location.	Name.	Annual.	Semi-Annual.	Added to Surplus.
Conn...New Britain.	New Britain National Bank..	....	4½	....
" .. " " .	Mechanics N. B. of N. Britain	....	2½	....
" ..Norwalk....	Fairfield Co. Savings Bank ..	4	....	....
Del ...Wilmington	Security Safe & Tr. Dep. Co.	... .	3	$10,000
Iowa...Dubuque....	Iowa Trust and Savings B'k.	....	4	3,000
Me.....Auburn.....	American B'k'g & Trust Co..	....	2½	....
Md.....N. Windsor.	First N. B. of New Windsor.	....	5	....
Mass...Conway....	Conway National Bank......	....	3	....
" ..Fall River...	Pocasset N. B. of Fall River.	....	3½	....
" .. " " ..	Massasoit N. B of Fall River.	....	4	....
" ..Fitchburg...	Wachusett N. B. of Fitchburg	....	6	....
" ..Lawrence...	Arlington National Bank....	....	3	....
" ..Falmouth...	Falmouth National Bank....	....	$2	....
Mo. ..St. Joseph..	German-American Bank.....	....	4	....
N. H...Manchester..	New Hampshire Trust Co....	....	3½	....
" ..Nashua	Indian Head N. B. of Nashua	....	5	....
" .. "	Second Nat. Bank of Nashua	....	3½	....
" .. "	Security Trust Co. of Nashua	....	4	....
N. J....Deckertown.	Farmers N. B. of Deckertown	....	4	....
" ..N. Brunsw'k	National Bank of New Jersey	12½ i	ncluding	2½ p. c. special.
N. Y....Brooklyn...	Long Island Loan & Tr. Co..	....	* 2	....
" ..Goshen.....	National Bank of Orange Co.	5	....	....
" ..Newburgh..	National Bank of Newburgh.	....	4	....
" .. " ..	Highland N. B. of Newburgh	....	3½	....
" .. " ..	Quassaic N. B. of Newburgh.	....	3½	....
" ..New Paltz	Huguenot National Bank....	....	3½	....
" ..Troy	National State Bank of Troy.	... .	5	....
" .. "	Union National Bank of Troy	....	2½	....
" ..Warwick....	First Nat. Bank of Warwick.	6	....	....
N. C....Durham....	Fidelity Bank..............	....	4	5 per cent.
Pa......Ambler. . .	First Nat. Bank of Ambler...	....	3	....
" ..Waynesboro	First Nat. B. of Waynesboro.	....	4	....
" ..Williamsp't.	Susquehanna T.& S. Dep. Co.	....	2	....
Va.....Alexandria..	Citizens National Bank......	....	3½	....
Wash. Spokane F'ls	Washington National Bank of Spokane Falls.........	....	3	....

* Quarterly.

Sales of Bank Shares.—

Location.	Name.	Sold at.	Par.
Harrisburg, Pa......	Harrisburg National Bank...........	50.50	50
Charleston, S. C.....	Peoples National Bank...............	210.00	100
" "	First National Bank..	215.00	"
" "	Bank of Charleston, N. B. A.........	162.00	"
" "	South Carolina Loan and Trust Co..	82.50	"
Hyndman, Pa......	Nat. Bank of South Pennsylvania....	106.75	"
Chambersburg, Pa..	National Bank of Chambersburg.....	75.00	"
Newport, R. I.......	Nat. Exchange Bank of Newport.....	65.00	50
" "	Union National Bank...............	102.50	100
Honesdale, Pa.	Wayne County Savings Bank........	200.00	"
Hagerstown, Md....	First National Bank................	26.45	—

Eastern States.

Madison, Me.—Think of a National bank occupying a beautiful building of its own in the town of Madison, where ten years ago were only two or three grocery stores and less houses than there are in Stapleton to-day. Who says Maine is not booming?—*Kennebec Journal.*

ROCKLAND, ME.—The Rockland Trust Company has added to its business what is known as the stamp system for deposits, which has been described in the MAGAZINE.

BANGOR, ME.—The opportunity which a solid and well-handled savings bank affords for people having small sums of money to increase them largely was shown most plainly at the Bangor Savings Bank when a person who had placed $118 on deposit called Friday and withdrew $428, being the principal and accrued interest in a term of years. There is some satisfaction in knowing that the Bangor Savings Bank stands among the foremost institutions of its kind in Maine and the people have great confidence in it.

PRESQUE ISLE, ME.—Col. Charles Allen's new bank in Presque Isle is materializing so rapidly that it is expected that it will be open and ready to receive deposits by November 1.

BOSTON, MASS.—Messrs. Leland, Towle & Co., bankers and brokers, at No. 59 Congress street, have issued a pocket manual of all the dividend-paying stocks. It will be found valuable for general reference.

BOSTON, MASS.—Probably the largest payment to a conscience fund on record is that received by the State National Bank, amounting to $18,180.

HOLLISTON, MASS.—At the last quarterly meeting of the trustees of the Holliston Savings Bank, the affairs of the institution were found to be in a most prosperous condition. The regular dividend was declared and nearly enough has accumulated to pay the next dividend due in three months.

BOSTON.—The Shawmut National Bank has nearly doubled its circulation (from $500,000 to $900,000) since June. The Third National has issued $135,000 notes on 4 per cent. bonds. The combined Boston banks have by their last statement $3,695,100 circulation. On June 1 they had $3,246,100, showing an increase of $449,000 since June.

HYANNIS, MASS.—Mr. Joseph R. Hall, president of the First National Bank of Hyannis, and the Barnstable County Mutual Fire Insurance Company, recently celebrated his seventieth birthday at his home by a family dinner party given in honor of the event.

LACONIA, N. H.—At the twenty third annual meeting of the Belknap Savings Bank the entire board of old officers were re-elected. The trustees of the bank have declared a dividend of two and one-half per cent. for the past six months, which is the forty-sixth semi-annual dividend of this bank. The deposits now amount to $1,112,000; surplus and guarantee funds to $94,000. During the year the Belknap bank has earned five per cent. for its depositors, besides paying expenses and the State tax of one per cent., and carrying about $4,000 to its surplus fund. Many of the high rate interest securities are now being called in and it is not probable that any of our New Hampshire banks can continue to pay depositors at the rate of five per cent., but it is safe enough to say the Belknap institution will make as good showing as any of them in the future, as it has in the past.

PORTSMOUTH, N. H.—The New Hampshire National Bank submitted a proposal to allow two and three-fourths per cent. interest on the deposits of the city for the coming year, and charge five and one-half per cent. interest on such sums as the city may require for current expenses during that time. The National Mechanics and Traders' Bank also submitted a proposal paying three per cent. interest on deposits and charging six per cent. on loans. The proposition of the New Hampshire National Bank was accepted.

BERLIN FALLS, N. H.—The capital of the Berlin National Bank has been increased from $50,000 to $75,000.

LITTLETON, N. H.—The Littleton Savings Bank passed the $1,000,000 point in amount of deposits a few days ago.

ASBURY PARK, N. J.—The quarterly statement of the First National Bank shows an excellent condition of things. The deposits reach a total of $379,937.63. Besides the capital of $100,000, the bank has a surplus of $70,000. With this large capital in hand, the discounts are running up to nearly a half million, strictly on first-class paper. Few banks outside of cities have a patronage so large and profitable.

NEW YORK SAVINGS BANKS.—The following is a statement of the condition of the savings banks of the State on July 1, 1891, as prepared in the State Banking Department. Total resources—$670,560,071. Due depositors—$582,207,874. Other liabilities—$739,164. Surplus—$87,613,032. Open accounts—$1,349,119. Accounts opened during the last six months ending June 30 last—$158,597. Accounts closed same period—$135,437. Deposits received same period—$101,862,059. Amount withdrawn the same period—$104,301,744. Amount of interest credited same period—$10,029,641. Current expenses of the banks for that period—$911,664.

NEW YORK CITY.—The largest line of deposits held by any National bank in the United States is that of the Park Bank, of New York, $28,920,188, as shown by the latest reports of the Comptroller of the Currency; the second is that of the First National. Chicago, $26,436,859; and the third that of the Chemical National, of New York, $26,255,563.

HUNTINGTON, L. I.—According to the last quarterly report of the Bank of Huntington, the amount due depositors in that flourishing institution is $268,000.

BLACK ROCK, N. Y.—The new financial venture at Black Rock, the Niagara Bank of Buffalo, has opened for business. The bank is neatly and conveniently arranged. It is furnished in quartered oak finely polished, and the decorations in metal work are beautiful and in keeping with the other rich interior furniture. It is another indication of the rapid growth of business in this booming section of the city. Mr. P. H. Griffin is president, Captain M. M. Drake vice-president, Hervey S. Champlin cashier, W. J. Hayes teller, Frank T. Hartman bookkeeper and Robert Thomas messenger.

NEW YORK.—POOR'S MANUAL OF RAILROADS, No. 70 Wall street. The current number is the 24th annual issue of "*Poor's Manual of Railroads.*" The new *Manual* is considerably larger than the previous number, and more than 200 pages larger than the edition for 1889. Of this increased size over 50 pages are filled with specially engraved maps of the leading railway systems of the country. In the past ten years the *Manual* has kept pace with the development of the railway system by introducing many new and important features which have tended to simplify and at the same time enhance the value of its statements to the investor, banker or railway man. The introduction to the *Manual* presents this year the features of an unusually elaborate summary of the financial condition and operations of the railroads of the country in 1890, and during the decennial period just closed with the census year of 1890. The publishers of the *Manual* now issue two supplementary volumes—one entitled "*Poor's Directory of Railway Officials,*" the other, "*Poor's Hand Book of Investment Securities.*" In the first is given, in addition to a full list of the railroad companies of the United States, and of the contiguous countries of Canada and Mexico, and of the important officers connected therewith, detailed statements of the railroads of other American States, of private tramways, and of the street railways of the United States and Canada. "*Poor's Hand Book of Investment Securities*" covers the entire field of investment in the United States—the financial condition, indebtedness, sources of income, assets and population of every State, county, city and town issuing its obligations for any purpose. It also contains full statements of the industrial enterprises in which the public, by virtue of holding evidences of debt issued by them, secure an interest. Such enterprises have in recent years become very numerous and important, the tendency in every department of production and distribution being toward consolidation of smaller into greater interests. Our people have a continent for their field, and the unexampled progress in the number and traffic of their railroads is only an illustration of that which has been made and which is to be made in every department of enterprise and industry.

NEW YORK CITY.—The Fifth Avenue Bank was established in 1875 with a paid up capital of $100,000 and a surplus of $100,000. It was in fact the first bank in the country to establish a surplus by subscription in addition to its capital. It has been steadily piling up a surplus, until it has to that account upward of $798,000. As a result, $1 600 a share has been offered for its non-dividend-paying stock, but not a share has been known to change hands in five years. Among the stockholders are Samuel D. Babcock, John M. Toucey, H. O. Armour, George Kemp, Henry

F. Spaulding, A. D. Juillaird and P. Van Volkenburg, while the officers are: A. S. Frissell, president; Frank Dean, cashier. The directors are Gardner Wetherbee, Russell Sage, James G. Cannon, Edward H. Perkins, Jr., Isaac Ickelheimer, William H. Lee, Charles S. Smith, John B. Dutcher, Joseph Thompson, John D. Crimmins, James R. Plum and Edward A. Price. The Fifth Avenue carries over 5,000 accounts on its books, more than three thousand of which are names of women. No bank in the country carries such a preponderance of women's accounts. To accommodate this interesting line of customers, the bank has established a separate department for the ladies. The Forty-fourth street side of the bank is devoted entirely to them, and ladies can transact their business without coming into contact with the customers of the other sex. A handsome parlor for the use of ladies is also provided.

NEW YORK CITY.—The stockholders of the Western National Bank reduced the capital of the bank from $3,500,000 to $2,100,000, in accordance with the plan proposed by the board of directors. This plan was to reduce the capital 40 per cent., of which 30 per cent. is to be returned in cash to the stockholders and 10 per cent. retained by the bank.

TROY, N. Y.—For several years the assessors of Albany have assessed bank stock in that city at its par value, but this year the surplus earnings of the banks were taxed, and the increase in tax was about $20 000. It has always been the custom of the general assessors of Troy to estimate the surplus in fixing the valuation of bank stock. The valuation of Troy's bank stock this year is estimated as follows:

State Bank	2,500	$175.6681
Mutual Bank	2,500	150.0825
United National Bank	2,400	170.031
National Bank	2,000	103.8901
Central Bank	2,000	123.3387
Union Bank	6,000	52.7333
Troy City Bank	3,000	156.5283
Manufacturers' Bank	1,500	127.7968

The par value of all the bank stock, except that of the Union Bank, is $100 a share. The Union stock's par value is $50. The savings bank is not assessed for stock, but its real estate is valued at $465,000.

BUFFALO, N. Y.—Among the new banks is the Union Bank, of which Joshua Bliss is president. It was three months old on the 8th of September. "The bank is a success," remarked Louis Stern, the cashier, to a reporter of the Buffalo *Commercial* not long since. "We are working up a good business. Our capital, as you know, is $150,000 and we have a large number of stockholders, the stock being divided up pretty fine. About ten or twelve new men have become stockholders since the bank started. Already we have more than paid expenses. On August 8th, at the end of two months from the time we opened our doors, our profits were $4,581.29. Our expenses on the start were, of course, pretty heavy, with the purchase of books and other necessaries. The expenses for the two months were $4,396.72, showing a little balance in our favor. Our books this morning show deposits to be $246,981.31, and bills discounted $240,263.79. Our directors feel that there is plenty of business at this end of the town, and that there is no doubt of our building up a strong bank. General business up this way is constantly increasing and banking business will increase with it. We are very well satisfied with our progress so far." On May 2d the doors of the new Queen City Bank, on Main street, near North Division, were thrown open for business, so that the bank has been scarcely four months in operation. Its capital is $600,000. "Our success has been much greater than we anticipated," said W. H. Johnson, the president. "We thought that if our deposits reached $600,000 within a year we would be very well satisfied. They are above that point already. This morning the deposits are $625,703.60." Mr. Johnson turned over a bundle of statements, which showed that the increase in deposits had been very rapid. On June 13 the deposits were $350,687.09, and they have been taking big jumps ever since. Within the past ten days they have been as high as $670,000. "The increase has been steady and rapid," said Mr. Johnson, "and we have every reason to feel gratified at the confidence that has been placed in the Queen City Bank. There has been some stringency in the money market, but all indications point to good times coming. Our tariff laws are favorable, crops abundant, and there is, I believe, a general feeling of security. As you see, the bank has done well so far, and we look forward with confidence to the future."

COHOES, N. Y.—Beginning July 1, both the Cohoes Savings Institution and the Mechanics' Savings Bank are to pay interest at the rate of 4 per cent. on all sums up to $3,000. Heretofore depositors have only received 4 per cent. on sums up to $1,000, and at the rate of 3 per cent. on sums above $1,000 up to $3,000.

EAST RANDOLPH, N. Y.—The People's Bank, of East Randolph, has received a certificate authorizing it to do a general banking business.

OLEAN, N. Y.—The First National Bank of Olean has been authorized by the United States authorities to continue its successful business for another twenty years. The First National Bank was organized in 1871, receiving its charter and beginning business on September 12th of that year, with the following officers and directors: Hon. Wm. F. Wheeler, president; Nelson S. Butler, vice-president; L. F. Lawton, cashier; J. E. Dusenbury, E. G. Dusenbury, George McIntosh, Samuel Oosterhoudt, James G. Johnson and Asher W. Miner, directors. During these twenty years the bank has had a career of marked prosperity, and has become widely known for its stability and the character of the men associated with it as well as for its admirable business methods and the uniform courtesy of its officials and employes. The First National Bank has during these twenty years been prominently and intimately allied with the business interests, growth and prosperity of Olean. It forms a vital and important part of Olean's progressive history; and is an institution in which every citizen of Olean may reasonably feel a generous measure of pride and interest. During these twenty years its assistance in the transaction of the growing business of the city is incalculable. While some of its charter directors have passed away from this life, there have been few changes in the management of its affairs. The Hon. Wm. F. Wheeler still remains its president, and Mr. A. T. Eaton, the present efficient cashier, has been connected with it since its organization. The present officers and directors are Wm. F. Wheeler, president; J. E. Dusenbury, vice-president; A. T. Eaton, cashier; C. D. Judd, assistant cashier; Wm. F. Wheeler, E. G. Dusenbury, C. S. Stowell, J. E. Dusenbury, W. E. Wheeler, E. M. Johnson, and A. T. Eaton, directors, and it has a corps of very efficient, painstaking and courteous employes. With the well-earned reputation of the past twenty years, it begins its second twenty-year epoch auspiciously and in the enjoyment of the highest degree of public confidence.—*Olean Times.*

DUSHORE, PA.—The last statement of the First National Bank of Dushore shows the loans and discounts to be $56,682.50; deposits, $72,369.62. Its condition is very satisfactory, and its business shows steady advancement in volume.

SCRANTON, PA.—A Scranton journal says of the Traders' National Bank that it is distinctively a commercial institution, and as such it is appreciated more and more as our traders come to understand its purposes, and even now most of the exchanges required by the wholesale trade and made through this medium of exchange business is continually growing. The bank has $10,000 set aside on account of special deposits, independent of the requirement of the National banking law. The officers of the bank are Samuel Hines, president; W. W. Watson, vice-president; A. B. Williams, cashier; Frank L. Phillips, teller.

LOCK HAVEN, PA.—The Burns auxiliary savings banks system has been adopted by the Lock Haven Trust and Safe Deposit Company.

PHILADELPHIA.—The Third National Bank, under the management of the new president, Gen. Louis Wagner, is rapidly taking a strong position. It has withstood a very severe siege. Over it fell the shadow caused by the crookedness in the City Treasury, and notwithstanding there was a protracted run, lasting for weeks, it successfully withstood the storm. Its successful reorganization, and the speedy manner in which it has cleared off its debts and established itself on a plane of financial prosperity, very decisively controvert the testimony given in the Bardsley investigation that no bank in Philadelphia could successfully withstand a run out of the usual daily business. Its indebtedness to the Clearing House has been discharged. its capital and reserve have been made good, and its deposits are increasing. The future of the bank is assured.

PHILADELPHIA —George Philler, president of the First National Bank of this city, on behalf of the Clearing House Association, has brought suit in the Court of Common Pleas against the ex-directors of the bursted Spring Garden National Bank for $50,000. It is claimed that when the bank, on becoming a member of the Clearing House Association, made a statement of its assets and liabilities, under the rules of the Association, it placed its assets $50,000 too high, and that the directors subsequently gave a joint note for this amount, to be canceled after the amount had been made good in ten annual installments out of the dividends.

PHILADELPHIA.—Owing to the steady and healthful growth of their business, the old established and conservative banking firm of L. H. Taylor & Co. have been compelled to enlarge their office, which is now one of the handsomest and most complete of its kind in the city.

PHILADELPHIA.—The Philadelphia Bourse—a projected home for all the various exchanges of the city—is advocated, described and illustrated in a handsomely printed pamphlet just issued, which also contains accounts of the Bourses in Europe. Pictures of the poor quarters of some of the Philadelphia exchanges and of the fine buildings erected in other American cities for such organizations also adorn the pamphlet as arguments showing the need of a structure such as it is proposed to have erected in this city to house all such bodies. The Bourse is now regularly organized, and includes among its charter members some of the strongest men to be found in the business circles of Philadelphia—men who, if they determine to do so, can easily put up an exchange building equal to any in the world. It is proposed to have a general exchange room on the first floor; halls for special exchanges on the second floor, and offices to be rented out on five floors and a part of the second. The two upper floors are to be used for a permanent exhibition of Philadelphia's products. Suggested designs for the building are also published. As the designs are only suggested, it is sufficient to say that the ground plans promise large revenues, but that the elevations are not impressive. The estimates made of the receipts and expenditures give promise that the Bourse could be made a paying institution.

WESTERLY, R. I.—The oldest bank in Westerly is the Washington National. It was chartered in 1800, with a capital of $50,000. Its present capital is $150,000. Rowse Babcock was its first president, and Arnold Clarke its first cashier.

WESTERN STATES.

ARKANSAS.—The bankers of Arkansas are preparing to organize for the promotion of their mutual interests. The movement originated in Hot Springs and the first meeting of the association is likely to be held there.

DENVER, COL.—The Denver National Bank has just received one of the latest labor-saving devices. It is a machine that solves problems in addition and subtraction with great rapidity and absolute accuracy. It works something on the plan of a type-writer.

LAKOTA, N. D.—The First National Bank has over $100,000 of individual deposits subject to check.

PIERRE, S. D.—The banks in this State are fast organizing under the new law, and do so in some instances with a vigorous kick at the restraints, for instance, of having to incorporate, and to state the amount of capital stock, and the amount and number of shares.

ILLINOIS.—Banking capital is increasing quite rapidly in Illinois. Auditor Pavey speaks of the growth of the State system as being on the increase. There were on August 20th, twenty-three State banks in Chicago, and eighty-two in the whole State. It would seem that the National system is being supplanted in the city, but not in the country. There are only twenty National banks in Chicago to-day and there were the same number in September, 1889, and eighteen as far back as May, 1886—that is, an increase of only three National banks in over five years. On the other hand, the State institutions numbered twenty-three August 20, 1891, as already stated. It should be stated, in explanation of the figures for the State institutions, that under the head of State banks the returns include trust companies and savings banks.

CHICAGO.—The new Industrial Bank of Chicago is the latest addition to the banking houses of the city, is under State supervision and has a cash capital of $200,000. It is located in temporary quarters, but early next year it will remove to its own new building, now in process of erection, which will contain, besides the bank proper, a full outfit of safety deposit vaults. The idea of establishing this new bank originated with the leading manufacturers and lumbermen in that district, embracing the territory south of the Burlington tracks and as far west as the Belt Line. It is the most important industrial district in Chicago, located three miles southwest from the business center, and has a population of 50,000. The need of a bank there has long been felt by the manufacturers and business men. The annual output of the district, including lumber and the product of the various important manufacturing interests there located, amounts to over $30,000,000, while there is paid in wages to skilled and unskilled labor there between $7,000,000 and $9,000,000 a year. The new bank will do a general banking business, will sell foreign and domestic exchange, steamship tickets of all classes to all points in Europe, issue letters of credit and accept savings accounts. General A. L. Chetlain, an old and respected citizen of Chicago, is the president of the new institution; Louis Hutt, the well-known lumberman, is the first vice-president; B. M. Hair, of Hair & Ridgway, the second vice-president; John G. Schaar, the cashier, and J. E. Henriques, the assistant cashier.

CHICAGO.—The recent growth of Chicago banking capital is phenomenal. The *Tribune* of that city says that a year ago there was a great cry going up for more banking capital. Comparisons were made with other cities of the first class, which showed that the Chicago banking capital was far below the average. Since that time there has been a rapid increase in banking capital here. The following table contains some combined totals from the reports of both the National and State banks, and illustrates how rapid that growth has been. It is not possible to give the data for the State and the National banks for the same day, because reports were called for different dates:

	1891. *National, July* 9. *State, Aug.* 20.	1890. *National, July* 18. *State, July* 14.
Number of banks	43	35
Capital	$32,077,000	$24,371,475
Surplus and undivided profits	17,007,316	13,090,009
Deposits	116,874,445	100,420,093
Loans and discounts	135,601,613	119,730,095
Cash on hand	35,802,243	30,240,870

This shows an increase in capital in the last year of 31 per cent. Deposits also increased rapidly during that period, but not nearly so rapidly as did the new capital. Deposits show an increase of 16 per cent., while loans and discounts increased only 13 per cent., less than one-half the increase in capital.

RICHMOND, IND.—This month completes twenty-five years as a banker for John B. Dougan, cashier of the Second National, having begun as a messenger boy in the First National.

SPRINGFIELD, ILL.—The fifth annual statement of the Illinois National Bank, showing the condition of the bank September 1, 1891, is as follows: Resources, $942,249.42; liabilities, $567,705.27, leaving a balance of $379,544.15. The *News* is glad to know of the flourishing condition of the bank.

SEYMOUR, IND.—The Second National Bank of Seymour has been organized with the following directory: L. D. Carpenter, P. L. Carter, Preston Rider, E. S. Crabb, J. H. Hodapp, W. R. Bolles and W. T. Branaman. The officers elected are E. S. Crabb, president; W. T. Branaman, vice-president and Sanford E. Carter, cashier. The bank will be opened as soon as a suitable room can be secured; or, if one cannot be had that will answer the purpose, as soon as a site can be procured and a new bank building erected. The new institution will start with favorable prospects, and its foundation will be solid, as the aggregate wealth of the directors is fully $750,000. The original capital stock is $50,000, and this will be increased, as soon as the business is fully under way, to $100,000.

LAFAYETTE, IND.—The Lafayette Savings Bank has closed its twenty-second year with larger deposits and in better condition than ever before.

DUBUQUE, IOWA.—The North American Deposit and Investment Company, with an authorized capital stock of $25,000,000, and with its home office in Dubuque, has completed its organization and will sell its stock in shares of $10 and $100 each, to be paid for in cash or on the monthly installment plan during forty-eight months, 6 per cent. of the amount subscribed being the first payment and 2 per cent. a month thereafter for forty-seven consecutive months. The small shares, with deferred monthly payments of 2 per cent., will enable everybody to purchase some of its stock. The company offers for sale $2,500,000 of its stock at par. As fast as the money from the sale of its stock is paid in, it will be loaned out on real estate, long time first mortgages in the States where the best security, with a remunerative rate of interest, can be obtained. The first block of mortgages obtained by the company's money will be deposited with a responsible savings bank or trust company (under a contract between them and the North American Deposit and Investment Company) as security for a series of debentures for a like amount, to draw a lower rate of interest. These debentures will be issued in denominations of $20, $50, $100, $200, $500 and $1,000, payable in five or ten years, to be sold to all classes of investors in America and Europe. From the sale of these debentures the company will receive its money back for a second investment on the best real estate mortgages at a fair rate of interest.

ATCHISON, KAS.—The People's Savings Bank, which failed last winter, will probably pay its depositors dollar for dollar, the good crops this year having increased the value of many real estate mortgages upon which money can be realized. The bank has already paid depositors forty per cent., and a dividend of twenty per cent. has been announced.

STATE BANKS OF MICHIGAN.—The following is an abstract of reports on the condition of 117 State banks and three trust companies, as made to the State Banking Commissioner at the close of business, July 9: Resources: Loans and discounts, $30,308,386.26 ; stocks, bonds and mortgages, $20,077,633.11; overdrafts, $179,-942.38; due from banks in reserve cities, $6,517,342.52; due from other banks and bankers, $314,718.31 ; banking house furniture and fixtures $873,098.86; other real estate, $323,328 ; current expenses and taxes paid $92,498,17 ; interest paid, $41,996.83 ; cash and exchanges for Clearing Houses, $3 231,102.58 ; total, $61.910,047.02. Liabilities : Capital stock paid in, $9,122,240 ; surplus and undivided profits, $3,138,983.93 ; dividends unpaid, $58,868.46 ; due to banks and bankers, $1,514,570.72; individual deposits, $10,847,001.39; certificates of deposit, $6,672,546.61 ; savings deposits, $29,883,689.66 ; notes and bills re-discounted, $619 332.69; notes payable, $52,815.66; total, $61,910 047.02.

NILES, MICH.—The Citizens' National Bank was organized in 1871. Since the present management took control the business of the bank has increased to a wonderful extent, more so than any other bank in this section. For instance, the deposits in August, 1887, were about $75,000. now they are $200,000 ; the loans were $95.000, now they amount to about $225,000. The directors, carrying out their policy of keeping their building and fixtures up to the requirements of the times, in 1888 added to their office fixtures two large vaults, burglar-proof safe, safe deposit boxes, new counters, screens and other necessary fixtures for the benefit and convenience of their customers and themselves, until to-day Niles can boast of as fine a banking office as any city in Michigan of the same size, or even larger. President A. G. Gage has been a resident of Niles for nineteen years, and in the grocery trade for eighteen of them. Vice-President I. P. Hutton spent thirty years in the milling business, and has been among us forty years. Cashier E. F. Woodcock first came to Niles eight years ago, and has passed fifteen years at banking. Assistant Cashier W. M. Hutton has lived in Niles and vicinity all his life, spent some time in the milling business with his father, but the last five years in the bank.—*Niles Recorder*.

MICHIGAN.—Since the first of January the banking department at Lansing has authorized eighteen State banks to do business.

DULUTH, MINN —The State Bank has changed its quarters. It now occupies the Bell & Eytser bank building. The management has been actively engaged in arranging to increase the capital stock of the institution, but owing to the closeness of the money market the increase will probably be deferred for some weeks yet. Many of Bell & Eyster's old depositors will be pleased to learn of this change, as they have ever since the failure desired to have the premises again occupied for banking purposes.

WEST SUPERIOR, MINN.—Articles of incorporation of the Red Wing and Superior Investment Company of this city have been filed with the Register of Deeds. The capitalization of the corporation is $500,000 and the incorporators are Carl C. Pope, J. H. McCourt and L. F. Johnston, of Winconsin. and S. B. Foote, F. W. Hunt and William Danforth, of Minnesota. The articles specify that the headquarters of the company shall be situated in Superior, and that a branch office shall be maintained in St. Paul. The company has been organized for the purpose of conducting general real estate investment and loaning business; also for the development of new towns along the Red Wing and Southern Road. The company own 23,000 acres of hardwood timber along the proposed route.

DULUTH, MINN.—The State Bank has practically decided to increase its capital from $100,000 to $300,000. Cashier Hall says that he realizes the fact that greater banking capital is needed in the city, and he will endeavor to meet the demand.

MINNEAPOLIS, MINN.—One of the prominent bankers of the Northwest who lately passed away was Hugh G Harrison, president of the Security Bank. He was born in Belleville, Ill., April 23, 1822, and therefore had passed his 69th year. He was educated at McKendree College, at Lebanon, Ill. In his early manhood he was associated in the milling business with his father and brothers. With his brothers, T. A. and William, he came to Minnesota in 1859, and together they made investments, and have taken an active part in the upbuilding of the city. H. G. Harrison was an original stockholder of the First National Bank of St. Paul, and in the Minnesota Central (now Milwaukee & St. Paul) and the St. Paul & Sioux City Railroads. In 1863 the brothers Harrison, with Joseph Dean, formed the lumbering partnership of J. Dean & Co., and made extensive investments in pine lands and lumbering manufacturing. In 1862 the Harrisons built what is now known as Harrison Hall, on the corner of Washington and Hennepin avenues, then the most imposing building in the city. For many years Mr. Harrison was a member of the school board at a time when the system was forming, and it was largely to his judgment that Minneapolis is possessed of so much valuable school property. He was administrator of the Spencer estate, which became the foundation for the public library. He was mayor of Minneapolis about the year 1866. He was one of the largest subscribers and first director and treasurer of the Minneapolis exposition. At the time of his death he was vice-president of the Minneapolis Trust Company. He always took a deep interest in Hamlin University, to which he contributed large sums of money. Mr. Harrison's benefactions in this city among the churches and benevolent enterprises are a multitude.

TRIPLETT, MO.—The new bank at Triplett had $16,000 on deposit when it was sixteen days old. If its resources keep on growing at the rate of $1,000 a day it will have a right snug deposit account by the time it celebrates its first anniversary.

BROOKFIELD, MO.—The stockholders of the Wheeler Savings Bank have voted to increase the capital stock to $50,000, which will be done at once.

KANSAS CITY, MO.—The fifth annual convention of the Kansas Bankers' Association, an organization numbering in its membership the principal money-changing institutions of the State, convened in Kansas City on the 16th of September. President R. H. Hilliker called the convention to order. Mayor Hannon, of Kansas City, Kas., was then introduced and made the welcoming address. The full proceedings of the convention will appear in the next number.

ST. LOUIS, MO.—The necessity of increasing the banking capital of St. Louis has long been apparent, as for the last sixteen months the inadequacy of the banking capital to the needs of the community has been evident. Recognizing this fact, the St. Louis National Bank has increased its capital stock from $600,000 to $1,000,000. This change is regarded in banking circles as a recognition of the growth of the banking business of St. Louis, and is considered as indicative of an increase in banking capital all along the line.

BEATRICE, NEB.—The Union Savings Bank of Beatrice has begun operations at its handsome new quarters. The institution has been but recently incorporated, with a capital of $50,000, the liability of the stockholders being $100,000. The institution was organized on the hypothesis that there was room for another savings bank, and to first occupy the field that would, in the near future, be taken possession of by others of equal financial enterprise. It has been designated as the authorized school savings depository for the schools of Beatrice, pursuant to a resolution of the Board of Education. The system of school savings has become almost universal in all the larger cities, and meets with the widest popularity.

NEBRASKA CITY, NEB.—The Nebraska City National Bank enters the second twenty years of its existence, with a capital increased from $50,000 to $100,000 and with $10,000 surplus. The Comptroller of the Currency has issued his certificate approving the increase. The larger part of the additional capital was paid in by gentlemen already largely interested in Nebraska City's greatest industries, and this additional investment looks as if they had confidence in the city's future. Among them are: Joy Morton, W. J. Dee and Henry Botsford, of Chicago, and Jno. C. Watson and Paul Schminke, Nebraska City. The old stockholders, residents of this city, are W. L. Wilson, Robert Payne, Robert Lorton, David Brown, estate R. F. McComas, Mrs. Martha A. Rector and others.

OHIO.—The bankers of Ohio are making a movement toward the formation of a State Bankers Association, and among others the Merchants', Ketcham and Northern National banks and the Union Savings Bank have signed a call for a meeting to be held at Columbus, Nov. 4.

OGDEN, UTAH.—The articles of incorporation of the Children's Building and Savings Association, Ogden, have been filed with Secretary Sells. The capital stock is placed at $5,000,000 divided into 50,000 shares of the denomination of $100 each. The incorporators are F. M. Nagel, L. Condon, M. F. Abbott, O. O. Newsom and J. L. Loar.

SOUTHERN STATES.

RUSSELLVILLE, ALA.—Russellville, the new county seat of Franklin county, is to have a bank. Messrs. Walter Moore, J. S. Moore and James May have organized the Franklin County Bank, with a capital stock of $50,000, and will begin business in a few days. The officers are James May, president; J. S. Moore, cashier; and Walter Moore, vice-president. The board of directors is composed of some of the strongest and most prominent men in North Alabama.—*Birmingham News.*

MOBILE, ALA.—Frank Clorgue, of Bangor, Maine, and his brother, E. V. Clorgue, of New York, have organized the Mobile Trust Company, with $500,000 capital, to do a trust and general banking business. The Clorgues have been attracted by the growth and improvements of the city. After spending several weeks investigating the situation, and finding that Mobileans have confidence enough to invest one-fifth of the capital required, they put in the remainder, and will, besides, erect a large building for the accommodation of the company.

BROOKSVILLE, FLA.—Mr. W. A. Jones' report shows that the Brooksville State Bank is a flourishing institution. The bank is not a year old, but it will compare favorably with many older banks.

AMERICUS, GA.—The following account of the banks in Americus is from the *Atlanta Constitution.* The People's National Bank, when the last statement appeared, made a most creditable showing, declaring a semi-annual dividend of six per cent. Cashier John Windsor, who is one of the most successful bankers in the State, says this report is not the best his bank has ever made, as larger dividends have been declared. However, a six per cent. dividend was paid, and $9,000 of undivided profits set aside after clearing all expenses, which is considered a fine six months' work on a capital of $50,000. The Bank of Southwestern Georgia is as strong as the rock of Gibraltar. At the recent meeting a dividend of five per cent. was declared on its capital stock, $100,000, making a total of ten per cent. for one year. In five years the surplus has accumulated to an amount equal to the capital stock, besides paying eight to ten per cent. annual dividends. President M. Speer, the able officer at the head of this bank, is thoroughly posted on financial questions, and enjoys an enviable reputation as a successful financier. The Bank of Americus, the oldest and most popular bank in the city, was never more prosperous. President S. H. Hawkins and Cashier W. E. Murphey, the managing officers of this bank, ever extend the most liberal accommodations, and have done a great deal to foster many of the leading enterprises of Americus, and consequently the bank does an immense business. At the recent meeting a semi-annual dividend of five per cent. was declared on a capital stock of $150,000, and a large amount added to the surplus fund. The Bank of Sumter has only been doing business about eight months, during which time President Hawkes and Cashier W. C. Furlow have made a fine reputation as bankers, declaring a dividend of four per cent. with $14,000 of individual deposits, on a capital stock of $50,000 since organization. The Georgia Loan and Trust Company, through its able secretary and treasurer, O. A. Coleman, and his efficient assistant, J. E. Bivins, does an extensive business throughout the entire State. This company has unlimited capital and most excellent foreign and home connections. This year's business has been very flattering to the management. For many years the private banking house of J. W. Wheatley & Co. was one of the best known and most popular institutions in Americus, and upon the organization of the Bank of Southwestern Georgia, a few years ago, Mr. John W. Wheatley became vice-president, and Mr. W. H. C. Dudley the cashier of the new bank. Among the successful financiers of Americus, none have had a more remarkable career than Mr. P. C. Clegg, of Clegg & Coney, who came to Americus only a few years ago from Hawkinsville. Mr. Clegg has made money at everything he ever undertook, and few men possess a sounder and quicker judgment.

HARMONY GROVE, GA.—The second story of the Northeastern Banking Company's magnificent new building is going up rapidly now. The charter has been granted, and as soon as the building is completed the bank will begin business.

COLUMBUS, GA.—The Chattahoochee National Bank is one of the strongest and best banks of the city. It has accumulated a surplus nearly equal to its capital stock, and the surplus and undivided profit combined aggregate more than the capital stock. Its stock has always paid good dividends.—*Columbus Enquirer*.

MACON, GA.—Application for a charter for the Mutual Coupon, Loan and Savings Association has been made. The following are the officers: President, B. M. Zettler; secretary, Bridges Smith; treasurer, A. R. Tinsley; general manager of agencies, S. H. Huddock; attorneys, Steed & Wimberly; directors, A. C. Knapp, Frank A. Colburn, James D. Head, W. B. Johnson. The territory of this association embraces nearly the whole South, and it is expected to grow rapidly throughout the whole country. The association has many excellent features, the best ones of other associations having been combined and added to by original ones.

SAVANNAH, GA.—The Oglethorpe Savings and Trust Company's Saving Bank is an exceedingly popular institution. It is well managed in every respect and enjoys the confidence of the public. Its deposits grow larger every year. The personal liability of its stockholders provides the most liberal and best security that could be asked for. Four per cent. interest allowed on sums from $1 to $2,000.—*Savannah Times*.

LOUISVILLE, KY.—Mr. Adolph Schmidt has tendered his resignation as president of the First National Bank, and Dr. G. W. Lewman has succeeded him. He has been for several years president of the Citizens' National Bank of Jeffersonville, and owns a large interest in the bank of which he has just been elected president. He is considered a rich man and a conservative and efficient banker. He is also manager of the big Peter estate. Dr. Lewman, George L. Peter and other members of that family control a majority of the stock of the First National.

LOUISVILLE, KY.—The bankers of this State have formed an association, the most important object being to keep down unsound banking and punish dishonest bankers.

NEW IBERIA, LA.—The New Iberia National Bank has increased its surplus from $27,000 to $35,000.

BALTIMORE.—Enoch Pratt, the Baltimore banker and philanthropist, has just celebrated his 83d birthday. He has never worn glasses, walks four or five miles every day, and says that, although he has worked hard since a boy of 15 years, when he began his business career as a clerk here in Boston, he feels as young and active to-day as he did fifty years ago. He has never suffered a day's sickness in his life.

GAITHERSBURG, MD.—The First National Bank of Gaithersburg has opened its doors for business under favorable auspices. It occupies a spacious new banking house. The building is of brick with Ohio sandstone trimmings, and the offices are roomy and handsomely fitted up. The officers of the bank are: President, Upton Darby; cashier, R. B. Moore; teller; James E. Trundle; directors, Upton Darby, L. S. Hays, H. C. Miller, J. T. Fulks, A. F. Meem, J. E. Ayton, Dr. Wm. A. Waters, J. B. Diamond, Nathan Cooke, H. Maurice Talbott, R. G. Dorsey, P. M. Smith, E. C. Peter, Horace Waters, Jr., and J. S. Windsor.

WILMINGTON, N. C.—The savings bank of this city now has a deposit account of $123,482.39. Of this, a large portion is to the credit of colored depositors, which speaks well for the increased frugality of the race.

CHARLESTON, S. C.—Three new banks have been started during the year, adding $90,000 to the banking capital of the city. All the banks have done a fairly prosperous business during the year. The total number of banks in the city now is fifteen, with an aggregate capital stock of $1,485,000. Of these there are three National banks, four State, and eight savings banks. The banks have paid dividends ranging from 6 to 10 per cent., and some even larger. The following table shows the condition of the various banks at the close of the commercial year:

Banks.	*Capital Stock.*	*Deposits.*	*Surplus.*
People's National	$250,000	$500,000	$350,000
First National	200,000	420,000	440,000
Bank of Charleston	200,000	910,000	200,000
Loan and Trust	250,000	800,000	42,000
Miners and Merchants'	100,000	195,000	6,000
Germania Savings	40,000	1,895,000	174,000
Hibernia Savings	30,000	191,000	16,000
Palmetto Dime	30,000	170,000	5,600
American Savings	15,000	111,000	11,000
Carolina Savings	200,000	1,300,000	144,000
Charleston Savings	30,000	480,000	80,000
*State Exchange	30,000	50,000	———
*Exchange Banking and Trust	50,000	75,000	———
Security Savings	50,000	285,000	4,500
*Nickel Savings	10,000	5,000	———
Total, 1891	$1,485,000	$7,387,000	$1,473,100
Total, 1890	1,340,000	7,664,000	1,422,400

* Started during the year.

DENISON, TEXAS.—The erection of the First National Bank building has been begun. It is asserted that, for convenience and beauty, it will equal anything in the State. The First National Bank is the oldest banking house in Denison, and its officers are a progressive lot of men.

AUSTIN, TEX.—The Secretary of State declined to file articles of incorporation of the Montpelier Savings Bank and Trust Company, chartered by the State of Vermont and represented in this State by the Caswell Bros., of Fort Worth. He did so on the ground that it would be at variance with the policy of the State Government, and contrary to the spirit of the constitution and laws of Texas, which provides that no corporation or body shall hereafter be created, renewed or extended with banking or discounting privileges.

GIDDINGS, TEXAS.—The First National Bank has moved into its new and handsome building.

FORT WORTH, TEXAS.—The Merchants' National Bank reopened for business on the 26th of September with a cash capital of $250 000, surplus $50,000 and $7,000 of undivided profits, Mr. A. P. Luckett is president, and Mr. A. B. Smith is cashier. Mr. Smith organized the bank in 1887, and was unanimously chosen by the board of directors as the cashier at the time of its reorganization, September

9th. The bank will pay special attention to collections, and remittances will be promptly made.

BUENA VISTA, VA—Mr. Jno. W. Blackburn has tendered his resignation as president and director of the First National Bank. Mr. Jno. T. Dunlop was elected president and Mr. B. E. Vaughan was elected to fill the vacancy in the board of directors. Mr. B. E. Vaughan, the cashier, says that there has been a considerable increase in the deposits of the bank within the past month and that the general condition of its business was very satisfactory.—*Buena Vista Advocate.*

LYNCHBURG, VA.—John F. Slaughter, president of the First National Bank, has disposed of his controlling stock, numbering 350 shares, at $135 per share, amounting to $71,550 for the whole, to a city syndicate composed of leading citizens—John W. Carroll, John P. Pettyjohn, R. W. Crenshaw, J. Gordon Payne and R. H. T. Adams. Mr. Slaughter retires from the presidency the 1st of January.

NORFOLK, VA.—The Norfolk National is the largest, and was organized August 1, 1885, with a capital of $400,000. On January 1, 1891, it showed a surplus of $106,000, each year declaring six per cent. dividends. On May 1 its surplus had increased to $124,093.78, while its deposits were $1,891,290.60. The Citizens Bank ranks next in point of capital, but in record it is not, nor is it likely to be surpassed. It was organized in 1867, with a capital of $50,000. In 1885 its surplus was $53,000, paying during that time an average of ten per cent. dividends. 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—say 20 per cent. of their respective holdings. The capital was then $100,000, surplus $13,000. In July, 1889, the capital was further increased to $200,000, $50,000 again coming out of the surplus, and $50,000 being allotted to desirable depositors, not stockholders. The books then told the gratifying story of capital $200,000, and $20,000 surplus, and now, with never-failing dividends, the truly wonderful bank has $75,000 surplus. It is doubtful if any bank in this country can make such an exhibit. Two months ago its stock sold at auction for $151½. The Marine Bank has capital, $110,000; surplus, $100,003.99. It was established in 1874, and has always paid ten per cent. dividends. The Bank of Commerce has capital, $100,000; surplus, $31,883 57. Burruss, Son & Co. do the largest private banking business, having ample capital and an extensive, diversified interest, all acquired since 1864, the date of their establishment.

NEWPORT NEWS, VA.—The First National Bank has doubled its stock to $100,000, and in another year its officers expect to be able to increase it to $200,000.

PACIFIC STATES.

THE BANKS OF CALIFORNIA.—The Bank Commissioners have issued their semi-annual statement showing the condition of the savings, commercial, and private banks of California on July 1, 1891. There are in this State forty-five savings banks, whose aggregate condition on the above date was as follows:

RESOURCES.

Bank premises	$1,874,124 76
Real estate for debts	661,065 88
Stocks, bonds, etc	18,361,417 34
Real estate loans	89,125,412 49
Stock and bond loans	9,677,856 24
Other securities loans	135,204 93
Personal security loans	351,385 90
Money on hand	3,061,817 94
Due from other banks	2,640,471 65
Other assets	329,335 22
Total of assets and liabilities	$126,218,092 44

LIABILITIES.

Capital paid up	$7,106,403 33
Reserve, profit and loss	3,974,747 31
Due depositors	114,164,523 29
Due to other banks	34,515 09
Other liabilities	186,469 16

There are also in California 144 commercial banks, whose aggregate condition on the above date was as follows:

RESOURCES.

Bank premiums	$1,545,545 73
Real estate for debts	1,374,642 49
Stocks and bonds	1,494,616 42
Real estate loans	13,769,718 06
Stock and bond loans	1,824,842 49
Other securities loans	801,904 90
Personal security loans	21,255,031 54
Money on hand	3,874,750 53
Due from other banks	3,292,392 65
Other assets	1,156,584 13
Total of assets and liabilities	$50,390,028 94

LIABILITIES.

Capital paid up	$16,054,734 00
Reserve profit and loss	6,315,872 32
Due depositors	25,175,938 00
Due banks and bankers	2,526,352 42
Other liabilities	317,132 20

The number of private commercial banks in California is thirty-seven. Their aggregate condition, July 1, 1891, was as follows:

RESOURCES.

Bank premises	$64,241 59
Real estate owned	445,093 89
Stocks and bonds	162,881 15
Real estate loans	1,093,632 42
Stock and bond loans	151,059 54
Other securities loans	192,931 78
Personal security loans	1,909,727 45
Money on hand	542,763 21
Due from other banks	371,240 08
Other assets	180,747 73
Total of assets and liabilities	$5,114,318 84

LIABILITIES.

Capital paid up	$1,918,631 80
Reserve, profit and loss	373,812 06
Due depositors	2,610,988 17
Due to other banks	174,602 80
Other liabilities	36,284 01

The number of National banks in California is thirty-seven. Their aggregate condition, July 1, 1891, was as follows:

RESOURCES.

Bank premises	$1,252,861 76
Real estate for debts	305,697 99
*Stocks and bonds	2,677,479 83
Stock and bond loans	5,657,011 30
Other securities loans	855,386 90
Personal security loans	15,012,505 54
Money on hand	4,157,573 16
Due from other banks	3,807,337 66
†Other assets	458,948 61
Total of assets and liabilities	$34,184,802 75

LIABILITIES.

Capital paid up	$8,625,000 00
Reserve, profit and loss	3,561,364 69
Due depositors	18,083,737 63
Due to other banks	2,528,917 63
‡Other liabilities	1,385,782 94

* Including redemption fund with United States Treasurer. † Including premium on bonds. ‡ Including bank notes outstanding and certified checks.

CALIFORNIA.—The first annual convention of the California Bankers' Association will be held in San Francisco October 13th, 14th and 15th, and preparations are going actively forward to make the occasion a success in every particular. The secretary of the association, Mr. George H. Stewart, says: "The membership of the association already numbers a larger proportion of the banks of our State than any other State association whose data is before me at this time. It will afford this office pleasure to furnish you from time to time such data in connection with the convention as will be of interest to you and your readers, and in the meantime I trust you will make such mention of the meeting as will tend to interest the public, and especially bankers."

CALIFORNIA.—In a special from Washington, a Treasury Department official is quoted as follows: "There is something remarkable about the banks of the State of California. Some years ago, when there was a big land boom in Southern California, a depression caused one bank to fail, but that was all, and they are to-day in better condition than the banks of any other State, and they do business, too, upon a good basis. That their prosperity is on the increase is shown by the report of the San Francisco banks just returned to this department. On the 2d of October last the resources of the two National banks in that city were reported at $8 652,-307.75, whereas the report just made as to their condition on the 9th of the month just past shows the reserves were then $8,762,048.36—an increase in nine months of $109,629.61."

CALIFORNIA.—The Bank of Watsonville and the Watsonville Savings Bank have been examined by Commissioner Gerberding, who reports their respective resources and liabilities at $307,515.40 and $56,142.63. Commissioner Knight examined into the condition of the savings bank at Santa Rosa and the Santa Rosa Bank. He reports their resources and liabilities at $627,688.51 and $810,424.80.

SAN FRANCISCO, CAL.—A proposition is being discussed among a number of wealthy German residents to start a new savings bank. The chief promoters of the scheme believe that there is ample room for another savings bank, and think that capital invested in that way will be assured very large returns. The proposition is to start with a capital of $1,000,000, to be divided into 10,000 shares of $100 each. No man will be permitted to take more than fifty shares, the maximum investment being placed at $5,000. This will be done in order to prevent any man securing a predominant influence in the bank. It is proposed to place at the head of the institution some very wealthy and able German financiers. Those who have been approached on the subject say that all the capital that is required can be obtained at very short notice, and the difficulty will be to select the shareholders. In capitalizing the bank, care will be exercised in the disposition of the stock. Among those who are prominently interested in the proposed bank are Herman Westerfeld, Charles Schroth and Louis Westerfeld.—*San Francisco Call.*

SAN FRANCISCO.—The People's Home Savings Bank of San Francisco has stood a heavy run on account of misrepresentations, and comes out of the ordeal thoroughly vindicated by the Bank Commissioners of California, and stronger than ever.

LOS ANGELES, CAL.—The new bank presents some new features in banking. All depositors share in the entire earnings of the bank, as well as receiving five per cent. on deposits which remain three months or longer with the society. All deposits are subject to sight check. The new bank combines all the best features of commercial and savings banks, as well as that of the mutual loan associations. The officers of the bank are among the most reliable business men of the coast, whose names are a guarantee of its safety.—*Los Angeles Express.*

OAKLAND, CAL.—The New Home Savings Bank has been incorporated, and V. D. Moody, late president of the First National Bank, is president of the new savings institution. This makes the third savings bank in Oakland and the sixth bank in all. Financial men believe the concern will succeed, the two existing savings banks being among the largest and most prosperous in the State.

SAN DIEGO, CAL.—The San Diego Savings Bank has adopted a five-cent stamp deposit system.

TACOMA, WASH.—Another well-organized banking institution, the Columbia National Bank, of Tacoma, has opened its doors. It has a capital of $200,000 and the following are the officers: President, Henry Oliver; vice-president, William G. Peters, cashier N. B. Dolson. These gentlemen are all known in business circles of Tacoma, some of them having lived here from six to eight years and established themselves in the confidence of the community.

TACOMA, WASH.—The capital stock of the State Savings Bank has been increased from $30,000 to $75,000.

BRITISH COLUMBIA.

VANCOUVER, B. C.—In a few weeks the handsome and imposing edifice erected by the Bank of British Columbia will be completed and occupied by Mr. J. C. Keith and his efficient staff of assistants. This building, in point of style, workmanship and finish throughout, will be without a parallel north of San Francisco on the coast, and second to none other in the Dominion. The Bank of Montreal will start to build on the northeast corner of Granville and Dunsmuir streets. This is a commanding site and the pile to be erected thereon will be in keeping with all the other mercantile palaces erected in that vicinity. Plans are being prepared for a banking house to be erected by the Bank of British North America on the lots that institution recently purchased on the northwesterly corner of Richards and Hastings streets Mr. Godfrey, the popular and progressive local manager of the Bank of British North America here, strongly recommended his directors to secure this property.—*Vancouver World.*

ELECTRICITY AND BANK BURGLARS.—Mr. Geo. L. Damon, president of the Damon Safe and Iron Works Co., denies the truth of the assertion made by a German electrical newspaper, that any safe, however strong, with the aid of the electric light can be opened in thirty minutes. In a letter addressed to the Boston *Commercial Bulletin*, and which has been widely circulated, he says: "To do so, the safe requires to be connected with one pole of an electric machine, while to the other pole must be attached a carbon light. The latter pole is then placed against the safe, with the other a short distance away. In a few seconds a jet of flame will appear, which, in a few minutes, renders the iron of the safe quite soft and easy to cut. The whole affair can be managed in a very short time and without any noise or smell. Those banks provided with the electric light furnish the safe breakers with all the requisite implements on the spot. This information is of rather a startling nature in view of the fact that a great many banks depend upon the incandescent light as a precaution against the 'light-fingered gentry.'" That the assertion has had the effect of disturbing bankers in their sense of security for their valuables, is proved from the number of inquiries that have reached Mr. Damon from various sources as to its correctness. He has taken considerable pains to consult with the highest authorities in electricity in this country, and most empathically assures bankers, and others interested in this matter, that there is positively no danger to be apprehended from any practical application of electricity by burglars for the purposes described. As to using the currents of either the arc or incandescent systems of lighting, it is practically an impossibility without inducing conditions that would lead to *immediate* discovery. That the use of electricity as described, with the results given, is among the possibilities is not denied, but not in the short time claimed for it. It would require hours rather than minutes to produce practical results. To do even this would involve an initial outlay of nearly if not quite $10,000, which it is apprehended would debar most burglars from the attempt, especially in view of the great personal risks incurred in practically applying this power. Surely a contradiction from one so well qualified to speak as Mr. Damon ought to quiet the fears of bankers concerning such an application of electricity.

Sterling exchange has ranged during September at from 4.83 @ 4.85½ for bankers' sight, and 4.80 @ 4.82¼ for 60 days. Paris—Francs, 5.23¾ @ 5.21¼ for sight, and 5.26¼ @ 5.24⅜ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.80 @ 4.80¼; bankers' sterling, sight, 4.83 @ 4.83¼; cable transfers, 4.83¾ @ 4.84. Paris—Bankers', 60 days, 5.26¼ @ 5.25⅝; sight, 5.23¾ @ 5.23⅛. Antwerp—Commercial, 60 days, 5.28¾ @ 5.28⅛. Reichmarks (4)—bankers', 60 days, 94¼ @ 94⅜; sight, 95 @ 95⅛. Guilders—bankers', 60 days, 39¾ @ 39 13-16; sight, 40 @ 40 1-16.

The reports of the New York Clearing-house returns compare as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus*
Sept. 5	$400,580,600	$58,769,000	$51,099,500	$402,848,400	$5,462,000	$9,156,400
" 12	401,516,000	61,714,300	47,999,800	403,965,300	5,529,600	8,722,775
" 19	404,589,500	62,483,000	48,913,700	406,559,800	5,503,800	7,756,750
" 26	407,817,100	62,403,100	42,765,400	404,641,500	5,570,300	4,008,125

The Boston bank statement is as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Sept. 5	$151,121,900	$8,109,300	$5,599,600	$125,378,500	$3,695,100
" 12	152,369,100	8,151,000	5,938,500	126,986,800	3,765,800
" 19	153,907,700	8,278,100	6,557,400	129,181,300	3,813,400
" 26	154,728,300	8,379,200	7,083,600	129,146,100	3,846,900

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans*	*Reserves*	*Deposits.*	*Circulation.*
Sept. 5	$94,989,000	$27,660,000	$94,343,000	$2,544,000
" 12	96,120,000	28,352,000	96,529,000	2,654,000
" 19	96,867,000	28,873,000	98,074,000	2,979,000
" 26	97,204,000	29,383,000	98,526,000	3,096,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Sept. 8.	Sept. 14.	Sept. 21.	Sept. 28.
Discounts	6½ @ 7	6½ @ 7	6 @ 7	6 @ 7
Call Loans	4 @ 3	5 @ 2½	7 @ 3½	7 @ 2
Treas. balances, coin	$92,795,871	$93,180,279	$93,350,354	$95,108,934
Do. do currency	27,361,671	24,774,368	19,631,956	15,151,280

DEATHS.

BACON.—On August 29, aged fifty-five years, HENRY L. BACON, Cashier of Farmers and Mechanics Bank, Elmira, N. Y.

BASSETT.—On September 3, aged seventy-seven years, C. J. H. BASSETT, President of Taunton National Bank, Taunton, Mass.

BOARDMAN.—On September 5, aged sixty-eight years, DOUGLASS BOARDMAN, President of First National Bank, Ithaca, N. Y.

BOND.—On September 25, aged fifty-seven years, MISS MARY WHITE BOND, Secretary and Treasurer of Florence Savings Bank, Florence, Mass.

CARMAN.—On September 30, aged sixty-four years, GEORGE F. CARMAN, President of Patchogue Bank, Long Island.

COLWELL.—On August 21, aged forty-two years, WILLIAM H. COLWELL, President of Harlem Savings Bank, New York City.

KEEN.—On August 12, aged seventy-three years, J. F. KEEN, member of the firm of Keen, Bodine & Co., Philadelphia, Pa.

MAGNESS.—On September 2, aged sixty-seven years, WILLIAM H. MAGNESS, President of National Bank of McMinnville, McMinnville, Tenn.

McKAY.—On August 21, aged forty-nine years, R. J. McKAY, President of Salamanca National Bank, Salamanca, N. Y.

MEAD.—On September 22, aged fifty-nine years, JAMES H. MEAD, President of German Bank, Sheboygan, Wis.

MOTT.—On September 14, aged sixty-five years, THOMAS S. MOTT, President of First National Bank, Oswego, N. Y.

STEFFEN.—On August 16, aged forty-two years, C. STEFFEN, JR., Cashier of Enterprise Savings Bank, Allegheny, Pa.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from September No., page 241.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
CAL.	Azusa	Azusa Valley Bank	Chase National Bank.
	$15,300	Wm. F. Bosbyshell, *P.*	Phil. C. Daniels, *Cas.*
		Henry Anderson, *V. P.*	
COL.	Florence	Bank of Florence	Mercantile National Bank.
	$25,000	O. H. P. Baxter, *P.*	Henry C. Topping, *Cas.*
CONN.	Branford	Branford Savings Bank	....
		John Hutchinson, *P.*	Walter Foote, *Cas.*
		Michael P. Harding, *V. P.*	
DAK. N.	Northwood	Farmers Security Bank.	American Exchange Nat. Bank.
	$10,000	E. M. Paulson, *P.*	Geo. O. Stomner, *Cas.*
		C. S. Edwards, *V. P.*	
" S.	Canton	National Bank of Canton	Chase National Bank.
	$50,000	C. B. Kennedy, *P.*	J. A. Goding, *Cas.*
		N. Noble, *V. P.*	L. H. Larsen, *Ass't Cas.*
" ..	Lead City	First National Bank	Fourth National Bank.
	$50,000	Thomas J. Grier, *P.*	Alexander Ross, *Cas.*
		Ernest May, *V. P.*	
" ..	Leola	State Bank of Leola	United States National Bank.
	$5,000	Chas. Turner, *P.*	Corwin Johnson, *Cas.*
" ..	Madison	Madison State Bank	....
	$25,000	Chas. B. Kennedy, *P.*	John L. Jones, *Cas.*
		J. H. Williamson, *V. P.*	
" ..	Sioux Falls	Union National Bank	Hanover National Bank.
	$100,000	Edwin A. Sherman, *P.*	Chas. E. Johnson, *Cas.*
		R. G. Parmley, *V. P.*	B. N. Re Qua, *Ass't Cas.*
GA.	Atlanta	Maddox-Rucker B'k'g Co.	National Park Bank.
	$150,000	Robt. F. Maddox, *P.*	W. L. Peel, *Cas.*
		J. W. Rucker, *V. P.*	G. A. Nicolson, *Ass't Cas.*
IDAHO.	Moscow	Moscow Savings Bank	Importers & Traders Nat. Bank.
	$75,000	Robert S. Browne, *P.*	C. S. Scott, *Cas.*
ILL.	Chicago	Avenue Savings Bank	National Bank Republic.
		G. L. Magill, *P.*	Louis M. Kruse, *Cas.*
" ..	"	Industrial Bank	Chase National Bank.
	$200,000	Aug. L. Chetlain, *P.*	John G. Schaar, *Cas.*
		Louis Hutt, *V. P.*	J. E. Henriques, *Ass't Cas.*
		B. M. Hair, *2d V. P.*	
" ..	"	Milwaukee Ave. State B'k.	Chase National Bank.
	$250,000	Paul O. Stensland, *P.*	Chas. E. Schlytern, *Cas.*
		A. C. Lausten, *V. P.*	
" ..	Essex	R. M. Miller's Bank	....
		Robt. M. Miller, *P.*	Cornelius R. Miller, *Cas.*
" ..	Heyworth	Heyworth State Bank	....
	$30,000	Edward Ryburn, *P.*	Owen C. Rutledge, *Cas.*
		Jas. P. Shelton, *V. P.*	
" ..	Sullivan	Merch. & Farm. State B'k.	Winslow, Lanier & Co.
	$30,000	Wm. A. Steele, *P.*	Jas. A. Steele, *Cas.*
" ..	Turner	Newton & Smiley	Chase National Bank.
		D. C. Newton, *P.*	C. E. Smiley, *Cas.*
IND.	Huntingburgh	Huntingburgh Bank	Seaboard National Bank.
	$25,000	Wm. R. McMahan, *P.*	Hugo C. Rothert, *Cas.*
" ..	Monticello	Bank of Monticello	Chase National Bank.
	$10,000	Robt. Parker, *P.*	Bert Van Voorst, *Cas.*
		H. Van Voorst, *V. P.*	
" ..	Rushville	Farmers Banking Co.	....
		Geo. H. Puntenney, *P.*	Arthur B. Irwin, *Cas.*
" ..	Spiceland	Bank of Spiceland	Chase National Bank.
	$25,000	James M. Starbuck, *P.*	Chas. H. Gwynn, *Cas.*
		Wm. H. Starbuck, *V. P.*	
" ..	Summitville	Summitville Bank	Hanover National Bank.
	$25,000		Joseph O. Allen, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
IND. T..	Elreno.........	Canadian Co. Bank.......	....
		(Wright & Wright)	
"	..Purcell.........	Purcell National Bank....	Hanover National Bank.
	$50,000	Samuel L. Williams, *P.*	Aaron T. Ball, *Cas.*
		Howard Ross, *V. P.*	
IOWA..	Deep River.....	State Bank..............	....
	$25,000	Peter B. Burgett, *P.*	Chas. A. Sweet, *Cas.*
		A. W. Armstrong, *V. P.*	
"	..Henderson.....	Citizens Bank............	....
	$10,000	Milburn C. Hanover, *P.*	Frank M. Campbell, *Cas.*
		H. K. Forsythe, *V. P.*	....
"	..Knoxville......	Citizens National Bank...	....
	$50,000	S. L. Collins, *P.*	Lafe S. Collins, *Cas.*
"	..Minden	German-American Bank..	National Park Bank.
		Chas. R. Hannan, *P.*	Frank E. Hannan, *Cas.*
"	..Sioux City.....	Commercial Nat. Bank...	National Bank Commerce.
	$150,000	Jonathan W. Brown, *P.*	Louis H. Brown, *Cas.*
		J. Sloat Fassett, *V. P.*	
KAN..	Hazelton.......	State Bank of Hazelton...	Chemical National Bank.
	$25,000	Henry Fisher, *P.*	Horace B. Steck, *Cas.*
		Chas. T. Neale, Jr., *V. P.*	
"	..Huron.........	Huron State Bank........	Western National Bank.
	$10,000	Edward Perdue, *P.*	Wm. C. McClain, *Cas.*
		John Swartz, *V. P.*	
"	..Longton.......	State Bank of Longton....	Chase National Bank.
	$8,000	W. M. Coventry, *P.*	I. B. Alter, *Cas.*
		O. H. Worley, *V. P.*	
"	..McPherson.....	Farmers & Merchants B'k.	Hanover National Bank.
	$20,000	Noah Kuns, *P.*	D. F. Kuns, *Cas.*
"	..Morantown.....	Peoples Bank...........	....
	$10,000	S. C. Varner, *P.*	W. H. DeHart, *Cas.*
		G. G. Mapes, *V. P.*	
"	..Sabetha........	National Bank of Sabetha.	National Bank Republic.
	$60,000	A. C. Moorhead, *P.*	Geo. A. Guild, *Cas.*
		C. L. Sherwood, *V. P.*	Fred. E. Graham, *Ass't Cas.*
"	..Seward........	Bank of Seward..........	National Park Bank.
	$3,000	George Wetig, *P.*	Lee M. Steele, *Cas.*
		N. G. Hollister, *V. P.*	
KY....	Mayfield.......	Graves Co. B'k'g & Tr. Co.	Hanover National Bank.
	$40,000	J. E. Robbins, *P.*	Robert E. Lochridge, *Cas.*
MD.....	Aberdeen......	First National Bank......	....
	$50,000	William B. Baker, *P.*	John A. J. Medcalf, *Cas.*
		T. L. Hanway, *V. P.*	
MICH...	Durand........	Shiawassee Co. Bank.....	Chase National Bank.
	$25,000	Wm. H. Clark, *P.*	Frank N. Conn, *Cas.*
		T. M. Cooney, *V. P.*	
"	..Mancelona.....	Antrim County Bank.....	....
	$60,000	T. J. Eveland, *P.*	Henry Knickerbocker, *Cas.*
		J. Eveland, *V. P.*	E. L. J. Mills, *Ass't Cas.*
"	..Marine City....	First State Savings Bank..	Garfield National Bank.
	$25,000	Robt. Leitch, *P.*	Frank McElroy, *Cas.*
		P. J. Kean, *V. P.*	James F. Leitch, *Ass't Cas.*
"	..Niles...........	First State Savings Bank	(*organizing*).
	$25,000		
"	..Three Rivers...	First State Savings Bank..	Merchants Exchange Nat. Bank.
	$30,000	Warren J. Willetts, *P.*	Geo. T. Wolf, *Cas.*
		Cyrus Roberts, *V. P.*	
MINN...	Bellingham	Bank of Bellingham......	Seaboard National Bank.
	$7,000	(H. M. Hageslead).	
"	..E. Grand Forks.	First National Bank.....	Importers & Traders Nat. Bank.
	$50,000	Alexander Griggs, *P.*	Ernest R. Jacobi, *Cas.*
		Wm. Budge, *V. P.*	
"	..McIntosh.....	Citizens Bank...........	Hanover National Bank.
	$10,000	J. P. Foote, *P.*	Chas. F. Page, *Cas.*
		A. A. Miller, *V. P.*	....
MO.....	Boonville.......	Farmers Bank...........	Hanover National Bank.
	$25,000	J. H. Wooldridge, *P.*	Edward W. Chilton, *Cas.*
		Chas. C. Bell, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
Mo.	Creighton	Farmers Deposit Bank	Hanover National Bank.
	$10,000	Sanford T. Walker, *P.*	Woodson A. Wade, *Cas.*
		Charles D. Coe, *V. P.*	
"	Dawn	Bank of Dawn	....
	$15,000	H. Bushnell, *P.*	Fred. S. Hudson, *Cas.*
		D. Braymer, *V. P.*	....
"	Forsyth	Taney Co. Bank	....
	$5,000	Jas. K. P. McHuffie, *P.*	W. M. Wade, *Cas.*
		Samuel W. Boswell, *V. P.*	
"	Kirksville	Union Bank	Hanover National Bank.
	$20,000	S. S. McLaughlin, *P.*	B. F. Heiny, *Cas.*
		Jno. J. Spencer, *V. P.*	P. C. Mills, *Ass't Cas.*
"	Sheldon	Bank of Sheldon	....
			Geo. A. Fry, *Cas.*
"	Triplett	Farmers Bank	....
	$10,000	John C. Bartow, *P.*	Joseph M. Marsh, *Cas.*
		A. R. Cawthron, *V. P.*	
Neb.	Bancroft	Citizens Bank	Chase National Bank.
	$15,000	William Ward, *P.*	Eugene T. Rice, *Cas.*
		J. Huntsberger, *V. P.*	
"	Beatrice	Union Savings Bank	....
	$12,500	Nathan Blakely, *P.*	Lewis E. Walker, *Cas.*
		Jacob Klein, *V. P.*	
"	Butte	Bank of Butte	Kountze Bros.
	$10,000	(M. H. Green & Co.)	....
"	Indianola	State Bank	Chemical National Bank.
	$40,000	James W. Dolan, *P.*	John J. Lamborn, *Cas.*
		J. E. Seeley, *V. P.*	Michael Marris, *Ass't Cas.*
"	Lincoln	Merchants Bank	Chase National Bank.
	$100,000	Chas. E. Shaw, *P.*	Percy A. Wells, *Cas.*
		D. L. Brace, *V. P.*	W. E. Taylor, *Ass't Cas.*
"	Newman Grove	Citizens State Bank	Chase National Bank.
	$10,000	C. A. Randall, *P.*	Henry A. Smith, *Cas.*
		John Hoss, *V. P.*	
"	South Omaha	Union Stock Yards Nat. B'k.	Kountze Bros.
	$200,000	John A. McShane, *P.*	Thomas B. McPherson, *Cas.*
		Edward A. Cudahy, *V. P.*	John L. Carson, *Ass't Cas.*
"	Taylor	Taylor State Bank	....
	$5,000	Geo. F. Scott, *P.*	Wm. L. McMullen, *Cas.*
N. Y.	East Randolph	Peoples State Bank	Seaboard National Bank.
	$30,000	Martin V. Benson, *P.*	Wm. C. Searle, *Cas.*
		Thos. L. Ostrom, *V. P.*	
"	Findley's Lake	W. F. Smallwood & Co.	Seaboard National Bank.
		W. F. Smallwood, *P.*	Edwin C. Dewey, *Cas.*
"	Mamaroneck	Mamaroneck Bank	....
		Bradford Rhodes, *P.*	Reuben G. Brewer, *Cas.*
		David F. Britt, *V. P.*	
N. C.	Elizabeth City	First National Bank	....
	$50,000	Chas. H. Robinson, *P.*	Samuel A. Graham, *Cas.*
Ohio	Deshler	Bank of Deshler	Western National Bank.
			J. C. H. Elder, *Cas.*
"	Larue	Larue Bank	National Park Bank.
	$10,000	W. L. Raub, *P.*	James H. Leonard, *Cas.*
			W. B. Ramsey, *Ass't Cas.*
"	Somerset	Somerset Bank	Fourth National Bank.
	$25,000	Samuel Ream, *P.*	Owen B. Ream, *Cas.*
		Owen Yost, *V. P.*	
Ore.	Roseburgh	First National Bank	....
	$50,000	Thomas R. Sheridan, *P.*	John P. Sheridan, *Cas.*
Pa.	California	First National Bank	....
	$50,000	Isaac C. Ailes, *P.*	W. H. Binns, *Cas.*
"	McKeesport	Nat. Bank of McKeesport.	....
	$150,000	James Evans, *P.*	T. D. Gardner, *Cas.*
"	New Castle	Citizens National Bank	....
	$200,000	Thomas W. Phillips, *P.*	David Jameson, *Cas.*
		Lewis S. Hoyt, *V. P.*	
S. C.	Anderson	Bank of Anderson	National Park Bank.
	$200,000	James A. Brock, *P.*	B. F. Mauldin, *Cas.*
		Sylvester Bleckley, *V. P.*	J. W. Bruce, *Ass't Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
S. C.	Conway	Bank of the Carolinas	Chase National Bank.
	$75,000	John P. Coffin, *P.*	Lewis O. Jones, *Cas.*
″	Greenwood	City Bank	Importers & Traders Nat. Bank.
	$60,000	D. A. P. Jordan, *P.*	Geo. A. Barksdale, *Cas.*
		J. C. Maxwell, *V. P.*	
TEXAS	Fort Worth	Merchants National Bank, (*reopening.*)	
″	Wharton	Wharton Co. Bank	Kountze Bros.
	$25,000	Newell Porter, *P.*	Geo. W. Hayward, *Cas.*
		J. C. Brown, *V. P.*	
UTAH	American Fork	Bank of American Fork	Chase National Bank.
	$20,000	Gay Lombard, *P.*	Henry C. Johnson, *Cas.*
VA.	Newport News	First National Bank	Bank of New York, N. B. A.
	$100,000	Theodore Livezey, *P.*	John A. Willett, *Cas.*
		C. M. Braxton, *V. P.*	
″	Newport News	Citizens & Marine Bank	National Park Bank.
	$50,000	Geo. B. West, *P.*	Wm. B. Vest, *Cas.*
		T. H. Gordon, *V. P.*	
WASH.	Tacoma	Commercial Bank	....
	$200,000	Grattan H. Wheeler, *P.*	A. Bridgman, *Cas.*
		A. H. Hickok, *V. P.*	
WIS.	Grand Rapids	Wood Co. National Bank.	
	$50,000	Frank Garrison, *P.*	F. J. Wood, *Cas.*
″	Grantsburg	Bank of Grantsburg	Importers & Traders Nat. Bank.
	$10,000	G. Dahlby, *P.*	E. M. Dahlby, *Cas.*
″	Prescott	Prescott State Sav. Bank	Importers & Traders Nat. Bank.
	$30,000	A. C. Probert, *P.*	Benton W. Barnes, *Cas.*
			Gustave A. Will, *Ass't Cas.*
N.W.T.	Edmonton	Imperial Bank of Canada	....
			G. R. F. Kirkpatrick, *M'g'r.*

CHANGES OF PRESIDENT AND CASHIER

(*Monthly List, continued from September No., page 242.*)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY..United States Nat. B'k.	John J. McAuliffe, *A. Cas.*	....
	J. W. Harriman, *2d A. Cas.*	....
ALA....American N. B., Birmingham	Ben. J. Leonard, *Act'g C.*	H. L. Underwood.
″ ..Exchange Bank, Decatur	A. O. Milice, *Act'g Cas.*	J. K. Hedges.*
″ ..B'k of Fort Payne, Fort Payne	J. W. Spaulding, *P.*	W. P. Rice.
CAL....First National Bank, Oakland.	A. D. Thomson, *P.*	V. D. Moody.
	Geo. D. Metcalf, *V. P.*	....
	L. G. Burpee, *Ass't Cas.*	....
COL....American Nat. Bank, Denver	F. P. Ernest, *P.*	I. B. Porter.
CONN...Collinsville Sav. Society, Collinsville.	John D. Andrews, *Treas.*	Sam'l N. Codding.*
DAK. S..Bank of Centreville, Centreville.	Wm. Higinbotham, *V. P.*	P. N. Aggergaard.
	Wm. Lowrie, *Cas.*	Orlin A. Abeel.
″ ..Deadwood N. B., Deadwood	Anson Higby, *Cas.*	Geo. C. Hickok.
″ ..Kingsbury County Bank, De Smet.	Thos. H. Ruth, *P.*	John Armstrong.
	E. P. Sanford, *Cas.*	Thos. H. Ruth.
″ ..Bank of Estelline, Estelline	J. W. Catlett, *P.*	W. H. Morehouse.
″ ..Nat. B'k of Commerce, Pierre	Jas. S. Sebree, *P.*	B. J. Templeton.
″ ..Farm. and Mer. B'k, Webster	John Williams, *Cas.*	E. R. Foster.
″ ..B'k of Wessington, Wessington	H. A. Peirce, *P.*	W. P. Peirce.
DEL....Fruit Growers N. B., Smyrna	John H. Hoffecker, *P.*	Geo. H. Raymond.
″ ..First Nat. Bank, Wilmington	Henry Bush, *Cas.*	Geo. D. Armstrong.
GA.....N. B. of Columbus, Columbus	William Slade, *Cas.*	G. W. Dillingham.
ILL....Merchants Nat. Bank, Aurora	S. E. Seavey, *Ass't Cas.*	....
″ ..First National Bank, Marengo	E. D. Patrick, *P.*	N. V. Woleben.
″ ..Peoples Nat. B'k, Rock Island	C. Hellpenstell, *Cas.*	Aug. Huesing.
″ ..Somonauk Bank, Somonauk	C. V. Stevens, *P.*	John Clark.
IND....First National B'k, Lagrange	Joseph I. Norris, *Ass't Cas.*	....
″ ..First National Bank, Vevay	Albert G. Craig, *Cas.*	Wm. Hall.*
IOWA...Adel Bank, Adel	T. J. Caldwell, *P.*	Henry Stivers.
″ ..Danbury State B'k, Danbury	W. F. Seibold, *P.*	Alex. McHugh.
″ ..Little Sioux S. B., Little Sioux	P. G. Hicks, *Cas.*	B. F. Freeman.

Deceased.*

	Bank and Place.	*Elected.*	*In place of.*
Iowa...	Farm. L. & Tr. Co., Winterset.	S. M. Weeks, *Sec*.........	E. J. Weeks.
Kan....	Central National Bank,	H. Rammelsburg, *P*......	....
	Ellsworth.	E. D. Schermerhorn, *V. P.*	H. Rammelsburg.
″	..State Bank of Inman,	H. Bartels, *P*.............	C. A. Heggelund.
	Inman.	N. W. Bridgens, *V. P*.....	B. F. Duncan.
″	..First National B'k, McPherson.	Royal Matthews, *P*.......	Wm. J. Bell.
″	..First National Bank,	C. P. Skinner, *Cas*........	C. C. Minton.
	Ottawa.	G. C. Smith, *2d Ass't Cas.*	....
″	..Bank of Scott City, Scott......	S. C. Grable, *Cas*.........	Eli M. Lyons.
Ky.....	First National Bank, Louisville.	G. W. Lewman, *P*........	A. L. Schmidt.
″	..Citizens Bank, Shelbyville.....	James Guthrie, *P*.........	C. Kinkel*
″	..Deposit Bank,	E. G. Wilcoxson, *P*.......	Wm. Hazelip.*
	Smith's Grove.	B. S. Cooke, *Cas*..........	L. A. Butler.
Me.....	Augusta Savings B'k, Augusta.	Edwin C. Dudley, *Treas*..	Wm. R. Smith.
″	..Bath Savings Institution,	F. H. Low, *Treas*........	Wm. J. Shaw, *Act'g*
	Bath.	W. J. Shaw, *Ass't Treas*..	....
Md.....	First National Bank,	John B. Diamond, *V. P*...	....
	Gaithersburgh.	R. B. Moore, *Cas*.........	....
		J. E. Trundle, *Ass't Cas*...	....
Mass...	Hopkinton S. B'k, Hopkinton..	Webster W. Page, *Treas*..	Palmer Taylor.
″	..Merchants Nat. B'k, Lawrence.	J. A. Perkins, *Cas*.........	Denman Blanchard
″	..Plymouth Sav. B'k, Plymouth.	W. S. Danforth, *P*........	Wm. H. Nelson.*
″	..Westboro Sav. B., Westborough.	Reuben Boynton, *P*.......	Edwin Bullard.
Mo.....	Bank of Belton, Belton........	J. F. Blair, *Cas*...........	B. F. Hargis.
″	..Stoddard County Bank,	A. F. Cooper, *P*..........	....
	Dexter.	E. C. Mohrstadt, *Cas*.	D. B. Garrison.
″	..Deutsche Spar Bank,	Henry H. Craig, *Cas*......	Bernard Knapp.
	Kansas City.	H. C. Morrison, *2d V. P*..	....
″	. Citizens Bank, Pleasant Hill...	John T. Russell, *P*........	G. M. Bolinger.*
″	..Citizens Savings B'k, St. Louis.	Louis A. Battaile, *Cas*....	W. E. Berger.
″	..Commercial Bank, St. Louis...	A. B. Lansing, Jr., *A. Cas.*	....
Mont...	Yellowstone Nat. Bank,	E. G. Bailey, *P*..........	A. L. Babcock.
	Billings.	A. L. Babcock, *V. P*......	....
″	Northwest'n N. B., Great Falls.	H. B. Hill, *Ass't Cas*......	....
Neb....	First National Bank,	Geo. J. Pielstick, *V. P*....	O. C. Hubbell.
	Fairfield.	S. C. Thompson, *Cas*.....	Ira Titus.
″	..United States Nat. Bank,	E. A. Washburn, *P*.......	E. D. Einsel.
	Holdrege.	G. Norberg, *V. P*.........	J. H. Einsel.
		J. R. Schreck, *Cas*........	E. A. Washburn.
″	..First National Bank,	Henry Newman, *V. P*....	....
	Oakland.	A. L. Cull, *Ass't Cas*.....	....
″	..American Bank, Sidney.......	J. J. McIntosh, *Cas*.......	Geo. E. Taylor.
N. H...	Walpole Sav. Bank, Walpole..	T. B. Buffum, *P*..........	Alfred W. Burt.
N. Y...	Ballston Spa N. B., Ballston Spa.	L. Moore, *V. P*...........	A. Harris.*
″	.First National Bank,	Wm. H. Schall, *Cas*......	Jas. H. Thorn.*
	Rhinebeck.	John D. Judson, *Ass't Cas.*	....
″	..Salamanca N. B'k, Salamanca..	E. B. Vreeland, *P*.........	R. J. McKay.*
N. C....	First Nat. Bank, Gastonia.....	J. D. Moore, *P*...........	G. W. Ragan.
Ohio...	Merch. Nat. B'k, Middletown..	Chas. D. Wrenn, *Cas*.....	E. W. Gunckel.
Ore....	First National Bank,	W. Breyman, *P*..........	A. H. Breyman
	East Portland.	A. W. Bowman, *V. P*.....	John Sommerville.
Pa.	Enterprise Sav. B'k, Allegheny.	T. Lee Clark, *Cas*.........	C. Steffen, Jr.*
″	..Leechburg Banking Co., Leechburg.	J. G. Beale, *P*............	H. K. McKallip.*
″	..Parnassus Bank,	A. W. Logan, *P*..........	W. R. Logan.
	Parnassus.	J. R. Alter, *Cas*...........	A. W. Logan.
R. I....	Island Savings Bank, Newport.	Edward Newton, *Sec. & Tr.*	S. H. Norman.*
S. C....	B'k of the Carolinas, Florence.	W. W. Brown, *Cas*.......	Claude S. Lucas.
Tenn...	Trimble Banking Co., Trimble.	M. R. Hendricks, *Cas*.....	G. B. Hurt.
Texas..	Fort Worth N. B'k, Fort Worth.	J. J. Jarvis, *V. P*.........	T. A. Tidball.
″	..Farmers Nat. Bank, Hillsboro.	Ed. Rogers, *V. P*.........	V. H. Ivy.*
″	..Sturgis National Bank,	C. A. Sullenberger, *Cas*...	J. N. Porter.
	Hillsboro.	L. L. Works, *Ass't Cas*...	C. A. Sullenberger.
″	..First Nat. Bank, Mason.......	E. Reynolds, *Cas*.........	F. W. Henderson.
″	..First National Bank, Nocona..	D. C. Jordan, *V. P*........	....
Va.....	First Nat. Bank, Lynchburgh..	R. H. T. Adams, *P*.......	J. F. Slaughter.
″	..Commercial N. B., Roanoke...	A. S. Asberry, *V. P*.......	C. O'Leary.

* Deceased.

Bank and Place.	*Elected.*	*In place of.*
WASH..Fairhaven Nat. B'k, Fairhaven.	A. H. Clarke, *P*..........	J. F. Wardner.
" ..Commercial B'k, Port Towns'd.	Andrew Wasson, *P*.......	J. A. Kuhn.
WIS....Berlin National Bank, Berlin.	J. L. Bellis, *V. P*.........	....
	D. P. Blackstone, *Ass't Cas.*	....
" ..First Nat. B'k, Grand Rapids..	E. T. Harmon, *Cas*.......	F. J. Wood.
" ..Stephenson Nat. B., Marinette..	L. A. McAlpine, *Ass't Cas.*	Fred. L. Brown.
" Bank of Washburn, Washburn.	Edwin Probert, *Cas*.......	Preston Durbrow.
	H. Collier, *Ass't Cas*......	Edwin Probert.
" ..Nat. Exchange B., Waukesha..	W. H. Sleep, *2d V. P*.....	......
N. B....Halifax B'k'g Co., Petitcodiac.	T. W. Magee, *Agent*......	D. I. Forbes.
N. S....Halifax B'k'g Co., Lunenburg..	D. I. Forbes, *Agent*.......	Boies Deveber.
" ..Union Bank of Halifax, North Sydney.	Stanley D. Boak, *Agent*.	C.N.S.Strickland, *Act.*

PROJECTED BANKING INSTITUTIONS.

ARK....Little Rock.....New bank to be opened about October 1st.

" ..Osceola........Bank of Osceola; capital stock, $25,000. W. P. Hall, *President.*

CAL....Antioch........Antioch is soon to have a bank.

" ..Oakland.......Home Savings Bank; capital stock, $500,000. Directors: V. D. Moody, Fred. Delger, Charles D. Pierce, A. C. Henry, George D. Metcalf.

" .. " ....W. W. Cameron and other capitalists are looking the ground over with a view to starting another commercial bank; nothing has been settled upon definitely.

" ..Sierre Madre....Peoples Bank.

COL....Berthoud.......Berthoud is to have a bank in the near future.

" . Denver.........Miners Exchange Bank. Apply to President Taylor, of the Exchange.

" .. " ....Western Farm Mortgage Trust Co. Incorporators: F. M. Perkins, George J. Barker, R. A. French and John H. Allen.

DAK. S..Groton.........Farmers and Mechanics Bank; capital, $5,000.

" ..Volga..........Equitable Loan and Trust Co. Capital stock, $500,000.

GA.....Atlanta........Grocers of Atlanta will organize a bank. Apply Mr. C. J. Kamper.

" ..Jesup..........Merchants and Farmers Savings Bank incorporated.

" ..Macon.........Troy & Flynn, Brokers.

ILL.....Chicago........Metropolitan Trust Co.; capital stock, $30,000. Organizers: Joseph Burkholder, Edward S. Frasier, Henry M. Walker.

" ..Lemont.........Lemont State Bank; capital stock, $25,000. T. J. Huston, *President;* C. G. Barth, *Cashier.*

" ..Manteno.......First National Bank; H. J. Legris of Kankakee, will be *Cashier.*

" ..Mascoutah .....New bank here.

" ..Oneida.........State Bank of Oneida; capital stock, $25,000. Organizers: E. Marsh, L. R. Taylor, D. Hamilton, G. W. Brainard and J. N. Conger.

IND.....Greenwood.....Greenwood will organize a bank.

" ..Jeffersonville...Ohio Falls Savings and Loan Association. Maurice Coll, *President;* E. M. Lindley, *Vice-President;* Geo. Pfau, Jr., *Secretary;* S. Goldbach, *Treasurer.*

" ..Oakland City...Oakland City is to have a new bank.

" . Wingate.......Wingate capitalists propose establishing a bank.

IOWA...Des Moines.....National Investment and Loan Company; capital stock, $5,000,000. Incorporators: R. G. Scott, J. N. Neiman, T. S. Barnes and A. N. Porter.

IOWA...Eagle Grove....New National bank; capital, $75,000.

" ..Linn Grove ....A new bank to be started with H. W. Mayne for Cashier.

KAN...Fort Scott......Western Savings Guaranty Co.; capital stock, $100,000. Directors: J. T. Jones, E. E. Goodlander, C. E. Cory, W. J. Robbins.

" ..Harper.........Citizens Bank of Harper; capital stock, $10,000. Directors: Andrew Drum, of Kansas City, Mo., George Ray, P. T. Ewell, of Kiowa.

" ..Hill City.......James P. Pomeroy, of Atchison, is one of the incorporators of the new bank here.

" ..Miltonvale. ....Bank of Miltonvale chartered; capital stock, $11,300.

" ..South Haven. .South Haven has chartered a $50,000 bank.

" ..Topeka.........Central Investment Co.; capital, $500,000. Directors: E. S. Quinton, John Norton, W. C. Knox, J. B. Bartholomew, E. H. Perry.

" ..Wellington .....Wellington is to have a new bank, managed by F. K. Robbins, formerly connected with the First National Bank.

" ..Winfield ....Farmers State Bank; capital, $20,000.

KY.....Dayton.........Progressive Savings and Loan Co. Mr. W. C. McClain, *Vice-President.*

" ..West View .....West View Savings Bank.

MD.....Cumberland....Cumberland Loan and Savings Association. Mr. Arthur Shriver, *Treasurer.*

MASS...Amesbury......The Co-operative Bank has opened.

" ..Ipswich........A National bank will be established here in a short time.

" ..Medford........Wilmot W. Mitchell is organizing a bank in this town.

" ..Medway........New National bank to be established here.

" ..Milford.........Co-operative Bank.

MICH...Milford.... ...G. W. Lawson, of Brighton, proposes to open a bank here.

" ..Newberry ......Newberry Savings Bank, capital, $25,000, will begin October 1st.

MINN...Duluth.........Minnesota Loan Association incorporated; capital stock, $50,000. Incorporators: H. H. Hanford, W.W. Sanford, C. R. Normandy.

MISS ...Senatobia ......Tate County Bank. Mr. Phil. A. Rush will be cashier.

MO.....Chula......... A new bank has commenced business in Chula, Livingston County.

" ..Humansville....Bank of Humansville. T. J. Akins, *President;* J. R. Owen, *Vice-President;* Jas. M. Jackson, *Cashier.*

" ..St. Louis.......St. Louis Safe Deposit and Savings Bank; capital stock, $200,000. R. M. Scruggs, Nathan Cole, Robt. S. Brookings, stockholders.

N. H...Great Falls.....Branch of Iowa Deposit and Loan Co. organized. F. E. Libbey, *President;* W. F. Russell, *Treasurer.*

" ..Woodsville.....Woodsville Loan and Banking Co.; capital, $20,000. Ira Whitcher, *President.*

N. J....Beverly.... ....New bank to be formed in this place.

N. Y...Binghamton....Bank of deposit, loan and savings association will be established.

" ..Clifton Springs.S. D. Jackson and William H. Llewellyn will open a bank here about October 1st.

" ..Flushing.......Stock of the new State bank here has all been taken. Joseph Dykes, Harrison S. Moore, M. D. Gould and Daniel Masters are subscribers.

" ..Glen Cove. ....Mr. D. Nelson Gay, of Riverhead, is organizing a State bank at Glen Cove.

" ..Gloversville.....Peoples Savings and Loan Association. O. L. Everest, *President;* N. M. Banker, *Secretary.*

" ..Granville.......A savings bank to be opened soon; capital stock, $50,000.

N. Y...Schenectady....Union National Bank; capital stock, $100,000. Willis T. Hanson, probable *President*; Mr. J. W. Smitley and J. E. Van Epps are interested in the movement.

OHIO...Bedford........Bedford Savings and Loan Association; capital stock $500,000.

" . Cleveland......Industrial Banking and Investment Association.

" .. " ......Cleveland Safe Deposit and Trust Co.; capital stock, $25,000. Incorporators: D. M. Youmans, G. E. Zattman, George W. Short, J. D. Kitchum.

" ..East Toledo....Mr. A. B. Johnson, a capitalist of Oberlin, with others will start a bank here.

" ..No. Columbus..New bank to be established. Stockholders, Peter Ramlow, L. L. Pegg and John L. Gordon.

" ..Portsmouth....Royal Savings and Loan Association; capital stock, $2,000,000.

" ..Sidney.........Peoples Sav'gs and Loan Association; capital stock, $2,000,000.

" ..Somerset.......Somerset Bank incorporated; capital, $25,000.

ORE....Junction City...New bank here.

PA.....Ardmore.......Merion Title and Trust Co.

" ..Stewartstown...New National bank to be started here.

S. C. ..Greenville......West End Bank.

" . Midway........A bank has been organized at this place, with L. A. Burke, *President*.

TEXAS..De Leon.......De Leon wants a bank.

" ..Roby..........Roby, Fisher County, wants a bank.

" ..Terrell.........Terrell is soon to have another bank.

UTAH..Logan..........New bank to be established.

VT.....Granville.......Savings bank established; capital, $30,000.

VA.....Richmond......A new bank will begin business here October 1st.

W. VA..Ceredo........Loan and Trust Co. of Ceredo established.

" ..Kenova........Kenova Loan and Trust Co.; W. W. Coe, incorporator.

WASH..Centralia.......Bank of Commerce will be opened soon.

" ..Coupeville......Island County Bank; capital stock, $50,000.

" ..Edison.........Edison Savings Bank of Tacoma; capital, $25,000. H. D. Lombard, *President;* Peter McConville, *Vice-President;* George H. Johnson, *Cashier*.

" ..Seattle..........Western Washington Investment Co.; capital stock, $50,000. Incorporators: Joshua M. Wiestling and Frank B. Wiestling.

" ..South Bend ... South Bend is to have a National bank, the capital stock of $50,000 being already subscribed.

" ..Tacoma........Tacoma Trust and Indemnity Co. R. F. Wells, *President;* Byron Barlow, *Vice-President;* C. H. Holmes, *Secretary* and *Treasurer*.

WIS....Glenwood......Glenwood has a new bank with James Johnston as *President*.

" ..Marshfield......German-American Bank organized. Judge Richard Dewhurst, of Neillsville, *President;* H. N. Maurer, *Vice-President;* Robert L. Kraus, *Cashier*.

" . Prescott........A savings bank has been organized, with a capital of $30,000, by capitalists from Washburn, Wis. The bank will be styled the Prescott State Savings Bank.

" ..Prescott........H. S. Miller has opened a private bank here.

" ..South Superior...South Superior Savings and Loan Association; capital, $500,000. Incorporators: A. J. Webster, F. C. Fish, J. H. Harper, F. L. Wilcox.

" ..Superior........Red Wing Superior Investment Co.; capital, $500,000. Incorporators: Carl C. Pope, J. H. McCourt, L. J. Johnson, S. B. Foot, F. W. Hoyt and William Danforth.

WYOM..Saratoga.......J. W. Hugus & Co. will incorporate.

MAN'BA. Emerson.......Duncan McArthur will have charge of the new Commercial Bank to be opened here.

N.W.T. Edmonton......H. S. Howland, *President*, D. R. Wilkie, *Cashier*, and G. R. Kirkpatrick, *Manager*, of the Imperial Bank, are here, and have completed arrangements for the immediate opening of a branch here.

ONT.... Windsor.......The Bank of Montreal will open a branch in Windsor.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during September, 1891.

N. Y. CITY.............Liberty National Bank, by Geo. F. Baker and associates.

CAL.... Hollister.......First National Bank, by A. Tonn, San Francisco, Cal., and associates.

ILL..... Batavia....... First National Bank, by D. C. Newton and associates.

" .. Chicago.......Chemical National Bank, by J. O. Curry, Aurora, Ill., and associates.

IND.... Seymour.......Seymour National Bank, by Wm. Acker and associates.

" .. " ....Second National Bank, by S. E. Carter and associates.

IOWA... Anamosa.......Anamosa National Bank, by C. H. Lull and associates.

KAN.... Arkansas City..Farmers National Bank, by H. T. Hatch and associates.

MINN... Breckenridge...First National Bank, by F. E. Kenaston and associates.

MONT.. Kalispell.......Globe National Bank, by H. H. Stevens, Boston, Mass., and associates.

N. Y.. West Chester...First National Bank, by John M. Howard, New York, and associates.

OHIO... Wooster.......Wooster National Bank, by C. V. Hard and associates.

TENN... Pulaski........Citizens National Bank, by W. L. Abernathy and associates.

TEXAS.. Velasco........First National Bank, by James H. Patton, Houston, Tex., and associates.

WASH.. South Bend....Citizens National Bank, by J. W. Maxwell, Lincoln, Neb., and associates.

W. VA. Bluefield.......First National Bank, by Jas. E. Mann and associates.

WIS.... West Superior..West Superior National Bank, by A. A. Cadwallader, Bryn Mawr, Pa., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from September No., page 246.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4622	First National Bank.......... California, Pa.	Isaac C. Ailes,	W. H. Binns,	$50,000
4623	Columbia National Bank...... Tacoma, Wash.	Henry Oliver,	Noel B. Dolson,	200,000
4624	First National Bank........... Roseburgh, Ore.	Thomas R. Sheridan,	John P. Sheridan,	50,000
4625	National Bank of McKeesport. McKeesport, Pa.	James Evans,	T. D. Gardner,	150,000
4626	National Bank of Sabetha..... Sabetha, Kan.	A. C. Moorhead,	Geo. A. Guild,	60,000
4627	Polk County National Bank... Bartow, Fla.	A. A. Parker,	Warren Tyler,	50,000
4628	First National Bank.......... Elizabeth City, N. C.	Chas. H. Robinson,	Samuel A. Graham,	50,000

No	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4629	Union National Bank......... Sioux Falls, S. Dak.	Edwin A. Sherman,	Chas. E. Johnson,	$100,000
4630	Commercial National Bank... Sioux City, Iowa.	Jonathan W. Brown,	Louis H. Brown,	150,000
4631	First National Bank........ Lead City, S. Dak.	Thomas J. Grier,	Alexander Ross,	50,000
4632	Union Stock Yards Nat. Bank. South Omaha, Neb.	John A. McShane,	Thos. B. McPherson,	200,000
4633	Citizens National Bank........ Knoxville, Ia.	S. L. Collins,	Lafe S. Collins,	50,000
4634	First National Bank.......... Aberdeen, Md.	Wm. B. Baker,	John A. J. Medcalf,	50,000
4635	First National Bank .... Newport News, Va.	Theodore Livezey,	John A. Willett,	100,000
4636	Purcell National Bank........ Purcell, Ind. Ter.	S. L. Williams,	A. T. Ball,	50,000
4637	National Bank of Canton. .... Canton, S. Dak.	C. B. Kennedy,	J. A. Goding,	50,000
4638	First National Bank........... East Grand Forks, Minn.	Alexander Griggs,	Ernest R. Jacobi,	50,000
4639	Wood County Nat. Bank...... Grand Rapids, Wis.	Frank Garrison,	F. J. Wood,	50,000

CHANGES, DISSOLUTIONS, ETC.

(*Continued from September No., page 247.*)

N. Y. CITY.............C. H. Venner & Co. reported suspended.

" " ....S. V. White & Co. suspended.

DAK. S. Estelline. ......Bank of Estelline incorporated.

" ..Lead City......Lead City Bank succeeded by First National Bank.

" ..Leola..........McPherson County Bank and Bank of Leola succeeded by State Bank of Leola.

" ..Madison........Northwestern Loan and Banking Co. succeeded by Madison State Bank.

" ..Milbank........Merchants Bank incorporated, same officers and correspondents

" ..Webster........Citizens Bank reported closed.

" ..Wessington....Bank of Wessington incorporated.

" ..Woonsocket....Bank of Woonsocket incorporated, same officers and correspondents.

GA.....Atlanta........Maddox, Rucker & Co. now Maddox-Rucker Banking Co., incorporated.

ILL.... Chicago........Paul O. Stensland & Co. succeeded by Milwaukee Avenue State Bank.

" .. " ....Wetherell State Bank succeeded by Avenue Savings Bank.

" . Chrisman......Chrisman Bank (Standiford Bros.) reported attached.

" ..Heyworth......I. Vanordstrand & Co. succeeded by Heyworth State Bank.

" ..Hoopeston. ....Hamilton, Leemon & Lateer now Hamilton & Lateer.

" ..Rock Falls.....Galt & Tracy succeeded by Thos. A. Galt & Son.

" ..Sterling........Galt & Tracy succeeded by Thos. A. Galt & Son.

" ..Sullivan........Merchants & Farmers Bank succeeded by Merchants & Farmers State Bank, same correspondents.

IND.....Seymour........Jackson County Bank will be succeeded by Seymour National Bank.

IOWA. .Deep River.....Bank of Deep River succeeded by State Bank, incorporated.

" ..Menlo..........Exchange Bank (Park & Kile) now M. J. Sanborn, *Cashier*.

" ..Minden.. ......Bank of Minden succeeded by German-American Bank.

IOWA.. Sioux City.....Commercial State Bank succeeded by Commercial National Bank, same officers.

KAN....Blue Rapids....Bank of Blue Rapids now State Bank, same officers and correspondents.

" ..Clifton.........Clifton Bank incorporated, same officers.

" ..Goodland......Exchange Bank incorporated, same officers and correspondents.

" ..Great Bend.....J. V. Brinkman & Co. now J. V. Brinkman Co. Bank, incorporated, same officers.

" ..Hazelton.......Bank of Hazelton succeeded by State Bank, same correspondents.

" ..Humboldt......S. A. Brown & Co. discontinued.

" ..Longton.......Bank of Longton succeeded by State Bank, same officers.

" Lyons..........Bank of Lyons assigned.

" ..Manhattan.....Bank of Mahattan discontinued.

" ..Morantown.....S. C. Varner succeeded by Peoples Bank.

" ..Newton....... Bank of Commerce closed.

" ..Sabetha........State Bank of Kansas succeeded by National Bank of Sabetha.

" ..Topeka........United States Savings Bank is now in the hands of a receiver.

KY.....Louisville......Masonic Savings Bank closed.

MASS...Springfield.....Woodbury, Moulton & Stearns now Woodbury and Moulton.

MICH...Detroit.........Campbell, Boughton & Co. succeeded by J.W. Campbell & Co.

" ..Marine City ....Marine Bank succeeded by Marine Savings Bank, same officers and correspondents.

" . " " ...Peoples Bank now First State Savings Bank, same correspondents.

" ..Oscoda.........Citizens State Bank title changed to Citizens Exchange Bank.

MINN...E. Grand Forks.Bank of East Grand Forks succeeded by First National Bank, same correspondents.

MO.....Sheldon........Sheldon Bank succeeded by Bank of Sheldon.

NEB .. Indianola ......First National Bank has gone into voluntary liquidation, succeeded by State Bank, same officers and correspondents.

" ..Ord...........Ord National Bank succeeded by Ord State Bank, same officers and correspondents.

" ..South Omaha..Union Stock Yards Bank now Union Stock Yards Nat. Bank.

NEVADA.Carson City. ..Wells Fargo & Co.'s Bank succeeded by Bullion & Exchange Bank.

N. Y....East Randolph..Amos Dow succeeded by Peoples State Bank, incorporated; same officers.

OHIO...Larue..........J. H. Leonard succeeded by Larue Bank, same correspondents.

PA......Clearfield ......First National Bank reported suspended.

" ..Houtzdale......Houtzdale Bank involved by suspension of First National Bank, Clearfield.

" ..Millerstown ....Butler County Bank suspended.

" ..Philadelphia....Keen, Bodine & Co. succeeded by Bodine & Altemus.

" ..Pittsburgh.....Rea Bros. & Co. suspended.

" ..Royer's Ford...Farmers & Mechanics Bank will change to a National bank.

S. C....Johnston.......Loan & Exchange Bank incorporated.

TENN...Knoxville......Holston Banking & Trust Co. will nationalize.

TEXAS..Belton.........Citizens National Bank has gone into voluntary liquidation.

" ..Laredo.........Rio Grande National Bank reported about to be placed in hands of receiver.

WASH .Spokane Falls..Pacific Bank will be succeeded by Pacific National Bank, same officers.

" ..Tacoma........Oakland Land Loan & Trust Co. has changed its title to Oakland Loan & Trust Co.

W. VA..Bluefield.......Bank of Bluefield will be succeeded by First National Bank.

WIS....Berlin..........Sacket & Fitch succeeded by First National Bank, same correspondents.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, SEPTEMBER, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in September.

Governments.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
4½s, 1891.... .reg.	Quarterly Mar.	101	101	99¼	99½
4s, 1891......coup.	Quarterly Mar.	101	101	—	—
4s, 1907.......reg.	Quarterly Jan.	116¾	116¾	115½	116
4s, 1907......coup.	Quarterly Feb.	117¾	117¾	116¾	117
6s, cur'cy,1895,reg.	Jan. & July.	109	110¾	109	110¾
6s, cur'cy,1896,reg.	Jan. & July.	111½	113	111½	112½
6s, cur'cy,1897,reg.	Jan. & July.	114	115	114	114⅝
6s, cur'cy,1898,reg.	Jan. & July.	116	117	116	117
6s, cur'cy,1899,reg.	Jan. & July.	119	119½	119	119½

Railroad Stocks.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	6⅞	6	—
Canadian Pacific	85⅞	91	85⅞	—
Canada Southern	55	61¼	52	59⅝
Central of N. J	119	120⅞	117	118
Central Pacific	33	34½	32½	34¼
Ches. & Ohio	21⅞	28	21	27
Do 1st pref.	54½	60⅞	53¼	59½
Chic. & Alton	—	139	131	—
Do pref.	—	—	—	—
Chic., B. & Q	97	100⅜	94⅝	99¼
Chic. & East'n	72¼	73½	69½	72
Do pref.	99⅜	103½	97½	102¼
Chic., M. & St. P	71⅞	76	69⅛	74⅞
Do pref.	119	122	117¼	121¼
Chic. & N. W	112⅜	117¼	110⅜	115⅝
Do pref.	—	138½	137	138
Chic., R. I. & P	84¾	87⅜	81⅝	83¾
Chic., St. P., M. & O	31½	35⅞	29⅛	35
Do pref.	90	95	88⅜	—
C., C., C & St. L	70¾	74½	68¼	73
Col. Coal & Iron	36	38¾	34¼	—
Col., H. Valley & Tol	28	34¾	27	33⅝
Del. & Hudson	134½	141½	133⅛	135¼
Del., Lack. & W	142¼	145⅝	140	141⅞
Den. & Rio Grande	17	20	16½	—
Do pref.	47¼	51⅛	45½	50
East Tenn. V & G	6⅞	7¼	5⅞	—
Do 1st pref.	52	52	45	—
Do 2d pref.	15	15	14	—
Evansville & T. H	—	127	123	—
Illinois Central	101	104⅜	101	103
Lake Erie and Western	17	22½	15¾	22¼
Do pref.	64¼	69¼	62	68
Lake Shore	116¾	125⅜	115¼	125¼
Long Island	97½	99¼	97¼	—
Louisville and Nashville	78⅛	82⅛	76½	80
Louisville, N. Alb. & Chic	28	29⅛	26	27⅝
Manhattan Consol	106	106½	101½	101½
Mexican Central	23	25¼	21⅞	—
Michigan Central	98½	103½	97½	102
Mil., L. S. & W	—	85½	80	—
Do pref.	107	113¼	106½	112
Minn. & St. Louis	—	7⅞	7⅛	7¼
Do pref.	—	18	15⅞	15⅞
Mo., Kan. & Texas	17⅛	20	16¾	—
Missouri Pacific	74	77⅛	59¾	63¾
Nash., C. & St. L	—	91	86	—
N. Y. C. & Hudson	105½	112	104¾	111⅛
N. Y., C. & St. L	14¼	20¼	14¼	18½
Do pref.	—	82½	73½	—
N. Y., L. E. & W	26⅜	31¾	25	30¼
Do pref.	64½	72⅜	62½	69¼
N. Y. & New Eng	39¼	43	37¼	39¾
N. Y., Ont. & W	18½	23⅜	18	21½
N. Y., Sus. & W	9	11¾	8½	11¾
Do pref.	—	41⅞	32	41⅞
Norfolk & Western	17½	18½	16½	18½
Do pref.	53⅝	55¾	53¼	55⅛

Miscellaneous.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	27⅛	30⅞	26	29¼
Do pref.	72¼	78⅜	70¼	76⅜
Ohio & Mississippi	—	26½	22	25
Ohio Southern	—	20¼	17½	—
Oregon Impt	27⅜	27⅜	23⅞	23⅞
Oregon R. & N	—	82	70⅛	—
Oregon Short Line	27	27¾	24½	24⅞
Pacific Mail	36¼	40⅜	35⅛	37¾
Peoria, Decatur & Evansville	21⅛	24½	20½	23¼
Philadelphia & Reading	35⅝	43¾	33⅝	40⅞
Pullman Palace Car Co	188½	195¾	187	194½
Rich. & W. P. Term	15	15	10⅞	13⅝
Rome, W. & Ogd	—	108	107	108
St. Louis, A. & T. H	—	36	34	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	76	75½	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	—	38⅞	35½	—
Do pref.	—	97¾	96½	—
St. Paul, M. & M	107⅞	110⅜	107	109⅜
Southern Pacific Co	36	44⅛	35⅝	43⅛
Sugar Refineries	88½	93⅝	85⅝	89½
Texas & Pacific	15	16⅝	13⅞	14¾
Union Pacific	43¼	45⅛	38⅝	41⅞
Wabash, St. Louis & Pacific	13⅝	16	13	14¼
Do pref.	28⅝	34½	27⅛	31⅛
Wisconsin Central	20⅞	23	19½	20½
Miscellaneous—				
Am. Cotton Oil Trust	26½	26¾	24½	24¾
Nat. Lead Trust	17½	18	16¼	16¾
Tenn. Coal & Iron	33⅜	37⅜	32	36¾
Express—Adams	—	147½	146	147½
American	118	119½	117	118½
United States	60½	63	58	60
Wells-Fargo	—	143	139	140½
Western Union	84¼	85⅛	81½	82⅞
Wheel. & Lake E	38⅛	39¾	36½	38⅝

THE

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CURRENCY SCHEMES.

In the last number of the *Forum*, Mr. Harter, a member of Congress from Ohio, presented a new plan for issuing bank notes. The chief features of the plan are the substitution of other securities for Government bonds, and the repeal of the tax on the circulation of State banks, provided they consent to issue it on the same conditions as are prescribed for the National banks.

The substitution of railroad bonds, State securities, and the like, for Government securities, is an old idea. When Mr. Farwell represented Illinois in the Senate, he introduced a bill authorizing the National banks to substitute securities of this nature as a basis for bank note circulation; but the bill was not favorably regarded. Mr. Harter's restrictions concerning the selection of securities are excellent; though we think that even these might be improved in several ways. Restrictions might be imposed limiting the selection to dividend-paying companies for a period of years. Again, we think that the bonds of old dividend-paying railroads are better security than the bonds of States or cities, for in the event of repudiation by a State there is no method of enforcing payment; and when a State is thus infected with dishonesty, the debtor towns and cities within its jurisdiction would escape as easily from their obligations as the State itself.

The most remarkable feature of the plan is that which provides for the issue of notes by the State banks. He regards the present system as unjust because the State banks are denied this privilege.

III. In lieu of all other United States taxes, each bank shall pay in the usual manner a semi-annual tax of 1 per cent. (2 per cent. per annum) upon the average amount of its notes in circulation.

IV. The present United States tax upon the circulation of State banks shall cease, provided such notes are secured in precisely the same manner as National bank notes, by bonds deposited with the auditor or treasurer of the State; and provided, also, that the State in which said bank is located shall guarantee the payment of its circulating notes. State banks shall pay the same taxes on their notes, and in the same manner, as National banks.

V. The amount of the notes issued by any State bank shall be under the control of the State in which it is located, and nothing in this law shall restrict the circulating notes of any State bank to 90 per cent. of the capital paid in; but no bank shall issue notes in excess of 90 per cent. of the par value of the bonds deposited by it to secure the payment of said notes.

VI. State banks shall not be compelled to redeem their notes anywhere but at their own counters.

VII. All State bank notes issued under this law to be like National bank notes, redeemable in United States legal tender coin or notes.

Who is to execute this law? Is the National Comptroller of the Currency to determine whether a State bank has complied with its provisions and is entitled to a remission of the tax? And if the law was passed by Congress, would the Comptroller then have any authority to supervise the conduct of the State banks? Would not legislation also be required on the part of the States, and would they have the right to clothe a National officer with authority to invade the precincts of a State and examine into the conduct of a State institution and determine whether it was obeying the law or not? Suppose a State bank did not pay the same taxes on its circulation as a National bank, what then? Suppose a State should exercise favoritism toward its own institutions, what could the National Government do? Must not the National system be abandoned, leaving the entire field to the State banks; or two systems be created quite independent of each other?

It is admitted that the present National bank system is excellent, but, as we remarked last month, this is largely due to an accident—the high price of bonds, which has rendered their purchase unprofitable as a basis for bank circulation. Adopt Mr. Harter's plan, and create a wide basis for a bank circulation, and in a short time the country would be flooded with an old-fashioned deluge of paper money, spreading destruction in every direction. It is true that the banks which manage their business conservatively would not issue too many notes; the mischief would come from another quarter. New banks would be started everywhere, by men knowing nothing of the banking business, with the expectation of reaping great profits from the issue of paper money. They are the persons who would soon wreck the whole system; and this is the great danger of any scheme of bank-note-issuing on easy terms.

Again, it is useless to provide plans for expanding the bank circulation so long as the silver question remains unsolved. If forty or fifty millions of silver money are to be added annually, there is no need of increasing the quantity of bank notes. The most serious question is to find some way of improving the quality of this money. There is no dearth in the quantity of the circulating medium to-day. The high rates of interest in some parts of the country are no proof of the scarcity of money, but simply of the scarcity of capital. In the East, capital is abundant and the rates of interest are low; while in the South and West capital is scarcer and the rates of interest are higher. It is true, if some plan were invented and put in operation for deluging the country with cheap money, the South and West would for a while be relieved so long as the paper money thus created passed for real capital without deterioration; but as soon as depreciation set in, which is the same thing in effect as the sinking or destruction of capital, then the South and West would be worse off than ever. With their circulation depreciated or sunk, and their credit impaired, they would be in a far worse condition than they have ever been. These great sections are flourishing, notwithstanding the need of more capital; and it will go there more and more, drawn by the high rates of interest, until an equilibrium is effected between all parts of the country. Forces and influences are causing this result, which in due time will be accomplished.

Meanwhile, what shall be done with the silver? Is the question nearer a solution? First, an international agreement for the use of silver as money seems hopeless. If we are to continue to use silver, this must be done without reference to the policy of other nations. This is the first fact to be faced.

The second fact is, so long as silver is coined at a higher value than its market value, no one will ever redeem a note, for if silver is wanted the holders of notes will buy other silver, for which they can get a larger quantity. It will continue to increase, the proportion to gold ever becoming greater and greater. The consequence will be the use of less and less gold in comparison with silver until the gold shall disappear. In spite of the successful efforts of the Secretary of the Treasury to raise the margin of free gold above the low point which it touched early in the summer, the gold reserve is small in proportion to silver. There has been a heavy decline since the silver agitation became so active before the meeting of the last Congress. The highest point reached during the past three years in the net gold in the Treasury, exclusive of that held to cover certificates, was in March, 1888. The amount on March 30th was $218,818,253. A year later it was $197,874,421, and in March, 1890, it remained at $185,287,715. It did not vary very much from this figure until August 30th, 1890, when the amount was $185,-

837,581. The new silver Act went into effect on August 14th, and the drain of gold seems to have begun at once. The Treasury margin on September 30th was $147,981,732, and although it rallied a little in October and November, the amount was $141,742,240 on April 30th, 1891.

The further loss of gold by the exports last summer, until the Treasury margin was reduced on June 30th to $117,667,722, is recent history. This, probably, was not due directly to the silver bill. The passage of that bill, however, and the fact that no use can be made of the silver accumulating under its operation, increases the difficulty of drawing gold into the Treasury, and is likely to keep the margin constantly low. Secretary Foster availed himself of the demand for money to move the crops to offer small silver certificates in exchange for gold certificates. This brought the margin of free gold, including the $100,000,000 gold reserve, to $131,033,532 on September 19th, but this resource is nearly exhausted. If gold is really needed in large amounts to maintain gold payments, the only resource left is the sale of bonds on the market. It would be a remarkable expedient at a time when the Government is not seeking new loans, and would be a danger signal so plain, of the possibility of reaching a silver basis, that even the strongest silver advocate could hardly fail to grasp its meaning.

The constantly increasing volume of paper which the Treasury is supposed to keep at parity with gold makes the problem of maintaining gold payments increasingly difficult. The last statement of the circulation showed that $317,588,321 in silver certificates was outside the Treasury, $45,748,350 in the new Treasury notes, and $317,696,436 in legal tender notes. Here is a sum of $680,000,000 which practically rests on $130,000,000 in gold, if gold payments are to be maintained. If the issues of paper were suspended at once, the reserve would represent less than 20 per cent. of the amount outstanding. With issues of paper increasing at the rate of nearly $60,000,000 annually, it is not difficult to see on what a slender basis gold payments will rest after five or six years of continued inflation. Six years would swell the volume of paper to nearly $1,000,000,000, and the reserve, if remaining at its present figures, would represent only 13 per cent. of the paper money.

The third fact obviously is, if silver is to maintain its place in our circulation, a plan ought to be adopted whereby its legal value shall correspond with its market value. If this were done, the worst fear concerning its use would pass away, and it would become a real currency, having the confidence of all, and received and paid without hesitation or unfavorable criticism.

A REVIEW OF FINANCE AND BUSINESS.

LITTLE CHANGE OR IMPROVEMENT

in the business situation can be noted for the past month. The "good fall trade" that was expected to follow the big crops and heavy export demand, at better prices than for the last ten years, has not yet been realized, notwithstanding crops, demand and prices have generally been all that were anticipated, from Europe's enormous deficit and our abundance of this year's harvests. The reasons for this disappointing state of affairs, are not apparent to the casual observer, nor to the general public; and, it has led to apprehension that there is something wrong in business conditions; and this fear has caused conservatism, and even hesitation, in the investment of capital, speculation and the engagement in, and development of new enterprises. This is the more unexpected from the fact that the chief cause of anxiety, as to the future of business, has been removed in the easier money market, following the free movement of the crops into export, and the return of nearly one-third of the gold exported last summer, during the first quarter of the crop year.

What the matter is, no one seems to understand, yet the result is seen, in the stagnation in Wall Street, which is the first place to feel the effects of tight, or easy money. Both investment and speculative buying have ceased, except by the professional traders, and even they are more inclined to sell than buy, notwithstanding the steady and general increase in railway earnings, and the almost certainty of their continuance, the balance of this crop year, at least. The public has left Wall Street, as suddenly as it entered it, before the Bear *coup d'etat* of Gould in September put an end to the Bull movement in stocks, for the present, as effectually as if he had closed the Stock Exchange. Investors continued to buy bonds until about the middle of October, as money grew easier and the rates declined to a point where bonds, at ruling prices, paid better interest than loans. But suddenly they too withdrew from that market, notwithstanding money continued to decline; and, bonds were left almost as flat again, as stocks, without apparent reason, except this undefined and unexplained apprehension on the part, both of the public and professional traders, that there is something wrong in the business situation.

The condition of the iron trade is almost as puzzling as that of the stock market and of Wall Street, these commercial and financial barometers of the country, both indicating unsettled weather at least ahead. What then can be the trouble?

every one is beginning to ask, as well as to wonder. Certainly all the natural conditions exist for an active trade, not only this fall, but for the coming year, so far as this country is concerned, while the bad way in which Europe is left by short crops, does not yet affect us unfavorably, but quite the contrary, in compelling her to take our enormous crops off our hands, at remunerative prices. With commercial affairs in an unusually sound condition, and financial disturbances out of the question, in the near future, so far as affected by the supply of money, the cause of this general hesitation in business circles, of all classes, except those affected by the export trade, must be found in outside influences and artificial conditions.

CAUSES OF THE HESITATION IN BUSINESS.

The first of these outside conditions, unfavorable to business, that suggests itself, is the agitation of the silver question, and the prospect of further legislation in favor of increased silver currency, by the next Congress. The second, is the State elections, for which there have been unusually earnest and active preparations, during October, because of the prominence given in the campaign to National issues, chief of which have been our tariff and currency laws, which have virtually been submitted to the people the second time, for their ratification or rejection, by the two great National parties. Hence these State elections have had nearly the same effect on business that a Presidential election has, for the questions upon which the people are to vote, are at the foundation of all commercial values and financial undertakings. There is not a commodity that may not be affected by possible changes in our tariff laws; and not a bond, contract or debt that may not equally be affected, favorably or unfavorably, by possible changes in our currency laws, at the next session of Congress, which will be more or less influenced by the verdict of the people at the polls, on November 3d. Here, no doubt, lie the two chief causes of the present hesitation and even stagnation in most classes of business, except those affected by our foreign trade, which are beyond the pale of these influences, for the present. As to the prospects of improvement, after this verdict shall have been rendered, it must be admitted they are very doubtful. For, no matter which National party it may favor, it will only draw the lines more clearly, and define their position more sharply for the coming struggle in Congress. Till then, business will be more or less subject to all the vicissitudes of party politics.

Either this, or the business men of the country will become so exasperated, at both parties, that they will rise *en masse*, join hands with the industrial classes, take all business legislation out of politics, and put it upon a permanent basis of equal protection and freedom alike, to all classes and all industries, without special legislation, or favor to any interests, or any section. Never will this country reach the full measure of prosperity, awaiting it, by virtue of its unrivaled resources of soil, climate, products, and means of exchange and communication with the outside world, until such a final change is effected. Beyond this, there is no live issue in National politics of importance, and business men should see that it is met as speedily as possible, and their interests cease to be made a political foot-ball.

STAGNATION IN THE STOCK MARKET

followed the chill sent through the Stock Exchange and Wall Street at the close of September, by Mr. Gould's cold bath, then given to the young boom. There have been a few temporary rallies only, since then, succeeded by still lower prices, until the whole temper of the Street has changed, and we have had a Bear market instead, the past month. The public, which had begun to come into the market and buy quite generally, in September, was so suddenly cleaned out of its profits and left with heavy losses staring it in the face, that it has effectually been driven out of stocks. Investors, for a time, turned their attention to bonds, but even they soon became timid as to the future of values, and withdrew from the market also. This has been the more surprising from the fact that the earnings of railroads have continued to increase, and some of them are promised increased dividends at their next quarterly meetings; notably the Vanderbuilt stocks and other of the best dividend payers. The only good reason apparent for this lack of demand for railway securities under such favorable conditions seems to be the fact that the railways of the country generally have a large deficit, from last year's short crops and earnings, that must be made up, out of this year's increased earnings, and that large floating debts must be paid off, before increased dividends can be expected on the dividend payers, or dividends of any amount, paid on the non-dividend payers of last year. All there is of the stock market now, is what is made, by the professional traders, who are more inclined to be bearish than bullish, until some new element appears on which the outside public will be brought in again. The demand for bonds has run chiefly on the first and second class of old issues, while the new ones have not been taken, to any extent, outside of the pools and syndicates interested in the roads that issued them. These are still waiting a boom in the market for stocks, in order to find buyers.

EARNINGS OF TRANSPORTATION COMPANIES.

Transportation companies of all kinds, by land and water, as well as grain elevators and transfer companies, are literally blockaded by the enormous and general movement of all our export staples out of the country. This is true, from the farthest part of our grain-producing country to all the ports of Western Europe, both on the Continent and in the United Kingdom. Scarcity of cars and inability to forward and deliver these products promptly, is the general complaint from one end of these routes to the other, notwithstanding the highest rates of ocean freights in ten years are being paid, and all the room offered for the balance of this year, and even into 1892, has been taken at these advanced rates of 5d. to 6d. per bushel for grain, and 20s. to 25s. for flour. Nevertheless, the export demand for all our cereals has been, and is still, generally checked by the inability to obtain tonnage, even at these renumerative prices. Tramp steamers from other quarters of the globe have been brought here by these rates, but the supply is still inadequate, as the large movement of grain out of Russia continues, in anticipation of the prohibition of the export of all cereals from that country, after the new Russian loan has been placed. Another reason is, that the low prices of ocean freights, the world over, during the last five years, caused a large number of these iron tramp steamers to be tied to the dock, where they rusted out and were rendered unfit even for carrying freight and had to be broken up. This largely reduced the supply of steam tonnage, which has not yet been made up, and the prospects are that high rates for ocean freight will be maintained for some time to come. The railroads, however, have not advanced rates as rapidly as the ocean steamships, for the reason that lake rates were very low at the beginning of the crop year, and have not yet advanced in proportion with ocean rates, while the Trunk lines have followed the policy of keeping their rates down during the opening of navigation, notwithstanding the big movement of the crop, being determined to get their share of this business in, competition with the water routes. There has even been what appeared to be cutting of the schedules, or a great deal of stuff is still coming forward on "old contracts" made before the advance in rates; in fact, the Trunk lines appear to be taking through freight at considerably less than the inland and ocean rate added, in defiance of the decision of the Interstate Commission rendered two years ago, in the case of the Produce Exchange against the Trunk lines. Either this, or the railroads have been caught short on the ocean freight market, for large amounts of through grain and flour, contracted for forward delivery, before the advance in ocean rates, on which there is now an apparent discrimination in favor of through rates, equal to 10 to 25 cents a barrel of flour. It is charged by shippers of the latter staple, that flour, shipped on old contracts, made at low figures, is held back by these roads, while later shipments, at higher figures, are sent forward in the hopes that the ocean freight rates will break, and save the roads the loss at present figures.

THE MONEY AND STERLING EXCHANGE MARKETS.

Money on call closed at 3 per cent.; renewals 3½ per cent. Time money is fairly active, and lenders, both foreign and domestic, are looking for good loans at current rates. But indifferent stocks as collateral, are refused by conservative lenders. Rates on good security are 4 per cent. for thirty days, 4½ per cent. for sixty days, 5 per cent. for ninety days to four months, and 5½ per cent. for six months.

Mercantile paper is in good demand, with plenty of outside buyers, and supply is not large. Rates 5 to 5½ per cent. for sixty days' indorsed bills receivable, and 5½ to 6½ per cent. for miscellaneous. Call money in London closed higher, at 2½ per cent.; short and 3-months bills 3¼ to 3⅜ per cent. The Bank of England advanced its minimum rate from 3 to 4 per cent. on the last of October. Bar silver in London advanced to 44¼d. per ounce, and New York dealers' price to 96½ to 95¾ cents per ounce.

The Bank of England's bullion balance decreased for the last week in the month £572,000. Surplus reserve decreased £48,000, and proportion of reserve to liability was 38.52 per cent., against 37.54 per cent. the previous week, and 35.33 per cent. a year ago. The bank's gold holdings then compared as follows with the same date last year:

1891.	1890.
£22,226,383	£19,443,232

The Bank of France reported an increase of 1,175,000 francs gold and 1,000,000 francs silver, for same week. The bank's holdings in sterling then compared as follows with those of a year ago:

	1891.	1890.
Gold	£52,546,000	£47,966,000
Silver	49,998,000	49,871,000

On the same date the United States Treasury statement showed the following balances in excess of outstanding certificates: Gold, $127,846,301; silver, $3,002,803; United States notes, $3,226,833; Treasury notes, etc., $2,959,841; total, $137,035,868.

Government deposits with National banks were $15,294,668 on same date, and disbursing officers' balances, etc., $41,832,358.

Silver dollars and bullion on hand in the United States Treasury, under the act of July 14, 1890, $68,684.562, against which are outstanding in United States Treasury notes $65,724,721.

The market for sterling closed steady to firm, and the posted rates were 4.81 and 4.84½. The rates for actual business were, for sixty days, 4.80½ to 4.80¾, demand, 4.84 to 4.84¼; cables, 4.84¾. Commercial bills were 4.78¾ to 4.79, and the supply was fair.

Shipments of currency to the interior have been falling off since the middle of the month. The movement of the grain and cotton crops has already been pretty well provided for, the shipments from this city to the interior since July amounting to about $40,000,000, of which $20,000,000 went to the Northwest, and the balance was distributed South and Southwest.

Imports of gold continue at the rate of $2,000,000 a week or over, and the amount now reaches nearly $23,000,000 engaged from the other side, for New York, since the return movement began. The bulk of late, has come from the Bank of England, and the prospects of their continuance are now very bright for the balance of this crop year.

RAILWAY CONSTRUCTION IN 1891.

The *Railway Age* reports the construction of railroads in the United States, in the nine months to October 1, at 2,829 miles, and it estimates the construction for the year at less than 5,000 miles. This is the smallest addition of new track since 1885. It is probable that this estimate will exceed rather than fall below the actual construction. It says:

In our statement for the first six months of 1891 we showed that 1,728 miles of track had been laid on 139 different lines. From returns now received we find that over 1,100 miles of track have since been added and that the number of lines has been increased by 47, so that up to the 1st of October there have been laid in 1891 in the United States alone fully 2,829 miles upon 186 different lines.

Georgia is still in the lead, having added almost 200 miles on twelve different roads. The new State of Washington comes second, with 182½ miles on twelve lines, and Pennsylvania follows, with 171½ miles on seventeen roads—showing the small average of only ten miles for each. South Carolina reports 177½ miles, Alabama 159½ miles, Virginia 132 miles, and North Carolina and Tennessee each nearly 100 miles, showing that the activity which has for some time characterized the central Southern States is still continuing. There is also a healthy but cautious work in increasing railway facilities going on in the middle Western States, and even New England is continuing to make some additions year by year. The only States which thus far report no additions are Vermont, Connecticut, Delaware, Mississippi and Nevada. Kansas, in which railway building was kept up at a tremendous rate for several years, barely escapes being left out of the list by showing one little extension of two miles, while Iowa and Nebraska, in which construction had almost stopped, have each about twenty-five miles more to report.

THE PRODUCE MARKETS.

Never in the history of the grain markets has there been such a general and active demand for all classes of breadstuffs as is seen this year. Everything on the list, except flour, is in demand for spot and forward shipment, in excess of the offerings on the spot and to arrive, and of the supply of ocean tonnage to take them. This applies not only to all food cereals, but to feed also, for man and beast. Wheat, corn, oats, rye, barley, buckwheat and peas are all freely taken at advancing and higher prices than have ruled for many years. The primary cause has already been explained in the crop deficit of Europe, for all kinds of grain, but to this has been added a very important element, in the shape of prohibition of exports of both food and feed cereals from Russia, our great competitor in the grain markets of Europe. In addition to the prohibition of the exports of rye, which was made in September, corn and oats have been added to the list, resulting in the taking of fully five million bushels of the latter for exports in the last two weeks of the month. Prior to this only a few hundred thousand bushels had been taken on this crop, and that, early in the season, to supply a deficit between the old and new crops, as oats are not usually an article of export from this country, England and France drawing their supplies from Russia, which usually exports 75,000,000 to 85,000,000 of bushels of oats annually, and 40,000,000 to 60,000,000 bushels of barley, largely for feeding purposes, besides 10,000,000 to 15,000,000 bushels of corn. The shutting off of these supplies, therefore, turns Western Europe upon this country to make good her wants, and Canadian barley has been bought in bond to go through this country for export, very freely, for the same reason. Corn, meantime, has been so nearly exhausted, so far as the old crop was concerned, that exporters have been compelled to buy forward shipments of new crop, running even into next May, after having taken all the spot, November and December offerings of old that could be obtained here or in the West, at prices higher even than before the September corner broke with the failure of the Chicago clique. The urgency of the demand for these feeding stuffs for export has absorbed all the ocean freight offering, and not previously engaged, for forward shipments of wheat. Hence new business in wheat for export has been limited, and exports of that staple from the Atlantic ports this month have been much smaller than in September. Most of the new business has been done by the regular lines of steamers to the English markets, which have been comparatively free buyers of our spring wheat, as well as winter, of the hard varieties, to mix with the native English wheats, which are so soft, owing to their wet harvest, as to be unfit for grinding alone. At the close, however, of the month the Continental markets are advancing again and buying futures here, on the prospective prohibition of wheat exports from Russia. The flour market, on the other hand, has been extremely stagnant during the whole month, or for a period almost unprecedented, even in a bad export year, whereas a year ago, when the export of wheat was very slow, flour was being taken very freely for the English market. The explanation of this has been that the Continent has been the principal buyer of wheat this year, and she always buys wheat in preference to flour, whereas England was the chief buyer of our flour last year, which she generally takes in preference to our wheat. It is thought, however, that the latter markets will yet be compelled to come in and buy our flour more freely, as well as our wheat; when she has used up her purchases for forward delivery, made of the millers in the West at the beginning of this crop, at lower prices.

The provision markets have been decidedly depressed during the month, as the receipts of hogs throughout the West have largely increased, in spite of the prophecies of a hog famine for the past year, which have proven to be false. Even the packers themselves, who have been the greatest believers in this prophecy, and the greatest losers by that belief, have given up the effort to Bull hog products, of which large stocks are left on their hands from last winter's and last summer's packing, and have turned Bears, selling down the whole list, in order to get the prices of hogs on a lower and safer basis, on which to begin the new winter's packing season, on November 1st. The exports of meats, in consequence of the removal of German prohibition, have been disappointing, not over two thousand boxes, and probably nearer one thousand boxes only, having been bought for that market for spot and forward shipments since the removal of prohibition.

The cotton market has been more active the past month, following the publication of the last Government crop report and frosts in portions of the cotton belt, since then, by which the early estimates of the crop were considerably reduced. This caused heavy covering of the shorts early in the month, and some buying for long accounts, as well as a better export demand for Liverpool, based on the prospective crop shortage, compared with last year. But better weather, late in the month for picking the crop, and a heavy movement at the South from the large reserves of last crop, caused a reaction, and the market has settled back into its old dull rut again, with but a part of the advance maintained.

COAL AND IRON TRADE.

The failure of the agents of the anthracite companies to hold their regular monthly meeting, in the latter part of October, was taken by many to indicate a breaking up of the combination, and by others to mean that the demand had sufficiently overtaken the supplies to admit of unrestricted production, for the immediate future. A subsequent special meeting, however, was called, and a maximum output for November, of four million tons was authorized, which is equivalent to unrestricted production. The simultaneous drop in the stocks of the coal roads, including Reading, Lackawanna and Delaware & Hudson, gave color to the former interpretation, that all was not harmonious inside of the coal combination. Schedule prices have varied but little during the past month, but have been irregular, with plenty of cutting of schedule rates as before, and the prospects of the usual advance, in the fall of the year, seem dubious. The iron trade remains in an equally unsatisfactory condition, notwithstanding the efforts to talk and write it up, during the past two months, by the iron papers and the press generally; and, the outlook for an iron boom, in consequence of our big crops and export demand, seems likely to be dimmed and the boom deferred because railroads are not generally placing their orders for new rolling stock and equipment, as was generally expected, for the reason explained above, that most of them carry over a big deficit from the last short crop year. The stronger roads have begun to place these orders, including the Pennsylvania, the New York Central system, the Burlington & Quincy, and the Baltimore & Ohio, and its connections, as well as some of the Granger roads, and the Boston & Albany; but the demand for steel rails still remains at the minimum, for very little new track has been built this year, as shown under another heading in this article, and because the old roads are not replacing their old rails with new ones, for financial reasons, and the fact that those which laid new steel rails in the last few years do not require to replace them, for some time to come, owing to the fact that the life of a steel rail is about double that of the iron rails formerly in use.

H. A. PIERCE.

The Bankers' Convention.—The annual convention of the American Bankers' Association will be held, as announced, at New Orleans on the 11th and 12th of November. Mr. Morton McMichael, Jr., of Philadelphia, will preside over the association, and deliver the annual address, which, though brief, will doubtless be of more than ordinary interest. It must be acknowledged that too many of our bankers are so deeply immersed in the management of their institutions that they have no inclination to investigate thoroughly questions of finance and banking. Of course there are some noteworthy exceptions, and Mr. McMichael is one of them. Other addresses will be delivered on timely subjects, by persons of special fitness to treat them. The time of the year is most favorable for physical comfort, though it may be that many of the bankers in the East and West cannot leave their places as conveniently as they could at an earlier or later day. Of the well-known hospitality of the Southern people nothing need be said, and those who go may confidently count on having a profitable and enjoyable occasion.

FINANCIAL FACTS AND OPINIONS.

Increase in National Banks.—Notwithstanding the reduction in United States bonds, the number of National banks is increasing. The total increase for the year ending with September has been 214, which have a total capitalization of $23,240,000. This increase was not quite so large as that during the previous year, but exceeds that of any other since 1883, as will be seen by examining the following table:

Year.	*Number.*	*Capital.*	*Year.*	*Number.*	*Capital.*
1883	262	$28,654,350	1887	225	$30,546,000
1884	191	16,042,230	1888	132	12,053,000
1885	145	16,938,000	1889	211	21,240,000
1886	174	21,358,000	1890	307	36,250,000

The chief increase, as for several years past, has been in the West. The new banks in New England during the past year have been only five, with a capitalization of $450,000, while New York and New Jersey have added only ten, with a capitalization of $1,750,000. Illinois stands at the head of the list in the capitalization of her new banks during the past year, while Texas stands at the head by the side of Pennsylvania in the number of new banks. Each of the latter States has 21 new banks. Iowa and the new State of Washington come next, with 13 each. Nebraska and Kansas, the two States which have been most severely swept by the Farmers Alliance movement, have respectively 11 and 8 new banks. The country west of the Mississippi, including Louisiana and Minnesota, has 114 new institutions, leaving only 100 to the eastern country. The following is the list by States of the number of new banks incorporated, and the aggregate capitalization:

State.	*Number.*	*Capital.*	*State.*	*Number.*	*Capital.*
Alabama	1	$50,000	Missouri	6	$1,950,000
Arizona	1	50,000	Montana	7	615,000
Arkansas	1	50,000	Nebraska	11	1,160,000
Colorado	3	350,000	New Hampshire	1	50,000
District of Columbia	1	200,000	New Jersey	1	50,000
Florida	4	200,000	New Mexico	3	150,000
Georgia	3	350,000	New York	9	1,700,000
Idaho	1	75,000	North Carolina	3	150,000
Illinois	12	2,850,000	North Dakota	4	250,000
Indiana	1	100,000	Ohio	6	950,000
Indian Territory	1	50,000	Oregon	4	410,000
Iowa	13	1,825,000	Pennsylvania	21	1,300,000
Kansas	8	710,000	South Dakota	6	350,000
Kentucky	7	615,000	Tennessee	3	450,000
Louisiana	2	100,000	Texas	21	1,870,000
Maine	1	50,000	Utah	3	350,000
Maryland	6	1,150,000	Virginia	5	400,000
Massachusetts	3	350,000	Washington	13	800,000
Michigan	4	385,000	West Virginia	2	185,000
Minnesota	5	250,000	Wisconsin	5	400,000
Mississippi	1	50,000	Wyoming	1	50,000

Registration of Bank Stocks.—Since the fraudulent issue of the shares of the Keystone and Spring Garden National Banks of Philadelphia, the question has been discussed concerning the desirability of registering bank shares in order to guard against such frauds. The Stock Exchange requires that all listed stocks shall be registered, and if bank stocks were also registered at some recognized place, it is obvious that there would be less danger of over-issues. It is true that frauds of this nature have been rare, yet recent events show that it is possible to perpetrate them. Registration is one of the best safeguards that has been devised; it can be easily done, and is worth the attention of bankers who seek to have their institutions command the largest possible confidence.

The Liquidation of Failed Banks.—While the statistics show that banking is one of the most secure of all kinds of business, and involving the fewest losses, yet they sometimes occur. This year there has been an unusual number of them, nevertheless a few figures concerning the small percentage of loss in proportion to the amount of capital invested are worth giving. For example, on the 2d of October there had been established 4,465 National banks, with an aggregate capital of $677,406,000. Of these banks only 3.12 per cent. have gone into the hands of receivers, involving, on the average, only one-seventh of one per cent. of the capital per annum. But whenever failures do occur, it is in the interest of good banking that liquidation should take place as speedily as possible and at the smallest expense. Bankers everwhere have a common interest in the establishing of a system whereby these ends can be secured. Every business man knows that failures are inevitable, and it is important, not only to guard against them, but to endeavor to get as much as possible out of a wreck whenever it occurs. It is one of the weak things in banking, though not wholly confined to that business, that whenever banks fail the way is often long and costly to realize anything from the assets. California seems to be as derelict in this regard as some other States. It is stated that over ten millions have been deposited in banks in that State which have failed and remained in the course of liquidation for several years. It is further stated that, instead of liquidating, those who have had charge of the assets have speculated in lands on which money was loaned or mortgaged, and have otherwise conducted a general banking business. Indeed, it is said that, of the several institutions which have thus failed, only one, the Masonic Savings Bank, has paid any considerable portion of the amount due to depositors. To remedy this state of things the last Legislature enacted a law whereby the courts, on the application of a stockholder, can dissolve the bank in the manner provided by law. The act further provides:

Sec. 2. It is hereby made the duty of every person or corporation holding funds of any savings bank or trust company, or bank of deposit, at the end of five years from and after such bank has ceased to receive deposits or do business, to pay the same into the State Treasury, which money shall be held in the State Treasury in a fund which is hereby designated as "The Dissolved Savings Bank Fund," and at the same time it shall be the duty of such person or corporation to furnish to the State Controller a list of the names of all depositors to whom said moneys belong or to whom said bank owes the same.

Sec. 3. The money in said "The Dissolved Savings Bank Fund" may be drawn out on the warrants of the State Controller issued on proofs of ownership, approved and allowed by the State Board of Examiners.

Sec. 4. All moneys paid into the said "The Dissolved Savings Bank Fund," uncalled for within five years after being paid in, shall escheat to the State, and thereafter only drawn out in such manner as now provided for by law for the estates of deceased persons escheated to this State.

Sec. 5. That any person or corporation failing to comply with the provisions of this act shall be liable to the State of California for the amount of money so retained by them contrary to the provisions of the first four sections of this act; and the Attorney General of this State is hereby authorized, empowered and directed to bring action, in the name of the people of the State of California, in such manner and upon the same terms as now provided for escheated estates, to recover judgment for said money, and when so recovered, to be paid into the State Treasury and held subject to the provisions of this act; provided, that said fund shall be liable for the expense of the recovery of the same, to be paid out upon demands audited by the State Board of Examiners.

Sec. 6. Whenever, and as often as there is in the State Treasury to the credit of the said "The Dissolved Savings Bank Fund" the sum of ten thousand dollars, the State Board of Examiners must invest the same in civil funded bonds of this State, or in bonds of the United States, or in bonds of the several counties of this State; the investments to be made in such manner and upon such terms as the board shall deem for the best interests of the said "The Dissolved Savings Bank Fund"; provided, that no bonds of any counties shall be purchased of which the debt, debts or liabilities at the time exceed 15 per cent. of the assessed value of the taxable property of said county.

It is affirmed that by virtue of this authority the Attorney General intends to execute the law. With this end in view, he has had the books of the various failed banks examined and has learned that their managers have transacted a large business without displaying a corresponding activity in paying dividends. He has, therefore, begun proceedings to have the institutions dissolved and the funds turned over to the State, thus taking them from the possession of those who have been managing them so long.

The New York Banks and the State Deposits.—A lively breeze is blowing in New York over the conduct of the State Treasurer in depositing $2,000,000 of the State funds in several banks at the rate of two per cent. The appropriations for the current year having all been made, and having a surplus of over $2,000,000 in the Treasury, there is no danger that any portion of this sum will be needed for the purposes of the State. Consequently, the banks which have this deposit are certain that the Treasurer will not check it out on a warrant from the Comptroller. In short, the money is a long-time deposit, and had the Treasurer a desire to add to the resources of the State he could have obtained, when first the deposit was made, at least four per cent. from reputable banks had he given them an opportunity to bid therefor. Of course, the banks that have obtained these deposits at the rate they pay are not to be blamed; it is a purely business operation; it is their duty to obtain deposits on the most favorable terms; but the State has reason to complain of the conduct of their Treasurer, and so have the other banks. There is only one way of dealing with public deposits—to offer them to the highest bidder that can furnish the security prescribed by law, or which ought to be exacted for their safe keeping. There are many millions of public deposits in banks throughout the country; and it is quite time the mode of keeping them should be better regulated. They ought to be made on the conditions above mentioned, and banks everywhere ought to have a right to compete with each other for them. Any system of favoritism whereby some banks can get them on better terms than others is wrong. The banks should move in this matter, for their own profit, as well as the public good. They have been very slow thus far in competing for the deposits of States, cities, and public corporations, evidently despairing, under the reign of politics, of succeeding. All banks have a similar interest in getting all the deposits they can, and on the most favorable terms. Let them seek to have laws enacted whereby public deposits shall remain, at all times, as public property to be deposited with the banks or bankers that will give the best terms and securities. There is no reason why the banks should not seek to have such legislation enacted, or systems established, as shall enable them to compete fairly with each other for these deposits as much as for any others.

Unprofitable Banking.—On several occasions we have considered this subject, and the causes of it. One of them is the existence of too many banks in some places. The business is peculiar in some respects; its growth is restricted by well-defined conditions. Bankers are not engaged in a productive employment like manufacturers or farmers. They cannot manufacture deposits, or securities, or discounts. They put capital into a business, and then they accumulate whatever deposits a community may have, and with these resources they seek to accommodate the needs of borrowers. If the business is done by half a dozen banks in a community, it is quite evident that, if the number be doubled, the business of each must be very much lessened. New business cannot be created by multiplying banks. A Detroit banker has been expressing himself on this subject in the Detroit *Times*, and his remarks accord so fully with what we have said, that we reproduce them:

Detroit contains no fewer than twenty-eight banking offices. Of these, eight are National, fifteen State, with two branches, and three private. This spreads the seven millions of capital involved over a very wide surface. It is the prevailing opinion that, if this capital were concentrated in one-half the number of banks, the same business might be conveniently transacted, the public as well served, and a large amount of money saved that is now annually paid out in rent and clerk hire. The business men and stockholders are now forced to stand the brunt of this outlay, and it is causing considerable dissatisfaction. Several of the leading bankers discussed the advisability of consolidating a number of the smaller banks, so as to reduce the total number in Detroit at least one-third. Buffalo has but twenty banks, including all savings institutions, with a total capital of about $5,000,000. The savings banks in that city stick close to that line of usefulness, and do not attempt to transact a general commercial business. In Detroit, the only savings bank, perhaps, which does not transact what may be termed a general banking business is the Wayne County. Cleveland has a total of thirty-one banks, but of this number nine have a capital of $50,000 and less. Milwaukee has but ten banks, with a capital of $2,000,000. The establishment of new banks seems to have been the order of the day in Detroit during the past year or two, and the prevailing opinion among the older bankers is that the line will very soon have to be drawn.

Bank Statements.—It cannot be denied that, notwithstanding their worth, they are in some respects misleading. It is asserted that the most conservative banks publish statements which do not express the entire value of their assets, while banks of a different type are inclined to exaggerate their value. Thus, the more conservative banks, instead of stating the marketable value of their securities, sometimes give only the par value, which may be much less. The remarks of a Detroit banker on this subject, which appeared in the Detroit *Times*, are worth giving. After remarking that in the statement of a leading bank, in which interest on investments, accrued and uncollected, to the amount of $50,000, had been left out of the showing altogether, he continued:

In the same statement, the amount invested in bonds was shown at its par value, while the marketable worth of the same was fully $230,000 in excess of that amount. Revising the statement of this particular bank, the security afforded creditors would show a valid and honest gain of $280,000. This was cited as a common instance of how banks which have reached a point of independence in the matter of working capital do not always place their "best foot forward" in giving the general public an insight into their resources.

It is also claimed by many of the Detroit banks that the furniture and fixtures of a financial institution should not be reckoned as assets, except in the case of very new banks, and in these instances they should be charged off just as rapidly as possible.

In other instances the published statements include all the marketable value of the stocks, bonds, and mortgages, and not only the interest accrued to date, but the interest for the full time they were to run. The difference between the current value and the value with the interest to maturity had been credited to the profit and loss account, and the discount on the loans and discounts for the unexpired time had been also anticipated.

The anticipation of discounts is almost an universal custom among the bankers in this country, but, in my opinion, it is wrong, and should be allowed for in a careful examination of a bank's statement. You will see by the two instances which I have given you, just how wide a difference there is regarding what is included in published bank statements. I think the matter is a serious one, and should be remedied.

The attention of the Michigan Bankers' Association was called to it at the last annual meeting, and it is probable that some action upon the subject will follow. I know of a small bank which made no provision in its published statement for bad and doubtful debts, although it at the time had nearly $20,000 of past due paper, of which not less than one-half was positively hopeless. Neither had this bank made any provision for accrued interest on deposits, amounting to $7,310.

"Who is responsible for this condition of affairs?" was asked. "The blame cannot be laid upon a rascally bank official, for in the cases cited rascality does not exist," was the reply. The statements were formulated by honest but inexperienced cashiers. These statements contain features which are encountered by National and State examiners in nearly every bank in Michigan—as well as other States—and yet no one of them is regarded as serious.

We have reached a point where attention should be directed to the unsatisfactory information derived from examining the published statements of banks. These statements should enable the public to know the real condition, or at least the most conservative condition, of the banks with which they deal. To summarize, these published statements should show:

No assets in excess of actual value at date of publication; past due and doubtful assets held in loans and discounts, and stocks, bonds, and mortgages; anticipated future interest, or other future earnings, not realized, but credited to profit and loss account; that interest accrued to date be included in the amount of deposits; accounts of real estate and furniture and fixtures shown separately; and that dead and absolutely worthless accounts, like taxes, interest, and expenses paid, be omitted, and deducted from undivided profits.

With these rules as a basis, the published bank statements would really set forth something like the true existing financial condition of the respective banks.

Bogus Investment Companies.—One of the consequences of these is the falling off of savings bank deposits in some of the States infested by these institutions, especially Massachusetts and New Hampshire. The laws in those States throw the most careful restrictions around the investments of savings banks, for the purpose of making them as safe as possible to investors; notwithstanding these, persons are enticed by the prospect of large and speedy gains, into the bogus companies, which, of course, after a short duration come to an end. In Massachusetts the bank deposits have fallen off nearly seven millions in two years, largely, it is believed, through the bond and endowment schemes of insurance by which persons were guaranteed a return of three or four times as much as they paid within a short time after making their first payment. Legislatures and the courts of late have been active in putting an end to these swindles, but those who have perpetrated them seem to have transferred their place of operations to New York. Let us hope that with the exposures which have been made that their life will be short in that State.

Government Auditors.—Secretary Foster says that there is too much red tape in the Treasury Department, in which is included the Auditors. They are regarded as useless intermediaries between the disbursing officers of the Government and the Comptrollers, who have the final revision of accounts. He is reported as saying that the Auditor is a fifth wheel to a wagon. "I never could see the need of Auditors when we have also Comptrollers. What is the good of the Auditor? He is only a useless intermediary between the disbursing officers of the Government and the Comptrollers, who alone have the final revision of accounts. He is a fifth wheel to a wagon, a pump in a graveyard, an utterly needless appendage in an already too complex and intricate system. There are five Auditors at $4,000 a year each, with a corps of clerks, heads of divisions, etc., and the work of all seems to me to be needless, for everything they do has to be all gone over again by the Comptrollers." Doubtless the Secretary is right from one point of view. The work of the Auditor is done by the Comptroller, and if it were properly done once there is no need of testing its accuracy. The same thing may be said of the naval office, which forms a part of the machinery in the collection of customs at some ports. The work done in the naval office is simply a repetition of that done in the other. The reason for having the office is to correct errors, or to discover irregularities in the accounting by the first set of officers. For the same reason the double accounting system of Auditors and Comptrollers was established by the Government. The theory of the office is, that every set of men who are engaged at the same work operate as checks on each other, detecting irregularities, frauds, etc. For the same reason, in the depositing of money with the Government and drawing it out, elaborate machinery has been established, the warrants going through several persons, each operating as a counter-check on the other. If the ability and honesty of all Government officials were assured there would be no need of such an elaborate system. But, as we all know, the persons who fill these offices, for the most part, remain in them for a short time; often they are not properly skilled; and occasionally prove unfaithful to their trust. As this is the real condition of things, the question is a fair one to ask, whether the present system, elaborate and costly as it is, should not be continued. The same question confronts bankers—how shall errors and irregular practices be prevented? It would be easy enough to stop some of them by establishing new offices which should operate as checks on others. On the other hand, to do this involves delay in doing business, and more expense, and so the banks make their system as simple as possible and incur the risk of losses through errors and frauds. While the Secretary is undoubtedly right in theory concerning the uselessness of Auditors, and while the same criticism might be applied to other departments of the public business, it may be fairly questioned whether the end gained by establishing such a system does not justify the delay and expense incurred in maintaining it. This also may be added in favor of continuing the system: individuals do not suffer by delays in transacting the public business as they would suffer by delays in depositing money in a bank and drawing it therefrom. Many of the naval offices have been abolished, and it may be that the Auditor's offices could also be abolished without impairing the efficiency of the public service. Perhaps a movement of this kind might be made by referring a portion of the accounts directly to the Comptrollers for settlement, and thus extending the system gradually until nothing was left for the Auditors to do.

A Buffalo Banker on the Silver Question.—Among the bankers who have considered this question with vigor and intelligence is Mr. William C. Cornwell, cashier of the Bank of Buffalo. He has delivered an address before the Merchants Exchange of that city which has been republished, and from which we make the following extract. After discussing the bill of 1890, Mr. Cornwell explains why so many people are for it, in the following language: "It is because so little is known of the science of money, because finance is a profession by itself, because the man who is successful in other business is not necessarily at once a banker. In other words, money requires a life-long study in order to be understood. Now the men who represent us at Washington are merchants, lawyers, contractors, soldiers, mine owners—but very few of them are financiers in the strict sense of that term—men who have made the study of finance the study of their lives." The dangers of the bill of 1890 are thus summed up: "Under the silver bill of 1890 we are converting 54,000,000 of bullion into Treasury notes every year, and slowly but surely driving out gold. I have called your attention to the alarming fact that for the first time in many years we have begun to import silver. We have also begun, in the last three years, to export gold heavily—over $60,000,000 have gone out in that time. The gold in the Treasury is steadily sinking. We must, then, to regain lost ground, go back to our position before a doubt about silver existed." As the margin of gold is rapidly narrowing in proportion to silver, how can any one fail to see that unless the present policy is changed a slide from the gold to the silver standard is inevitable.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONTINUED.]

Upon the advice of Mollien himself (who would have expected it after what has just been read!) Bonaparte executed in favor of *his* bank a financial *coup d'état*, the counterpart of the XVIII. Brumaire. By the law of Germinal 24, year XI. (April 14, 1803) he confiscated the right of issue in order to bestow it upon the bank with the portfolio we know of. The thing was done speedily, as is suited for such base acts. On Germinal 19 the consular Government brought up its proposition, on the 21st the Tribunat took notice of it, on the 24th the Corps Législatif approved it, and on the following Floréal 4 (April 24), a Government decree promulgated the law. Time was given until Vendémiaire 1 (September 24) to the Caisse d'Escompte du Commerce, the Comptoir Commercial, the Factorerie, and other associations issuing notes in Paris to withdraw them from circulation. The Bank of France is invested for fifteen years, beginning with Vendémiaire 1, year XII. (September 24, 1803), with the exclusive privilege of issuing bank-notes. Its capital is raised to 45 million francs. The fact of being a stockholder no longer gives one a special right to the bank's discounts; it was not so previously, and Mollien, very justly, protested against this often abusive privilege of the silent partners. In the general meetings every member has now but one vote, whatever may be the number of shares he owns. We may skip other details and come down to facts. How was this transformation of the common law into an exclusive privilege accomplished? Alas! as it is always accomplished, by force. If the official proceedings of the Bank of France be consulted, everything went as if on wheels. The union of the Caisse d'Escompte du Commerce with the Bank of France was effected *fraternally;* this is asserted by one of the censors, M. Journu-Auber. We read, however, in some "Observa-

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

tions de la Caisse d'Escompte du Commerce," dated Floréal 24, year X. (May 14, 1802), the following passage: "You have a paid-up capital of thirty million francs and a circulation of thirty millions likewise, and we, on six million francs paid up, have issued notes to the amount of twenty million francs. The unity of banks is not, therefore, so desirable for the public as you pretend." But how was the eloquent argument of force to be resisted? It was necessary to liquidate, and the general meeting of the stockholders declared for the dissolution of this bank. A good share of the stockholders was called upon to take stock in the Bank of France of the lot of 15,000 shares proceeding from the increase of the former corporate capital.

This same lot served to buy out the interests of the stockholders of the Comptoir Commercial. The Bank of France informs us that "The Comptoir Commercial has become a stockholder of the bank to the total amount of its capital, and, nevertheless, by *wisely* combined arrangements and *reciprocally* helpful conditions, it continues to be a discount office for its stockholders, etc." The fact is that it bowed its head before the storm, and, thanks to this politic resignation, it was enabled to continue its life.*

The Factorerie did the same. It was obliged to. It is said that another one resisted, claiming that the common law cannot be confiscated by a law, even should everybody be for it except the sufferer. Tradition relates that a platoon of grenadiers was sent to hasten its liquidation. Whether force was represented in one way or the other, it was always force, and this time *might was right.*

At last the Bank of France is the only one (in Paris at least); it has no longer to endure any competition. Now, does all go well? We shall see.

"In December, 1805," wrote J. E. Gautier, at the time he was assistant-governor of the Bank of France, "in December, 1805, of the 97 million francs of discounted paper contained in the portfolio, eighty millions were in bonds of the receivers general, taken at six per cent., and if the bank had tried to discount them, nobody would have accepted them even at twelve per cent.!" This situation, which the report of the President of the Bank of France, J. F. Perregaux (the father-in-law of Jacques Laffitte), takes good care not to acknowledge, led the Bank of France to suspend partially the redemption at sight of its notes. Believing it was doing the Treasury a service, the Bank of France had

* After the Caisse d'Escompte and the Comptoir Commercial had been satisfied, the remaining shares (9,306) were assigned to the former shares at the rate of a new one for four old ones. There still remained some which were sold, after reserving 159 of them for correspondents or officials.

imprudently allowed itself to discount considerable amounts of bills, to the order of the Treasury, to the *Compagnie des Négociants Réunis*, while this association, on the other hand, disposed of funds that were to serve for the redemption of the bonds of the receivers general, of which the bank, as we have seen, had a large part in its portfolio. Against these time bills the bank had put out bank-notes, payable at sight, and the result was an exaggeration of its note circulation, an exaggeration compared with the public's habitual needs.

The surplus of notes issued came back naturally to be redeemed, and hence the crisis. The Minister of Finance, to help the bank in its distress, authorized it, from October 6, 1805, to redeem only 600,000 francs of notes a day. They lost 10 to 15 per cent.

The victory of Austerlitz came at the right moment to give a diversion to the current of public opinion. The Bank of France had time to call in from the departments specie in exchange for bankable paper. Confidence was restored, and the Bank of France was able to resume, January 25, 1806, the exchange without limit of its notes for coin.

Did it profit by this lesson? Not at all. The only thing thought of was to give the Bank of France a *stronger* constitution. For this purpose its capital was doubled. Then it was too free, and there was the difficulty! In order to cure it a governor was inflicted on it, flanked by two assistant-governors, all three appointed by the State, and the first man the Bank of France had the honor of having for governor was Crétet, the president of the Council of Ancients on the day Vendémiaire 9, year VI., September 30, 1797, when that assembly voted the law that reduced the rentes to a third. Crétet, a councilor of State, understood nothing, moreover, about commercial matters; but he was a Government man; and that was all that was wanted.

The new governor was desirous of sounding his note in his first report (extra general meeting of May 13, 1806). There we read: "In the present state of commerce the bank's capital would be more than satisfactory, if, *by a system already condemned*, it had to confine its business to the limited discount of paper offered by commerce. I say that this narrow system has long since been condemned, since the bank has *never ceased* to apply the most extensive part of its resources to the discount of negotiable paper possessed by the public Treasury; it has not had cause to regret this extension of its operations, without which its capital would have remained idle.—More enlightened concerning its true interests, the bank must step out of the exceptional measures that false prepossessions and bad calculations inspired in it. At any time has it been supposed that it should only be commercial? No, for in that case it would have required but a small capital proportioned merely to the discount necessities of the Paris merchants. On the contrary, the bank was always destined to be general.—The Bank of France was instituted in the year VIII. by the Genius who even then foresaw how much service it would some day be able to render.—Far from us be these terrors, this exaggeration of prudence, and all the false prejudices which accompany them; the Bank of France shall be general and national, etc., etc."

Let us translate all this administrative pathos into commonplace language. "The bank has got to the point of suspending its payments on account of having filled its portfolio with Treasury paper; a remedy is needed for this state of things. We are going to double this institution's capital for the sole purpose of increasing and developing its relations with the Treasury. No more prudence, no more reserve; that is out of date. No more assertions that we are called into being in order to help commerce. Let us tear off that veil; it is no longer of any use. We are, before everything, a discount office for Government paper; we are a part of the Treasury department's machinery. Stockholders! do not protest on the ground of experience (another old idea); dividends will be given to you, and let that suffice for you; do not ask at what price. Slumber in peace; we will keep watch for you."

The law of April 22, 1806, which endows the Bank of France with a government, begins by prolonging for twenty-five years more this institution's exclusive privilege already prolonged for fifteen years, three years before. That made forty years extension of its duration, going from 1803 to 1843. The capital was doubled and carried up to ninety million francs. In reality this figure was never reached (eighty-one to eighty-two millions was the maximum in 1810–1811); redemptions reduced it, bringing it down, in 1817, to 67,900,000 francs, at which figure it remained until 1848.

Crétet did not stay governor long; on August 9, 1807, he was replaced by Joubert; another councilor of State, another man unversed in commercial affairs, another tool.

It has surely been noticed that in all this we have only spoken of Paris. The exclusive privilege, indeed, did not extend outside the capital's encircling wall. The law of Germinal, year XI., even, left expressly to the Government (art. 31) the right of granting to department banks the privilege of issue. The law of April 22 1806, while confirming the law of the year XI. in everything it contained not contrary to its own text, approved tacitly of the same right in favor of the State. While waiting for the local banks, the fundamental statutes of 1808, a direct consequence of the law of 1806, were followed by a decree having for its object the organization of offices to be opened by the Bank of France in the departments. Three offices were, in consequence, established at Lyons and Rouen in 1808, at Lille in 1810. We may remark that the Rouen office was merely a continuation of a Société Générale du Commerce de Rouen founded on Floréal 5, year VI. (April 24, 1798). How did this free and flourishing bank come to be effaced to make way for a branch office of the Bank of France? This we have not yet been able to discover. Neither the decrees of transformation, nor the annual reports of the government of the Bank of France or of the censors say a word to betray the mode of succession. The general council of the Bank of France settled it; let that be enough for us.

We may remark, however, that M. Cunin-Gridaine, then Minister of Commerce, in explaining the reasons of the law of June 5, 1842, which prolonged the privilege of the Bank of Rouen (that of 1817), said, in speaking of the Société Générale du Commerce de Rouen: "The creation of a discount establishment, enjoying a solid credit, restored confidence immediately, gave regularity to payments, and made the price of money fall."

On the other hand, the discount branch office established in this city by the Bank of France could not "find in the movement of business a support in proportion to its expenses, and it was suppressed after considerable losses." This is instructive.

These branch banks did not long survive the Empire. The Bank of France had not yet administrative power enough to impose its will upon the departments. Besides, being more a State bank than a commercial bank, it had no serious reason to spread itself outside of Paris.

Was the official system imposed by the laws of the year XI. and of 1806 more favorable to this institution and to the country than the free system would have been? The following figures will show that.

The Caisse d'Escompte of 1776 had the good luck to have no exclusive privilege. Let us compare its first eleven years with the first eleven years of the Bank of France.

The Caisse d'Escompte, from 1777 to 1787, with a capital of only 15 million francs, discounted 2,340 million francs of purely commercial paper; annual average, 213 million francs, or fourteen to fifteen times its capital; it paid too on the said capital an annual average dividend of 8 4-5 per cent. Its circulation was about 100 million francs, or six times the amount of its capital.

The Bank of France, from 1800 to 1810, with a capital of 30, 45, then 90 million francs (average 61 millions), discounted 4,878 million francs of paper that we cannot call purely commercial after Crétet's confessions and Mollien's revelations; or an annual average of 444 million francs, or 7⅓ times its capital; the average dividend was 8¼ per cent. a year. The circulation was also about 100 million francs, or only once and a half the amount of its capital.

The free Caisse d'Escompte, therefore, relatively to its capital rendered commerce two to three times more service than the Bank of France, a privileged establishment, if one may call a service to commerce the discounts of the Bank of France at this epoch.

Let us now pass to the parliamentary period that followed the fall of the First Empire.

[TO BE CONTINUED.]

VERBAL ACCEPTANCE OF CHECK.

SUPREME COURT OF NEBRASKA.

Farmers & Merchants' Bank of Shelby v. *Dunbier.*

A verbal acceptance of a check by the drawee is valid and binding as if the acceptance was in writing.

NORVAL, J.—This suit was brought by Peter Dunbier against the plaintiff in error upon a check drawn by J. B. Neff upon the Farmers & Merchants' Bank of Shelby, in favor of Peter Dunbier, which it is alleged was accepted by the bank. Verdict and judgment for the plaintiff below in the sum of $352.25. The bank denies that it ever accepted the check. The case turns upon the question whether the evidence establishes a valid acceptance of the check by the bank. It appears from the record that on the 2d day of April, 1889, Peter Dunbier contracted some cattle to J. B. Neff, who tendered in payment of the cattle a sight draft drawn by him upon Dorsey Bros. & Clifton, South Omaha, which Dunbier declined to accept. The next morning, before the cattle were delivered, Dunbier and Neff went to the Farmers & Merchants' Bank of Shelby, and saw the cashier, Mr. Anel, who paid to Dunbier, for Neff, $1,000 for the $832 yet unpaid on the purchase price. Neff gave a check to Dunbier upon the plaintiff in error. The cashier filled out the check, and handed it to Neff to sign, who, after signing it, returned it to Mr. Anel, the cashier, and he gave it to Mr. Dunbier. The defendant in error testified that he then asked Mr. Anel if the check was right for $832, who replied, "Yes, sir; that check is right. I guarantee you that I pay you that in two days." It also appears that after receiving the check the cattle were delivered to Neff, and the delivery would not have been made had the cashier not promised to pay the check. On the 5th day of April, 1889, the cashier paid Mr. Dunbier $500, and the same was indorsed upon the check. The bank refuses to pay the balance. L. S. Anel, the cashier of the bank, in his testimony states that he never agreed to pay the check; and to the same effect is the testimony of Mr. Neff, given by deposition. Mr. Anel also testified in answer to questions as follows: "Question. When did you next see this check? Answer. I saw it, I think it was, the next day, about three o'clock. It was either the next day or one or two days after. Q. Who had it? A. Peter Dunbier. Q. Relate the circumstances. A. He came to the bank, and asked me if I had heard from Mr. Neff. I told him we had; that he had telegraphed us from South Omaha to draw a draft for $1,500 on Dorsey Bros. & Clifton; and I told Mr. Dunbier I could pay him $500, and keep out the $1,000 I had paid him two days before. Q. What did he say? A. I said, 'This is not all he owes you. Will you take this $500?' And he said, 'Yes.' He said he would take it; that it amounted now to $1,500. He took it, indorsed it on the check, and said, 'I'll sue the bank if you don't pay it right away.' That Mr. Neff said we would pay him. I told him I had agreed to pay it as soon as Mr. Neff sent us the money from Omaha—the cash to pay the check off—and the $500 was all he had sent to pay on the check. I paid him that much, and told him I would pay the rest as soon as Mr. Neff sent the money. Q. Has Mr. Neff ever sent you the money? A. No, sir; he never sent the money." The testimony is hopelessly irreconcilable. The plaintiff's testimony is in nearly all its material parts contradicted by two witnesses. It is obvious that Dunbier and Anel were each interested witnesses, and it cannot be successfully claimed for Neff that he was disinterested. He states in his deposition, in response to a question if he was in any way interested in the outcome of the trial, that "the interest is to me this way: If Anel pays it, I would have to pay. I would not want him to lose any money out for nothing." The jury, by their verdict, under proper instructions, decided on the conflicting evidence in favor of the plaintiff below, and the testimony introduced on behalf of the bank was not of so conclusive a character as to warrant us in disturbing the verdict. We think the evidence was sufficient to justify the jury in finding that the bank verbally accepted the check, and agreed to pay the same within two days, and that Dunbier was thereby induced to deliver the cattle to Neff. The agreement of the bank to pay the check was not the promise to pay the debt of another, but was an original promise, and was valid, although not in writing. The delivery of the cattle to Neff was a sufficient consideration for the agreement. Credit was given by Dunbier to the bank, and not to Neff. The statutes of some of the States require that the acceptance of a check should be in writing, and therefore in such States a verbal acceptance will not answer. But when, as in this State, the rule of the common law on that subject is in force, the verbal acceptance of a check by the drawee is valid and binding. (1 Pars. Notes & B. 281; *Mason* v. *Dousay*, 35 Ill. 424; *Sturges* v. *Bank*, 75 Ill. 595; *Jarvis* v. *Wilson*, 46 Conn. 90; *Spaulding* v. *Andrews*, 48 Pa. St. 411; *Dunavan* v. *Flynn*, 118 Mass. 539.) For the reasons stated the judgment is affirmed. The other judges concur.—*Northwestern Reporter*.

EFFECT OF PAYING A FOREIGN BILL.

SUPREME JUDICIAL COURT OF MAINE.

First National Bank of Skowhegan v. *Maxfield*.

Waiver of demand and notice by the indorser of a foreign bill of exchange is invalid, under Rev. St. c. 32, § 10, unless in writing, and signed by him or his agent.

When commercial paper has been paid by the party whose debt it appears to be, it becomes commercially dead, but is evidence in the hands of the payor to charge the real debtor.

A foreign bill, presented for payment by the holder, a Boston bank, to the acceptors, on the last day of grace, and surrendered to them, as paid, in exchange for their check on another bank where they had funds, but who failed before their check was there presented on the next day, was thereby paid, and became commercially dead.

Such bill thereafter remained evidence in the hands of the acceptors, who had so

paid it, of "money paid" for the accommodation of the payee, shown to be merely a borrower of the acceptor's credit, and not a holder for value.

The acceptor's claim for money so paid may well be assigned in equity to the bank that originally cashed the bill, by a delivery of it, so as to be a good consideration for a mortgage to such bank to secure the debt from the payee, the real debtor.

The payee, by giving such mortgage, merely secured his own debt; and a representation to him, by the bank, as inducement to give the mortgage, that the bill was unpaid, though untrue, is harmless, and not fraudulent.

A National bank, under the laws of the United States, may take and hold such mortgage.

HASKELL, J.—The controversy is between two creditors of the same debtor striving to collect their respective debts out of property insufficient to pay both, the plaintiff under a mortgage and the defendant under an assignment growing out of an attachment made subsequent to the mortgage; so the question is whether the plaintiff's mortgage is valid.

It is admitted by the record and by briefs of counsel that the title to certain wool covered by the mortgage was in one Tinkham, the mortgageor, at the time the mortgage was given; and the case must be considered in the light of this admission that the parties have solemnly made, regardless of considerations that might arise from the record without it.

August 2, 1889, Tinkham, the owner of the wool, received from one Buckley, the agent of Brown, Steese & Clark, wool merchants in Boston, a sight draft upon them for $4,000 drawn by Buckley, payable to Tinkham's order, to put him in funds for the purchase of wool that should ultimately become the property of that firm. The draft, therefore, was a loan of credit by Brown & Co. to Tinkham—a pure accommodation; for it is admitted that the wool he purchased with the funds became his own.

August 2d, the same day, Tinkham discounted the draft at plaintiff bank, which sent it for collection to its correspondent, the National Exchange Bank, in Boston. On the next day that bank presented the draft to Brown & Co., and they accepted it, so that it fell due on the last day of grace, August 6th. That day Brown & Co., the acceptors, took the draft from the bank, and gave in exchange their check on the National Bank of Redemption in Boston, where they had funds. The draft was stamped by the bank "Paid," before it was delivered to the acceptors, as customary in such cases. The Exchange Bank retained the check until the next day, August 7th, when, on presentment, payment of it was refused, meantime Brown & Co., the makers, having failed. Thereupon the Exchange Bank regained from Brown & Co. the draft, agreeing that, on three days' notice, it would either return the draft or the check, as it might elect to do. No such notice appears to have been given, nor does either the draft or check appear to have been returned.

August 8th, the next day after the Exchange Bank regained the draft, the plaintiff bank received it by mail, with a letter of advice, saying that it was unpaid and returned without protest, trusting "that you can arrange the matter without loss to us." Thereupon plaintiff's cashier, who says he did not notice the stamp of "Paid" on the draft, the impression being indistinct, informed Tinkham that the draft had not been paid; and he, supposing that to be the truth, on the 14th gave his note for $4,000 to the plaintiff bank, and a mortgage on the wool to secure the same. Afterwards the defendant sued Brown & Co., and trusteed Tinkham as their debtor, who transferred and delivered the wool to the defendant, he having full knowledge of plaintiff's mortgage then duly recorded. The plaintiff sues for the defendant's trover of the wool.

The draft was a foreign bill of exchange, being drawn in one State and made payable in another. Tinkham appeared to be an indorser whose liability was contingent, to become fixed by protest only. It is provided by Rev. St. c. 32, § 10: "No waiver of demand and notice by an indorser of a promissory note or bill of exchange is valid, unless it is in writing and signed by him or his lawful agent." When commercial paper is paid by the party whose debt it appears to be, it becomes *functus officio*, commercially dead, and no longer retains the character that it originally had. It is then but evidence of the transactions of its commercial life; and the party seeming to be the promisor, who has paid it, may use it as evidence, in connection with other proof, to compel the real debtor to pay it. So, in this case, if Brown & Co. paid the draft, it ceased to be commercial paper, and became evidence in their hands to hold Tinkham for the amount of it; actually but a loan to him.

It is urged that the draft was not paid by Brown & Co., the acceptors, but that contention cannot prevail. When it matured, the holder, the bank, acting as correspondent for the plaintiff, upon receipt of the acceptor's check for the amount of it, stamped it "Paid," and delivered it to them. The Exchange Bank took the check as payment, as money, instead of money. The draft was surrendered, and not protested. It could not truthfully have been protested, for it had been paid. It is no good answer that the Exchange Bank used reasonable diligence, in that it complied with an established usage in such cases; for, should such usage obtain in Boston, it has been there adjudged not to be a reasonable usage "that one who collects a draft for an absent party should be allowed to give it up to the drawee, and sacrifice the claim which the owner may have on prior parties, upon the mere receipt of a check, which may turn out to be worthless." (*Whitney* v. *Esson*, 99 Mass. 308; *Fernald* v. *Bush*, 131 Mass. 591.)

The case of *Marrett* v. *Brackett*, 60 Me. 524, is not in point; for there the plaintiff received in payment of his note, that he did not surrender, the check of a friend of the maker, who had furnished the friend with funds for the purpose. The friend failed before the check, according to the custom of merchants, had been presented for payment; and it was held to be no payment of the note. The plaintiff was the holder of the note. He received from the defendant the check of a third party, did not surrender the note, used customary diligence in collecting the check, and, without his fault, it turned out worthless, and might well be held no payment.

The doctrines applied in the case at bar are in accord with the law as stated in *Bank* v. *Miller*, 82 Me. 137, 19 Atl. Rep. 109. The rules of mercantile law are arbitrary. Business could not be safely done unless they were. The draft in question, in the eye of the law, was paid at maturity, and became dead to the commercial world.

When, therefore, the draft had been paid by the acceptors, Tinkham's liability on it as indorser ceased, and they alone had a claim against him for money paid to his use, in satisfaction of their accommodation loan of credit to him. He was their debtor; not as indorser of the draft, for he could not so be. The draft shows that they paid their own debt; but the truth is they paid his debt, and he became their debtor for doing so.

Now Tinkham became the debtor of Brown & Co., for the wool is admitted to be his, and he could not both own the wool and not owe for the money borrowed to purchase it with. The draft is evidence of the amount of the debt; and, as Brown & Co. had become liable to the bank on their check for the amount of it, it was competent for them to assign their debt against Tinkham to the bank as security for their unpaid check. This, in equity, they did by the re-delivery of the draft, and the bank transferred the same equity to the plaintiff, that it might collect the debt from Tinkham, the original debtor; who, in giving the note and mortgage to the plaintiff bank, merely paid his own debt. He took up the draft, and his liability as debtor in the premises became extinguished. No one can ever collect the debt of him again. He paid his debt, and received the only evidence that, in the hands of another, could make him a debtor in the premises. (*White* v. *Kilgore*, 77 Me. 571, 1 Atl. Rep. 739.)

But the defendant says that he was induced to give the mortgage by deceit, in that he was told the draft was unpaid. Suppose he was. If the draft was unpaid, and had not been his own debt, he was relieved from liability upon it for want of protest, and he is presumed to have known the law. If it was his own debt, then he was liable to pay it to some one, and it could make no difference to him whether he paid it to Brown & Co. or to their equitable assignees. He paid it to the latter, and the deceit set up is immaterial. It worked no injury to Tinkham, for he did no more than he was legally bound to do. He voluntarily transferred property to the plaintiff, of which he was the absolute owner, to secure his own debt, as he might lawfully do; and he could not effectually convey the same property, afterwards, to the defendant.

That the bank was authorized, under the laws of the United States, to take and hold its mortgage, is too well settled to require further consideration.

For the rule of damages, see *Warren* v. *Kelley*, 80 Me. 512, 15 Atl. Rep. 49.

Judgment for plaintiff for $4,000, and interest from August 6, 1889.

Peters, C. J., and Walton, Virgin, Libbey, and Whitehouse, JJ., concurred.—*Atlantic Reporter*.

NEGOTIABLE INSTRUMENTS—EXTENSION—SURETIES.

UNITED STATES SUPREME COURT.

Bank of Uniontown v. *Mackey*.

An agreement in writing between the holder and the accommodation indorser of a note, by which the latter "consents that the payment thereof be extended until he gives written notice to the contrary," does not contemplate an extension by agreement between the holder and the maker only, by which the surety on the note is discharged, and the indorser prevented from having recourse to him as well as to the maker.

Where the holder signifies to the maker its willingness to extend credit on renewal notes executed by the same parties, and the maker pays interest for an extended time, which the holder receives, expecting renewal notes to be executed, but nothing is said about the extension, and no new notes are in fact made, this is not such an agreement for extension as will release the surety, who had no knowledge of it.

This was an action brought September 14, 1886, by the Bank of Uniontown, a corporation of Kentucky, against David J. Mackey, a citizen of Indiana, as indorser of two promissory notes for $5,000 each, one dated July 20, and the other July 29, 1885, signed by the Mount Vernon Mill &

Elevator Company and by George Naas, and payable to the defendant's order at the plaintiff's bank in four months after date, with interest at the rate of eight per cent. yearly after maturity until paid. The complaint contained four counts, two on each note. The first and third counts alleged that the note was in fact signed by the company as principal and by Naas as surety, and was indorsed by Mackey for the accommodation of the company, and discounted by the plaintiff in July, 1885; that on November 20, 1885, Naas being then ill of what proved to be his last sickness, and by reason thereof being unable to transact or consider any matter of business, as the defendant well knew, the company, desiring to renew the note, procured the defendant to sign and deliver to the plaintiff an instrument in writing (set forth in full, one of which is copied in the margin,* and the other differed only in the description of the dates when the note was made and payable), by which he waived presentment for payment, protest, and notice of protest of the note, and consented that the time for the payment thereof might be extended until he should give notice to the contrary in writing; that on December 29, 1885, Naas not having recovered sufficiently to transact any business or to renew the note, or to consent to an extension of the time of payment thereof, the interest on the note for four months after maturity was paid by the company, and the time for payment thereof was extended for those four months; that Naas had died; and that by force of the statutes of Kentucky (set forth in the complaint and copied in the margin†) the note was placed on the footing of a foreign bill of exchange, and the plaintiff was entitled to maintain its action; and that no part of the note had been paid but the interest thereon, as above stated. To each of these counts the defendant demurred.

MR. JUSTICE GRAY.—It being alleged by the plaintiff, and admitted by the defendant, that Naas, one of the makers of the notes in suit, signed them as surety for the Mount Vernon Mill & Elevator Company, the other maker, and that the defendant, Mackey, indorsed the notes for the accommodation of that company, there can be no doubt that an agreement between the holder of the notes and the principal maker to extend the time of payment for a definite time, without the consent of the surety, would discharge him, and that such discharge of the surety, without the consent of the indorser, would discharge the indorser also. The agreement in writing between the holder and the indorser, as to each note by which the indorser "consents that the payment thereof may be extended until he gives written notice to the contrary," evidently contemplated and authorized only an extension of time which should neither discharge nor increase the liability of any party to the note. It looked to an extension consented to by both the makers of the note, and leaving them both liable to pay it at the end of the extended time, and not to an extension of time by agreement between the holder and the principal maker only, which would discharge the

* "This memorandum witnesseth that in the matter of a certain promissory note for five thousand dollars, dated July 20, 1885, and due November 20–23, 1885, wherein the Mount Vernon Mill and Elevator Company and George Naas are makers and D. J. Mackey is indorser, the undersigned hereby waives presentment for payment, protest, notice of protest, and consents that the payment thereof may be extended until he gives written notice to the contrary. Dated at Evansville, Indiana, this 20th day of November, 1885. "D. J. MACKEY."

† "Promissory notes payable to any person or persons, or to a corporation, and payable and negotiable at any bank incorporated under any law of this commonwealth, or organized in this commonwealth under any law of the United States, which shall be indorsed to and discounted by the bank at which the same is payable, or by any other of the banks in this commonwealth, as above specified, shall be, and they are hereby, placed on the same footing as foreign bills of exchange." (Gen. St. c. 22, § 21.)

second maker, being only a surety, and prevent the indorser, upon paying the amount of the note, from having recourse to him as well as to the principal. As the first and third counts alleged an extension of the time of payment of the note by the holder by agreement with the principal maker only, without any knowledge or consent of the surety, the demurrers to those counts were rightly sustained. But upon the second and fourth counts the case was presented in a different aspect. Each of these counts, without alleging either the receipt by the plaintiff of any interest or other consideration from the defendant, or any agreement to renew or extend the note for a definite time, simply alleged generally that the plaintiff did not cause the note to be protested for non-payment, and consented that it might be renewed, and forbore to sue thereon until after the death of the surety. This was not an allegation of a definite agreement to forbear to sue, but only of an actual forbearance, which would not discharge a surety or an indorser. The defendant evidently so understood the allegations of these counts, for, instead of demurring to them (as he had to the other counts), he answered, setting up a definite agreement between the plaintiff and the principal maker to extend the time of payment of the note for four months from its maturity, in consideration of the payment of interest on the note during such extension of time. But the special findings of fact wholly fail to support this defense. From those findings it appears that, the plaintiff having signified to the principal maker its willingness "to extend the credit upon renewal notes made by the same parties who executed the original notes," and the surety being too sick to join in the execution of new notes, the plaintiff sent to the principal maker, at its request, a statement of the interest for four months, as well as blank renewal notes to be signed by both makers when the surety should be able to do so; and that such interest was paid by the principal and received by the plaintiff after the surety's death, the plaintiff at that time being ignorant of his death, and expecting that the principal would procure and deliver renewal notes as before proposed, and nothing being then said as to an agreement for an extension of time, or as to the effect of the payment of interest. No present agreement for an extension of time can be inferred from the mere payment of interest under such circumstances. The necessary conclusion from the facts found is that the plaintiff never agreed to extend payment of the old notes, except upon receiving new ones signed by both makers, which were never given; and that the payment of interest has no effect upon the case, except, as admitted in the complaint, by way of deduction from the amount that the plaintiff is entitled to recover. Judgment reversed, and case remanded, with directions to enter judgment for the plaintiff on the second and fourth counts.

LEGAL MISCELLANY.

CORPORATIONS—STOCKHOLDERS—PLEDGEE OF STOCK.—A pledgee of stock, who has the old certificates canceled and new certificates issued in his own name, is liable to creditors of the corporation as a stockholder. [*National Commercial Bank* v. *McDonnell*, Ala.]

NEGOTIABLE INSTRUMENT—BONA FIDE PURCHASER.—One who for an individual debt of a guardian takes from him an assignment of notes which he knows belongs to the ward, acquires no title, and such facts constitute a good defense by the maker to an action on the notes. [*Mathis* v. *Barnes*, Ind.]

NOVATION.—A person for whose benefit a promise to another, upon a sufficient consideration, is made, may bring an action in his own name on the contract against the promisor, but he cannot be compelled to act upon or accept such contract. [*Howell* v. *Hough*, Kan.]

TAXATION—CONSTITUTIONAL LAW—DISCRIMINATIONS.—The article of the State Constitution which provides that all property shall be assessed at a uniform rate is violated when it is shown that assessing officer assess in any considerable amount property at one-third or one-half, and other property at two-thirds of its cash value. National banks, like any other taxpayer against whom discriminations are made, are entitled to the protection of articles cited. [*First Nat. Bank* v. *Lindsay*, U. S. C. C., La.]

TAXATION OF NATIONAL BANKS.—The assessment of the entire capital stock of a National bank "*in solido*," against the bank itself is invalid. [*First Nat. Bank of Leoti* v. *Fisher*, Kan.]

BANKS—CHECKS—PRESENTMENT.—The drawer of a check in Philadelphia upon a city bank in favor of a payee residing in the city is discharged from liability by the failure of the payee to present the check for three days, during which time the bank fails. [*National State Bank of Camden* v. *Weil*, Penn.]

CORPORATIONS—ACTIONS OF DIRECTORS.—The motives and expediency which prompt the acts of a board of directors, done within the lawful scope of their powers and authority, are beyond judicial scrutiny and appreciation. [*Trisconi* v. *Winship*, La.]

CORPORATIONS—PROMOTERS—SERVICES.—The promise of one of the promoters of a bank that the bank, when organized and chartered, will pay a person for his services in procuring subscriptions to its stock does not bind the bank. [*Tifft* v. *Quaker City Nat. Bank*, Penn.]

NEGOTIABLE INSTRUMENT—CONSTRUCTION.—Where a mortgage to secure notes contemporaneously executed provides that all the notes shall become due on default in the payment of either of them, or in the payment of taxes, or for insurance, on such default the notes become due, not merely for foreclosure proceedings, but for general purposes, so that suit may be brought on any of them. [*Chambers* v. *Marks*, Ala.]

NEGOTIABLE INSTRUMENT—FRAUD AS DEFENSE.—It is no defense to an action on a note that it was given for Bohemian oats fraudulently represented by the payee to be very valuable and extremely prolific, where the maker retains the oats. [*Regensburg* v. *Notestine*, Ind.]

NEGOTIABLE INSTRUMENT—INNOCENT HOLDER.—In an action by an indorsee of a note against the maker, where the defense was that the note was procured by fraud, the jury specially found that the defendant executed the note, and that the plaintiff purchased it before maturity, in due course of business, without knowledge of any defense thereto: *Held*, that judgment should be rendered for plaintiff on such verdict. [*Sprinkle* v. *Taylor*, Ind.]

NEGOTIABLE INSTRUMENT—LOST INSTRUMENT—ASSIGNMENT.—A debt evidenced by a note which has been lost years after it has matured, and lost its negotiability, may be assigned by an instrument in writing, so as to enable the assignee to bring suit thereon in his own name. [*Sauter* v. *Leveridge*, Mo.]

NEGOTIABLE INSTRUMENT—PAYMENT AND RELEASE.—Promissory notes receipted by the owner as follows, "This note is paid in full," afterwards found among valueless ones, are extinguished, when it is conclusively proven that the intention was to discharge the maker. [*Succession of Forester*, La.]

THE CONVENTION OF THE KENTUCKY BANKERS' ASSOCIATION.

The Kentucky bankers met in Louisville last month and organized a State Bankers' Association. Their proceedings were published in the Louisville *Courier-Journal*, from which source the following account is taken: The bankers, about one hundred and fifty in number, assembled in the Board of Trade rooms, and were welcomed by the president of that institution, Mr. Charles T. Ballard. In closing he introduced Capt. John H. Leathers, who welcomed the guests in behalf of the bankers. "It is fitting," said the speaker, "that this superb hall, constructed for the fostering of Kentucky's resources and trade, delighting the eyes of every beholder with its magnificence and beauty, should be dedicated to its noble mission and first use by the financiers of Kentucky, assembled in convention to devise methods for the conduct of the State's finances, and by these means to open to the enterprising and enlightened people of our commonwealth new fields of wealth and wider opportunities for the increase of population and for the enlargement of all those instrumentalities which bring success, comfort and prosperity of the State."

Nominations for the election of a temporary president were then in order, and James Weir, of Owensboro, was chosen for the position. B. G. Witt, of the Ohio Valley Trust Company, was made temporary secretary. Dr. Rivers, the aged divine, then offered a prayer. One of his pleadings was that no more Kentucky bankers should be tempted to violate their trusts and flee to Canada.

The welcoming was not yet done, and Mayor Tyler made a warm address, in which he gave over the city to the visitors.

Temporary President Weir said the next thing in order would be the election of a permanent president. Capt. John H. Leathers nominated Mr. Thomas L. Barret, of the Bank of Kentucky, whose election was unanimous. Mr. C. C. McClarty, assistant cashier of the Second National Bank, was elected permanent secretary. Mr. E. Palmer, president of the City National, of Paducah, was elected treasurer of the association.

This important work completed, the pre-arranged programme was taken up. The first thing was an address by the Hon. James S. Pirtle, president of the Louisville City National Bank, on the "Aims and the Purposes of the Association." He showed the great benefits which were bound to result from such an organization. It was an excellent paper, and its splendid suggestions were commented upon by several of the delegates in short speeches.

Then followed a paper by Mr. John L. Sandford, cashier of the Farmers and Traders' National Bank, of Covington. Mr. Sandford's address was very earnest. He warmly advocated free silver. He also spoke warmly in regard to the burdens which the new Constitution is going to place upon the banks which have so long lent great aid to the State. The address aroused much applause, and also placed several delegates on their feet, who wanted to know if the adoption of the speech by the association meant that they also voiced Mr. Sandford's sentiments on the question of free silver. It was evident that very many of the delegates were opposed to this doctrine.

The next thing on the programme was a paper by ex-Judge Ritter, of Glasgow, who was absent, however, on account of illness. Capt. John

H. Leathers took his place and read an important paper. Its subject was one which for a long time has been discussed by the bankers of the State: "Should State banks and other corporations be examined by a State Examiner, and be required by law to make frequent statements?"

Capt. Leathers spoke of the rigid examinations, the required publication of statements to which National banks are subjected, and the great good which resulted therefrom. Thus the affairs of National banks were made open to the public as well as to other banks. The speaker referred to the small inspection to which State banks were subjected, a fault not of the State banks, but of the commonwealth. He advocated the establishment of a banking bureau, embracing examiners to be appointed by the State to examine all banks in a careful way and similar to that conducted by the Controller of the Treasury. If the Legislature was appealed to there was little doubt of its action in this matter. Thus the affairs of all the banks of Kentucky would be laid open to each other. The people would reap a great good from such an inspection system. The State banks, like the National banks, would then be compelled to publish statements at fixed times. Capt. Leathers then made a comparison of the failures of Kentucky State banks and Kentucky National banks, which was a strong argument in favor of the adoption of his views.

The following committee was appointed to read and consider the paper and report the next day: Wells, of Henderson; Winston, of Lexington; Powers, of Owensboro; Bohannon, of Falmouth, and Russel, of Hopkinsville.

The session the second day began with the reading of a paper by Daniel Banks, Jr., cashier of the Planters' State Bank, of Henderson, on "How Should Collections and Cash Items be Handled?" He said this question had been one of the most vexatious ones to city and country bankers, because of their desire to do a large business. There was one remedy. Let all agree, except in a few cases, to take no checks and collections as cash items. This done, drafts, if required, would have to be sent instead of checks. Mr. Banks clearly illustrated the soundness of this argument by citing an instance of a money transaction between two banks.

Mr. Nutt, of Henderson, chairman of the committee on resolutions, presented a motion that the Executive Committee hereafter to be appointed be directed to take such steps as are necessary to establish a general plan for the examination of banks and financial institutions of the State, similar to the system of National bank inspection. Considerable discussion followed, several of the bankers from the interior making objections, but the resolution was finally adopted with few dissenting votes.

The next paper read was by Mr. E. C. Bohne, cashier of the Third National Bank of Louisville. It was on "The Practice of Paying Interest. Should it be Encouraged?" The subject was one of especial importance, because of late there has been much discussion among bankers as to whether or not the custom of paying interest would not sooner or later get a bank in trouble. As an abstract question he would unceremoniously answer, "No." As regards the sharp competition between different cities and different banks, which caused the paying of interest on deposits, he thought this practice should be exercised less liberally. The term "deposit" meant money left in a bank for safe keeping, and subject to immediate withdrawal. The safety against theft, the convenience of withdrawing at any time in such sums as would suit the depositor, the record of the transaction, the legal safeguard, and the necessity of keeping accurate book accounts, had until recently been considered sufficient compensation for the profit which a bank might earn by the temporary balance. The desire to increase traffic, however, by offering inducements for deposits caused some banks to pay interest on call deposits. At first this rate of interest was low, leaving a good profit for the banks. Gradually, however, competition and reckless management increased the interest on deposits and profit became smaller, and in some cases the account actually resulted in loss to the banks. The stockholders, the business world, deserved better things than this. The paying of interest, where it resulted in loss, should be frowned down.

Mr. Bohne here gave an illustration of the deposit of $20,000, daily balance, at three per cent., credited monthly. From his experience, after all expenses were taken out, he showed that it would leave a profit of but $186.22, which was no pay for the risk by theft or other losses. "Hence," he said, "the practice of paying interest on deposits results in a premium on recklessness and a detriment to conservative banking, and should not only be not encouraged but should, if possible, be abolished altogether."

The possibility of so doing, however, was very, very remote, but a correct understanding of the subject would certainly tend to considerable reduction. The speaker then took up the custom of paying interest on time deposits. The word "deposit" in this connection was a misnomer. In reality the proper term was "bills payable." The practice of increasing deposits in this way was not sound banking. If the receiving bank chose to put money, received on time, under the head of deposits, it should have a reserve at all times to meet the same. If such deposits were entered as bills payable, no reserve was necessary to meet such a liability. If the reserve is maintained against amounts received on time, the interest must be proportionately lower than if the liability is considered a bill payable, and no reserve is maintained. The public was entitled to a clear understanding of its rights in such matters, and the speaker hoped that the honorable Controller of the Currency and the State Bank Examiner, if such an office was created by law, would see that this point was clearly settled. At present the matter was much muddled, to the great harm of conservative banks. Some plan should be established to avoid any further misunderstanding, resulting in injustice both to the public and banks. In the present days, when the state of public sentiment is so deplorably prejudiced against banks, it behooved them to do everything in their power to bring about a better understanding between the people and prevent the increase of the unfortunate hostility against corporations. The public was biased against financial institutions because of the widespread publicity which newspapers seemed to delight in giving to bank defalcations, which were generally exaggerated. Mr. Bohne said he spoke from personal knowledge when he said that nothing was more deplored by bank officers than the laxity of the law which permitted criminals in banking circles to escape punishment. Such cases were hurtful to the reputation of bankers as a class. Considering the number of persons engaged in the business and the temptations offered for dishonesty, there were no other class of men whose integrity was so intact. Yet the people, who were to blame for the faults in the law, instead of remedying such deficiencies, blamed the banks. Another cause of the unpopularity of banks was the necessity of adhering to strict rules of business, which was called obstinacy by some. The public should be informed of the position and functions of a bank, its general usefulness and necessity to commercial interests. The people should be shown that banks represent the accumulated savings of the many, the only safeguard against the seemingly deplorable tendency of rapid accumulation of wealth in the hands of a few. In conclusion, the speaker would answer the question originally put to him by stating that the practice of paying interest on call balances was unprofitable to a conservatively managed bank, and that the aim of all good banks should tend to the abolishment of the custom. As to time deposits, the speaker had shown that they partook of the nature of bills payable. Such funds should be treated as such a liability, the principal being payable only at maturity, and interest at such rate as may be profitable to the borrowing bank. Where such loans were payable on demand, the same remarks as made with regard to interest paid on call loans held good. Mr. Bohne ended by inviting all the delegates to the concert at Phœnix Hill.

The next thing was not down on the programme, but was heartily enjoyed nevertheless. Ex-Judge Alex P. Humphrey read a paper on "Bank Directors." The speaker began by remarking the heavier responsibility placed upon the directors of banks as compared with the directors of other institutions. One reason for this difference was that a very large number of persons were pecuniarily interested in a bank. Then the loss of money was more severely felt than of other property. The loss of money by a bank was hard to bear, because it had been placed there for safe keeping. Suits had been brought in some instances against directors by stockholders, and in others by the creditors. It was an interesting legal question as to whether or not there was any sound distinction between the two cases. Growing out of the failure of a Bowling Green bank, suit had been filed by the Society of Shakers and by an individual for the loss of certain bonds on special deposit at the institution. The suit was against the directors, and twice came before the Court of Appeals. It was alleged that the bonds had been sold by the cashier, and converted to the use of the bank. The decision was, that it being the duty of bank directors to use ordinary diligence in acquainting themselves with the affairs of their bank, that they should have known of the misconduct of the cashier. Judge Humphrey cited this to show that directors should be acquainted with the account books and correspondence of their banks, though the court only made them liable for ignorance when it arose from neglect. It was a matter of common observation that directors did not examine the bank's books.

The speaker then referred to the responsibility of a director, as it was generally understood. But it was impossible for even a cashier to know one-tenth of the business on the books of a big bank. Hence there was no rule by which a board of directors could be expected to know all on the books of their institution. The Judge recited a number of instances where creditors sued one or more directors, all of which elicited the fact that that class of men were not entirely responsible for losses by defalcation and in other ways. Cases where stockholders had sued directors were then recited. In all instances of loss by the cashier's defalcation, the decision of the court was that directors were not responsible unless grossly negligent. The Supreme Court had lately examined into this important matter. In a particular case a director had been held not responsible by a vote of the Chief Justice and four Justices as opposed to four other Justices.

The insolvency of a banking institution was generally the result of the long-standing dishonesty of some official. The public was always quick to say that the man's guilt should have been discovered before. The thing for a board of directors to do was not to employ a man upon whom rested the slightest suspicion. If an official was suspected, he should be discharged. However, directors could not be held responsible for dishonest cashiers, and Judge Humphrey recited several instances to prove this assertion. He quoted a number of great authorities to show that directors should use all diligent effort to keep their institution from harm. A board of directors, he thought, should look at the balance books and see how matters stood. At every weekly meeting a statement of the bank's condition should be presented to them, which should show everything, the exact liabilities, the exact assets, all items. At intervals, say quarterly, a statement of the liability of each customer should be presented to the board. The examination of the books by directors meant nothing. It was a farce. An expert accountant, employed by the board, should do this and report. Thus a clear understanding of the bank's affairs could be had. The tendency of modern banking was toward greater publicity. The most important function of a director was to prevent as far as possible any misleading of the public as to the actual financial standing of the bank. The address was ended by the quotation of the section from the Constitution, which refers to bankers and banks.

The matter of the election of vice-presidents was the next thing. The ten Congressional districts reported the following gentlemen, all of whom were acted upon favorably by the association:

First District—R. H. Gayle, First National Bank, of Princeton.

Second District—James Weir, of the Deposit Bank, of Owensboro.

Third District—C. B. Smallhouse, Bowling Green; Warren County Deposit Bank.

Fourth District—A. B. Skillman, Cloverport.

Fifth District—James M. Fetter, of Louisville.

Sixth District—Rod Perry, Deposit Bank, of Warsaw.

Seventh District—David G. Sayers, of Lexington.

Eighth District—John A. Middleton, Farmers and Traders' Bank, of Shelbyville.

Ninth District—John G. Montgomery, Cynthiana.

Tenth District—Charles Scott, Clay City; S. A. Muir, Somerset.

Taxation upon bank property was the question which occupied most of the time of the afternoon session. N. M. Dudley, of Georgetown, made a motion that a committee be appointed to confer with the Commissioners appointed by the Governor in the matter of bank taxation. This was a very important matter, he said, and the bankers should take immediate steps to see how they stood in the matter under the new Constitution. A delegate moved that the Executive Committee be substituted in place of "a committee." Mr. Banks, of Henderson, thought a special committee would be better, as more attention could then be devoted to the important subject. John Matthews, of Mt. Sterling, said he had a resolution already written out which covered the subject, and which he would offer as an amendment to Mr. Dudley's motion. Mr. Dudley said it did not make any difference how they got at the matter, so that the issue was not dodged. Judge Hardy Durham said there was no use in appointing any committee at all to confer with the Commissioners. They could not make laws. Why not appeal to the Legislature?

Captain Leathers said he was seriously opposed to the resolution. He questioned the new Constitution's right to change the manner of taxing banking capital. The Constitution of the United States would protect contracts made between banks and States. He thought the association ought not to touch on this matter at all, as to refer to it was to acknowledge the power of the new Constitution. How banks in Louisville could stand the taxes imposed by the new Constitution he did not understand.

Judge Durham arose again and said he moved to lay the whole matter on the table. The first thing to find out was whether or not the old contracts would stand. A lawyer of forty years' experience had told him that they would. Several delegates spoke against this, and said investigation would hurt nobody. Mr. Matthews said his resolution did not commit the association to the acknowledgment of the power of the new Constitution. Capt. Leathers again got up, and gave his reasons for leaving the matter alone. Several of the delegates then expressed their views. President Barret excused himself for stating that this resolution, if adopted, should not place the duty of conferring with the Commissioners upon the Executive Committee. They already had enough to attend to. It was moved that a special committee of nine be appointed for this work, and that President Barret be given the power of selecting them. Mr. Matthews' resolution as amended was then read, and was as follows:

"*Resolved* by this association, that a special committee of nine be appointed by the president to confer with Commissioners appointed by the Governor to revise the statutes, as to adopting a general banking law for Kentucky."

The members were called upon to act upon the resolution. The "ayes" sounded considerably the louder, but Judge Durham called for a division, which showed that the delegates were in favor of the resolution by a good majority.

The association then adjourned, subject to the call of the Executive Committee.

THE CONVENTION OF THE CALIFORNIA BANKERS' ASSOCIATION.

The first annual convention of the California bankers was called to order in the Chamber of Commerce by Thomas Brown, president of the association. Mr. Brown introduced John McKee, president of the San Francisco Clearing House, who delivered the address of welcome.

The address was responded to by E. F. Spence, of the First National Bank, of Los Angeles. He referred to the sphere of usefulness occupied by the banking class, which he thought was not confined to the safe keeping of moneys. He favored patronage of home industries, and presented for the consideration of the convention the proposition of removing the impediments to hydraulic mining by giving the farmers affected by slickens, homes in other parts of the State, and by that action to permit the miners to proceed with their work. San Francisco, he said, was the most vitally interested in this subject of any section of the State.

E. M. Preston, president of the Citizens' Bank, of Nevada City, also gave a response, in which he referred to the slickens question, indorsing the suggestions of Mr. Spence.

He was followed by President Thomas Brown, cashier of the Bank of California, who, in describing the growth of banking in the State, said: The fact that the banking business of the State has always rested on a solid coin foundation has no doubt been a contributory cause to the general healthfulness of our system. We have known the worth of the dollars handled, and we have been careful in the extension of credits. As a result, there have been but few bank failures in this State, and none attended with any serious loss for a long time.

The growth of banking in the State in the last decade has been remarkable. On the first of July, 1880, the whole number of State incorporated banks in the State was 78, while on the 1st of July, 1891, the number is 189, showing an increase of over 140 per cent. Some of this was due to the incorporation of private banks, but most of the increase is due to new organizations, many of which have come into existence in places where previously there were no institutions of this kind. Eleven years ago the 78 State incorporated banks reported a paid-up capital of $25,127,140, and $79,278,270 due depositors, their aggregate resources being $119,575,520. At the beginning of the last fiscal year the 189 State incorporated banks reported a paid-up capital of $49,670,414 and $165,776,311 due depositors, their aggregate resources footing up $244,-547,141. These comparisons show that the banks have more than doubled their resources and deposits, while the amount of paid-up capital employed in the business has been increased a hundred per cent. The figures suggest grand possibilities in the next decade, and the need for the exercise of the wisdom accumulated in years of experience by all the bankers of the State. We might apply these comparisons for the State at large to various localities with even more astonishing results. In every considerable town or city in the State the number of banks has been increased in the past decade, while many new points have been occupied. Eleven years ago San Francisco had eighteen State incorporated banks, which reported a paid-up capital of $16,595,990, deposits $65,274,111, and resources of $93,776,316. On the first of July last there were twenty-four of these banks in existence here, with a paid-up capital of $30,372,611, deposits of $120,013,745, and resources of $169,403,770. Los Angeles presents a still more striking contrast. On the first of July, 1880, there was not a savings bank in that city, and only three State commercial banks, with a paid-up capital of $477,000, deposits $934,805, and resources $1,950,903. On the 1st of July, 1891, Los Angeles had fourteen State banks, with a paid-up capital of $2,290,600, deposits $6,732,432, and resources $10,023,190. Other interior cities, especially in the southern part of the State, present corresponding contrasts in the banking line.

The discussion on "Should the mortgage tax be abolished or maintained?" was opened by William Beckman, of Sacramento.

He said: "The question as to the amendment of the constitution with reference to taxation of mortgages is one of vast importance as well to the borrower as to the lender. By the constitution of 1879, section 4, article 13, it was attempted to make what was conceived to be a just distribution of the burdens of taxation between capitalists who lend money and those who are compelled from necessity to borrow it. Experience, however, has served to demonstrate to my mind, and I believe to the minds of many others, that the scheme thus adopted was based upon a false theory."

C. P. Soule, of Eureka, submitted a paper which was read by Secretary Stewart. It was on the subject of "Home Resources." He said no class of people had so good an opportunity of knowing the resources of a community as bankers. The very nature of their business made them watchful of all matters connected with the commercial world. The question of how far a bank should go is hard to answer. It behooves the banker to do all he can to assist in developing the resources of the country, and he can do much in that direction.

Lovell White, of the San Francisco Savings Union, read an address on the payment of mortgage interest. "The money lenders of a community are responsible for the habits of borrowers. The borrowers of this State are slow in paying. The clemency of the creditor is the ruin of the debtor. The bank that forecloses many mortgages will not be in favor with borrowers. Borrowers must be educated, and the duty of teaching them devolves upon the banks. Prompt payments must be insisted upon."

Frank Miller, of Sacramento, read an address on "Improved Methods." "A banker must loan to the good and refuse the bad," he said. "But in many cases it is just the reverse. The savings banker trades on real estate, and the commercial banker trades on human nature. An old method must give way to eastern reform. Book accounts must be large and profits small. The present custom of collecting interest is dangerous. Interest increases in growth more than anything under God's laws. It would be well if some members of the convention would explain some of their methods so that others might be able to adopt some of their time-tested rules. It behooves everybody to drop their old schemes and adopt some of the modern ideas."

Frank McDonald, cashier of the Pacific Bank, discussed the paper read by Lovell White, of the San Francisco Savings Union. He said that the savings bank with which he was connected had experienced some trouble in collecting interest, and in doing so had lost some custom. He approved of Mr. White's remarks in every particular.

J. B. Lankershim, of Los Angeles, was also in favor of Mr. White's remarks. He believed in the prompt collection of interest.

Judge C. C. Bush, of Redding, read a very excellent paper on "The Importance of Trained Assistants." He said: "The subject admits of so broad a construction that anything I might say, I fear, will fall far short of importance in an assemblage of able financiers, and the subject as suggested seems indefinite. With all deference to the committee, I suggest that the better question would have been 'Where and How Can Assistants be Trained to Serve the Best Interests of the Banker?' I shall treat it from that standpoint. The first requisite for a young man should be a love for the business. Next, a good business education. Not necessarily a graduate of Harvard or Yale. A man can become a valuable assistant without a diploma from either of these excellent institutions. In this cosmopolitan State the more languages one can speak and write, the better. He should be a good and rapid penman, a quick and correct calculator, of strict integrity, undoubted veracity and good moral character. With these qualifications a young man is well equipped for the banking business."

"The Trust Company Question" was treated of by S. P. Young, of the San Francisco Safe Deposit Company. He explained details of the present Trust Company law, pointing out its advantages over the individual trustee.

The paper was an elaborate indorsement of the trust company plan, and pointed out how it offered great advantages over trustees, executors, guardians or other fiduciary agents.

Major Bonebrake read a paper on "An Adequate Supply of Currency." He praised the workings of the National currency system, and expressed judgment that the volume of the nation's currency to meet all needs should amount to fully $30 per capita. A standard of gold and silver of equal value should be maintained. He favored a reserve system of convertible bonds, drawing only 2 per cent., to be exchanged for greenbacks in event of a financial stringency. With an increase of the nation's circulating medium increased prosperity must result.

John Reichmann, of the Farmers' Bank of Fresno, presented a paper on "Bank Co-operation." He suggested it would be a wise thing for the convention to pass a resolution providing for and pledging its members to cash certificates of deposits issued by other members on proper identification of the holder, without discount or exchange charges. By this method a depositor wishing to travel to some other part of the State, for any purpose, would not be compelled to withdraw his deposits from his banker and invest the same in San Francisco Exchange, which he may never have occasion to use, and perhaps, ultimately, return to be canceled and credited back. He would simply convert his balance into certificates of deposit with the assurance of his banker that they could be cashed at par with any member of the State Association.

It was urged also that some uniform collection system should be established by the association, with uniform rates of charges. Some rule should be established, also, which would protect the holder of drafts from being taxed for exchange charges at both ends. The association should establish such rules as they may deem best for co-operation and reciprocity, and make it to the interest of every banker in the State to join the association.

At the close of the paper Mr. Spence, of Los Angeles, asked if the idea was understood to mean the formation of a compact among bankers? If so, he was opposed to any such plan and would not consider it wise for members of the association to so pledge themselves.

John M. C. Marble, of Los Angeles, presented a paper on "What is Money and How Best to Increase It." He said:

"The last census shows that we have in round numbers a population of 63,000,000, and a national wealth of $63,000,000,000. A century ago this country was virturally bankrupt; to-day it is the richest country in the world. The laboring element earned last year not only their board and clothing, but enough more to make up all losses and waste by land and sea, and in addition $2,000,000,000 to add to the wealth of the country.

"The unsatisfactory feature of these prosperous conditions is that 31,000 of the people, but little more than enough to make a good sized village, have secured by usufruct or manipulation, four-sevenths or $36,000,000,000 of this great wealth. The remainder of our population, composed of the bone and sinew of the land (numbering 62,969,000), have, by the sweat of their brow, secured the smaller part—the remaining three-sevenths, or $27,000,000,000.

"It bodes no good to the commonwealth that the employing class is decreasing, and the employed class is rapidly increasing. Wealth is power—intensifying avarice and luxury—the prime cause of ruin to every State that has existed. The millionaire and tramp are the complement of each other—the disturbing and dangerous factors in society."

Money was defined as any article that performs certain functions without regard to its form or substance. Another definition is that it is a term applied in the first place to the circulating medium, and is a general term, signifying the circulating medium, or anything that represents it.

"California maintained gold payments during the long suspension of this country, commencing in 1861. Had the whole country adhered to the principle that a fixed and reliable standard of value was better than an unredeemable, daily varying one, like suspended paper money, the war would have cost many fold less, and the immense taxes then, ever since, and now made necessary by such money, been saved. I know the plea of great necessity will be urged—it may have been a political, but it was not a financial necessity—and what California did, all the States could have done.

The paper closed with the following suggestions: (1) That the Government retire every note it has out, not represented by coin in the Treasury. (2) That it establish free coinage of the precious metals, both gold and silver. (3) That the standard gold dollar remain of the same weight and fineness that it is to-day. (4) That the silver dollar be increased in weight to such an extent as to cause the metal in it to be equal to the value of the gold dollar in the markets of the world. (5) That the Government receive gold and silver on deposit and issue legal tender certificates redeemable on demand, in gold or silver, at holder's option.

SILVER.

A resolution opposing free coinage of silver was adopted at the State Bankers' Convention recently, following proceedings already published.

E. F. Spence, of Los Angeles, offered the following resolution:

Resolved, That we indorse the present action of the Government in coining $4,500,000 per month in silver.

This caused a heated discussion, and the resolution was defeated by a vote of 28 noes to 26 ayes.

R. M. Widney, of the University Bank of Los Angeles, offered the following resolution, which was adopted:

Resolved, That this convention is not opposed to the use of the silver product of the United States at its commercial value for money purposes to such an extent as may be needed.

The following resolution was also adopted: *Resolved,* That this convention respectfully requests Congress at its next session to devise a uniform money system for the people of the United States, with the gold dollar as the standard unit of value; using gold, silver and currency for a circulating medium, in a sufficient volume to fully meet and keep pace with the growing wants of the business of the country; founding the issue of currency upon the wealth of the whole nation, making gold, silver and currency a legal tender and exchangeable at par on demand; fixing by constitutional amendment the legality of a circulating medium, and preventing the danger of inflation, contraction, repudiation, or change in the standard of values.

THE STORING OF GOLD.

A considerable part of all the gold which goes to India, says *Blackwood's Magazine,* never returns. Having been obtained in the West by the sale of exported productions, it is retained in the East as realized profits, wealth stored up, and to a moderate extent for use in the arts, for the rest as a representative of value on the credit of which traders buy and sell with the bills of exchange they issue and the book credits they open, and settle up the differences with the silver money of the country. But the vast stock of gold accumulated there undergoes no diminution; there is no ebb and flow under the reciprocal action which commerce enforces in the case of countries trading together on a common metallic basis. The three millions sterling (or thereabout) of gold bullion which India annually adds to her store, are, under the monetary law of that country, just as much lost to the nations of the West, by being withdrawn from the general commerce of the world, as if the money had been lent to a South American Republic. Between the years 1835 and 1889 (April) this depletion amounted in value to £130,292,758; between that date and the month of September of this year, a further accumulation, to the value of £5,069,272 has taken place, bringing this portion of the gold treasure of India up to a value exceeding £135,250,000.

ST. LOUIS BOATMEN'S BANK IN 1847.

Many curious reminders of "ye olden times" were unearthed when the Boatmen's Bank overhauled the accumulation of old books and papers preparatory to removing to its new quarters. The first cash book of the bank is a curious looking old book, and, although it doubtless answered every purpose for which it was intended forty years ago, it would scarcely be capable at this day of recording the operation of a first-class peanut stand.

According to this old record, the first deposit of the Boatmen's Bank was made by one George K. Budd, on October 19, 1847, and the amount was $2,000, but whether Mr. Budd had "thick coming fancies" of absconding cashiers and busted banks in his sleep the night of the 19th of October or not, the "cash book" does not say, but it does say that he drew out every nickel of his $2,000 the next day, leaving the vaults of the bank absolutely penniless. The institution survived, however, although business was distressingly dull until November 6, when Francis Veine trusted the concern with $251. November 10 there was a deposit of $56, so that on the morning of November 11 the bank opened business with deposits aggregating $307. On November 13, Daniel Worthington deposited $200. The next deposit was by R. Simpson, on November 20, of $166.52, and on the same day Mitchell Woods trusted the bank with $13. On December 1, the total deposits amounted to $2,255—Cheny How and John L. Darby having meanwhile given the institution a little substantial encouragement. On December 4 there was actually $4,827.33 on deposit, but on January 1, 1848, there was only $996.83 on deposit. From this date on, however, deposits grew, and on October 19 the bank held $9,585.24; and on October 19, 1849, just two years after the bank announced itself ready for business, it had $20,043.23 of "other people's money."

In 1850, the date is not given in the cash book, the cashier concluded that the brass key which unlocked the old-fashioned "safe" was too heavy for him to carry in his pocket, and he conceived the bright idea of hiding it in the filigree ornaments of the chandelier, but, strange as it may seem, some one who had no regard for the feelings of the cashier actually took the key from its hiding place one night and took from the safe the whole of the deposits, which amounted to $19,000. The reason this affair does not appear on the bank's books is the directors went down into their pockets and made the "deficit" good. This affair caused the death of a bank clerk named Thornton by hanging, and Charless, who was killed by Thornton.

The first cash book, or "Cash A, Current Deposits," lasted from October 19, 1847, to September 2, 1850, notwithstanding it contained only 220 pages. The cashier, whoever he was, numbered the pages with a pen, but the work became too fatiguing for his health, that is, it is fair to assume that that was what ailed him, for he quit numbering the pages at page 169. Great bankers in those days.

In 1856 the institution was reorganized under a new charter, with a capital stock of $400,000; previous to that time it being a "saving bank" only. In 1873 the bank was again re-chartered with $2,000,000 capital. The institution's average deposits are now hard onto $6,000,000, and 3½ per cent. semi-annual dividends are paid with as much regularity as the return of the seasons.—*St. Louis Financial Chronicle.*

THE PANIC OF 1873.

Panics, in one form or another, are found in almost every society and in every kind of business. They can no more be eliminated than the laws of supply and demand. Whenever the supply of an article becomes largely disproportionate to the demand, a panic of greater or less magnitude invariably follows. Some people are in a constant state of panic, and, if their apprehensive temperaments were not offset by the calmer judgment of the majority, panics would be perennial. No laws can be so framed as to make timid people bold. All that can be done is to provide society with a safety-valve such as every mechanician provides for his machine, and thus enable overheated bodies to "blow off" without doing serious injury to the community at large. Such a safety-valve should be, of course, in working order when the calamity occurs, and, as we near the end of the twenty years which popular superstition tells us should elapse between two panics, it seems desirable to study carefully the panic of 1873, and thus prepare ourselves to meet the difficulty should it come again.

The panic of 1873 differed very materially from the other great panics by which this country has been afflicted. Lack of capital was the main difficulty in 1837 and 1857. Population had increased so rapidly that millions of human beings were out of work, and apprehension spread lest there might not be food enough to go around. In 1873, however, men were well employed. Business of all kinds was in excellent condition, and no one doubted for a moment that there would be plenty for every man to eat. The excellent condition of trade, in fact, was the chief factor in the panic of 1873. Every one was busy, and wanted money with which to carry on his trade.

BEFORE THE CRASH.

For two years before the crash, money had been in great demand. Railroads had recently been built to an extent such as this country had never known before. Whereas, in 1861, railroad construction amounted to only 651 miles, in 1871 it reached the then unprecedented figure of 7,779 miles. This new mileage, moreover, was mainly in the West, where the immediate remuneration was but slight. Railroads were being pushed forward into regions which could not be expected to return an income for twenty years. The cost of railroad construction in this country during the five years preceding September, 1873, was estimated by the Comptroller of the Currency at no less than $1,700,000,000. The money to pay for this extravagant building was obtained, not from the earnings of the old portions of the road, but from enormous issues of railroad bonds, placed to a large extent among the banks of this country, but still more among the capitalists of Europe.

In the Northern Pacific Company occurred the most flagrant abuse of railroad credit the world has ever known. That company, chartered in 1864 to build a line from Lake Superior to Puget Sound, had expended in May of 1873 the enormous sum of $15,804,372.22. It had then only 519 miles in operation. Construction had been begun at both ends, and the two portions were being pushed across the prairie toward each other. In May, 1873, the two portions were nearly 1,300 miles apart. The total population of the States through which the road then passed was 600,000 souls. It need scarce be said that the earnings of the road were practically nothing. The company expected to pay for this wild enterprise by issuing $100,000,000 bonds.

A HERCULEAN TASK.

These bonds were to bear interest at the rate of 7 3-10 per cent., and the herculean task of placing them upon the market was entrusted to Jay Cooke & Co., the financial agents of the road. In 1871, a commission of German capitalists had been sent to this country to determine whether investments in these bonds were safe. The report of the commission was unfavorable, and for two years J. Cooke & Co. had been advancing the money requisite to build this road, in the continual expectation that a market for the Northern Pacific bonds would finally be found in Europe.

Early in 1873, it began to grow manifest that the railroad magnates of this country had been over-sanguine. The Central Pacific, which had been finished amid vehement and joyous demonstration in 1868, had won the hostility of Western legislators, through its extortionate charges and its evasion of State taxation. There was a widespread fear among investors, lest the Western railroads should be forced to reduce their charges. Proofs multiplied, moreover, that, even with existing charges, many of the Western railroads could not live. One after another of the Western roads defaulted in paying the interest on its bonds. The result was, that, by the summer of 1873, the market for new issues of railroad bonds had practically disappeared.

Meantime the banks and bankers of New York were loaded down with railroad paper. The railroads had borrowed money for short periods in the expectation that before their notes fell due they would have raised the money to make payment by the sale of bonds. A temporary relief was felt, in June, 1873, through the customary midsummer ease in money. But this temporary respite only made the difficulty worse. Deluded by the momentary calm, the New York banks added still further to their loans, thinking to use their money to advantage through the summer months and then call in their loans before the autumn stringency began. Even at this date, however, there were some trained ears that caught the mutterings of the coming storm. The papers of the day reported that certain shrewd speculators were taking advantage of the ease in money to borrow for six months or a year.

THE STORM BREWING.

The first cloud on the horizon was seen in the failure, in July, of the Brooklyn Trust Company, a concern which had made advances to a new and badly managed railroad, the New Haven & Willimantic. The effect of this catastrophe, coming at a moment of general ease, was slight. Another month rolled by without a shower. And then came September, 1873, a month which thousands of poor unfortunates to-day regard with terror. This dreadful month was ushered in without much noise.

The year before, money had grown tight early in September, and the more cautious banks began gradually to call their loans, fearing that the experience of 1872 might be renewed. But the rates for money did not noticeably increase, and the only cause for excitement early in the month was the failure, on September 8, of the Mercantile Warehouse and Security Company, owing to advances on bonds of the Missouri, Kansas & Texas Railroad. This was followed, on the 13th, by the failure of Kenyon Cox & Co., of which firm Daniel Drew was a member, caused by loans to the Canada Southern Railroad. By this time the sky was heavily overcast. Money was now advancing rapidly, the New York banks were calling loans on every hand, and new loans on railroad paper were scarcely to be had at all.

Suddenly, on the 18th of September, the tempest burst. On the morning of that dark day, Jay Cooke, the agent of the U. S. Government, with some four millions of deposits from all parts of the country, and his fifteen millions of Northern Pacific paper, declared his inability to meet his debts. The report flew down "the street" with the ferocity of a cyclone. Railroad shares were thrown upon the market by the bushel, in utter disregard of their intrinsic value. The sacrifice continued through the day, and on the day following the slaughter was renewed. U. P., which had sold one week before at 25⅛, dropped to 16 on September 19. Harlem, a gilt-edged 8 per cent. regular dividend payer, fell from 129 to 90. Rock Island declined from 107½ to 88, and Wabash tumbled from 63¼ to 38½.

A FALLING ROW OF BRICKS.

Stock brokers continued to announce their failures all day long. Nothing seemed able to withstand the shock, and when, on September 19, the great banking house of Fisk & Hatch went under, terror became universal. A run was started on the Union Trust Co.. which was believed to have close intimacy with Vanderbilt's railroads, and on the Fourth National Bank, whose dealings were largely with Wall street brokers. The panic was by this time so general that the banks began to refuse one another's certified checks, and on the 20th a considerable number of the New York banks suspended payment. On that day the Union Trust Co., the National Trust Co., and the National Bank of the Commonwealth all closed their doors.

At 11 o'clock on the 20th, the New York Stock Exchange, for the first time in its history, closed its doors, and the Governing Committee announced that the board would not be opened till further notice. This high-handed measure caused an outcry for the moment, but on calmer judgment it was generally conceded that the measure was a good one.

On the evening of that Saturday, September 20, the Clearing House Association met and adopted a plan similar to that adopted in the panic of 1857, and in substance this: Any bank in the Clearing House Association might deposit with a committee of five persons, to be appointed for that purpose, an amount of its bills receivable, or other securities to be approved by the committee, and the committee were then to issue to that bank certificates of deposit, bearing interest at five per cent. per annum, to an amount not exceeding seventy-five per cent. of the securities or bills receivable so deposited.

NATURE OF CERTIFICATES.

These certificates could be used in settlement of balances at the Clearing House for a period not to extend beyond the first of the following November, and they were to be received by creditor banks during that period daily, in the proportion which they bore to the aggregate amount of the debtor balances paid at the Clearing House. The amount of certificates should not exceed $10,000,000. The legal tenders belonging to the associated banks were to be considered and treated as a common fund held for mutual aid and protection, and the committee were given power to equalize the same by assessment or otherwise in their discretion. This scheme, simple as it was, proved of the utmost efficacy in mitigating the evils that must always follow a distrust among banks.

The lull occasioned by the intervening Sunday was employed by President Grant and Secretary of the Treasury Richardson in a visit to New York. All day long they gave audience to business men at the Fifth Avenue Hotel. Suggestions of every description were offered as a remedy for the disease. The most feasible proposition, and that which was finally adopted, was the purchase of Government bonds. At first there was much hesitation on the part of the President as to whether this could be done. By Act of Congress of June 30, 1864, it had been provided that the total amount of United States notes should not exceed $400,000,000. After the war closed it had been found unnecessary to limit the issue of U. S. notes, since their number was being gradually reduced through redemption, and, on the 4th of February, 1868, when the amount outstanding had been reduced to $356,000,000, Congress passed an act suspending further reduction of the currency. There was thus left a margin of $44,000,000, which Secretary Richardson designated as "the reserve," and which he maintained he had a right to reissue when emergency required. The Democrats as a party denounced this view, but without avail. Shortly after his return from the Fifth Avenue Hotel, Secretary Richardson announced his intention to buy Government bonds, and, in a few days, $13,000,000 of the U. S. greenbacks were thus absorbed.

A WEEK OF ANXIETY.

The week following the interview with Grant and Richardson was one of great anxiety, although, so far as outsiders could discover, matters continued very much in *statu quo*. The New York Stock Exchange being closed, people could not trace in the newspapers the daily chronicle of their losses, but there was of course no market for the various collateral held by banks, and everybody who owned any railroad properties looked forward with great apprehension to the opening of the Exchange. The failure of Henry Clews & Co., on the afternoon of September 23, added to the general dread. Clews was a warm friend of President Grant and had recently been made the agent of the Government in its negotiations.

It is somewhat amusing to note the zeal with which the newspapers of the day contributed to the panic. Since the Stock Exchange was silent, particular exertions were required to fill the financial columns of the papers. Reporters, therefore, spared no pains to keep the public informed as to the hourly movements of the brokers. George Opdyke & Co. had large dealings with the Midland Railroad, and, as other large railroad brokers had gone under, the reporters thought it only reasonable that Opdyke should go under too. They called upon him half a dozen times a day to learn if he had failed, and, if not, how soon he was likely to do so. He protested that he had not failed, and had no intention of failing. But the reporters would not be cheated of their news, and finally compromised with him by reporting that he had "temporarily suspended."

Jay Gould's doings in this crisis are enveloped in the same mystery that has covered all his acts. It was common report that he was found long of the market and was doing his utmost to support his falling stocks. His subsequent fortune leads to the surmise that this report was wrong.

THE EXCHANGE OPENED.

On Tuesday, September 30, the Stock Exchange was once more opened. It was expected on all hands that this would be the signal for another onslaught. But so general was this expectation that most persons refrained for the moment from offering their stocks. As a result, the market opened a trifle higher than it had closed ten days before. It continued to advance, moreover, till October 7. On that day a new decline set in, and on October 14 came a fearful drop, which carried prices lower than on September 20. From this reaction there was a gradual improvement till October 31, when the failure of Hoyt, Sprague & Co., the great mill owners of Providence and New York,

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once more shook the market and brought stocks, on October 31 and November 1, to the lowest prices of the year. With those prices it became manifest that the panic had reached its end. Money had already begun to flow to New York both from Europe and from the West, and the public, tempted by the excessive decline in stocks, began to purchase freely. The result was a steady though gradual improvement through the remainder of the year.

The stupendous nature of the disaster may be conceived from the following table showing the highest and lowest prices of a few of the leading stocks in 1873:

	Highest.		*Lowest.*	
N. Y. C. & H. R.	106½	Feb. 4	77⅞	Nov. 5
Harlem	140	Apr. 1	90	Sept. 19
Wabash	75¾	Jan. 2	32¾	Oct. 15
Rock Island	117⅜	Mar. 11	80½	Oct. 14
Union Pacific	39½	Jan. 4	14¾	Nov. 1
Han. & St. Jo., pref	52⅛	Feb. 7	21	Nov. 15
Atl. & Pac., pref	38⅞	Jan. 29	10	Nov. 7
Bost., Hartf. & Erie	10¼	Feb. 3	1	Nov. 12

It will be noticed that one stock in this table fell during the panic to less than one-tenth of its former value, that the non-dividend paying stocks fell, on an average, to about one-third, and that even the safest and most regular dividend payers fell to about two-thirds of their former value. The Rock Island and the N. Y. C. & H. R. reached a figure at which they netted the investor 10 per cent. In railroad bonds the decline, though not so great, was heavy. U. P. 1sts dropped from 89 to 64¾, Erie 1st mortgage 7s from 104⅛ to 98, and Rock Island 1st 7s from 106½ to 96.

REGARDING THE FUTURE.

One cannot contemplate this fearful tragedy without a feeling of anxiety for the future. Are not the circumstances of 1873 likely to recur? and, if they should recur, are we prepared to meet them?

To the first of these two questions there can be but one answer. The cause of the panic of 1873 was an over-issue of railroad paper, and the veriest schoolboy knows that the debt of American railroads has never been larger in proportion to their capitalization than it is to-day. In 1873, the railroads of the U. S. were capitalized at $1,647,844,113, and their funded and other debt amounted to $1,511,578,944. At the beginning of 1890 their capital stock was $4,495,099,318, and their funded and other debt $5,436,353,828. Thus it will be seen that whereas in 1873 the debt was over $100,000,000 less than the capitalization, to-day the debt of the railroads in the United States actually exceeds their capital by nearly $1,000,000,000. Such an unwarranted extension of railroad credit cannot fail to end in widespread bankruptcy. Default in railroad bonds has already become so common that it causes little surprise. Its very frequency, however, has probably lessened its power as a factor in producing panics.

It seems to be quite generally conceded that the issue of a new series of railroad bonds is to be regarded as experimental. If the railroad proves equal to the burden, well and good. If not, the holders of the bonds are invited with a bland countenance to surrender a portion of their interest, and in most cases they do so readily, after their bonds have depreciated heavily, feeling that bonds bearing a low rate of interest which can be paid will probably sell for more than their old bonds bearing a high rate of interest which everybody knows will not be paid. The practice, to say the least, is reprehensible. Railroads should borrow no more money than they can obtain on reasonable terms.

FAST CONSTRUCTION.

If their credit is not sufficient to command low rates of interest, it certainly is not sufficient to justify much new construction. One of the main charges brought against the railroads in 1873 was they had built too fast. But what was called rapid building in 1873 would now be called ridicuously slow. At any rate, until construction was checked by the Interstate Commerce law, railroads were being pushed forward with a recklessness unknown in 1873. Perhaps that much-abused law may prove our guardian angel as a preventer of panics.

Another circumstance that contributed to the celebrated panic was tight money. That the money market may still be stringent the experience of the last few years must show. Several times within the last three years call money has been hard to find, even at eight per cent., and between the banks seven per cent. has frequently been the ruling rate both in Boston and New York. It is a noteworthy fact, however, that whereas in 1872 and 1873 money was at seven per cent. with scarcely an intermission for a period of nine months, since that time a long-continued stringency has been unknown. Why it is so is easily explained.

In the first place, the very general use of our Atlantic cables, which were a novelty in 1873, has enlarged the money market. It is hardly possible, nowadays, that money should long continue at seven per cent. in New York while the Bank of England is charging only three. In the second place, the resumption of specie payment has done much to facilitate our loans in Europe. Apart from the general distrust of investments in a country where the highest of all securities is on paper, the resumption of specie payment has had a definite influence in improving the foreign credit of our country. The thought may not be entirely germane to this discussion, but it may be permitted to suggest in this place that the railroads would improve their credit if they followed the tendency of things in Washington and made all their bonds redeemable in gold.

CONCLUSION.

The conclusion to be drawn from all these facts would seem to be that the railroads are in some respects in a position more dangerous even than that in which they stood in 1873, and, if panics were possible then, they are certainly possible to-day. But it would seem, on the other hand, that we are now in a far better condition than we then were to quench the conflagration should it again begin. Some of the means for doing so have already been mentioned. But the main safeguard, and one which it is impossible to prize too highly, is the right which the Secretary of the Treasury has assumed to relieve the money market in case of stringency by a liberal purchase of Government bonds. It is somewhat singular that this right, employed so generally by the Secretary, has never been sanctioned by an Act of Congress. Indeed, a bill so framed as to confer that right was recently defeated in the House, and the Secretary, in his beneficent purchase of Government bonds, is acting under powers which a majority of the House declared he should not have.

It is to be hoped that ere long the right to purchase bonds will be embodied in a statute, so that, in case of panic, the public may know exactly how much relief the Government can give. In the panic of 1873 the U. S. revenues were but a trifle more than the expenditures, and the Secretary, after expending $13,000,000 in the purchase of bonds, declared that he could do no more. To-day, unless our pension list should swamp the Government, far greater relief can be afforded to stay a panic. Amid the outcry that was heard some years ago against our tariff and the steady increase of our surplus, John Sherman was reported to have made the sage remark that, after all, the surplus was better than a deficit. His words deserve consideration. Those short-sighted statesmen, who wish to see the Treasury balance occasionally on the other side, will be taught by our next panic the benefit of a surplus from which to draw.—*Boston Commercial Bulletin.*

BANKING AND FINANCIAL ITEMS.

GENERAL.

New Bank Buildings and Other Improvements.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

Col.	Grand Junc.	Mesa Co. State Bank.
"	Trinidad	First National Bank.
Ga.	Cuthbert	Bank of Cuthbert
"	Macon	American Nat. Bank.
Idaho	Moscow	Moscow Bank.
Ill.	Bloomingt'n	National State Bank.
"	Mansfield	Mansfield Bank.
"	Nokomis	Nokomis Nat. Bank.
"	Springfield	Farmers Nat. Bank.
"	"	Illinois National B'k.
Iowa	Mapleton	Monona Co. State B.
Ky.	Louisville	Citizens Nat. Bank.
Md.	Baltimore	Merchants Nat. Bank.
Mass.	Haverhill	Safe Dep. & Tr. Co.
Mass.	Monson	Monson Nat. Bank.
"	Watertown	Watertown Sav. B'k.
Mich.	Port Huron	Commercial Bank.
N. Y.	Ithaca	Tompkins Co. N. B.
"	Middletown	Orange Co. Trust and Safe Deposit Co.
Ohio	Deshler	A handsome new b'k.
R. I.	Providence	Aquidneck Nat. B'k.
S. C.	Greenville	Peoples Bank.
Texas	Quanah	City National Bank.
Va.	Danville	Merchants Bank.
"	Newport News	First National Bank.
Wash.	Tacoma	Merchants Nat. Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

Ala.	Tuscaloosa	First National Bank.
Ark.	Russellville	First National Bank.
Conn.	Rockville	Rockville Nat. Bank.
Dak. S.	Deadwood	Deadwood Nat. B'k.
Ill.	Alton	Alton Savings Bank.
"	Paris	Edgar Co. Nat. B'k.
Ind.	Evansville	Old National Bank.
Iowa	Cedar Falls	Cedar Falls Nat. B'k.
Me.	Bar Harbor	First National Bank.
Minn.	Mankato	Citizens Nat. Bank.
"	St. Paul	West Side Bank.
N. H.	Nashua	Indian Head Nat. B.
N. Y.	E. Randolph	Peoples State Bank.
N. C.	Asheville	First National Bank.
Ohio	Cleveland	East End Sav. Bank.
"	E. Liverpool	Potters Nat. Bank.
"	Toledo	Merchants and Clerks Savings Inst.
Pa.	Bradford	First National Bank.
Tenn.	Chattanooga	Citizens B'k & Tr. Co.
Texas	Corp. Christi	Corpus Christi N. B.
Utah	Ogden	Ogden State Bank.
Va.	Norfolk	Marine Bank.
Wis.	La Crosse	Batavian Bank.

The Oldest Savings Bank.—The following interesting communication has been received from Mr. R. Evans Peterson, secretary of the Dime Savings Bank of Philadelphia: "On or about the 20th of November, 1816, Mr. Condy Ranget, having noticed in the recently received English journals an account of the establishment of savings banks in that country, and meeting on that same day with Mr. Richard Peters, Jr., introduced the subject of the expediency of establishing a similar institution in Philadelphia; they subsequently on the same day met Mr. Clement C. Biddle and Mr. Thos. Hale, and these gentlemen, at the office of Mr. Biddle, discussed and agreed upon the propriety of establishing a savings bank in this city. It was decided to call a meeting of a few prominent citizens on the following Monday, to consider and act upon Mr. Ranget's suggestion. Accordingly on Monday, November 25, five of the twelve gentlemen who had agreed to unite for the purpose of establishing a society after the plan of the savings banks of Great Britain—namely, Condy Ranget, Thos. Hale, John Strawbridge, John C. Stocker and John McCua met at the office of the Pennsylvania Life Insurance Co. The result was the formation of a society, with Andrew Bayard, Esq., as president, the contingent expenses of the association to be provided for by the voluntary contribution of the managers. The business of the association was commenced and continued up to the 31st of March, A. D. 1819. On Monday, December 2d, 1816, the office of the society was first opened for the transaction of business, on the west side of Sixth street, nearly opposite Minor. On the 25th of February, 1819, an act of the Legislature incorporating the Philadelphia Savings Fund Society was approved by the Governor, and the assets were transferred to the corporation." The Provident, of Boston, did not incorporate until 1816, and did not commence business until 1817, and after the Philadelphia Savings Fund. So the oldest savings fund is the Philadelphia Savings Fund Society.

SOME RECENT BANK DIVIDENDS.—

Location.	*Name.*	*Annual.*	*Semi-Annual.*	*Added to Surplus.*
GA.....Macon......	Union Sav. Bank & Tr. Co..	....	3½	$20,000
ME.....Biddeford ..	Biddeford National Bank....	....	4	....
" ..Portland....	Portland National Bank......	....	$3	....
MASS...Boston......	Winthrop National Bank....	....	2	....
" ..Brockton....	Brockton Savings Bank......	....	2	....
" ..Cambridge..	Charles River National Bank.	....	4½	....
" ..Chelsea.....	Chelsea Savings Bank.......	4	....	....
" ..Falmouth...	Falmouth National Bank....	....	2	....
" ..Haverhill...	Haverhill Savings Bank......	....	2½	....
" ..Holyoke....	Holyoke National Bank......	....	5	....
" ..Millbury....	Millbury National Bank......	....	2	....
" ..New Bedford	Citizens National Bank......	....	$3	....
" .. " "	First National Bank.........	....	3½	....
" .. " "	Merchants National Bank....	....	4½	....
" .. " "	Mechanics National Bank....	....	4	....
" .. " "	National Bank of Commerce.	....	2	....
" .. " "	New Bedford Inst. for Sav...	....	2	....
" ..Newburyp'rt	First National Bank.........	....	3½	....
" .. "	Merchants National Bank....	....	3½	....
" ..N'th Adams	North Adams Savings Bank..	....	2	....
" ..Peabody....	South Danvers National Bank	....	3	....
" .. "	Warren National Bank......	....	3	....
" ..Spencer.....	Spencer National Bank......	....	3	....
" ..Waltham..	Waltham National Bank.....	....	4	....
" ..W. Newton.	First National Bank.........	....	2½	....
" ..Weymouth..	Union National Bank........	....	3	....
" ..Worcester..	Central National Bank.......	....	3	....
" .. " ..	Citizens National Bank......	....	2½	....
" .. " ..	City National Bank..........	....	3	....
" .. " ..	Mechanics National Bank....	....	2	....
" .. " ..	Quinsigamond National Bank	....	2½	....
" .. " ..	Worcester National Bank....	....	3	....
MO.. ..Carthage....	Central National Bank......	4	....	....
N. Y....Angelica....	Bank of Angelica...........	....	3	....
" ..Red Hook..	First National Bank.........	....	4½	....
PA.....Norristown.	Albertson Tr. & Safe Dep. Co.	....	$1.50	....
" ..Pittsburgh..	City Deposit Bank..........	....	5	....

SALES OF BANK SHARES.—

Location.	*Name.*	*Sold at.*	*Par.*
GA.....Waycross...	South Georgia Bank................	$125.00	....
MASS...Haverhill...	First National Bank................	$165.00	....
OHIO.. Cincinnati..	Second National Bank..............	$325.00	$100.00
PA......Gettysburg..	Gettysburg National Bank.....lowest	$113.00	....
	highest	$114.50	....
" ..Phœnixville.	Farmers and Mechanics Nat. Bank...	$70.00	....
" ..Pottstown...	National Bank of Pottstown.........	$124.00	$50.00

A NEW STYLE OF CHECK.—How many bank cashiers have the artistic sense? or, rather, how many try to develop it? One of them is the cashier of the Bank of Buffalo, William C. Cornwell. His latest production takes the form of a check. No expert advertiser could have scored a greater hit if employed by the bank to do something unique. The paper of the check is sky blue, and the lettering is done in bronze. Across the upper half of the check is a silver cloud, relieved only by rifts for the name of the bank and ink numbers. The check number is printed in crimson.

POOR'S HANDBOOK OF INVESTMENT SECURITIES, for 1891, has been received. The preface states that the book is intended "to be to those seeking to invest in securities of any kind, what a city directory is to the general public . . . There are now in the United States about 2,500 railroad companies, each having an organization and financial system of its own. The nominal value of the securities issued by them, of which there is an almost endless variety, exceeds $10,000,000,000. For full statements of their financial condition and operations, the Manual of Railroads is still to be referred to, but where dates or isolated facts, such as the times and places at which dividends on the share capital, or interest on the bonds of railroad companies are payable, with the amounts or rates of each, or at which the annual meetings of the several companies are to be held, or the places for the registration of their share capital, with the names of registrars, with other information of the kind wanted, a book less voluminous than the Manual, and in which the information of the kind described is arranged under appropriate headings and alphabetically, is the proper supplement to such a work." Statements are also given, setting forth the dividends on shares, interest on bonds, and value of such securities for a series of years; a schedule of securities listed on the New York Stock Exchange, from 1879 to 1890 inclusive, and the earnings of railways for a long period. Municipal, State and Federal securities, are classified with painstaking care, the object being no less than that of giving "the financial condition, indebtedness, sources of income, assets, and population of every State, county, city, and town issuing its obligations for any purpose." The table of contents is as follows: Bond coupons; annual meetings and dividends; abstract of railroad returns from Poor's Manual of Railroads; municipal and township indebtedness; county indebtedness; State debts and liabilities; range of stock and bond values; maturity of bonds; general transfer offices; miscellaneous corporations; securities listed on the New York Stock Exchange; supplementary statement of all stocks and bonds; supplementary statement of dividends; supplement to abstract of railroad returns. It is superfluous to add that such a book is an exceedingly convenient manual of reference.

EASTERN STATES.

CONNECTICUT.—According to a law passed about five years ago, the State savings banks are required each year to place on file with the City Comptroller a list of all unclaimed deposits which have remained in their banks for over twenty years without additions or subtractions by the original depositors. Such lists of unclaimed deposits are now on file at the Comptroller's office in Hartford, and amount in the aggregate to over $60,000, twenty-three of which are over $1,000, the largest being one of $5,540.10

NEW HAVEN, CONN.—Ex-Governor Bigelow, who died last month, for several years was president of the Merchants' Bank, retiring from that place last year.

MERIDEN, CONN.—The officials of the Meriden Savings Bank have had presented, to be "written up," one of their bank books issued September 6, 1851, about three weeks after the bank was established. The book was numbered 38, and, with the exception of book No. 26, held by the estate of the late S. H. W. Yale, is the oldest deposit book the bank has out. The following figures will illustrate how savings, however small accumulate. The only deposit ever made was $15 on the date given above, $20 was drawn from the bank in 1874, and the depositor now has $83.69 to his credit in the bank.

NEW BRITAIN. CONN.—The Burritt Savings Bank has opened for business in the Mechanics' National Bank. The officers are as follows: L. Hoyt Pease, president; T. B. Wilcox, vice-president; V. B. Chamberlain, secretary and treasurer. The directors will include the officers and the following: D. C. Judd, Ralph G.

Hibbard, Dennis Riordan, F. L. Hungerford, F. A. Berg and Ira E. Hicks. The incorporators of the bank are: The Hon. C. E Mitchell, D. C. Judd, Dennis Riordan, Ira E. Hicks, F. A. Berg, V. B. Chamberlain, E. W. Thompson, R. G. Hibbard, T. B. Wilcox, F. L. Hungerford, L. H. Pease, W. E. Latham, Isaac Porter and Charles Peck.

BOSTON.—That venerable and eminent banker, Franklin Haven, whose financial career dates back nearly threescore years, is still a majestic figure, although he bears the mark of age. What an experience he has had in the ups and downs of moneyed operations during his long career. Of all the presidents of Boston's twenty-five banks in 1840 he is the only survivor. Of two cashiers in the early days of the Merchants' Bank, of which he was president, something of interest may be related. The first was C. H. Eldridge, who married Sarah Payson Willis, the "Fanny Fern" of flashy literature fame. He was a thorough gentleman and an excellent business man. His successor was Thomas W. Hooper, a bright, genial and popular fellow, who, becoming involved in some pecuniary difficulties, sought relief by shooting himself in a basement room of the bank one morning. Had his friends been previously made known of his pecuniary difficulty everything could have been happily arranged, as nothing of a criminal nature had occurred. Personally, Mr. Haven was one of the finest looking men that ever walked State street. Certainly no man was more respected.—*Boston Courier.*

BOSTON.—Messrs. Lazard Brothers & Co. of London, a banking firm well known to be of the highest standing, have made a business connection with Messrs. J. B. Moors & Co. This London house has branches in Paris and New York under the name of Lazard Freres. They have of late been especially prominent as shippers of gold to and from this country. One of the partners, who resides in Paris, is a director of the Bank of France.

BOSTON.—Fred S. Mead, who has for several years been connected with Messrs. Irving A. Evans & Co., has been admitted to membership in the local board. Mr. Mead is a Harvard boy, and one of the brightest young men "on the street." Mr. Evans met him while abroad, and just after he had left Harvard, and then took him into his banking house. He is now about to engage in business for himself, and the best wishes of a host of friends will go with him in his new departure.

BOSTON.—At the Boston Stock Exchange's annual election Mr. E. Rollins Morse was elected president; Lyman B. Greenleaf, vice-president; Robert F. Clark, treasurer; Murray R. Ballou, chairman and secretary; and Arthur L. Devens, Joseph E. Hall, Arthur L. Sweetser, Henry Wainwright, Wallace G. Webber and George E. Wilder for the governing committee, to serve two years.

BOSTON, MASS.—The Old Colony Trust Co. has leased the large banking room upon the first floor of the Ames building over its present quarters. Its business is growing.

N. H.—New Hampshire savings banks have made a net gain of over $5,000,000 in their aggregate deposits during the fiscal year which closed September 30.

WHITEFIELD, N. H.—The Whitefield Bank and Trust Company recently voted to increase its capital stock $25,000, making an aggregate of $50,000, to adapt its resources to the increasing business prosperity with which it is favored.

NEWPORT, N. H.—The statement of the Newport Savings Bank shows a gain of $50,000 in deposits, during the past six months.

NEW YORK CITY.—The large and growing number of business houses in the vicinity of Fifty-ninth street and Fifth avenue, and the lack of convenient banking facilities, have brought about the formation of the Plaza Bank. The bank is a State institution, with a capital of $100,000 and a surplus capital of $100,000. The scheme originated a year ago with Fish Commissioner Eugene G. Blackford, and since then he has interested J. J. Astor, H. O. Havemeyer, David Bonner, W. C. Whitney, H. G. Marquand, Maurice K. Jesup, C. P. Huntington and William Rockefeller in the enterprise. The aggregate capital of the stockholders is thought to be about $500,000,000. W. G. Brewster is president; Woodbury Langdon, vice-president, and William McMaster Mills, assistant cashier.

TROY, N. Y.—Mr. R. H. Thurman, former cashier of the First National Bank, has prepared a table, for the Troy *Times*, making a comparison of banking business between 1871 and 1891. Here it is:

STATEMENT OF THE NATIONAL BANKS IN TROY FOR 1871 AND 1891.

Banks—1871.	*Capital*, 1871.	*Loans and Discounts*, *Oct.* 2, 1871.	*Individual Deposits*, *Oct.* 2, 1871.
First National	$300,000	$448,615 72	$219,564 63
Union National	300,000	728,905 71	447,621 39
Merchants and Mechanics'	300,000	880,866 75	309,751 32
Central National	300,000	579,993 40	354,710 87
United National	300,000	762,814 82	756,694 33
State National	250,000	1,461,671 04	1,541,943 25
Mutual National	250,000	453,925 05	369,891 02
Manufacturers' National	150,000	966,520 98	928,794 37
National Exchange	100,000	222,183 58	134,182 72
Troy City National	500,000	890,867 48	505,449 01
	$2,750,000	$7,396,364 53	$5,568,602 91
Banks—1891.	1891.	*Sept.* 25, 1891.	*Sept.* 25, 1891.
National of Troy	$200,000	$685,441 14	$545,732 37
Union National	300,000	931,564 90	788,023 39
Central National	200,000	857,310 73	807,477 02
United National	240,000	706,922 42	804,735 27
State National	250,000	1,544,708 83	1,646,020 74
Mutual National	250,000	1,192,103 20	1,021,816 01
Manufacturers' National	150,000	1,223,490 89	1,493,754 70
Troy City National	300,000	1,047,867 27	929,865 33
	$1,890,000	$8,189,409 38	$8,142,424 83

In 1870 there were ten banks in Troy, with a capital of $2,750,000 00
In 1891 there were eight banks in Troy, with a capital of 1,890,000 00

Decrease $860,000 00
The population of Troy in 1870 46,421
" " 1890 60,956

Increase 14,535

But these banks do not of themselves adequately represent Troy's financial resources and flourishing condition by any means. The Troy Savings Bank reports for the years named are still more startling and gratifying evidences of growth and wealth. We copy:

Number of depositors, Jan. 1, 1871 7,246
Number of depositors, Jan. 1, 1891 15,373
Amount of deposits, Jan. 1, 1871 ...... $2,823,013 99
Amount of deposits, Jan. 1, 1891 ...... $5,395,779 53

These deposits of the Troy Savings Bank nearly equal the aggregate individual deposits of all the other banks twenty years ago, and almost double those of its own at that time. The number of depositors has more than doubled during the last twenty years.

WALTON, N. Y.—The First National Bank of Walton, only eight months old, already has deposits to the amount of $64,000.

JAMESTOWN, N. Y.—Robert Newland, ex-president of the Chautauqua County National Bank, who died a few days since, was one of the ablest bankers in that part of the State. The directors of the bank adopted the following resolution concerning him: "The officers of the Chautauqua County National Bank of Jamestown announce with unfeigned sorrow the decease of Robert Newland, Esq., who has been connected with this bank since 1834, was for eighteen years its president, and at the time of his death was its oldest director. He died in the 91st year of his age. He was an upright, conscientious, high-minded man, and a liberal and public-spirited citizen. No man was better known in this community, and no one has contributed more to its prosperity." He was born in Albany, N. Y., Jan. 24, 1801, and went to Jamestown in 1834, and soon after became connected with the

Chautauqua Co. Bank (changed to National) in the capacity of cashier. He was promoted to the vice-presidency of the institution and in 1872 was made president. He spent eighteen years in that capacity. and be it said that in that time no worthy man went to him in vain with an appeal for aid. He was an industrious and careful business man and the bank owes much of its prosperity to his able management. He resigned in 1890, but continued to take an active interest in the affairs of the bank up to within a short time of his death.

POUGHKEEPSIE, N.Y.—The following in regard to the Poughkeepsie Savings Bank appeared in the *Eagle*. "While one savings bank at Kingston has been stolen to death by some of its officers, and has had to suspend, and the others by reason of sympathy are enduring a run, our bank here is as secure as a summer morning. No one of the officers of our bank lives beyond his means or puts on any unnecessary style. Still a little matter of a half million dollars more or less would not make it wilt. In January last the surplus over and above the amount necessary to pay all deposits was $859,486.46, and in case of a run it could secure between three and four million dollars as soon as one could go to New York and come back again. There is no better bank in the country."

HAVERSTRAW, N. Y.—The National Bank of Haverstraw has purchased $50,000 worth of 4½ per cent. Government bonds, on which the bank will increase its circulation and issue new bills.

BROOKLYN, N Y.—A Brooklyn bride, who tried to recover $500 on a check that had been displayed among her wedding presents, failed, because it was shown that she had reason to believe that it was only given to her for exhibition purposes. The time has come for brides to insist upon either certified checks or good indorsers.

GOSHEN, N. Y.—Away back in 1812, nearly 80 years ago, Goshen stood among the important towns of this section of the country; in fact, excepting Newburgh, it was perhaps the largest in the county of Orange. This being the case, the people felt the necessity of having a bank for convenience in doing business, and steps were taken by the prominent men of the county to organize such an institution. In that historic year of the opening of the second war with England, a charter was obtained which was to run for a period of fifty years, under the name of the Bank of Orange County. This was in the latter part of the above year. On the 7th of June, 1813, there was a meeting held in the old court house, of those who had taken stock in the enterprise, and the following gentlemen were elected as the first board of directors: Richard Trimble, George Monell. John Berber, Abraham Schultz, James W. Wilkin, George D. Wickham. John Duer, David M. Westcott. John G. Hurtin, Moses Phillips, Jr., John Bradner, Alanson Austin and Reuben Hopkins. George D. Wickham was elected president and Henry A. Townsend, of Bath, cashier, these two officers being all who were necessary to conduct the business at that time. The first business, after organization, was transacted in the house now owned by Charles J. Everett, adjoining the residence of George M. Sayer, on Main street, but the location was soon changed, the bank having erected the house now occupied by Mrs. A. S. Murray, mother of the present president, G. W. Murray, into which they moved. and there continued to do business until the year 1853, when a change was made to the present location, the advent of the Erie Railroad, a few years prior to that time, having had the effect of bringing the main part of the business of the town down near the station. The charter granted in 1812 expired in 1862. but was renewed, and three years later, in 1865, the bank was put under the National system and became the National Bank of Orange County. The older residents of the county can easily recall what were called the "butter bills" issued by the bank, prior to the adoption of the National system, but I doubt not that should one of these bills, a few of which still remain, be presented to the business man of to-day it would be promptly refused as a counterfeit, and a very bad one at that; in fact, they would about as soon be accepted as a six-dollar bill. They were made to represent, in color, the shade of fine June butter, before the farmer's wife had become educated in the use of coloring preparations. It is unnecessary to say anything in regard to the business of the bank, as it has almost a national reputation, but the fact is worthy of mention that in this period of nearly eighty years only three different persons have held the responsible position of president, namely, George D. Wickham, A. S. Murray, until his death, which occurred a few years ago, and

George Wickham Murray, who was elected to fill the vacancy caused by the death of his father, and than whom it would be hard to find a more thorough business man or better financier. During this period of its existence the bank once paid, in five consecutive years, the sum of 125 per cent. in dividends to the stockholders, and at the same time and during the same period added largely to its profit and loss account. There have been six cashiers elected, in the following order: Henry A. Townsend, Morris Robinson, A. S. Murray, who afterward became its president, Thomas T. Reeves, William T. Russell, now president of the Goshen National Bank, and Charles J. Everett.—*Middletown Press.*

BROOKLYN, N. Y.—The Brooklyn Trust Company has issued a notice to its depositors carrying small balances, stating that balances of at least $200 should be carried in order to yield any compensation to the company. The reason given by Secretary Curran was that small accounts "didn't pay."

PENNSYLVANIA.—John H. Shook, cashier of the First National Bank of Greencastle, has received three old bank bills from Cashier McIlvaine, of the National Bank of Chambersburg. The bills are one for $20 and two for $10 each, and were issued by the Farmers and Mechanics' Bank of Greencastle. They are printed on common rice paper and are very plain in design. They are signed by David Fullerton and Matthew Lind, and dated 1815 and 1817.

READING, PA.—The following account of the banks in Reading is taken from the *Reading Eagle:* The Farmers National Bank's capital stock is $400,000 and its surplus fund is $350,000. The par value of the stock is $30, and it is quoted at $80, a premium of $50 per share, with none in sight. The bank pays a dividend of ten per cent. on the par value of each share. The stock of the National Union is quoted at $80, its par value being $25. An annual dividend of ten per cent. is paid. The bank's capital stock is $200.000, and its surplus fund $250,000. The capital of the Second National Bank was increased to $200,000 a few months ago, and none of the stock was allowed to be placed on the market, the stockholders having taken it up. A dividend of six per cent. is paid, the balance being paid into the surplus fund, which is already $100.000. The stock is quoted at $165, the par value being $100. The First National Bank has a surplus fund of $150.000, its capital stock being $250,000. It is paying an annual dividend of ten per cent. to the stockholders. The stock is selling for $200 per share, the par value being $100. The Keystone National Bank is paying a ten per cent. dividend. The bank has a surplus fund of $100,000, which is equal to its capital stock. The par value of the stock is $100, the latest bid for it being $210. The Penn National's stock is rated at $200 per share, par $100. The bank is paying a dividend of six per cent. and is devoting more of its energy to accumulating a surplus fund, which has already $65,000. The bank's capital stock is $100,000. The Citizens' Bank was the pioneer State bank in this city, and is the only bank located off Penn street. Its business has grown steadily. Although still young, its stock is quoted at $55 bid and $60 asked, the par value being $50 per share. Its capital stock is $75,000. The Schuylkill Valley Bank is the youngest bank in the city, and has just completed its first year. A semi-annual dividend of four per cent. has been declared. The bank's capital stock is $50,000, and its stock is rated at $55, a premium of $5 per share. The Penn'a Trust Company was incorporated June 1st, 1886, and its charter is perpetual. Its capital stock is $250,000, and the stock is quoted at $107, the par value being $100. The last dividend was five per cent. The Reading Trust Company is paying five per cent. upon its capital of $250,000. The stock of the company is rated at $125, a premium of $25 above its par value.

BROOKVILLE, PA.—The deposits of the Jefferson County National Bank, at Brookville, amount to $452,000.

SCHWENKSVILLE, PA.—At the regular meeting of the board of directors of the National Bank of Schwenksville Benjamin S. Alderfer, one of the directors, was presented with a gold head cane by the other members of the board, as a birthday gift, Mr. Alderfer having several days ago entered upon his 85th year. The presentation speech was made by H. W. Kratz, president of the board, who was responded to by Mr. Alderfer, whose manifestation of surprise and appreciation spoke louder than his words of gratification at having been so kindly remembered. Mr. Alderfer has been a director of the bank since it was established, and is one of the most active members of the board.

CARLISLE, PA.—The new bank, the Merchants' National, is one of the phenomenally successful Carlisle enterprises. It was started little more than a year ago in a place that many said was well supplied with banks, yet it has been successful from the start. The stock commands eight per cent. premium, and some of the stockholders are sorry that they did't buy more stock when there was some for sale. —*Harrisburg Patriot.*

MORRISVILLE, VT.—There is $35,056.88 in the savings department of the new bank at Morrisville.

WESTERN STATES.

LISBON, NORTH DAKOTA.—The First National Bank was organized in April, 1887, succeeding the Ransom County Bank, of Adams and Frees, which was one of the pioneer financial institutions of the city, and is the only National bank in Ransom County. It has a paid-up capital of $50,000, with a surplus fund of $10,000, and has paid regular semi-annual dividends of five per cent. since its organization. It comprises among its stockholders most of the prominent business men of Lisbon, and is essentially a Lisbon institution. The officers of the bank are: R. S. Adams, president; B. M. Frees, vice-president, and H. K. Adams, cashier, who have held their respective positions since the organization of the bank.—*Fargo Sunday Argus.*

YANKTON, SOUTH DAKOTA.—Judge White has rendered a decision affecting the validity of the State banking law. He holds that the law denying the business of discounting paper, buying exchange, loaning money, or receiving deposits, to private individuals, and conferring these rights exclusively on corporations, is unconstitutional. The State has appealed to the Supreme Court.

STREATOR, ILL.—The National Loan and Investment Co., of Detroit, Michigan, have established a board of their business in this city, and have appointed the following board of directors: H. N. Ryon, president; Jabe Mackey, vice-president; M. A. Bronson, secretary; H. J. Wood, treasurer; Oscar B. Ryon, attorney.

CHICAGO.—Secretary Noble and General Porter were guests of the Bankers' Club at its first dinner of the season. The club remembered the day, and the menu card bore a representation of the First National Bank the day after the fire, with the new Chicago rising from its smoke. After dinner the election of officers took place and these gentlemen were chosen: President, E. G. Keith; vice-president, John C. Black; secretary and treasurer, James D. Sturgis. These, with G. B. Shaw and William A. Hammond, will constitute the executive committee for the year. When the chairs had been drawn up Lyman J. Gage pictured to the company the plight in which the banks found themselves after the fire, and the energy with which the bankers responded to the test. President Keith introduced Secretary Noble as the confidential friend and adviser of the man whose continuance in his present position made certain the circulation of an honest dollar. Mr. Noble said that the same love of law that inspired Chicago after the fire and saved it pervaded the country. "It is that which unites this continent under a Republican Government," he said. "There is no other principle, no other vital force than respect for the constitution that can make this country adhere together." General Porter talked entertainingly. He said, amongst other things: "Chicago men look back on the fire with admiration, and I believe they are looking forward to a series of great fires with hopeful anticipation. Chicago men are used to dealing in futures, anyhow. Not to say that it isn't true that wherever a man may be, if he isn't in Chicago, he is camping out. I was surprised to see the Secretary of the Interior here, not only because I knew that he had given Chicago a population of only 1,000,000 when it was set for 5,000,000, but because I was afraid that he might exercise supervision over our own intentions, and, as his appropriations are frequently short, might curtail the nourishment. On my way here I stopped in my native State of Pennsylvania and found that the good city of Philadelphia was badly shaken in financial circles. Some of the bankers had gone to Canada and the State was kindly caring for others. When I go back and tell the people of the dinner I have had to-night, I think they will be surprised to know that there are so many bank officers at large."

INDIANA.—Auditor of State Henderson has appointed Hiram Teter, of Brazil, Clay County, State Bank Examiner, to fill the vacancy occasioned by the death of the Hon. Harry H. Francis, of Michigan City. Mr. Teter brings to the office a rare combination of those qualities necessary to an intelligent and comprehensive discharge of its duties, and while having the confidence of the bankers within his acquaintance, is in no wise interested in any banking institution. As a lawyer he took a keen interest in the passage of the Appellate Court act by the last Legislature. As his new official duties will require only a portion of his time, he will continue his business and look after his farming interests in Clay County.—*Indianapolis Sentinel.*

SEYMOUR, IND.—In changing the Jackson County Bank to the Seymour National Bank, the capital stock was increased from $50,000 to $100,000. The old officers were retained.

IOWA.—Deposits in the savings banks of Iowa have increased from $11,200,778.10 in 1883, to $33,781,706.67 in 1891.

WOOD RIVER, NEB.—The Citizens' State Bank has been started at Wood River with a paid-up capital of $25,000.

FORT SCOTT, KANSAS.—The Bank of Fort Scott, which has for ten years been one of the leading banking institutions of southeastern Kansas, has been incorporated under the new banking law of the State passed by the last Legislature, which is regarded by financiers as the best State banking law that has yet been devised. Some of its special commendable features are that it provides for a Bank Commissioner whose duty it is to make stated examinations of the condition of the banks doing business under its provisions; requires the publication of quarterly statements of the condition of the banks; permits the loaning of deposits on real estate security, and requires a reserve of twenty per cent. of deposits, while the National banking law requires but fifteen per cent. reserve. The following directors have been chosen for the ensuing year: C. F. Drake, Charles Nelson, C. F. Martin, J. H. Randolph and J. F. Cottrell. Mr. C. F. Drake has been elected president; Mr. Charles Nelson, vice-president; Mr. Charles F. Martin, cashier; and Mr. W. T. Seagrave, secretary. The office of secretary was created by the new law. The stockholders, directors and officers of this bank are among our oldest and most substantial citizens, who have by long business association acquired an enviable reputation in this community, and stand at the head of the businesses in which they are engaged. The following statement shows the condition of the bank at the close of business, September 17: Resources—loans and discounts, $273,483.46; bond account, $12,550.00; real estate, furniture and fixtures, $13,741.15; cash and sight exchange, $129,092.10; total, $428,866.71. Liabilities—Capital stock, $125,000.00; surplus, $5,000; undivided profits, $17,648.67; demand deposits, $177,393.90; time deposits, $103,824.14; total, $428,866.71.

ENTERPRISE, KAN.—The Bank of Enterprise has increased its capital to $100,000. It is said to be the only bank in the State to do so under the new law.

SAGINAW, MICH.—The American Commercial and Savings Bank has been established at Saginaw, with a capital of $100,000. Saginaw had a dozen banks, but the projectors of the new bank thought she needed a thirteenth.—*Kalamazoo Telegraph.*

MINNEAPOLIS, MINN.—The Bank of Minneapolis has increased its paid-up capital from $150,000 to $250,000.

ST. PAUL, MINN.—From Julius M. Goldsmith, treasurer of our State Savings Bank, located in the Germania Life Insurance Company's building, corner Fourth and Minnesota streets, it is learned that after an existence of less than one year that worthy institution has opened over 2,000 accounts with deposits amounting to more than $250,000. The success thus far achieved by this bank proves conclusively that no mistake was made when the prediction was made, Nov. 1, 1890, that the public would welcome the State Savings Bank as a most valuable institution for the welfare of the people and the upbuilding of St. Paul.—*Pioneer Press.*

TRENTON, MO.—The Union Bank has increased its capital from $56,000 to $60,000. This bank is in a flourishing condition.

JOPLIN, MO.—The Joplin National Bank, which is a year old, has built up an excellent business during the twelve months of its existence.

St. Louis.—In St. Louis the first regular savings bank is to be opened. J. W Bell, a wealthy capitalist, who made his money in the manufacturing business, is to be the president of the institution, which will open for business at 518 Locust street, where the safe deposit institution is now located. It is a matter of surprise to eastern people visiting St. Louis that no regular savings bank has been established in that large city. The laws of Missouri have never been made sufficiently liberal to induce the employment of capital in such institutions. Mr. Bell has worked hard for six years to secure necessary legislation. Not until last winter could he and his associates persuade the Missouri lawmakers to frame a satisfactory savings bank law.

Nebraska.—The new State banking law went into effect the first of October. The law is an improvement on the old one. One of the best modes of creating confidence in these institutions is to establish sound banking laws, and to insist on their faithful execution.

Cleveland, O.—The Industrial Banking and Investment Association of the United States of America is the name of a new banking company which has been established for the purpose of doing a general banking business. The company is composed of a number of Cleveland's best known business people. The new company will issue certificates in sums of five dollars, and bearing six per cent. interest. The five dollars may be paid in installments of five cents and upwards. They will also negotiate mortgages, form and promote public companies, issue loans, buy and sell stocks, bonds or other securities and properties, real and personal; issue certified check books for the safety and convenience of travelers, and for the payment of accounts throughout the country by mail, without extra cost for exchange; for the collection of out of town or country checks for National banks and bankers, hotels, merchants and the general public; to aid farmers and laborers in all branches of industry, in the protection of their homes and property, both real and personal, against foreclosures or unjust rates of interest. The officers are George W. Short, Thomas Joplin, Peter I. Miller, J. A. Beidler, J. M. Williams, Thomas Fleming and J. S. Dickle, board of directors; J. D. Ketchum, manager and secretary.

Norwalk, O.—The Norwalk Savings Bank has been incorporated under the laws of Ohio with a capital stock of $100,000. The officers are: W. H. Price, president; C. H. Stewart, vice-president, and W. O. Monnett, treasurer. These gentlemen established the business two years ago. At the end of three months they had over $14,000 of deposits, while in one year and three months their deposits exceeded $100,000, and their depositors numbered 1,025. During the past few months these figures were largely added to, and the volume of their business continued to swell in a most gratifying way. The savings bank idea having thus been demonstrated to be a popular one, it was wisely determined to incorporate the institution under the laws of Ohio. This has accordingly been done, and a very strong list of directors elected, comprising some of the wealthiest and best known citizens of Huron County, as follows: Wm. H. Price, Wm. O. Monnett, C. H. Stewart, James L. Paul, A. L. Simmons, Charles Rowley, Finlay Heser and C. M. Webster.—*Norwalk Reflector.*

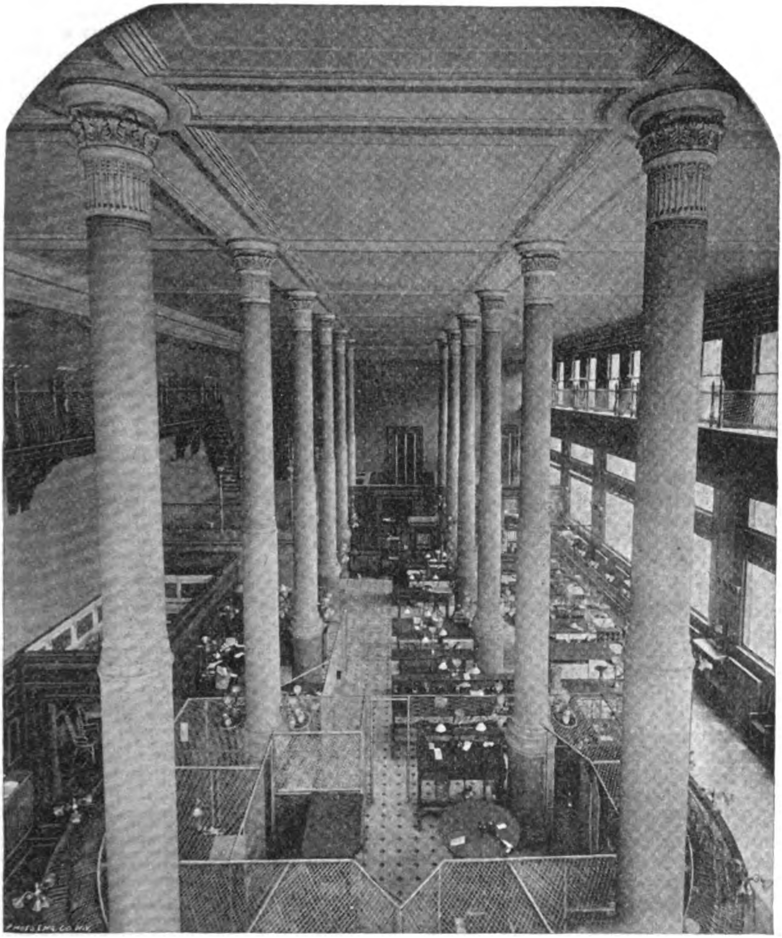
American Fork, Utah.—The Bank of American Fork is one of the most prosperous banking institutions in the country. The business done by this bank during the three months of its existence has far exceeded the most sanguine expectations of the bankers, and they have sufficient confidence in the further increase of the business to justify them to incorporate and make a State bank out of the now private bank.—*Ogden Standard.*

Berlin, Wis.—The Berlin National Bank has opened for business.

South Superior, Wis.—The Bank of South Superior has opened with a capital of $50,000. The following persons have been elected directors: J. F. Merriam, J. H. Harper, Bruno Eyfurth, E. A. Noble and Frank A. Ross. J. F. Merriam has been elected president, J. H. Harper, vice-president, and Bruno Eyfurth, cashier. South Superior now has five large manufacturing concerns in operation and the business at that point offers flattering inducements for a bank—and the place itself shows a rapid and substantial growth in all directions.

THE ST. LOUIS BOATMEN'S BANK.—The following description of the new building of the Boatmen's Bank, which is one of the handsomest yet erected in our country, is taken from the St. Louis *Republic*. The first story is constructed of red sandstone and the rest of the building of hydraulic pressed brick. A basement, with massive walls of granite, some eighteen feet in the clear, extends under the entire structure.

Entering the banking-room through massive oak doors, with French plate glass, set back several feet in a vestibule of heavy stone masonry, with a mosaic floor of rich design, the visitor beholds one immense room, resplendent with glittering gold and silver. It is 135 feet long by 55 feet in width, and the height of the ceiling from the floor is 35 feet. The ceiling is supported by 12 handsome columns with bases 6 feet high and rich capitals. The general tone of the room is yellow, the walls being painted in that color, and the wood-work and fixtures are of quarter-sawn oak in oil finish. The major portion of the room is occupied as a counting-room, separated from the rest of the room by a massive oak counter, with a base of Sienna marble extending in an oval shape around one-third of the space, and surmounted by an elaborate railing of black nickel, slightly oxidized, with openings for the tellers. The rest of the space is enclosed with wrought-iron work, some eight feet high. The interior is divided off into various compartments by the same kind of iron work, and supplied with handsome oak desks and tables. Back of the counting-room is a huge space devoted to a general reception room, supplied with the necessary furniture in oak. Still back of this is the directors' room, separated by a solid partition of heavy oak work, with rich carvings. This is a very handsome room, extending nearly the width of the room. One of the striking features of the room is a fireplace set in a section of Sienna marble some fifteen feet high and eight feet in width. Just above the fireplace are niches, and higher up three wreaths are carved. with a scroll extending through them, bearing the date of the erection of the building in Roman characters. In a corner of this room is also



INTERIOR VIEW.

located Cashier Thomson's private desk, at the rear of which he has a safe enclosed in a cabinet of oak. The west end of this section is divided into two small compartments, one of of them being a private consultation-room, richly furnished in oak, and the other a toilet-room, wainscoted with cream-colored caustic tiling, with walls and ceiling of paneled oak.

Along the west side of the room, in the rear of the counting-room, are three vaults, occupying a space of 14x34 feet. Two of these vaults are supplied with No. 64 Corliss burglar, mob and fire-proof safes, each weighing sixteen tons. They are the only safes of the kind in the city and the largest ever made. Their size and mechanism is a subject of wonder to all visitors and their cost was $22,500.

The floor of the banking-room is one of its distinguishing features. Inside the counting-room enclosure it is of Italian marble and red caustic tiling, but in all the other portions of the room the floor is mosaic in beautiful designs. It was shipped from France in small sections, and cost $4,750. In the wall on the west side of the open space, in the front part of the banking-room is a section of Sienna marble with a niche containing a drinking fountain. This marble, which forms a base around the entire room and round the counter, and is lavishly used in other portions of the room, resembles onyx, and was obtained in Italy. Passing around to the left of the counting-room railing, on entering, the visitor enters the ladies' waiting room, 8x14 feet, finished in ivory and gold. All the metal work and gas fixtures are heavily plated with gold. The mosaic floor is of special design and very beautiful. The furniture is upholstered in yellow damask silk. In the rear of this is a toilet-room wainscoted with Sienna marble and supplied with all conveniences. From the general reception-room a narrow stairway leads up to a balcony covering the top of the vaults. From here another stairway ascends to a balcony that circles around the entire room. The object of this feature is to break the height of the room and furnish visitors a position to view the workings of the bank without disturbing any one. In the well-finished basement with flooring of tiling is located a grand dining-room, kitchen, butler's pantry and a lavatory. The bank has long made it a practice to serve a noonday meal to all its employes. Justice cannot be done the superb manner in which this department of the building is arranged and finished in the space of this notice. To fully appreciate its magnificence it must be seen. The Boatmen's Bank, that will occupy this commercial palace, was organized in 1847, and is regarded as one of the strongest financial institutions in the United States. It has a capital of $2,000,000, and a surplus fund of $300,000. Its present board of directors are Samuel Cupples, Wm. L. Huse, George S. Drake, Rufus J. Lackland, Carlos S. Greeley, George E. Leighton, Wm. A. Hargadine, E. C. Simmons, Jerome Hill, Wm. H. Thomson, Edwards Whitaker. Mr. Rufus J. Lackland has now been president twenty years, and Mr. Thomson, the cashier, has served in that capacity twenty-one years.

MILWAUKEE, WIS.—Among Milwaukee's successful and genial bankers, none are more highly esteemed or more faithful to the daily performance of duty than the "Father of Milwaukee Bankers," the venerable David Ferguson, vice-president of the Wisconsin Marine and Fire Insurance Bank, of which Congressman John L. Mitchell is president, and John Johnston cashier. Just half a century ago, December 18, last, Father Ferguson entered the services of this bank as a clerk in a small department. His faithfulness, Scotch honesty and business qualifications soon advanced him from position to position, until to-day he occupies the responsible and honored position of vice-president of one of the Cream City's leading banking institutions. At his jubilee as a member of the now important banking institution, Mr. Ferguson was thoughtfully and handsomely remembered by every man and boy connected with the bank. He is one of the most kindly and gentle of Milwaukee's great business men. He is ever and always approachable, and listens attentively to every reasonable "tale of woe" that is presented to him. In addition to his banking and large financial interests, in which he takes great personal interest, Mr. Ferguson is also a great sportsman and takes an annual hunt through the Northwest. He is the owner of the best blooded hunting dogs in the city. He also enjoys the distinction, in summer time, of possessing the most elegant private flower garden in the city, which he maintains at his handsome and comfortable residence on Milwaukee street. During the past summer at one time he had in full bloom 200 distinct varieties of roses. David Ferguson is a native of Aberdeenshire, Scotland, and was born Feb. 24, 1821. He came to the United States in November, 1840, visiting Chicago, St. Louis and Milwaukee. He took up his permanent residence in Milwaukee in 1842, and has been connected with the Wisconsin Marine and Fire Insurance Bank since that date.—*Milwaukee Journal.*

SHEBOYGAN, WIS.—By the death of Mr. Mead, president of the German Bank, the State loses one of its oldest and most prominent bankers. "He was born at

Montpelier, Vermont, December 6, 1831, and was approaching the close of his 60th year. He was for five years a resident of Ohio, at Cleveland and Findlay, before coming to Sheboygan. At the latter place he was engaged in the banking business with his father-in-law, Mr. John Ewing. In June, 1856, he came to Sheboygan, and made arrangements for the establishing of a banking business here. As a result, the German Bank was opened for business the first of July following, with Mr. Ewing as president, and Mr. Mead as cashier, a banking firm in Tiffin, Ohio, also having a stockholding interest in the same. Mr. Mead ultimately became the principal stockholder in the bank, and its president, which office he has since continued to hold, and under his judicious and popular direction it has become the largest banking institution in the State, outside of Milwaukee. And while attaining this growth, it has been a power in building up the many large manufacturing interests in this city, by aiding and encouraging them in their infancy; and in this way Mr. Mead has done more than any other one man in securing the prosperity of Sheboygan, and making it the great manufacturing city it has become. In his will, besides a bequest of $20,000 for a public library, he left $10,000 for the erection of a hall wherein the boys of Sheboygan may indulge in innocent sports and pastimes. He believed such a place to be needed, as his observations had convinced him that the only places open in the evening to the youths of Sheboygan are saloons and summer resorts.—*Sheboygan Times.*

Southern States.

Pensacola, Fla.—A credit of £30,000 has been placed by the Credit Austalt, an imperial banking house of Vienna, in the bank of F. C. Brent & Co., of Pensacola, for Captain Gustaye Thewalt, of the Austrian frigate Aurora. The action is explained in the announcement that two Austrian warships will come to this port before February next on a cruise.

Atlanta, Ga.—The Atlanta banks have established a Clearing House Association. The objects of the clearance are two-fold. Under the arrangements agreed upon each bank will be the Clearance House for two weeks. The Clearance House will greatly facilitate the banking interests of the city. As the business is now conducted, each bank has to go to all the other banks and have a settlement every morning by striking a balance of checks and paying the amount that may be due. This is a great annoyance and causes trouble and a waste of time. The Clearance House will hereafter make all the settlements every morning at 10.30 o'clock. All the banks in the association will send the checks to the manager of the Clearance House, and he will ascertain how much is due to the credit banks for that day and will give his check to them against the debtor banks. One check will cover all that is due the credit banks. In other words, the manager will look over all the checks, compare, strike a balance and give his check for the amount due the banks that has the amounts due them.

Atlanta, Ga.—The Governor has signed the bill incorporating the Empire State Bank. This is a new bank for Atlanta, the charter being secured by Mr. J. R. Tolleson and others. The capital stock will be $25,000, and a large amount of this has been subscribed. The charter is a liberal one, covering a building and loan feature; and in it the stockholders are empowered to increase the capital stock to $5,000.000. Mr. Tolleson has interested with him some prominent Georgia and South Carolina business men, and expects to do a small, safe business. So "Tolleson's Bank" will be a certainty of the near future.—*Atlanta Constitution.*

Baltimore, Md.—"How to take care of your Money." This is the title of a brochure prepared by the Merchants' National Bank of Baltimore, for the especial benefit of its customers. It is a highly tasteful piece of work, and reflects great credit on all concerned with its preparation. An outline is given of banking in the United States, followed by a more particular account of the history of the Merchants' National Bank, which is in truth the successor of the branch bank of the United States that existed in Baltimore, and was incorporated by the Legislature July 1st, 1835. The original capital was two millions, which was afterwards reduced to a million and a half, the bank purchasing five hundred thousand dollars of the stock originally subscribed by the State of Maryland. A remark is made concerning the method of issuing notes, payable on demand in gold coin when the privilege was permitted by the State, that is worth quoting. "The profit being derived from the notes outstanding, it was desirable that the notes should be kept in circulation as long as possible; hence, it was customary on the part of the banks to stipulate with borrowers that the proceeds of discount bills should be paid in notes of the bank, and which should be sent a certain distance from the home institution so they would be a long time in returning; sometimes, also, proceeds on discounts were paid in the notes of banks of other States, which the borrower had to sell to brokers and stand a further discount of one-fourth to five per cent." The excellent management and prosperity of the bank is clearly indicated in the following summary of its operations from the beginning:

Total cash receipts and disbursements	$12,702,892,000.00
Total bills discounted	549,392,054.00
Gross earnings	11,163,896.55

Applied as follows, viz.:

Dividends	$6,836,500.00
Surplus	500,000.00
Undivided profits	38,071.89
Expenses	1,698,095.72
Taxes	1,341,563.69
Bad debts charged off, discounted bills	584,665.25
Bad debts, Southern bank notes, 1861-1865	165,000.00
	$11,163,896.55

MISSISSIPPI.—Mississippi has seventy-one banks, of which thirteen are National banks. The National banks are situated as follows: One each at Aberdeen, Columbus, Greenville, Natchez, Jackson, Starkville, Tupelo, West Point and Yazoo City, and two each at Meridian and Vicksburg.

FORT WORTH, TEX.—The organization of the Railroad Men's Savings and Loan Company is meeting with general favor among railroad men. The company is formed on the building and loan association plan and has for its object the loaning of funds to its members, and at the same time affords its stockholders an opportunity of saving a portion of their wages each month, and at the same time have it earn a handsome interest. The plan of its formation has met with such favor that subscriptions to its stock will not be confined to Fort Worth, but will be received from railroad men in any portion of the State. This company has at its head some of the best-known railroad and business men in Fort Worth.—*Fort Worth Gazette.*

DALLAS, TEX.—The North Texas National Bank building on Main street has been sold to the United States Realty Company of Boston, for $260,000. Every dollar of the money is new capital brought to the city. Col. Exall, the vice-president of the bank, has spent the past two or three months working on this deal, and he has accomplished something for Dallas.

CHARLESTON, W. VA.—Charleston is certainly growing in financial strength. The Kanawha Valley Bank had probably nine hundred thousand dollars on deposit, the Charleston National nearly five hundred thousand, and the Citizens' National over three hundred thousand. This would nearly make two millions on deposit in the three banks in this city. This is a wonderful showing since a few years ago, when there was only one bank in which to do business. The business of the banking institutions is increasing steadily and regularly.—*Wheeling Register.*

CHARLESTON, W. VA.—State Bank Examiner C. W. Young has completed the first examination of the State banks under the new law. He reports them all in first-class condition and prosperous. There are in the State forty-five State banks, three savings banks, four trust companies and twenty-one National banks. Mr. Young's examination of the State banks, just completed, shows that they have a total paid-in capital of $2,470,835.66; surplus, $519,710.53; total deposits, $8,168,-093.33; loans, $8,262,274.11; increase in bonds $664,090.83. From the last National Bank Examiner's report the twenty-one National banks are shown to have $2,176,000 capital paid in, $520,307.53 surplus, $5,262,209 23 deposits, $5,619,-044.88 loans, and $180,568.63 invested in bonds. Thus the total banking capital of the State, including the surplus, is over five million, six hundred thousand dollars, the total deposits nearly fourteen millions, and the loans about the same.

FOREIGN.

CANADA—BANK OF BRITISH NORTH AMERICA.—A general meeting of the proprietors of this bank was held in London, England, at the offices of the bank. The chairman, Mr. G. A. Wallis, said: It may not be generally known that by the Canadian Banking Act all chartered banks of the Dominion are compelled to publish in great detail a monthly statement of accounts. It is not, of course, possible to include in the monthly statement the figures of the London office, but nevertheless it will be interesting to you to learn the net result of the position of the bank as submitted to the Dominion Government. I find that during the present year the proportion of specie and notes of the Dominion Government constituting the immediately available assets of the bank, to the notes issued, and Government and other deposits payable on demand, constituting the immediate liabilities of the bank, has been as follows upon the dates named: January 31, 39 per cent.; February 28, 39 per cent.; March 31, 37 per cent.; April 30, 35 per cent.; May 31, 35 per cent.; June 30, 35 per cent. These figures I may say are entirely normal, there being but little variation from year to year. They show, I think it will be admitted, a position of exceptional strength, and will compare well with those of any other banking institution in Canada, or in any other country. In June last our general manager, Mr. Grindley, came to this country in connection with his private affairs, and although his visit was limited to a few days, he was good enough to place a considerable portion of his time at the disposal of the court. This opportunity of verbally discussing matters of importance was very gladly taken advantage of by the directors, and proved most valuable, and our only regret is that it has not been found possible in the past to arrange for such visits more frequently. We feel confident that the shareholders, no less than ourselves, are deeply indebted to Mr. Grindley, whose wise and prudent management, and zeal in the service of the bank, cannot be too highly estimated.

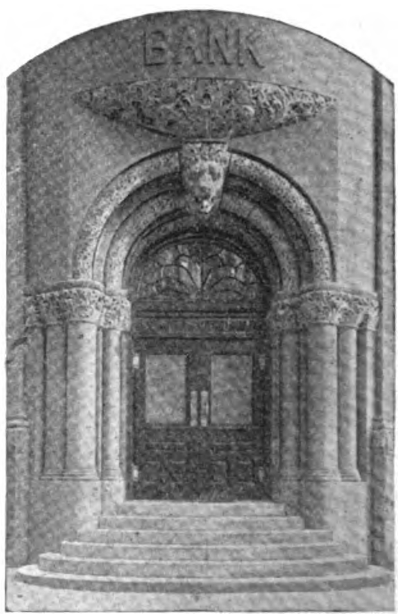
CANADA.—The general statement of the affairs of the Molsons Bank, which was issued the 10th of October, shows that the balance at profit and loss on September 30, 1890, was $31,747.05; the net profits of the year, after deducting expenses of management, reservation for interest accrued on deposits, exchange, and making provision for bad and doubtful debts, amounted to $216 731.04, from which has been paid the 71st dividend at four per cent. October 1, 1891, making a total of $160,000, leaving at credit of profit and loss on September 30, 1891, $88.478 09 The rest is now $1,100,000, or 55 per cent. of the capital. The profits of the year fully represent ten per cent. on the paid-up capital of the bank. The improved business outlook, coupled with that carefulness in management which characterizes the Molsons, should guarantee even better results to the bank the coming year, though it has to face a severer competition for business. The opening of branches at Winnipeg and Calgary indicates that bankers have faith in the continued progress of the Far West as a field of operations.

ST. JOHN, N. B.—During the month of September the deposits in the New Brunswick branches of the savings bank were $67,881.05, and the withdrawals $114,978 94, a difference of $47.097.89.

MEXICO.—At a recent meeting of the shareholders of the Bank of London and Mexico, Mr. Thomas Braniff, president of the board of directors, called the meeting to order. The bank, he said, was in a flourishing condition, and its business had never been sounder. In response to the request of the commercial community, that the bank should put itself in a position to afford greater facilities to the merchants, the directors had called the meeting so that the shareholders might decide upon the question of augmenting the capital of the bank to correspond to its constantly increasing business. It was proposed to increase the capital from $1,500,000 to $3,000,000, which would enable the institution to meet all demands on the part of the mercantile and business community. Mr. Braniff's remarks were greeted with manifestations of approval, and it was unanimously voted to increase the capital as suggested, reserving the right to still further augment it to $5,000,000, if deemed expedient later on. The bank has now over $4,500,000 in hard dollars in its vaults. With the new capital, which will be taken up at once, the institution will be enabled to expand its operations, to the benefit of the business community, thus aiding the progress of the country.

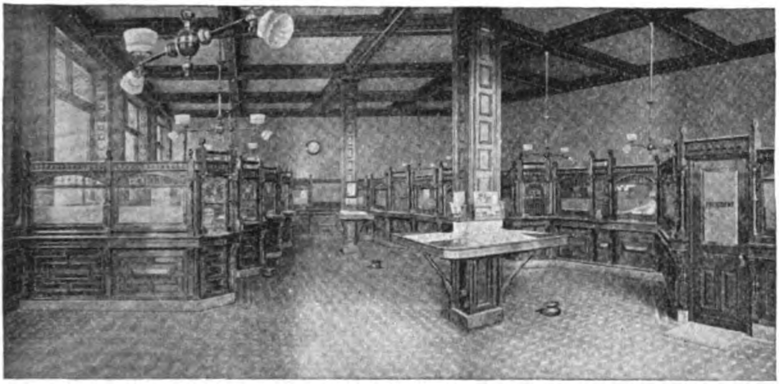
PACIFIC STATES.

THE SEATTLE NATIONAL BANK.—The "trade mark" of the Seattle National Bank is an engraving of the head of the old Chief Seattle, whose history is an interesting one. This famous Indian chieftain, from whom the metropolis of the Puget Sound takes its name, was born, as near as can be determined from incomplete historical data, in the year 1786. The fine building which has been erected for the institution, of which several views are here given, is situated on the southeast corner of Second street and Yesler avenue. The outside walls are of red and blue sandstone, brick and terra cotta; and the main entrance, opening from Yesler avenue, is through a massive arch thirty feet high, adorned on each side with columns. The arch is one of a number supporting the building on that side, but is of much larger proportions than the others. Beyond the entrance is the great hall, eighteen feet in width. From it rises the main stairway. On each side of the stairway is a passenger elevator. The Seattle National Bank occupies quarters on the main floor on the northwest corner of the building. In a room in the northeast corner of the building is located the Seattle Savings Bank. It is provided with all modern



ENTRANCE.

equipments. Both this room and the Seattle National room is floored with tiles. Marble is used to floor the main entrance hall. A safe deposit vault, 12x17 feet



INTERIOR VIEW.

in size, is built under the main entrance hall. It is of the most approved construction, and is one of the best in all particulars on the Pacific coast.

CALIFORNIA.—California has 246 banks of all kinds, with a total capital and surplus of $84,745,564 an increase of $6,213,125 in capital and surplus within a year.

PERRIS, CAL.—Of the Perris Valley Bank the Perris *Era* says: This excellently managed and prosperous financial institution occupies the north room on the first floor of the Nance Block, which has just been completed, and the appointments and fittings are first-class throughout. Dark, rich oak counters, surmounted by plate glass and antique brass railings separate the banking department from the public room. The fire-proof vault is two stories high, the lower one being devoted to the bank business, which is increasing steadily month by month, and the other to the valuable and important papers belonging to the Perris Irrigation District. In the former is the steel burglar-proof bank safe, with time lock and the latest safety appliances. Cashier Patterson is at home behind the counter, assisted by Mr. Miller, and vice-president Nance will be within call when not engaged in his many public duties.

OREGON.—The banks of Umatilla County have $1,000,000 on deposit, while the county this year produced $250 for every man, woman and child within her borders. —*Portland Dispatch.*

SEATTLE, WASH.—The Commercial National Bank have decided to increase the capital stock of the institution to $1,000,000, with a surplus of $100,000. The bank began business September 30, 1890, with a capital of $100,000 and the right to accumulate a surplus of $10,000. The net earnings for the first twelve months of existence were $11,000.

Sterling exchange has ranged during October at from 4.83 @ 4.84½ for bankers' sight, and 4.79¾ @ 4.81¼ for 60 days. Paris—Francs, 5.23¾ @ 5.21¼ for sight, and 5.26¼ @ 5.24⅜ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.80¼ @ 4.80¾; bankers' sterling, sight, 4.83¾ @ 4.84¼; cable transfers, 4.84¼ @ 4.84¾. Paris—Bankers', 60 days, 5.25 @ 5.24⅜; sight, 5.21⅞ @ 5.21¼. Antwerp—Commercial, 60 days, 5.27½ @ 5.26⅞. Reichmarks (4)—bankers', 60 days, 94½ @ 94⅝; sight, 95⅛ @ 95¼. Guilders—bankers', 60 days, 39 13-16 @ 39⅞; sight, 40 1-16 @ 40⅛.

The reports of the New York Clearing-house returns compare as follows:

1891	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus*
Oct. 3...	$40,5833,500	$64,158,800	$39,592,100	$402,592,600	$5,621,600	$3,102,750
" 10...	402,842,300	70,076,900	37,750,400	404,751,800	5,631,700	6,639,475
" 17...	405,354,300	75,900,000	36,414,600	413,139,600	5,579,100	9,029,700
" 24...	405,602,400	82,210,100	34,281,200	416,400,600	5,576,000	12,391,150
" 31...	407,974,200	83,544,900	33,335,900	418,169,100	5,595,200	12,338,525

The Boston bank statement is as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Oct. 3	$155,239,600	$8,345,500	$5,829,200	$129,044,300	$3,855,300
" 10	154 384,600	8,493,800	5,752,100	130,220,600	3,866,500
" 17	154,642,700	8,766,800	5,972,800	131,895,300	3,965,900
" 24	154,430,400	8,892,000	6,584,300	131,181,600	4,115,800

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Oct. 3	$97,627,000	$28,919,000	$99,027,000	$3,112,000
" 10	98,090,000	28,629,000	98,205,000	3,148,000
" 17	97,871,000	28,907,000	99,344,000	3,144,000
" 24	97,812,000	29,670,000	99,506,000	3,167,000
" 31	97,705,000	29,848,000	99,570,000	3,191,000

DEATHS.

BARTON.—On October 17, aged sixty-six years, GEORGE S. BARTON, President of Worcester Safe Deposit and Trust Co., Worcester, Mass.

COFFIN.—On October 9, aged sixty-seven years, HOWARD T. COFFIN, Treasurer of Iowa Loan and Trust Co., Des Moines, Iowa.

DAWSON.—On October 16, aged thirty-two years, MATTHEW DAWSON, Cashier of Wyoming National Bank, Laramie, Wyom.

DEVEREUX.—On October 4, aged fifty-one years, JOHN G. DEVEREUX, Vice-President of Hibernia National Bank, New Orleans, La.

EDMONDS.—On September 7, aged twenty-eight years, B. R. EDMONDS, Assistant Cashier of Marion National Bank, Lebanon, Ky.

HUTCHINSON.—On October 28, aged thirty-seven years, FRANK C. HUTCHINSON, Cashier of Allegheny National Bank, Pittsburgh, Pa.

KELLOGG.—On September 24, aged fifty-four years, RUFUS B. KELLOGG, President of Kellogg National Bank, Green Bay, Wis.

LEE.—On October 5, aged forty years, FRANK A. LEE, of the firm of Frank A. Lee & Co., New Orleans, La.

OBER.—On September 15, aged thirty-seven years, JOHN F. OBER, Cashier of Elizabethtown National Bank, Elizabethtown, Pa.

PARSONS.—On October 13, aged sixty-nine years, ELLWOOD PARSONS, President of First National Bank, Trenton, N. J.

PENDLETON.—On October 10, aged eighty-one years, J. H. PENDLETON, President of Second National Bank, Akron, O.

SCRYMSER.—On October 16, aged thirty-nine years, F. E. SCRYMSER, President of Wyoming National Bank, Laramie, Wyom.

WESTON.—On October 28, aged sixty-seven years, EDWARD W. WESTON, President of First National Bank, Scranton, Pa.

WHAPLES.—On September 24, aged fifty-nine years, W. D. WHAPLES, of W. D. Whaples & Son, Neponset, Ill.

WITHERBEE.—On October 4, aged seventy-five years, JOHN B. WITHERBEE, President of North National Bank, Boston, Mass.

WOOD.—On October 30, aged sixty-eight years, GEORGE C. WOOD, member of the firm of Wood, Huestis & Co., New York City.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from October No., page 338.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
N. Y. CITY		Liberty National Bank	
	$500,000	Henry C. Tinker, *P.*	James Christie, *Cas.*
		Henry Graves, *V. P.*	
"		Plaza Bank	
	$100,000	W. C. Brewster, *P.*	
		W. G. Langdon, *V. P.*	William M. Mills, *Ass't Cas.*
CAL.	Redwood City	Bank of San Mateo Co.	Western National Bank.
	$50,000	Joseph L. Ross, *P.*	L. P. Behrens, *Cas.*
		P. P. Chamberlain, *V. P.*	
CONN.	New Britain	Burritt Savings Bank	
		L. Hoyt Pease, *P.*	V. B. Chamberlain, *Treas.*
		Thomas B. Wilcox, *V. P.*	
DAK.	S. Bridgewater	Farmers & Merchants B'k.	
	$10,000	Gerard A. Gage, *P.*	Lawrence Pritzkan, *Cas.*
		Milton Payne, *V. P.*	
"	Highmore	First State Bank	
	$25,000	Alvah H. Everhard, *P.*	Judson L. Greene, *Cas.*
"	Jefferson	Bank of Jefferson	Hanover National Bank.
		E. E. Halstead, *P.*	W. R. Melvin, *Cas.*
		Ed. T. Kearney, *V. P.*	
ILL.	Batavia	First National Bank	Hanover National Bank.
	$80,000	D. C. Newton, *P.*	Daniel B. Andrus, *Cas.*
		Nathan S. Young, *V. P.*	
"	Colchester	North Side Bank	
		J. J. Welch, *P.*	
"	Modesto	Bank of Modesto	
	$10,000		L. G. Brown, *Cas.*
			Alex. Nevins, *Ass't Cas.*
"	Oneida	Oneida State Bank	
	$25,000	A. D. Metcalf, *P.*	James E. Taylor, *Cas.*
		A. F. McCornack, *V. P.*	
IND.	Argos	Citizens Bank	
	$100,000	Lewis Rose, *P.*	Frank H. Hoffman, *Cas.*
IOWA.	Castana	Farmers Bank	
	$20,000		E. J. Norcross, *Cas.*
"	Davenport	Union Savings Bank	
		W. C. Hayward, *P.*	A. F. Cutler, *Cas.*
		Fred B. Sharon, *V. P.*	
"	Elberon	Bank of Elberon	
	$25,000	(John Skrable)	
"	Marathon	Marathon Savings Bank	
	$10,000	Fred R. Cornish, *P.*	Abner J. Wilson, *Cas.*
		O. F. Wilson, *V. P.*	
KAN.	Arkansas City	Farmers National Bank.	United States National Bank.
	$100,000	Hiram F. Hatch, *P.*	Harry J. Hatch, *Cas.*
		C. D. Burroughs, *V. P.*	
"	Colwich	State Bank	United States National Bank.
	$20,000	C. F. Hyde, *P.*	Fred B. Garcelon, *Cas.*
"	Miltonvale	Bank of Miltonvale	
	$5,600	C. E. McDaniel, *P.*	Jno. B. Morris, *Cas.*
		T. C. Bond, *V. P.*	
"	Oberlin	Oberlin National Bank	United States National Bank.
	$50,000	Judson J. Foltz, *P.*	Otis L. Benton, *Cas.*
		Chas. H. Tilden, *V. P.*	
MICH.	Newberry	Newberry Savings Bank.	
		M. W. O'Brien, *P.*	Sanford N. Dutcher, *Cas.*
		J. A. Shattuck, *V. P.*	
MINN.	Appleton	Citizens Bank	United States Nat. Bank.
	$25,000	Andrew R. Pederson, *P.*	Jorgen Simmons, *Cas.*
		Hans H. Johnson, *V. P.*	Manford Horn, *Ass't Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
MINN.	Breckenridge.	First National Bank	American Exchange Nat. Bank.
	$50,000	Fred. E. Kenaston, *P.*	Ransom Phelps, *Cas.*
		Ezra G. Valentine, *V. P.*	Howard Dykman, *Ass't Cas.*
MO.	Ash Grove	Farmers Bank	....
	$20,000	W. C. Wilkerson, *P.*	D. McCray, *Cas.*
		C. McCray, *V. P.*	
"	Aullville	Bank of Aullville	....
	$10,000	John C. Handly, *P.*	Daniel Hoefer, *Cas.*
"	Corder	Corder Bank	....
	$7,500	G. A. Frerking, *P.*	James W. Harrison, *Cas.*
"	Mansfield	Bank of Mansfield	Gilman, Son & Co.
	$10,000	J. B. Adams, *P.*	T. E. Graham, *Cas.*
			D. Z. Adams, *Ass't Cas.*
"	Montgom'y City	Citizens B. of Montgomery Co.	....
	$16,000	Roger W. Weeks, *P.*	Wm. L. Gupton, *Cas.*
		M. R. Suggett, *V. P.*	
MONT.	Columbia Falls	Bank of Columbia Falls	Clark, Dodge & Co.
	$50,000		William Read, *Cas.*
NEB.	Bruning	German Bank	Chase National Bank.
		Albert J. Hettinger, *P.*	James A. Bothwell, *Cas.*
		A. Koehler, *V. P.*	
"	Firth	Firth Bank	Chemical National Bank.
	$10,000	John J. Harms, *P.*	E. R. Spencer, *Cas.*
		Chas. F. Collins, *V. P.*	
N. Y.	Canaseraga	Canaseraga Banking Co.	Seaboard National Bank.
			Craig A. Ross, *Cas.*
OHIO	Willoughby	Wade Park Banking Co.	....
	$100,000	Frank Rockefeller, *P.*	E. J. Dickey, *Cas.*
		B. L. Pennington, *V. P.*	
ORE.	Junction City	Bank of Commerce	Chase National Bank.
		C. W. Lamson, *P.*	Cyrus Baldridge, *Cas.*
"	North Yamhill	Farmers & Traders Bank	....
		Chas. M. Keep, *P.*	Chas. A. Martin, *Cas.*
TENN.	Knoxville	Holston National Bank	....
	$100,000	H. M. Aiken, *P.*	W. H. Geers, *Cas.*
		H. S. Mizner, *V. P.*	
W. VA.	Bluefield	First National Bank	....
	$100,000	Samuel Walton, *P.*	James E. Mann, *Cas.*
WASH.	Anacortes	Bank of Anacortes	Nevada Bank of San Francisco.
	$50,000	John M. Platt, *P.*	H. L. Merritt, *Cas.*
		F. A. Hill, *V. P.*	
"	Centralia	Bank of Commerce	Chase National Bank.
	$50,000	Frank Hense, *P.*	Robert G. Deathe, *Cas.*
		Charles Erickson, *V. P.*	
"	Excelsior	Edison Savings Bank	Chase National Bank.
	$25,000	Harry D. Lombard, *P.*	George H. Johnson, *Cas.*
WIS.	Berlin	Berlin National Bank	....
	$50,000	James H. Foster, *P.*	John W. Brown, *Cas.*
		J. L. Bellis, *V. P.*	D. P. Blackstone, *Ass't Cas.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from October No., page 340.)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY ...... Holland Trust Co	James B. Van Woert, *Sec.*	Geo. W. Van Siclen.
" " ..... Madison Square Bank	Joseph F. Blaut, *P.*	Wm. W. Cryder.
" " ..... Seaboard Nat. Bank	Allen Durand, *Ass't Cas.*	H. F. Thurber.
" " ..... Southern Nat. Bank	Isaac Rosenwald, *V. P.*	James Kincannon.
ALA. .... First National Bank, Anniston	J. B. Goodwin, *V. P.*	S. E. Noble.
ARK. .... First Nat. Bank, Little Rock	W. C. Denny, *Cas.*	C. T. Walker.
COL. ... First National Bank, Denver.	W. S. Cheesman, *V. P.*	H. R. Wolcott.
	G. E. Ross-Lewin, *Cas.*	S. N. Wood.
	Thos. Keely, *Ass't Cas.*	G. E. Ross-Lewin.

Bank and Place.	Elected.	In place of.
CONN...Hartford Nat. B'k, Hartford..	W. S. Andrews, *Ass't Cas.*	....
" ..First National Bank, Lamar...	W. C. Gould, *Cas*	L. W. Markham.
" First National Bank, Rico.	G. B. Garrison, *Cas*.......	D. E. Morey.
DAK. N. Bank of St. John, St. John....	W. O. Allen, *Cas*.........	F. G. York.
" S..North Western Nat'l Bank, Aberdeen.	W. E. Briggs, *Cas*........	Wm. Briggs.
" ..Dakota Loan & Tr. Co., Pierre.	O. B. Hays, *Cas*..........	J. L. Keyes.
D.C....Nat. Metropolitan B'k, Wash..	Henry A. Willard, *V. P*...	Wm. Thompson.
GA.....First National Bank, Albany..	Joseph S. Davis, *Cas*......	Frank Sheffield.
" . Merchants Nat. Bank, Rome...	S. F. Magruder, *Act'g Cas.*	W. A. Billingsly.
IDAHO..First National Bank, Lewiston.	J. H. Evans, *V. P*........	....
	A.W. Kroutinger, Jr., *Cas.*	J. H. Evans.
	E. W. Eaves, *Ass't Cas*..A.	W. Kroutinger, Jr.
ILL. ...City National Bank, Dixon.	Samuel C. Eells, *P*........	Joseph Crawford.*
	J. W. Crawford, *V. P*.....	....
	Leonard Andrus, *Cas*.....	S. C. Eells.
	C. E. Chandler, *Ass't Cas.*	....
" ..First National Bank, Kansas.	W. C. Pinnell, *P*..........	W. F. Boyer.
	B. H. Pinnell, *Cas*........	W. C. Pinnell.
" . Quincy Nat. Bank, Quincy....	Joseph Boehmer, *Cas*.....	James M. Irwin.
" ..Stanford State Bank, Stanford.	John Glenn, *Cas*...	A. H. Linebarger.
IND.....Odon Exchange Bank, Odon..	Harry H. Crooke, *Cas*....	G. T. Mulford.
IOWA. .National Bank of Corning, Corning.	W. S. Hefling, *P*..........	D. S. Sigler.
	H. L. Wells, *V. P*.........	W. S. Hefling.
	A. T. Avrill, *Ass't Cas*	....
KAN....Citizens Nat. Bank, Concordia.	Geo. H. Palmer, *Ass't Cas.*	W. B. Harper.
" ..Bank of Fort Scott, Fort Scott.	Chas. Nelson, *V. P*.......	....
	C. F. Martin, *Cas*.........	Chas. Nelson.
" ..First National Bank, Fort Scott.	Grant Hornaday, *A. Cas*..	....
" ..Cottonwood Valley N. B'k, Marion.	C. S. Winslow, *P*.........	Isaac Good.
	Harry E. Mason, *V. P*.....	J. N. Rogers.
	C. H. Curtis, *Cas*.........	L. P. Davis.
" Mound City Bank, Mound City.	O. P. Watson, *P*..........	W. O. Fuller, Jr.
	R. W. Ackerman, *Cas*.....	C. L. Long.
" ..Wichita Clearing House, Wichita.	John G. Pacey, *M'g'r.*	....
KY.....Mercer National Bank, Harrodsburg.	A. J. Buster, *V. P*........	Jno. L. Cassell.
	Jno. L. Cassell, *Cas*.......	Robert C. Nuckolls
" ..Second Nat. Bank, Richmond..	R. E. Turley, *Ass't Cas*....	....
LA......First National Bank, Shreveport.	W. E. Hamilton, *V. P* ...	....
	Wm.L.Penick,Jr.,*Ass't Cas.*	....
MASS...Globe Nat. Bank, Boston......	Chas. H. Hooke, *Ass't Cas.*	....
" ..North National Bank, Boston.	Rufus S. Frost, *P*.........	John B.Witherbee*
	Wm. H. Learnard, *V. P*..	Rufus S. Frost.
" ..Safety Fund N. B'k, Fitchburg.	R. R. Conn, *Act'g Cas*....	Walter S. Jenks.
" ..Nat. Pemberton B'k, Lawrence.	F. L. Leighton, *Cas*.......	J. A. Perkins.
" ..North Adams Savings Bank, North Adams.	A. C. Houghton, *P*.......	C. T. Sampson.
" ..Worcester Safe Deposit and Trust Co. Worcester.	Edward F. Bisco, *P*.......	G. S. Barton.*
	Samuel H. Clary, *Sec*......	E. F. Bisco.
MICH...Dime Savings Bank, Detroit...	Chas. A. Warren, *Cas*.....	F. Woolfenden.*
MINN...First National Bank, Duluth...	W. S. Bishop, *Ass't Cas*...	....
MISS ...Delta Bank, Greenwood.	A. Henderson, *V. P*.....	S. Marye.
	R. H. Hicks, *Cas*.........	W. M. Anderson.
MO.....Breckenridge Sav. Bank, Breckenridge.	Henry Murphy, *Cas*.......	R.H.Schoenberger.
MONT...Merchants N. B'k, Great Falls.	Chas. D. Wilt, *Cas*.......	Geo. A. Wells.
NEB....Farmers and Merchants B'k'g Co. Red Cloud.	W. S. Garber, *Cas*........	Anson Higby.
N. Y...Deposit Nat. Bank, Deposit...	Chas. Pinkney, *Ass't Cas*..	Chas. A. Wheeler.
" . Dundee State Bank, Dundee...	Geo. P. Lord, *P*..........	A. Harpending.
" ..First National Bank, Oswego.	John T. Mott, *P*..	Thos. S. Mott.*
	H. H. Lyman, *V. P*.......	John T. Mott.
" ..Patchogue Bank, Patchogue.	John A. Potter, *P*.........	Geo. F. Carman.*
	Jesse C. Mills, *V. P*.......	John A. Potter.
" ..Delaware Co. Bank, Walton...	Geo. T. Warner, *Cas*......	Geo. S. Fitch.
OHIO...Second National Bank, Akron.	Geo. T. Perkins, *P*........	J. H. Pendleton.*
	Walter A. Folger, *Cas*....	Geo. T. Perkins.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
OHIO...	First Nat. Bank, Bellevue.....	J. W. Close, *Cas*	Amos Woodward.
"	..Farmers Bank, Coshocton.....	C. E. Spangler, *Cas*.......	....
"	..Defiance National Bank, Defiance.	Joseph Ralston, *P*........	James A. Orcutt.
		Chas. E. Slocum, *V. P*....	Joseph Ralston.
ORE....	First National Bank, Roseburgh.	J. W. Hamilton, *V. P*....	....
		W. T. Wright, *Cas*........	John P. Sheridan.
"	..First National Bank, Salem...	Napoleon Davis, *P*........	Wm. A. Ladue.
PA.	First Nat. Bank, California....	J. A. Letherman, *V. P*....	....
"	..Danville National Bank, Danville.	D. Clark, *P*...............	E. H. Baldy.
		G. M. Gearhart, *Cas*......	D. Clark.
"	..Elizabethtown Nat. Bank, Elizabethtown.	H. C. Lewis, *Cas*.........	John F. Ober.*
"	..Seventh National Bank, Philadelphia.	Conrad B. Day, *P*........	R. L. Brownfield.
		Effingham Perot, *Ass't Cas.*	....
"	..Allegheny Nat. B'k, Pittsburgh.	W. Montgomery, *Cas*.....	F. C. Hutchinson.*
TENN...	National Bank of Franklin....	Thos. F. Perkins, *V. P*....	N. N. Cox.
TEXAS..	First National Bank, Giddings.	J. C. Neumann, *V. P*.....	P. M. Cuney.
		P. M. Cuney, *Cas*........	E. J. Archinard.
"	..Beckham National Bank, Graham.	E. B. Norman, *Cas*........	W. P. Beckham.
		J. M. Norman, *Ass't Cas*..	E. B. Norman.
"	..First Nat. Bank, Ladonia.....	D. E. Waggoner, *Cas*.....	Geo. C. Henderson
"	..First National B'k, Longview..	J. W. Rainey, *P*..........	J. R. Clemmons.
"	..First National Bank, Uvalde..	John H. Clark, *V. P*......	N. D. Townes.
"	..State National Bank, Vernon..	A. U. Thomas, *Cas*.......	J. V. Green.
VT.....	First Nat. Bank, Fair Haven..	W. F. Walker, *Cas*........	E. H. Phelps.
"	..Proctor Trust Co., Proctor....	A. N. White, *Cas*.........	W. F. Walker.
VA.....	First National Bank, Alexandria.	Joseph Broders, *P*........	S. Ferguson Beach.
		James F. Muir, *V. P*......	Joseph Broders.
"	..First Nat. Bank, Buena Vista..	Jno. T. Dunlop, *P*........	Jno. W. Blackburn.
WIS....	German Bank, Sheboygan.	Fr. Karste, *P*.............	Jas. H. Mead.*
		Francis Williams, *V. P*....	....
		Geo. Heller, *Cas*..........	Fr. Karste.
		Otto Foeste, *Ass't Cas*....	Geo. Heller.
ONT....	Imperial Bank of Canada, Rat Portage.	W. A. Weir, *M'g'r*.......	W. Moffat.

* Deceased.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from October No., page 344.)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4640	Farmers National Bank....... Arkansas City, Kan.	Hiram F. Hatch,	Harry J. Hatch,	$100,000
4641	Berlin National Bank......... Berlin, Wis.	James H. Foster,	John W. Brown,	50,000
4642	Oberlin National Bank........ Oberlin, Kan.	Judson J. Foltz,	Otis L. Benton,	50,000
4643	First National Bank.......... Bluefield, W. Va.	Samuel Walton,	James E. Mann,	100,000
4644	First National Bank .... Breckenridge, Minn.	Fred E. Kenaston,	Ransom Phelps,	50,000
4645	Liberty National Bank........ New York City.	Henry C. Tinker,	James Christie,	500,000
4646	First National Bank........... Batavia, Ill.	Don C. Newton,	Daniel B. Andrus,	80,000
4647	First National Bank...........Madison, Me.	Omar Clark,	M. A. Hewett,	75,000
4648	Holston National Bank........Knoxville, Tenn.	H. M. Aiken,	W. H. Geers,	100,000

PROJECTED BANKING INSTITUTIONS.

N. Y. CITY............A new trust company is being organized by the Mutual Life Insurance Co. Capital is to be $1,000,000.

ALA....Montgomery...A trust company to be organized. Committee: J. Griel, C. G. Abercrombie, J. E. Worswick, J. T. Roberts, J. S. Wilcox, J. W. Blyth, A. B. Garland, J. K. McDonald, H. C. Moses.

" .. " ...Fidelity Trust Co. organized.

ARK....Little Rock....Security Trust and Savings Co. incorporated. Nicholas Kupferle, President; Creed T. Walker, Secretary and Treasurer; E. G. Allis, Henry G. Fleming and Geo. R. Brown, Directors. Capital, $100,000.

CAL....Hanford.......Hanford Savings Bank incorporated; capital stock, $50,000.

COL....Brighton.......The private bank of Brighton, the property of W. C. Kidder, was sold to W. G. Lovelace, who will enlarge the stock of the bank.

" ..Denver........Capital Bank, Stephens, Hanchett & Co., proprietors; capital stock, $75,000.

" .. " ....Guarantee Trust Co. Directors: W. J. Miller, C. D. Cobb, D. F. Carmichael, C. H. Dow, J. H. Nichols, J. R. Hicks, R. W. Steele.

" ..Highlands.....New savings bank to be established by Marshall Bros.

D. C....Washington....Eureka Investment Association of the District of Columbia. John H. Brooks, President; Dr. J. R. Wilder, Secretary; L. A. Cornish, Treasurer.

DEL....Georgetown...Georgetown talks of having a bank.

GA.....Americus.......Clegg & Coney, bankers. Apply P. C. Clegg.

" ..Columbus......New bank to be established by 1st of January; capital, $15,000, subscribed by Columbus capitalists.

" ..Covington.....Clark Banking Co.; capital stock, $100,000.

" ..Douglasville....Douglasville Bank; capital stock, $50,000.

" ..Girard.........National bank to be organized.

" .Griffin.........Farmers Bank organized. Col. W. E. H. Searcey, President; R. H. Johnson, Cashier; J. F. Stilwell, Secretary.

" ..Jefferson.......New bank; capital stock, $25,000.

" ..Rochelle.......New bank to be established here.

" ..Valdosta.......New savings bank.

ILL....Bloomington....Corn Belt Bank; capital stock, $100,000. Incorporators: John McNulta, Jas. T. Snell, T. B. Kelgore, V. E. Howell, Thos. J. Burns.

" ..Chicago........Dr. Wm. B. Meany, of London, is opening an Anglo-American bank, with offices in London and Chicago. Capital stock, $5,000,000, put up by a London and South American syndicate. Erastus Wyman interested in movement.

" ..Chrisman......State Bank of Chrisman organized. Apply, R. S. Cusick.

" ..East Dubuque..David B. Henderson, J. K. Deming, and A. C. Peaslee have started a State bank; capital, $25,000.

" ..East St. Louis..New savings bank established, with J. W. Bell as President.

" .. " " ..Mr. Puhrman, President of the Ætna National Bank of Kansas City, will start a new bank here.

" ..Lincoln........New bank, with A. Patterson, President, and L. B. Scroggins, Cashier.

" ..Mascoutah......Bank of Mascoutah has been established by Joseph N. Hagins, of Chicago. Frank Leake, of St. Anne, Ill., will be Cashier.

IND.....Berne..........Bank of Berne; capital, $40,000. P. A. A. Sprunger, President; Rufus K. Alleson, Cashier.

IND.	Fort Wayne	Allen County Loan and Savings Association.
"	Linton	Linton has a bank, headed by Joseph Moss.
"	Montpelier	Farmers Deposit Bank organized, headed by John P. McGeath.
"	Morristown	New State bank, headed by H. B. Cole.
IOWA	Dickens	Dickens, Clay County, needs a bank.
"	Dow City	New bank.
"	Duncombe	Bank of Duncombe commenced business, with Ed. Latta, Cashier.
KAN.	Alton	Farmers State Bank will go out of business, and proprietors will locate in Texas.
"	Kansas City	Kansas City Trust Co.; capital stock, $25,000. Directors: C. W. Trickett, W. S. Boylan, A. R. Moyer, George Stumpf, L. W. Keplinger.
"	Topeka	Ætna National Loan Co.; capital, $1,000,000. J. W. Hamilton, President; Byron Roberts, Treasurer; E. R. Misemer, Secretary.
"	Wathena	Wathena State Bank; capital stock, $5,000. Directors: H. L. Boder, Troy; O. C. Jones, J. F. Harpster, W. W. Carter and B. M. Forbes, all of Wathena.
"	Windom	Windom State Bank; capital stock, $10,000. Directors: R. E. Wilson, W. J. Bell, H. H. Champlain, Elmer Williams and E. P. Williams, all of McPherson.
KY.	Louisa	Bank of Louisa established.
MASS.	Arlington	New National bank here.
"	Reading	Mechanics Savings Bank; Lewis M. Bancroft, Treasurer.
MICH.	Detroit	Union Trust Co. incorporated; capital stock, $500,000.
"	Elk Rapids	A savings bank has been organized here with a capital of $30,000.
"	Saginaw	American Commercial and Savings Bank; capital, $100,000.
MINN.	Amboy	Amboy Bank has started business.
"	Grand Rapids	Lumbermens Bank. C. M. Hastings, President; Frank Sheldon, Cashier.
"	Minneapolis	Minnesota State Bank; capital stock, $25,000. Incorporators: L. Robert Mueller, Detloff Mueller, Charles F. Kearns, H. R. Robinson.
"	"	Gilbert Gulbrandson, late President of the First National Bank of Albert Lea, will be President of a new bank at Minneapolis.
"	St. Paul	Citizens State Bank. Incorporators: M. P. Ryan, John C. Jenson, Henry G. Haas, H. I. Freeman, Frederick A. Pierce.
MO.	Douglas	Bank of Douglas; capital, $20,000. J. L. White, President.
"	Meadville	Bank of Meadville; capital, $10,000.
"	N. St. Joseph	New bank.
"	Willow Springs	Willow Springs Bank.
NEB.	Shubert	Farmers State Bank.
N. C.	Summerville	A bank is being organized here.
N. H.	Groveton	Thirty thousand dollars has already been subscribed toward a bank here.
N. J.	Netcong	A bank will be established here.
N. Y.	Brooklyn	A new bank of deposit to be organized, located in Fulton St., near Sumner Ave. Ex-Park Commissioner James T. Easton will be President.
"	Buffalo	Teller & Hunsicker, bankers, commenced business at 66 and 67 White Building.
"	Canaseraga	Canaseraga Banking Co. is the name of a new bank taking the place of the branch bank of the Merchants and Farmers Bank of Dansville at Canaseraga. Incorporators: Stephen N. Bennett, Wm. C. Windsor, D. O. Batterman.
"	Clifton Springs	Jackson & Llewellyn, bankers, commenced business.

N. Y....Glens Falls.....Savings and Loan Association.
" . New Paltz .....New savings bank here.
" ..Parish.........Parish is to have a bank, to be established by Potter & Marsden, of Cleveland, N. Y.
" . Rochester......Wadsworth Dime Banking, Aid and Loan Association; Henry J. Simmelink, President; Geo. Sturmer, Secretary.
" ..Round Lake....A branch of the Mutual Savings and Loan Association, of New York, has been formed here, with P. C. Curtis, President; C. R. Rulison, Vice-President; Prof. J. E. Weld, Secretary.
OHIO...Canton........Home Savings and Loan Co.; capital, $2,000,000.
" ..Cincinnati......Cincinnati Mortgage Loan Co.; capital, $25,000.
" ..East Toledo....Sanford Cook, George Scheets and J. Munch propose to establish a new bank; capital, $100,000.
" ..Huron. ....First National Bank to be started.
" ..Portsmouth....Citizens Savings and Loan Association Co.; capital stock, $1,000,000.
" ..S. Charleston...Mutual Home and Savings Association; capital stock, $250,000.
" ..Toledo.........New bank on the east side to open Jan. 1st.
OKL. T.Chandler......Bank of Oklahoma; M. P. Wright, Assistant Cashier.
" ..Tahlequah.... New bank.
ORE....Weston........Farmers Savings Bank. Robert Jamelson, President; G. W. Proebstel, Vice-President; J. D. Israel, Secretary.
PA......Mercersburg....A National bank is talked of for Mercersburg.
" ..Montoursville ..A bank needed at this place.
" ..Philipsburg.....Citizens National Bank to be established.
" Tunkhannock..Mr. Albert Miller and others are about to start a bank here.
S. C... Camden........Farmers and Merchants Bank of Camden; $30,000.
TEXAS..Garland........Garland wants a bank.
" ..Leonard ....Leonard has secured a National bank, which will begin operation on Jan. 1st.
" ..Mansfield ......New bank.
" ..Nevada........Nevada, Collin County, wants a bank.
" ..Ranger ....Ranger, Eastland County, needs a bank.
UTAH..Springville.....Springville Banking Co. R. A. Deal, President; H. T. Reynolds, Vice-President; James Caffrey, Cashier.
VT.....S. Royalton....A bank to be started here by Boston parties.
VA.....Newport News..The Citizens and Marine Bank has opened.
" .. " " ..Mutual Investment Co.; D. C. Perkins, President.
" ..Norfolk........New savings bank with capital of $10,000. H. F. Frazier, D. W. Ganey, Jas. Norris, J. C. Asbury, W. H. Thoroughgood interested.
" ..Windsor.......A Security, Savings and Loan Association has been organized here. John M. Taylor, President; John King, Secretary and Treasurer.
W. VA..Bridgeport.....New bank to be opened here.
" ..Terra Alta.....Terra Alta Bank incorporated; capital, $20,000. W. H. Glover and others, incorporators.
WASH...Spokane Falls..American National Trust Co.; capital stock, $500,000. Trustees: H. A. Van Valkenburg, Jacob Hoover, J. R. Taylor, J. W. Binkley, and J. B. Wood.
" .. " " ..Co-operative Saving and Investment Co.; capital stock, $25,000. Incorporators: Will D. Richardson, Geo. W. Whittle, B. Nelson Geale, Jacob M. Mooly and Henry S. Kennan.
" ..Wenatchee.....Bank of Wenatchee established by George Kline, of firm of Gove & Kline.
WIS....Racine.........Racine will have another National bank, with $500,000 capital.

WIS....Sheboygan.....New National bank to be started, with John E. Thomas at the head of it.

MAN'BA. Fort William...Bank of Montreal will open a branch here.

N. S....Middleton......A branch of the Commercial Bank of Windsor will be started here.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from October No., page 345.*)

N. Y. CITY............ Columbus National Bank has gone into voluntary liquidation.

ALA....Montgomery... Farley National Bank has been placed in hands of a receiver.

DAK. S..Bridgewater.... Gage & Payne succeeded by Farmers & Merchants Bank.

" ..Canton........ Bank of Canton succeeded by National Bank of Canton, same officers.

" ..Faulkton...... Security Bank succeeded by Security State Bank, same officers.

" ..Highmore..... Hyde County Bank succeeded by First State Bank.

ILL.....Altona......... Bank of Altona incorporated, same officers and correspondents.

" ..Batavia....... Gammon & Newton succeeded by First National Bank.

" ..Chrisman..... Chrisman Bank (Standiford Bros.) closed.

" Cuba.......... Bank of Cuba (Homer W. McCoy & Co.), now McCoy & Shiery, proprietors.

" ..St. Anne...... Bank of St. Anne (E. M. Winslow), now J. N. Hagius, proprietor.

IND.....Kendallville... Noble County Bank has been incorporated, same officers and correspondents.

IOWA...Charter Oak... Charter Oak Bank sold out to Farmers State Bank.

" ..Hampton...... Citizens Bank has changed its title to Citizens State Bank.

" ..Van Horne.... Benton County Bank now Benton County Savings Bank, same officers and correspondents.

KAN....Anthony...... Anthony Bank has changed its title to Anthony Savings Bank.

" ..Bronson....... Exchange Bank of Bronson incorporated.

" ..Coldwater...... First National Bank is insolvent.

" ..Colwich........ Bank of Colwich succeeded by State Bank.

" ..Eskridge....... Farmers & Traders Bank incorporated, same officers and correspondents.

" ..Fort Scott...... Bank of Fort Scott incorporated, same correspondent.

" ..Goodland...... Commercial Bank incorporated, same officers and correspondents.

" ..Larned....... Peoples Bank has been bought out by Larned State Bank.

" ..Miltonvale..... Miltonvale State Bank succeeded by Bank of Miltonvale.

" . Oberlin........ Oberlin Loan, Trust and Banking Co. succeeded by Oberlin National Bank.

" ..Wellsville..... H. M. Bennett has discontinued business.

MASS...Boston ...... Irving A. Evans & Co. assigned.

" .. " .... Maverick National Bank, receiver appointed.

MICH...Flushing...... First National Bank has gone into voluntary liquidation.

MINN...Breckenridge .. Wilkin County Bank succeeded by First National Bank, same correspondents.

NEB....Firth.. .... Firth Bank has been incorporated.

" ..Gretna........ Gretna State Bank reported suspended.

" ..Palmer........ Palmer Deposit Bank reported closed.

" ..Tecumseh..... Tecumseh National Bank, reported closed, has now resumed business.

N. H.	Francestown	First National Bank has gone into voluntary liquidation.
N. Y.	Kingston	Ulster County Savings Institution is in hands of receiver.
OHIO	Marion	Marion County Bank now Marion County Bank Co. incorporated, same officers and correspondents.
"	Norwalk	Norwalk Savings Bank now Norwalk Savings Bank Co. incorporated, same officers and correspondents.
ORE.	Brownsville	Bank of Brownsville has been incorporated, same officers and correspondents.
PA.	Philadelphia	Commonwealth National Bank consolidated with Seventh National Bank.
"	Philipsburg	Philipsburg Banking Co. closed.
"	Pittsburgh	Rea Bros. & Co. have resumed business.
TENN.	Columbia	Bank of Columbia reported closed.
"	"	Columbia Banking Co. reported closed.
"	Knoxville	Holston Banking & Trust Co. succeeded by Holston National Bank, same officers.
"	Lewisburg	Bank of Lewisburg reported closed.
WASH.	Anacortes	John M. Platt succeeded by Bank of Anacortes.
"	New Whatcom	Whatcom County Bank succeeded by Bank of Commerce at Centralia, same officers.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during October, 1891.

ALA.	Huntsville	Huntsville National Bank, by M. S. Wells, Pierre, S. Dak., and associates.
ILL.	Chicago	Bankers National Bank, by Dickinson & Blanden and associates.
IND.	Anderson	Anderson National Bank, by J. W. Wild and associates.
"	Lafayette	Perrin National Bank, by J. J. Perrin and associates.
"	Muncie	Farmers National Bank, by Edward Olcott and associates.
IOWA	Estherville	First National Bank, by A. P. Augustine and associates.
MASS.	Whitman	Whitman National Bank, by Albert Davis and associates.
MICH.	Plymouth	First National Exchange Bank, by George Starkweather and associates.
MONT.	Philipsburg	First National Bank, by Jos. A. Hyde and associates.
N. Y.	Schenectady	Union National Bank, by W. T. Hanson and associates.
OHIO	Defiance	First National Bank, by Edward Squire and associates.
PA.	Stewartstown	First National Bank, by Cyrus W. Coe and associates.
TENN.	Harriman	Manufacturers National Bank, by J. D. Wolstenholme and associates.
TEXAS	Velasco	Velasco National Bank, by R. T. Ervin and associates.
WASH.	Spokane	Old National Bank, by O. F. Hall and associates.
WIS.	New London	First National Bank, by A. H. Pape and associates.
"	Platteville	First National Bank, by George W. Eastman and associates.

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Oct. 5.	Oct. 12.	Oct. 19.	Oct. 26.
Discounts	6 @ 7	6½ @ 7½	6 @ 6½	6 @ 6½
Call Loans	6 @ 2½	4½ @ 3	3½ @ 3	4½ @ 3
Treas. balances, coin	$100,085,221	$103,784,655	$104,746 425	$105,591,670
Do. do currency	11,064,216	6,940,716	5,567,089	3,982,251

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, OCTOBER, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in October.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
	Quarterly Mar.				
2s, 1907......reg.		99½	100¼	99½	110
4s, 1907.......reg.	Quarterly Jan.	116	117	116	116¾
4s, 1907......coup.		116	117	116	116¾
	Quarterly Feb.				
6s, cur'cy, 1895, reg.	Jan. & July.	110¾	111	110¾	111
6s, cur'cy, 1896, reg.	Jan. & July.	112½	112¾	112½	112½
6s, cur'cy, 1897, reg.	Jan. & July.	114⅝	115	114½	115
6s, cur'cy, 1898, reg.	Jan. & July.	117⅛	117½	117	117
6s, cur'cy, 1899, reg.	Jan. & July.	119⅜	120	119⅜	120
RAILROAD STOCKS.		**Opening.**	**Highest.**	**Lowest.**	**Closing.**
Atlantic & Pacific		6	6	5⅜	—
Canadian Pacific		—	90	87¾	—
Canada Southern		59	61½	57	60¼
Central of N. J.		117½	120¼	114	—
Central Pacific		34½	34⅞	32½	—
Ches. & Ohio		26⅛	27¾	25¼	—
Do 1st pref.		58¾	60¼	57½	—
Chic. & Alton		—	138	137	—
Do pref.		—	—	—	—
Chic., B. & Q.		99⅛	100⅛	95½	99
Chic. & East'n		72	72	70½	—
Do pref.		102	102½	99½	—
Chic., M. & St. P.		74½	76¼	72⅝	75⅝
Do pref.		117	119	116¼	118⅜
Chic. & N. W.		115¼	117¾	113⅞	116⅝
Do pref.		—	138	138	—
Chic., R. I. & P.		83¾	84¼	78	82¼
Chic., St. P., M. & O.		—	35⅝	31¾	33⅞
Do pref.		—	95	92½	—
C., C., C & St. L.		72¼	74	70⅜	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Coal & Iron	36	39½	35½	36½
Col., H. Valley & Tol.	33⅛	34½	31½	31⅝
Del. & Hudson	134⅛	136¾	127½	129
Del., Lack. & W	141¼	144⅛	139	140⅛
Den. & Rio Grande	—	21	18¾	—
Do pref.	49¼	50⅞	47¼	—
East Tenn. V & G	7	7	6	—
Do 1st pref.	—	45	45	—
Do 2d pref.	13¾	14½	13	—
Evansville & T. H.	—	125	125	—
Illinois Central	102	104½	101	101¾
Lake Erie and Western	22	24⅛	18½	19⅞
Do pref.	67½	68⅞	62¾	62¾
Lake Shore	124½	126¼	122⅛	124
Long Island	99	99	97	—
Louisville and Nashville	79½	81½	76¾	78⅝
Louisville, N. Alb. & Chic.	27⅜	27½	24	—
Manhattan Consol.	102	104½	100¼	—
Mexican Central	22½	24½	21¾	—
Michigan Central	101½	107¾	100	—
Mil., L. S. & W	82½	82½	80	—
Do pref.	—	111	110	—
Minn. & St. Louis	7¼	7¼	6	—
Do pref.	15⅞	15⅞	14	—
Mo., Kan. & Texas	17¾	19⅛	17	—
Missouri Pacific	59¾	62¼	54¼	59¾
Nash., C. & St. L.	—	86½	83	83
N. Y. C. & Hudson	110½	115	108¾	112½
N. Y., C. & St. L.	18½	22½	17¼	20
Do pref.	79½	84	79½	—
N. Y., L. E. & W.	29⅞	31⅞	28⅝	30¼
Do pref.	68½	71	66⅞	—
N. Y. & New Eng.	39½	40⅞	36¾	39⅛
N. Y., Ont. & W.	20⅞	21⅞	19½	19¾
N. Y., Sus. & W	11½	11½	9½	—
Do pref.	41½	41½	37	—
Norfolk & Western	—	18¾	18	—
Do pref.	55	56¾	53⅛	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	ing.
Northern Pacific	28⅞	30⅛	27½	—
Do pref.	76⅛	77⅞	73½	74¼
Ohio & Mississippi	—	25½	22¾	—
Ohio Southern	—	19	14	—
Oregon Impt	—	24¾	21	—
Oregon R. & N.	—	74⅞	74½	—
Oregon Short Line	25⅝	25⅞	24	24¼
Pacific Mail	37⅛	38⅜	35¼	37½
Peoria, Decatur & Evansville	22¾	23½	20	20
Philadelphia & Reading	40¼	42½	38	39¾
Pullman Palace Car Co.	193	196½	189¼	—
Rich. & W. P. Term	13½	14⅞	12⅝	14¼
Rome, W. & Ogd.	—	111	107½	—
St. Louis, A. & T. H.	—	33¼	33	—
Do pref.	—	—	—	—
St. Louis & San Francisco	76	76	76	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	36	36	35⅛	—
Do pref.	—	98	97	—
St. Paul, M. & M.	—	115⅛	108¼	—
Southern Pacific Co.	—	44	41⅞	—
Sugar Refineries	88¾	90¾	81½	83⅜
Texas & Pacific	14¾	15⅛	13¾	—
Union Pacific	41½	43⅛	39⅛	40¾
Wabash, St. Louis & Pacific.	14⅛	15¼	13¼	14
Do pref.	30⅝	32⅜	28¾	29
Wisconsin Central	20½	21⅞	19	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	—	27⅜	24½	27
Nat. Lead Trust	16¾	17	16	16
Tenn. Coal & Iron	36⅞	41¾	36	37
Express—Adams	—	150	134	—
American	—	118	116½	—
United States	59⅞	60	50½	55[illegible]
Wells-Fargo	140	142	138¼	—
Western Union	82⅜	83¾	81⅛	82¼
Wheel. & Lake E.	38	39⅛	36⅜	38
Do pref.	79	79⅝	77⅛	77⅝

THE

BANKER'S MAGAZINE

AND

Statistical Register.

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THE DUTIES OF BANK DIRECTORS.

Very probably Congress, in consequence of the decision made by the United States Supreme Court at the last term, defining the duties of National bank directors, will legislate on the subject. The decision is as unsatisfactory to the banks, especially to the more conservative, as to those who confide in these institutions. The decision does not harmonize with the view generally entertained of their duties, and if the court is right in construing the law then Congress, the superior law-making authority, should amend it at the earliest opportunity.

It is generally supposed that the chief function of a bank director is that of supervision. The National Bank Act declares that "each director when appointed or elected shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of the law."

The obvious purpose of that is to impose important and responsible duties on the directors. They are not to pose as figureheads and leave the management to the president and his subordinates. This clearly is the meaning of the law.

Yet, in a suit by the receiver of a bank, for losses which could not have occurred had the directors exercised ordinary diligence, the Supreme Court has held that they were not liable. That decision is the highest judicial sanction of one-man banking. The president may run the bank as he pleases, may wreck it by his incompetency or recklessness, or may plunder it by his criminality. The directors may shut their eyes to his doings and are not to blame for the ruin.

From this decision four Justices of the Court emphatically dissented. They agreed that "no bank can be safely administered in that way. Such a system cannot be properly characterized otherwise than as a farce. It cannot be tolerated without peril to the business interests of the country." They rightly held that directors have important duties to perform, and are to be held responsible for the faithful discharge of them. It was never intended that they should abdicate their functions and leave the management of the bank entirely to the executive officers.

"A banking corporation," as Justice Harlan aptly said, "publicly avowing that its business was to be wholly administered by executive officers, and that directors would, in fact, have nothing to do with it, would not long retain the confidence of stockholders and depositors—a fact which of itself shows that the abdication by directors of their duties and functions not only tends to defeat the object for the creation of such an institution, but puts in peril the interests of stockholders and depositors."

In developing this subject let us state the purposes for electing directors which no one will deny. First, they are chosen for the purpose of gaining the confidence of the public in the bank, and thereby of increasing its business. The names of directors are frequently published, and if it was not supposed that the publication of them would have this effect, it would not be done. Moreover, the association of eminent names with a bank often has the effect desired: depositors are attracted because Mr. A. or Mr. B. is a director in the institution. Nor can it be questioned that many depositors, at least, suppose that Mr. A. and Mr. B. and their associates direct and supervise the affairs of their bank. If it were known or believed that they did not, their names would have no charm to depositors, and they would be as likely to go to some other bank whose directors were unknown. It must be admitted, therefore, that the popular conception of their duties is wholly different from that of the United States Supreme Court. Furthermore, if directors are of no account, why should the banks care who they are; and why should they publish their names, or seek to use them at any time to attract business to their bank? The truth is, the banks themselves do not pretend to narrow the usefulness and functions of directors to the extent described by the United States Supreme Court.

The first purpose, therefore, to be served in electing a director is to strengthen public confidence and increase the bank's business. The selection of a director in every well conducted institution is always done for this end—how much business is he likely to bring into the bank, will he be interested in the institution and seek to draw depositors? This question is always asked when making a selection, and certainly it is a proper one. No bank official will admit that a bank director is a dummy in the sense in which that word is used in the newspapers; he is selected for some purpose, and that purpose is well known by his fellow directors and officers. A person of no account is never chosen; he is worth something in some direction—either it is expected that he will inspire confidence in the institution, draw business, or be useful in lending its resources. Of course, there are exceptions; occasionally a man is sneaked into a board for improper purposes, but not often.

Another function of a bank director, concerning which there is no dispute, is the discounting of paper. In the larger cities it is quite common to have a board composed of a dozen or more directors, each director representing a different kind of business; an iron merchant, for example, who is acquainted with the metal trades; some one engaged in the leather business, who understands that, and so on. This is the ideal board of directors, and many banks approximate to it in making their selections. It is true that many directors do not often attend meetings, yet their assistance is had, either at the regular board meetings, or whenever their knowledge is most desired. They often render assistance in the way of communicating knowledge outside their regular meetings. Some of the best conducted banks in the large cities have but few board meetings, or rather they are very thinly attended, and yet, all the knowledge of their directors is utilized in one way and another in conducting the affairs of the bank.

The third function, and that which seems to be uppermost in the public mind, is that of supervision in the way of examining books, counting money, etc. Any one who is familiar with the affairs of a bank knows that this is quite impossible; when the directors have selected officials for their various places their work of supervision is ended; they have neither the time to count the reserve of a bank or its daily balances, or to examine ledgers or other books kept by a bank for conducting its business. These things are quite impossible, and yet they are the very things which the public generally imagines bank directors are selected to do. It is time that the public were better informed about such matters.

While it is impossible, as we have said, for directors to do the supervisory work which so many suppose is their especial duty, they can do some of it, and the defining of their duty more clearly in this regard is of the utmost importance. If bank directors were required to supervise the work of their bank in the broad sense of the term, they would, in many instances, resign.

Either they would realize the impossibility of attempting such supervision and transact any business of their own, or they would learn this if they made the attempt. We know of a case in which the directors in a large bank attempted to do this, but after spending an entire week in counting the cash, and examining ledgers, they quit, much wiser concerning the meaning of supervision in the popular sense than when they began, if not knowing much more about the business of their bank. Besides, many directors have large personal interests, and can give but little time to the supervision of a bank, even if they desired to devote more. Banks, therefore, must do one of two things, either to require the performance of only limited duties by the directors, or else select a different type of men; men less known in the business community, and who would have more time and inclination perhaps to devote to the duties of their office. Which would be the better course for the banks and for the public? It certainly is desirable to have men of the highest business standing as directors of these institutions, provided they have the time and inclination to perform the duties of their office; but if they cannot thus serve, what shall be done; shall the banks select less desirable men, or shall they narrow the functions of the directors? This is by no means an easy question to determine. In many cases persons consent to their election as directors, with the well understood expectation that they are not to attend meetings very frequently, or to take an active part in the management of their bank. They would undoubtedly decline were more expected of them. But, surely, their loss would be felt in many ways; and is not the wiser course to define their duties more narrowly, and then hold them responsible for an adequate performance of them?

Some of their duties more narrowly defined have been described, and which no one will question, except, perhaps, some of the judges of the United States Supreme Court. For neglect of these duties they should be held responsible. If they delegate the authority to a president, cashier, or financial committee to discount paper, at frequent intervals they should examine it and thus know what is, done with the bank's resources. If they neglect this most obvious duty, they should be held liable unless sickness or other good reason can be given. So, too, if they learn that their president or cashier is a speculative officer, and has not large means of his own, he should be superseded, for if the experience of banking has proved anything, it is that such kind of persons ought not to be in a bank. Thus it is practicable for directors to exercise a general supervision, and the law should require this of them.

Must the work of supervision stop with the directors, or ought they to be watched and examined? In the recent frauds, while the minor officials have committed their fair share of them, the directors, presidents, and cashiers have not been guiltless. For example, in the Briggs case the directors did not attend the directors' meetings at all, but gave up the conduct of the bank wholly to one or two officials who made way with a large portion of the assets. What safeguards can be erected to prevent these things? When directors are negligent, as these were, or still worse, when they are united in perpetrating a fraud, it can hardly be expected that they will examine and reproach one another for their lapses of conduct. It is quite evident that supervision must come from some other source, if at all.

Thus the bank examiner, either public or private, or both, has a rightful place in a perfect banking system. If he is a competent man, in many cases he ought to detect the sins and errors into which the directors and leading officials fall. Their wrong-doings generally consist either in using the bank's money for speculative purposes, or for real estate or building operations. If it happens that the leading officials of a bank, as well as the directors, are united in speculation, which does sometimes happen, then, apparently, the only check must be the examiner, or the stockholders. If they know of such things, or have reason to suspect them, then their duty is plain, to put such officials aside and to select others. Furthermore, if the depositors know, or have any reason for believing that they are putting their money into a bank which is thus used by the directors or officials, unless they are known to have ample means of their own, the best thing for them to do is to withdraw their account and put it in some other bank whose officials are not engaged in such business, for there are banks enough all over our country which are managed in the most conservative manner, and which are worthy of the highest confidence. There is no dearth anywhere of the soundest banking institutions. There is no excuse, therefore, for patronizing any others.

This is a remedy which the people can always exercise, and if it was intelligently exercised it would be one of the most effective. It will be said, the people do not always know who the speculators are; this of course is true in a general way; on the other hand, it may be truly said that the speculators in every community, after a time, become pretty well known, and also with what banks they are connected, and where they obtain money for their enterprises, so that if the people exercised a little intelligence and would apply this remedy, which is their own, they could largely correct the evils described. As we have said again and again, the worst curse of the banking business is that of speculation. The temptations for bank officers to do this are often great because they can get the money so easily, either rightfully or wrongfully, for speculative purposes. Let the community, therefore, in which such officials live, when their habits and operations have become known, cut them adrift and patronize other banks which are not guilty of such practices, and we venture to say that this source of speculation would speedily diminish. Encourage and sustain the best banks, draw this sharp practical line between the two kinds of institutions, and speculative operations in banking circles would receive an effective check, and confidence in banks and bankers would be increased.

A REVIEW OF FINANCE AND BUSINESS.

THE SITUATION AT HOME AND ABROAD.

The month of November has developed little that is new, in the commercial or financial situations, on this side of the Atlantic. The few changes have been in the nature of a development of the conditions of a month ago. Money has ruled easy for the greater part of the time, the movement of currency to the country has been about offset by its return; imports of gold have continued, though they have fallen off materially from those of September and October. There have been few changes of special importance in prices, although the tendency has been generally downward, both in the Wall Street and the produce markets. The most unexpected occurrences, during the month, either in trade or finance, have been continued bank failures through the country, though none of great importance have occurred, since early in the month, when the Maverick National Bank of Boston went under, with a large deficit, owing to the appropriation of its deposits, by its officials and their friends, and to their speculations in stocks. The other exception was late in the month, in the failure of a big Wall Street and grain house, as a result either of the corner in November corn, or of the failure of the September corner; and of S. V. White & Co., for whom the firm of Field, Lindley, Wiechers & Co. acted as agents. But the business situation in Europe, especially on the continent, has been steadily and generally going from bad to worse, as the season advances and the drain of money to pay for large importations of breadstuffs, together with heavy financial failures, have caused a general stringency in all foreign money markets, and a general lack of confidence in the future. The centers of these financial disturbances have been Vienna and Berlin; though there is not a money center of Europe that has not been seriously affected. There is, indeed, a chronic crisis, if not a semi-panic in the capitals of Russia, Portugal, Spain, and Italy also; and these react upon Paris and London, which passed through the worst of their troubles, for the present, a year ago. Yet the failure of the

Russian loan in Paris, where nearly a thousand millions of Russian securities had previously been marketed, is an indication that the storm center will again reach Paris, whenever default on these endless issues of irredeemable Russian securities shall occur, which, apparently, cannot be far distant. Added to this, South American finances have again taken a bad turn, owing to the Revolution in Brazil, and to a renewal of the unsettled condition of political and financial affairs in the Argentine Republic. Hitherto Chili and Brazil have been about the only South American States which have been able to take care of their own finances; but they now seem likely to be added to the list of States, the burden of whose finances Europe may have to assume and carry for an indefinite period. On the other hand, American railroad earnings have continued to increase, with the free and general movement of the crops and heavy exports of all kinds of food and feed supplies. Yet we have had Bear markets most of the month, in both stocks and produce. The decline in the latter has been in the face of Bull markets in Europe, for grain, until near the end of the month, when they also declined, under increasing supplies and heavy arrivals from this country, while the stock market has sympathized with the European Bourses, which have been depressed by the war panic early in the month in Vienna, and by the heavy bank failures in Berlin, during the latter half. These have prevented any important demand from Europe, for our railway securities, while, on the other hand, they have induced European selling as Americans were the only securities, on which realizations could be made without heavy losses. This is the millstone round the neck of our stock market, and it seems likely to hang there, for a good time to come; as Europe's losses of last year in South American and other international securities, and this year's losses by bad crops, added to war prospects in Eastern Europe, in the near future, give little promise of any improvement in the financial situation across the Atlantic, for a long time to come. The general business situation here, however, remains sound, notwithstanding the frequent recurrence of bank failures, which are generally due to old losses, or to systematic defalcations of bank officials, and not to present business conditions, which are good, so far as the banks are concerned throughout this country. Hence none of these failures, except that of the Maverick Bank of Boston, has shaken public confidence to any extent. The failure of this bank, however, threatened very serious results for a time, owing to the withdrawal of nearly ten millions of money from this market by Boston, in anticipation of a general run on the banks there, during which time, the money market here showed considerable stringency with advancing rates. The effect, however, has since passed away, and loanable funds are now increasing, with more anxiety on the part of lenders to place their money on time loans, and with less discrimination against second class collaterals. The result is seen in a steady increase in the bank reserves, owing, in part, to the return of money from the country, and in part to the imports of gold, in return for our exports.

THE STOCK MARKET.

The chief feature in the market for railway securities has been the heavy liquidation in the coal stocks, which had begun in October and continued in the early part of November, under continued selling of large lines by insiders, especially of Delaware & Hudson, Lackawanna, and Reading. This was variously interpreted in the Street, to indicate a breaking up in the coal combination, or to a bad market for their product and to an expected reduced output for the winter months. Toward the close, however, there was a rally in these stocks, on the failure of any unfavorable developments, except for the limited demand for coal, owing to the late, and mild weather of the autumn. The reaction, in the coalers, however, was due more to a covering of the short interest, and to an improvement in the general market, lead by New York Central and the other Trunk Line stocks, on their large increases in earnings. This was also true of the spring wheat Granger roads, especially of St. Paul; but the corn roads made a less favorable showing, owing to the practical exhaustion of the old crop, and to the fact that it was too early for a free movement of the new; while the farmers of the winter wheat section, traversed by the same roads, have been marketing their wheat less freely than in the spring wheat sections, where the movement has been very heavy and continuous for nearly three months. Universal scarcity of cars also has been a great drawback for all roads, both East and West, and has resulted in the formation of an organization by the railroads for charging shippers demurrage on cars held over forty-eight hours on the track, for loading or unloading, after notice being given of their arrival. The recovery, however, on the whole list, has been due more to shorts covering, than to general buying, except by insiders and professional operators, as the public has not returned to the market, since Gould's Missouri Pacific raid in September drove them out. The market for railway bonds has been of about the same character as for stocks, and sympathized with it, without any special activity or feature.

GRAIN MARKETS AND THE RUSSIAN UKASE.

The grain markets of this country and of Europe have been controlled, during the month, by the Czar of all the Russias, who has been as absolute in this new field as in his own dominion. In addition to the prohibition of the exportation of rye, corn oats, barley and other feed stuffs, previous to November, the prospect of wheat being included, was hanging over these markets during nearly the entire month of November, or until the 23d ult., when the Ukase was finally signed and went into effect, under the terms, however, of the Ukases against other grains, permitting vessels loading and chartered previously, to take their cargoes. The predictions, announcements and contradictions of the issuance of this Ukase, were the levers used by the Bulls and Bears in the markets of Europe and America for nearly three weeks. Europe, however, believed in it, and America did not, and the former loaded up with wheat in advance of the edict, in expectation of a big boom, whenever the Ukase should be finally issued. The result has been a serious disappointment to the European Bulls, who expected to see our markets advance first, on the event. On the contrary, however, they have declined for the most part since; and, until Europe turned seller, having already stopped buying in our markets, before the decree went into effect. The result was, the lightest new export demand, for all our cereals, during the last half of November, that we have had on this crop, because of the heavy arrivals on the other side and increasing supplies from this country, of purchases previously made. But the first half of November saw the most generally excited and active markets for all kinds of grain, ever seen in this country, including every cereal used for food or feed. Holland took over a quarter of a million of buckwheat grain, a thing hitherto unknown in the export trade; while England bought heavily of all the hard varieties of winter and spring wheat, especially of the latter, to mix with her damp, native wheats, which were unfit for milling alone, and competed with the Continent for the little old corn left in this country, until the price was run higher than during the September squeeze. At the same time it bought nearly twenty millions of bushels of oats, of which only a few hundred thousand had previously been taken on this crop for export, seven or eight millions of barley for feeding purposes, and large quantities of mill feed; as well as all the Canadian peas that were to be had, while the Continent took all the rye that was offered at prices equal to our No. 2 red wheat. There was, in fact, no limit to the demand for all these staples, for nearly three weeks, except that fixed by the inability to secure ocean freight for their shipment. As it was, all the charter tonnage and berth room offered, was engaged through the winter months, and even as far down as May of next year. Such a scramble for our food and feed stuffs, is without precedent in the history of this trade. It was not a question of price, but of what we had to sell, and of how soon we could deliver it. Exporters also took flour freely, for spot and forward shipment, until the merchant mills of the spring wheat sections, who had foreign connections, sold their entire product till into February and March.

PROVISIONS AND THE REMOVAL OF EUROPEAN PROHIBITION.

While Russia has been the controlling factor in our grain markets, Europe has had more influence on the provision market of this country than for many years past, owing to the removal of prohibition of imports of American meat, by some of those countries, and the probability of its removal by all, owing to the high prices of cereals and other food products, as a consequence of the short crops. The effect, however, so far, has been slight, compared with that in grain, and rather in anticipation than in realization, except in the case of bacon for the German markets, which has been sold quite freely for prompt shipment during the latter half of the month, under the treaty made with Germany, requiring all meats imported from America to have the government's microscopic inspection. Early in the month, the big packers of the West were depressing these markets, in order to get the prices of hogs lower, on which to enter a big corn crop year; yet the receipts have been increasing through the month, while the quality has been steadily improving. This is something wholly unexpected, the trade being deceived as to the number of hogs in the country still, as they have been the entire past year. There has been, however, a good deal of product purchased by foreign houses, for future delivery at the decline, and there has been a steadier tone to these markets towards the close of the month, on the belief that the increased export demand from Europe this year, will take all the meats we will have to spare, as well as all the grain.

THE TRANSPORTATION INTERESTS.

As shown above, the railroads running through the grain sections, and from the West to the seaboard, have had more business than they could do; and at remunerative rates. Yet, there is conclusive evidence that through rates on both grain and flour, from the West to Europe, have been cut systematically, all the month; unless, the old dodge of making contracts ahead, with favored parties, at lower rates has been used; or rebates paid to the shippers, on the other side of the Atlantic, by which an evasion of the Interstate Commerce Law is said to have been made outside of its jurisdiction. The proof exists in the fact that the Northwestern flour millers have been able, during the month, to sell for November, December, January, and even February shipments, the entire product of their mills, for that period, on the other side, at ten to twenty cents per barrel more than could be obtained for them, if shipped to this market and sold here for export. Under the decision of the Interstate Commerce Commission the ocean rate must be added to the inland rate, by the Trunk lines, in making through rates to the other side. The fact that the Western millers are able to get more for their flour shipped through, than can be realized for it here, shows that this decision of the Interstate Commerce Commission is a dead letter. Hence, New York is only clearing this flour for the West, without selling it. The ocean transportation companies are having an equally profitable year with the railways; as they are all having more than they can do, at rates higher than have been paid in the last ten years; yet, until the close of the month, these rates have not attracted enough additional tonnage to the Atlantic seaboard, to cause a reaction from the extreme prices, of early November, of over a penny per bushel on berth room, and 6 pence per quarter on charter. On the other hand, San Francisco has had the lowest ocean freights in a number of years, owing to the fact that a larger fleet of sailing vessels were engaged in that trade this year than usual; as they are being driven out of the oil trade by tank steamers, and are not wanted in the Atlantic grain trade, except when steamers are not to be had. The anomaly was witnessed early in the month, of sail vessels being chartered here, for grain to England, when prompt shipment was required, and there were no steamers that were disengaged. Lake tonnage has also had a good season during the latter half, though by no means so good as ocean transportation companies; for the reason that the Trunk line railways have made rates so nearly those of the water routes, that they have gotten a larger proportion of the business, that usually goes by the lakes and canals, as the urgency for prompt shipment, during a greater part of the fall, of all kinds of grain, has given the railroads an unusual advantage over the water routes. Beside, it is said that many large shippers from the interior have given the railroads their business this fall, under an agreement with them that they shall not advance rates, the coming winter, as high as in former years, as there will be an unusual amount of grain to come forward this winter, to supply the abnormal demand for export, which has not permitted sufficient stocks to accumulate in store at the seaboard to supply the prospective export wants, until the opening of navigation next spring, notwithstanding the late fall has enabled us to keep the canals open this year from two to three weeks later than usual.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Maverick National Bank Failure.—This failure has given rise to the usual newspaper comment concerning the worthlessness of bank examinations and bank examiners; the derelictions of directors; the shortcomings of the Comptroller of the Currency and the like. In one sense the failure was no surprise, for the Boston bankers have predicted it for years. Their prediction was founded on the well-known fact that the bank was run chiefly by the president; that he was an enormous speculator; that he paid high rates of interest for his deposits, and, in short, was a very venturesome banker. It is a hard thing to say, but true. that it is a good thing for the other Boston banks, and for banks in general, to have such an institution perish. It was a menace to conservative banking. The business of banking has so changed—especially by the competition of trust companies and the creation of wealth, whereby borrowers of money are not so dependent on banks as they formerly were—that these institutions must pay some interest on their deposits in the future. But this is quite a different thing from Mr. Potter's rates and methods. No bank is willing to lose its business, and therefore Mr. Potter's higher bids for it were fraught with evil consequences to all concerned. By the removal of his bank the others will feel safer than they were before; while depositors, and especially the country banks which confided their money to the institution because of the high rates offered, have learned a lesson which will not soon be forgotten.

State Bankers' Associations.—On several occasions we have described their rapid formation. In the last number an account was given of the proceedings of the conventions in Kentucky and California, and in the present number will be found a brief record of the last convention of the Kansas Bankers. More recently the bankers of Arkansas, Illinois and Ohio have formed State associations. Bankers are beginning to see more and more clearly the importance of establishing them. They can do much in the way of securing proper legislation and by conference concerning money matters of vital importance to all. About seventy-five of the Illinois bankers met at Springfield on the 5th of November, and organized the Bankers' Association of the State of Illinois. The Hon. Thos. S. Ridgeway, of Shawneetown, was elected chairman, and Mr. E. D. Keys, of Springfield, secretary. The association then organized by electing officers and adopting a constitution and by-laws. The objects of the association are mutual assistance, discussion of matters of common interest and social intercourse.

Hon. Thos. S. Ridgeway was elected permanent president, Mr. E. D. Keys, secretary and treasurer, and Mr. J. J. P. Odell, of Chicago, first vice-president, with twenty additional vice-presidents and an Executive Committee of fifteen. The Ohio bankers, to the number of one hundred and twenty-five, met at Columbus, on the 5th of November, and organized a similar association. Mr. P. W. Huntington, of Columbus, called the convention to order, and Mr. W. J. Chamberlain, of Tiffin, was chosen temporary chairman, and Mr. S. B. Rankin, of South Charleston, temporary secretary. A committee was appointed to prepare a constitution and by-laws, which reported in the afternoon, and who prefaced their report by setting forth the objects of the association:

In order to promote the general welfare and usefulness of banks and banking institutions and to secure uniformity of action, together with the practical benefits to be received from personal acquaintance and from the discussion of subjects of importance to the banking and commercial interests of the State of Ohio; and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs, and laws which affect the entire banking interests of the entire State, and for protection against losses by crime, we have submitted a constitution and by-laws for the Ohio Bankers' Association. A permanent organization was perfected, with the following officers: President, J. W. Chamberlain, Tiffin; vice-president, A. T. Estabrook, Dayton; secretary, S. B. Rankin, South Charleston; treasurer, H. F. Harding, Coshocton; executive committee, M. M. White, Cincinnati; P. W. Huntington, Columbus; J. J. Sullivan, Cleveland; D. C. Winegartner, Newark; C. E. Niles, Findlay; A. E. Wagner, Akron; John H. Thomas, Springfield; M. M. Jameson, Batavia; and C. N. Smick, Latonia. The executive committee was instructed to prepare a programme for the next meeting.

The Arkansas bankers organized a State Association near the close of last month. They met at Little Rock. Thirty-seven banks were represented and a membership of nearly one hundred bankers enrolled. A temporary organization was effected by electing Hon. Lafayette Gregg, of Fayetteville, chairman, and Mr. M. H. Johnson, cashier of the Bank of Little Rock, secretary. Afterwards permanent officers were elected. These are Col. Logan H. Roots, president; Mr. M. H. Johnson, secretary, and Mr. Creed Walter, treasurer. The following resolution relating to money was passed:

That we deprecate legislation, State or National, hostile to the investment of capital in our industries; that we favor an abundant and stable volume of money, gold, silver and paper, sufficient to give life and vigor to these industries and greater ease to commercial transactions; that we favor a uniform and equitable system of charges upon collections amongst the banks of the State, and that these subjects may receive careful and deliberate consideration, we recommend that this meeting appoint a committee of five, whose duty it shall be to consider and formulate appropriate resolutions on these several matters, and make a full report to the next meeting of this association.

Protecting Bankers.—For several years Mr. Van Allen, president of the First National Bank of Albany, has sought to have the American Bankers' Association adopt a plan for the purpose of protecting banks from persons inclined to obtain moneys surreptitiously, either by forgery or other means. Last year he submitted an elaborate report, suggesting that the association offer a reward of $2,500 whenever the protective committee desired, for the purpose of ferreting out and prosecuting bank forgers. The last convention adopted the following:

Resolved, That the sum of $2,800 be appropriated for the uses of the protective committee.

Resolved, That the committee is requested to prepare a plan by means of which criminals who depredate upon banking institutions that are members of this association shall be punished, and that when such plans are elaborated, printed rules and forms, explaining the same, shall be prepared and sent to each member of the association.

The association has acted wisely, though we think somewhat tardily, in adopting these resolutions; the association has ample means and could well spare a larger sum for this purpose.

Days of Grace.—Almost the only thing done by the American Bankers' Association pertaining to banking at the New Orleans session, beside taking action with reference to the subject of education and passing Mr. Van Allen's resolution just mentioned, was the referring of a resolution to the executive council, which favored the abolition of days of grace. This resolution was introduced by Mr. Van Slyke, president of the First National Bank of Madison, Wisconsin. As the reasons for granting days of grace have passed away, the custom or rule itself should be abolished. A few persons, perhaps, believe that by it interest for three days can be collected in some cases without the knowledge of the borrower. Usually the borrower well knows that he pays interest for the full time of his loan, including the days of grace, and often uses the money until the expiration of the last of them; but now and then a person, perhaps, may be ignorant of the fact of paying interest on three days more than he supposed. If some microscopic banker here and there thinks that he can squeeze out a little interest for his bank in this manner without the knowledge of the borrower, can he not be fairly charged with practicing a kind of small deception, which ought to be broken up as speedily as possible?

Bank Runs.—Every now and then a rumor is started concerning the insolvency of a bank, whereupon depositors run for their money. The worst exhibitions are among savings bank depositors. Not long since, one of the safest banks in New York City passed through an experience of this kind; afterward, the Home Savings

Bank of San Francisco was treated to a similar performance. More recently, there have been runs on the Yonkers Savings Bank in New York, and the Bennington County Savings Bank in Vermont, and the Five Cent Savings Bank of Boston. On each occasion the rumor was based on no foundation, and the worst loss was to the depositors themselves. How inconsistent is their course at such times in trying to get their money with their neglect to make proper inquiry at all times concerning the institution in which their money is kept. Vigilance is not only the price of liberty, but also the cost of keeping what one has. What the depositors of all banks should do is, not simply to draw their money suddenly on some unreasoning fear, but to watch carefully over the banks in which their money is deposited. If this were done there would be fewer losses and failures. But what shall be said of those who start these rumors? Of course, no bank keeps all of its resources on hand; time is required even by the soundest bank to collect the larger portion of them, for they are always loaned. Every bank in the country would be obliged to close its doors if a run was made by all the depositors. Nevertheless, the effect of a run is always bad; not only do the depositors suffer from withdrawing their money, but the bank is weakened by the shock thus sustained. Deposits for the most part are slowly gathered, and when withdrawn through fear, come back even more slowly, however baseless may have been the report on which the depositors acted. There certainly should be a law for punishing those who start rumors of this kind; it should protect alike the good name and credit of corporations and business men. Every now and then a report is circulated against an individual or company, and the attack is never welcome, even if easily withstood. At present, there seems to be no effective way of reaching such offenders. The subject is worthy the attention of bankers, as well as every class of men engaged in business. How can their credit be properly preserved from unwarranted attacks? and how or in what manner shall persons be punished who make such attacks on them which are baseless?

Bank Consolidations.—A few years ago the banks in some of our larger cities multiplied rapidly and without sufficient reason. It seemed to be an easy thing to organize them; in some cases they were set up for a round sum or other consideration by promoters. In many of these cases the stockholders sold out soon afterwards at a slight advance, and this was regarded as business by all concerned. It did not require much wisdom to discover that there was not enough business for all, and that depositors would be very slow to leave their old places. Now the process is begun of closing and consolidating. We have from time to time noticed some of the consolidations which have been effected; a few more may be noted. In Louisville, Ky., the Mechanics' Trust Company and the Columbia Trust Company, both of which are young concerns, each having a paid capital of half a million, with a handsome surplus, have thus combined. The new company, therefore, has a capital of $1,000,000, and a surplus of not less than $200,000. By this act not only are the financial resources of both companies united, but also their experience and business. In Philadelphia, a consolidation has recently been effected between the Commonwealth National Bank and the Seventh National. The president of the Commonwealth, Mr. Conrad B. Day, becomes president of the other. Of course, by this movement the expenses are greatly lessened, and the new concern will doubtless prove a profitable enterprise. In Tacoma, Wash., there is a report of a consolidation between the Traders' and Fidelity banks of that city. Each institution has a capital of $500,000. During the year, the Fidelity has completed a very handsome bank building; both banks have been doing a large business, and by consolidating, the institution will be one of the strongest on the Pacific coast.

Bank Dividends.—Bank Commissioner Lyford, of New Hampshire, reports that all the savings banks and trust companies of that State will soon be paying a uniform dividend of four per cent. on savings deposits. For ten years a majority of the banks have paid this rate, dividing in extra dividends the earnings above that rate which were not carried to the guarantee fund. It is asserted that the diminution in the dividend rate has not affected unfavorably the increase of deposits, as the deposits in some of the banks which have not been paying a larger rate for a considerable period have increased in a satisfactory manner. No doubt the tendency of capital everywhere is to earn smaller profits, and especially is this the case when the highest security is sought, as it is, and should be, by savings institutions.

The New Kansas Banking Law.—The new banking law went into effect on the 21st of September, the provisions of which are published in the current number of the MAGAZINE. It contains many excellent features. One of the provisions required every bank to file with the Bank Commissioner a statement of its resources and liabilities before the date above mentioned. Within a month after that time an examination of its condition by the Bank Commissioner was required; and after that he must examine each bank at least once a year, and call for not less than four statements annually of its condition. Under the old law, a bank's capital was $50,000, 10 per cent. of which was paid in. The new law makes the minimum capital $5,000, one-half of which must be paid in before business is begun, and ten per cent. of the residue must be paid in each month thereafter until the full capital has been covered. It must keep a reserve of 20 per cent. of its deposits, but one-half of this may be in the shape of accounts with solvent banks. This is a feature for the benefit of depositors which the old law did not have. Should this provision be disregarded, the Commissioner must require the deficiency to be made up within thirty days, under penalty of receivership. Not more than 15 per cent. of the paid-up capital and surplus may be loaned to one person, association, or corporation. The examinations thus far made show that the banks of the State are in a sound financial condition, and probably only a very few will be discontinued. Mr. Allen Clark, one of the merchant bankers at Osborne, says, with regard to the new law, that it will result in better methods and more safety to depositors.

"The experience of last year revealed the necessity of supervision of State and private banks. The banking business will be conducted in a more conservative manner in future, and if the examiners do their duty there will be few failures. We are beginning to feel the effects of the large crop and good prices of this year. There is a disposition on the part of farmers to get out of debt, and most of them will be able to do so. This county will be in the best condition financially since its organization, and there will be a large reserve of wheat and corn held against possible needs of next year. We expect a healthy business for a while, and the tendency to spread out and speculate will hardly manifest itself again. So far as we are concerned, we shall pursue a very careful course, and not lose our heads because of present abundance, but require undoubted security on all loans, and aim at strength and solidity rather than big earnings on paper."

Mexican Finances.—Under the wise rule of President Diaz Mexico continues to prosper. The revenues of the country have steadily increased during the last six years, and for 1891 the total is estimated at $41,400,000. The debt now consists of $52,500,000 external 6 per cent. bonds; $30,000,000 of 6 per cent. bonds issued for railway subsidies, and $24,000,000 internal bonds bearing 3 per cent. interest. The Government is also responsible for $6,500,000 bonds of the Tehuantepec Railroad, and $2,500,000 6 per cent. silver bonds of the Monterey Railroad. On the total, interest of about $6,250,000 a year is required. At the opening of the present Congress, President Diaz made some statements which clearly show the progress which has been made. He declared that at the close of the fiscal year, notwithstanding a reduction of nearly two millions from import duties, the general volume of revenue had exceeded, by a million, that of the previous year. With the usual resources, all the expenses in the budget had been met, as well as the interest on the interior and exterior debt. The improvement in Mexican finances of late years must be ascribed in part to the leading administrator of them, Mr. Dublan, who died a few months since. He has been succeeded, however, by Mr. Farias, from whom much is expected. He had served as a financial agent for Mexico in Europe, and won the esteem of the bankers in the old world. The Mexican *Financier* says: "In every position of trust that the new Minister has held, he has performed his duties with efficiency, and with a strict regard for the interests of the country; his name recalls that of his immediate ancestor, Mr. Valentin Gomez Farias, one of Mexico's ablest and purest statesmen, and at one period in the time of Santa Ana, Vice-President and Acting Executive of the Republic."

The Annual Report of the Director of the Mint.—The annual report of Director Leech is replete with valuable information relating to the coinage. Some of these facts are herewith presented. The value of the gold deposited at the mints and assay offices during the fiscal year 1891 was $59,625,678.08. The deposits and purchases of silver aggregated 71,869,663.92 standard ounces, of the coinage value of $83,630,154.31. The coinage executed at the mints was the largest in the history of the mint in this country, aggregating 119,547,877 pieces, valued as follows: Gold, $24,172,202.50; silver dollars, $36,232,802; subsidiary silver, $2,039,218.35; minor coins, $1,166,736.50; total, $63,611,155.35. The seigniorage on the coinage of silver dollars was $6,221,333.42, and on subsidiary silver coinage, $92,434.48, a total of $6,313,767.90. The total coinage of silver dollars since 1878 has been $409,475,368. The total amount of silver purchased was 56,878,325.08 standard ounces, costing $53,626,924.90, an average cost of $1.04¾ per fine ounce. The number of silver dollars coined from trade dollars to Nov. 1, 1891, has been 3,260,100. It is expected that this coinage will be completed by the time that Congress meets. The price of silver fluctuated from $0.964 to $1.21 per fine ounce, a fluctuation greater than in any previous year of which we have knowledge. The average price during the year, based upon London quotations, was $1.04½ a fine ounce, and upon New York quotations $1.05 3-10 a fine ounce.

ESTIMATED STOCK OF GOLD AND SILVER AND THE ACTUAL AMOUNT OF "UNCOVERED" PAPER MONEY IN THE UNITED KINGDOM, FRANCE, GERMANY AND THE UNITED STATES.

Countries.	*Population.*	*Gold stock.*	*Silver stock.*	*Uncovered paper.*
United Kingdom........	38,000,000	$550,000,000	$107,000,000	$40,000,000
France..................	39,000,000	900,000,000	700,000,000	88,000,000
Germany................	49,500,000	540,000,000	220,000,000	150,000,000
United States...........	64,000,000	671,000,000	539,000,000	409,764,000

Countries.	Total metallic stock and uncovered notes.	Per capita.			
		Gold.	Silver.	Paper.	Total.
United Kingdom	$697,000,000	$14.47	$2.81	$1.05	$18.33
France	1,688,000,000	23.08	17.95	2.26	43.29
Germany	910,000,000	10.91	4.44	3.03	18.38
United States	1,619,764,000	10.48	8.42	6.40	25.30

PRODUCT OF GOLD AND SILVER IN THE WORLD FOR THE CALENDAR YEARS 1873–90.

Calendar years.	Gold.	Silver.		
		Fine ounces. (Troy.)	Commercial value.	Coining value.
1873	$96,200,000	63,267,000	$82,120,000	$81,800,000
1874	90,750,000	55,300,000	70,673,000	71,500,000
1875	97,500,000	62,262,000	77,578,000	80,500,000
1876	103,700,000	67,753,000	78,322,000	87,600,000
1877	114,000,000	62,648,000	75,240,000	81,000,000
1878	119,000,000	73,476,000	84,644,000	95,000,000
1879	109,000,000	74,250,000	83,383,000	96,000,000
1880	106,500,000	74,791,000	85,636,000	96,700,000
1881	103,000,000	78,890,000	89,777,000	102,000,000
1882	102,000,000	86,470,000	98,230,000	111,800,000
1883	95,400,000	89,177,000	98,986,000	115,300,000
1884	101,700,000	81,597,000	90,817,000	105,500,000
1885	108,400,000	91,652,000	97,564,000	118,500,000
1886	106,000,000	93,276,000	92,772,000	120,600,000
1887	105,775,000	96,141,000	94,048,000	124,304,000
1888	110,244,000	108,888,000	102,185,000	140,784,000
1889	122,438,500	123,500,000	115,487,000	159,678,000
1890	116,009,000	128,914,000	134,886,000	166,677,000

Uniform Bank Bookkeeping.—Every bank has its own ideas about bookkeeping, but some advantages would be gained by a uniform system. This was adopted by the Boston banks several years ago through the action of the Clearing House, and it is said that the banks are entirely satisfied with their action. Of course, a uniform system would not prevent the falsifying of accounts, but bank examinations would be rendered easier, and errors in accounts could be more easily detected. Since the Boston system has worked so well, would not the experiment be worth trying by the banks in other places? Since examinations, both by publice officers and private experts, are desirable, evidently a uniform system, which could be thoroughly studied and understood, would facilitate their work and secure more satisfactory results.

SOME MORE CURRENCY SCHEMES AND CURRENT CRITICISMS OF THEM.

More plans, perhaps, for increasing the paper circulation of the country have been originated within a few months than for many years. Many believe that the National banks, especially as issuers of paper money, will soon cease to exist, and so other schemes or substitutes are invented for increasing the volume of paper money. The question seems to have more life in it than at any time since 1865.

This, however, is not the only reason for giving birth to these new plans for a paper circulation. The antagonism exists in many quarters to the National banking system. Not a few persons maintain that the Government ought not to have anything to do with banks and bank note issues; that this function is wholly outside its province. But the most of those opposed to the National banking system favor the establishing of State systems of one kind and another, although the dual system proposed by Mr. Harter, of Ohio, and reviewed in the last number of the MAGAZINE, has not found much favor. In Texas, however, the State is utterly opposed to the creation of State banks, for the broader reason that it is strongly opposed to corporations of any kind, regards them with jealousy, and pares their functions down to the narrowest limits. The Gainesville *Hesperian* expresses the policy of the State on this subject, and the consequences of it, and the following extract is worth reproducing:

We must have banks of some kind, and National banks are the only kind that now have any show in Texas. This is not altogether the fault of the general government. If National banks be a curse in our State it is to blame in a large measure for their existence in Texas. We have no alternative for them. Our "Granger Constitution" has driven our bankers into the National banking system. It absolutely prohibits incorporated banks under State authority. This is why almost every county site in Texas has one or more National banks. A good, safe State banking law would have prevented so many National banks from being established here. But we cannot even have a savings bank, where women and children and laboring people can deposit their small earnings, because our State law makers forbid it.

The Texas idea, that the State, either in the larger or smaller sense, should create no banks, because this is not one of its proper functions, is well expressed by the Augusta *Chronicle* in criticising the schemes of Senator Norwood and Mr. Atkinson, which will be hereafter noticed:

Mr. Norwood's failure to evolve a satisfactory system of banking without the issue of fiat money by the Government and lending it to the people through the States, shows that the whole Sub-Treasury scheme is unsound. It is the embodiment of the nationalist fad which Edward Atkinson declares consists in demanding that the State should do for the people what the people should do for themselves. This tendency is too strong already in many sections of the country, and New England is not free from it. We see it in the policy which places under the laws of the State the hours of labor in the cotton mills, which prescribes the pay day for employes, which makes education compulsory, and which gives to the cities of the East the power to own electric lights, street car plants, and to endow public libraries. All these are excellent things, but the question arises, why should State and municipal governments be called on to furnish luxuries and to assume such paternal functions? It is entirely foreign to the Jeffersonian theory of government. Under that system the simplest form of government was the best. Now we hear that the Government must become a huge land and loan office, printing greenbacks on its printing presses and scattering them out to the people on their lands and crops. It makes little difference whether the Government is to dispense this great bounty direct to the people, or whether it is dispensed through the States as great sub-treasuries. The principle is the same, and that principle is wrong.

Of course, the debtor class at all times are desirous of swelling the volume of paper money in order to enhance prices and to render debt-paying more easy. But another class favor higher prices, and for a different reason. They believe that high prices and prosperity are twin sisters. They recall the war-times when the country abounded in paper money and inflation was rampant; and when everybody seemed to be wonderfully prosperous. They imagine that higher prices had something to do with such a state of prosperity, and no doubt they did. An increase in prices, in other words, inflation, brings temporary prosperity, but a reaction from the very nature of things must come, and cannot be avoided. If we could have the good times without the subsequent depression, then, indeed, we might be justified in considering whether it was not worth while to flood the country with paper money, either through the agency of State banks, or the Government, or in some other way. But in ascertaining whether inflation and higher prices are desirable, the beginning and the end must be kept in view, the expansion and the inevitable decline, and thus looking at the entire movement, it should always be avoided whenever it can be. Our latest experience is from the Argentine Republic.

It should be remembered that the lower level of prices to which everything has fallen of late years is not due to any derangement in our paper money system; it is due to causes entirely outside our money; the decline is just as clearly separated from the money question as the stars are from each other. The world has been very busy in inventing labor-saving devices, and the effect of these in all cases, and generally in a short period, is to cheapen products; and the process of reduction has run from one thing to another until it has gone around the entire circle. Beginning with that department of industry in which this progress has perhaps affected the cost of production less than in any other, it is still the fact that the days of the scythe and the flail are over and almost forgotten, and machinery has so cheapened production that it seems almost impossible to cultivate a farm profitably without it. The transporter has also cut down the cost for moving products to market; instead of sixty and seventy-five cents for wheat per 100 lbs. from Chicago to New York, the charge in these days is about twenty cents. The farmer does not get the whole of the benefit from these long steps of progress; but why should he? A slight examination of the history of prices on the farm proves that he gets the greater part of the benefit, and should not consumers share it with him?

So when twenty pairs of boots and shoes can be made with less human labor than a single pair once cost, there is an inevitable reduction in prices. The consumer does not get the whole of that gain, for the laborer is better paid, and the machinery employed also receives wages, and the manufacturers get more satisfactory and safe returns, while the consumer gets far better boots and shoes at a lower price than ever. Is there any sense in longing for a return to the old range of prices? With cheapness has come vastly larger consumption. Would the trader be better off to sell half as many pairs at twice as much profit on each?

This steady progress toward cheapness in almost every department of production is a legitimate and proper result of the world's advance in mastery over the forces of nature. Any artificial screwing up of prices, whether by inflation of currency or by combination of dealers, is simply resistance to natural laws. If effected by undue expansion of currency, it inevitably ends in, or more properly speaking becomes, a depreciation of the currency, a loss of much of its power to purchase. The kind of money in which such artificial prices are made loses part of the purchasing power which money has in other countries and which good money has here. Nothing is gained, for he who takes in more depreciated dollars for his products or his labor has to put out more of the same depreciated dollars for everything he has to buy. It comes to this, that he has concluded to throw away the best money in the world, in order to reckon the values of things bought and sold in seventy-five cent dollars. And as depreciation always tends to increase, even to the vanishing of all purchasing power, there comes from every such experiment a result like that which can be witnessed to-day in Buenos Ayres, where the current money is worth in buying power, or in exchange for the money of the civilized world, not more than twenty-three cents on the dollar.

It is true, if the country was flooded with paper money, this decline in prices, which for the most part has come in a natural way, through the invention of labor-saving devices, whereby the cost of production has been lessened, the decline in the cost of transportation, and in other ways, would be arrested and changed. Such a policy would counteract the effect of the processes and forces mentioned, and prices would perhaps go to the old figures, but in the end no one would be the gainers by these things except debtors. So long as equality prevails on a lower level of prices, no one suffers from the decline which has taken place. We all know that lower prices prevail abroad for almost everything except things which constitute a monopoly. Yet no one complains because this low range of prices prevails there; on the other hand, all seem to think that on the whole they are the gainers. We may, therefore, be assured that all schemes having for their end the upsetting of the level of prices which now exist will work infinite harm to most classes, and without corresponding advantages.

Among the recent schemes for flooding the country with a new issue of paper money is that by Senator Norwood, of Georgia. This scheme may be briefly described. He proposes that Congress shall issue enough legal tender notes, which, added to the existing currency, will furnish $30, $40, or $50 per capita, which shall be receivable for all debts and dues, except duties on imports, and that a reserve of 25 per cent. shall be held against them. Each State, on demand, shall receive an amount which, added to its existing circulation, will make the amount per capita decided on by Congress. The banking capital in each State is to be the standard for ascertaining its circulation, unless a better can be devised. To illustrate: Georgia's population, in round numbers, is 2,000,000; the amount per capita fixed by Congress for the whole population being $40, Georgia would be entitled to $80,000,000; but her present banking capital being $30,000,000, that sum must be deducted, and her quota of legal tenders would be $50,000,000. This money shall be used by each State according as the people of the State shall determine—that is, in banking, or be let by the State to individuals on security.

His plan is for each State to hold a percentage of this currency to meet squeezes by Wall Street, and to foster banking with a part, and lend the remainder to individuals and corporations; that each State shall, first, fix by law a reasonable rate of interest, not above 5 per cent., and by law name the securities and conditions on which they shall lend; that land shall be one of the securities, and that each State shall lend on its own products. For instance, Georgia's great product being cotton, it should be as security or collateral, under proper and safe conditions. With $30,000,000 thus lent by the State at 5 per cent., she would receive annually $1,500,000 in interest. With that she could establish a sinking fund of $500,000 per annum, and in twenty years pay off her funded debt, reduce State taxation, increase her school fund, and in a few years discontinue taxation except for county and municipal purposes.

The imperfections in this scheme have been so thoroughly exposed that nothing need be said here concerning them. The criticism that we shall make applies as well to many other schemes that are put before the public, and relates to the per capita basis for issuing money. This idea is constantly brought forward, that some relation exists, or ought to exist, between the volume of currency and the number of persons living in a country. There never was a cruder idea about money; yet it is worth while to show briefly the fallacy of attempting to issue or to maintain a circulation on such a basis.

The quantity of money which a country needs depends largely on the rapidity of its circulation. If, for example, one carries a thousand dollars in his pocket for weeks, as may be the case with a person on the frontier who is engaged in cattle-buying, in order to have the money with him to make immediate payment, it will circulate more slowly than in New York City through the banks. In the former case it may not make a payment for a week or several weeks, while in the latter it may make a dozen or twenty payments during that time. If this be the truth, it is evident that the same amount of money is ten times more effective in the one place than in the other; in other words, much less is needed in New York to perform the same amount of business than is needed on the frontier. We see, therefore, that this question of the quantity of money needed by a country is intimately related with the number of banks existing in it. Where they are very numerous, and are constantly used by persons for depositing and circulating their money, it goes further, does more work, than in a country where the banks are fewer, and where the people carry larger amounts in their pockets and make fewer payments during the same period.

If we turn to speculative trading, which is most active around the exchanges, we see that but very little money is used. A thousand persons or more transact business in the New York Produce Exchange, and most of it is done without the use of any money whatever. The buyer simply transfers his obligation to pay to some one else, and he in turn to another, and in the end the differences only are settled by the delivery of checks. If business was of a legitimate character, and every purchaser took the actual property and paid for it when delivered, no money would be used, but only checks. This also is true in wholesale trading; by far the largest portion of it is carried on by means of banks and checks. This has been wonderfully facilitated by the creation of the Clearing House, whereby the checks are assembled and exchanged, and a small sum of money is paid to adjust the balance. If we turn to retail trade, the payment of wages, amusements, vices, etc., more money is needed, but even in these credit is playing a large and increasing part. Workers are often paid with checks by mutual preference, and the checks are cashed by storekeepers or tradesmen who keep accounts against the wage receivers. Without referring to the company store system, which was liable to much abuse, but still exists in thousands of places, though often in modified form, it may be said with truth that a large share of the wages paid each week, and of the retail purchases made, requires no money at all. In States where savings banks are popular, payments are often made through them. Orders on tradesmen are common everywhere, and credit takes the place of cash to a considerable extent in every center of industry. But the part of wages thus paid, or of retail trade thus carried on, requires no more currency in circulation if the wages are $20 per week than if they are only $10. The remaining part does require more currency, but considering the general steadiness of wages, and necessarily of the retail purchases which come out of wages, it may be fairly said that this part of payments also depends rather upon the number of the people earning and buying, than upon the moderate and gradual changes in the rate of earning or living.

Thus it is exceedingly difficult to find substantial ground for the widely entertained idea that a larger and more active business calls for more currency in circulation. But there are noteworthy exceptions. One appears when payments have to be made for crops, and largely to farmers who live where no banking facilities are readily available. Even at such points, a vast proportion of the payments must be made through credits, the farmer keeping his account with some merchant or factor or agent. If it were not so, the demand for money "to move the crops" in the fall would not be for a few millions, but for thousands of millions. Then, too, there is a species of regulating compensation in the fact that great crops usually command low prices.

Another noteworthy exception is the prevalence of inflated retail prices, which must of course compel the use of more currency in such transactions as are not on credit. A third and greater cause is the establishment of new centers of trade and the settlement of new regions; there the demand for more money is real and large. Yet it lasts there only until the organization of society has progressed so far that the credit system obtains general favor. In short, it will have to be admitted that there is much lack of evidence that an increase of currency in proportion to the business done, if in excess of the increase in population, is ever necessary, except within a very limited area.

In criticising Senator Norwood's scheme, the Savannah *News* very pertinently inquires whether there is any dearth of currency:

The question whether there exists a necessity for an increase in the volume of the currency is still an open one. The volume is now greater per capita than ever before in the history of the country, and it is only recently that the idea has got abroad that it is not great enough. May it not be that the volume of the currency is ample, and that there are reasons why there is unusual difficulty in obtaining money. The failure of the Baring Bros. alarmed the financial world, and there was an immediate loss of confidence. At once banks and individuals began to hoard money, and the complaints of a scarcity of money began to be heard. Now that confidence is returning there are fewer complaints, and, in the near future, if the country continues prosperous, the volume of the currency will be sufficient for all purposes.

The danger that lurks in the various schemes for providing money to be loaned to the people on all kinds of security is not generally understood. In a speech a day or two ago the Governor of Alabama called attention to the burden imposed upon the people of that State by the Legislature in 1837. The Legislature authorized bonds to the amount of $5,000,000 to be issued, and the proceeds loaned to the people through the banks. The banks failed, the loans were not repaid, and to-day the people are paying the interest on them.

Another scheme of bank note issues has been proposed by Mr. Edward Atkinson, or rather he suggests the adoption of the Scotch system as a supplement to that now existing. He says:

They have established and perfected a system of banking which deserves the very close study of the people of this country, under which the issue of notes for circulation is a relatively unimportant matter. It is for this reason—their ten or eleven central banks have, as I believe, more than 1,000 branches, one in every hamlet throughout the whole area of the country. The Scotch look to the bank and banker as their next friends; their exchanges are made by opening book accounts on the credit of the individual farmer, with such surety as he may rightly give, against which credit he draws his own checks, and thus furnishes himself with his own circulating medium; this volume of circulating medium or personal checks adjusts itself to the exact condition of the trade, commerce and exchange of the people, taking the place in large measure both of coin and notes. All the coin and notes that the farmer gets he at once deposits in a branch bank. Thus the coin is put and kept where it belongs, in the vaults of the banks as security for their solvency and for the redemption of all obligations. Whether this system may or may not be established over the wide area of this country is, perhaps, an open question; but it may be held with very great certainty that something of the kind would be adopted if the prohibition or tax upon the circulation of State banks were removed.

If the American people had the thrift of the Scotch, the adoption of their system might be considered. Under existing conditions, the results would be very different. As a supplement to the National system, it would certainly fail, for it would speedily extinguish them, and the country would once more be treated to the old State-bank systems, the evils of which were described in our last issue.

Another scheme has been started in Georgia, in which a bank has been organized with six hundred stockholders and a capital of two hundred thousand dollars. The enterprise is chartered by the State, and is sanctioned by the Farmers' Alliance. The Atlanta *Constitution* says that the new bank will be operated in all respects like any other banking institution, except that depositors will turn in cotton certificates instead of money at the receiving teller's window. Cotton bales are received at the bank's warehouses, and the depositor is given credit therefor. After making the deposit, the depositor is permitted to draw on his account at the bank up to a specified percentage of the value of his cotton. The bank on its part undertakes to sell the cotton to the best advantage, and, after paying the expenses of handling and shipping, the account with the depositor is balanced, and the amount of his sale turned over to his personal use as money. The scheme, therefore, unites the two functions of a bank and a commission house, and possibly will work to the advantage of the farmer in the end.

This scheme has far more merit in it than the others described, for it does not propose to manufacture notes, but simply to take the products and make advances on them, and to sell them, and divide the middleman's profits with the producer. Surely the cost of distribution may be lessened, to the obvious advantage of the consumer or producer, or to both. The above scheme seems to be rational, and, if executed, gives promise of solving, to some extent, the rescuing some of the profits from the middleman and of putting them in the pockets of the producing and consuming classes. In other words, this appears to be a scheme of true economy of time, labor, and money, and, therefore, is worth a fair trial.

Lastly, may be mentioned a scheme of issuing paper money on the security of land. This, in fact, was the earliest banking system ever tried in our country; it was introduced in the old colonial days in Boston in the early part of the seventeenth century. At a later period the State banks, in many sections of the country, adopted the plan, the success of which is well known. The Fayetteville *Democrat* thus remarks concerning it:

The old State bank system was intended to furnish the people of Arkansas with plenty of money based on real estate, and it was a glittering success in this particular. In every other respect, however, it was loaded, and with the exception of a very few shrewd speculators, the men who borrowed money were poorer in purse but wiser in experience when the day of settlement came.

Some of the most sensible remarks that we have seen on this subject appear in the Wilmington (N. C.) *Messenger*:

If North Carolina farmers would have the laws concerning landed estates amended so as to give all due protection to the lenders of money, they could easily borrow all the money they need at 4 or 6 per cent. But with such laws as now exist, it is impossible to obtain from capitalists the needed funds. Homestead and other laws that will help dishonest men to cover up their dealings and defraud creditors are just the laws to prevent men of money from supplying funds to those in need who own landed property. This has been tested. This is the main reason why the banks offer no more facilities to the farmers. This will prevent the adoption of the Scotch system of Land Banks. Amend the laws concerning real estate if you would increase the facilities of money borrowing at low rates. The Land Bank plan would meet all the demands of the farmers, we have no doubt, if it was adopted, but it can never be adopted so long as the laws of the State shield fraud and invite lawsuits.

With one remark of Mr. Atkinson we fully agree—that the utility and service of any system of banking in any State or section depends wholly on the character and credit of the people of that State or section. If there is anything settled in money matters it is this, the greater the intelligence and the higher the character of the people, the smaller is the quantity of actual money required, and the more extensively may credit be used; on the other hand, no kind of money will ever be abundant in a community that is not entitled to credit.

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION.

The seventeenth convention was held at New Orleans on the 11th and 12th days of November, which was attended by more than one hundred members. President McMichael called the convention to order, and the Rev. Dr. Snively made the opening prayer. The president then introduced Senator Gibson, who delivered a very felicitous address of welcome. After describing the wonderful progress in developing the country since the revolution, he said : "But the most striking feature of this development is not the land we possess, not the variety of climates or soils ; I venture to say that the amazing development of our United States is owing to the fact that there is entire and absolute freedom of exchange between the people of these great commonwealths. I do not propose to introduce a party question—far be it—but every gentleman, whether he be a protectionist or a free trader, will admit that after all it is the freedom of exchange to the people of this country, the North, South, East and West, that has held them in the Union, and that to-day constitutes the chief sources of the wealth of the people of the country. [Applause.] And the amazing development of our own times, facilitating freedom and exchange as well as increase of production, is what staggers political parties. Take the last twenty-five or thirty years; the people of the United States have simply been equipping themselves, preparing themselves for the great industrial movement on the threshold of which we are standing to-day. Our own inventions of all kinds cheapening transportation is but one of the methods by which exchanges are facilitated, the telegraph, the telephone —all inventions by which exchanges may be facilitated—add to the aggregate wealth of the country.

"But I admit that exchange is not wealth. It is the means merely by which the commodities of one section of the Union may be bartered off for the commodities of another. Production is wealth, and it is admitted by the ablest writers to-day that the cost of every article nearly which man consumes has been reduced during the last twenty-five years at least 40 per cent. That is the estimate of Prof. Fowler, of Oxford

University. No doubt in many instances there has been this cheapening of production; in many, a larger increase in the cheapening process. It is production that makes wealth, but what would production be unless there were facilities of exchange, unless there were means of transportation? But, gentlemen, all other means sink into almost insignificance in comparison with the instrument which you deal with. The greatest labor-saving machine in the world, that the wit of man ever discovered, is money. The world would come to a standstill to-morrow if we were remanded back to the day of barter; but it is money, and credit based upon money, that enables people to avail themselves of these other instruments of transportation, and it is credits based upon money and banks that exercise the credits, transfer the credits; for, after all, banks are the greatest debtors in the world. I speak of banks of deposit —yet you are enabled by their very constitution to facilitate exchanges, to give large credits, and to bring about those transfers of balances and of credits which it would take days and weeks and months and years otherwise to accomplish.

"So, fellow-citizens, the part that you play, the function that you have in the develoment of society, is not a private one. It is a public one. It is connected with the welfare of the republic, and in that sense you are public men. The instrument that you have to deal with is the very life blood of the republic. It is not only a medium of exchange, but it is a standard of value, and hence it is that every transaction, whether great or small, every man, whether humble or a millionaire, has the measure of his interest and the measure of his labor determined by the instrument which is chiefly within your keeping, in order that these vast exchanges between the whole mass of the people of the country, which in a single day, if they could all be multiplied, would aggregate a sum that could hardly be calculated. The operations of a single day with the laboring people of this country require that that standard should be made as invariable, as true, as certain as the standard of weights and measures themselves." [Applause.]

To this address the president delivered the following response:

THE PRESIDENT'S ADDRESS.

It is a special gratification to preside over this, the first of our meetings held near the waters of the Gulf and in this interesting city, where alone in these truly United States of ours one is reminded of the rule of both the great Latin powers which exercised so powerful an influence in building up a new civilization on this continent. Who can look upon the waters of the mighty Mississippi without recalling De Soto and his Spaniards, first of white men to see this noble river, and that he and his like, with unfailing energy and unflinching courage, pursued their discoveries and conquests until they had brought under the banner of Castile and Arragon an empire stretching from the Atlantic to the Pacific, and embracing some of the fairest lands on earth. Nor can we whose business is to seek money, in our nineteenth century way, blame those Spaniards if the inspiration to their endeavors was "gold." They did not spare themselves, and certainly did not spare the conquered peoples in obtaining their object, and for generations poured into Europe floods of the precious metals. The effect was felt in the gradual rise in wages and increase in the comforts of life, the growing importance of the trading classes, and the creation of great mercantile houses, which became, later on, our predecessors in banking.

If the Spaniard as discoverer and, for part of the 18th century, ruler of these broad lands, has left historic traces, how much deeper, and how pervading are the remembrance of the Frenchman. The name of your great commonwealth recalls the Bourbon in the very acme of his grandeur, as that of your beautiful city will be the most enduring and magnificent memorial of that younger branch of the house of France renowned for a succession of princes more noted for intellect than worthy in personal character, the conspicuous exception, as to character alone, being the present head of the House and the most brilliant example the Regent Philippe patron of the Mississippi scheme and its promoter, Law, who may fairly be said to have been the greatest of fiat money men, if not the first. Royal birth and princely power have assured a place in history to Bourbon and Orleans, yet how little they deserve to be remembered compared with scores of their subjects, nobles and priests, soldiers and adventurers, who,with chivalric courage and faith which courted martyrdom, plunged into a frowning wilderness peopled with warlike and cruel savages. overcoming obstacles and enduring trials which are appalling even to think of, finally carried the Lilies and the Cross from the frowning crags of Quebec to the fair and smiling plains of Louisiana. Surely the memory of their deeds must and shall be cherished here with something of the pride of race. Even to mere wayfayers like us there is a delight in finding an American city widely differing from the English settlements of the northeastern coast or the bustling towns of the ever growing West. This association has met under the shadow of Bunker Hill and in the precincts of Independence Hall, in the great metropolis on the Hudson, and in that mightiest of purely American creations, Chicago, which, seeing the size and importance to which it has grown in half a century, is profoundly impressive.

I do not wish to give a mere catalogue of our meetings. but to impress the truth that this association is for North and South, East and West alike. We early decided that " home staying youths have ever homely wits," and that we would in time cover the whole of our country. In pursuance of that policy we have traveled far into the West, across those fertile plains to which a hungry continent to-day stretches forth its hands, filled with the gold we had sent it, for food; have enjoyed the hospitality of Ohio and the exuberant welcome of Missouri, and met the warm-hearted Kentuckians on their native soil. Wherever we have gone we have found some new thing to make us proud to be Americans, and have met fellow countrymen we were glad to greet. Let me tell you an original and pervading thought in forming the American Bankers' Association was to bring into contact men who had else known one another only through the medium of correspondence, to substitute for cold ink the kindly grasp of the hand and the magnetic influence of personal intercourse. Far be it from me to ignore the important business results which have been attained by the education in financial truths and banking practice which has resulted from our meetings, but even above this I count the fact that friendships have been formed which have been cemented by years, and will, I heartily believe, last while life endures; and who is he so dead to one of the greatest blessings of life as to count any gain greater than that of a friend, who, near or far, will rejoice in our happiness, or warmly sympathize in our misfortunes? Man is but weak, and unhappily his most brilliant qualities sometimes lead him into paths of danger, difficulty, and even disgrace, startling the community with failures and crimes. We are too deeply interested to ignore the fact that there have been of late rude shocks given the fabric of credit, but none can know better than ourselves how deep and wide are the foundations upon which the banking institutions of the United States are built, and how watchful and honest the vast majority of guardians intrusted with their care. Fortunately, the business world appreciates the stability of the banks, and is no longer liable to be hurried into panic. As there is nothing more gratifying to a banker than the undisturbed confidence of his depositors, very certainly he has no higher duty than to so order his life and his affairs as to deserve that confidence.

The broad policy which has made our debates open to the expression of all opinions, without committing the association to any dogma save that of scrupulous honesty both for the nation and the citizen, has enabled us to listen to arguments on both sides of sundry vexed questions without danger of warring factions being created in our ranks, and it is a matter of congratulation that nothing like acrimony has entered into the discussion of even the burning question of coinage.

Ever since 1877 we have heard much each year about the mighty silver dollar, from able exponents of widely diverging views; the strictest monometalist and staunchest advocate of "free coinage" have alike been privileged to expound their doctrine, and each has doubtless convinced himself that he alone holds the financial truth. We will be further enlightened during our present sessions, and will certainly not be allowed to forget it in the coming year. I believe it to be a question of even more vital moment to the wage earner than the banker, and have an abiding faith that the mass of our countrymen will see to it that the purchasing power of the dollars they labor for is not imperiled.

Mr. Thos. R. Roach, of the Committee on Entertainment, was given a hearing, and detailed some of the invitations extended, among them the communications from the Board of Trade, Mr. and Mrs. H. C. Minor, of Southdown plantation, and a tender of special train on the part of the Southern Pacific to take the delegates to the Minor plantation. The New Orleans Cotton Exchange issued a general invitation, and the bankers of New Orleans invited the delegates to the performance at the French Opera House at night. The invitations were accepted with thanks.

Hon. John Jay Knox made the report of the executive council. With reference to Mr. Hammond's resolution for combinations of banks to establish corporations for making collections, the council reported that efforts have already been made in New York, Philadelphia and Boston, to organize corporations for collections, so far without success. The council thought that the step at this time would be impracticable. The report of the committee was accepted.

The council also reported on a communication from the Texas Bankers' Association as to representation of State associations by delegate. The council found that under the constitution any delegate from the State association may participate in the discussion of all the proceedings of the convention. The council had considered the proposition to give each of said associations a vote, and found that under the constitution any member of a State association who is a delegate to the American Bankers' Association may become qualified to vote by becoming a member. It did not think any further action was expedient. Where a member of a State association is also a member of the association, he can have but one vote. If not a member of the American Association, he can obtain a vote by joining.

Mr. G. A. Levi, of Victoria, Tex., spoke for the Texas bankers, and said that the resolution was only intended to recognize kindred associations. The report was calculated to alienate instead of cementing the minor associations to the mother body. He did not think that the National body desired to estrange the State associations, and he did not know of any question on the floor which ever drew the line between the

State and National bodies. Texas only felt that it would unite the bodies more closely, and he thought that if the constitution was amended so as to give each State body one vote, no delegate would come without also joining the National body. He hoped to see an organization in every State in the Union to discuss local and State matters, and he urged that more consideration be given the State bodies, in order to encourage their existence.

Mr. Butler, of New Haven, replied, as a member of the council, and thought that any delegate should also be a member of the National body. Every State organization can be represented on the floor by all its members and have fifty votes, instead of one, by following the executive council's suggestion. The council had none but kindly feelings for the State associations, but it desired to attach all the bankers to the warm-hearted brotherhood of the National organization.

Mr. White, of Cincinnati, said that the vice-presidents of the association were named by States, and already represented those States upon the floor.

Mr. Russell, of Missouri, said a scheme was on foot for the representatives of the State associations to meet to form a National council to remedy the collection and other evils. It was desired to form this union under the protection and recognition of the American Bankers' Association, so as to make more effective work possible. If the American Association declined the recognition of the State associations, the latter would find some other head, and it was well to consider the matter thoroughly before deciding.

Mr. White asked with reference to the report that all the State associations did not desire recognition on the floor, as requested.

Mr. Levi replied that the privilege asked was not the main point, it being only desired to obtain recognition from the mother association in order to bring about a closer union and a more general influence. Delegates from the State bodies would hardly fail to become members, but the State delegates would hardly like to be allowed to talk on a subject and be debarred when it came to a vote. If the resolution was passed the States would feel that they had obtained recognition, and it would induce more State bankers to join the mother union.

Mr. Cornwell, of Buffalo, thought a representation certainly due to the strong State bodies forming all over, and he moved that the executive council hold a special session to confer with the delegates from the State associations, so as to agree upon some satisfactory and general plan of action.

President McMichael, in putting the question, said that it was an important matter, and should not be slighted.

Mr. Butler moved as a substitute that the matter be referred back to the executive council to report at next year's session, and in the meantime that each State association be asked to give its views as to its desire for recognition.

The substitute was adopted.

Executive council had spent considerable time in preparing to meet the request for action by the standing protective committee provided by Article 4 of the constitution, and had adopted the following resolutions bearing on that subject, viz.:

Resolved, That so much money as shall be found necessary, but not exceeding the sum of $2,500, is hereby appropriated for the uses of the standing protective committee of this association in performing the duties with which it is charged by Article 4 of the constitution.

Resolved, That said committee is requested to give attention to the preparation of a plan, under and by means of which criminals who depredate upon banking institutions that are members of this association shall be punished, and that when such plans are elaborated, printed rules and forms, explaining the same, shall be promptly prepared, and the secretary shall forthwith send two copies to each member of the association, and furnish additional forms and applications when applied for.

The committee is composed of three members, whose names are not made public.

Mr. Van Allen, of Albany, N. Y., who has been a prime mover in the matter, thanked the council for its action and moved the adoption of the resolution, which was unanimously done.

Messrs. Wm. H. Rhawn, Geo. S. Coe and Morton McMichael made a report on schools of finance and economy, recommending among other things the appointment of a committee of five to have charge of all matters pertaining to the encouragement and promotion of these schools, which recommendation was adopted.

When these matters were concluded, Prof. Arthur T. Hadley, of Yale University, delivered a very interesting address on "Recent Railroad Legislation and its Effect upon the Finances of the United States." The following is a summary: Whatever causes shrinkage in railroad values is of importance to a body of financiers, because railroad securities are more important than any other line of investments and properties, more than all others put together. A loss of one per cent. in interest on railroad securities would mean a fall in capital valuation greater than the whole wheat crop and cotton crop of the country put together. If we look at the systems immediately west of Chicago, we find that, since the passage of the interstate commerce law, they have shrunk in value $60,000,000, or more than 25 per cent. of the par value of their stocks. This is not unprecedented in amount. The same thing happened in 1873, and again in 1885. It is peculiar in coming without a crisis in general business, in affecting railroad securities alone, and in affecting different groups of railroad securities according to the amount of legislation to which they were subject. Tables were given in support of this assertion.

Such a fall can only have been due to legislative action. The interstate commerce law, which had been supposed to be the end of a struggle for railroad control, was only the beginning. The interstate commerce commission extended its jurisdiction so that the law applied to many more things than was expected. The individual States went further and did a great many things with far less wisdom than the interstate commerce commission. Finally the prohibition of pools prevented the railroads from taking measures in self-defense. This legislation, though ostensibly directed against railroad abuses, was really in considerable measure the result of hostility to the corporations themselves. The railroad question in America is like the Irish land question. Railroads are owned in the East and operated in the West, just as the Irish land is owned in England, and there is an effort on the part of the people who use the property to fix the rates, instead of letting it be done by the people who own it.

It is not likely that this effort will succeed. High prices are a result of scarcity. Wherever the customers attempt to force prices down by law, they prevent such scarcity from curing itself. They treat the symptom, rather than the disease. The result is shown in the almost entire stoppage of railroad construction in States like Iowa, whose legislation has been reckless. Although local shippers want low rates, they still more clearly want plenty of railroad service, and will not persist in legislation which will prevent them from getting it.

It is to a process of this kind, rather than to the action of the Supreme Court, that investors must look for protection. The recent decisions of the Supreme Court are wise, but their operation is too slow. It is the duty of financiers to assist this natural process of cure by directing investment toward those localities where adverse legislation is least likely to come. If they attempt to be dealers in securities alone, rather than intelligent dealers with public opinion, both they and the investors must suffer.

Prof. Hadley's closing idea was that whatever abuse came from the railroad side must be controlled and corrected by the capital invested. The abuses of legislation will react upon the communities and bring about their own cure. A continuation of hostilities will result in the disastrous experiment of taking the control of railroads from invested capital.

Mr. McMichael announced that the subject for discussion was "The Banking System and Currency of the Future." He announced Hon. Geo. S. Coe, of New York, to introduce the discussion. Mr. Coe read an exhaustive and well-considered paper entitled "An Inside View of the Financial Situation," which was frequently punctuated with applause.

Mr. Coe's Addrfss.

After showing that commerce is simply an exchange of labor, that all trade must have a measure of value, that gold and silver are always the measure, that the larger proportion of exchanges is done by paper instruments and not money, the objections to a governmental currency, how industrial products are naturally exchanged, and how their exchange is affected by a bad currency, the service performed by banks in exchanging products, he thus continued: Two important lessons may here be learned:

1st. That no just estimate of the amount of currency required by a community can ever be made, in advance of the industrial work done; because the currency will naturally follow the product and provide means for its own distribution and conveyance, if Government do not interpose its overwhelming power by injecting into it an abnormal and baseless issue, or by prohibiting the use of such instruments of transfer as commerce naturally creates for itself. That any calculation predicated upon a *per capita* ratio of currency to population is essentially and manifestly absurd, because, not the wishes, the poverty, nor the number of people, but their productive industry alone, can determine what instruments of exchange are required, and who has the right to issue them.

2d. That currency derived from natural causes will come and go, and live and die, in exact coincidence with the volume of useful things to be moved by it, and will therefore possess the quality of elasticity which attaches only to the genuine article, and which can never characterize a superimposed emission. This is the striking defect of our existing currency. It comes from an extrinsic source, not in response to commercial demand, and will not retire when its special service is performed. Immediately upon its emission, it becomes inseparably absorbed in the previously existing volume and there remains, irrespective of times and seasons, and of commercial necessity. From first to last it is a debt, without corresponding assets in store waiting to redeem it; an outside and disturbing element, without homogeneous relations to the trade it is meant to promote. Its constant tendency is to create and to maintain fictitious prices, and thus to counteract the harmonious precision that the movements of commerce naturally make for themselves. A credit currency can never give substantial relief. It will always be insufficient to meet the demand, because it inflates in expectation of further issues, and when once entered upon, the solid commercial principle is thereby avowedly relinquished, and the stability of prices is consequently destroyed.

For illustration, follow for a moment the movement of a single staple crop. How could that be best carried from harvest to market? Those who take it from the ground have in hand the vital thing that the world requires. At the very start, the producers desire to subdivide it in such manner that it will itself furnish means to pay for the labor and expenses of gathering the harvest. This they should be able to do by pledging the crop to responsible persons competent to accept it, who could immediately issue against it, at the place of departure, an approximate amount of circulating notes, evidences of possession, with means for redemption. These would be local currency, receivable throughout that community, at their money's worth, for such other things as the holders and laborers found necessary to purchase. The crop would then be transported toward the sea, either for consumption or for re-shipment by means of larger bills of exchange, and the proceeds of it carried back, either in money or in other commodities, to the place of departure. These would there be distributed through the ordinary avenues of local trade, and be paid for in the currency first issued, which meanwhile would have served its purpose of expenditures in the place, and been returned to its issuers for payment.

So the circle of exchanges would have been completed, the crop have done its good work in the world, and both the larger and the smaller instruments by which it was accomplished, all retired from service. This service, so essential and so beneficent, has in the past been thus naturally done, year after year. It was freely relinquished when demanded by the supposed necessities for civil war, because the life of the Government itself was at stake, and because commercial laws were necessarily subservient to the preservation of the nation. In the agony of the civil conflict, and when legal tender notes had been issued to the utmost practicable extent, Secretary Chase conceived the idea of replenishing the exhausted Treasury by further sales of Government bonds, giving banks specially organized under a law "*to provide a National currency*" the *exclusive* privilege of issuing currency notes based upon the bonds as security at 90 per cent., and prohibiting every form of circulating notes in the country, by a penalty of *ten per cent.* upon any note otherwise emitted. But the impression now unconsciously prevails that what was then precipitately done as a temporary expedient, was the result of deliberate and unconstrained legislation, and that, therefore, all local currency has been finally and forever superseded. This conclusion cannot be reached without ignoring both our own experience and the experience of men throughout the civilized world; nor without inestimable loss to commerce and to the nation. With equal reason may bills of exchange of larger denominations, by which whole crops are carried to market, be prohibited, as the smaller and no less useful ones, by which they are first gathered in, subdivided, and started upon their course. By this prohibition of currency, the annual commercial movement is obstructed at the vital point of departure. This fact is emphatically expressed by the cry periodically and vainly made for "currency, to move the crop," when the crop contains the inherent power to move itself; a power which cannot be used because this legal restriction continues in force. So that, as often as the harvest season comes around, it is found that Government currency is so fully absorbed in the circulating medium that it cannot be released and gathered up to meet this indispensable requirement, without producing such financial embarrassment as retards the very movements of the crops themselves. And so the conflict between universal commerce and local currency annually finds repeated demonstration and expression in our own experience and observation, from the want of elasticity and flexibility in the circulating medium. To some extent this want has been supplied by the remarkable increase of small National banks organized throughout the country, by which local exchanges of commodities are pivoted from one dealer to another, as in the country store, by means of deposits and checks, but they do not fully meet the commercial requirement, and the unceasing demand for currency remains to be provided. Besides all this, the "National Currency Act," the name under which United States Government Banks were organized, and which expressed the original object of their creation, has practically passed away by the redemption of the public debt. Something must be done to meet this imperative necessity and earnest demand.

In earlier days, when the distant portions of our vast area of country were imperfectly connected, currency instruments were emitted in remote and inaccessible places on purpose to avoid redemption. They deservedly received the contemptuous names that marked the public opinion of them; names yet remembered only to be indiscriminately applied to every form of corporate currency. But they were relatively few in number, and under changed conditions of travel and intercourse may now be easily prevented. In the older States, most of the banking systems existing before the war were worthy of the highest praise. Notes of banks in the Union States were redeemed without loss. Their methods of business were not only substantially sound, but in its supreme moment the Government itself found in them its refuge and support, and almost its salvation. Now that commerce and trade have so long since resumed their healthful operations, and the necessity for a flexible commercial currency is everywhere recognized, is it not time that the Government should relinquish a system born of war, be relieved from the exclusive domination of financial affairs, for which it has neither aptitude nor attribute, and that a commercial policy should be re-established such as experience of older nations has approved, and such as our own people imperatively demand?

It will certainly be found easier to legally restrict commercial instruments within the bounds of their constituent property when emitted by corporations, under the supervision of jealous authority, than it is to restrain excessive issues by a popular Government, when it has once assumed, as its inherent privilege and prerogative, the power to create currency at its own convenience, independent of all natural relations to the commercial basis and demand. If it endangers the public safety, and is therefore criminal for any one man to issue a currency obligation without an equivalent asset, is it essentially less so when organized numbers clothed with delegated authority do it without reserve?

In every form of negotiable obligations, their prompt redemption is the vital object to be secured. This can be best done by authority given to corporations under National authority, to issue registered circulating notes based upon commercial assets, with limitations of amount proportioned to capital engaged. With these requirements, and a penalty of an extra rate of interest upon notes while in default, an enforced redemption, and making the notes a preferred debt, with mutual liability of all who participate throughout the entire system, and a safety fund in reserve, a practical and substantial currency could be established. By these restrictions, every participating member would become a vigilant guardian over the whole body, the interests of commerce would be promoted, and perfect safety assured.

No Government currency can possibly be made, in the very nature of things, combining all these requisites of elasticity, commercial stability, and guarantees of public welfare.

While paper currency instruments, as we have shown, perform so large a share of the vital work in the commercial world, money itself has in no respect lost its practical importance. On the contrary, to maintain commercial order and integrity, it can neither be dispensed with nor degraded from its supreme rank and importance, by any local devices or substitutes, without infinite peril. Its universality, utility, and uniform character must not only be persistently maintained by every commercial people, but enough of it must be always held at command to meet and justify the claim for value of commodities passing through their commercial exchanges.

Money must be ever ready to present itself as the only alternative, whenever its equivalent in property is challenged. It stands forth the ultimate arbiter of all commercial questions and values. Enough of it must be available, and in close alliance with current business, to meet balances between peoples, places, and nations; to prove the validity of their trade; enough to meet unexpected events and vicissitudes in public and private affairs, or any exigency impairing commercial confidence; enough, in a word, to assure the public that it is enough. Deprived of these high qualities and practical uses, money loses its supremacy as a measure of value, and sinks into merchandise, subject to all its fluctuations and reverses.

But what is true money, and what are its constituent elements?

In the history of financial affairs of civilized nations, no such fundamental question could have been ever before seriously asked. But it has now a very deep significance.

For thousands of years the two precious metals have together and interchangeably performed this high service, without serious discord, and until quite recently their commercial union has been regarded as so firmly and indissolubly fixed, that no human power could ever put them asunder.

It is but twenty years since Germany, in reorganizing her current coins, so as to give emphatic expression to the existence of a new nationality, determined to place herself upon full equality with England, who was supposed to derive some commercial benefit by alone adhering to a gold standard. This great change Germany was enabled to effect by means of the heavy war indemnity of five thousand million francs, just exacted from France; and in thereby assuming a monetary superiority among nations, she at the same time dealt a final and severe blow upon her conquered foe by suddenly throwing upon the open market a large sum of silver bullion derived from melting the discarded coins of the German provinces, which under existing agreements France and other nations were at the moment, in self-defense, compelled to purchase. This simultaneous absorption of gold and heavy sale of silver by a great and victorious nation overwhelmed other European powers, and constrained them one after another to close their mints to silver coinage, pending a further threatened inundation.

Silver, therefore, no longer commands the same unquestioned right as before to be money in international payments, and, excepting for subsidiary coins and as a local medium, it is already reduced in the western nations to the condition of a commercial commodity.

It is inconceivable that a monetary revolution of such magnitude, against an established custom of hoary antiquity and vital interest, could be thus suddenly initiated, and become the fixed policy of leading nations, without first receiving their most deliberate determination, after mutual counsel.

As this great circle of influence gradually enlarges, and the nations involved become more numerous and powerful, the demand for such a convocation is yet more and more imperative. The immeasurable importance of the money question, to men of all nations having commercial relations with each other, makes this demand seem irresistible.

The United States Government found itself confronted with this strange condition, just when the country was struggling to resume coin payments upon a largely expanded paper currency. The practical question presented to it was this: What kind of coins should thereafter compose the standard money, and how could payments be maintained both in gold and in silver indiscriminately, with so wide a difference between them in commercial value?

This great conundrum still remains unsolved.

Fortunately, the many thousands of efficient men dismissed from service at the end of the war dispersed themselves over a vast area of new country, and, bending their disciplined energies to productive industry, supplied means enough to replenish the exhausted Treasury with gold, and to meet current demands upon that basis.

The difference in value between the two metals was therefore not practically felt until last year, when an adverse commercial balance, together with the cost of silver by that time purchased, drew exhaustively upon our gold reserves, and brought us perilously near the margin of danger.

It was perfectly natural that our country, the largest producer of silver, should contend with all its might against the abandonment anywhere, and especially at home, of coined money, composed of our own ancient and familiar metal. And because Congress had given vitality and money power during the war even to irredeemable paper, it was plausibly urged that it had unquestionable right to maintain the coined "dollar of the fathers" at its full original worth against all the powers of the world.

Any other view would impeach both their wisdom and our patriotism.

But the diminished use of silver throughout Europe had so reduced its value below the ancient standard, that these patriotic dollars were no longer serviceable as a money reserve for international payments, and they became even less important than a mere commodity, because the difference between their legal and their actual value prevented their being readily converted into other merchandise, that would pay foreign debts through commercial interchange.

We are therefore no more masters of the situation in respect to the mineral composing money than to any other of the products of the country. The outside demand will determine the real value of them all, and to establish a local price of anything by law, can only create a vexatious impediment to its easy and equitable commercial solution.

The only rational treatment of this one commodity is to let it naturally pass into the channels of commerce and take its chances with other productions of industry, there to exert its own influence with the powers of the world who must unite with us in deciding whether it shall hereafter be an ingredient of commercial money or not.

The conflict between the advocates of white and colored metal seems now an "*irrepressible*" one. The only obvious and practicable solution is the reunion in money of those ancient but temporarily dissevered elements. Stranger events than this have before occurred in history.

With an ocean border stretching along both the eastern and western coasts for thousands of miles, and inclosing an area that produces everything essential to human life, all dependent upon exchange in the markets of the world, this great country cannot be circumscribed by the narrow limits of a restricted and local measure of value, but in legislation and in trade it must proceed in widening sympathy and co-operation with the most advanced commercial nations.

To show how mutually dependent the remotest portions of the earth are upon each other in financial transactions, I need but call your attention to a simple occurrence of the past year. An eminent banking house in London, whose name has long been a synonym of strength and ability throughout the world, had extended its enterprise in aid of a growing republic at the southern end of the American continent, and found itself thereby inextricably entangled. Its general business was so involved with other banking houses in England that the suspension of this one would endanger many more, and impair commercial confidence throughout Europe. After an investigation of the situation at the Bank of England, it was considered wise to give extraordinary assistance to this house, provided others likely to be affected would participate, within specified amounts, in a guarantee of the proposed undertaking. This they did. But the ramifications were yet so extensive, and the object so mutually important, that the Bank of France also lent the occasion its powerful assistance. But this was not all. In order to meet this heavy demand it became necessary to draw through New York some seventy-five millions in gold, the only form of commercial money admissible, thereby reducing the available commercial reserves of this country to an extent as unexpected as it was perilous. To meet this exigency and prevent disaster here also, the banks in New York were compelled to unite together for mutual support and for the support of their dealers, and thus the people and institutions of two continents found themselves involuntarily enlisted in the enterprises of a single house, and of a remote nation, taxing their combined energies, and compelling a sudden movement of their respective money reserves to an extent that tested their sufficiency, as well as their quality. It is very significant and admonitory, that four hundred and fifty millions silver accumulated in our Government Treasury and in other cash reserves, counted for nothing, and even for less than nothing in this demand, because it was not available as full international money, and because it had absorbed so much active capital, otherwise exchangeable for its equivalent value in gold or in other exportable commercial assets.

If we could gather up all the threads connected with this single case, it would be found that the number of persons interested in it at home and abroad, including those inhabiting the long stretches of both continents, was almost countless. Many of them, quite unconscious of any relation to the original cause of their trouble, but who suffered because those directly involved and those who gave relief were alike compelled to call in their resources from every direction.

This incident, so recent and so eventful, not only illustrates the unity and identity of interest among commercial men all over the world, but it also shows that the inseparable relations of people with each other in broader and in narrower localities are the same in kind, however limited in degree, and that practical economy and equal justice requires them all to use the same measure of value.

Since silver coinage was placed upon trial for life in Europe, the amount buried in the United States Government Treasury has swelled by the silent operation of law to about four hundred millions, besides more than one hundred millions held in personal and corporate reserves. This great and growing aggregate, now nearly *five hundred million dollars*, stands before the world, a menace of vast proportions, depressing the price and retarding the metallic reunion so much desired. *What is to be done with it?*

The certificates and notes representing it are not naturally redeemed like bills of exchange, by conversion of the constituent property, through the exchanges of commerce. It lies as dead and as useless as when in undiscovered mines, while *they* continually go the rounds as local currency, never themselves paid, but ceaselessly moving in current payments through the community, and increasing faster in volume than in intrinsic value. They raise the prices of property above the commercial standard, encourage expenditures, and create an adverse balance of international trade, which can be paid only in gold. This is the natural and undeviating law of such issues. Shall *this go on forever*, and *what is the inevitable result?*

This strange and exceptional system is not a financial expedient forced upon the country by poverty and necessity. It is a policy voluntarily and diliberately chosen. Four and a half millions a month of fresh and active capital are thus continually abstracted from useful service and converted into a torpid and uncertain investment, whose outcome no intelligent man can confidently predict.

Indeed, so much doubt and apprehension hang around the subject that neither of the great political parties now dares to assume the responsibility as its own. The silver question is therefore no more one of party politics, but of political economy and statesmanship; and as such can be more dispassionately considered.

Fortunately, the present bountiful harvest has opened to us for the moment a way of escape from what seemed otherwise a most serious national embarrassment. This however does not remove, but only prolongs the issue.

The gold reserves so rapidly drawn from this country, in the earlier part of the year, are in great measure returning, and both in our own and the European States, such changes in relative financial conditions are likely to occur, that it is believed they may all be persuaded to reconsider the situation in the light of recent experience, and in view of the widening commercial intercourse that modern improvements are continually promoting in every part of the world.

By its large and incessant purchases of silver bullion for two or three years past, our Government has lifted the heavy burden from European nations, inevitable in so great a change of monetary policy. Thus temporarily relieved, they have since been comparatively indifferent to the economic results. But the derangement at length manifest here, also, now in its turn demands relief. This, if naturally sought by a re-sale of the purchased metal, would throw upon the market an amount of silver, only convertible at large depreciation. The active capital expended for this purchase must be restored, either by such a sale or by conversion of the bullion into international money. *Which will it be?*

In every aspect of the subject, difficulties arise that vitally concern the whole commercial world, and imperatively call for early and deliberate consideration.

Silver, as money, will not quietly retire. It persistently claims the right to be continued in useful service by the side of its old companion, and will claim it everywhere.

Mr. Coe was followed by Hon. John Knox.

Mr. Knox's Address.

About two years ago I had the honor to present to the Committee on Banking and Currency of the House of Representatives a plan for a permanent National bank circulation. I wish to present, in a somewhat modified form, this proposition, and I do not wish to consume more than about ten minutes of your time. I shall take the privilege of a member of Congress and print or elaborate it hereafter for your proceedings, with your consent. I believe that the circulation we had in this country from 1863 until a late period is the best currency, probably, for a great and prosperous country like this. It is not and was not an ideal currency. It is fast passing out of sight. As is well known by Senator Gibson, the Congress of the United States is neither willing that the National bank currency should be of sufficient profit to allow its issue, nor, on the other hand, will the Congress of the United States pass the necessary legislation to authorize the National banks to retire it. We have, however, under the operation of this law, which is unprofitable since 1863, or since the time when the maximum amount reached $352,000,000, retired about $230,000,000 of this currency voluntarily. The elements of a perfect paper currency of this or any other country are: 1, safety; 2, elasticity; 3, convertibility; 4, uniformity. The greatest and most important of these is safety.

In the year 1878, in an official document, I said:

Few persons have a just conception of the many advantages possessed by a homogeneous currency fully secured, the issue of a single system, redeemable at a common point, and exempt from the discount occasioned by any irregularity of value in different localities. Great pains have been taken to obtain an estimate of the amount of exchange issued annually upon New York by the western and southern States. The amount drawn upon New York alone is estimated at nearly $3,000,000,000 annually, and it will probably not be an exaggeration to say that not less than $4,000,000,000 annually are drawn in exchange by the West and the South upon the East. The amounts drawn upon each other by banks in the commercial cities and States of the East is also great. In 1859, only a few years ago, the average cost of southern and western exchange upon New York was not less than 1 to 1½ per cent. If this latter rate should be restored the cost of exchange alone would be $60,000,000 annually, while if the rate would be but ½ of 1 per cent., which was the current rate in the State of New York in the year 1860, a loss in exchange of $20,000,000 annually would ensue, to say nothing of the loss upon the issue of the banks not properly organized.

This was in 1878. The cost of exchange—the exchange from the South and the West—has immensely increased since that time.

The repeal of a single section of the Revised Statutes of four lines would restore to each State the right again to authorize the issue of bank notes, which, however safe they may be, would be redeemable at various points remote from the commercial centers and precipitate again upon us rates of exchange similar in degree, if not so great in amount, as those to which I have just referred. It is said that an unsecured note issued by the banking institutions of the country, based upon the assets of the bank and the individual liability of the shareholders, would respond to the demands of business. If the volume were too great the notes would return home for redemption. If the volume were too small a greater amount would be issued. But if elasticity should be obtained at the risk of safety, the mistake would be irreparable. The currency of the State banks previous to the late war was said to be elastic, but, unfortunately, it was as elastic in value as in volume, and as long as the remembrance of the wildcat and other forms of ante-bellum currency remains there is no danger of an unsecured bank currency being substituted for Treasury or bank notes which are perfectly safe. Those who advocate a system of this kind for the banks composing the National bank system, overlook the fact that no system of free banking has ever been successfully organized or continued which permitted the issue of circulating notes by any association of persons who might desire to found a bank without adequate security for their issues. In every case where banks have been organized, like the joint stock banks of England, of Ireland and of Scotland and of our neighbor, Canada, it is well known that such banks have been authorized under special charters or by special legislation, or a few favored persons who were so fortunate as to be able to obtain special privileges not granted to all.

Indeed, it is well known that the liability in Scotch banks, if not in the English, is unlimited, and that upon the failure of such a bank every dollar of the property of each and every stockholder may be taken to pay the debts of the corporation, even though the shareholder should own but one share of $100 in stock. The system in effect was an authorized partnership, and not a corporation with limited liability.

So much for a currency that is elastic, but not well secured. What we need in a country like this, if we are to have a bank circulation, which I hope we are to have at some time in the future, is a circulation which is both safe and elastic. I grant that the National bank circulation, while it filled all of the three requirements of safety, convertibility and uniformity, was defective in the principle of elasticity.

The proposition which I had the honor to present to Congress was in brief terms the following: That banks organized in this country should be allowed to issue a circulation upon 75 per cent. of their capital. A bank of $400,000 capital should have the right to issue circulation to the amount of $300,000. Half of that circulation ($150,000) would be secured by gold or silver coin or bullion, or, if you please, by the public debt, so long as the 4s shall exist, until 1907, by Government bonds. The other portion of the circulation would be secured by a safety fund. Of course, if circulation was issued on gold or silver coin or bullion alone there would be no profit on that circulation; but upon the other half of the circulation there would be a profit, as it would be secured by a safety fund. The principle of the safety fund rests upon the well-established fact that at least three-fourths of the banks are managed with ability, and under no circumstances are likely to become insolvent. We have experience to guide us in this matter. During a quarter of a century, during twenty-five years 130 National banks failed, having an aggregate circulation of $15,000,000. Under this system one-half that amount would have been secured by a deposit of coin or bullion. The other half would have been secured by a safety fund. This safety fund would be formed by a contribution of all the banks of the country of 1 per cent. upon the amount of circulation issued, the same amount that is now contributed to the Government of the United States as a tax upon circulation. We would have then a loss of $15,000,000 in twenty-five years, an annual loss of $600,000. One-half secured by a safety fund of $300,000 and the other half by coin or bullion. The income, provided that $300,000,000 of circulation was issued, would be $3,000,000 a year. The loss would be $300,000, or a loss of only one-tenth of the amount of the income, taking the experience of the last twenty years as correct data. If the loss should be five times greater or ten times greater than the experience of the last twenty-five years, there would be still enough in the safety fund to cover all possible requirements. If the safety fund should by any possibility be exhausted, the unsecured solvent notes would be entitled to preference in payment from the assets of the bank and the individual liabilities of the stockholders. While the total of insolvent National bank notes during the last twenty-five years has been $15,000,000, the amount derived from the assets and individual liabilities of insolvent banks had been more than $16,000,000. This is independent of the bonds. So that such insolvent notes, if the banking system is conducted as safely in the future as in the past, would be secure without a safety fund. But without the safety fund the amount which would be taken to pay these notes would be taken from the fund which properly belongs to the depositors of the banks. [Applause.]

Mr. Lewis said that he hoped all had been profited and delighted by the sermons of Drs. Coe and Knox upon the gospel of redemption, and now desired to hear Mr. St. John, but it was unfair to call upon him at this late hour. He therefore delivered the following address the next morning:

Mr. St. John's Address.

Gold is valueless in a desert. Money is "sound money," if it make the "desert blossom as a rose." In want of abundant money nothing may be more burdensomely inexchangeable than unbounded wealth in real property. Negotiability of capital is the rich man's prime necessity, as frequently as it is the poor man's need.

Eminent statisticians estimate that the world's art consumption of gold is leaving only $30,000,000 a year as the gold addition to the entire world's money. Lest $30,000,000 might seem to be a sufficient annual increase of the entire world's money, remember that the United States alone is adding $72,000,000 a year to this one nation's money; our increase of population and consequent increase of trade making the whole acceptable. Note further, that this annual addition of money by the United States alone, in which are $54,000,000 of Treasury notes for silver, includes also $18,000,000 of gold. (Our arts sparing us as net about $18,000,000, out of our production of $32,000,000 gold each year.) The United States is thus leaving only $12,000,000 a year for the entire outside world's increase of money annually, if gold is the only acceptable primary coin. Yet, and nevertheless, the one most eminent among all antagonists of *silver money* in the United States has recently appended his signature to a proclamation of his very latest attitude, thus: "Silver and gold should be used and maintained as current money, but only on a par with each other, *and this can only be done by treating the cheaper metal as subsidiary*, and coining it only as demanded for the use of the people." (Senior U. S. Senator from Ohio, October 12, 1891.)

Subsidiary coin is of limited employment. About $15,000,000 of our subsidiary silver coins are now accumulated, as unavailable, in the Treasury. Of these, some old half-dollar coins might be recoined advantageously into more convenient pieces. But we cannot acceptably add a dollar to the existing total of our subsidiary silver.

Foreign opinion has much concerned our press antagonists of silver money in the United States. Let us record the following: "I do not believe that there can be found a single professor of political economy of note ready to stake his reputation on the denial of the theory that a bimetallic relation of money may be established and maintained." (Balfour, April, 1890, now First Lord of the Treasury of Great Britain.)

The eminent professors, Sidgwick, of Oxford University, Marshall and Foxwell, of Cambridge, and Nicholson, of Edinburgh, ratify and confirm this opinion of England's First Lord of the Treasury. They may be assumed to value, properly, the English monometallic system. Professor Laveleye, of the University of Liege, a member of the present monetary commision of Belgium, is even more pronounced than any of these. Remarking in March, 1891, upon our silver purchase act of 1890, Laveleye commended the adoption of free coinage by the United States as preferable "at all hazards," because, "even in the event of a single silver-standard in the United States as the result, Europe would be a greater sufferer than America."

Most important of all, in my opinion, is the following from Sir David Barbour, reporting officially for 1891-2: "No doubt the people of the United States are warned in some quarters that the adoption of free coinage for silver will lead to the loss of their gold [reduce us to a silver standard] and end in financial ruin. But the same authorities not unfrequently warn India that her prosperity depends on her retaining the silver standard. I know no reason why such different results in the case of the two countries should spring from the same cause. . . The foreign trade of the United States is but a small fraction of its total trade, and there is no nation in the world that is more independent of the foreigner." (Sir D. Barbour, British Financial Secretary to India.)

This opinion of us, from the distinguished Secretary for India, is confirmed by *facts* which hail from the late Secretary of the Treasury of the United States, thus: "For the accommodation and development of our home trade, we have built 45 per cent. of all the railroads of the world. . . The floating tonnage of the United States engaged in coastwise commerce and on our lakes and rivers is very far in excess of that of any other nation." Some of his statistics were these, viz.: Tonnage through the Detroit River during 1889 exceeded, by 2,468,127 tons, the combined total entries inward and outward from London and Liverpool that year. Freight through the St. Mary's Canal exceeded, by 2,257,876 tons, the entire tonnage of all nations through the Suez Canal. Our railroad freights exceeded, by over 36,000,000 tons, the aggregate freight of all the railroads of Great Britain, Germany, France and Russia for the year 1889. With these facts in view, let us recall an *experience* of unrestricted coinage for guidance, thus:

During 69 years following 1803, while the mint laws of all nations differed independently, the mint law of France provided equally unrestricted coinage for the world's spare gold and silver, valuing the silver required for our dollar at 103 cents in gold. In the 69 years, $1,447,329,208 of gold coin, and $917,735,863 of silver five-franc pieces, were emitted from her mints. By voluntary act of the owners of gold and silver, France thus obtained so great a volume of coined money in circulation that embarrassments were not possible from occasional flights of either metal in settlements of her international trade. Thus in the period 1811 to 1820, while the world's aggregate production of gold and silver showed 75 per cent. silver, $110,907,676 of gold and $149,752,376 of silver were coined in France. (In the world's present aggregate production of the money metals only 59 per cent. is silver.) During 1841 to 1850, with the aggregate production showing 48 per cent. silver and 52 per cent. gold, only $35,157,480 of gold, with $175,845,263 of silver were coined. In 1866 to 1870, with production showing 31 per cent. silver and 69 per cent. gold, $227,777,130 of gold and $51,954,842 of silver were coined. A conspicuously noteworthy result of such an automatic operation of her mints, under the equally unrestricted coinage law of France, was that, in the face of widely varying proportions in the world's relative production of gold and silver, the relative market price of both was thereby maintained at an average of between 1 to 15.48 and 1 to 15.80, her mint valuation being one to 15.50. *Thus effectually by France alone, the value possessed by either metal in its scarcity was bestowed upon the other in abundance, by decree.* Such were the means and the achievement by which France "*put a dollar's worth of silver in the dollar,*" and for 69 years maintained it independently at 100 cents.

With this historic experience of France, who was not producing either gold or silver, for the assurance of the United States—we producing now about 40 per cent. of the world's annual output of silver and over $30,000,000 worth of gold a year—I venture to predict success for the following suggested legislation, if Congress shall enact it as proposed.

PROPOSITION:

Fundamentally, and in repeal of the requirement to purchase silver bullion and issue Treasury notes thereon—reopen the mints of the United States to equally unrestricted coinage for gold and silver into dollars of the present standard, these gold and silver dollars to be exactly equivalent legal tender units of account in the United States.

Second. Provide that the depositor of gold or silver at the mint may, at his option, instead of his coin, but at the coin value, receive United States legal tender notes. Require that the depositor's preference for notes instead of coin shall serve to bestow upon the Treasury the option to redeem the notes in either coin. Permit the Secretary of the Treasury to prescribe, from time to time, terms and regulations under which he will redeem in bullion, at not less than the coin value thereof, upon request of noteholders. Require a moderate annual coinage of the deposited gold and silver, and leave to the Secretary's discretion the coining of the remainder.

Third. Require the Secretary to reserve of the deposited gold and silver, coined and uncoined, an amount to equal the notes outstanding; that is to say, that the total sum of these notes outstanding at any time shall not be more nor less than the total sum of gold and silver coin and bullion at coin value reserved for their redemption.

Fourth. Forbid all further issuing of gold certificates, silver certificates and Treasury notes of July 14, 1890, and require that all of these that come into the Treasury shall be canceled and destroyed. For such of these as shall be received for customs and other public revenues, and canceled, substitute in the Treasury cash like sums of the proposed new notes, secured as provided and redeemable as prescribed. But allow nothing in the act to be construed as altering any requirement of law pertaining to the rights and security of holders of any of said Treasury notes and certificates at any time outstanding.

Fifth. Provide that if, and whenever, authoritatively advised that the mints of continental Europe are again open to equally unrestricted coinage for their standard gold and silver money, the President of the United States shall thereupon, but not before, proclaim our adoption forthwith of Europe's coinage ratio; that will be to require thereafter 400 grains of standard silver, 360 grains pure, for our new standard silver dollar coins. This will include the requirement that our mints shall thereafter purchase any outstanding silver dollars of the present standard of 412½ grains, 371¼ grains pure, at a premium of three cents each.

N. B.—Under our fifth requirement, without questionings of treaty ratification or international entanglement, but by virtue of our own statute, if enacted, the United States invites the nations of continental Europe to reopen their mints to silver. These nations are assured thereby against any possible avalanche of our silver dollars for recoining at their mints. We would be assured thereby against the disastrous result of any such flight of our current money.

Our fundamental proposal appears in section 1 of Senate Bill 4,675, as it passed the United States Senate January 15th, 1891. (Although, in my judgment, it ought to be amended to prescribe a charge upon owners of both gold and silver bullion, to cover the actual cost of refining and coining.) For the remaining sections of that bill we offer substitutes which promise to achieve the gradual unification of the currency of the United States if the bill shall be adopted as a whole. Our plan entire is offered as a convenient method merely, while it proposes unconditionally the adoption of "free coinage"—equally unrestricted coinage for gold and silver into full legal tender dollars of the United States.

At the outset, be reminded that our providing as unrestricted coinage for silver as for gold, is merely to restore the coinage system of the United States founded with the mint, in 1792, and maintained for eighty years thereafter so confidently that its abrogation escaped public attention in the Act of 1873.

Objections to this vehemently decried, but little understood, "free coinage" are doubtless "more than man can number." I will ask you to measure some of them.

THE SEVENTY-FIVE CENT DOLLAR.

Mere clap-trap, intended to mislead. Our silver dollars would be valued in London at 100 cents, less interest and transportation charges to New York.

Intrinsic worth exists, we trust. Value is the fickle creature of the mind. The unit of account in the United States is resolvable into, is exchangeable for, and is valued at one hundred cents, whether circulating in paper, in silver, or in gold. Its intrinsic worth is always a thousand mills. Uncompromisingly, "we are against the coinage of any dollar which is not of the intrinsic *worth* of every other dollar of the United States."

The weight of pure silver required for our present standard silver dollar is now, as it always has been, exactly that prescribed at the founding of the mint in 1792. Expressed in Continental Europe's primary silver money, now circulating to the amount of $1,100,000,000 in coins that value silver at 359.91 grains to the dollar, the 371.25 grains of pure silver contained in our present standard silver dollar would be a 103 cent coin. Continental Europe would need to tax her population for over $33,000,000, with loss in melting weight and transit costs additional, if determined to adopt our present standard ratio for silver coin and gold. Manifestly, therefore, it would be as positively unwise as it is impracticable, to increase the weight of pure silver for our standard silver dollar until we banish the desire, or abandon any lingering hope, that continental Europe may reopen her mints to silver.

THE IMPENDING AVALANCHE OF EUROPE'S SILVER.

Europe's only stock of silver is her money. Europe's primary silver money is the unlimited legal tender equivalent of her gold. As such it circulates in settlement of every day's transactions. As such it constitutes a liberal share of the coin reserves which Europe's great banks accumulate for the liquidation of their vast liabilities, including the redemption of their circulating notes. This European standard coin values silver at 359.91 grains to the dollar. Our mints exact 371.25 grains of pure silver for our standard dollar. Thus, 11.34 grains would be Europe's first sacrifice, with loss of weight and transportation costs additional, in every dollar for dollar exchange of Europe's standard silver coin for ours. Or, more intelligibly: Europe's silver money which circulates at home as 100 cents would recoin at our free mints into less than 97 cents.

Next—if Europe's pursuit is presumed to be our gold, let it be understood that equally free coinage for gold and silver is only a promise of gold coin for gold, and of silver coin for silver. Therefore, in order to obtain our gold for silver, Europeans must bargain with the owners of our gold, after the re-coining of their silver into our standard silver dollars. In this contemplation, and in words now memorable: "Unless the Yankee has lost his quick scent of danger and forgotten his cunning . . probably before the swiftest ocean greyhound could land her silver cargo in New York, the last gold dollar within reach would be hidden safely away . . to be brought out only by a *high premium* on gold." Upon experience of high premiums on gold in the United States, 10 per cent. would appear to be moderate, as a high premium. Add 10 per cent., as premium on gold, to over three per cent. lost in the exchange of silver at our mints, and 13 per cent. will be the minimum first cost which Europe is to contemplate. Thirteen per cent. of $1,100,000,000, or $143,000,000, will be Europe's sacrifice in contemplation, therefore, if she will thus exchange her silver for our gold.

If Europeans are to pursue our gold so ardently, our proposed measure, if enacted, will enable our Secretary of the Treasury to defeat them. He need only follow the course by which the Bank of France maintains the parity of their gold and silver coins acceptably in France. He need only exercise the option we propose for him, and redeem the United States notes in silver only, refusing gold, upon every slightest proof that foreign silver money threatens our reopened mints.

But unless these Europeans differ altogether from Americans, they will not make the estimated necessary sacrifice, or any sacrifice at all, in order to exchange their equivalent silver money for our gold. Yet, if I may tax your patience with details, note further:

England will not seek our reopened mints with her coined silver, all of it subsidiary coin. She has increased its volume recently, to the profit of her Government, substituting silver coin for light weight gold half-sovereigns. This English subsidiary coin values silver at 348.3 grains to the dollar. 100 cents of it would, therefore, yield only 93.8 cents of our standard silver coin.

Germany does not threaten our mints with silver. She too is minting subsidiary coin. Her only other stock of silver are *thaler* pieces, in all about $107,000,000. These silver thalers are unlimited legal tender in Germany at about the French valuation of silver; at which 100 cents would re-coin into less than 97 cents at our free mints. About $55,300,000 of these silver thalers, together with about $118,400,000 gold, constituted the legal tender coin reserves of Germany's Imperial Bank, at a recent date. When Germany sold silver it had been received as part of a vast indemnity from France during 1871 to 1873. All except about $5,000,000 of it, *i. e.*, about 85,200,000 ounces, were sold before the end of 1879. The remaining sales, in driblets, were made to clean up. Within two years after Germany's selling was completed, it was reported that Bismarck sighed, repiningly, that "gold has become as scarce as a coverlet too scant for two persons, so that each must struggle for a share."

Spain does not threaten us with her silver. The Bank of Spain, whose charter was extended last July for 30 years, was then authorized to enlarge her issue of circulating notes to the gross sum of $300,000,000, but under the requirement that her coin reserves are to be maintained strictly at not less than 33 1-3 per cent. Spain is now coining full legal tender silver liberally, at the French ratio, on Government account. One hundred cents of it would recoin into less than ninety-seven cents of our standard money.

The Netherlands and Belgium reported recently the following reserves of coin in bank: Netherlands, $29,800,000 of silver, with $17,700,000 of gold; Belgium, $7,200,000 of silver, with $14,500,000 of gold. Switzerland is not feared. Her difficulty is to keep a sufficiency of both gold and silver at home, as against the natural gravitation of both toward France, in trade. Belgium suffers similarly, in less degree.

Italy does not threaten us with silver. Her Treasury and banks combined showed a total stock of silver barely exceeding $20,300,000, while her stock of gold exceeds $88,200,000. The sum of her notes outstanding exceeding $283,000,000. In 1883, under an act of 1881, Italy sold bonds for gold and silver, and redeemed with both a total of $107,000,000 of her notes. Failing thereafter to complete her note redemption, or to maintain sufficient coin reserves to assure redemptions on demand, she has subsequently continued under a suspension of specie payments. She will need all her gold and silver, and more of both, in order to resume.

Austria-Hungary has been suspected of desiring to sell her silver. For answer, note that, while we are usually debtor to Austria in trade, Austria is invariably debtor to India. Her settlements range between $9,000,000 and $16,000,000 for a year. India's mints are open for unlimited coinage of silver; and, stated in terms of our money, they value silver at $1 for 348.3 grains, or 137.8 cents per ounce. Our mints value silver at $1 for 371.25 grains, *i. e.*, 129.29 cents per ounce. Yet, Austria does not re-coin her suspected "surplus silver" in British India; but settles in the equivalent of gold by purchasing Council Bills in London, or kindred gold exchange. A recent press dispatch reported: "There is little prospect of the speedy establishment of a gold currency in Austria-Hungary. Dr. Steinbeck, the new Austrian finance minister, is opposed to any course that would tend to weaken or impair the confidence of trade." The altogether safer dismissal of our fear of Austria's silver, however, is her financial condition reported recently as follows: Her bank's resources, against all its vast liabilities, were $27,300,000 of gold, with $81,500,000 of silver. Her total note issues were $229,500,000. No pretense is made of redeeming these paper issues on demand. They are accepted for Government revenues, and are legal tender for private debts.

Russia is not threatening us with silver. A million dollars will cover her accumulated stock of silver. $162,300,000 was her recently reported stock of gold. And Russia does not pretend to redeem her $807,300,000 of rouble paper in either coin.

Lastly, France does not threaten us with silver. And yet the estimated sum of silver in bank and afloat in France exceeds $700,000,000, together with $900,000,000 gold. Her population is almost stationary at about 38,000,000. Her traders establish such relations to the foreigner that France is the accumulator of the money metals among nations generally, in her international trade. Unless M. Leon Say has *blundered*, France has adopted "a waiting policy . . being committee to the bimetallic standard." France can afford to wait and contentedly permit her merchants to establish title to foreign gold. If by our legislation, supported by the aid assured us elsewhere, the United States enhances the market price of silver to a parity of value for the gold and silver contained in our gold and silver dollars, the inducement to continue a waiting policy, on the part of France, is made to disappear. The act of France will dictate the policy of her neighbors. And our *fifth* proposal, if enacted, will relieve their opened mints of all possible embarrassment from our coined silver.

The stock of silver in the Bank of France has occasioned some concern. About $25,000,000 of it is Italian coin and about $20,000,000 is

Belgian coin. Circulating in France by treaty, it is accepted as French money, but is subject to demand upon Belgium and Italy, at the end of any year, for the redemption of it in gold at par. Our mints cannot attract it at a discount; a discount of 3.05 per cent., and loss in weight additional. The total stock of silver in the Bank of France approaches $251,300,000. Her stock of gold exceeds $262,900,000. But if reasons, not evident, exist to necessitate the exchange of silver for gold by this Bank of France, or by the French people generally (the Government owns no silver), India's mints are open to their silver money at a premium. As remarked, 137.8 cents is India's mint price per ounce, and 129.3 cents is our mint price (stated in terms of our primary money). France, too, is debtor in trade with India, invariably. Sometimes, to an amount exceeding $40,000,000 for the year. During this current year, 1891, due to her short crop of wheat, France may establish a trade debt to India exceeding $50,000,000, or $5,000,000 more than the total sum of Belgian and Italian silver in the Bank of France.

But the entire stock of silver in the Bank of France is money. As such, it is not governed as bullion is, by market price. As unlimited legal tender money, it is as serviceable to that bank as her stock of gold is, for the liquidation of vast liabilities. It has been accumulated to constitute, together with her gold, the coin reserves maintained to assure the liquidation of her liabilities, including redemptions of her circulating notes. Thus available for the liquidation of her debts at par, her stock of silver is not a burden, but a buttress to the Bank of France. With her total sum of circulating notes exceeding $609,000,000, and a total stock of silver barely exceeding $251,200,000, and all this silver applicable to redemptions of these notes at par, the Bank of France is not more concerned about the "bullion value" of her "lawful money" *silver*, than the National banks of the United States are concerned about the paper value of United States legal tender notes.

A vain search, therefore: The impending flood of Europe's silver at our mints!

But if imagination is still unsatisfied that Europe's silver will not denude us of our gold, recollect that Europe's money is deficient by 3.05 per cent. for an exchange with us of silver coin for silver coin. Remember, too, that Europe's silver circulates in coin, and her coin is old. It will therefore shrink importantly in melting. The very moderate total shrinkage of five per cent. of $1,100,000,000 of Europe's silver would contract her currency by $55,000,000. Think of this minimum contraction of her currency as Europe's entirely voluntary sacrifice in rejecting silver to obtain our gold. Remember, that this sum exceeds by $25,000,000 the entire world's aggregate annual increase of money, if gold is the only acceptable coin. Allot to Europeans about as little sagacity as we modestly accord ourselves. And, finally, if I mistake not, "The Impending Avalanche of Europe's Silver" will rank hereafter with "Alibaba and the Forty Thieves."

Alleged Excessive Production of Silver.

Indisputable records prohibit the assumption of an excessive production of silver in the world. The entire world's coinage of silver during any period of five years, counting our Treasury absorption as coinage, has exceeded by average the annual production of silver. For the five years ending with 1889 the average annual coinage of silver has exceeded the average annual production of silver by $10,700,000. In 1889 the production exceeded the coinage; but in 1890 (for which I have not the figures) our required Treasury absorption was enlarged. The world's records thus manifest a re-coinage of foreign moneys by one or more nations, for which a sufficient explanation is India's and China's absorption of Mexican dollars.

Estimates too moderate to be disputed, of the world's annual gross requirement of silver by average of the five years ending 1889 (ending 1890 for India), are as follows—all at our coin value:

Art consumption in Europe and the United States............	$32,500,000
Art and money use of silver in China, Japan, Ceylon and Africa..	17,000,000
Retained at home, of their annual production, by Mexico, Central and South America, exceeding....................	8,000,000
Spain and Austria's full-tender and subsidiary, and the subsidiary coinage of the other continental States.............	12,500,000
British India's net absorption, exceeding....................	35,000,000
United States Mint absorption prior to 1890, about...........	32,500,000
World's average annual requirement of silver prior to our purchase act of 1890..............................	$137,500,000
Increase of United States requirement now 54,000,000 ounces, coin value $70,000,000 less $32,500,000................	38,500,000
Total average requirement..................................	$176,000,000
World's greatest annual production of record................	165,000,000
Average shortage of annual production of silver for present requirement...	$11,000,000

This present yearly excess of gross requirement over the largest production of silver in the world, seems to be verified by the record of United States imports and exports of silver for 1891. During the nine months to October 1st, our exports of silver have exceeded our imports of silver by $5,526,846. It seems further to be confirmed by the year's decrease of about $7,000,000 in the supply of silver bullion accumulated in New York. The New York accumulation of silver had been caused by fluctuations in the price, occasioned by speculations upon the predicted legislation, and was greatest in amount before the act of 1890 became a law.

It therefore appears that our present mint absorption of silver for the issue of Treasury notes thereon is actually in excess of the sum of silver which the outside world will spare us annually. It follows: (1). That the outside world's present absorption need only be maintained in order to advance the price of silver *irregularly* (speculation retarding the rise) to the figure within which our Treasury demand is limited by law, viz., $1 for 371¼ grains—about $1.29 per ounce of 480 grains. (2). That any material increase in the outside world's requirement of silver will necessitate a material increase in the world's present production of silver, or the United States will not long be able to obtain the amount of silver annually, which, at $1 or less for 371¼ grains, our existing law requires.

Any enactment which would *tend* to fix a minimum market price for silver would enlarge India's absorption of silver. We therefore infer that our enactment of "free coinage" for any amount of silver, at our mint-fixed price, might afford us a smaller annual increase of silver in our currency than the United States is now obtaining under the existing law. Should such be the actual result of our adopting "free coinage," and to an extent which shall reduce our annual output of money, Congress can subsequently, if advisable, authorize the Secretary of the Treasury to issue our proposed United States notes to a moderate percentage in excess of the coin value of the gold and silver deposited. Such additional notes would be expended for Government account and profit, of course, and need only moderately reduce the one hundred per cent. metallic reserve which our proposition now provides. Any such necessity, if actual, will make the additional issue safe.

It thus appears that, if adopted as presented, our proposition offers the following as its likely achievements:

It would tend to unify the currency by providing a single automatic issue, in lieu of any capricious issue, of circulating notes. These notes would be redeemable in coin, our coin reserve provided for them being at face amount of the notes. The bimetallic single standard dollar of the United States would, for the present, be coined of either 371.25 grains of pure silver, or 23.22 grains of pure gold, each properly alloyed. The silver dollar would be reduced and replaced by a dollar coin containing 360 grains of pure silver whenever important nations of continental Europe reopen their mints to silver. And the supplies of gold and silver available will always determine our volume of money.

Canadian Bank Note Circulation.

A valuable paper on "Canadian Bank Note Circulation" was then read by William C. Cornwell, cashier of the Bank of Buffalo, N. Y. The following is a synopsis:

This country is practically at sea on the currency question. Whether the outcome will be collision and disaster, no one can say.

At such times it is wise to consult the experiences of other nations, and we have only to turn to Canada to find a country allied to us physically, geographically and in many other ways, and yet with a bank and currency which has given her a circulating medium fully meeting all the requirements of every season, both as to elasticity and safety—in fact, with one of the best currency systems in the world.

The experiences with continental currency, and more recently with State bank issues during the period of wildcat banking, have planted a prejudice in the minds of the American people against any kind of bank note issues that are not specially secured. Nevertheless, we find in Canada a currency not so secured and yet absolutely sound.

The growth of the Canadian system was slow and sure, rising step by step from a specially secured circulation like that of our National bank notes, to the present broad and scientific method. During this growth Canadian financiers had at first much of the same fanatical element to contend with that we are accustomed to in this country. There was, however, no concession to wild or compromising schemes, and the advance was from good to better.

To-day the bank act, comprising 100 clauses, thoroughly regulates the system. In addition to many wise general provisions, the note issues are specially cared for. No bank can issue notes with less capital than $250,000 paid up.

The notes are a first lien upon all assets of the bank, above every other claim.

Stockholders are doubly liable.

There is, in addition, a guarantee fund contributed to by all banks.

Notes of broken banks bear interest at six per cent. until redeemed.

There is no taxation upon circulation.

Bank notes are sent in daily for redemption, like checks. It is for the benefit of each bank to keep as many of its own notes out as possible. Hence, it will send in daily for redemption all notes of other banks which it takes in.

Each bank has agencies for the redemption of its notes in all the principal cities from one end of the broad domain to the other, making all notes par everywhere.

The result, in a word, is this: Every dollar in the Canadian banks' notes has over $9 on the average, and $5 at the lowest, in security back of it to make it good.

Canadian notes are thus five to nine times as strong as National bank notes.

The branch system of banking in Canada distributes the idle money gathered in one part of the Dominion to all points where enterprise can use it, and makes note issues profitable.

As to elasticity, the Canadians never know what it is to go through an American money squeeze in the autumn.

It has never been necessary to issue more than about 60 per cent. of the amount of bank notes authorized by law. Panics for fear of stringency are thus unknown.

Every thinking banker knows that our own currency system is inadequate, unsatisfactory and dangerous. It is time for reconstruction by the most skilled economic wisdom which we can call to our aid. In such a time a deliberate consideration of the better systems in operation should do some good. I have endeavored to show how scientific and completely filling all the requirements of the community is the Canadian bank and note system in successful operation in a country very near us, under conditions largely resembling our own, its arteries stretching over a vast country and carrying the life-blood of commerce to hamlet and town and metropolis, building up a great prosperity among the sturdy people of our sister nation, Canada.

Other papers were read, which will appear in the next number of the MAGAZINE.

Mr. Van Slyke, of Wisconsin, offered the following:

Resolved, That in view of the diversity of laws in the different States regarding days of grace, and in the light of progress, this association assembled requests its Executive Council to have prepared, without unnecessary delay, a bill to provide for the abolishment of all days of grace, and that copies of such bill be furnished to each State Bankers' Association, or, where there is no such State organization, then to some one or more prominent banker or bankers in that State who will endeavor to secure the passage, in their respective States, of such uniform laws at the earliest practicable period.

Mr. Van Slyke said that the only objection to his measure was established precedents, but there is a diversity of laws, and unformity is very desirable. The reason for the reference to the State associations is because it is the object of State unions to secure the passage of laws by State Legislatures. The general body is National in character. It is proposed to pass the bill in the National association, and ask the State associations to assist in securing the adoption of the uniform law by each State Legislature. The days of grace have been outlived. The difference is greater in the country than in the city, and country customers think the banks are "shaving" them when they charge thirty-three days' interest on a thirty days' note.

Mr. Rhawn moved the reference of the resolution to the Executive Council, with power to act, which was carried.

OFFICERS.

The Committee on Nominations read its report, recommending the election of Richard M. Nelson, of Selma, Alabama, for president, and John Jay Knox, of New York City, for first vice-president, and who were afterward elected.

Mr. McMichael called the first meeting of the new Executive Council for the evening, and introduced Mr. Nelson as the new president. The retiring and incoming chiefs were warmly applauded, and Mr. Nelson, on taking the chair, thanked the association cordially, as much as if the compliment were intended for himself, instead of for the goodly and godly Southland which he represented. He painted in glowing colors the resources of the South. Turning again to pleasantry, he said he was also selected as the representative of the country banks, without which the city banks could not exist.

On behalf of the State organizations, Mr. Levi urged the members to become members of the State associations, and when the latter met that they in turn urge all the members of the State associations to become members of the National body, to preserve its unity and increase its influence.

An invitation from Galveston to visit that city, before returning home, was read and acknowledged, and the convention then adjourned *sine die*.

THE CONVENTION OF THE KANSAS STATE BANKERS' ASSOCIATION.

The fifth annual convention of the Kansas State Bankers' Association was held at Kansas City. The president of the association, R. W. Hilliker, called the convention to order, and Mayor Hanna delivered an address of welcome to the members. Letters of regret were read from Charles F. Johnson, Kansas Bank Commissioner, Comptroller Lacey, of the United States Treasury Department, Senator Plumb and others. Mr. Johnson's letter made a number of observations on the changes he thought necessary to the Kansas banking law, the principal among them being the forbidding of banks accepting real estate as capital stock. The convention then took recess.

At the afternoon session President Hilliker read his annual address. It is an unusually interesting and valuable production, the larger portion of which is reproduced :

We are mindful of the seeming prosperity everywhere manifest at this time in our great commonwealth, and we desire a continuance of this prosperity until all our people are relieved of their burdens; and believing this to be the sentiment of every one present, and hoping that after you have partaken of the liberal hospitality of our people, and witnessed the rapid stride our city is making toward greatness, you will conclude that the selection made of this place for our annual meeting by the officers and vice-presidents was a good one. And I now extend to you a most hearty welcome to this, the fifth annual meeting of our association.

I trust that every member of this association present more fully than ever recognizes the need and influence of our association, and hope that all are fully impressed with the gravity and responsibilities that rest upon each and every member.

The last year of our existence has more fully than ever pointed out to us the necessity and value of a perfect organization, for the diffusion of intelligence in the line of economic thought, and the better education of the people on economic questions.

There is no other association or organization in our great State so largely and thoroughly identified with the happiness and prosperity of our people, therefore we should feel under the greatest and highest obligations to create a correct sentiment, not only among the people, but among the bankers, in every part of our State, by personal interchange of views which can be best brought about through this organization. It is with much pleasure we note that State Bankers' Associations are springing up in many other States of this Union. It is thought that they will be productive of much good. They are becoming educators and will in time diffuse among the people a better understanding of the needs and uses of money.

The banking system of our nation as well as of our State has become an indispensable element in all industries, development, and progress; thus each bank becomes a part of the great chain of the public welfare, and unless we seek strength and influence through personal intercourse and education, we are certain to become the weaker part of that chain.

We have met here face to face to discuss the laws, customs and rules pertaining to banking, not under the shadow of our State capital, but in the metropolis of the State of Kansas, Kansas City, Kansas, Chelsea Park, the pride of our people.

You meet in a place historically connected with the early growth, prosperity and development of Kansas, and which is now more intimately associated with the future growth and development of our State than any other city within its borders. It is the great manufacturing center of our State, with a greater amount of capital employed in this branch of business than in all other portions of the State combined.

Notable among our institutions are the great packing-houses, and stock-yards the second largest in the world, these combined with the smelting works, machine shops, cooperage plants, together with the mammoth grain elevators, and the wonderful grain trade, and other manufactories located at this point, serve to furnish employment to many thousands of men, all of which are essential to make a great commercial center.

The railroad facilities at this point are not surpassed by any other city in America, as the great railway lines extend from this city to every point of the compass as the spokes protrude from a hub, thus giving the greatest facility for the rapid transportation of farm products, or cereals, or manufactured articles.

It is estimated by the most conservative grain men that not less than 25,000,000 bushels of this year's immense wheat crop will be handled at this point between the first day of July, 1891, and the first day of January, 1892, thus leaving nearly as many dollars among the people of Kansas.

Kansas is a favored country. Kansas is possessed of every facility required for the successful and rapid progress in agriculture, manufacturing and mercantile pursuits. Its fertile soil is adapted to everything that grows, and the climate is unsurpassed to harvest and market the same.

According to 167 sub-reports made to Mr. Mohler, the secretary of the State Board of Agriculture, we find the following facts:

"The aggregate value of the output of Kansas farms, for 1891, may safely be placed in round numbers at $90,000,000. Allowing $30,000,000 for the farmers' necessary expenses and outlay in groceries, clothing, etc., we have left $60,000,000. This amount represents the net proceeds of Kansas farmers for this year over and above their entire living expenses. The assessed valuation of all farm lands in Kansas for 1890 was $168,000,000. Taking that as about one-fourth of the real value, we have $672,000,000 as the real or full value of Kansas farm lands. Sixty million dollars, or the net proceeds of Kansas farms this year, is. therefore, about one-eleventh, or nine per cent. of the full valuation of Kansas lands."

By the wonderful increased methods of communication and transportation the most distant portions of the world's commerce can be reached, and with ample banking facilities the farmer, the merchant, and the manufacturer can extend their trade to every clime.

THE NEW BANK LAW.

At the last session of the Kansas Legislature a new bank law was passed requiring money reserves, and State inspection of all State banks. This law, if honestly, justly and judiciously enforced, will be of great benefit. It will add safety to the local depositors, and it will strengthen and give credit to our local State banks abroad. If dishonestly or injudiciously enforced, it will lessen the number of State banks and concentrate the money of our State in fewer hands, and make it much harder to be obtained by the people—a thing not to be desired by a borrowing people.

A GREAT CHANGE.

It is with pleasure we note the marked change going on in the great commercial West. It has always been the custom among large manufacturers and merchants to get their paper discounted in the East, because the western bankers did not have sufficient capital to meet the demand made upon them. It seems that the West is rapidly outgrowing this state of affairs, as this class of paper is now largely taken care of in our western money centers. The great corn and wheat belt of the nation is now able to discount much of its own paper, thus becoming daily more independent of other sections of the country. Were it not for this great change, it could be said with truth that the money stringency in the East, which began last November, would have wrecked a large number of our western enterprises of every character, which would have caused widespread disaster on every hand. The rapid accumulation of wealth through the wonderful productions of the great West will soon so strengthen the western banks, in the western financial centers, as to enable them to be entirely independent of their eastern neighbors.

The last nine months has more fully than ever demonstrated these facts, and made them worthy of note.

Since our last meeting, the year has been marked with striking events, which have had a remarkable influence on all financial institutions, not only in our country, but throughout the civilized world, and we very narrowly escaped what threatened to be one of the greatest financial panics of the age.

The failure of the Baring Brothers, the largest commercial banking house in Europe, which occurred the latter part of 1890, shook the financial world from center to circumference, and caused a distrust among the people of all nations, and so destroyed confidence in all financial institutions as to cause them to fail and fall on every hand, until the situation became appalling. A better understanding and more thorough knowledge among the people, on the financial questions, would tend in a measure to prevent such disasters.

MORTGAGE INDEBTEDNESS.

The rapid reductions in mortgage indebtedness in the West is remarkable. The reduction of this class of indebtedness in some of the western States within the last decade has been from ninety per cent. of the acreage to forty per cent., while the average per cent. of the acreage under mortgage in this country at this time does not exceed twenty-one per cent.

The best statistics obtainable on mortgage indebtedness of our whole commonwealth show that more than ten million homes are free from mortgage indebtedness, and that not more than two and a half million homes are incumbered with this class of indebtedness.

The public debt of the United States shows a decrease per capita from $38.33 in 1880 to $14.63 in 1890. The indebtedness of the States and Territories has been reduced in the last ten years from $5.79 per capita to $3.56 per capita. The indebtedness of the counties of the United States has also decreased from $2.47 per capita in 1880 to $2.27 per capita in 1890, making a total decrease per capita from $46.59 in 1880 to $20.46 per capita in 1890, which is a remarkable per cent. Statistics show that France in 1889 had a per capita public debt of $116.33. Great Britain at that time had a public debt of $87.79 per capita. Hungary had a debt of $70.84 per capita. Italy $76.06. Belgium $63.10, and the Netherlands $95.56.

This fact, coupled with the rapid reduction in all classes of indebtedness now going on, leaves no cause for our people to apprehend any immediate danger of our country becoming bankrupt, as some of our calamity friends would have us believe. How can our State become bankrupt when its productions of all kinds reach the enormous sum in a single year of $90,000,000, and especially when $60,000,000 of this wonderful yield is profit, and can be used to liquidate the indebtedness of the farmers of the State, or used to further develop and improve the same?

TAXATION.

It would seem a good thing for this convention to consider the taxing of bank stock. Taxation in every sense is an exaction of money by the State, or municipality, and all men should be equal before the law, and should receive exact justice. If the above are the correct principles, there should be no distinction between money invested in bank stock, other stocks or property.

The same rule should apply for taxing all classes of property, and taxes levied and collected in any other manner are not lawful, as the Constitution expressly provides that taxation shall be just and equal.

B. C. H. Gardiner, of the Exchange National Bank, of Eldorado, Kan., read a paper on the subject, "Kansas, a State of Surprises." He said that he had made that a sort of comforting maxim during his life. The phrase was not original with him. He had heard Senator Plumb say it once, and it struck him so forcibly that he had jotted it down then and there. Soon afterward the Senator's words were proved by the great salt find around Hutchinson. The State had had other great surprises. He had begun to rely on a surprise in times of depression, and they had never failed yet. The Alliance success of last fall was one of the surprises. The Alliance passed the State bank inspection law, which alone was sufficient to cover a multitude of errors if they were made, but he was not prepared to state that they had made any. The remarkable growth of Kansas City, Kan., had been a surprise. Its grain business was a later surprise.

Another paper by R. H. Crosby, president of the Valley Falls Bank, was on "Suckers." There were four classes of suckers—political, religious, social and commercial. In the last class was the high salaried bank president who was kept around an institution mainly for ornament. Then there was the depositor who always and forever wanted to overdraw; another was the bank president who headed "snide" subscription lists. "Suckerdom," he stated, "was the first station on the black road leading to perdition. It is true we did away with that high-toned falsehood, 'the value of a penny was beneath a man's consideration' because it is the first step of many a young man to debt, and his start on the road to suckerdom and perdition."

The officers elected for the ensuing year were the following:

President, Calvin Hood, Emporia; Secretary, John A. Swenson, Lindsborg; Assistant Secretary, H. E. Ball, Topeka; Treasurer, S. H. Lanyon, Pittsburg. Vice-Presidents: R. H. Crosby, Valley Falls; H. J. Smith, Ottowa; Alexander Warner, Baxter Springs; H. H. Gardner, El Dorado; R. Morey, Scandia; S. A. Fulton, Marysville; J. W. Rush, Larned; Edward Carroll, Leavenworth; W. Hetherington, Atchison; C. W. Trickett, Kansas City, Kansas; M. W. Levy, Wichita; P. G. Noel, Topeka; C. L. Drake, Fort Scott. Delegate to American Bankers' Association meeting, J. R. Mulvane, Topeka; alternate, John A. Swenson, Lindsborg.

ASSIGNMENT OF DEPOSITS BY GIVING A CHECK.

SUPREME COURT OF NEBRASKA.

Fonner v. *Smith.*

A check drawn on funds in a bank is an appropriation of the amount of the check in favor of the holder thereof, in effect an assignment of the amount of the check, and the holder, upon refusal of the bank to pay the same where such funds have not been drawn out before its presentation, may bring an action thereon against the bank in his own name.

There is an implied promise on the part of a bank, when receiving deposits, to pay them out on the checks of the depositor to any person in whose favor he may draw the same, and the checkholder is thus subrogated to the rights of the depositor in so much of the deposits as the check may call for, which cannot, after notice to the bank, be withdrawn by the drawer.

MAXWELL, J.—This is an action brought by J. H. Smith against John Fonner, *et al.*, lately doing business under the style of the Bank of Phillips, to recover the sum of $495, with interest, on a check drawn by one of the members of the firm of John Fonner & Co., who were owning and operating the Bank of Phillips, against that bank, in favor of Samuel Spanogle, another member of the same firm, the check purporting to have been drawn by Crane, treasurer of the Building and Loan Association of Phillips. The petition alleges a specific promise to pay, and also a promise by the trustee, to whom the assets of the Bank of Phillips had been conveyed for the purposes of liquidation. It is clearly shown that the drawer had sufficient funds in the bank at the time the check was drawn and presented to pay said check. On the trial of the cause the court below found the issues in favor of the defendant in error, and rendered judgment accordingly.

There was no motion for a new trial, and the question presented to this court is one of law, viz., is a check drawn upon an existing fund in a bank an absolute transfer or appropriation to the holder of the amount designated in the check then in the hands of the drawee? On this question there is a direct conflict in the authorities, and, in number at least, the weight of authority seems to be against the proposition. In deciding the question, however, we desire to be governed by such rules as seem to be based upon a sound reason, and calculated to promote justice. The doctrine upon which it is held that a check is not the appropriation of the fund against which it is drawn is stated by Judge Davis in *Bank* v. *Millard*, 10 Wall. 156, as follows: "On principle there can be no foundation for an action on the part of the holder, unless there is a privity of contract between him and the bank. How can there be such a privity when the bank owes no duty and is under no obligation to the holder? The holder takes the check on the credit of the drawer, in the belief that he has funds to meet it; but in no sense can the bank be said to be connected with the transaction. If it were true that there was a privity of contract between the banker and holder when the check was given, the bank would be obliged to pay the check, although the drawer, before it was presented, had countermanded it, and although other checks drawn after it was issued, but before payment of it was demanded, had exhausted the funds of the depositor. If such a result should follow the giving of checks, it is easy to see that bankers would be compelled to abandon altogether the business of keeping deposit accounts for their customers. If, then, the bank did not contract with the holder of the check to pay it at the time it was given, how can it be said that it owes any duty to the holder until the check is presented and accepted?" This is the strongest presentation of the objections to a check being an appropriation of the funds of the drawer to the amount of the check to which our attention has been called. Yet the fallacy of the reasoning can readily be shown. The principal objection of Judge Davis is the want of privity between the holder of the check and the bank. A bank, however, receives deposits on the express or implied promise to pay them out upon the checks of the depositors; and the depositor may draw his checks for small or large amounts, payable to his creditors or those to whom he desires to pay money, and the bank impliedly promises to pay such checks by whomsoever presented; the only limitation being that the drawer shall not exceed the amoun of his deposits. In effect, the debtor says to his creditor: "I have deposited my money for safe keeping in a certain bank, and I will give you a check thereon for the amount due you." The creditor thereupon accepts the check upon the implied assurance that the drawer has sufficient funds in the bank to pay it. Suppose, instead of the ordinary form of the check to "pay A. B. or bearer" a specified sum, the drawer should say, "I hereby assign to A. B. or bearer" a like portion of the deposit in the bank. In effect there would be no difference as to the right of the holder of the check to the portion of the fund appropriated by the drawer. At the present time checks are in common use to supersede the payment of money. Many persons pay nearly all claims through the instrumentality of checks. This is done, *first*, to obviate the risk incident to carrying large sums of money on the person, or for want of adequate facilities for its safe keeping; and, *second*, as a means for correcting errors which may have occurred in the payment of claims, as a check, when paid to a particular person, is equivalent to a receipt. In regard to the alleged want of privity, it is sufficient to say that the holder of the check is subrogated to the rights of the drawer in the fund drawn upon, and therefore, to that extent, is in privity as assignee of the drawer with the bank. But suppose that there is no privity between the parties, the rule is now well settled that a party may sue on a promise made on sufficient consideration for his use and benefit, though it be made to another, and not to himself. (*Cooper* v. *Foss*, 15 Neb. 516, 19 N. W. Rep. 506; *Stewart* v. *Snelling*, 15 Neb. 502, 19 N. W. Rep. 705; *Shamp* v. *Meyer*, 20 Neb. 223, 29 N. W. Rep. 379; *Miliani* v. *Tognini*, 7 Pac. Rep. 279; *Lawrence* v. *Fox*, 20 N. Y. 268; *Farley* v. *Cleveland*, 4 Cow. 432; *King* v. *Whitely*, 10 Paige 465; *Halsey* v. *Reed*, 9 Paige 446; *Cumberland* v. *Codrington*, 3 Johns. Ch. 254; *Merriman* v. *Moore*, 90 Pa. St. 80; *Putney* v. *Farnham*, 27 Wis. 187.) We have no doubt, therefore, that the holder of a check, where the check was drawn upon funds, and presented before such funds are otherwise drawn out, may sue the bank for refusing to pay such check. (*Munn* v. *Burch*, 25 Ill. 35; *Brown* v. *Leckie*, 43 Ill. 497; *Fourth Nat. Bank* v.

City Nat. Bank, 68 Ill. 398; *Union Nat. Bank* v. *Oceana Co. Bank*, 80 Ill. 212; *Bank* v. *Patton*, 109 Ill. 479, 485; *National Bank* v. *Indiana Banking Co.*, 114 Ill. 483, 2 N. E. Rep. 401; *Bank* v. *Ritzinger*, 20 Ill. App. 27; *Roberts* v. *Corbin*, 26 Iowa 315; *Fogarties* v. *Bank*, 12 Rich. Law 518; *Lester* v. *Given*, 8 Bush. 357; *McGrade* v. *Savings Inst.*, 4 Mo. App. 330; *Zelle* v. *Savings Inst.*, *Id.* 401; *McGregor* v. *Loomis*, 1 Disn. 247, 255; *Ancona* v. *Marks*, 7 Hurl. & N. 686; *Senter* v. *Bank*, 7 Mo. App. 532; 3 Amer. & Eng. Enc. Law p. 227.) And after notice to the bank of the drawing the check, the funds thus appropriated cannot be withdrawn by the drawer. No question arises as to the time when the check was presented, nor is there any contest between the plaintiff and other checkholders. The contest, therefore, is between the holder and the drawee, and, as it appears that the bank had sufficient funds of the drawer when the check was presented, it should have paid the check, failing in which the action is properly brought. The judgment of the District Court, therefore, is affirmed.

Cobb, C. J., concurs. Norval, J., having tried the case in the court below, did not sit.—*Northwestern Reporter.*

LEGAL MISCELLANY

BANKS—CHECK.—In an action on a check against the drawer, it is sufficient to allege that the check was duly presented and payment refused. The motive of the bank for the refusal is immaterial, and it is not necessary to aver that the drawer had no funds in the bank. [*Offutt* v. *Rucker*, Ind.]

NEGOTIABLE INSTRUMENTS—EXTENSION.—An agreement in writing between the holder and the accommodation indorser of a note by which the latter "consents that the payment thereof be extended until he gives written notice to the contrary," does not contemplate an extension by agreement between the holder and the maker only, by which the surety on the note is discharged, and the indorser prevented from having recourse to him as well as to the maker. [*Bank of Uniontown* v. *Mackey*, U. S. S. C.]

NOTARY PUBLIC—SURETIES.—As receiving money is no part of the official duty of a notary, his sureties are not liable for that fraudulently retained by him, but only for the damages caused plaintiff by the falsehood of his certificate of acknowledgment. [*Heidt* v. *Minor*, Cal.]

TAXATION—UNIFORMITY.—Act S. D. March 9, 1891, § § 18, 19, allowing persons, in listing credits for taxation, to deduct from the gross amount thereof all *bona fide* indebtedness, and further providing that deductions from the amount of personal property shall be allowed such indebtedness only as is due within the State; and making no provision for deducting indebtedness from the value of real estate—are in contravention of Const. S. D., art. 11, § 2, requiring taxes to be uniform on all real and personal property according to its value, and section 4, providing that the Legislature shall provide for taxing all moneys, credits, etc. [*In re Construction of Revenue Law*, S. Dak.]

MORTGAGE—NOTE.—The note or debt is the principal thing, and the mortgage a mere incident, and the party to whom the note or debt is transferred becomes thereby the owner of the security, and, on being paid the note or debt, he may be required to acknowledge satisfaction of the mortgage, and it is his duty, if need be, to provide himself with authority to satisfy the mortgage of record. [*Daniels* v. *Densmore*, Neb.]

BANKS—CASHIER.—The general powers of cashiers of banking institutions do not extend to the making of obligations or binding contracts beyond the scope of their duties as cashier. They have no right to create new liabilities against the bank of an extraordinary character. Their powers are defined and limited by law, and persons dealing with them are bound to know the extent of them. [*North Star Boot & Shoe Co.* v. *Stebbins*, S. Dak.]

NATIONAL BANKS—USURY.—The courts of record of the State have jurisdiction in actions brought under § § 5,197 and 5,198 of the Revised Statutes of the United States to recover from National banks the penalty for knowingly taking, receiving, reserving or charging a greater rate of interest than is allowed by law. [*Schuyler Nat. Bank* v. *Bollong*, Neb.]

NEGOTIABLE INSTRUMENT—ASSIGNEE.—Any defense good as against the original owner of a non-negotiable note is good against the transferee or assignee. [*Stebbins* v. *Lardner*, S. Dak.]

NEGOTIABLE INSTRUMENT—CORPORATIONS.—Where one doing business alone under the firm name of "Branch, Crookes & Co.," after borrowing money on the credit of both that and his own name, organizes a corporation called the "Branch-Crookes Saw Co.," and transfers all his assets to it, the presumption is strong that the corporation assumed the debt. [*Bremen Sav. Bank* v. *Branch-Crookes Saw Co.*, Mo.]

NEGOTIABLE INSTRUMENT—PAROL EVIDENCE.—Where in an action on a note it appeared that said note was given in consideration of the balance due upon a prior note, such prior note being collateral to and described in a written agreement on the part of plaintiff to sell defendant certain property therein, and compliance therewith to be deemed full consideration for the note therein set out, oral evidence is inadmissible to show that certain land warrants, not specified in said agreement, formed part of the consideration of the note in suit. [*Langan* v. *Langan*, Cal.]

BANKS—INSOLVENCY—STOCKHOLDERS.—A purchaser of stock in a private bank, insolvent at the time, will not, on a bill filed for adjustment of the liability of the partners, be allowed a credit for the amount paid by him for the stock, though he bought the stock from the bank, which had purchased it from withdrawing stockholders, as he did not thereby increase the capital of the bank. [*Barndollar* v. *Du Bois*, Penn.]

CORPORATIONS—REPORT OF OFFICERS.—Gen. St. Colo., § 252, requires every corporation to make an annual report stating the amount of its capital, the proportion thereof actually paid in, and the amount of existing debts; and it provides that a failure to file this report shall render the directors and trustees jointly and severally liable for the debts of the company contracted during the year preceding the time for filing it: *Held* that, where a report is actually filed, the fact that it is false will not render them liable under this section as upon failure to file any report at all. [*Matthews* v. *Patterson*, Colo.]

NEGOTIABLE INSTRUMENTS—ASSIGNMENT.—Where the payee of a note signed individually by the members of a partnership accepts in renewal, after the partnership is dissolved, a new note fraudulently signed by the firm name, and by a worthless member of the firm individually, and assigns the same as collateral, the assignee cannot treat the note as a nullity, and sue on the note surrendered. [*Ridgeway* v. *Raymond*, Iowa.]

PARTNERSHIP—CHECKS.—A partner who is the general agent of a firm for the transaction of its business may empower other persons to draw checks therefor. [*Evans* v. *Evans*, Iowa.]

BANKS AND BANKING—USURY.—Where plaintiff charged 1 per cent. per month on overdrafts, and defendant gave notes for the debt balance, to run at 10 per cent. per annum, not knowing of the charge of interest on the overdrafts, there is not such a usurious contract running in the notes as to declare a forfeiture under the Iowa laws. [*First Nat. Bank* v. *Moore*, Iowa.]

CORPORATIONS—LIMITATION OF ACTIONS.—If, by the terms of the subscription to stock in a corporation, the payments are to be made in installments to be called for by the company, the statute of limitations does not begin to run in favor of the subscriber until a call is made by the company, or by a court of competent jurisdiction, though the company has abandoned its charter, ceased to do business, and made an assignment for the benefit of creditors. [*Semple* v. *Glenn*, Ala.]

THE NEW BANKING ACT OF GEORGIA.

SECTION 1. From and after the passage of this Act all banks and corporations doing a banking business authorized by the laws of Georgia to do a banking business in this State must make quarterly statements, under oath, to the State Bank Examiner and publish the same in local papers, at the expense of the bank or corporation.

SEC. 2. No bank or corporation doing a banking business shall loan to any officer of the bank without good collateral.

SEC. 3. No bank or corporation doing a banking business shall be allowed to reduce cash in hand, including amount due by banks and bankers, and the market value of all stocks and bonds actually owned and held by the bank or corporation, below twenty-five per cent. (25 per cent.) of the demand deposits.

SEC. 4. No bank or corporation doing banking business shall be allowed to loan to any one person, unless such loan is amply secured by good collateral security, more than ten per cent. (10 per cent.) of its capital stock and surplus.

SEC. 5. Whenever, by reason of losses, a bank's capital stock is impaired, the shrinkage in said capital stock which is represented by said losses shall be charged on the books of said bank to the account of profit and loss, so that the notes and bills discounted, shown as due the bank, shall be the live and collectible assets of said bank.

SEC. 6. The bank department of the State Treasury or the State Bank Examiner shall be allowed one clerk, at a salary not to exceed twelve hundred dollars per annum, and the said clerk is hereby authorized, at the direction of the bank examiner, to examine the said banks of said State.

SEC. 7. The bank examiner or his clerk shall examine the said banks at least once a year.

SEC. 8. The following shall be the oath subscribed to by the cashier of the bank or corporation doing a banking business, to the said quarterly statements: Before me came ...., cashier of .... bank, who, being duly sworn, says the above statement is a true statement of the condition of said bank, as shown by the books on file in said bank, and he further swears that, since last return made to the State Bank Examiner of the condition of said bank, to the best of affiant's knowledge and belief, that the said bank, through its officers, have not violated or evaded any obligation imposed by law.

SEC. 9. All laws and parts of laws in conflict with this Act be, and the same are, hereby repealed.

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

ATTACHMENT OF PLEDGED BANK STOCK.

Can the stock of a National bank be attached by an individual creditor? If taken and transferred to the name of the pledgee, then does it not become liable for assessments in the event of the failure of the bank whose stock is pledged? What is the best thing for the lending bank to do with respect to transferring the title?

REPLY.—The owner in whose name the stock of a bank is registered is liable for assessments whenever the bank fails. To obviate this risk, a corporation in Philadelphia which desired to take such stock as collateral, and escape liability for assessments, had the stock transferred to the name of another person. It was afterward contended that this was not a legal proceeding, but the United States Supreme Court decided otherwise. (*Anderson* v. *Philadelphia Warehouse Co.*, 111 U. S. 479.) The case, though published in full in the MAGAZINE soon after the decision was rendered, may be briefly described.

The Warehouse Company loaned money to B. & Co., taking as security stock of the First National Bank of Allentown. Instead of having the stock transferred to the Warehouse Company, it was transferred to Mc., an irresponsible person and porter in the company's employ. The bank having failed, the receiver brought a suit against the Warehouse Company to recover an assessment made by the Comptroller of the Currency on the shareholders to pay its debts. The jury having returned a verdict in favor of the Warehouse Company, the case was appealed to the United States Supreme Court, whose opinion was delivered by Chief Justice Waite. He 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 a pledgee only, and that, if a registered owner, acting in bad faith, transfers his stock in a failing bank to an irresponsible person, for the purpose of escaping liability, or if his transfer is colorable only, the transaction is void as to creditors. (*National Bank* v. *Case*, 99 U. S. 628; *Bowden* v. *Johnson*, 107 U. S. 251.) It is also undoubtedly true that the beneficial owner of stock registered in the name of an irresponsible person may, under some circumstances, be liable to creditors as the real shareholder, but it has never, to my knowledge, been held that a mere pledgee of stock is chargeable where he is not registered as owner.

There is in this case no evidence of actual fraud or bad faith. The Warehouse Company never was the owner of the stock in question, and never held itself out as such. The transfer of Kern and Blumer & Co. [the owners of the stock] was only by way of a pledge, and the company was bound to return the stock whenever the debt, for which it was held, should be paid. From the verdict of the jury, under the instructions of the court, it must also be accepted as a fact, that the company never consented to a transfer of the stock to its name on the books, or to that of its president, and it is undisputed that for seven years before the failure of the bank, and at least five years before its embarrassments were known to the company or the public, the stock had been standing, with the assent of Kern, Blumer & Co. and the officers of the bank, in the name of McCloskey or Ferris. During all that time, neither the registered holders nor the Warehouse Company claimed dividends or in any way acted as shareholders. On the contrary, either Kern or Blumer & Co. took the dividends as they were paid, and to all intents and purposes controlled the stock. There was no concealment on the part of the Warehouse Company, and no effort to deceive. It had possession of the certificates which represented the stock, with full power to control them for all the purposes of its security, but there was never a time, from the date of the original transfer by Kern on the books, until the failure of the bank, that it was or pretended to be anything else than a mere pledgee. . . . The avowed purpose of both transfers was to give the company the control of the stock for the purposes of its security, without making it liable as a registered shareholder. To our minds there was neither fraud nor illegality in this. The company perfected its security as pledgee, without making itself liable as an apparent owner. Kern or Blumer & Co. still remained the owners of the stock, though registered in the name of others, and pledged as collateral security for their debt. They consented to the transfer, not to escape liability as shareholders, but to save the company from a liability it was unwilling to assume, and at the same time to perfect the security it required for the credit to be given."

Two judges dissented, but this case clearly establishes the doctrine that a pledgee of shares of stock in a National bank, who in good faith, and with no fraudulent intent, takes the security for his benefit in the name of an irresponsible trustee, for the avowed purpose of avoiding individual liability as a shareholder, and who exercises none of the powers or rights of one, incurs no liability to creditors of the bank in the event of its failure. A bank, therefore, may protect itself against assessments by having the stock transferred in the manner adopted by this company.

Indorsement.

Will you please inform me what is the practice among the more careful bankers in regard to checks made payable to payee, or bearer. Do paying tellers require the person presenting such checks to indorse them? Would the fact that one such check was drawn on your bank, and another on some bank in another city, make any difference as to indorsing them?

Reply.—On checks for small amounts, when payable to bearer and presented directly to the bank on which the check is drawn, paying tellers do not usually require any indorsement. If for a larger amount than is customary for the maker of the check to issue for currency, careful scrutiny would be given, and possibly the check would be refused altogether until inquiry had been instituted, and if the payment were then made the party presenting the check might be required to indorse it for evidence as to whom the money was paid. As to cashing a check payable to bearer drawn on a bank other than the one by which it is cashed, an indorsement would be required, because the check would be liable to be returned not good, and recourse would be upon the party collecting it.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL.	Oakland	Union National B'k.
"	Pomona	A new bank building.
"	San Luis Obispo	First National Bank.
ILL.	Belleville	First National Bank.
"	Chicago	Industrial Bank Co.
"	Mascoutah	A new bank building.
"	Watseka	Citizens Bank.
IND.	Crawfordsville	Citizens Nat. Bank.
IOWA	Bancroft	Farmers & Traders B.
"	Montezuma	A new bank building.
KAN.	Horton	Bank of Horton.
ME.	Gardiner	A new bank building.
ME.	Searsport	Searsport Nat. Bank.
MASS.	Boston	Internat'al Trust Co.
MICH.	St. Johns	A new bank building.
NEB.	Auburn	A new bank building.
N. J.	Passaic	Peoples Bank.
N. Y.	Mohawk	Nat. Mohawk Val. B.
PA.	Mt. Pleas'nt	Morrison & Bro.
"	Wash'gton	Citizens National B'k.
R. I.	Newport	Aquidneck Nat. Bank.
TEXAS	Childress	First National Bank.
"	Galveston	Adone & Lobit.
WASH.	Kent	Bank of Kent.
"	New Whatcom	Bellingham Bay N.B.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

CAL.	Riverside	Orange Growers B'k.
CONN.	Rockville	Sav. B'k of Rockville.
"	Thompsonville	Th'mp'nv'l Trust Co.
FLA.	Jacksonville	First National Bank.
IND.	New Albany	First National Bank.
MASS.	Boston	Massachusetts Na. B.
"	Gloucester	Cape Ann Nat. Bank.
"	Hyde Park	Hyde Park Sav. B'k.
N. J.	Morristown	Morris Co. Sav. B'nk.
N. Y.	Cooperst'n	Second Nat. Bank.
"	Jamestown	City National Bank.
N. Y.	New Paltz	New Paltz Sav. B'k.
"	Saratoga Sp.	First National Bank.
"	Westfield	Nat. B'k of Westfield.
PA.	Chester	Delaware Co. Tr. Co.
"	McKeesport	First National Bank.
TEXAS	Denison	Nat. Bk. of Denison.
"	Waco	Citizens Nat. Bank.
UTAH	Springville	Springv'le B'nk'g Co.
VT.	White River Junction	White Riv. Sav. B'k.
WASH.	Seattle	Guar. Loan & Tr. Co.
WIS.	S. Superior	B'k of South Superior.

NEW BANKS IN THE SOUTH.—In the South during the year ending 30th September, 1891, there were organized 60 National banks, with a capital of $5,820,000. In the whole United States there were 214 organized, with a capital of $23,400,000. North Carolina organized three, with $150,000 capital. The banking capital perhaps is not equally distributed. Probably the South has less than its business requires and its share. In the year, Texas added 21 banks, with a capital of $1,150,000.

NEW YORK CITY.—The Homer Lee Bank Note Company, of New York, has sold out to the American Bank Note Company.

NEW YORK CITY.—A new trust company is to begin business as an adjunct to the Mutual Life Insurance Company. With such sponsors it is expected that the new company will soon become one of the big financial concerns of Wall street. It is understood it will have a capital of $1,000,000, and that its stock will be mainly held by the trustees of the Mutual Life Insurance Company, who will, of course, control it. A very liberal charter of an extinct company, which was known as the Guarantee and Indemnity Company, has been secured. One of the objects of the new company, it is understood, is to advance money on life insurance policies.

NEW YORK CITY.—Mr. Logan C. Murray has been elected a director and the vice-president of the Tradesmen's National Bank. Mr. Murray is well and favorably known in financial circles, especially by reason of his having been for some years president of the United States National Bank—a position which he held until his recent resignation.

SOME RECENT BANK DIVIDENDS.—

Location.	Name.	Annual.	Semi-Annual.	Added to Surplus.
MASS...Boston......	Atlantic National Bank......	....	3	$22,500
" .. "	Atlas National Bank........	....	2½	37,500
" .. "	Blackstone National Bank...	....	2	30,000
" .. "	Boston National Bank.......	....	2½	25,000
" .. "	Boylston National Bank.....	....	3	21,000
" .. "	Broadway National Bank....	....	....	....
" .. "	Bunker Hill National Bank..	....	5	25,000
" .. "	Central National Bank......	....	3	15,000
" .. "	City National Bank.........	....	....	....
" .. "	Columbian National Bank ..	....	2½	25,000
" .. "	Commerce Bank............	....	3	45,000
" .. "	Commercial National Bank..	....	....	....
" .. "	Commonwealth Bank.......	....	3½	17,500
" .. "	Continental National Bank.	....	3	30,000
" .. "	Eagle National Bank........	....	2	20,000
" .. "	Eliot National Bank......	....	3	30,000
" .. "	Everett National Bank......	....	2½	10,000
" .. "	Exchange National Bank....	....	3	30,000
" .. "	Faneuil Hall National Bank.	....	3	30,000
" .. "	First National Bank.........	....	6	60,000
" .. "	First Ward National Bank...	....	3	6,000
" .. "	Fourth National Bank.......	....	3	15,000
" .. "	Freeman's National Bank...	....	....	....
" .. "	Globe National Bank........	....	2	20,000
" .. "	Hamilton National Bank....	....	2½	18,750
" .. "	Hide & Leather Bank.......	....	3	45,000
" .. "	Howard National Bank......	....	2½	25,000
" .. "	Manufacturers' Bank........	....	2	10,000
" .. "	Market National Bank.......	....	2	16,000
" .. "	Massachusetts Nat. Bank....	....	2	16,000
" .. "	Mechanics' National Bank...	....	3	7,500
" .. "	Merchants' National Bank...	....	3	90,000
" .. "	Metropolitan National Bank.	....	2	10,000
" .. "	Monument National Bank...	....	6	9,000
" .. "	Mt. Vernon National Bank..	....	3	6,000
" .. "	Nat. Market B'k of Brighton.	....	....	....
" .. "	New England Nat. Bank....	....	3½	35,000
" .. "	North National Bank........	....	3	30,000
" .. "	North America Bank.... ...	....	3	30,000
" .. "	Old Boston National Bank...	....	3	27,000
" .. "	People's National Bank......	....	4	12,000
" .. "	Nat. Bank of Redemption...	....	3	30,000
" .. "	Nat. Bank of the Republic...	....	3½	52,500
" .. "	Rockland National Bank....	....	4	12,000
" .. "	Second National Bank.......	....	4	64,000
" .. "	Security National Bank....	....	3 quart.	7,500
" .. "	Shawmut National Bank....	....	3	30,000
" .. "	South End National Bank...	....	....	....
" .. "	State National Bank.........	....	3	60,000
" .. "	Suffolk National Bank.......	....	2½	37,500
" .. "	Third National Bank........	....	2½	25,000
" .. "	Traders' National Bank.....	....	2	10,000
" .. "	Tremont National Bank.....	....	2½	50,000
" .. "	Union National Bank.......	....	3	30,000
" .. "	Washington National Bank..	....	2½	18,750
" .. "	Webster National Bank.....	....	2	30,000
" .. "	Winthrop National Bank....	....	2	6,000
" ..Harwich....	Cape Cod Five Cents S. B'k..	....	2	....
" ..Newburyp'rt	Newburyp't Five Cts. S. B'k..	....	2½	....
OHIO...Toledo.....	Merchants' National Bank...	....	....	25,000
" ..Warren	Second National Bank.......	....	3	....
PA......Phila.......	Farmers & Mechanics.......	....	4	....

Location.	Name.	Annual.	Semi-Annual.	Added to Surplus.
PA......Phila.......	Philadelphia..............	....	6	$100,000
" .. "	Girard	....	6	....
" .. "	Manufacturers..............	....	2½	10,000
" .. "	Commercial.................	....	3	....
" .. "	Mechanics..................	....	3½	....
" .. "	Central	....	6	100,000
" .. "	Northern Liberties.........	....	8	50,000
" .. "	Corn Exchange..............	....	3½	....
" .. "	Republic...................	....	3½	....
" .. "	Penn.......................	....	3	50,000
" .. "	Union......................	....	3½	15,000
" .. "	Independence...............	....	2½	....
" .. "	City	....	5	....
" .. "	Tradesmen's................	....	6	....
" .. "	Western....................	....	5	....
" .. "	Consolidation	....	6	....
" .. "	Ninth National.............	....	3	10,000
" .. "	Second National............	....	3	....
" .. "	Southwark..................	....	6	....
" .. "	Commerce...................	....	3	....
" .. "	Kensington	....	5	25,000
" .. "	Germantown.................	....	6	....
" .. "	Northwestern	....	3	5,000
" .. "	Tenth National.............	....	3	2,500
" .. "	Sixth National.............	....	3	....
" .. "	People's...................	....	5	....
" .. "	West Philadelphia	....	3	2,300
" .. "	Fourth Street..............	....	....	75,000
" .. "	Merchants..................	....	....	30,000
" .. "	Chestnut Street............	....	....	10,000
" .. "	Northern	....	....	5,000
" ..Doylestown.	Bucks Co. Trust Co.........	....	2½	....
" ..Norristown..	Montgomery National Bank.	....	6	....
" ..Scranton. ..	Third National Bank........	....	5	20,000
UTAH..Manti.......	Manti City Savings Bank....	12	...	9.48 p. c.
" ..Salt L. City.	Deseret National Bank......	....	5 quart.	....

NEW YORK CITY.—Percy R. Pyne has resigned as president of the National City Bank. James Stillman, of Stillman & Woodward, cotton merchants, has been elected as his successor. The City Bank was established by Moses Taylor. Mr. Pyne is his son-in-law, and he took the presidency after Mr. Taylor's death, eight years ago. Mr. Pyne's retirement was due to a stroke of paralysis which he sustained two months ago. He remains a director of the bank.

NEW YORK CITY.—The Central Trust Company declared an extra dividend of 10 per cent., payable Dec. 1. This comes between the bi-monthly 5 per cent. dividend period, making in all 40 per cent. declared thus far this year. The next bi-monthly dividend will be due Jan. 1, 1892.

EASTERN STATES.

NEW LONDON, CONN.—Recently there was found a printed copy of the rules adopted for the regulation of the Union Bank of that city. It contained the hours for business, which were from 10 to 12 A. M., 2 to 4 P. M.; a caution that moneys should be counted before leaving the bank, information as to discount days, blank form of a promissory note, etc. The paper bears date of 1792, the year that the Union Bank began business. The paper is yellow with age, the type scarcely the same used in first-class job offices nowadays. The Union Bank, of New London, is the oldest bank in the State, antedating the Hartford Bank by a few weeks, though the charters of the two banks bear the same date. The Union Bank's centennial will occur in June, 1892.

MAINE.—The Maine savings banks are permitted by law to invest in the public funds of the United States, and in the public funds of any New England State, including bonds of counties, cities and towns. They are permitted to invest in the municipal bonds of cities of 10,000 or more inhabitants in the States of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska, and in the county bonds of same States having 20.000 population at least, when such bonds are not issued in aid of railroads, and in the first mortgage bonds of any of the States enumerated, in the first mortgage bonds of the Central Pacific Railroad, the Union Pacific Railroad and the Northern Pacific Railroad, and in any Maine railroad bonds, whether first mortgage or plain bonds. They may invest, moreover, in stock of any dividend-paying railroad in New England and in the mortgage bonds of any water company of Maine actually engaged in supplying any city, town or village, or other municipal corporation, having not less than 2,500 inhabitants, and in the bonds of any other corporation of the State which earns and pays not less than 5 per cent. per annum. Maine banks are not restricted from investing in first mortgages on real estate located either in Maine or New Hampshire, but this investment must not exceed 50 per cent. of the bank's deposits. At the close of last year the savings banks of the State held deposits to the amount of nearly $48,000,000 and the total number of depositors was 140,521, an increase since 1880 of 65,078, the increase in the amount of deposits in that time being nearly twenty-seven million dollars.

PORTLAND, ME.—Mr. George E. B. Jackson, whose death has been noticed elsewhere, was for a time recorder of the Portland Municipal Court, and during the war he assisted Hon. George F. Talbot in conducting the office of United States District Attorney for the district of Maine. In 1865, when the Portland Rolling Mills were established, Mr. Jackson became the treasurer and manager of the enterprise, which he carried on successfully until his resignation in 1878, to accept the presidency of the Maine Central Railroad Company. He was for one year president of the Eastern Railroad Company. In 1885 he was succeeded in the presidency of the Maine Central Railroad by Mr. Arthur Sewall, when he resumed the practice of his profession, especially in the line of trustee and guardian for estates. In that capacity he was trustee of the Brown estate, administrator for the estate of Philander Coburn, besides numerous other trusteeships. He was president of the Portland Savings Bank, president of the Public Library, and one of the directors of the Maine General Hospital at the time of his death. He was sixty-two years old.

ELLSWORTH, ME.—The Hancock County Savings Bank, which was organized eighteen years ago, has never yet suffered a loss. That is a record to be proud of. It has on deposit $180,923.33, and has a surplus above all liabilities of $25,042.17.

BOSTON.—On Nov. 3d, twenty-one years ago, Messrs. Richardson, Hill & Co., bankers and brokers, put out their modest sign upon the Suffolk Bank building. That same sign was on exhibition on the day above mentioned, in the firm's banking rooms in the Simmons Building, on Water street, resting upon a large box of souvenirs, to wit, a neat morocco cigar holder filled with a choice smoking article which every customer and friend was asked to accept, whether he smoked or not. Each case was stamped "1870—R., H. & Co.—1891." Although the box was large, it had been pretty nearly emptied by one o'clock, and each recipient of a souvenir extended congratulations. One of the more pleasing of these was the following, from Messrs. Cahn & Co., New York correspondents, who telegraphed: "Permit us to congratulate you upon attaining your majority. We hope that you will vote to-morrow, and for the right man Many thanks for your souvenir. You are rather reversing the order of things. We expect donations from our friends on our anniversary."

BOSTON.—The directors of the National Bank of the Commonwealth have voted to recommend the doubling of the capital of the bank, giving stockholders the right to subscribe proportionately to their holdings. The matter has been referred to Mr. Newman, president, Colonel W. A. Tower, Colonel Solomon Lincoln, Hon. Oliver Ames and Hon. John F. Harris, as a committee to consider and report. The last sale of the stock was at 187, in June of this year.

NORTHAMPTON, MASS.—President Warner, of the Hampshire County Bank, has a two-dollar bill of the Farmers' Bank at Belchertown, dated Dec. 1, 1826. It is made payable to M. Doolittle or bearer, and is signed by P. Dickinson, president, and H. D. Lyman, cashier. Quite a curiosity. The bank failed and this bill was never redeemed.

NEW HAMPSHIRE.—The annual official savings bank report for New Hampshire, just issued, shows the deposits to be $69,531,000, which, with the $1.527,000 on deposit with the trust companies, makes a total of $71,058,000. This is a gain of $4,285,000 over last year, and the number of depositors also shows a gain of 6,480, the whole number being 166,264. Such figures as these are discouraging to those who want to have it appear that the protective tariff has ruined New England.

FRANKLIN, N. H.—At the annual meeting of the Franklin Savings Bank the board of trustees was re-elected. The report shows that the deposits have increased nearly $60,000 during the past year, making a growth that cannot fail to be very satisfactory.

WOODSVILLE, N. H.—The stockholders of the Woodsville Loan and Banking Company have elected the following board of directors: Ira Whitcher, C. R. Gibson, C. B. Griswold, O. M. Fisher, S. P. Carbee. D. J. Whitcher, Isaac M. Smith, L. C. Pattee, R. A. Horner. The stock of the new company was all taken at 102½.

NEW JERSEY.—The statement of the condition of twenty-two New Jersey State banks, located in various portions of this State, at the close of business October 10, 1891, shows that the resources of the whole number are $9.658.997.68. The liabilities, $8,640,245.93. The resources and liabilities of those in this vicinity are as follows: Middlesex County Bank, Perth Amboy—Resources, $528,540.05. Liabilities, $474,199.24. Princeton Bank—Resources, $379,077.14. Liabilities, $345,437.56. Union County Bank, Rahway—Resources, $313,148.99. Liabilities, $297,064.66. Somerset County Bank, Somerville—Resources, $269,068.85. Liabilities, $263,081.99.

WEST HOBOKEN, N. J.—The business of the Hudson Trust Company, of West Hoboken, is progressing encouragingly. Though not a year old yet, the assets of the institution are over six hundred thousand dollars, and the undivided profits amount to over ten thousand.

TRENTON, N. J.—Mr. Ellwood Parsons, a farmer-banker of New Jersey, who died near the close of last month, was born in Falls Township, Bucks County, Pa., April 5th, 1822, and he was a son of Isaac and Lydia A. Parsons, well known through Bucks County. He was the oldest of a family of eight children, consisting of three boys and five girls. He was a farmer, and farmed near Morrisville for ten years. He then retired for three years, after which he bought a larger farm of 217 acres on the banks of the Delaware River, near Kinkora, where he resided for nine years. He then returned to Bucks County, and embarked in the lumber business, in company with his brothers-in-law, Joseph C. and David Taylor, at Morrisville. He had been a director of the First National Bank twenty-five years. On the resignation of Philip P. Dunn he was elected president by a unanimous vote of the board.

BROOKLYN, N. Y.—Under enlarging business demands in other directions, Mr. Titus Mead has been constrained to resign as president of the Hamilton Bank, and Mr. F. G. Pitcher has been elected as his successor. Mr. Mead has been in charge of the bank since its inauguration, and under his management it has during two years of existence shown a most extraordinary degree of prosperity. It has recently purchased a handsome property within a few doors of its present site, and in the early spring will leave its present cramped quarters for a more commodious place of business.

ALBANY, N. Y.—George Story, formerly of the Merchants' Bank, and latterly of the firm of Granger & Story, brewers, has entered upon his duties as a National Bank Examiner.

MARGARETVILLE, N. Y.—The cash capital of the People's Bank of Margaretville has been increased from $25,000 to $40,000, and a 2½ per cent. semi-annual dividend, the first, has been declared.

WAVERLY, N. Y.—The First National Bank has a surplus of over $10,000; capital $50,000

KINGSTON, N. Y.—The examination of the affairs of the Kingston Savings Bank by the State Banking Department has been completed, and the institution pronounced to be in a sound condition, with accounts correct and satisfactory. This bank took advantage of the law granting sixty days in which to pay depositors in case of a "run," at the time of the failure of the Ulster County Savings Institution a few weeks ago.

POTSDAM, N. Y.—On May 1st, 1851—forty years ago—the Frontier Bank commenced business in this village, with a capital of fifty thousand dollars. B. Usher was president, and L. Usher cashier, and the banking house was a little brick building on Fall Island. The bank subsequently reorganized under the National law, changed its name to the National Bank of Potsdam, and increased its capital to $200,000, while its place of business was removed to its present location. On the 2d day of November the directors of the National Bank of Potsdam met and declared its eightieth semi-annual dividend. For the whole period of forty years we understand the dividends have averaged ten per cent. per annum, and the bank has also accumulated a surplus of fifty thousand dollars. Mr. B. Usher retired a few years ago from the active management of the bank, and Luke Usher is now president, and Wm. Usher cashier. —*Potsdam Freeman.*

EDMESTON, N. Y.—The Edmeston Bank is now loaning $95,000, has about $5,000 net profits, and nearly $60,000 deposits.

DUSHORE, PA.—The business of the First National Bank of Dushore shows a steady growth. Its fourth report shows discounts of $62,000 and deposits of over $86,000.

POTTSVILLE, PA.—Daniel L. Krebs, president of the Pennsylvania National Bank, died at his residence on the 9th of November, on the 58th anniversary of his birth. Honesty and integrity had gained for Mr. Krebs the respect and friendship of people of large financial interests, and fifteen years ago he was offered the position of cashier in the Pennsylvania National Bank. He accepted, and up to last spring filled that post to the entire satisfaction of the bank's directors, stockholders and depositors. Last spring the death of Riollay F. Lee left the presidency of the bank vacant. Mr. Krebs was unanimously chosen president by the directors. It was a fitting testimonial to the faithful services of an honorable cashier, and the whole community was pleased to see this mark of esteem conferred upon him. Mr. Krebs had always been a busy man, but he always found time to do his work well. For many years he was town clerk, and it is a pleasure to look over his books. They are models of neatness and accuracy. He filled that position until three years ago, when he resigned on account of a press of other business. At the time of his death he was a trustee of the Fidelity Mutual Life Insurance Company, of Philadelphia, and was the collector for Schuylkill and Northumberland Counties.—*Pottsville Chronicle.*

PITTSBURGH, PA.—The annual meeting of the Bankers' and Bank Clerks' Mutual Benefit Association was held at the Oil Exchange. There was a brisk fight on between the young men, who favor the establishment of a library, and the older members, who oppose it. When the vote was counted it was found the young men won, F. E. Moore, of the Odd Fellows' Bank, their candidate for president, being elected by a majority of one vote over Robert Wardrop, of the Tradesmen's National Bank, the conservative candidate. The other officers elected were: Vice-president, Daniel Beech; treasurer, Edward Duff; recording secretary, W. H. Brunt, all young men; corresponding secretary, John M. McBride, conservative; directors, John Young, S. M. McElroy, C. M. Gerwig, conservatives; J. D. Lyon, young men's; A. J. Lawrence, on both tickets; trustee, C. B. McLean.

PHILADELPHIA.—One of the city banks makes a strong bid for the female business by giving Russian leather check and bank-books with sterling silver trimmings to all its women patrons.

CANONSBURG, PA.—Rev. John S. Speer, of Canonsburg, Washington County, is a "preacher-banker." Last spring the citizens of Canonsburg formed a bank, and looked around for a responsible cashier. About this time, for some reason, Rev. John S. Speer gave up his regular charge, and prepared to lead a retired life. His hopes in this direction were short-lived, as the bank officials asked him to accept the cashiership. He did so, and has since held the position very creditably.

NANTICOKE, PA.—The First National Bank has paid well since the start. The volume of business transacted is very large.

PHILADELPHIA.—The Philadelphia National Bank, beside declaring a semi-annual dividend of *six* per cent., has added $100,000 to its surplus fund, making that fund $1,000,000. The Philadelphia Bank was first chartered in 1803, and it will be of public interest, as well as gratifying to those connected with this staunch old institution, to know that during the last twelve years, since 1880, this bank has increased its surplus fund from $750,000 to $1,000,000, and, in addition, has divided among its shareholders $2,160,000 in dividends, being the amount of its entire capital of $1,500,000 and 44 per cent. in excess. This has been done without sacrificing the conservative and safe lines of business in banking which alone can assure permanent success.

TUNKHANNOCK, PA.—The Wyoming National Bank of Tunkhannock, Pa., has a surplus fund of $32,000.

MONTPELIER, VT.—The Montpelier Savings Bank and Trust Company, chartered in Vermont, obtained a permit "to invest moneys in real and personal securities in the State of Texas."

ST. ALBANS, VT.—Gov. Page has appointed the Hon. Fred G. Field, of Springfield, Vt., State Inspector of Finance, to fill the vacancy created by the death of the Hon. Luther O. Greene, of Woodstock. The appointment is considered an excellent one. Mr. Field is a successful business man, having been for many years a prominent merchant as well as a somewhat extensive farmer and land owner. He has represented his town in the House and his county in the Senate, as did his father before him. His only brother is the Hon. Walbridge A. Field, Chief Justice of the Supreme Court of Massachusetts.

WESTERN STATES.

LITTLE ROCK, ARK.—The Security Trust and Savings Company has been incorporated, with an authorized capital of $100,000, $50,000 of which is paid up. Mr. Nick Kupferle is the president; Henry M. Cooper, vice-president; Creed T. Walker, secretary and treasurer, and H. G. Allis, Henry G. Fleming and George R. Brown, directors. Mr. Walker will have active charge of the company's office, and will do a general savings bank and trust company business. Mr. Walker resigned his position as cashier of the First National Bank, in order to devote his entire time to the new institution. Mr. William C. Denney, who has filled every station in the First National Bank in the past ten years, has been promoted to the cashiership, Mr. C T. Walker having resigned, to accept the management of the Security Trust and Savings Company. The board of directors of the First National Bank paid Mr. Walker many high compliments in accepting his resignation as cashier, and expressed them in suitable resolutions.

DENVER, COL.—Nearly all the requisite capital stock of the Guarantee Trust Company has been subscribed. The law under which they propose to operate requires that they shall have not less than $250,000 capital paid in The authorized capital stock of the company is $500,000, but they propose to begin business as soon as the necessary $250,000 is secured. The directors have elected the following officers: W. J. Miller, president; James H. Nichols and James R. Hicks, vice-presidents; M. M. Van Fleet, secretary; F. H. Dunlevy, treasurer. The company was incorporated on Oct. 1. An office has been established at 1655 Curtis street. The object of the company is to transact a business similar to that proposed for a real estate bank, besides acting as assignee, administrator or other similar officer.

PUEBLO, COL.—The growth of Pueblo is well exemplified by the growth of its banking interests in the past ten years Ten years ago Pueblo had but two banks, and the amount of business transacted, while large for that time, was very small compared to the present immense volume of business transacted by the nine regularly organized National, private and saving banks, to say nothing of several real estate firms, who also do banking in connection with their other business. The capital stock of the nine banks we now have figures up to an even $1,000,000, while their surplus and individual profits amount to the snug sum of $745,413.54. The deposits in these banks amount to a trifle over $3,500,000, and their loans and discounts are about the same.—*Pueblo Chieftain.*

SOUTH DAKOTA.—Bank Examiner Blanchard, of Mitchell, believes that the constitutionality of the new banking law will be sustained by the Supreme Court, which will consider it in a few days.

PIERRE, S. DAK.—Cashier Cummins, of the First National, has remarked that it was a queer circumstance that each month the different banks of that city shipped in at least $700 worth of silver currency and that no such money was ever shipped out. He thinks the money must be paid out to the Indians—as that is about the only kind of money they will accept—and that they bury it in the ground or otherwise make away with it.

HURON, S. DAK.—National Bank Examiner Diamond reports financial matters throughout the State in an especially gratifying condition. Large sums of money are paid out daily by banks cashing wheat checks. One has no idea of the vast sum being distributed among farmers, and the wheat crop has not yet half been threshed. Very few loans are made, and these are for small amounts and only for 30 or 60 days. There is plenty of money, and more coming in every day. He says that farmers generally are prosperous, and so encouraged by this season's crop, that the acreage next year will greatly exceed that of any previous year. Business in all branches is good; merchants have large stocks, enjoy good trade, and pay their bills promptly. An era of prosperity has come upon North as well as South Dakota.

DANVILLE, ILL.—Contrary to rumors that the First and Second National Banks of this city had lost by the failure of the Standiford Bank at Christman, neither bank did much business with the Standifords, and were amply secured.

CLAYTON, ILL.—The bank at Clayton is enjoying a season of prosperity and is doing a thriving business.

EAST DUBUQUE, ILL.—The State Auditor has issued to David B. Henderson, Judson K. Deming and Samuel C. Peaslee a permit to organize the East Dubuque Savings Bank, of East Dubuque, Jo Daviess County, with a capital stock of $25,000.

INDIANAPOLIS, IND.—Stoughton A. Fletcher has become the sole owner of what is known as Fletcher's Bank. On May 1, 1888, Mr. Fletcher and Francis M. Churchman entered into an agreement whereby each agreed to purchase the undivided one-half interest in the business of the one who should die first. That agreement was a part of the will and has been approved in court, and S. A. Fletcher has paid to the widow of Mr. Churchman $572,205.80 in United States 4 per cent. bonds. The property was taken at the value fixed under the contract.

NEW ALBANY, IND.—The Merchants' National Bank has received a lot of unique drafts, in that on the blank is a vignette of the three little girls of Capt. Hangary, the cashier. The little ones are among the handsomest children in the city, and the picture does them justice.

KANSAS.—In the National banks alone of Kansas there are $19,000,000 subject to individual deposits. The National banks are considerably less in number than State and private banks, which are said to have enough deposits to raise the total amount to $50,000,000. If there is such a sum as this in the banks now, what will the amount look like when the harvest of 1891 is sold?

ARKANSAS CITY, KAN.—Capt. H. F. Hatch, who has taken an active part in organizing a new National bank at Arkansas City, Kan., has been chosen its first president, with his son, Harry, as cashier. In speaking of the new bank the *Mercantile and Financial Times* says: "We have just been notified by the authorities at Washington of the organization of a new National bank at Arkansas City, Kan., under the title of the Farmers' National Bank. The institution is No. 4,640 on the official roster, and begins business with a capital of $100,000—an ample capital for all present needs. It starts out in a very favorable time and under encouraging auspices, commanding, by reason of the well-known reliability and executive capacity of its organizers and managers, the complete confidence of the entire community. Mr. Hiram F. Hatch has been elected to the presidency and Harry J. Hatch to the cashiership. President Hatch is a gentleman of wealth and strong personal influence, who is signally successful in all his undertakings. He enjoys a most honorable reputation in banking, social and business circles, and it is conceded by all who know him that the affairs of the Farmers' National Bank could not have been placed in any stronger or safer hands than his—his clear head, thoroughly sound and sterling integrity, pre-eminently qualifying him for the post of presiding officer. Cashier Hatch is certainly the right man in the right place."

LAWRENCE, KAN.—The branch office of the Douglas County Bank is almost ready for business.

MICHIGAN.—The State banks of Michagan have $50,091,954 on deposit, and their loans, etc., amount to $51,262,186; capital stock paid in, $9,212,800; surplus fund, $1,687,640; undivided profits, $1,877,685.

MICHIGAN.—An ancient wildcat $5 bank bill, issued by the Grand River Bank in 1837, was cashed at a Grand Rapids hotel Monday, for a dinner. The value of the bill is on a par with old paper, but it is old and curious, and readily passed for a dinner.

GRAND RAPIDS, MICH.—A laughable incident occurred recently at the First National Bank. A man came into the bank with a check and requested it cashed. The good-natured, smiling paying teller told him it would be necessary to put his John Hancock on the back before he could cash it. The man went to the desk and signed it, and handed it back, but in the place of his own signature appeared "John Hancock."—*Grand Rapids Press.*

EAST SAGINAW, MICH.—The Second National Bank has completed its twentieth year and its charter has been extended for another twenty years.

MUSKEGON, MICH.—The Merchants' National Bank has begun a suit for libel against Alderman John Wachsmuth, laying its damages at $10,000. The alleged libel consists in the introduction in the council of a resolution requiring the bank, which is the city's depository, to furnish additional security on its $350,000 bond. John Torrent, the millionaire lumberman, is president of the bank, and the action has created a sensation in banking business circles.

GRAND RAPIDS, MICH.—Grand Rapids banks will be connected with police headquarters by a system of automatic electric burglar alarms.

MINNESOTA.—The report of the National banks of Minnesota, outside the Twin Cities, received by the Comptroller of the Currency, makes a good showing. The average reserve fund is 32.25 per cent., while the law only requires 15 per cent.

MINNEAPOLIS, MINN.—The Minneapolis *Tribune* says: The country banks, too, are getting more and more into the habit of keeping reserve funds on deposit in Minneapolis, and some of the banks of such cities as Rochester, Owatonna and Northfield loan money direct to Minneapolis customers. It disproves many of the third party assertions, but the facts are, that Minnesota country bankers, as a rule, find it difficult to secure enough good applications for loans to take care of the money received on deposit.

GRAND RAPIDS, MINN.—A long-pending enterprise for the establishing of such a heavy banking house here as would be able to handle the upper Mississippi lumber operations has been completed by the joint efforts of the representative of Prince, Sheldon & Co., of Cloquet and Stillwater, and C. M. Hastings, of Minneapolis. The bank has been organized with C. M. Hastings, president, and F. P. Sheldon, late of the Dakotas, as cashier, and is named the Lumbermen's Bank of Grand Rapids. The bank site was selected and a contract let for the building, to be completed in the earliest possible time, not exceeding six weeks. The bank will have a handsome outfit, brick and steel vault, time-lock safe, and all the modern improvements. It is designed to give the lumbermen as full and as substantial an institution of the kind as exists outside of the large cities of the State.—*St. Paul Pioneer Press.*

BOONVILLE, MO.—Missouri is fast becoming a State of wealth. The Central National Bank in Boonville, a city of less than 4,000 inhabitants, has a paid-up capital stock of $200,000, with a surplus of $40,000.

NEHAWKA, NEB.—The Nehawka Bank made a profit of 65 per cent. on its capital stock during the past year.

HOLDREGE, NEB.—Considerable interest is manifested in the outcome of the litigation pending between the Bradstreet Mercantile Agency and the Holdrege National Bank, the agency having sued the bank on a bill, which the bank refuses to pay on the ground that the agency gives the bank an unfavorable rating in its books, in consequence of which the bank threatens a suit for $10,000, which, however, has not yet materialized.

TECUMSEH, NEB—The Tecumseh National Bank, which suspended about a month ago, has been opened again, by order of the Comptroller of the Currency, under the old management. There was no excitement and the depositors are convinced that the bank is again in a sound financial condition.

CLEVELAND, OHIO.—The city funds, amounting to over $800,000, which were in the Euclid Avenue National Bank, has been redeposited. The bank has increased its bond from $700,000 to $1,000,000 for the city's money, thus making the total bond given $1,400,000, $400,000 being for the board of education.

CLEVELAND, O.—"Bids for the use of the county's money for the next year have opened. Four bids were received, offering the following rates of interest: Euclid Avenue National Bank, 2.71 per cent.; Union National, 2.65 per cent.; National Bank of Commerce, 2 per cent.; Dime Savings and Banking Company, 1.75 per cent. The Euclid Avenue Bank was made the depository. The rate offered by them is 1.06 per cent. higher than was obtained last year. Last year's rate was 1.65 per cent."—*Cleveland World.*

PLYMOUTH, O.—The twenty years charter of the First National Bank of Plymouth expired on the 11th of November, and its charter has been renewed for twenty years longer. The Plymouth Bank is one of the solid institutions of the county.

SPRINGVILLE, UTAH.—The enterprising owners of the Utah Commercial and Savings Bank, who are ever on the lookout for fresh worlds to conquer, follow up their Lehi bank with one in another live Utah country town, Springville. The Springville Banking Company is the title of the new institution, and it expects to start business about November 1. The directors are R. A. Deal, president; H. T. Reynolds, vice-president; Francis Armstrong, P. W. Madsen, J. W. Fox, Jr., M. E. Cummings, William M. Roylance, F. C. Boyer and Milan Packard. The capital is $50,000. James Caffrey, of Springville, will be cashier, and the temporary quarters of the bank will be in his store. Ultimately the bank will buy a site and build. The Lehi Bank is doing a fine business, Mr. Cummings says, and they have plans out for a bank building at that place.—*Salt Lake Herald.*

WEST SUPERIOR, WIS.—The West Superior National Bank, with a capital of $500,000, has been opened. The bank is backed by Philadelphia capital. A. A. Cadwallader, of Bryn-Mawr, Pa., and J. Hallowell, of Philadelphia, will represent the eastern capital in the institution. Local capital is also interested.

WEST SUPERIOR, WIS.—The directors of the Bank of Commerce authorized the president and cashier to accept the city's proposition respecting the deposit of city funds in that bank at 3 per cent. on the daily balance. It had been previously reported that the nine city banks of this city had agreed to form a trust, and that a maximum rate of two per cent. interest would be paid on city funds, and that the City Council had accepted the proposition, and would divide the funds proportionately among the banks, according to the capital of the institution.

WEST SUPERIOR, WIS.—The American Exchange Bank will increase its capital stock from $50,000 to $100,000 on January 1.

WYOMING.—The eight private banking houses of Wyoming show a very healthy condition, according to Deputy Auditor Putman, who has just completed a report made up from the sworn statements from those banks which have been sent to the State Auditor.

CHEYENNE.—The annual report of the State Auditor shows that Wyoming has eight private banks. These institutions are examined at irregular intervals by an officer appointed by the Governor and working under close limitations. The paid-in capital of the eight banks is $286,368; surplus, $10,950; deposits subject to check, $278,741; undivided profits, $11,088; certificate of deposits, $400,000.

Southern States.

Alabama.—The Comptroller of the Currency has prepared a statement showing the condition of the National banks of Alabama. Collectively, they are capitalized at $4,204,000, and have resources to the value of $13,940,000. The deposits amount to $5,361,000, and the reserve is above 26 per cent.

Florence, Ala.—It is stated on good authority that the Bank of Florence, which closed its doors a few days ago, will resume operations soon. The bank has ample capital to pay all depositors in full, but has unluckily gotten its money so locked up that it could not be secured when needed. The bank is a small concern, and its failure has caused but little excitement. Its business has been gradually dwindling, until there was but $3,000 on deposit when the failure occurred, the largest individual deposit being only $800.

Savannah, Ga.—The Savannah *Times* has lately reviewed the banking institutions in that city, from which the following facts are presented: In no respect has the management of the banks ever deteriorated. At their head to-day are found, just as in the past, men whose honesty is beyond the suspicion of impeachment; men who have obtained through years of stirring business life, or in the service of the banks, the experience and ability that justified their elevation to their present positions. Among their number can be found financiers equal to those of any other city, men who know the past and can read the future, and who fear no emergency that may arise. Under their administration the banks have become more and more solid, until it has become a recognized fact that Savannah in this respect, as in many others, leads the South. While judiciously conservative, the public's needs are at all times studied and its interests conserved. Below is a list of the banking people of the city, with the capital of each bank and other information of interest:

The Chatham Bank, although but a little more than a year old, is thoroughly established and doing a handsome business. It was first organized as a savings bank in 1889, with $100,000 stock issued, payable in ten monthly installments. When, in May, 1890, the entire capital was paid in, an additional issue of $50,000 was made on the same plan, and a general banking business was inaugurated. The savings department was continued and has ever been a popular feature of the institution.

The National Bank of Savannah was chartered in October, 1885, and opened for business on November 10 of that year. It has had a remarkably successful career, and every year has seen a flattering increase of the volume of business transacted.

The Oglethorpe Saving and Trust Company, whose business has been growing rapidly every year, and in whose stability the public has the deepest confidence, was organized on December 23, 1886, and opened for business January 7, 1887.

The Merchants' National Bank is known all over the South. Its capital is $500,000, and its surplus is $278,000. It does an extensive business, and has a directorate embracing seven of the most prominent business men of the city.

The Germania Bank opened its doors for business in February, 1890, and its business since then has been extremely gratifying to its promoters. It is an outgrowth of the Germania Savings Bank, founded in 1889, and a savings department is still continued in connection with it.

The Southern Bank is a model of a well-conducted financial institution, and a fine example of the success that well-directed enterprise is always sure, under favorable conditions, to achieve. Its name is a synonym for everything that is best in banking. The capital is $500,000 and the bank has a reserve of $500,000 more.

The Citizens' Bank is another bank of the record of which all Savannahians are proud. It was organized in January, 1888, with a capital of $200,000, which was increased on August 1, 1890, to $500,000.

The personnel of the Central Bank and the Savannah Bank and Trust Company is up to the high standard that characterizes the other banks of the city. The officers and employes are well known for their ability and integrity.

Messrs. Hull & Lathrop succeeded C. H. Olmstead & Co. about a year ago in the banking business. The house has been established many years and enjoys a wide reputation. The present firm is a worthy successor to the old one, and has met with a deserved continuance of the patronage accorded it. The capital is $50,000.

The banking capital of the Savannah banks is as follows:

Central Railroad and Banking Company	$500,000
Chatham Bank	150,000
Citizens' Bank	500,000
Germania Bank	200,000
Merchants' National Bank	500,000
National Bank of Savannah	250,000
Oglethorpe Savings and Trust Company	125,000
Savannah Bank and Trust Company	400,000
Southern Bank State of Georgia	500,000
Total	$3,125,000

They have, in addition, a reserve fund passing $1,000,000.

KENTUCKY.—"The *Courier-Journal* is just right about bank examinations," said a leading banker recently. "The bank examiner's work gives little security against a shrewd rascal. The best safeguard is a wide-awake directory who examine for themselves."

GALVESTON, TEX.—The little squall that struck the Island City Savings Bank did not make it take in a single sail. Mr. Joseph F. Campbell, cashier of the bank, knew the run was being whispered, and he fully realized that a scare among a whole lot of small savings depositors was much harder to handle than among big depositors. He immediately began preparations to meet the excitement, knowing that the bank was as sound as a dollar, and that he had the assistance of every bank in the city if it were needed. It has strengthened itself in the confidence of the people, and Mr. Campbell has shown himself a splendid captain under fire.—*Galveston Tribune.*

HOUSTON, TEX.—The First National Bank of Houston has received through the mails in an envelope postmarked Houston, five one hundred dollar bills as conscience money. Inclosed with the money was a slip of plain white newspaper 3x6 inches, on which was posted, in advertising type of different sizes, the following: "Eight years ago S. Webb paid me $500 too much money. Never had the money to pay it back till now. Publish this in the Houston *Daily Post.*" B. A. Shepherd, president of the bank, recollects that twelve years ago his paying teller, Webb, paid out $500 too much, but he refused to disclose the name.

PACIFIC STATES.

RIVERSIDE, CAL.—The capital stock of the Riverside Banking Company has been increased to $1,000,000.

SAN FRANCISCO.—At the annual meeting of the Nevada Bank the following board of directors were elected for the ensuing year: John W. Mackay, Isaias W. Hellman, James C. Flood, Lewis Gerstle, John F. Bigelow, D. N. Walter, C. de Guigne, Levi Strauss, Henry T. Allen, Robert Watt and H. L. Dodge. The report of the year's operations was read by President Hellman. The earnings for the year, less expenses, were $252,085. No dividends have been paid to the shareholders, the directors finding it to the best interest of all concerned to build up a strong institution; $300,000 has been transferred during the year from the undivided profits to the surplus fund. The directors elected Isaias W. Hellman, president; John Bigelow, vice-president; D. B. Davidson, cashier; George Grant, assistant cashier.

RIVERSIDE, CAL.—The Orange Growers Bank, of Riverside, has commenced business with a capital of $250,000 and seventy stockholders, most of whom have orange orchards. The Riverside Banking Company, located in the same town, has voted to increase the amount of its capital from $200,000 to $1,000,000. It will be the only bank in the State outside of San Francisco with $1,000,000 capital.

SAN FRANCISCO, CAL.—The following statement of the nativity, number, and percentage of the depositors, copied from the records of the People's Home Savings Bank, is from the San Francisco *Call.* It is interesting as a study of the dispositions of the peoples of the world:

	Number.	Per Cent.
United States	8,981	.6076
England	1,099	.0743
Germany	954	.0645
Ireland	705	.0483
Canada	596	.0403
Scotland	549	.0371
Sweden	427	.0288
Denmark	190	.0128
Russia	184	.0124
Italy	162	.0109
Norway	137	.0092
Austria	130	.0087
Australia	123	.0083
Switzerland	110	.0074
France	96	.0065
Japan	89	.0062
Wales	37	.0025
Holland	36	.0024
Mexico	31	.0021
New Zealand	25	.0017
China	21	.0014
Belgium	18	.0012
Spain	12	.0008
West Indies	7	.0004
India	7	.0004
Peru	7	.0005
Chili	6	.0004
Portugal	6	.0004
Atlantic Ocean	5	.0003
Sandwich Islands	5	.0003
Central America	4	.0003
Turkey in Europe	4	.0003
Turkey in Asia (Jerusalem)	3	.0002
Azores	3	.0002
Roumania	2	.0001
Persia	2	.0001
St. Helena	2	.0001
Iceland	2	.0001
Pacific Ocean	1	.0001
Tahiti	1	.0001
United States of Colombia	1	.0001
Ceylon	1	.0001
Algeria	1	.0001
	14,782	1.0000
Stamp account, no nativity given	1,092	
Unknown corporations, estates, etc.	276	
Total	16,150	

SPOKANE FALLS, WASH.—Articles of incorporation of "The American National Trust Company" have been filed. The amount of capital stock is to be $500,000, divided into 5,000 shares of the par value of $100 each. The five trustees to manage the concern of the corporation until January 21, A. D. 1892, are: H. A. Van Valkenburg, Jacob Hoover, J. R. Taylor, J. W. Binkley and J. B. Wood, all residing in Spokane, Spokane County, Wash. The principal place of business is to be Spokane Falls.

SEATTLE, WASH.—The Guarantee Loan and Trust Company has opened its new quarters. This company was organized in 1887, with a capital of $50,000, which has since been increased until it is now $200,000, fully paid up. When the Bailey Block was planned the Guarantee Loan and Trust Company reserved the large rooms in the corner, into which it has recently moved. The building itself cost about $380,000, and is one of the finest on the coast. The bank offices are handsomely fitted in marble and mahogany, with a fine tiled floor. There are four vaults—two of them burglar and fireproof, and fitted with time locks and safe deposit boxes for the use of customers. The company makes a specialty of mortgage loans, having placed between $500,000 and $600,000 in that way since its organization. The company also does a savings bank business, allowing interest on all deposits for three months or over at the rate of 6 per cent. per annum.

FOREIGN.

OTTAWA, CANADA.—The shareholders of the Bank of Ottawa have voted to increase the capital from $1,000,000 to $1,500,000 by the issue of 5,000 shares.

WINNIPEG, MAN.—A case of some interest before the present assizes is one brought by C. Hiebert against J. P. Siemens and Julius Siemens, private bankers, of Gretna. The charge is that this firm has violated the banking laws of the Dominion by having the word "bank" in large letters across the window of their place of business at Gretna. As the Chief Justice pointed out to the grand jury at the opening of the assizes, under the banking act, every person, firm or company assuming or using the title of 'bank," "banking company," "banking house," "banking association" or "banking institution," without adding the word "not incorporated," or without being authorized to do so under the banking act, is guilty of an offense under the act.

WINDSOR, ONT.—F. S. Jarvis, manager of the Windsor branch of the Merchants' Bank, has been presented with an onyx table and a silver chocolate set of four pieces. Mr. Jarvis has been promoted to a position in London, and the presentation is an indication of the esteem in which he is held by the business men of Windsor.

BANKING PROFITS IN GREAT BRITAIN AND MEXICO.—A comparison of the results of the banking business in Great Britain and Mexico during 1890 has been made by the Mexican *Financier*. The National Bank of Mexico and the Bank of London and Mexico are taken, the newer banks not having had time to develop their business. The basis is a fair one, for the two banks named, having branches and agencies all over the Republic, adequately represent the condition of the banking business here. The figures regarding the English, Scotch and Irish banks are taken from the *Economist* of London. The average dividends paid by the banks of Great Britain and Ireland in 1890 were as follows:

English banks	12.9 per cent.
Scotch banks	11.6 "
Irish banks	10.6 "

In Mexico dividends were paid as follows:

National Bank of Mexico	14 per cent.
Bank of London and Mexico	20 "
Average dividend in Mexico	17 "

The total profit made on paid-up capital was, in 1890:

English joint stock banks	16.0 per cent.
Bank of England	10.5 "
Scottish banks	13.4 "
Irish banks	11.6 "

The total profit made in Mexico, in 1890, on paid-up capital was:

National Bank of Mexico	25.45 per cent.
Bank of London and Mexico	37.33 "

The total amount added to reserve funds by the banks of Great Britain and Ireland in 1890 was £970,425 and in Mexico $913,691, or, at current rates of exchange, £140.567, a remarkable evidence of the soundness of banking management here. Another interesting point of comparison is the amount of interest received by holders of bank shares, calculated on the market price of shares, which was as follows:

	Average Market Price.	*Percentage of profit on the Market Price.*
England, exclusive of the Bank of England	210 per cent.	5.2 per cent.
Scotland	157 "	5.2 "
Ireland	161 "	4.4 "
*National Bank of Mexico	340 "	4.1 "
Bank of London and Mexico	120 "	8.3 "

*The capital of the National Bank of Mexico is $20,000,000, divided into 200,000 shares of $100 each, on which $40 is paid up, making the total working capital $8,000,000, to which should be added the surplus, now amounting to $2,695,250.

HAMILTON, ONTARIO.—When the Bank of Hamilton's building is completed, says the Hamilton *Spectator*, it will be one of the finest in Canada. The contractors have made good headway and will have the stonework completed in a short time. The brown stone is a pretty tint and will make a handsome building. The masons are now working at the tower at the northeast corner. The building has a frontage on James street of fifty-nine feet four inches, and on King street of eighty-five feet one and a half inches. The main entrance will be on James street through a portico twelve feet deep and eight feet wide, the sides of glazed brick and the ceiling onyx marble. The height of the building from the sidewalk to the tower is sixty-five feet. The roof will be flat. The cornices of the building and the tower will be copper. The foundation is most substantial. It is built twelve feet below the sidewalk. Above the concrete there are two large courses of footing stone. The width of the east wall is eight feet; the King street wall three feet six inches, the south and west walls two feet. Under the cash vault, the foundation is ten feet wide by twelve feet deep. All the masonry is built with Thorold cement. There are three large iron columns supporting the beams of the first story. Under the sidewalk on James street there is an area, sixty-four feet long by twelve feet wide, which will be used for coal. The boilers will be in the basement, the floor of which is cement. The banking room, which is fifty-two feet square, is situated on the ground floor. The public part is twenty-eight feet by thirty-four feet. The floor of this will be built of mosaic tiles. The ground floor will be fireproof The clerks will not be in cages. The counters are to be built of mahogany similar to the bank's building in Toronto. The sashes of the banking room will be mahogany. The offices of the manager, president and typewriter are to be situated on the ground floor overlooking James street. On the King street side there will be a private entrance for the clerks. Burglars will experience some difficulty of getting into the cash vault, which will be constructed of steel and iron and built on the same plans as the Government vault at Ottawa. It will be seven feet six inches by six feet. The book vault will be ten feet long by seven feet wide, lined with white brick. There will be a third vault seven feet by eight feet on the second story. There will be a skylight twenty-seven feet long by sixteen feet wide over the banking room. The ceilings are to be plastered in the best style. The second story is reserved for the board room, facing on both King and James streets, and an extra room for the clerks. On the flat above will be rooms for the clerks and the janitor's quarters. The building will be heated by direct and indirect steam. The two boilers will be forty-four inches in diameter and ten feet long. Behind the radiators will be Tennessee marble. The plumbing will be the best. The cost of the building is estimated at $100,000.

The reports of the New York Clearing-house returns compare as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
Nov. 7...	$411,190,200	$81,953,000	$29,238,700	$416,826,200	$5,590,000	$6,985,150
" 14...	408,549,500	84,036,200	29,645,800	416,919,400	5,536,400	9,452,150
" 21...	408,604,900	87,970,800	30,932,400	422,321,800	5,574,800	13,322,750
" 28...	412,453,300	88,589,900	33,120,700	427,313,000	5,611,000	14,882,350

The Boston bank statement is as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Oct. 31......	$146,242,800	$8,775,100	$6,148,500	$121,931,700	$4,099,800
Nov. 7......	145,338,600	10,741,300	6,143,000	129,267,700	4,137,000
" 14.....	145,803,000	11,544,100	6,777,300	130,331,300	4,142,800
" 21......	148,984,900	11,623,900	7,131,200	133,865,500	4,110,700
" 28.....	152,007,500	11,562,200	6,637,800	134,205,600	4,115,500

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
Nov. 7.	$97,858,000	$28,910,000	$98,414,000	$3,196,000
" 14..	97,088,000	28,255,000	98,225,000	3,240,000
" 21..	96,147,000	28,679,000	97,525,000	3,295,000
" 28..	96,191,000	29,459,000	97,790,000	3,306,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Nov. 2.	Nov. 9.	Nov. 16.	Nov. 23.	Nov. 30.
Discounts............	5¾ @ 6½	5¾ @ 6½	6 @ 6½	6 @ 6½	6 @ 6½
Call Loans............	6 @ 3	7 @ 3	4½ @ 3	5 @ 3	4 @ 3
Treas. balances, coin..	$107,660,961	$108,844,697	$109,218,169	$109,440,176	$109,485,252
Do. do currency.	3,708,082	3,060,299	2,262,878	2,604,821	2,585,147

Sterling exchange has ranged during November at from 4.83 @ 4.84¼ for bankers' sight, and 4.80 @ 4.81¼ for 60 days. Paris—Francs, 5.21⅞ @ 5.20⅝ for sight, and 5.25 @ 5.23⅛ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.80¾ @ 4.81; bankers' sterling, sight, 4.83½ @ 4.83¾; cable transfers, 4.84 @ 4.84¼. Paris—Bankers', 60 days, 5.24⅜ @ 5.23¾; sight, 5.21⅞ @ 5.21¼. Antwerp—Commercial, 60 days, 5.26⅞ @ 5.26¼. Reichmarks (4)—bankers', 60 days, 94½ @ 94⅝; sight, 95 @ 95⅛. Guilders—bankers', 60 days, 39 13-16 @ 39⅞; sight, 40 1-16 @ 40⅛.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from November No., page 418.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ARK.	Little Rock	Security Trust & Sav's Co.	....
	$50,500	N. Kupferle, *P.*	Creed T. Walker, *Cas.*
		H. M. Cooper, *V. P.*	
CAL.	Hanford	Hanford Savings Bank	....
		C. Railsback, *P.*	B. A. Fassett, *Cas.*
		W. W. Parlin, *V. P.*	
COL.	Garrison	Bank of Garrison	Chase National Bank.
		Jay D. Maben, *P.*	W. O. Statton, *Cas.*
"	Longmont	Farmers National Bank	....
	$60,000	F. H. Stickney, *P.*	J. K. Sweeny, *Cas.*
DAK.	N. Thompson	Bank of Thompson	Chase National Bank.
	$10,000	Edwin T. Spafford, *P.*	Wm. A. Currie, *Cas.*
"	S. Buffalo Gap	Buffalo Gap Bank	Kountze Bros.
	$10,000	James Halley, *P.*	Geo. Carroll Smith, *Cas.*
"	S. Millbank	Farmers Bank	Hanover National Bank.
	$25,000	Guy L. Wood, *P.*	Frank B. Roberts, *Cas.*
		Julius C. Elliott, *V. P.*	
GA.	Atlanta	Empire State Bank	....
	$25,000	M. A. Cason, *P.*	J. R. Tolleson, *Cas.*
ILL.	Bloomington	Corn Belt Bank	National Bank Commerce.
	$100,000	John McNulta, *P.*	A. H. Schureman, *Cas.*
		J. T. Snell, *V. P.*	
"	Cabery	Citizens Bank	....
		(Porch & Adams)	
"	East Dubuque	East Dubuque Savings B'k.	....
	$25,000	William H. Day, *P.*	Samuel C. Peaslee, *Cas.*
		N. T. Moulton, *V. P.*	
"	Lemont	Lemont State Bank	Hanover National Bank.
	$25,000	T. J. Huston, *P.*	Chas. G. Booth, *Cas.*
"	Mascoutah	Bank of Mascoutah	....
	$10,000	(J. N. Hagins).	
IND.	La Fayette	Perrin National Bank	Central National Bank.
	$100,000	James J. Perrin, *P.*	William H. Perrin, *Cas.*
		John O. Perrin, *V. P.*	
"	Montpelier	Farmers Deposit Bank	Seaboard National Bank.
	$25,000	John P. McGeath, *P.*	Joseph H. Shoemaker, *Cas.*
		F. G. Miller, *V. P.*	Thomas C. Neal, *Ass't Cas.*
"	Seymour	Seymour National Bank	....
	$100,000	Geo. F. Harlow, *P.*	
IOWA	Algona	Algona State Bank	Gilman, Son & Co.
		A. D. Clarke, *P.*	Chas. C. St. Clair, *Cas.*
"	Council Bluffs	Lougee & Towle	....
"	Duncombe	Bank of Duncombe	....
	$10,000	Johnson Latta, *P.*	Ed Latta, *Cas.*
"	Goodell	Merchants & Farmers B'k.	....
	$10,000	(F. E. Brooks & Co.)	
"	Linn Grove	Farmers & Merchants B'k.	Kountze Bros.
		Wm. E. Brown, *P.*	H. W. Mayne, *Cas.*
"	Pocahontas	Bank of Pocahontas	....
	$150,000	D. J. Allen, *P.*	B. J. Allen, *Cas.*
			Geo. A. Heald, *Ass't Cas.*
"	Rockwell City	Security Bank	....
	$50,000	George L. Brower, *P.*	Edwin W. Burch, *Cas.*
"	Sioux Centre	Farmers Savings Bank	Hanover National Bank.
	$15,000	Jno. VandeBerg, *P.*	Peter Egan, Jr., *Cas.*
		W. F. Nieloud, *V. P.*	
KAN.	Jamestown	Bank of Jamestown	....
	$5,000	Wm. O. Harrison, *P.*	D. B. Harrison, *Cas.*
		D. H. Harrison, *V. P.*	
KY.	Louisville	Columbia Finance & Tr. Co.	....
	$1,000,000	Attilla Cox, *P.*	H. V. Sanders, *Treas.*
		E. T. Halsey, *V. P.*	W. W. Hill, *Sec.*
		Chas. F. Johnson, *2d V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
MICH.	Flushing	First State & Savings B'k.	Hanover National Bank.
	$55,000	Daniel Cotcher, *P.*	Geo. Packard, *Cas.*
		Carlos Packard, *V. P.*	
MINN.	Grand Rapids	Lumbermen's Bank	....
	$10,000	Chas. W. Hastings, *P.*	Frank P. Sheldon, *Cas.*
		P. J. Sheldon, *V. P.*	
"	Little Falls	Ger.-Amer. Nat. Bank	....
	$50,000	Harold Thorson, *P.*	Jas. D. Anderson, *Cas.*
"	Minneapolis	Minnesota State Bank	National Park Bank.
	$500,000	L. Robert Mueller, *P.*	G. D. Mueller, *Cas.*
		Horace R. Robinson, *V. P.*	Chas. F. Herms, *Ass't Cas.*
"	St. Paul	Citizens Savings Bank	....
		Chas. Joy, *P.*	H. J. Freeman, *Treas.*
		M. P. Ryan, *V. P.*	
MO.	Centre View	Bank of Centre View	National Bank North America.
	$15,000	Samuel M. Eby, *P.*	Albert W. Rapp, *Cas.*
		Chas. T. Woolfolk, *V. P.*	
"	St. Louis	St. Louis S. D. & Sav. B'nk.	....
	$200,000	James N. Bell, *P.*	Geo. A. Hayward, *Sec.*
		Nathan Cole, *V. P.*	Robt. S. Brookings, *V. P.*
MONT.	Kalispel	Globe National Bank	Hanover National Bank.
	$50,000	Joseph Coram, *P.*	B. D. Hatcher, *Cas.*
NEB.	Panama	Bank of Panama	National Bank North America.
	$10,000	Louis Hoebel, *P.*	John T. Marshall, *Cas.*
		Samuel Tilton, *V. P.*	
"	Saronville	Farmers State Bank	Chemical National Bank.
	$5,000	George A. Tenny, *P.*	John W. Israelson, *Cas.*
		M. L. Leuben, *V. P.*	
N. Y.	Gloversville	People's Sav. & Loan Asso.	....
	$2,300,000	Oscar L. Everest, *P.*	F. W. Wilmarth, *Sec.*
		Henry C. Day, *V. P.*	
"	Schenectady	Union National Bank	....
	$100,000	Willis T. Hanson, *P.*	Edward J. Van Eps, *Cas.*
		Jos. M. Smitley, *V. P.*	
N. C.	New Berne	Citizens Bank	National Park Bank.
	$50,000	Thos. A. Green, *P.*	C. E. Foy, *Cas.*
		Wm. Dunn, *V. P.*	
OHIO.	Payne	Farmers & Citizens Bank	National Park Bank.
		E. O. Harris, *P.*	Henry Hyman, *Cas.*
			W. H. Mohr, *Ass't Cas.*
"	Wooster	Wooster National Bank	....
	$100,000	Martin Welker, *P.*	C. V. Hard, *Cas.*
ORE.	Weston	Farmers Bank of Weston	Hanover National Bank.
	$60,000	Robt. Jamieson, *P.*	Theo. T. Davis, *Cas.*
		G. W. Proebstel, *V. P.*	
TENN.	Columbia	Maury Bank & Trust Co.	First National Bank.
	$100,000	J. W. S. Ridley, *P.*	Chas. A. Parker, *Cas.*
		J. W. Howard, *V. P.*	
"	Harriman	Harriman B'k & Trust Co.	Chemical National Bank.
	$25,000	James McDowell, *P.*	W. H. Parsons, *Cas.*
		W. W. Blakeley, *V. P.*	
"	Harriman	Manufacturers Nat. Bank.	National Park Bank.
	$50,000	Jas. D. Wolstenholme, *P.*	Jas. E. Mountjoy, *Cas.*
		Robt. J. Cuddihy, *V. P.*	R. B. Baird, *Ass't Cas*
VA.	Shendun	Valley Bank of Virginia	Kountze Bros.
		W. P. Roberts, P.	Jas. L. Martin, *Cas.*
		B. E. Hughes, *V. P.*	
W. VA.	Terra Alta	Terra Alta Bank	....
	$3,000	P. S. Hyde, *P.*	Lewis P. White, *Cas.*
		W. H. Glover, *V. P.*	
WASH.	Tacoma	Pierce Co. Savings Bank	....
		Lyman U. Loomis, *P.*	J. Walter Stewart, *Cas.*
WIS.	Glenwood	Bank of Glenwood	Chase National Bank.
		James Johnston, *P.*	H. J. Baldwin, *Cas.*
		Alex. Syme, *V. P.*	
"	Markesan	Markesan State Bank	Hanover National Bank.
	$30,000	Samuel Barter, *P.*	E. C. Smith, *Cas.*
		L. D. Moses, *V. P.*	

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
WIS.	Mazomanie $25,000	Peoples State Bank. D. W. Campbell, *P.*	..... E. L. Case, *Cas.* J. X. Williams, *Ass't Cas.*
"	Platteville $50,000	First National Bank. Geo. W. Eastman, *P.*	..... W. M. Hetherington, *Cas.*
"	South Superior $40,000	Bank of South Superior. J. F. Merriam, *P.* J. H. Harper, *V. P.*	Chase National Bank. B. Eyfurth, *Cas.*
WYO.	Gillette $30,000	Frank Bros. & Co.	Kountze Bros. John L. Larimer, *Cas.*

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from November No., page 418.*)

Bank and Place.	Elected.	In place of.
N. Y. CITY..Fifth Avenue Bank	Sam'l Woolverton, *As. Cas.*	....
" " ..National City Bank	James Stillman, P.	Percy R. Pyne.
" " ..Ninth National Bank.	J. K. Cilley, *P.*	C. Henry Garden.
	C. Henry Garden, *V. P.*	....
ALA....First National Bank, Eutaw	James Murphy, *Cas.*	Byron B. Barnes.
COL....First National Bank, Rico	A. P. Camp, *V. P.*	L. L. Bailey.
CONN...Bridgeport National Bank, Bridgeport.	T. B. De Forest, *P.*	Monson Hawley.*
ILL....National Bank Republic, Chicago.	W. T. Fenton, *Cas.*	W. W. Bell.
IND....Indiana National Bank, La Fayette.	W. H. Perrin, *Cas.*	J. C. Brockenbrough.
IOWA..Iowa National Bank, Des Moines.	S. A. Robertson, *P.*	H. K. Love.*
	Geo. A. Dissmore, *V. P.*	....
" ..First National Bank, Tipton	J. H. Coutts, *P.*	H. L. Dean.
KAN....Argentine Bank, Argentine	August Boeke, *P.*	Thos. J. Barker, Sr.
" ..Manufacturers Nat. Bank, Pittsburgh.	E. J. Buck, *Cas.*	Edwin E. Crebs.
" ..Winfield N. B'k, Winfield	Wm. E. Otis, *Cas.*	E. T. Schuler.
KY....N. Exchange B'k, Lexington	H. K. Milward, *Cas.*	Wm. Bright.
MASS...Globe N. Bank, Boston	C. E. Stevens, *V. P.*	....
" ..Metropolitan N. B'k, Boston	I. E. Noyes, *P.*	W. S. Blanchard.
" ..National Revere B'k, Boston	Gorham Rogers, *V. P.*	....
" ..Northborough N. Bank, Northborough.	Chas. O. Green, *V. P.*	E. W. Chapin.
" ..First National Bank, Woburn.	John Johnson, *P.*	E. L. Shaw.*
	John M. Harlow, *V. P.*	John Johnson.
ME....First Nat. B'k, Damariscotta	E. Ross, *P.*	Addison Austin.
" ..Gardiner Nat. B'k, Gardiner	I. J. Carr, *P*	....
MICH...First N. Bank, Bessemer	M. A. Northrup, *Cas.*	Geo. H. Strong.
" ..First N. B'k, Lake Linden	Chas. Smith, *V. P.*	Wm. Harris.*
" ..First Nat. Bank, St. Louis	A. B. Darragh, *Cas.*	Jno. A. Weller.
" ..First National Bank, Three Rivers.	C. H. Blood, *Cas.*	....
	G. F. Knappen, *Ass't Cas.*	Geo. T. Wolf.
MINN...First N. B'k, Albert Lea	A. C. Wedge, *P*	G. Gulbrandson.
" ..First National Bank, East Grand Forks.	Ernest R. Jacobi, *V. P.*	Wm. Budge.
	W. H. Pringle, *Cas.*	E. R. Jacobi.
" ..First N. Bank, Marshall	C. C. Guernsey, *Ass't Cas.*	....
NEB....North Platte N. B., N. Platte	Samuel Goozee, *Cas.*	John E. Evans.
N. H....First National Bank, Peterborough.	W. G. Livingston, *V. P.*	....
	S. W. French, *Cas.*	W. G. Livingston.
N. J....First National Bank, Trenton.	W. I. Vannest, *P.*	Ellwood Parsons.*
	John H. Scudder, *V. P.*	W. I. Vannest.
N. Y...Hamilton Bank, Brooklyn	F. G. Pitcher, *P.*	Titus Mead.
" ..National Bank of Rondout	Wm. Hutton, *V. P.*	J. E. Ostrander.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
OHIO...	Farmers National Bank, Bryan.	Emery Lattanner, *Cas*.	M. V. Garver.
		F. L. Carter, *Ass't Cas*.	E. Lattanner.
" ..	National La Fayette B'k, Cincinnati.	J. V. Guthrie, *V. P.*	H. Peachy.
		C. J. Stedman, *Cas*.	J. V. Guthrie.
		W. H. Simpson, *Ass't Cas*.	C. J. Stedman.
" .	Ripley Nat. Bank, Ripley	Wm. A. Blair, *P*.	John T. Wilson.
ORE....	Portland Nat. B'k, Portland.	W. S. Mason, *P*.	William Reid.
		Edward Lewis, *V. P.*	....
		Geo. W. Hazen, *Cas*.	J. O. Bingham.
PA.....	Bryn Mawr N. Bank, Bryn Mawr.	J. W. Matlack, *Cas*.	A. A. Cadwallader.
" ..	Pennsylvania N. Bank, Pottsville.	John W. Ryon, *P*.	Daniel L. Krebs.*
" ..	First National Bank, Scranton.	J. A. Linen, *P*.	E. W. Weston.*
		Isaac Post, *Cas*.	J. A. Linen.
" ..	Citizens N. B'k, Warren	G. N. Parmlee, *V. P.*	Francis Henry.*
TEXAS..	First National Bank, Childress.	A. J. Fires, *V. P*	....
		Chas. E. Brown, *Cas*.	C. L. Stone.
" ..	First N. B'k, Galveston	W. N. Stowe, *Cas*	L. M. Openheimer.
WASH..	First N. Bank, Slaughter	Richard Jeffs, *P*.	Chas. K. French.
" ..	Browne National Bank, Spokane Falls.	H. N. Belt, *V. P.*	F. Heine.
		L. S. Roberts, *Ass't Cas*.	H. L. Richardson.
" ..	National Bank Republic, Tacoma.	R. H. Wilkinson, *Cas*.	H. S. Martin.
		M. H. Corey, *Ass't Cas*.	....
WIS....	Wood County N. B'k, Grand Rapids.	L. M. Alexander, *V. P.*	....

* Deceased.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during November, 1891.

CAL....Oakland........Oakland National Bank, by M. W. Kales and associates.
FLA....Key West......First National Bank, by Oscar Reierson and associates.
GA.....Columbus......Fourth National Bank, by F. E. Blanchard and associates.
IND.....Elwood........First National Bank, by J. H. Dehority and associates.
IND. T. Purcell.........Chickasaw National Bank, by A. D. Hawk and associates.
IOWA...Charles City....Citizens National Bank, by H. C. Baldwin and associates.
MD.....Whitehall......Whitehall National Bank, by Alfred E. Hatch and associates.
MASS...Arlington.......Arlington National Bank, by W. D. Higgins and associates.
" ..Melrose........Melrose National Bank, by John M. Howard and associates.
MINN...Wells..........First National Bank, by J. H. Joyce and associates.
MONT..Barker.........First National Bank, by Geo. W. Brown, Neihart, Mont., and associates.
" ..Missoula.......National Bank of Missoula, by W. Wesley Allen and associates.
NEB....Gothenburg....First National Bank, by C. W. Lloyd and associates.
N. J....Beverly........First National Bank, by Arthur Pressey and associates.
OHIO...Chardon.......First National Bank, by S. S. Smith and associates.
" ..Huron... .....First National Bank, by T. M. Sprowl and associates.
" ..New London...New London National Bank, by H. W. Townsend and associates.
" ..Wash'gt'n C. H.Citizens National Bank, by John N. Van Deman and associates.
PA.....Philipsburg....First National Bank, by Wm. P. Duncan and associates.
TEXAS..Coleman.......Coleman National Bank, by W. N. Cameron and associates.
UTAH..Logan..........First National Bank, by Geo. A. Percival, Ogden, Utah, and associates.
W. VA..Charleston.....Kanawha National Bank, by Geo. S. Couch and associates.
WYO...Lander........First National Bank, by Samuel C. Parks, Jr., and associates.

PROJECTED BANKING INSTITUTIONS.

ALA....Childersburg...About $50,000 has been subscribed toward the Childersburg Bank.

" ..Eufaula........Over $40,000 has been subscribed to the capital stock of a new bank at Eufaula.

ARK....Hot Springs....Young Men's Savings, Trust and Guaranty Co. E. F. Klein, President; W. W. Waters, Vice-President; M. H. Jodd, Treasurer.

CAL....Berkeley.......Bank of Berkeley; capital stock, $75,000. Directors: Chas. E. Merriam, F. K. Shattuck, Walter E. Sell, Charles K. Clark.

" .. " ....Berkeley Savings Bank; capital stock, $50,000. Stockholders: John K. Stewart, Thomas Hann, James R. Little.

" ..Biggs..........Farmers Bank to be established.

" ..Fort Bragg.....Bank of Fort Bragg; capital stock, $160,000. Directors: Samuel Blair, T. L. Johnson, Calvin Stewart, H. A. Weller, Thos. Pollard.

" Fullerton.......Fullerton is to have a bank.

" ..Kingsburg.....New bank to be started.

" ..Los Angeles....Pirtle Real Estate and Trust Co.; capital stock, $50,000. Directors: J. A. Pirtle, J. M. Pirtle, J. Scott Oliver, A. A. C. Rogers, John Cross.

" ..Monterey... ...Bank of Monterey; capital, $100,000. Hon. Jesse D. Carr, President; Thos. J. Field, Vice-President.

" ..Redlands.......Redlands talks of a new bank.

COL....Denver.... ....East Denver Savings Bank; capital, $25,000. Directors: Frank P. Miller, F. Horning, Andrew Halligan, Geo. W. Williams, H. E. Pack.

" .. " ....A new banking company has been organized here, with a capital stock of $50,000. F. W. Graves is at the head of it.

" .. " ....Western Bank and Safe Deposit Co.; capital stock, $100,000. Apply Fred C. Kilham, John L. MacNeil, Robt. D. Thompson.

" ..Leadville.......Leadville Co-operative Savings Bank; capital stock, $25,000. Directors: John Hipp, C. L. Groesbeck, of Denver; H. M. Blakely, Edward Jackson, J. W. Woodford, of Leadville.

CONN...Hartford.......Wilson & Cooley, Note Brokers.

DAK. N.Leeds..........New bank opened.

" ..Sanborn.......New bank started, with $50,000 capital. Incorporators: E. A. Mears, J. C. Buckbee and E. V. Hoffman.

" ..Sykeston.......Sykeston Bank. E. Ashley Mears, President; F. B. Gregg, Cashier.

" S..Eden..........Sioux Valley Bank.

FLA....Jacksonville....Jacksonville Savings and Investment Association; capital stock, $20,000. Incorporators: Walter B. Clarkson, Francis O. Nichols, Robert Braden.

GA.....Senoia.........Farmers Bank. W. S. Witham, President.

ILL... Chicago........Garden City Banking and Trust Co.; capital stock, $500,000. Organizers: John Buehler, John W. Buehler, C. H. Plautz, Andrew C. Laster, Geo. B. Swift.

" .. " ....Jennings Trust Co. authorized to commence business.

" ..Rockford.......New bank, with a capital of $150,000, to be established.

" ..Sullivan........State Bank; capital stock, $25,000. A. Patterson, President; J. E. Eden, Vice-President; L. B. Scroggins, Cashier.

" ..Wapello.......New bank to be started.

IOWA. . Barnes City.... Barnes City is to have a bank.

" .. Charles City.... New bank.

" .. Marengo....... Farmers Savings Bank.

" .. Sigourney...... New savings bank. J. Ulterback, organizer.

" .. Sioux City..... Sioux Trust Co.; capital stock, $500,000. Incorporators: G. B. Healy, H. C. Casselman, L. B. Healy.

" .. Spencer........ New savings bank. Write Clay County Bank for information.

KY..... Owensboro..... Dime Savings Bank. Dr. W. F. Gillin, President; Geo. V. Triplett, Cashier.

LA...... Houma........ Bank of Houma.

" .. Natchitoches... Mr. John M. Tucker will organize a bank here, with a capital of $10,000.

MD..... Salisbury....... A savings bank will be established here.

" .. White Hall..... New National bank; capital stock, $50,000.

MASS... Revere........ A National bank to be established.

MINN... Duluth........ The Farmers Trust Co., of Manchester, Eng., has established an agency here, with Wm. B. Chapin, agent.

" .. " .... G. W. Wattles will open a bank.

" .. Lake Park...... C. W. Seebold will start a bank here.

" .. Minneapolis.... Bank of New England; capital, $25,000.

" .. Springfield..... State Bank of Springfield; capital stock, $30,000.

" .. Waterville..... New National bank to be started.

MO..... Clarksville...... Clarksville is to have a new bank.

" .. Joplin........ New bank to be opened in Muir Building.

" .. Kansas City ... Union Avenue Bank of Commerce; capital stock, $10,000.

" .. Oronogo....... Bank of Oronogo; capital stock, $10,000. Stockholders: Robt. Robin, J. P. Newell, J. E. Lang, J. W. Stultz.

MONT... Livingston..... Montana Investment Co.; capital stock, $40,000. Incorporators: J. E. Swindlehurst, Charles Angus, Mentor Wetzem.

NEB.... Butte City...... Farmers and Merchants Bank.

" .. " ...... Bank of Butte.

" .. Fremont........ Dodge County Savings Bank; capital, $100,000. Incorporators: Geo. W. Dorsey, John Dern, T. W. Miller, Geo. A. Hicok, B. F. Stouffer.

" . Gretna......... Spearman, Snodgrass & Co.; paid-up capital, $10,000.

" .. Homer......... Homer State Bank.

" .. Lincoln........ World's Fair Savings Bank incorporated.

N. H.... Manchester..... Leonard Trust Co. Dr. W. F. Templeton, President; A. W. Glines, Secretary and Treasurer.

N. J.... Camden........ Real Estate Investment Co. W. A. Davis, M. D., President; H. W. Cranmer, Vice-President; John H. Sixsmith, Secretary and Treasurer; H. W. Cranmer, General Manager.

" .. Morristown.... Morristown Savings Bank.

" .. Paterson....... German citizens talk of starting a German National and savings bank.

N. Y.... Ithaca......... Ithaca Trust Co. F. C. Cornell, President; W. H. Storms, Cashier.

" .. Rockville Centre. Rockville Centre Savings and Loan Association. Dr. F. M. Hexamer, President; G. B. Latimer, Secretary.

OHIO... Carlisle........ New bank.

" .. Chardon....... A National bank has been organized here.

" . Cincinnati...... North Side Bank; capital stock, $25,000.

" . Columbus...... Ramlow & Strait, Bankers; capital, $10,000. Peter Ramlow, President and Cashier; M. W. Strait, Vice-President.

" . " ...... William Burdell, E. C. Sharp and others will start a bank, with $200,000 capital stock.

OHIO...Oak Hill.......National bank started here.
" ..Payne..........New bank. Write Henry Hyman.
" .Toledo.........East Side Banking Co.; capital stock, $50,000.
OKL. T.Chandler.......Bank of Oklahoma. W. D. Tyler, Cashier.
" ..Hennessey......Merchants and Farmers Bank.
" ..Purcell.........New National bank; capital stock, $50,000. R. J. Love, President; J. W. Fonard, Vice-President; A. D. Hawk, Cashier.
PA.....Allegheny City..Perry Homestead Loan and Trust Co.; capital, $15,000. Directors: Chas. W. Simon, W. G. W. Taylor, Chas. P. Lang, Peter Lanster, H. W. Klein.
" Royersford.....Industrial Savings Bank.
" ..Tunkhannock..New bank to be started.
S. C....Spartanburg....W. E. Fowler is organizing a National bank, with a capital stock of $100,000.
TENN...Columbia......New bank to be established.
TEXAS..Elgin..........Bank of Elgin. W. H. Rivers, proprietor.
" ..Gordon........New bank at this place.
" ..Wylie..........New bank.
UTAH..Ogden.........A bank, with a capital of $1,000,000, to be established by C. E. Mayne, E. R. Ridgely, H. L. Griffin, J. M. Langsdorf and others.
VT.....Windsor........New National bank to be established.
VA.....Charlottesville..Savings bank started.
" ..South Boston...New bank to be started, with $50,000 capital.
W. VA..Beverly........New bank here.
" ..Charleston.....New National bank; capital stock, $100,000. Geo. S. Couch, President; E. A. Reid, Cashier.
WASH..Colton.........New bank.
" ..Johnson...... .A bank, with a capital of $30,000, has been organized at the new town of Johnson, in Whitman County.
" ..Seattle.........Occidental Loan and Investment Co.; capital stock, $20,000. Incorporators: W. H. Cowie, H. A. Donaldson, A. B. Jones.
WIS....Grantsburg.....G. Dahlby & Son, Bankers.
" ..Greenwood.....Greenwood State Bank; capital, $25,000.
" ..Milwaukee......Merchants National Bank to be organized, with capital stock of $200,000.
" .. " ......New bank on south side to be organized.
" Minocqua......Bank of Minocqua.
" ..Poynette.......H. P. Jamieson will open a bank here.
WYO. ..Carbon........Carbon State Bank; capital stock, $10,000. Apply Hon. Otto Gramm and C. W. Wilkinson, of Laramie.
ONT....Amherstburgh..Branch of Ontario Bank established here.
" ..Stirling........Parker Bros., Bankers.
" ..Tweed.........Murphy, Gordon & Co., Bankers.
N. B....Fredericton.....Fisher, Fisher & Co., Bankers.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from November No., page 425.*)

N. Y. CITY.............Field, Lindley, Wiechers & Co. failed.

" ....New York Agency of Nevada Bank of San Francisco discontinued.

CAL....Madera ....Bank of Madera has been reorganized.

" ..San Diego......California National Bank reported closed.

COL....Longmont .....Bank of Longmont succeeded by Farmers National Bank.

DAK. S..Brookings......Merchants Bank closing out business.

" S..Buffalo Gap....Lake & Halley succeeded by Buffalo Gap Bank; same correspondents.

" S..Millbank. .....Farmers Bank incorporated; same correspondents.

ILL.....Chicago........Chemical Trust & Savings Bank will be succeeded by Chemical National Bank.

IOWA...Sioux Centre...Bank of Sioux Centre succeeded by Farmers Savings Bank.

KAN....Ellis............Merchants Bank, now Merchants State Bank; same officers.

" ..Frederic........Bank of Frederic incorporated; same officers.

" ..Glasco..........Bank of Glasco closing.

" . Jamestown.....Bank of Jamestown has been incorporated.

" ..Olathe ....Johnson County Bank closed.

" .Winfield........Jarvis Conklin Banking Co. succeeded by Farmers State Bank; same officers and correspondents.

KY.....Louisville ......Mechanics Trust Co. and Columbia Finance & Trust Co. have consolidated under latter title.

ME.....Damariscotta...First National Bank, reported suspended temporarily, since resumed.

MICH...Plymouth......First National Bank expired by limitation, succeeded by First National Exchange Bank; same officers.

MINN...Little Falls.....Morrison County Bank has been succeeded by German-American National Bank.

MO.....Kansas City....Merchants National Bank has transferred its business to the Metropolitan National Bank, and will go into voluntary liquidation.

NEB....Broken Bow....Kloman & Arnold closed.

N. C.. .Clinton.........Clinton Loan Association reported suspended.

" ..New Berne.....Green, Foy & Co. succeeded by Citizens Bank.

" ..Wilmington....First National Bank reported closed.

OHIO...Canton ....Geo. D. Harter & Bro. succeeded by Geo. D. Harter Bank, incorporated.

" ..Wooster........National Bank of Wooster, expired by limitation, succeeded by Wooster National Bank, same officers.

PA. ....Corry..........Corry National Bank in hands of a receiver.

" ..Irwin..........Farmers & Miners Deposit Bank reported suspended.

TENN..Harriman......Citizens Savings Bank succeeded by Manufacturers National Bank.

VA.....Shendun.......Shendun Banking & Investment Co. succeeded by Valley Bank of Virginia; same officers.

WIS....Platteville......G. W. Eastman succeeded by First National Bank.

WYOM..Cheyenne. ....Cheyenne National Bank reported suspended temporarily.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from November No., page 420.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4649	First National Exchange Bank. Plymouth, Mich.	Geo. A. Starkweather,	Oscar A. Fraser,	$50,000
4650	First National Bank......... Platteville, Wis.	Geo. W. Eastman,	W. M. Hetherington,	50,000
4651	Globe National Bank......... Kalispel, Mont.	Joseph A. Coram,	B. D. Hatcher,	50,000
4652	Seymour National Bank...... Seymour, Ind.	Geo. F. Harlow,		100,000
4653	Farmers National Bank ..... Longmont, Col.	F. H. Stickney,	J. K. Sweeny,	60,000
4654	Manufacturers National Bank. Harriman, Tenn.	Jas. D. Wolstenholme,	Jas. E. Mountjoy,	50,000
4655	German-American Nat. Bank. Little Falls, Minn.	Harold Thorsen,	Jas. D. Anderson,	50,000
4656	Perrin National Bank......... La Fayette, Ind.	Jas. J. Perrin,	Wm. H. Perrin,	100,000
4657	Wooster National Bank....... Wooster, Ohio.	Martin Welker,	C. V. Hard,	100,000

DEATHS.

CARROLL.—On October 12, aged fifty-nine years, JOSEPH A. CARROLL, President of Exchange National Bank, Denton, Tex.

GILBERT.—On November 29, aged eighty-five years, CLINTON GILBERT, Treasurer of Greenwich Savings Bank, New York City.

JACKSON.—On October 19, aged sixty-two years, GEO. E. B. JACKSON, President of Portland Savings Bank, Portland, Me.

KING.—On November 21, aged sixty-nine years, RICHARD KING, President of National Bank of Commerce, New York City.

LORD.—On October 6, aged forty one years, GEORGE B. LORD, President of Johnson Co. Bank, Olathe, Kan.

MAPEL.—On November 3, aged seventy-four years, SIMON MAPEL, President of Exchange Bank, Columbus Grove, O.

MARSH.—On November 27, CHARLES MARSH, President of Pynchon National Bank, Springfield, Mass.

SMITH.—On November 6, aged seventy-three years, J. GREGORY SMITH, President of Weldon National Bank, St. Albans, Vt.

SYMS.—On November 23, aged seventy-one years, SAMUEL R. SYMS, President of First National Bank, Hoboken, N. J.

VINCENT.—On November 15, WILLIAM J. VINCENT, President of Bank of St. Croix Falls, Wis.

WALCOTT.—On November 16, aged thirty-five years, HORACE WALCOTT, Cashier of Concord National Bank, Concord, Mass.

WALLACE.—On October 30, R. S. WALLACE, President of Capital National Bank, Salem, Oregon.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, NOVEMBER, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in November.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907......reg.	Quarterly Mar.	99½	100½	99½	100½
4s, 1907........reg.	Quarterly Jan.	116¾	117¼	116	116⅛
4s, 1907......coup.	Quarterly Feb.	116¾	117¼	116	117⅛
6s, cur'cy, 1895, reg.	Jan. & July.	111	111	108	108
6s, cur'cy, 1896, reg.	Jan. & July.	112½	112½	109	109
6s, cur'cy, 1897, reg.	Jan. & July.	115	115	111½	111½
6s, cur'cy, 1898, reg.	Jan. & July.	117½	117½	114	114
6s, cur'cy, 1899, reg.	Jan. & July.	120	120	116½	116½

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific..........	5⅛	5¼	4⅝	—
Canadian Pacific..........	—	89¼	85	—
Canada Southern..........	59⅞	61⅜	57¼	61¼
Central of N. J..........	115¼	115¼	109	113⅞
Central Pacific..........	—	32	31¼	—
Ches. & Ohio..........	25¾	25¾	22½	24⅛
Do 1st pref..	58	58	52½	—
Chic. & Alton..........	—	—	—	—
Do pref..	—	—	—	—
Chic., B. & Q..........	98⅛	102⅛	96	101⅝
Chic. & East'n..........	70	70	65	—
Do pref..	—	96	93	—
Chic., M. & St. P..........	75¼	76⅞	73⅜	76½
Do pref..	118⅜	119¾	117	119½
Chic. & N. W..........	116⅜	117¾	113	117⅝
Do pref..	—	140	139¼	140
Chic., R. I. & P..........	82¾	85⅛	79⅛	84½
Chic., St. P., M. & O..........	33⅞	37¾	30⅞	37¾
Do pref..	—	99½	91	99½
C., C., C & St. L..........	71½	71¾	67⅛	71

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Coal & Iron..........	36½	36½	34	—
Col., H. Valley & Tol..........	31½	31½	28	28½
Del. & Hudson..........	129	129¾	118¼	123¾
Del., Lack. & W..........	140¼	140½	135⅝	138
Den. & Rio Grande..........	—	17½	15	16½
Do pref..	—	47½	42	43⅞
East Tenn. V & G..........	5¾	7	5¾	—
Do 1st pref..	—	44½	42	—
Do 2d pref..	—	14½	11¼	—
Evansville & T. H..........	—	119⅞	119	—
Illinois Central..........	101⅝	102½	99½	101
Lake Erie and Western..........	19¾	20½	17	20¼
Do pref..	—	66¾	59⅝	66¾
Lake Shore..........	124	125¾	120¾	125¾
Long Island..........	—	96⅝	95	—
Louisville and Nashville..........	78½	79	75¼	78½
Louisville, N. Alb. & Chic..........	23⅞	23⅞	20	23
Manhattan Consol..........	—	103⅝	99¼	—
Mexican Central..........	—	22	19	—
Michigan Central..........	—	107¾	104¼	107¼
Mil., L. S. & W..........	—	73	71	—
Do pref..	—	111½	110	111½
Minn. & St. Louis..........	—	9½	6½	—
Do pref..	—	21½	14	19½
Mo., Kan. & Texas..........	—	17	15	16½
Missouri Pacific..........	59⅜	61¼	57½	60½
Nash., C. & St. L..........	—	89	87½	—
N. Y. C. & Hudson..........	113	115½	109½	115¼
N. Y., C. & St. L..........	20¼	21	18	20⅜
Do pref..	—	81½	79	—
N. Y., L. E. & W..........	29¾	30⅝	26⅜	30⅜
Do pref..	69½	70¾	64¾	70⅛
N. Y. & New Eng..........	37¾	39¼	35⅞	38¾
N. Y., Ont. & W..........	19½	20½	17½	20
N. Y., Sus. & W..........	9¼	9⅝	8½	—
Do pref..	—	37⅞	34	—
Norfolk & Western..........	—	17½	17½	—
Do pref..	—	51⅞	49¾	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific..........	27½	27½	24	25¾
Do pref..	73¾	73⅞	68	70⅞
Ohio & Mississippi..........	—	22½	19¾	22½
Ohio Southern..........	—	—	—	—
Oregon Impt..........	—	24	20	—
Oregon R. & N..........	—	78	70	—
Oregon Short Line..........	23½	25	23	—
Pacific Mail..........	37	39¼	34½	38
Peoria, Decatur & Evansville	19⅝	20¾	18⅜	20¼
Philadelphia & Reading..........	39	39⅞	34⅞	38⅞
Pullman Palace Car Co..........	175	178	172	177¾
Rich. & W. P. Term..........	14	14¼	10⅝	11
Rome, W. & Ogd..........	—	112½	110¼	—
St. Louis, A. & T. H..........	—	30	30	—
Do pref..	—	—	—	—
St. Louis & San Francisco..........	—	—	—	—
Do pref..	—	—	—	—
Do 1st pref..	—	—	—	—
St. Paul & Duluth..........	35½	43	35½	42¼
Do pref..	—	100	98	100
St. Paul, M. & M..........	113¾	113¾	111¼	—
Southern Pacific Co..........	—	40	38½	—
Sugar Refineries..........	83¼	90⅜	81¾	88⅝
Texas & Pacific..........	13½	13½	11½	12⅜
Union Pacific..........	40¼	42⅛	38⅝	41½
Wabash, St. Louis & Pacific.	13⅝	14	11⅞	13½
Do pref..	28½	28⅞	25¼	28⅛
Wisconsin Central..........	—	18½	16¾	—
MISCELLANEOUS—				
Am. Cotton Oil Trust..........	27½	30⅝	26	—
Nat. Lead Trust..........	16	17	15	16¾
Tenn. Coal & Iron..........	36¾	39⅞	35½	39¼
Express—Adams..........	150	150	142¾	142¾
American..........	—	118	117	118
United States..........	54	54	40	—
Wells-Fargo..........	—	142	139	—
Western Union..........	—	83	80½	83
Wheel. & Lake E..........	38¼	38¼	34¾	36½
Do pref..	77⅜	77¾	74¼	76⅜

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVI. JANUARY, 1892. No. 7.

COMPTROLLER LACEY'S REPORT.

The annual report of the Comptroller of the Currency is one of the most important reports made by any Government official. Any one who considers the enormous business conducted by the National banks must be impressed with the vast importance of the system, and of the ability required to conduct it. The Comptroller repeats, substantially, the recommendations contained in his former report. These are:

1. That no association shall be required to maintain a bond deposit of more than $1,000 to secure circulation.
2. That every association may issue circulating notes equal to the par value of the bonds so deposited.
3. That the monthly withdrawal of bonds pledged to secure such notes shall not exceed $3,000,000 in the aggregate.
4. That the semi-annual duty on circulation be so reduced as to equal one-fourth of 1 per cent. per annum.

The premium which the Government bonds now command prevents any bank from buying a larger amount than is absolutely required by law for banking operations. As we have shown again and again in the MAGAZINE, there is but little, if any, profit on circulation; on the other hand, there is great danger of incurring a positive loss on the decline in the cost of the bonds purchased. Until two years ago the four per cents were selling at 129 or 130, and within two years have declined 13 or 14 per cent., thus involving the banks which purchased them in a considerable loss, which cannot be repaired by the profit on the circulation based on them. Therefore, no bank regards with favor their purchase as a basis of circulation. Undoubtedly the best thing for the banks would be the amendment proposed by the Comptroller, whereby they could organize under the National banking law practically free from the purchase of Government bonds and without the privilege of issuing notes.

With respect to the second recommendation, the unwillingness of Congress to authorize banks to issue circulating notes to the par value of their bonds shows very clearly their unpopularity with members of Congress. Nor are they growing much, we fear, in public favor; public opinion, in the South especially, and to some extent in the West, favors a return to State banks, endowed with authority to issue notes. Of course, this opinion, to some extent, is simply the jealousy of the invasion by the National Government of State authority; but we think the principal reason for objecting to the present system is—or rather the strongest reason for returning to the State system is—that if re-established there would be a more copious flood of paper money. But cheap money always means poor money, and, therefore, if the National Government devises no way, either through the banks or directly, of increasing the paper circulation, it certainly ought to prevent a return to the old system of State bank note issues, the evils of which are too well known to need description. It would be inexcusable folly, if, after the disastrous experiences of the past, we should deliberately renew a policy which would yield similar results.

The failures of the year have been more frequent than in any other year of National bank history, and these have naturally led the Comptroller to reconsider the subject of examinations. Some of his remarks on this subject are worth quoting:

The small losses suffered by creditors of National banks in the past have led some part of the general public to feel that governmental supervision should be of such a character as to absolutely prevent the failure of National banks, and that in case such failures occur those charged with the administration of the law were necessarily derelict of duty. It will be apparent, however, that such is very far from being the case. It will be observed that the duties of the Comptroller, and in some sense the examiners, are largely negative; that the law consists in large part of necessary limitations and restrictions upon the operations of the associations organized under its authority. The Comptroller is therefore mainly charged with the responsibility of indicating to bank managers what they shall not do. That the limitations and restraints imposed by the National Bank Act, supplemented by the periodical reports required and published, have done much to promote the success of the banks constituting the National system, and the security of the various creditors, is demonstrated by its history. It is, however, indisputable, and conceded by all those informed as to the facts, that the system of examinations provided for in the brief paragraph quoted at the beginning of this article is of paramount importance and absolutely indispensable to the conspicuous success which has attended the operations of these associations from the inauguration of the system.

The officers directly in charge of the various banks, and the employes to whom is committed many of the details incident to the proper conduct of the business, are actuated by the same motives which inspire humanity generally, and are subject to the same temptations and the same ambitions. In the opinion of the Comptroller, every officer and employe will admit that the expected visit of a skilled examiner, who is to inspect and criticise the work upon which he is engaged, incites him to greater diligence, promptness and accuracy, tends to deter him from entering upon operations inconsistent with good banking, and strengthens him in his efforts to overcome those temptations to disobey the law which come to every bank manager through the pressure of customers, in the most varied and insidious forms.

It has become a habit on the part of the general public, whenever the failure of a National bank occurs, to at once challenge the integrity or skill of the examiner charged with its supervision, oblivious of the fact that his energy, his experience, and his devotion to duty may have prevented the failure of a score of more or less embarrassed institutions as to whose mismanagement they are of necessity entirely uninformed.

No examination, however thorough, can insure absolute soundness in the management of a bank, or dispense with examinations by directors or other officers. Furthermore, if the directors, or the majority of them, are neglectful, or establish a policy contrary to law, and condemned alike by experience and honesty, it is not an easy thing for a bank examiner, however efficient he may be, always to detect and prevent their wrong doings. Most of the examiners are capable and trustworthy men, and we believe have performed their tasks efficiently; and their condemnation, by newspapers and otherwise, in most cases has been without an accurate knowledge of their duties and what they have done. Their business for the most part cannot be disclosed to outsiders, and, therefore, at all times they have a very imperfect conception of what a bank examiner does, or of the irregularities which he discovers, prevents or corrects. And on this point we must make a further remark, that the Comptrollers of the Currency have done a most useful and important work for the public in keeping banks within the law, in detecting and correcting irregularities of which the public will never know. To lay every irregular practice before the public would harm the banks without bringing a corresponding good to the public. The remarks of the Comptroller are timely, and should be carefully read, especially by those who have been indulging in so much thoughtless criticism on the work of the bank examiners during the past few months.

We know of nothing that conveys a better idea of the real worth of the banking system to the country than the following

table showing the amount of drafts drawn by banks in the several States outside the reserve cities.

AMOUNT OF DRAFTS DRAWN BY BANKS IN THE SEVERAL STATES OUTSIDE OF THE RESERVE CITIES.

States and Territories.	*On New York.*	*On Chicago.*	*On St. Louis.*	*On other reserve cities*	*On all other banks.*	*Total.*
Massachusetts	$198,959,935	$1,270,456	....	$617,212,324	$574,928	$818,017,643
New York	694,127,300	227,651	....	45,139,508	2,488,778	741,983,237
Pennsylvania	248,740,410	892,017	....	387,047,663	733,512	637,422,602
New Jersey	474,546,790	....	....	66,059,152	....	540,605,942
Connecticut	384,480,563	573,034	....	43,735,133	2,025	428,790,755
Illinois	129,860,585	211,483,127	$26,634,405	18,954,459	4,984,611	391,917,187
Texas	185,838,827	3,352,581	33,890,689	22,209,479	102,407,799	347,699,375
Rhode Island	172,546,722	5,000	...	128,809,624	24,934,626	326,295,972
Ohio	212,485,209	4,163,312	138,615	87,062,772	9,524,284	313,374,192
Iowa	91,175,100	166,686,446	3,400,035	14,058,398	6,222,640	281,542,619
Michigan	107,190,111	58,723,342	....	65,801,353	1,973,180	233,687,986
Indiana	124,182,211	36,088,101	1,755,631	48,506,990	10,553,992	221,080,925
Colorado	110,573,233	13,749,633	8,090,521	20,360,402	24,097,785	176,871,574
Maine	30,775,489	....	....	140,401,371	5,302,424	176,479,284
Nebraska	51,497,219	25,558,040	521,698	83,009,991	6,823,822	167,410,740
Kansas	72,686,155	11,020,635	12,518,337	58,404,596	4,189,618	159,419,341
Tennessee	113,734,001	2,020,824	4,679,853	23,385,804	8,898,913	152,719,395
New Hampshire	6,121,196	....	....	135,326,348	78,021	141,525,565
Wisconsin	27,877,662	65,152,471	334,398	28,659,767	1,046,578	123,070,876
Virginia	76,134,129	....	....	37,933,121	3,934,404	118,001,654
Vermont	39,216,992	....	....	63,806,807	221,000	103,244,799
California	22,788,345	4,360,245	800,014	60,330,784	8,063,277	96,342,665
Washington	38,080,273	6,648,132	145,242	22,293,636	27,027,713	94,194,996
Minnesota	29,847,636	25,517,592	214,000	36,203,505	748,957	92,531,690
Georgia	81,383,549	....	6,326	3,026,056	3,792,802	88,208,733
Kentucky	25,511,604	111,706	724,780	46,627,378	4,331,661	77,307,129
Oregon	26,433,159	3,839,667	297,649	27,310,020	12,455,409	70,335,904
Montana	37,364,581	8,474,225	1,057,564	10,825,212	8,043,452	65,765,034
Alabama	54,908,981	208,898	511,999	5,709,345	3,706,916	65,046,139
Missouri	11,885,608	6,947,099	30,557,691	11,983,594	851,896	62,225,888
North Carolina	33,280,702	....	....	8,541,339	5,309,857	47,131,898
Florida	33,121,246	221,362	9,983	2,768,814	7,424,807	43,546,212
Maryland	8,585,281	....	....	34,645,501	224,092	43,454,874
South Carolina	39,786,408	....	....	1,447,152	1,472,112	42,705,672
Delaware	6,834,238	....	....	22,926,996	....	40,761,234
West Virginia	14,656,484	1,100	....	16,678,515	3,078,175	34,414,274
South Dakota	12,805,802	12,660,622	....	3,912,772	3,835,871	33,215,067
Mississippi	18,406,923	9,259	1,056,211	7,524,924	2,082,242	29,079,559
Arkansas	11,448,297	1,312,519	10,763,178	1,966,640	2,415,143	27,905,777
North Dakota	9,548,217	1,375,638	.	14,735,170	915,453	26,574,478
Utah	15,407,576	1,963,996	312,160	6,970,371	1,572,949	26,227,052
New Mexico	11,725,848	796,366	1,012,364	5,039,856	1,568,099	20,142,533
Louisiana	6,982,710	1,652	1,372,557	6,295,403	630,664	15,282,086
Wyoming	4,663,997	1,634,642	....	4,659,855	932,594	11,891,088
Idaho	4,680,711	832,127	....	2,875,040	2,347,806	10,735,684
Dist. of Columbia	3,774,672	....	....	327,063	10,173	4,111,908
Arizona	1,103,444	70,932	74,360	1,563,316	682,420	3,494,472
Nevada	304,750	81,813	....	1,474,928	376,416	2,237,907
Indian Territory	1,166,646	....	367,591	422,534	134,102	2,090,873
Oklahoma	395,170	60,203	68,391	978,994	298,075	1,800,833
Total	4,119,641,697	678,696,465	141,316,242	2,516,949,745	323,326,073	7,779,930,222
By banks in reserve cities	3,716,566,553	575,997,476	96,591,768	584,055,990	29,070,486	5,002,282,273
Grand total	7,836,208,250	1,254,693,941	237,908,010	3,101,005,735	352,396,559	12,782,212,495

The payments thus made last year were nearly thirteen thousand millions. Suppose the banks had not existed, how could these exchanges or payments have been accomplished? A study of these figures ought to convince the most skeptical of the necessity of these institutions.

THE EDUCATION OF BANKERS.

Elsewhere in the present number may be found the educational report of a committee of the American Bankers' Association, made at the last convention, which ought to awaken every banker to consider the need of devoting more attention to the education of those who intend to engage in the business of banking.

The opinion has been prevalent among business men that there was not much need for careful training in order to succeed in any business pursuit. Too often when a young man has asked his superior for advice on the subject he has been told, "Do as I have done and you will succeed," and yet this advice, if followed, in most cases would have brought forth very unsatisfactory results. The difficulty with the adviser in such cases is, he does not comprehend the natural difference between himself, mentally and otherwise, and the person who seeks his advice. Methodical training is needed, not so much for exceptional characters as for average ordinary men, who constitute by far the larger number engaged in business. What shall be done to equip them more perfectly for their intended pursuit? Now the experience of the most successful men usually furnishes no correct groundwork for our reasonings with respect to others; and the reasons why it does not may be briefly given.

Until the present time the natural resources of our country abounded on every side; and, therefore, with a little aptitude, and energy, and self-denial, it has been easy for a large number of persons to acquire, in a short period, great fortunes; but that time is passing away. Our natural resources, while great, are not so easily transmuted into wealth as they were a few years ago; fortunes can no longer be made in a day in railroads, banks, mines or lands. New conditions confront those engaged in business; competition is infinitely keener than at any former time. The one great advantage, perhaps, which men of the present day possess is the greater abundance of capital which is always ready for investment in every enterprise that promises a fair return. Except this condition, all the others are less favorable for the acquisition of large wealth, and therefore to succeed, a higher degree of ability, better training and more self-denial are needed than the successful merchants, bankers and other business men formerly practiced.

If this be true, surely the need of a more systematic education in every kind of business is imperative, and bankers have not opened their eyes too soon to the need of it by those who are following, or intend to follow the banking pursuit. The conditions of success in the business are far more intricate than they ever were before; and a more careful study of them is necessary in order to insure a successful prosecution of it. The untrained man, therefore, is more likely to fail than the man who is able to study and understand these things.

But there is another phase to this subject which ought not to be omitted. In every business there is no little discontent, especially among subordinate employes. Many of them bemoan their fate, and regard themselves as unwilling prisoners who cannot escape. They do their work unwillingly; watch the clock for the hour when they can leave their bank, or other place of business, and seem to think, in short, that the world has dealt hardly with them, and that they by no means merit the treatment which has fallen to their lot. They realize that not all of them can ever be the heads of banks and railroads and other great enterprises, earning large salaries (though perhaps unmindful of the responsibilities and cares which these places inevitably bring), and therefore relapse into a more hopeless state than ever when they recall their surroundings. One of the ends which a better education ought to accomplish for all such is to make them more contented in performing their task and enable them to get greater pleasure from life when the day is over and they are at liberty to go outside of their counting-room or other place of business. Many, who are thus employed, while bemoaning their fate within, know hardly what to do with themselves when their work-day is ended and they are free to go elsewhere.

An education for a man who is intending to pursue the banking business ought to enlarge his mind and to correct his view of life, so as to make him more contented, and to make him realize that great happiness may be derived in doing his work faithfully, whatever it may be; that, in truth, to most persons a larger measure of happiness must and should come to them in this, than in striving for a particular end; for if experience teaches us anything it is this, that all who lay down their life-plan by marking out the attainment of a place in the future as the goal of happiness inevitably find, on gaining it, that it rarely yields the happiness anticipated, and for reasons which go to the very bottom of human character, and are explained in any work that deals thoroughly with human nature.

Prof. James, of the Wharton School of Finance and Economy, a department of the University of Pennsylvania, delivered an excellent address on this subject before the American Bankers' Association last year, which was reprinted by order of the association, and has been largely circulated, and has been productive of much good. A somewhat similar school has been established in the Northwest, connected with one of the universities; and Mr. Hilleker, president of the Kansas Bankers' Association, discussed the subject briefly, though with a realizing importance, in his annual address to that association, which was delivered a few weeks since. In Great Britain and on the Continent far more attention has been devoted to the subject than has been here, and for obvious reasons. It will not be questioned, for a moment, that the bankers abroad, as a class, the subordinates as well as the chief officers, are better educated men than are our own. For this reason especially the committee have made an excellent recommendation, that a person should be sent abroad to collect information concerning the practices and methods of fitting men more perfectly for the banking business in other countries. In England and Scotland institutions exist of this character; courses of education have been established, examinations are held, and, in short, preparation is made for the future banker which should be understood by bankers here, and, to some extent at least, be adopted. On the Continent too, courses of study have been established, and examinations are conducted, and all this experience ought to be gathered, for we are certain that from this information some desirable assistance can be obtained.

The success attending the collection of this information depends, of course, on the representative, or person selected to collect it. There are persons who go abroad almost every year who doubtless could collect some of this information without much trouble, but the committee should seek rather to find a person, if possible, who would be deeply interested in the work, and who would seek, therefore, to bring home the fullest and the best results possible from his inquiries. We have the utmost confidence in the committee, and believe that a fit selection will be made. Surely the association cannot spend a few hundred dollars, in our judgment, more profitably than in undertaking an inquiry of this kind.

Private Bank Failures in Germany.—The collapse of several private banking houses in Berlin has excited the fears of German depositors, and there has been a large withdrawal of deposits from other banking institutions in Germany. No doubt there is considerable unsoundness in foreign banks and banking houses, owing to their investment in Russian and other foreign securities of a hazardous character. It is quite within the truth to say that the investments of foreigners in this country of late years, while of course attended by considerable losses, are, on the whole, safer and more profitable than those which they have made in their own countries.

A REVIEW OF FINANCE AND BUSINESS.

GENERAL BUSINESS UNSATISFACTORY.

The last month of the year has been one of the most disappointing, if not the dullest in general business, experienced in 1891. Outside of the grain trade, and the transportation and other interests affected by the heavy export movement of our large crops, trade has been poor, perhaps not an average of the past few years. Such a condition of things, following large crops and an unprecedented export demand, has not only disappointed, but surprised every one. Instead of demand for manufactured goods improving, as expected, the money that was sent to the West to pay for these crops, has gone into other than trade channels, having been devoted almost wholly to liquidating the interest and mortgages that have been piling up on the lands of the western farmer for the last five years. This money has come back to the East largely, and has gone into the hands of capitalists, instead of into general circulation, and money has been easy, only with the wealthy people, who are spending no more money this year, than in ordinary times. The demand for goods, therefore, of all classes, has not yet been increased by these conditions, under which prosperity has hitherto been general. Hence the manufacturing interests of the country, and the coal and iron interests, the last of which is regarded as the barometer of trade, have not been stimulated to any perceptible degree, except in the case of the latter, where increased demand for rolling stock from the railroads, to move these crops, has been experienced. The railroads, however, have been gathering in a harvest equally as great as that secured by the farmers, and they, like the farmers, have been paying off their indebtedness, which has accumulated during the past lean years, and hence the investing classes have not yet received the benefit of these increased earnings, in increased dividends. After the first of January, however, when the increased dividends declared for the first of the year, shall have been paid, there is prospect of some improvement in trade, as well as in speculation, for the disbursements then will be unusually heavy as the result of the big crops and exports. The bad financial condition of Europe is also, no doubt, reacting unfavorably upon this country, notwithstanding, the volume of our exports continues to increase, while our imports are falling off, leaving an enormous trade balance in our favor.

THE MONEY MARKET,

under the above conditions, has been steadily growing easier, with the accumulation of money in the banks, seeking investment, as a result of the liquidation of the indebtedness of the West to the East, although the imports of gold have been steadily falling off during the month, notwithstanding exports have kept well up to the enormous volume of November, when they were the largest on record. The result has been seen in the steady increase in the bank reserves and in their statements during the last week in the month, showing the largest amount on deposit in New York ever known, amounting, exclusive of Government deposits, to over $455,000,000, with an exoess of reserve over legal requirements of nearly $20,000,000. Rates for money, as a consequence, have been ruling easy, with a downward tendency to the end of the month; in face of the heavy requirements for the January disbursements. Time money has been in better supply than demand as well as call loans, and mercantile paper is eagerly sought after at declining rates. The decrease in the imports of gold, notwithstanding our heavy exports, has been a surprise, as well as disappointment, to financial men; and, in answer to the question, as to the cause, the president of one of our large sterling exchange banks, said it was one of those things, like many other abnormal conditions in financial affairs, during the past year, that could not be explained, any more than the advance in sterling exchange rates, at the close of the month, which rendered imports of gold impossible. Of course, at the end of the year, the requirements for paying coupons on American securities, held in Europe, increases the demand for sterling exchange; but why this should not be already covered by the large supply of grain and cotton bills drawn against shipments, for the last two months, is what no man can find out, as Europe was supposed to have sold the bulk of her American securities, during and since the panic, following the failure of the Baring Bros., a year ago. There has been an advance in silver, in London, during the month, and considerable purchases were made here for that market, partly on account of the proposal to use it by the Chancellor of the English Exchequer in the reserve of the Bank of England, and partly on the announcement that he, as well as France and the German Government, had been approached by the United States, upon the question of international bi-metalism, with a favorable result and prospects, in the near future, of action by these four great commercial powers of the world, upon this question. The currency movement to the West has now turned in favor of New York, and is expected to remain so, but to the South it still continues, and is expected to last still longer, owing to depressed condition of cotton interests.

THE STOCK AND BOND MARKET

has been an exception to the dullness in general trade and speculation, contrary to the usual course of events, as they have been active, at a steady advance, during the last month of the year. The moving cause of course was the large crops, big export demand, and heavy increase in railway earnings; but these conditions have existed for the last four months, and were as apparent during the Bear market of September and October as they have been the last thirty days. The reason for this turn about in Wall Street sentiment was chiefly speculative, the big Bear operators covering their shorts for fear the public would come in again and put the market up on them; who, after having covered, went long of the market, with the professional traders, in expectation that the public, which was driven out of the market by Gould's raid in September, would come back again, when they saw prices moving upward. So far, however, they have been sadly disappointed, except so far as investors took the dividend-paying stocks, and the bonds of roads whose increased earnings made their junior bonds a better class of securities, at prices even, in many cases, that were lower than their stocks. Yet, there has been very little attempt by these big professional traders and railway officials and their friends, to realize their profits on the advance; and hence, there was no reaction worth mentioning until almost the last day of the month. Railroad earnings have continued to increase and appear to warrant the advance so far, both in stocks and bonds; as the tonnage offering is in excess of the carrying capacities of nearly all the roads in the country, producing such a famine in freight cars, as has never been known in the history of the country, requiring the Trunk lines to notify western shippers, early in the month, that they would be able to take no more grain for the balance of the year, or until the blockade at Chicago and other western points was raised. East-bound shipments from Chicago have swollen to the unprecedented amount of over 100,000 tons a week; yet, most of the roads have had all the grain contracted for to the seaboard, that they can bring before the middle or latter part of January.

IMPROVED PROSPECTS OF THE SOLUTION OF THE SILVER PROBLEM.

Referring to the action of the Chancellor of the English Exchequer, and to the negotiations of our Government with those of France and Germany, in relation to international bi-metalism, the *Commercial Bulletin* of this city says: "This modification of sentiment is no more than might have been expected from the financial experiences of Europe, within the last fifteen months. The strain to which the Bank of England, and all the great banks of the Continent, have been exposed, though, of a severity only experienced under extraordinary culminations, has sufficed to show that the demonetization of silver, for all purposes of international settlement, has produced a situation of exposure to great and universal crises, which it would be little short of suicidal to perpetuate." This, coming from such a conservative source, shows also a change of sentiment, on this side of the water, on the silver question. The *Bulletin* further says, that if the friends of free silver coinage in this country, will keep quiet, until Europe can be brought into an international arrangement for the free coinage of silver, they may be able to realize their hopes of restoring the value of silver, and concludes thus: "What they would gain by a rational and feasible policy is thus stated by an English bi-metalist, Mr. G. A. Haig; 1st. The United States produces annually about 70,000,000 ounces of silver worth, at 94 cents, the present price, 65,900,000 dollars; 2d. But if silver were restored to its old parity of 129¼ cents per ounce, 70,000,000 ounces would be worth in round numbers, 90,300,000 dollars; therefore, the mine owners of the United States stand to win 24,500,000 dollars per annum by the remonetization of silver in Europe."

COAL AND IRON TRADE.

With the exception of that department of the latter engaged in the manufacture of rolling stock for railways, the iron trade continues in the same stagnant condition of which there has been complaint for the past year; yet there is a firmer feeling in most branches and an indisposition to make concessions or forward contracts, in a belief that buyers have been holding off until they will be compelled to come in to the market, after the new year. There have been some round lots of steel rails sold to some of the financially strong railroads of the country, but little improvement in prices, which have been maintained simply by the combination among the manufacturers. The coal trade is in about as bad a condition as ever at this season of the year, as the unrestricted output in November, of four million tons of anthracite and three million and a quarter for December, together with the unusually mild weather, have glutted the markets, until the coal agents have ordered the production for January to be restricted to two and one-half million tons.

A LULL IN THE PRODUCE MARKETS.

After five months of unprecedented activity in our export of all kinds of grain and breadstuffs, there has been a lull in these markets during the past month, notwithstanding exports have continued free, on old purchases, made for forward shipment, although not as heavy as for November. The reason of this, is over supplies in European markets, resulting from the heavy imports from all quarters of the globe, to make good the deficit in European crops and the rush of grain out of Russia before exports were stopped. The exports of wheat and flour from this country, thus far on this crop year, or for the first half, have amounted to over 125,000,000 bushels, or at the rate of 250,000,000 bushels for the year; which is beyond all precedent, even when this country enjoyed supremacy in the grain markets of the world, ten years ago. There has been, however, but little reaction in prices, as supplies on this side of the water are moderate, notwithstanding the big crops and heavy movement, everything having been rushed forward, into export, as fast as the ships could be got here to carry it away. That Europe has anticipated a large part of her unusual wants, owing to the great deficit in her own crops, is no doubt true; but the trade, on both sides of the water, have confidence in still higher prices, than yet seen on this crop, for the last half of the crop year, as the native wheats of Europe have largely been drawn upon during the first half of the crop year to leave a greater portion of her wants to be supplied by foreign grown wheats, during the next six months. Hence we may have another month of quietude in January, as we have had in December, although the purchases made for January shipment are already large enough to keep up a far greater volume of exports, during that month, than for many years past. As a result of this state of affairs, and of a better supply of ocean tonnage, attracted here by the high rates of November, ocean freights have declined from one to one and a half pence from the top rates on grain, and proportionately on flour, which has enabled considerable new business to be done toward the close of the month, at lower prices, and our markets have generally held, without any radical decline, though the tendency has been rather downward than upward. In corn, however, the export demand has improved, as supplies have increased and prices declined, since we have entered the new crop, which is now moving freely. But the provision market has been very dull, with export demand limited, except in the case of lard, for France, which has been shipped more freely, to get in ahead of the increased duty on February 1st; and for bacon, to go into Germany, under the new treaty with that country, and under our new Government meat inspection law.

THE DEPRESSION IN THE COTTON TRADE

is working the same results at the South, that have been experienced by the grain producers of the West, during the past five years. Under the weight of two enormous crops in succession, the price of cotton has declined to a point where it barely pays the cost of production in the most favored sections; while it nets a loss in others less favored. With these conditions, the larger their crop, the poorer the cotton planters are growing as was the case with the farmers of the West until a year ago. An impoverished condition of the South, in consequence, explains the bad condition of trade in the Southern States, from which bankers expect a slow and late return of the currency sent there to move the crop. The latest estimate of the last crop is now 8,400,000 bales, and this has knocked prices lower than before in the history of the trade. The total movement of this crop since September 1st, has been over 6,150,000 bales, against 5,650,000 bales a year ago; and this, following upon large reserves, left over from the last crop of 9,000,000 bales, has glutted the markets of the world.

THE BAD CONDITION OF THE DRY GOODS TRADE,

from manufacturers down to retailers, is general, and complaints are universal, of slow sales, poor collections and small profits, on a reduced volume of business, notwithstanding, the large amount of money that has gone into the interior, to pay for the big crops. This was explained under another head in this article, by the fact that this money has gone to pay old debts instead of to buy new goods. But this is only one of the causes of this depression. Over-production as well as under-consumption, is one of, if not the chief cause of these complaints; for prices would not be so unsatisfactory, if the output of our mills could be marketed and the mills kept running. It is the want of wider markets, which can only be found by exporting our surplus production, which cannot be done at a profit under the increased cost of manufacture in this country, over that of our competitors in the markets of the world.

H. A. PIERCE.

ITALIAN TAXES.

Italy fairly groans under the burden of taxation imposed by her rulers. The most onerous of all the taxes is the octroi duties on food, a tax collected at the gates of towns and cities. Beef pays 2 cents a pound, and the retail price is from 18 to 20 cents. Salted meats sell at from 15 to 20 cents a pound, and the octroi tax is 3 cents. Wheat flour sells at 6 to 9 cents a pound, and the tax is ½ cent. Corn meal sells at 3 cents a pound, and the tax is ¼ cent; macaroni, 7 cents, and the tax is ¾ of a cent; eggs, 18 to 40 cents a dozen, and the tax is 10 cents. This will give some idea of the octroi tax and the cost of living. Meat is almost unknown among the laboring classes, and although Italy is the land of macaroni, it is seldom used by the working classes, owing to its high price. They generally use an article called paste, composed of inferior wheat flour mixed with flour of chestnuts. Beans are also one of the staple articles of food. Two meals a day, one at about 9 A. M., and the other at 6 P. M., is the rule among the working people. Soup is the chief dish at the evening meal. Tea and coffee are unknown to them, but cheap wine is common. The poorer classes of Mexico are much better off than the Italian lower classes, and, were it not for their improvident habits, they would be comparatively prosperous in these days of advancing wages.

FINANCIAL FACTS AND OPINIONS.

Branch Banks.—The Comptroller of the Currency is opposed to the formation of branches of National banks. It is well known that in England and on the Continent some of the most prosperous banks have numerous branches. The Bank of France, for example, is required to have a branch in every department of the country; some of the English banks, too, have numerous branches, and also the Canadian banks. In none of these countries have ill effects attended the operation of such branches. In Philadelphia, however, a bank was established a few years ago with several branches, and it failed, entailing heavy losses on the depositors. It is reported that numerous applications from National banks have been made to the Comptroller for authority to organize branches, and that he submitted the question to the Attorney General, who declared that it was not the intent of the law for a National bank to do business in that manner. Thus the question seems to be settled, unless Congress shall determine to grant authority to the National banks to establish them.

Secrecy of the Reports of National Bank Examiners.—Ever since the failure of the Maverick National Bank, efforts have been made to have the report of Examiner Magruder, sent to the Comptroller several months before the failure, published. Among others, Senator Chandler has made an application to the Comptroller of the Currency for its publication. In the Comptroller's response to the Sentator's application, he said: "It has been the policy of this bureau from its establishment to treat the reports of bank examiners as confidential communications, and in no case, so far as I am advised, has any Comptroller given them out for publication. Twenty-nine years' experience has demonstrated the wisdom of the rule thus established, and I am not aware of any emergency which would warrant one in abrogating this rule and establishing a new precedent. No exception has ever been made in the case of insolvent banks, as it is obvious that, although the care of such bank is ended, the rights of individuals and the ends of public justice remain to be considered." All, we think, will agree that the reports of the examiners of banks which are not in the hands of a receiver should be regarded as confidential. We need not give the reasons why they should be thus regarded. As we have stated elsewhere, in reviewing the Comptroller's report, irregularities are reported by the examiner, and in due time are corrected; but if his reports were made public they might lead to distrust and to runs on banks, and, in short, to serious consequences. But when a bank has failed, then the same reasons for maintaining secrecy do not exist; on the other hand, what advantage can there be gained by publishing it? Senator Chandler intimates that the depositors perhaps would have a better knowledge of the situation. But the receiver is supposed to know everything, and if he is a trustworthy man, as he should be, the depositors surely cannot suffer by the non-publication of the report. Furthermore, in this case, as in all similar cases, the receiver doubtless will give such information to the depositors concerning the condition of the bank, their accounts, etc., as will be for their interest. In other words, we do not perceive how the depositors could profit in the least by any information contained in the report; the only effect, therefore, of publishing it would possibly be to gratify the curiosity of some persons who are desirous of knowing what Mr. Potter and his associates did with the millions which did not belong to them. A point is made by the Comptroller which certainly has some force, that perhaps the report contains some facts that may be useful in the future prosecution of parties, and which ought not to be disclosed now, in the interests of justice.

Stock Collaterals for Loans.—In the last number of the MAGAZINE we were asked how a bank could take National bank stock as security for a loan and yet escape liability from assessment in the event of the failure of the bank, and also present its attachment, if the title remained in the pledgeor. We stated the adjudication by the United States Supreme Court on the subject, but the best mode of providing against these contingencies is by the enactment of a statute, similar to that published in the present number, which was enacted by the last Legislature of Wisconsin. This statute, we may add, was prepared by Mr. Van Slyke, president of the First National Bank of Madison; and bankers in all the States should consider the expediency of having a similar statute enacted. It is a good thing both for the banks and borrowers, and therefore facilitates borrowing.

How Shall the Increased Stock of a National Bank be Sold? —The National Bank of the Commonwealth, in Boston, has doubled its capital, which has given rise to an interesting question, how, and at what price, shall the new stock be sold? It is said that the National bank law contains no specific provision on this subject. The law defines the par of a share to be one hundred dollars, and that an increase or reduction of capital must be made in the same manner as in organizing a new bank. It is asserted that the Commonwealth Bank can sell its stock at auction, or to its own shareholders, or to the public generally, at any price not less than par. The Boston *Herald* says: "One hundred and fifty dollars is favored by some in the board. Others are thought to favor $100. The higher the selling price, the more valuable the stock will be. To sell at par would be to reduce the value of the present stock. To sell at a premium, the premium to be added to the loanable surplus, would enrich the plant. The best way to sell new stock is by auction, in amounts that can be easily absorbed. The next best way is to sell to shareholders at a premium. The poorest way is to sell at par a stock that is worth $150 to $175, or any fair premium. As affecting the selling price to be put upon new and additional bank stock, the individual liability attaching to bank shares ought to be considered, and some concession is due as an offset to this risk."

Some Timely Suggestions.—Elsewhere will be found a letter from Mr. Van Slyke, president of the First National Bank of Wisconsin, one of the most experienced and successful bank officers in the country, containing some timely suggestions. Surely the events of the last year ought to lead every banker to be more considerate than ever concerning the nature of the trust administered by him. The bank failures in too many cases have shown that bank officers have regarded the funds committed to them very much as their own money, which they could use as they pleased, without much regard either to law or to security. Among the excellent things said in the letter, we quote the following, for it cannot be too often repeated: "A banker's first duty to himself and to those whom he represents is to beware of speculating with borrowed means, remembering that bank officers are but the administrators of other people's money, either of stockholders or depositors, and that, consequently, they have no more right to convert such funds to their own use than has the executor or administrator of a dead man's estate."

Vermont Savings Banks.—The report of the late Hon. L. O. Greene, Inspector of Finance, has been issued. It shows a creditable state of affairs in the thirty-four savings banks and trust companies of the State. The aggregate of deposits is $21,620,303.-49, the number of depositors, 72,702, of whom 64,303 are residents of the State, with $18,302,443.10 to their credit, and 8,309 non-residents, with deposits of $3,317,860.39; the average to each depositor is $297.38; the increase in the number of depositors is 6,943; in the amount of deposits, $2,035,598.09; and in the average amount of deposit, $3.42. The Burlington Savings Bank now carries the heaviest deposit, $2,748,566.47; the Vermont at Brattleboro comes next, with $2,407,854.77; and the Brattleboro Savings Bank is fifth, with $1,146,510.22, but leads all others of its age. Three new trust companies, chartered by the Legislature of 1890, have begun business—the Orleans Trust Company at Newport, the Proctor Trust Company at Proctor, and the Capital Savings Bank and Trust Company at Montpelier. The Union Savings Bank and Trust Company at Morrisville, also chartered in 1890, opened for business on July 27. A surplus of $564,876.33 has been acquired by the savings banks under the act of 1884, an increase of $58,398.52 during the past year. The dividends amount to $643,392,31, an increase of $51,764.08. Ten savings banks declared 4½ per cent.; one, 4¼ per cent.; eight, four per cent. Of the trust companies, two declared five per cent.; five, six per cent.; two, ten per cent.; one, twenty-three per cent. The State tax paid was $130,138,661, an increase of $21,720.55. The real estate acquired by foreclosure is $101,186.30, a decrease of $17,974.70. The investments seem to be in a healthy shape, and it is said that, in spite of the general bad experience with foreign loans, the banks have had their interest paid more promptly than ever before. The banks have twenty-eight per cent. of their assets in cash or quick-realizable securities. The loans on Vermont real estate have increased $289,789.22, and are now $4,668,-499.41. The loans on mortgages outside the State have also increased to $8,066,590.02, but their proportion of the whole investments has fallen from 35.61 to 34.17 per cent. The tide has begun to turn, and confidence in the future of Vermont to be again felt, as is shown by a table of the investment in western mortgages:

1879	$1,278,399.63	1886	$5,466,271.64
1880	1,755,369.38	1887	6,225,903.10
1881	2,219,693.44	1888	6,563,797.48
1882	3,168,434.98	1889	7,218,661.32
1883	3,950,143.44	1890	7,519,470.66
1884	4,651,274.96	1891	8,666,590.02
1885	4,774,872.17		

Counterfeit Money.—The Assistant Secretary of the Treasury has sent out circulars to all banks throughout the country, notifying them that they will have to surrender their collections of counterfeit money in excess in any one instance of $500. Some of the banks have very large collections of counterfeits. Special Agent Brooks says that "it is astonishing how much of this counterfeit money has accumulated in the banks. We have already forwarded a great quantity of the stuff to the department, and we shall gather up another great pile of false money before the work is completed. The law was only passed this year, and was made because the banks were negligent in omitting to stamp the word 'counterfeit' across the face of the bad bills or coins which came into their possession. This fact was known to the sharpers, who succeeded in obtaining such counterfeits from bank tellers, under the plea that they were agents of counterfeit detectors or made a living by teaching storekeepers how to detect counterfeit money. Cases are known where bad bills obtained in this way have come back in money brought for deposit by the customers of the very bank which gave away the counterfeit."

An International Bank.—It is probable that a project for incorporating an international American bank will be renewed in the next Congress. This is one of the outgrowths of the Pan-American Conference. Its object is to promote closer trading relations with the South American countries. The House Committee, which reported on the measure last year, said:

The corporation herein proposed to be erected can in no manner become a competitor of the National banks, but will have, in addition to certain powers now enjoyed by the National banks, the right to issue mercantile and bankers' letters of credit in the same manner as such letters may be issued by any firm of private bankers, and to enter upon such other business as may be necessarily incident to the performance of a general international exchange and banking business, and filling the want so fully described in the report of the International American Conference.

President Harrison, in submitting the report on the subject to Congress, on May 27, 1890, declared that, "It is not proposed to involve the United States in any financial responsibility, but only to give the proposed bank a corporate franchise, and to promote public confidence by requiring that its condition and transactions shall be submitted to a scrutiny similar to that which is now exercised over our domestic banking system." Colonel Lacey, the Comptroller of the Currency, was before the Committee on Banking, and suggested a good many changes to make the language of the bill more precise, while disclaiming any responsibility for its essential features. By the suggestion of the Comptroller of the Currency, a new section was added to the bill, as follows:

Sec. 10. That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, shall, as often as shall be deemed necessary or proper, appoint a suitable person or persons to make an examination of the affairs of the corporation, who shall have power to make a thorough examination of the affairs of the corporation, and in doing so to examine any of the officers or agents thereof on oath, and shall make a full and detailed report of the condition of the corporation to the Comptroller. Any person or persons so appointed to make such examination shall receive such compensation as may be fixed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury, which compensation shall be paid to such person or persons by the said corporation.

Financial Condition of Iowa Farmers.—Much has been said of late concerning the financial condition of farmers. Governor Boies, of

Iowa, made a statement concerning their poverty in that State, which has led to an examination of their condition. A proper test to apply is their deposits in the banks, especially in the savings banks which are largely made by this class. Since 1875 the State and savings banks have increased from forty-two to two hundred and forty-five; and the deposits from two and a half millions nearly to thirteen millions, and the assets from $6,486,935 to $48,284,257. A recent statement of a bank examiner credited the farmers with sixty per cent. of the deposits of the banks in that State. Of course, if farming has not been profitable during the last five years, then the deposits should show a decrease. The statement of Auditor Lyons, of the condition of the savings banks for the last five years, shows the following:

Date.	*No. Banks.*	*Deposits.*
June 29, 1887	37	$9,969,019.03
June 30, 1888	42	11,268,079.21
June 30, 1889	50	13,125,058.88
June 30, 1890	59	16,336,787.68
June 30, 1891	83	20,821,495.07

A more elaborate statement of the condition of the State and savings banks has been prepared by the State Auditor, which is worth presenting:

CONDITION OF THE IOWA STATE BANKS.

Date.	*No. of Banks.*	*Bills Receivable.*	*All other Assets.*	*Amount due Individual Depositors.*
October 23, 1875	42	$5,132,141.61	$1,354,794.00	$3,959,791.72
September 1, 1877	50	5,523,373.14	1,567,939.46	3,985,031.25
September 27, 1879	53	5,766,547.36	2,063,363.47	4,900,720.59
September 30, 1881	53	9,336,695.83	3,398,991.18	9,667,215.80
August 4, 1883	76	12,518,121.17	3,328,246.05	11,200,778.10
June 30, 1885	84	13,062,038.86	4,418,367.15	11,639,859.69
June 29, 1887	102	17,770,991.17	5,171,662.96	15,716,306.00
June 30, 1888	106	20,587,287.23	6,624,864.75	18,435,087.36
June 30, 1889	130	24,288,911.56	6,066,531.77	20,396,574.60
June 30, 1890	164	29,126,482.00	8,363,408.23	25,773,992.96
June 30, 1891	205	37,736,866.06	10,517,421.78	33,781,706.67

Date.	*No. of Banks.*	*Capital Stock.*	*Other Liabilities.*	*Total Assets and Liabilities.*
October 23, 1875	42	$2,063,402.50	$463,741.39	$6,486,935.61
September 1, 1877	50	2,416,152.54	690,128.81	7,091,312.60
September 27, 1879	53	2,321,605.12	607,585.12	7,829,910.83
September 30, 1881	53	2,456,755.12	611,716.09	12,735,687.01
August 4, 1883	76	3,701,793.12	943,796.00	15,864,367.22
June 30, 1885	84	4,541,043.12	1,299,503.20	17,480,406.01
June 29, 1887	102	5,708,536.79	1,517,811.34	22,942,654.13
June 30, 1888	106	6,666,143.12	2,110,921.50	27,212,151.98
June 30, 1889	130	7,673,143.12	2,285,752.61	30,355,443.33
June 30, 1890	164	8,824,243.12	2,891,654.15	37,489,890.23
June 30, 1891	205	11,026,398.73	3,446,182.44	48,254,287.84

The Sioux City *Journal* remarks: "There could be no better indicator of the condition of the classes of the Iowa people who work for wages or small salaries, for these constitute a large part of the depositors of the savings banks; and it should be remembered that the savings banks constitute the bulk of the business shown in the foregoing table. If times were hard, and the wage earners were living from hand to mouth or losing money, it would be impossible for the deposits to increase rapidly, but their tendency would be to shrink. The table shows that during the last decade there has been a steady and even a remarkable increase in the deposited earnings of the small savings of the people of Iowa. From September, 1879, to June, 1891, there has been an increase of about 700 per cent. in the deposits, and an increase of over 500 per cent. in the capital stock of the State and savings banks. During the year ending June 30, 1891, the deposits in these institutions showed the enormous increase of 31 per cent., and the capital stock an increase of 22 per cent. This is surely an astonishing record, and is a strong indication of the rapidity with which those classes of the population of this State who make small earnings and savings are upon the whole accumulating surplus wealth. The deposits in these savings and other State banks of Iowa amount to almost $18 for each man, woman, and child of our population, or nearly $90 for each family. The per capita amount last year was only about $13, and the average amount per family only a little over $65." We may add that, since the enactment of the National Banking Law, only two National banks have failed, and that one hundred and fifty-one now exist in the State.

Grain Gambling in Minnesota.—The practice of making contracts for the future delivery of merchandise without having it then, or expecting to have it even at the time of delivery, and simply with a view of settling with the buyer by paying the difference between the agreed and market price at the time of settlement, is not such a new species of gambling as many suppose. In the fourteenth century the merchants of Genoa were masters of the mystery of buying and selling futures. In an interesting work by Pierre Clement on Jacques Coer, a famous French merchant of the period, who lived at Bourges, and who acquired an immense fortune by trading in the Levant, an interesting account is given of such operations. Whether they were regarded with as much complacency in those days as they are in ours we are not informed, but it is a hopeful sign that occasionally these transactions are ventilated in the courts, and that some of the judges have enough regard for the public welfare to describe them in their true color, and to pronounce judgment on them accordingly. The Supreme Court of Minnesota is the latest tribunal which has had occasion to deal with one of these gambling contracts. The suit was brought to enforce a contract for the sale of wheat at a future time—grain which the buyer did not then have, nor expect to have at the time of delivery, nor did the seller ever expect to receive a kernel from him. It was simply a bet on the future price of wheat. The Supreme Court of Minnesota decided that contracts for the sale and delivery of grain or other commodities, which are to be delivered at a future day, are valid when the parties intend in good faith to perform them. Those which are for future delivery and not intended to represent actual transactions, but merely to pay and receive the differences beyond the agreed price at a future day, are in the nature of wagers on the future price of the commodity, and void. This is a righteous decision and ought to be followed by the courts everywhere. The banks, too, ought to refrain from making loans based on such transactions; indeed, we do not see how they can legally do so if they have any regard for the law.

BANK TAXATION.

As this is always an interesting question with bankers, we shall review, briefly, some of the controversies that are pending in the various States. One of the decisions lately rendered on the subject of taxing bank shares is by Judge Hopkins, of the Superior Court of *Massachusetts*. It has been customary in New Bedford for the assessors to place what they call a fair valuation on the shares of National banks, and last year the National Bank of Commerce was assessed $126 a share on its stock, when the market price, it was stated, was but $102 per share. Judge Hopkins has rendered a decision to the effect that the assessors were wrong. Taxes on bank shares should be levied on the price for which they were selling in the market at the time of the assessment. The case goes to the Supreme Judicial Court. While in the case of the Bank of Commerce the decision is favorable, the city, it is asserted, will be benefited, for shares have been assessed on National banks in nearly every instance below the selling price, and if Judge Hopkins' decision is sustained, more money will accrue to the municipal treasury by the increased amount of assessment on these banks than would otherwise be the case.

In *Philadelphia* the trust companies complain over the operation of the new law increasing their taxation. Mr. Robert Patterson, vice-president of the Fidelity Trust Company, has given his opinion in the form of a protest to Governor Pattison.

We protest against the taxation, on the grounds of its inequality and of its excessive amount. The inequality of the tax is doubly evident, first as comparing corporations with corporations, and second as comparing individuals with individuals. By the bill our company is taxed five mills upon the market value of its stock as determined by a strict appraisement. Under other sections of the bill, State banks, National banks and savings institutions are charged but four mills. It is unreasonable that a trust company should be taxed 25 per centum more than a banking or savings company. But the act goes further. It permits all such banks and savings companies to avoid all other taxation by paying a tax of eight mills on the par value of their stock, a privilege not allowed to the trust companies. It is plain that a tax, even apparently high, if laid on par values, may be a very low tax on the real values of stocks.

The inequality of comparing individuals with corporations is equally apparent. A tax on our corporation is in fact only a tax upon our stockholders. There is no reason why such an investment should be more heavily burdened than another investment of like value, held by a citizen and not represented by stock.

Under the old law, our tax is in effect a tax of 5 per cent., laid on the dividends paid stockholders. Under the new law, assuming dividends to be the same, the tax on the market value of our stock would be 11⅔ per cent. on the dividends. Such an income tax is excessive beyond experience. In the stress of war, when the very existence of the nation was in peril, the United States levied an income tax of but 5 per cent. Surely there is no excuse for our commonwealth to burden a special class who have invested their means in respectable corporations, with so heavy a tax as 10 and 12 per cent. on the incomes.

Mr. William P. Henry, secretary and treasurer of the Pennsylvania Company, has entered a vigorous protest against the enormous tax imposed. "The market value of our stock," he says, "is $500 per share. Our capital stock is $2,000,000, divided into 20,000 shares, valued at $10,000,000. An assessment of five mills per share on this would be $50,000, which is most exorbitant, being more than twice the old rate."

The banks in some parts of *New York*, and especially in *Albany*, object to the assessment of bank shares. The Albany City Bank, the County Bank, the Albany Savings Institution, the Home Bank and the National Bank have entered a protest with the assessors against taxing them for the market value of their securities, instead of the par value. The Mechanics and Farmers' has entered no protest, and the National Exchange was not so taxed because their United States bonds exceed their surplus.

We may also mention the contest in *Kingston, N. Y.*, with the tax assessors of that place, which is similar to that in Catskill, concerning the assessment of bank shares. Mr. Bray, cashier of the First National Bank of Rondout, has stated that the tax on the stock of National banks is collected from the stockholders, if they reside in the city; if not, from the bank, and it is then made a lien on the dividends. The statute provides for the taxing of bank shares where the bank is located. Being asked whether he was cognizant of any transfer of shares of the bank during the past year, he replied that he was, and that he had heard that the price paid was $140 per share. As to what constitutes the value of bank stock over what is known as its book value, Cashier Bray says it is what any one would pay for it. Bank stock, said Mr. Bray, has three values—book, par and market. Sometimes quite a difference exists between the book and market values, as, for instance, the book value of the Chemical National Bank stock of New York City is $2,300 per share, and its market value about $5,000. Mr. Bray appeared before the Board of Assessors and made objections to the assessment of shares, because they were assessed for more than the bank had book property. The stock was assessed at $112 per share and the real estate at $86,000. If personal property had been more fully assessed, or real estate at anywhere near its real value, the bank would not object, but considerable personal property escapes taxation.

In *Albany* the Board of City Assessors submitted to Corporation Counsel Herrick the question whether under existing laws they had the right to assess the surpluses of savings banks. He has transmitted to the board an opinion on the question. In this he reviews all the laws relating to the subject. The assessment was made under chapter 761, laws of 1866, as amended by chapter 861, laws of 1867, which authorized the assessment of such surpluses. In 1875 general act chapter 371 was passed, the provisions showing that it was intended to repeal and take the place of pre-existing laws in relation to savings banks. In this there was no authority given for assessing or taxing the surplus of savings banks. In 1882 there was a codification or revision of the laws of the State relating to banks, which took the place of all pre-existing laws, and in the portion relating to savings banks there was no provision for taxing the surplus of such banks. In view of this Mr. Herrick holds that under the existing law of the State there is no authority vested in the board to assess or tax the surplus of savings banks.

In *Indiana*, Judge Taylor, of the Superior Court, has rendered an elaborate opinion in the case of the State *ex rel.* the State Board of Tax Commissioners against Philip C. Decker, president of the German Bank of Evansville. During the sitting of the State Commission the bankers were ordered to appear and submit lists of their depositors, together with the amount to the credit of each, April 1st. The bankers refused to obey the orders of the board, claiming that their relations with depositors were confidential, and that the law was unconstitutional. Mr. Decker was fined $500 and placed under arrest. He carried the case before Judge Taylor on a writ of habeas corpus.

The conclusions of law on which the Judge based his opinion in favor of the banks, were, that the State Board of Tax Commissioners is not a court. Its duties are purely administrative, and belong to the executive department of the State. Neither the Governor, the Auditor nor the Secretary of State can, under the constitution, be vested with judicial power, for they each belong to the executive or administrative department, and there is no proviso in the constitution giving such authority to the Legislature. Therefore, the Governor, the Secretary and the Auditor of State are each out of the question, and neither in this contention nor in any other under the said act could either of the other members of the said board be held to be a court and vested with judicial power. The adjudging a person guilty of contempt and imposing a fine or other punishment therefor is judicial, and belongs to courts.

It therefore followed, the Judge said, that so much of Section 129 as confers power on the board to adjudge a recusant witness guilty of contempt and to punish him by "fine, not exceeding $1,000, and by imprisonment in the county jail of any county not exceeding thirty days, or by both," is unconstitutional and void.

The Judge's conclusions, stated in brief, are:

1. That the State Board of Tax Commissioners had no authority at the time to institute the inquiry in question in this case, nor to require the petitioner to give the information asked, or produce the books of the German Bank of Evansville for its inspection.

2. That neither the said board nor any fractional part of it has authority under said act, at any time, to the discovery sought to be elicited from the petitioner, or to the production of the books of said bank on the admissions made in this case.

3. That the portion of said Section 129 above mentioned is unauthorized by the constitution of this State, and is void.

Attorney-General Smith still believes that the Supreme Court will take a different view of the case, and an appeal will be taken.

Gold Production in South Africa.—In 1887, at the commencement of gold exploitation in South Africa, the total production only reached 34,097 ounces; in 1888, 230,640 ounces were raised; in 1889, 377,740 ounces; and in 1890, 494,756 ounces; while the output for the first nine months of 1891 points to a total of 502,715 ounces. There is yet to be added the production of the De Kaap district —namely, over 35,000 ounces in the first half of the present year, the output for July alone amounting to 7,632 ounces. The total production of the Transvaal gold mines for 1891 will probably reach 780,000 ounces.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONTINUED FROM THE NOVEMBER NUMBER.]

BANK OF FRANCE AND REGIONAL BANKS (1814–1848).

The general council of the Bank of France, seeing that in consequence of the political events bank notes were being presented for redemption with more persistence than usual, had decided that from January 18, 1814, the redemptions in coin should not exceed 500,000 francs a day. Then it called together the heads of the one hundred chief business houses of Paris and explained the situation to them. Unanimously they decided to continue to accept notes as coin.

This measure, which came to an end on April 14, permitted the Bank of France to proceed, without precipitation, to a quasi-liquidation. In the interval the provisional government instituted on April 1 intrusted, provisionally also, the government of the Bank of France to the son-in-law of Perregaux, to Jacques Laffitte. The finance portfolio was in the hands of Baron Louis. These names show well enough the serious modifications that one might expect to see effected in the system of the Bank of France.

Indeed, on November 15, 1814, a special general meeting of the stockholders took place, with a view to modify the statutes of 1806. The spirit inspiring the proposed new statutes is summed up in these words, which we borrow textually from J. Laffitte's speech: *Independence of the administration and supervision by the authorities.* Since 1806 the State was managing, and the stockholders supervised. Perregaux's son-in-law now proposed the contrary.

But what is most curious, I may say most instructive for the present time, is the criticism on the law of 1806 made by J. H. Martin,† a censor from 1805 and head of the banking house of Martin, Puech & Co. Here are some extracts from his report to the extra general meeting of July 15, 1814:

"You know that the Bank of France was founded in 1800 with a capital of thirty million francs, its management being intrusted to fifteen directors, its supervision to three censors, These eighteen persons, appointed by a meeting of the two hundred largest stock-

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

† Not to be confounded with the Chevalier Cl. Et. Martin d'André, also a censor at the beginning of the Restoration.

holders,† composed the general council that chose the employés, fixed their salaries, and discharged them.

"The results obtained were no doubt advantageous enough to satisfy the stockholders; if it had depended upon their will alone, they would not have cared to run the risks of a change of system. But causes foreign to their interests brought about a new order of things. First the law of Germinal 24, year XI., which, without necessity, raised the capital to forty-five million francs, obliged the reserve funds to be converted into 5 per cent. consols, limited the dividend of the year XII. to 8 per cent. and the following to 6 per cent., and prohibited the rentes acquired by the Bank from being sold without authorization during the whole duration of its privilege, then fixed at fifteen years.

"Thus your association, contracted on the faith of an independence promised and necessary to its credit and success, began to be threatened in its liberty. There was, however, but little complaint about this law; those who promptly discovered its real purpose were even distrusted; quite generally the hope was preferred that it would increase the resources of commerce. People willingly let themselves believe what they desire.

"But the law of April 22, 1806, that came afterwards, without your delegates being forewarned or consulted, made the yoke much heavier, and no longer allowed of any doubt concerning the intentions of the man who had dictated it.

"This law prolonged for twenty-five years the privilege granted to the Bank by the preceding law, fixed the dividend at 6 per cent. of the original capital, besides a distribution equal to two-thirds of the profits exceeding the 6 per cent.

"Under the veil of a favor, the use that it was proposed to make of the Bank and the raising of its capital to ninety million francs in addition to the reserve fund were the result of a calculation. This capital, evidently out of all proportion to the needs of commercial circulation, demonstrated that it was not in favor of commerce that a step was taken so exaggerated and so much the more alarming, because at the same time the Government created for itself an agent under the title of Governor of the Bank, in whose hands it concentrated the management of all the business, multiplying his means of dominating and absorbing the will of the directors and censors.

"To the governor were added two assistant-governors, for the performance of whatever functions he might delegate to them. Appointed by the Emperor, their salaries were fixed by law." (Here M. Martin enumerates all the expenses resulting from the institu-

* Then one voter could have as many as four votes. From the year XI. the maximum was but one vote.

tion and working of the Bank's government, and he makes out 172,000 francs a year, a considerable charge for that time.)

"By the terms of this fatal law, the governors took an oath before the Emperor to *direct* the business of the Bank conformably to the laws and statutes. It was no longer the council, the representatives you had chosen and invested with your confidence, who *directed* the stockholders' interests; the law reduced their authority to *supervision*.

"You know what a difference of power there is between the authority that *governs* and directs, and that which is reduced to *supervise*, especially when the former is permanent and speaks in the name of the Prince, and the other is removable. It was thought, however, there was still need of the directors in the selection of the paper to be discounted; but in order to maintain them in absolute dependence, article 19 of the law provides: no bill shall be discounted except upon the governor's *formal* approbation. This approbation could never be presumed; it had to be formal.

"The governor had the appointment and dismissal of the Bank's agents; he alone signed, in the Bank's name, all contracts and agreements; he presided over the general council and all the committees, and no resolution could be executed, if it were not provided with his signature.

"Thus the sway of this place extended over all the Bank's constituent parts and over all the facts of its management; the directors and censors were no longer anything but powerless councilors, nevertheless their presence was sometimes salutary.

"In reminding you of the chief provisions of this *disastrous* law, we are making you acquainted with the source of all the embarrassments that the Bank has experienced, of the slight use it has been to commerce, and of the long anxieties which have worried its administrations.

"This law did not even have the merit of attaining the end for which it had been conceived. The man who had prescribed it, like the prodigal son who gets money without calculating what it will cost him, did not perceive that, in making the Bank absolutely dependent, he was hurting his credit and diminishing his own resources; that in taking possession of its capital, he was depriving commerce of the resources necessary to its activity, and the Treasury of a portion of the products it would have had under a more liberal system.

"For a long time we have been pained to see the Bank's whole capital employed in 5 per cent. consols, and in other Government paper discounted or given as security for loans made for three months and compulsorily renewed, without regard to the extreme embarrassment of commerce and of the Bank itself. It has had as much as 128 million francs thus invested in paper, which, though varied in form and title, had at bottom but one and the same debtor, while it had in hand only eighteen million francs of commercial bills, and although its own security made it the duty of its managers to conceal their feelings on the subject."

We must not forget that J. H. Martin, a censor of the Bank during ten years, was so much the more able to judge of the consequences of the law of the year XI. and of 1806, that, as a banker, he had a technical competence which was wanting in the governor and assistant-governors of this institution, more lawyers than business men. We may remark, however, that he demands the suppression of the State's intervention in the management of the Bank of France, but not the suppression of the monopoly. In this he shows himself a banker, not seeing or not wishing to see further than his own immediate interests, and not the interests of the public, as was the duty of his office.

But let us return to 1814. The propositions of Laffitte, Martin, and associates, were adopted with enthusiasm. The Government, through Baron Louis, who will not be considered a theorist, we hope, approved them. Unfortunately, politics came into play. Not that there was any opposition; but there was no time to consider useful things, and the Bank's propositions had the bad luck never to come at the right moment.

It has been seen that on July 15, 1814, a general meeting, upon the proposition of the Bank's provisional governor and the censors, M. Martin at their head, formulated the reforms demanded by the stockholders. On the 26th, consequently, the Government brought in a bill to the Chamber of Peers. Unfortunately, by a rather singular mistake, what it brought in was a preliminary plan that the meeting of July 15 had modified. The parliamentary commission considered this situation and received favorably the modifications of the Bank's general council; in these terms the Chamber of Peers voted the bill; but it could not be presented in time to the Chamber of Deputies; the end of the session having arrived, it became necessary for the Government to bring in a new bill. Corvetto enters into negotiations with the Bank to learn the articles designed to express the Bank's desires, and April 6, 1818, he lays before the Chamber of Deputies a new bill, which, as in 1814, arrives too late to be made a law. Count Roy replaced Corvetto on December 6, 1818, and again the Bank was disappointed in its hopes. And yet they were dwindling down; as time went on, the Bank's demands became more and more modest. The reduction of the capital and the distribution of the reserves came up as desiderata. Baron Louis resumed on December 30, 1818, the portfolio of Finance. He sympathized, as may be remembered, with the modifications called for in 1814. He renewed relations with the Bank with a view to obtain a more liberal system than that of 1806. Unfortunately, on November 19, 1819, Count Roy replaced Baron Louis, and with the latter's departure the chief liberal reforms demanded by Laffitte and Martin were finally buried. Count Roy first appointed to the post of definitive governor of the Bank, Gaudin, Duke de Gaëte, the former Minister of Finance of the Empire. Gaudin, in his first report to the stockholders (January 25, 1821), omitted entirely to speak of his predecessor, who through days of difficulty, during six consecutive years (and what years!) had managed the Bank with talent and disinterestedness; Laffitte refused to take the salary of 60,000 francs a year of his office. The censor, M. A. Odier, undertook to make good this forgetfulness in concluding his report by the following words: "The general council, at the installation of the Duke de Gaëte, hastened to pass a vote of thanks to M. J. Laffitte for the zeal, the care, and the *disinterestedness*, which he had shown as provisional governor. Without doubt you would have approved of this decision, if you had been called to deliberate upon it."

Happily, Gaudin had, to mask his incompetence for his place, two model assistant-governors: J. E. Gautier, the author of the remarkable work previously quoted, and Charles Vernes, whose talent in estimating the real value of commercial bills and acceptances deserved to become proverbial.

To console the stockholders for the disappointment of their prayers of July 15, 1814, the law of July 4, 1820, authorized the apportionment in their favor of the 13,768,528 francs, put in reserve by the provisions of the law of the year XI. We may say at once, to avoid returning to it, that on December 6, 1831, another law authorized likewise the apportionment to the stockholders of the 9,974,398 francs put in reserve by the provisions of the law of 1806, and that finally the law of May 17, 1834, limited thenceforth to ten million francs the reserve taken from the annual profits.

This concerned only the stockholders. What chiefly interested the public was the final suppression of the three branch banks established under the Empire at Lyons, Rouen and Lille. Their results were and could only be middling. At that time particularly, when the relations of one city with another could not have the rapidity which they have in our day, to manage from Paris the business of branch banks established at a distance from the capital was impracticable. A royal ordinance of February 5, 1818, suppressed them, and did well. The Bank of France tried sincerely, but without succeeding, to establish a local bank at Lyons.* It was more fortunate in Rouen, where a bank was constituted to "replace the discount office of the Bank of France" (such are the words of the

* The special organization of the Lyons market, where custom had kept up *the Four payments* (see our Histoire des Banques en France, page 334), made less urgent the foundation of a bank in this antique and prosperous city.

royal ordinance of May 7, 1817), and thus this city, from 1798 to the present, has never been without an institution for issue, though more or less dependent on Paris. Like Lyons, Lille had to wait for eight or nine years before possessing a local institution.

[TO BE CONTINUED.]

FACTS AND COMMENTS ON THE SILVER QUESTION.

The President's Views.—In his annual message the President says:

"Under the law of July 14, 1890, the Secretary of the Treasury has purchased, since August 13th, during the fiscal year, 48,393,113 ounces of silver bullion, at an average cost of $1.045 per ounce. The highest price paid during the year was $1.2025, and the lowest, $0.9636. In exchange for this silver bullion there have been issued $50,577,498 of the Treasury notes authorized by the act. The lowest price of silver reached during the fiscal year was $0.9636, on April 22, 1891; but on November 1st the market price was only $0.96, which would give to the silver dollar a bullion value of 74¼ cents. Before the influence of the prospective silver legislation was felt in the market, silver was worth in New York about $0.955 per ounce. The ablest advocates of free coinage in the last Congress were most confident in their predictions that the purchase by the law would at once bring the price of silver to $1.2929 per ounce, which would make the bullion value of a dollar 100 cents and hold it there. The prophecies of the anti-silver men of disasters to result from the coinage of $2,000,000 per month were not wider of the mark. The friends of free silver are not agreed, I think, as to the cause that brought their hopeful predictions to naught. Some facts are known. The exports of silver from London to India during the first nine months of this calendar year fell off over 50 per cent., or $17,202,730, compared with the same months of the preceding year. The exports of domestic silver bullion from this country, which had averaged for the last 10 years over $17,000,000, fell in the last fiscal year to $13,797,391; while for the first time in recent years the imports of silver into this country exceeded the exports by the sum of $2,745,365. In the previous year the net exports of silver from the United States amounted to $8,545,455. The production of the United States increased from 50,000,000 ounces in 1889 to 54,500,000 ounces, which, allowing for 7,140,000 ounces of new bullion used in the arts, is 6,640,000 more than our domestic product available for coinage."

The Policy Favored by the Secretary of the Treasury.—In his address before the New York Chamber of Commerce, Secretary Foster said:

"To maintain parity between gold and silver is the fixed policy of the Government, because we all recognize its supreme importance. But when we come to the question of what policy is the best to pursue to maintain this desired condition serious differences of opinion arise. . . . In my opinion, with all our power—natural and conferred—with all of our resources employed to their fullest extent, we cannot maintain the parity of the two metals if the policy of free coinage of silver is to prevail. [Applause.] I am firmly of the opinion that the parity of the two metals can be maintained under the present policy. We produce in this country about three hundred millions of gold annually. The present indications are that the balance of trade with foreign nations for the next two years and for a longer period, if the present tariff laws are maintained, will require gold shipments to us to pay the balance in our favor of four hundred millions of silver to be purchased at its value in new Treasury notes."

Silver Exports.—In the last annual report of the Director of the Mint, it appears that the exports of silver from London to India during the first nine months of the present calendar year were £3,093,626, against £6,591,156 in the same period of 1890—a falling off of £3,497,530 ($17,020,730), or over 50 per cent. The exports of silver from London to India, China and the Straits each year since 1881 have been as follows:

EXPORTS OF SILVER TO THE EAST.

Years.	*India.*	*China.*	*Straits.*
1881	$12,375,612	$3,898,860	$3,577,729
1882	18,604,945	1,584,318	7,354,255
1883	18,040,140	4,212,574	11,189,631
1884	26,073,909	5,018,714	8,136,097
1885	30,913,667	3,160,315	3,108,146
1886	21,159,591	1,769,425	2,892,064
1887	19,798,328	1,427,179	2,766,946
1888	21,162,116	1,153,002	3,219,321
1889	28,392,786	2,731,861	8,181,141
1890	35,673,177	1,284,498	4,441,197
1891 (first nine months)	15,032,258	670,857	6,896,526
Total	$247,226,529	$26,911,603	$61,763,053

Another interesting table shows the net imports of silver into British India and the amount of Council bills sold during the last seventeen English official years, ending March 31st of each year. The table is as follows:

Years.	*Net Imports of Silver.*	*Amount of Council Bills Sold.*
1874-75	$22,580,560	$52,760,715
1875-76	7,543,075	60,294,052
1876-77	35,038,800	61,784,106
1877-78	71,440,220	49,319,325
1878-79	19,320,005	67,880,692
1879-80	38,299,355	74,271,598
1880-81	18,930,685	74,163,888
1881-82	26,181,770	89,604,086
1882-83	36,401,420	73,584,015
1883-84	31,194,265	85,649,451
1884-85	35,282,125	66,946,731
1885-86	56,500,065	51,212,637
1886-87	34,844,140	54,296,577
1887-88	45,307,115	73,220,790
1888-89	45,000,525	69,218,337
1889-90	43,798,500	76,890,700
1890-91	51,926,717	77,713,304
Total	$619,589,342	$1,158,811,004
Annual average	36,446,431	68,165,353

Foreign Policy Regarding Silver.—Ottomar Haupt, in a recent letter to the London *Financial Times*, says:

"Austria will cease the issue of silver florins whenever the introduction of the single gold standard is taken in hand. Russia does not move in the monetary question at all, and got rid of nearly all her silver rubles last year. The Latin Union leads a dismal life, and its duration is questionable; at all events, the liquidation of the foreign silver money circulating in France is on the cards. In the meantime bimetallic France herself has introduced the single gold standard, without any silver money of the five-franc type, into the regency of Tunis. Germany may one fine day resume her sales of the silver thalers, which ought to have been demonetized long ago. Besides, the coinage of French commercial dollars for Cochin China, in the Paris mint, has ceased altogether, the old Maria Theresa thaler is giving place to Egyptian gold money in north Africa, and—to crown the edifice—the creation of new dragon dollar by the newly-erected Chinese mint has pro̊ved a complete failure."

Mr. Goschen's Plan.—Last year the Chancellor of the Exchequer formulated a plan of issuing ten-shilling notes, payable in silver, but this was not favorably received. Within a few days he has announced another, the issuing of one-pound notes, which are to be secured by the resources of the joint stock banks that are to be deposited with the Bank of England. When the issues reach a certain figure he proposes their unlimited issue on the security of four-fifths gold coin and one-fifth consols. He has also intimated that if other nations would open their mints to the free coinage of silver, the Bank of England might avail itself of the privilege to hold one-fifth part of its bullion in the form of silver. These proposals have in view the accumulation of a larger stock of gold by the Bank of England, and have been prefaced with the admission of the need of a larger amount of gold in order to transact the business of the world, and to guard against the consequences of a future scarcity. But how can the issue of one-pound notes accomplish much to increase the gold supply? The effect of the measure, if adopted, would be simply to draw into the bank a larger amount of gold, supplying its place as a circulating medium with paper; more gold would be in sight than before, but the quantity for use would not be increased by a single pound. It is difficult, therefore, to see how this measure can furnish the smallest relief, except so far as the issues are based on consols or other securities beside gold.

Action by the Factory Workers' Association.—One of the most significant movements is the communication addressed to Parliament by the mill operatives of twenty associations of Manchester, concerning the necessity of restoring the use of silver as a circulating medium. In this communication it is stated:

"In the interest, therefore, of the operatives and others employed in the textile industry, whom they represent, and whose well-being the association has specially to safeguard, a clear duty is imposed upon them which they cannot and must not evade. That duty is to press by every legitimate means in their power upon those who have or seek any parliamentary influence the imperative necessity of insisting that Government and Parliament should at once seriously grapple with the evils of our present monetary system, and take such immediate steps as shall insure the recognition of silver as standard money throughout the British Empire and between this and other nations. Whatever other question of importance may be before the country, the urgent need of this reform demands that it shall be promptly dealt with, and it is pressed upon this council that they should without loss of time inform you that the circumstances connected with the trade and with the well-being of those employed in it render it imperative that the whole force —political and moral—of the industrial classes of this country shall be exercised to promote it to a successful conclusion."

The Manchester *Guardian*, in commenting on this communication, says:

"No one who is familiar with the condition of the cotton trade at the present time, and with the severe trials through which it has passed since the international par of exchange between gold and silver moneys was broken by the closing of foreign mints to the free coinage of the last-named metal, will assert that the representatives of the cotton operatives exaggerate the seriousness of the problem. Apart from its social aspect—and this, we may assume, has not escaped the notice of trade union officials during their study of it—in its present stage it has most serious and immediate financial and commercial bearings. It is now nearly a year since Mr. Goschen warned us of the grave dangers to which the credit of the country is exposed through the narrowness of the gold foundation on which it rests, and yet nothing has been done to provide that second reserve which the Chancellor of the Exchequer demanded as a necessary safeguard and proposed to secure by an issue of paper. The financial position of Europe is still extremely unstable; we have to face an abnormal drain on our gold reserves in consequence of crop deficiencies—a drain, moreover, which may quite possibly prove continuous for a considerable time to come; and meanwhile the industry of the country is, for no other reason than the necessity of protecting our reserves, taxed with higher bank rates than those ruling even in Bombay. Not less serious than all this, at least from the point of view of the cotton industry, is the continued fluctuation and extreme uncertainty of the rates of exchange with silver-using countries. The profitableness or the reverse of our vast export trade to the far East is absolutely dependent on the daily fluctuations of what is relatively an insignificant trade in one commodity in London. A decline in the price of silver instantly stops trade with the eastern markets unless the seller will accept the equivalent of a lower gold price, and that must react on prices at home or involve the shipper in ruinous loss. Meanwhile our silver-using competitors in the East escape all such disadvantages. It has been said that if the gold price of silver falls we ought to receive equivalently higher silver prices for our goods; the answer is that, for obvious reasons, this has never been possible. And uncertainty as to the probability of an advance in the gold price of silver has an equally deterrent effect, for a serious advance might ruin native buyers by inducing a rush of goods for sale at lower silver prices than they had already paid, or contracted to pay, for supplies. For months past the eastern markets have been embarrassed by uncertainty as to what the American Legislature may do; indeed, it is not too much to say that the solvency of all eastern traders, native and European, might be involved in the action, one way or the other, of the United States, to say nothing of the financial position of the Indian Government. In the presence of such unstable conditions it cannot be said that the Council of the United Textile Factory Workers' Association overstate the case when they declare that the prosperity of their trades and the well-being of the operatives are involved in the silver question."

Silver and the California Bankers' Association.—The action of the California Bankers' Association at their last convention was the following:

Resolved, That we indorse the present action of the Government in coining $4,500,000 per month of silver.

The vote on this resolution was almost equally divided.

Resolved, That this convention is not opposed to the use of the silver product of the United States at its commercial value for money purposes to such an extent as may be needed.

THE NATIONAL BANKS—THEIR INCREASE AND FAILURE.

The following statistics and other information is republished from Comptroller Lacey's last annual report.

At the opening of the report year the stringency which characterized the money market during the autumn of 1890 was at its height, its most disastrous effects having been felt during the month of November. A period of liquidation then set in, which had hardly spent its force when the bountiful harvest of 1891 brought much needed relief.

Notwithstanding the unfavorable conditions indicated, 193 new banks were organized during the year, located in 41 States and Territories, and possessing an aggregate capital of $20,700,000. The accessions are numerically in excess of the average, and have been exceeded in only seven out of the twenty-nine years during which the system has been in operation. During this twelvemonth 41 banks went into voluntary liquidation and 25 became insolvent, leaving as a net gain for the report year 127 associations, with a capital of $12,553,000, which is, as to number of banks, precisely the net average yearly increase during the life of the system.

The number of banks now in operation is greater than at any former period. There has been a satisfactory increase in the totals of capital stock, surplus fund, and undivided profits, and this is also true of deposits, loans and discounts.

The number of banks in existence October 31, 1891, was 3,694, having in capital stock $684,755,865; bonds deposited to secure circulation, $152,113,850; bank notes outstanding, $171,368,948, including $35,430,721, representing lawful money deposited to redeem circulation still outstanding. The amount of circulation secured by the pledge of United States bonds has increased during the year $11,795,101.

The following table gives the number of banks organized during the year ended October 31, 1891, in each State and Territory, with their aggregate capital.

It will be observed that Texas and Pennsylvania still stand at the head of the list, as they have during the past two years, with seventeen new associations in each, Texas, however, having the larger capital. Following these come the States of Washington, Illinois and Iowa, with eleven banks each, and Nebraska and New York with ten each. Kansas shows nine new associations and ranks next to New York. It will be observed that, notwithstanding the fatality attending banking operations in Kansas and Nebraska, these States take prominent places in point of new organizations.

States and Territories.	*No. of banks.*	*Capital.*	*States and Territories.*	*No. of banks.*	*Capital.*
Texas	17	$1,510,000	Tennessee	3	$450,000
Pennsylvania	17	1,050,000	West Virginia	3	285,000
Washington	11	700,000	Georgia	2	300,000
Illinois	11	2,830,000	Colorado	2	300,000
Iowa	11	775,000	Louisiana	2	100,000
Nebraska	10	910,000	Maine	2	125,000
New York	10	2,200,000	Michigan	2	150,000
Kansas	9	760,000	New Mexico	2	100,000
Kentucky	6	415,000	Utah	2	100,000
Maryland	6	1,150,000	District of Columbia	1	200,000
Minnesota	6	300,000	Alabama	1	50,000
Montana	6	515,000	Arkansas	1	50,000
Wisconsin	6	450,000	Idaho	1	75,000
Missouri	5	1,850,000	Indiana	1	100,000
Ohio	5	650,000	Indian Territory	1	50,000
South Dakota	5	300,000	Mississippi	1	50,000
Virginia	5	400,000	New Hampshire	1	50,000
Florida	4	200,000	New Jersey	1	50,000
North Dakota	4	250,000	Wyoming	1	50,000
Massachusetts	3	350,000			
North Carolina	3	150,000	Total	193	20,700,000
Oregon	3	350,000			

Of the associations entering the system during the year, ninety-nine, or slightly more than one-half in number, are located west of the Mississippi River and fifty-nine in the Southern States.

Of the total number of banks in operation, Pennsylvania has the greatest number of associations, Massachusetts the greatest aggregate capital, and New York leads in amount of deposits.

The accessions to the system seem to be widely distributed, both old and new States being prominent in the list. It will be noticed, however, that in proportion to population the increase is greater in the newer States west of the Mississippi River.

The table on the following page exhibits the number of banks organized, failed, and in voluntary liquidation, and the net increase numerically each year since 1863.

The most notable feature of the table is the large number of associations which have become insolvent during the year. They aggregate twenty-five banks, with a capital of $3,662,000. The year 1873, however, appears to have been the most disastrous in point of capital, as during that period the failure of eleven banks, with a capital of $3,825,000, is recorded. The next in point of importance was 1877, when ten failures occurred, representing a capital of $3,344,000.

Of the twenty-five failed banks, having an aggregate capital of $3,662,000, thirteen, representing $1,137,000 of capital, were located in Kansas and Nebraska.

The larger part of the failures in these two States were attributable to four successive crop failures, and seem to be the result of unavoidable misfortunes rather than the lack of honest and efficient management.. In many cases, however, the unfavorable conditions were greatly aggravated by the collapse of unwise speculation in real estate, more especially in city and suburban property.

If we consider the relative proportions existing between the liabilities of failed and active banks during various periods, it will be found that seven years have been more disastrous than the one just closed, to wit: 1867, 1872, 1873, 1877, 1878, 1882, and 1884. The liabilities of banks closed on account of insolvency in each of these seven years constitutes a larger percentage of the total liabilities of all existing banks than is shown by the record of the year covered by this report.

NUMBER AND AUTHORIZED CAPITAL OF BANKS ORGANIZED AND THE NUMBER AND CAPITAL OF BANKS CLOSED IN EACH YEAR ENDED OCTOBER 31, SINCE THE ESTABLISHMENT OF THE NATIONAL BANKING SYSTEM, WITH THE YEARLY INCREASE OR DECREASE.

Year.	*Organized.*		*Closed.*				*Net yearly increase.*		*Net yearly decrease.*	
			In voluntary liquidation.		*Insolvent.*					
	No.	*Capital.*	*No.*	*Capital.*	*No.*	*Capital.*	*No.*	*Capital.*	*No.*	*Capital.*
1863	134	$16,378,700					134	$16,378,700		
1864	453	79,366,950	3				450	79,366,950		
1865	1,014	242,542,982	6	$330,000	1	$50,000	1,007	242,162,982		
1866	62	8,515,150	4	650,000	2	500,000	56	7,365,150		
1867	10	4,260,300	12	2,160,000	6	1,170,000		930,300	8	
1868	12	1,210,000	18	2,445,500	4	410,000			10	$1,645,500
1869	9	1,500,000	17	3,372,710	1	50,000			9	1,922,710
1870	22	2,736,000	14	2,550,000	1	250,000	7			64,000
1871	170	19,519,000	11	1,450,000			159	18,069,000		
1872	175	18,988,000	11	2,180,500	6	1,806,100	158	15,001,400		
1873	68	7,602,700	21	3,524,700	11	3,825,000	36	253,000		
1874	71	6,745,500	20	2,795,000	3	250,000	48	3,700,500		
1875	107	12,104,000	38	3,820,200	5	1,000,000	64	7,283,800		
1876	36	3,189,800	32	2,565,000	9	965,000			5	340,200
1877	29	2,589,000	26	2,539,500	10	3,344,000			7	3,294,500
1878	28	2,775,000	41	4,237 500	14	2,612,500			27	4,075,000
1879	38	3,595,000	33	3,750,000	8	1,230,000			3	1,385,000
1880	57	6,374,170	9	570,000	3	700,000	45	5,104,170		
1881	86	9,651,050	26	1,920,000			60	7,731,050		
1882	227	30,038,300	78	16,120,000	3	1,561,300	146	12,357,000		
1883	262	28,654,350	40	7,736,000	2	250,000	220	20,668,350		
1884	191	16,042,230	30	3,647,250	11	1,285,000	150	11,109,980		
1885	145	16,938,000	85	17,856,590	4	600,000	56			1,518,590
1886	174	21,358,000	25	1,651,100	8	650,000	141	19,056,900		
1887	225	30,546,000	25	2,537,450	8	1,550,000	192	26,458,550		
1888	132	12,053,000	34	4,171,000	8	1,900,000	90	5,982,000		
1889	211	21,240,000	41	4,316,000	2	250,000	168	16,674,000		
1890	307	36,250,000	50	5,050,000	9	750,000	248	30,450,000		
1891	193	20,700,000	41	4,485,000	25	3,662 000	127	12,553,000		
Total	4,648	683,463,182	791	108,431,000	164	30 620,900	3,762	558,656,782	69	14,245,500
Deduct decrease							69	14,245,500		
Total net increase							*3,693	†544,411,282		

* One bank restored to solvency, making 3,694 going banks.

† The total authorized capital stock on October 31 was $684,755,865; the paid-in capital, $683,248,175, including the capital stock of liquidating and insolvent banks which have not deposited lawful money for the retirement of their circulating notes.

The Comptroller endeavored by correspondence with various State officers, receivers, and assignees to ascertain the number of failures of banks and bankers other than National during the past twelve months, but was unable to thus secure any data upon which reliance could be placed. He has been supplied, however, through the courtesy of a commercial agency,* with a list of failures in the United States of bankers, brokers, trust companies, and savings banks for the year ended June 30, 1891. These number in all 117 institutions, having liabilities estimated at $38,271,511, and assets valued at $20,794,092.

The failures for the current year have been numerous, many having been characterized by gross mismanagement and some by criminality of an aggravated character, yet nothing has been developed which indicates that the confidence in National banks on the part of the general public, which is the outgrowth of an experience of twenty-nine years, has been ill founded.

It is idle to suppose that absolute immunity from failure can be secured by the operation of any law which fails to provide for absolute and complete governmental guaranty. That failures will be far more numerous during some years than others is to be expected. This is true of every variety of business activity. The banks of the country are mere agencies through which the commercial and business operations of the people are conducted, and of necessity the losses which attend these operations are reflected in the profit and loss accounts of these agencies. The net earnings of the banks afford a good criterion for judging as to the measure of success which has attended the business operations of their customers.

It is a well-known fact that periods of business activity and depression follow each other at reasonably well-defined intervals, and that no means have been found for preventing the regular recurrence of what were, under other conditions, known as years of panic. There is no doubt that the introduction of the National banking system; and a well-secured currency of uniform and certain value, has served to greatly modify the severity of these periodical visitations and convert what were formerly panics into more or less severe depressions. The latter condition we have just experienced, and it is not remarkable that during the past twelve months, while the country was suffering from a monetary stringency which has seriously affected the entire commercial world, we should have witnessed the failure of twenty-five banks out of a total of 3,694.

That the law under which these associations operate is absolutely perfect no one well informed will claim, but that it has afforded greater security to its depositors and creditors than any other system is indisputable.

Since the foundation of the system 4,648 associations have been organized, of which 164 have become insolvent, equal to about 3½ per cent. for a period of twenty-nine years. Of this number, the affairs of 102 have been finally settled, representing $28,544,992 of proved claims, upon which the claimants have received on an average 74.17 per cent., constituting a net loss to depositors of $7,372,036. The affairs of sixty-two banks are still unsettled, representing claims proved to the amount of $29,247,036, on which have been paid $17,456,167, leaving assets estimated at $3,702,925 yet to be distributed, which would represent a loss to creditors of $8,087,944.

It will be observed that losses to creditors of National banks during the twenty-nine years of the existence of the system, taking the amounts ascertained and the amounts estimated, aggregate $15,459,980, or an average of $533,103 per annum during the life of the system.

The average amount of liabilities of all the banks since 1863 approxi-

* Bradstreets.

mates $1,055,434,022, indicating that the annual average loss to the creditors of National banks for the period of twenty-nine years has been only one-twentieth of 1 per cent.

In order to illustrate the increasing economy and efficiency which has characterized the administration of insolvent banks by the Bureau, the following table has been prepared, which covers all insolvent associations whose affairs have been finally closed:

Date of failure in semi-decades.	*No. of failed banks.*	*Total collections from all sources.*	*Legal expenses.*		*Receivers' salaries and all other expenses.*		*Amount of claims proved.*	*Percentage of dividends on claims proved.*
			Amount paid.	*Ratio to total collections.*	*Amount paid.*	*Ratio to total collection.*		
1865 to 1869 inclusive...	15	$3,87[illegible],087	$155,959	4.03	$343,343	9.13	$5,131,694	62.84
1870 to 1874 inclusive...	21	10,384,725	299,855	2.89	579,495	5.58	9,876,423	75.61
1875 to 1879 inclusive...	41	9,353,476	31[illegible],737	3.39	676,526	7.23	9,646,132	72 65
1880 to 1884 inclusive...	9	1,534,720	44.561	2.90	109,162	7.11	1,407,231	86.75
1885 to 1890 inclusive...	16	3,735,929	30,374	.81	122,195	3.27	2,483,512	90.65
Total	102	28,877,937	848,486	2.94	1,830,721	6.34	28,544,992	74.17

It will be observed that the banks have been classified into semi-decades, having regard to the date of insolvency. The conspicuous relative reduction in legal expenses is worthy of remark. The first semi-decade shows an average disbursement for legal expenses of $4.03 on each $100 collected, while the same item during the last semi-decade is stated at only eighty-one cents.

The average expenses to each $100 of collections for receivers' salaries and all other expenses decreased from $9.13 during the first semi-decade to $3.27 during the last. Taking into account all the expenses of administration, we find that the cost per $100 during the last period is $4.08, as against $13.16 during the first. A corresponding increase in the percentage of dividends paid to the creditors of insolvent banks is also to be noted.

During the first period, claimants received on the average 62.84 per cent.; during the last period 90.65 per cent., and for the entire life of the system 74.17 per cent.

The increase in dividends and decrease in expenses go hand in hand. The increase in rate per cent. paid to creditors is due in part to greater efficiency and economy in conducting the liquidations, and partly to the fact that recent failures are less disastrous than in the earlier years of the system. These results indicate that governmental supervision is growing more effective as new and improved methods are evolved from experience. Certainly no other system of liquidating insolvent banks has ever proved so effective and economical; the record of the past five years showing average dividends to creditors of 90.65 per cent. and average expenses of only 4.08 per cent. is in both respects believed to be without a parallel.

CAUSES OF FAILURE.

The First National Bank of Meade Center, Kansas, closed its doors October 17, 1890, being unable to satisfy demand liabilities presented for payment.

Injudicious loans had been made which were not readily convertible, and a sudden demand for the payment of a county deposit precipitated suspension. The remote causes of failure were negligence of directors, general stagnation of business, and decrease in values, resulting from continuous failure of crops.

The First National Bank, of Alma, Kansas, for several months prior to suspension of business had received more than ordinary attention from the National Bank Examiner, two examinations having been made within a period of six months. The president of the bank was accused of borrowing money on the strength of the bank's indorsement for personal use and investment in private enterprises, and of issuing certificates of deposit in blank sums to be sold under contract by outside parties. Judgments were resting against the president individually, and judgment had been obtained against the bank by a correspondent, the sheriff levying upon the real and personal property. The amount of demand liabilities was very small and voluntary liquidation was contemplated, but an examiner, who visited the bank with special instructions, closed the doors on November 10, 1890, after due examination.

The First National Bank of Belleville, Kansas, closed its doors December 2, 1890.

The president was a large borrower, and used the bank for individual purposes. The banking house was destroyed by fire October 28, and from that date deposits gradually diminished, seriously limiting the business of the bank. The president was active in promoting local enterprises, some of which were total failures, and there was no return from investments.

The creditors have been paid 55 per cent. on the principal of claims proved.

The American National Bank of Arkansas City, Kansas, closed its doors December 8, 1890.

The condition of affairs was complicated. The officers of the bank had used assets to further personal interests, and created large and excessive loans. The immediate cause of suspension was inability to pay a demand certificate of deposit. There was an unwarranted extension of business in attempting to sustain enterprises in which the officers were interested, and large sums of money were borrowed upon certificates of deposit at high rates of interest. Dividends were paid to shareholders not justified by the earnings of the bank, and the directors were guilty of gross inattention to duty, disregard of the law and advice from the Comptroller.

Dividends have been paid amounting to 20 per cent. on the principal of claims proved, and the assets may prove to be sufficient for payment in full.

The Spokane National Bank, of Spokane Falls, Wash., closed its doors December 18, 1890.

The entire management of affairs was committed to the cashier and the vice-president, who were the moving spirits in speculative enterprises, which were carried on without interference or control by the directors, the latter never giving the bank any attention, but lending their names in support of the reckless operations of the cashier. About one-half of the deposits were locked up in private banks and mining interests. This condition of affairs made it impossible for the bank to meet its demand obligations, and was the immediate cause of suspension.

A dividend of 15 per cent. has been paid to creditors on the principal of claims proved.

The City National Bank of Hastings, Neb., closed its doors December 27, 1890.

On October 17 an assessment upon the shareholders, amounting to 50 per cent. of the capital stock, was levied by the Comptroller, and remained unpaid. The examiner upon taking charge discovered the fact that more than one-half of an increase of capital certified to the Comptroller as having been paid in, and authorized by him in accordance with law, was represented by the notes of subscribers, the obligations remaining unpaid at date of suspension.

Notes had been rediscounted for persons to whom the president had transferred real estate at fictitious values. High rates of interest were paid on certificates of deposit and bills payable to non-resident capitalists for several years prior to the suspension, and dividends not earned were declared and paid to shareholders. The board of directors was inattentive to duty, which made reckless mismanagement possible.

A dividend of 15 per cent. has been paid to creditors on the principal of claims proved.

The People's National Bank, of Fayetteville, N. C., closed its doors December 31, 1890, the immediate cause being a slight run by depositors. The condition of affairs, as reported by the examiner upon taking charge, showed gross irregularities by the president, and criminal violation of law. As a critical examination progressed, it was found that the bank had been practically insolvent for many years, the Comptroller and the examiners having been deceived through systematic and successful attempts to carry among the assets a large amount of notes and bills as alive and secured which were in fact past due and worthless.

The president was permitted to abstract funds of the bank upon the indorsement of notes taken by him in connection with an outside enterprise, and which were represented as being secured by chattel mortgage. Fictitious drafts were drawn and carried by the bank as bills of exchange. The president was thoroughly dishonest; but, because the directors and other officers either did not know their duties or utterly failed to perform them, he was enabled to completely wreck the bank.

All the facts were promptly reported to the United States District Attorney. The president was arrested, but the grand jury failed to find an indictment. A dividend of 20 per cent. has been paid to creditors on the principal of claims proved.

The First National Bank of Ellsworth, Kansas, closed its doors January 26, 1891. Suspension was inevitable as the result of injudicious and reckless loans to the cashier and his friends, the funds being used and lost in speculation. A dividend of 15 per cent. has been paid to creditors on the principal of claims proved.

The Pratt County National Bank, of Pratt, Kansas, closed its doors February 26, 1891. The president was a large borrower and a wild speculator. The bank was compelled to take mortgages to secure his indebtedness, which were not valuable as live assets, the aggregate amount representing more than one-half of the capital of the bank. The bank also suffered large losses in the earlier period of its existence, but the management undertook to conduct a successful business by borrowing on bills payable and bills receivable and paying excessive rates of interest on deposits. Upon sudden demand for the payment of the deposit of the county treasurer, the bank was forced to suspend.

A dividend of 20 per cent. has been paid to creditors on the principal of claims proved.

The Second National Bank, of McPherson, Kansas, closed its doors March 2, 1891. The failure of this bank was due to the reckless management of its president, who squandered the assets. When the bank suspended he committed suicide.

The Keystone National Bank, of Philadelphia, Pa., was closed to business on the morning of March 20, 1891, by order of the Comptroller of the Currency, the examiner immediately taking charge.

An assessment upon the shareholders had been previously levied to make good an impairment of the capital, as such impairment was then estimated. The assessment was not responded to by the shareholders, and upon disclosures made by the president of the bank in person to the Comptroller, on the evening of March 19, immediate action was taken and the bank was closed. According to the records of the bank as then disclosed, the capital had not been entirely lost, but subsequent investigation developed the fact that collusion among the officers and employes had resulted in successfully deceiving the examiner and the Comptroller with respect to the true condition of the bank.

The causes of the failure were reckless and criminal use of funds belonging to the bank, the bookkeeper having aided the president, who is a fugitive from justice, in deceiving the examiner by false entries, such entries being made at or about the dates of examination. This bookkeeper, after the suspension, admitted his guilt and was arrested, brought to trial, and sentenced to imprisonment for a term of seven years. Subsequently three other persons connected with the bank were arrested upon information, and are now held under bail for collusion.

A thorough investigation has progressed since the date of suspension, for the purpose of ascertaining all the facts and fixing personal liability. The city treasurer of Philadelphia appeared to be a large creditor, and permission was granted State and city authorities to investigate the records of the bank for the purpose of ascertaining the precise facts.

The Treasury Department also instituted an investigation of all the records of the bank, with the view of ascertaining who is liable, criminally or otherwise, for the failure, which is still in progress.

The Spring Garden National Bank, of Philadelphia, Pa., closed its doors on the morning of May 8, 1891, being unable to settle with the Clearing House. This suspension closely followed that of the Keystone National Bank, and as investigation proceeded it became evident that there had been criminal violations of law. On May 28 the president and cashier were arrested upon information and brought to trial. They were found guilty and relegated to the penitentiary for a term of ten years each.

The First National Bank, of Red Cloud, Neb., was closed by the examiner, May 22, 1891, payment of a certificate of deposit having been refused, and in obedience to telegraphic instructions from the Comptroller. Upon investigation it was discovered that the bank had been in an insolvent condition for a considerable period of time, such condition having been caused by irregularities of former officers and general mismanagement. No meeting of the shareholders had apparently been held for more than two years, and the officers and employes immediately in charge were permitted to conduct its affairs. The funds of the bank were largely loaned to its officers and their relatives, the loans not being properly secured.

The National City Bank, of Marshall, Mich., closed its doors June 3, 1891. On June 2 the Comptroller was advised that the assistant cashier had embezzled a large sum of money, but that the bondsmen were able and willing to make good the entire loss without delay.

The cashier was very inattentive to duty, and the directors, having unbounded confidence in the integrity of the employes, grossly neglected the interests of the bank. As investigation proceeded the embezzlement was found to equal the entire capital stock. On May 27 the examiner discovered the defalcation and informed the directors, but, as the bank was still considered solvent, no action was taken to secure arrest, and the embezzler escaped before the doors were closed and the examiner took charge.

A dividend of 50 per cent. has been paid to creditors upon the principal of claims proved.

The Red Cloud National Bank, of Red Cloud, Neb., was closed by order of the Comptroller, June 26, 1891. All of its capital was represented by unconvertible securities, and the funds of the bank had been invested in local enterprises, at great loss.

The condition of the bank was due to bad management and a total disregard of sound banking principles.

The Asbury Park National Bank, of Asbury Park, N. J., was closed by order of the Comptroller, July 1, 1891. During the period of the bank's existence a sufficient amount of individual deposits were not obtained to make a profitable business. A large and costly building was constructed, and as an asset was not consistent with the volume of business. The president borrowed large sums, bad loans were made, and excessive interest was paid. Expenditures and losses were in excess of earnings, the directors were negligent of duty, and false statements of condition were made. The public and correspondent banks lost confidence and suspension became inevitable.

The Central Nebraska National Bank, of Broken Bow, Neb., was closed by the examiner on the morning of June 12, 1891, upon receipt of instructions from the Comptroller. The immediate and remote causes for this action were the heavy loans made to individual directors, aggregating three-fifths of the capital of the bank, and the heavy loss sustained upon bills receivable, which had been foisted upon the bank through questionable methods adopted by the officers in endeavoring to aid outside enterprises wholly foreign to the locality. Large sums of money were borrowed at high rates of interest, for which nearly all of the good paper of the bank had been pledged as security.

The Florence National Bank, of Florence, Ala., closed its doors June 22, 1891, the entire capital having been lost. The former president had absolute control, improperly used the funds of the bank to sustain outside enterprises, and was forced to resign; but his management had placed the bank in a position from which it could not recover. The suspension of the bank was precipitated by the protest of drafts aggregating an inconsiderable amount drawn upon a correspondent bank.

The Ninth National Bank, of Dallas, Tex., was closed by the examiner, July 1, 1891, upon receipt of telegraphic instructions from the Comptroller. The bank commenced business in September, 1890, and was controlled by the cashier, who had previously become indebted for a large amount to another National bank, of which he was an officer, and funds of the Ninth National Bank were used to liquidate his indebtedness. The directors held meetings only on call, and were not attentive to duty. A large proportion of the loans were made to irresponsible parties without sufficient security, and the proceeds were subrogated to the uses of the cashier. A new management was effected, but the capital had become so impaired that suspension was inevitable. After the examiner took charge an attempt was made to control sufficient funds for the payment of creditors in full, so that the bank might be placed in voluntary liquidation, but the effort did not succeed. From the records it would apppear that the failure was almost entirely due to the wild speculations and dishonest practices of the cashier.

The First National Bank, of Kansas City, Kansas, closed its doors July 16, 1891, upon demand for the payment of the city deposit. A former president, in conjunction with the vice-president, were active speculators in real estate and the promoters of outside enterprises. These officers, and other real estate dealers, became indebted to the bank for large sums, and when a reaction from abnormally high prices resulting from a so-called "boom" occurred, were unable to meet their obligations or secure them with convertible collaterals. Settlements were forced upon the bank by transfers of real estate, to such an extent that the assets were tainted with a doubtful or worthless character. The credit of the bank having become impaired, confidence was destroyed, and stringency in the money market caused a withdrawal of deposits. The bank was unable to borrow from correspondents, not being able to pledge sufficient security, and finally could not meet demand obligations.

The First National Bank, of Palatka, Fla., closed its doors July 17, 1891. The president was connected with a city banking institution which failed. Public confidence was destroyed, which resulted in a considerable withdrawal of deposits. A large amount of stock, bonds, and real estate mortgages were among the assets, which at date of suspension represented a large loss. Serious depreciation of values and stagnation of business were general in the locality. Formerly, the management having been left entirely to the president, loans and investments were made in outside enterprises, dependent wholly upon the duration of exceptional local prosperity. The president and his relatives were large borrowers, and invested the funds in sustaining local schemes. Finally the bank was unable to borrow from correspondents, or rediscount paper, and could not meet demand obligations.

The Farley National Bank of Montgomery, Ala., closed its doors August 21, 1891. The immediate cause of the suspension was the protest of drafts, aggregating in amount a sum greater than the capital of the bank, which had been cashed in the interests of a railroad company, collateral security being held, but not readily convertible. Efforts are being made to realize upon the security, so that the bank may resume business.

The Rio Grande National Bank, of Laredo, Tex., was closed by the examiner, upon receipt of instructions from the Comptroller, September 14, 1891. The principal cause of failure was the use of the bank's funds in sustaining an improvement company which owned a large area of land in the locality. The bank was doing no business, its capital was seriously impaired, and its resources locked up in unconvertible securities. The depositors were few; the aggregate amount due was insignificant, and there was no money in the bank to loan.

The First National Bank, of Coldwater, Kansas, was closed by a National bank examiner, upon receipt of instructions from the Comptroller, September, 21, 1891. An assessment upon the capital had been made, but the shareholders did not respond. Former officers of the bank were reckless speculators in real estate, and failed, owing the bank large amounts. Their successors were large borrowers for similar purposes. The general causes which resulted in suspension were bad and careless management and indifference to duty on the part of the directors, who left the management entirely in the hands of the cashier. A movement to raise sufficient funds to pay creditors in full, so that the bank might be placed in voluntary liquidation, was abandoned.

The First National Bank, of Clearfield, Pa., closed its doors September 29, 1891. The entire capital had been lost. The management of the bank rested wholly with the president, who had large interests in outside enterprises, and a State bank, using the National bank for individual purposes. Excessive loans were made in sustaining outside deals. Good assets were systematically abstracted, and worthless assets substituted. Loans not represented by the obligations of firms and companies in some form or other, in which the president was interested, were based upon accommodation paper. Large loans were floated, represented by paper made by persons and firms of doubtful character. The bank acquired control of a mill property, which locked up large sums of money in the purchase and operation, and was a losing investment. The directors were either negligent or guilty of collusion. The irregularities already discovered strongly indicate fraudulent and gross violations of law. The president was promptly arrested and held for trial.

The Washington National Bank, of New York City, was organized June 5, 1890, with a capital of $300,000. Injudicious loans were made, and the capital became seriously impaired. The doors were closed to business on March 24, 1891, but the assets being sufficient to pay all liabilities, the bank was permitted to go into voluntary liquidation.

The Newton National Bank, of Newton, Kansas, closed its doors November, 20, 1890. A few months prior to this date an increase of capital stock had been approved by the Comptroller, the affairs of the bank, according to reports, being in good condition. A considerable number of shares of stock were owned by non-residents, who regarded the investment as secure, without inquiry as to the conduct of the bank with respect to its management.

After suspension the fact was developed that most of the increase had been collected prior to authorization by the Comptroller, and was represented substantially by loans made to a bank in Guthrie, Okla., which had failed. The cashier of this bank was the cashier of the Newton National Bank, and co-manager. The management of the Newton National Bank practically rested with the vice-president and cashier.

Only one-third of the capital stock was held by local shareholders, so that unusual facilities were afforded these officers for using the funds of the bank uncontrolled, as they owned about two-thirds of the stock locally held. The officers borrowed largely from the bank, and pledged a majority of the good bills as collateral security for rediscounts. The eastern shareholders were prompt in taking steps looking to a repairment of the capital, and their efforts resulted in a deposit of sufficient fresh capital in cash to place the bank upon a solvent footing. The receiver was withdrawn, and the bank was permitted to resume business July 1, 1891.

The affairs of three National banks have been closed during the past year and final dividends have been paid to their creditors.

Name and location of bank.	*Date of appointment of receiver.*	*Total dividends on principal.*	*Proportion of interest paid.*
		Per cent.	*Per cent.*
State National Bank, Raleigh, N. C.	Mar. 31, 1888.	53	....
National Bank of Sumter, S. C.	Aug. 24, 1887.	100	100
Lancaster National Bank, Clinton, Mass.	Jan. 20, 1886.	100	100

The Farmers and Merchants' National Bank, of Clarksville, Tenn., closed its doors December 10, 1890, on account of the embarrassment created by the failure of a private bank and firms indebted to it in large sums. Reports indicated that the embarrassment was temporary, and immediate steps were taken by the shareholders to repair the capital, so that, if permitted, the bank might resume business. Their efforts were successful, a voluntary assessment was levied and paid, bad debts were charged off, and as a result there became available funds sufficient to pay all liabilities, leaving the capital intact. The bank was permitted to resume business April 20, 1891.

Out of 4,648 National banks organized since February, 1863, only 164, or about 3.53 per cent., have been placed in the hands of receivers; this includes nine which had been previously placed in liquidation by the shareholders, but upon their failing to pay depositors the Comptroller appointed receivers to wind up their affairs. Of the 164 failed banks, thirty-five have paid creditors in full, principal and interest, six have paid principal and a part of the interest, and twelve have paid the principal only. The affairs of 102 of the 164 banks have been finally closed, leaving sixty-two in process of settlement, of which fifteen are virtually closed, with the exception of pending litigation, leaving forty-seven receiverships in active operation.

SCHOOLS OF FINANCE AND ECONOMY.

The Committee on Schools of Finance and Economy, appointed at the meeting of the Executive Council held at the close of the last convention of the American Bankers' Association at Saratoga, September 3, 1890, made the following report at the last convention held at New Orleans.

There were referred to the committee the following resolutions unanimously adopted by the convention, without specific instructions:

Resolved, That the American Bankers' Association most earnestly commends, not only to the bankers, but to all intelligent and progressive citizens throughout the country, the founding of Schools of Finance and Economy, for the business training of youth, to be established in connection with the universities and colleges of the land, upon a general plan like that of the Wharton School of Finance and Economy of the University of Pennsylvania, so ably set forth by Professor James in his most admirable address before this Convention.

Resolved, That the Executive Council is hereby directed to carefully consider, and, if possible, devise some feasible plan whereby this association may encourage or promote the organization of a School or of Schools of Finance and Economy among our institutions of learning, and report upon the same to the next convention.

Under these resolutions the committee published on January 1, 1891, a pamphlet of forty pages entitled "Education of Business Men," containing the address of Professor Edmund J. James, Ph. D., University of Pennsylvania, upon Schools of Finance and Economy, delivered by request before the American Bankers' Association at Saratoga, September 3, 1890; the plan of the Wharton School of Finance and Economy, of the University of Pennsylvania; and the proceedings of the association relative to the address of Professor James and upon the founding of Schools of Finance and Economy; prefaced with an address of the committee respectfully inviting from the members of the association and bankers generally, and from all the friends of the cause of education, such expressions of opinion and suggestions as might aid the committee in its work under the resolutions.

Copies of the pamphlet were mailed to all banks and bankers as well as members of the association, to leading newspapers and journals, and to the universities and colleges of the land. Additional copies were also sent to the universities and colleges on October 8, with a special circular addressed to them, renewing the request for expressions of opinion as to the value and feasibility of establishing a school or schools of finance and economy.

In response to these pamphlets and circulars, as well as to the earlier pamphlets containing the plan of the Wharton School sent in 1889–90, encouraging notices have appeared in the press and a large number of letters have been received from bankers and educators, including some of the most distinguished, in which the founding of schools of finance and economy is most highly commended and urged in the strongest terms.

These letters show that the increasing necessity for such schools in connection with the higher educational institutions is becoming generally recognized by those best qualified to judge of their great value and importance, and a model being furnished in the Wharton School, the establishment of a similar school by each of our universities and colleges may be expected to follow as fast as the means for the purpose can be secured. The work of the association begun by the Executive Council two years ago, in presenting and commending the Wharton School idea, is thus already bearing fruit, and it only remains to devise some feasible plan whereby the association may further encourage and promote it.

As the association is organized it is, at this time, difficult to present any definite plan by which it may immediately promote the founding of a great institution such as Professor James described as the ideal of the faculty of the University of Pennsylvania, and the founding of Schools of Finance and Economy generally among our institutions of learning, further than to recommend that the association, having taken the subject up, indorsed it and presented it to the bankers, educators and press of the country, by whom it has been most favorably received, shall continue to make such presentment of the subject a part of its regular work for the future, until the idea shall become indelibly impressed upon the intelligent and wealthy, and its great importance shall be fully recognized and accepted by all interested in the great cause of education.

The founding of such institutions is one of the inestimable privileges of those of great wealth, but it has been and may still be the privilege of the American Bankers' Association to point the way to such grand schemes of beneficence, and thus aid in their encouragement and promotion. But one School of Finance and Economy has so far been presented as an example or model for emulation, the Wharton School, being the first and perhaps the only one of its kind in this country. Would it not be well for the association to cause an examination to be made into such schools abroad, by sending some eminent man of learning to Europe for the purpose, who would give us the result of his investigations in an address at a future convention, from which it would go forth to the world? In this manner the association could, at small cost, do inestimable service to the cause it seeks to promote—the education of business men.

Doubtless the way would be opened for further usefulness upon the part of the association in this most interesting field upon which it has so far entered. The results already achieved are sufficient to encourage the continuance of the good work, and it is, therefore, recommended by this committee that the Executive Council shall annually, upon its organization, appoint a standing committee of five, to be known as the Committee on Schools of Finance and Economy, which shall be specially charged with all matters relating to the encouragement and promotion of Schools of Finance and Economy, and to which all such matters shall be referred, which committee shall report prior to the annual convention, or oftener, as may be required.

The letters herein referred to are made a part of this report, and it is recommended that some of the more important, or extracts therefrom, shall be included in any publication of the report that may be directed.

WILLIAM H. RHAWN,
GEORGE S. COE,
LYMAN J. GAGE,
MORTON MCMICHAEL.

BANK TAXATION.

SUPREME COURT OF KANSAS.

First National Bank of Leoti v. *Fisher, Treasurer, et al.*

The assessment of the entire capital stock of a National bank "*in solido*" against the bank itself is invalid.

The only way that the capital stock of a National bank can be reached is by the assessment of the shares of the different or individual stockholders. Under the statute of this State, the bank may pay the tax assessed upon the shares of its different stockholders, and it will have a lien thereon when it pays such tax until the same is satisfied; but if, from any cause, the tax levied upon the different stockholders is not paid by the bank, the property of the individual stockholders will be liable therefor.

The individual stockholders of a National bank are allowed the same deductions from the assessment against them upon their shares of stock as other tax-payers in the State, owning moneyed capital, are allowed; but, of course, no double deduction or exemption can be allowed to any stockholder.

HORTON, C. J.—The First National Bank of Leoti commenced this action to restrain the collection of certain taxes assessed against it. An order temporarily restraining the treasurer and sheriff from levying and collecting the same from the property of the bank was granted. The defendants demurred to the plaintiff's petition, upon the ground that there was a defect of parties defendant, that the petition did not state facts sufficient to grant the relief prayed for, and that it did not state a cause of action against the defendants. The court sustained the demurrer, and dissolved the restraining order. The plaintiff excepted, and brings the case here. The petition alleges that the plaintiff is, and was at all times mentioned, a National bank; that E. W. Fisher and John H. Edwards are treasurer and sheriff, respectively, of Wichita County; that on May 10, 1890, the treasurer issued a tax-warrant against the plaintiff for $1,569.14 to the sheriff, and that the whole amount thereof was erroneously, wrongfully, and illegally assessed against plaintiff. The petition further states that on the 22d of March, 1889, the township assessor took a statement of the amount of property held by the bank, and a statement of the amount of stock of the bank, as the personal property of the bank, and so assessed it, "*in solido*," without notifying the stockholders, and without giving them opportunity to claim exemptions. The petition further alleges that in January, 1890, the board of county commissioners, having demanded and received from the president of the bank a list of stockholders, with the amount of stock held by each on March 1, 1889, and of surplus, undivided profits, and real estate, increased the bank assessment on the stock, which had once before been assessed, so that $700.84 were added to the amount of the tax, and that this was done without giving any notice to the stockholders, and that the assessment against the property was made as before, "*in solido*," and as the property of the bank.

It is contended that the method of the officers in assessing and attempting to collect the taxes complained of is contrary to section 5,219 of the United States Revised Statutes, and also contrary to various sections of chapter 107, Gen. St. 1889, providing for the assessment and collection of taxes. Said section 5,219 reads: "Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the association is located; but the Legislature of each State may determine and direct the manner and place of taxing all of the shares of National banking associations located within the State, subject only to two restrictions—that the taxation shall not be at a greater rate than is assessed upon any other moneyed capital in the hands of individual citizens of such State, and that the shares of any National banking association owned by non-residents of any State shall be taxed in the city or town where the bank is located, and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed." Paragraph 6,868, Gen. St. 1889, being section 22, art. 6, of the act relating to the assessment and collection of taxes, provides that "stockholders in banks and banking associations organized under the laws of this State, or the United States, shall be assessed and taxed on the true value of their shares of stock in the city or township where such bank or banking association is located, and the president, cashier, or other managing officer thereof, shall, under oath, return to the assessor, on demand, a list of the names of the stockholders, and the amount and value of stock held by each, together with the value of any undivided profits or surplus; and said bank or banking association shall pay the tax assessed upon said stock and undivided profits or surplus, and shall have lien thereon until the same is satisfied: provided, that if, from any cause, the taxes levied upon the stock of any banking association shall not be paid by said association, the property of the individual stockholders shall be held liable therefor; provided, further, that if any portion of the capital stock of any bank or banking association shall be invested in real estate, and the bank shall hold a title in fee-simple thereto, the assessed value of said real estate shall be deducted from the original assessment of the paid-up capital stock of said bank or banking association, and said real estate shall be assessed as other lands or lots; and provided, further, that banking stock or capital shall not be assessed at any higher rate than other property." It has been many times held by the Supreme Court of the United States that the authority of the States to tax the shares of National bank stock is derived wholly from the act of Congress, and that without the consent of Congress these bank stock shares could not be taxed by State authorities at all. (*McCulloch* v. *Maryland*, 4 Wheat. 316; *Osborn* v. *Bank*, 9 Wheat. 738; *Weston* v. *Charleston*, 2 Pet. 449; *People* v. *Weaver*, 100 U. S. 539-543.) The statute of the State may determine and direct the manner and place of taxing all shares of National bank associations located within the State, subject, however, to the restrictions of section 5,219, Rev. St. U. S., under the State statute, which is in accord with the United States statute. Authority is given to tax the shares of National banks as part of the taxable estates of the owners of the shares, but in levying these taxes the State is prohibited from assessing them at a greater rate than is assessed upon other moneyed capital in the hands of other individual tax-payers. The tax so authorized by Congress "is a several tax upon the shares of each individual stockholder or shareholder, as distinguished from a lumping tax, or a tax '*in solido*,' upon the bank itself." (*Bank* v. *City of Richmond*, 39 Fed. Rep. 309; *Bank* v. *City of Richmond*, 42 Fed. Rep. 877.) The shares of National banks must be assessed for taxation as the property of the individual stockholders or shareholders, respectively. (*Hershire* v. *Bank*, 35 Iowa 272.) Under the statute of our State, and according to general practice in other States, the National banks pay the taxes thus assessed for the individual stockholders; but the tax cannot be a lumping tax, or a tax "*in solido*," upon the bank only. (*Bradley* v. *People*, 4 Wall. 459; *Bank* v. *Com.*, 9 Wall. 353.)

It is conceded in this case that the assessment of the 22d of March, 1889, was and is void. The second assessment, according to the allegations of the petition, was a lumping tax, or a tax "*in solido*," upon the capital stock of the National bank, and not upon the shares, or upon the individual owners of the shares. The assessment of the entire stock of the bank "*in solido*" against the bank was invalid. Drummond, J., said, in *Collins* v. *Chicago*, 4 Biss. 472, that "the capital stock of the National bank, as such, cannot be assessed under State authority. The only way that such a stock can be reached is to assess the shares of the different stockholders in the same manner that assessments are made in other cases against property owned by the citizens and inhabitants of the State." (*Bank* v. *Britton*, 105 U. S. 322; Ball, Banks 215-224.)

It was said in *Van Allen* v. *Assessors*, 3 Wall. 596, that "in most of the States, if not in all, the personal property of all individuals and corporations is listed, valued, and assessed by public officers under legislative authority. The first proviso of Rev. St. U. S., § 5,219, simply requires that the shares of individuals in National banking associations shall be included in this valuation and assessment; and, inasmuch as personal property of different descriptions is often valued and assessed by different rules, it further requires that it shall not be so included at a greater rate than is assessed upon other moneyed capital in the hands of citizens. . . . Now, by taxation in common we understand taxation by a common rule and in equal degrees. To tax the shares of citizens in these associations by other rules, or in greater degrees, than other like property, would as effectually retard, impede, burden, and control the operation of the National currency act as to tax the associations themselves or their lawful operations, and would be clearly unwarranted by the Constitution." The individual stockholders of a National bank are allowed the same deductions from the amount assessed against them upon their shares of stock as other tax-payers in the State, owning moneyed capital, are allowed. But, of course, no double deduction or exemption can be allowed to any stockholder. (*Whitbeck* v. *Bank*, 8 Sup. Ct. Rep. 1,121; *Wasson* v. *Bank* (Ind.) 8. N. E. Rep. 97.) Therefore the second assessment against the bank was void; and as both assessments were void, the officers of Wichita County had no right to issue a warrant for their collection, or for the collection of any part of the same. It is urged, however, that the bank must pay, or offer to pay, any part of the tax lawfully or justly due, before it can obtain the relief prayed for. According to the allegations of the petition, however, there is no part of the tax lawfully or justly due. The judgment of the District Court will be reversed, and cause remanded for further proceedings, in accordance with the views herein expressed.—*Pacific Reporter*.

LEGAL MISCELLANY.

BANKS—CHECKS—ACCEPTANCE.—Plaintiff telegraphed to defendant, "Will you pay I.'s check for $1,800, on presentation?" and defendant wired back, "Yes; will pay the I. check." *Held*, that the telegrams sufficiently identified the check to sustain an action for breach of the promise to pay. [*Henrietta Nat. Bank* v. *State Nat. Bank*, Tex.]

BANKS—COLLECTIONS—CUSTOM.—A person sending paper to a bank for collection, without special instructions, is bound by a custom of the bank to hold paper sent to it for collection for some days after presenting it and receiving a promise of payment, if such usage is not in violation of the general law. [*Sahlien* v. *Bank*, Tenn.]

NEGOTIABLE INSTRUMENT—ASSIGNMENT—PARTIES.—The payee of a negotiable note payable "on or before" one year, transferred it by writing on its back, "For value received I hereby assign all interest in and to this note to W." W. transferred it to plaintiff by writing his name on the back. *Held* that, if the negotiability was destroyed by the first transfer, plaintiff was an assignee, and entitled to sue, under How. St. Mich. § 7,344, which allows the assignee of a non-negotiable note to sue thereon in his own name; and, if such transfer did not destroy the note's negotiability he was an indorsee, and could sue in his own name, under the law merchant. [*Stevens* v. *Hannan*, Mich.]

USURY—COMPOUND INTEREST.—A note of $177 stipulated that interest should be paid thereon after maturity at the rate of 3 per cent. a month. It was shown that the face of the note was made by adding to $150, the actual loan, $27, which was equal to the interest at 3 per cent. a month from the date of the note to its maturity. *Held* that, as to this $27, the interest after maturity was compound interest, contracted for in advance, and to that extent no recovery can be had, it being usurious. [*Hochmark* v. *Richler*, Colo.]

GAMBLING CONTRACTS.—Const. Cal. art. 4, § 26, providing that "all contracts for the sale of shares of the capital stock of any corporation or association, on margin or to be delivered at a future day, shall be void, and any money paid on such contracts may be recovered," applies to a transaction wherein a broker purchases stock for a customer with his own money, charging only commissions and interest thereon, and retaining the stock as security until its sale, the customer putting up only a certain margin, and receiving the profit or paying the loss. [*Cashman* v. *Root*, Cal.]

ATTACHMENT—TITLE ACQUIRED.—On general principles, attachment gives the creditor no higher or better right to the property attached than the debtor had at the time of the levy. It takes effect only on the debtor's interest, and does not *per se* affect the title. [*Fort Pitt Nat. Bank* v. *Williams*, La.]

NEGOTIABLE INSTRUMENT—FORGED DRAFTS—INDORSERS.—The indorsee of a forged bill of exchange, on its dishonor, may maintain an action against his indorsers for a recovery of the consideration, which has failed, without proof of demand and notice. [*Hamer* v. *Brainard*, Utah.]

USURY—PAYMENT.—Where a debtor has paid a note tainted with usury, he cannot maintain an action to recover the usurious interest. [*Blain* v. *Willson*, Neb.]

NEGOTIABLE INSTRUMENT.—An agreement written on a note that it is given for a piano, the title and ownership of which is to remain in the name and subject to the order of the payee until it is fully paid, does not render it non-negotiable. [*W. W. Kimball Co.* v. *Mellon*, Wis.]

NEGOTIABLE INSTRUMENT—LOST NOTES.—In an action on a note given in payment, among other things, of an antecedent note, the jury having found that its delivery was not, as contended by defendant, conditional on the surrender of the antecedent note, and it being proven that such prior note had not been indorsed, there was no error in refusing to compel the execution of a bond of indemnity against the original note as a condition to recovery on the new note. [*Mackey* v. *Mackey*, Colo.]

NOTARY PUBLIC—VENUE OF JURAT.—Since a notary public, under the laws of Michigan, is a State officer, whose official acts are not confined to the county where he resides, a claim for a logger's lien, sworn to before such notary, is not invalid because it fails to show the county where the oath was administered. [*Sullivan* v. *Hall*, Mich.]

STOCK CERTIFICATES AS COLLATERAL.

Wisconsin at its last legislative session amended its laws in respect to the use of certificates of stock for collateral security, which will enable owners of stock to avail themselves of its temporary hypothecation, and thus add to their facilities by way of collateral, as legalized in many other States. Chapter 414 General Laws now provides as follows:

The delivery of a stock certificate of a corporation to a bona fide purchaser or pledgee for value, together with a written transfer of the same, signed by the owner of the certificate, his attorney or legal representative, shall be sufficient delivery to transfer the title as against all parties; but no such transfer shall affect the right of a corporation to pay any dividend due upon the stock, or to treat the holder of record as the holder in fact, until such transfer is recorded upon the books of the corporation, or a new certificate is issued to the person to whom it has been so transferred.

Section 1,751. The capital stock of every corporation, divided into shares, shall be deemed personal property, and when certificates thereof are issued, such shares may be transferred by indorsement of the owner, his attorney or legal representatives, and delivery of the certificate; the delivery of a stock certificate of a corporation to a bona fide purchaser or pledgee for value, together with a written transfer of the same, signed by the owner of the certificate, his attorney or legal representative, shall be sufficient delivery to transfer the title as against all parties; but no such transfer shall affect the right of the corporation to pay any dividend due upon the stock, or to treat the holder of record as the holder in fact, until such transfer is recorded upon the books of the corporation, or a new certificate is issued to the person to whom it has been so transferred; and every person transferring any such certificates or shares of stock shall remain liable to the creditors of the corporation to the extent and in the manner prescribed in section 1,756 (as if no such transfer by mere indorsement had been made).

Section 2. This act shall take effect and be in force from and after its passage and publication.* Approved April 23, 1891.

*Published (as Chap. 414, General Laws of Wisconsin), May 4, 1891.

ECONOMIC NOTES

PROGRESS OF THE POST-OFFICE SAVINGS BANKS.

The foundation of the Post-Office Savings Banks in Great Britain was in 1861. On the 31st of December, 1862, there were 2,535 offices open, and the total to the credit of all open accounts was £1,698.221. The progress of the system was rapid. At the end of the year 1889 the number of offices was 9,500, and the amount to the credit of all accounts was £62,999,619. The number of the depositors' accounts open at the end of the year 1862, a year and three months after the system commenced operations, was 178,495; the corresponding number at the close of 1889, was 4,507.809. The average amount standing to the credit of each account open has varied considerably. It was a little over £9 10*s*. in 1863, and nearly £16 2*s*. in 1879. From this date the average declined, through the operation of causes to which we shall refer later on. The cost of each transaction appears to have varied. It was nearly 7*d*. for each in 1862. In 1872 and 1873 slightly exceeding 5*d*. In 1885 the amount was exactly 7*d*., and a slight increase has been recorded since. Besides its banking business, the post-office also undertakes granting annuities, both immediate and deferred, and making contracts for amounts payable at death. In these branches its progress has not been large; the whole amount dealt with under these heads being under £700,000 at the close of the year 1888. The post-office has acted as a medium for making investments in Government stocks. The arrangements came into force November, 1889, and by January, 1890, £127,629 had been invested, and at the close of 1888 nearly £3,800,000. The average sum standing to the credit of each stock account was about £60 in 1880. This had increased to nearly £90 by 1888. The commission received was nearly £2,200 in that year, and the number of accounts open was nearly 12,000. From statistics gathered by Professor Leone Levi, and presented in a paper read before the Manchester Statistical Society in 1884, it would appear that the laboring classes were less represented in the Saving Banks than they were in 1875, while the average amount of deposits at their credit was also less, and the explanation is discovered to be that others of large resources are using the Post-Office Savings Banks to have their funds invested in Government stocks.—*The London Bankers' Magazine.*

THE BRITISH MINT.

One of the most interesting things in the report of the Deputy-Master of the Mint, recently issued, is the account of last year's operations under the great scheme for the withdrawal of the old gold coinage. By a recent act, all gold pieces of a date anterior to that of the present reign are no longer legal tender. The Bank of England hands in such coins to the Mint, and the Mint exchanges for them Victorian coins of full weight. The loss is very properly borne by the Exchequer. It is considerable in the aggregate, for most of the old coins are much below the standard of weight. The act was passed only in 1889, and there has been a withdrawal from circulation of £2,334,573 in sovereigns, and £128,575 in half-sovereigns. The loss on the deficiency in weight alone is about £47,000, and the total cost of the operation is over £50,000. During the year 1890, to which the report refers, there was still an extraordinary demand for silver coin, in spite of the largely increased issue of it during the preceding year. There was especially a great run on threepenny pieces, which were coined, mainly in response to the heavy demands of private persons, to the value of more than £57,000. Fourpenny pieces are no longer coined, but they are still straggling in to surrender themselves to the melting-pot, and to complete their withdrawal from circulation. There was also a largely increased demand for bronze coin, and when it became inconvenient, applicants were referred to one of the tramway companies, which had notified the Mint that it was suffering under an embarrassment of riches in this form. At one time all other coinages were suspended, and the sixteen presses were employed continuously in striking bronze coins, while large orders were sent to Birmingham. The Deputy-Master has discovered a quaint old plan of the Mint as it existed in 1700, when the coins were struck in the Tower. This relic is doubly interesting, for it serves as a memento of Sir Isaac Newton, who was Master of the Mint at the time. In referring with regret to the theft of a small quantity of gold by a boy workman, the Deputy-Master observes that it is the only case during the forty years the Government has had the coinage in hand in which an act of dishonesty has been charged against any person employed in the Mint. No doubt the very mechanical perfection of the modern processes is in itself a check of the most effective sort on dishonesty. The amount of coin which a given quantity of metal ought to yield is known to the turn of a hair in the scale.

DEATHS.

AVERILL.—On December 19, aged sixty-four years, CLINTON S. AVERILL, President of Souhegan National Bank and Treasurer of Milford Savings Bank, Milford, N. H.

BLOCK.—On December 20, aged seventy-five years, JOHN C. H. D. BLOCK, President of Fourth National Bank, St. Louis, Mo.

CAIRNCROSS.—On December 15, aged sixty-five years, A. CAIRNCROSS, President of Meeker Co. Bank, Litchfield, Minn.

DAVIS.—On December 23, aged seventy-five years, GEORGE L. DAVIS, President of Bay State National Bank, Lawrence, Mass.

GOODWIN.—On November 17, aged fifty-nine years, L. C. GOODWIN, President of Los Angeles Savings Bank, Los Angeles, Cal.

HILL.—On December 21, aged sixty years, T. WILTON HILL, Cashier of First National Bank, Jamesburg, N. J.

KING.—On December 18, aged seventy-three years, FRANCIS T. KING, President of Central Savings Bank, Baltimore, Md.

MEYRAN.—On December 11, aged fifty-eight years, CHAS. MEYRAN, President of Germania Savings Bank, Pittsburgh, Pa.

MILES.—On December 26, aged sixty-five years, JOHN L. MILES, President of Nebraska Savings and Exchange Bank, Omaha, Neb.

MUMFORD.—On December 19, aged sixty-six years, JAMES H. MUMFORD 2D, President of National Eagle Bank, Providence, R. I.

PARMENTER.—On December 1, aged fifty-nine years, HENRY A. PARMENTER, President of City National Bank, Gloucester, Mass.

SHORT.—On November 20, THOS. A. SHORT, President of Commercial State Bank, Edgerton, S. Dak.

OF BANKING CAPITAL AND ITS SECURITY.

To the Editor of the BANKER'S MAGAZINE:

In view of the recent and frequent defalcations of bank officers and others, it may not be out of time or place to here give warning—to the trusting no less than the trusted.

In public estimation the banking interests of the country are so intimately identified that no one institution can fail dishonestly, or rather honestly fail *through* dishonesty, without creating more or less distrust of all, without stopping to consider of what a bank consists, or should consist, in the way of security to both stockholders and depositors.

Banking capital is generally supposed to be comprised of money alone—measured by its dollars at command—this without reference to its legitimate use, the ability and integrity of those who control it; while in fact, as much and more depends upon the established habits, the real *uncloaked* character of those who manage it.

Character, with the credit it gives, is as essential as cash. No business being so dependent upon a good reputation, and none should be more carefully guarded to worthily maintain the same; such credit being the foundation of success.

The trust of the depositor should be quite as much based upon the ability and honesty of the trustee as upon any reputed wealth and responsibility, hence it becomes stockholders and depositors alike to keep an eye on the *personal transactions* of their trusted banker and his subordinates, to see that they pursue their legitimate business (whether inside or outside the bank) without an undue use of the bank's money. Herein lies the danger.

To shareholders and depositors, say: Confide the management of your money to such as you might name for your executor, not because deemed clever or liberal, but competent, upright and conservative.

The purpose of this cautionary paper is to briefly point out some of the dangers attendant upon changing one's course from that laid down in well-defined charts, to place buoys upon apparent smooth waters, and more especially for the guidance of our younger mariners who have yet to experience heavy storms upon the financial sea.

Without attempting to teach the "old sailors," or believing that there are no exceptions to many good rules, there are some few well-grounded principles of banking from which no deviation should ever be made, and many general rules, which, if more strictly observed, would lead to more satisfactory results.

A banker's first duty to himself and to those whom he represents is to beware of speculating with borrowed means, remembering that bank officers are but the administrators of other people's money, either of stockholders or depositors, and that consequently they have no more right to convert such funds to their own use than has the executor or administrator of a dead man's estate.

To a violation of this one rule, however small the beginning, may be attributed most of the prevailing bankers' defalcations. A bank officer who borrows money, openly or otherwise, to engage in speculating—taking the hazard of gain or loss—whether in lands, products, stocks or other property, frequently finds himself deeply involved, embarrassed, and finally a defaulter, if not a disgraced and convicted criminal, as instanced within the past few weeks.

Another dangerous practice is that of making excessive loans, with favoritism towards individuals, regardless of security, loaning to friends in good faith, but in excess of their responsibility, until the point is reached where one feels compelled to still further increase the amount, in the hope of recovering all. Loans of this character, however honestly yet unwisely made, have ruined many a bank. Better limit the line of discount to your own judgment, than the wants of the borrower.

Don't lend *merely* because another wants to borrow.

Still another imperative rule is, to do nothing for the bank that you are unwilling to have your directors fully understand. If a wrong has been committed, or an error of judgment, when of importance, the knowledge of it should not be withheld from those who have a right, and whose duty it is to know. Concealment in this respect is a step towards dishonesty, and the longer such a secret is held the worse it appears when disclosed. Bank-books honestly kept are poor hiding places, and when falsified to disguise, are subject to exposure.

Wherever dishonor has attached to bank officials, it will be found that one or more of the above principles of business have been disregarded, and generally from small beginnings to their culmination. Never deviate from them, and should misfortune come, let it be clean-handed, without stain of character.

N. B. VAN SLYKE.

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

BANKER'S LIEN.

Can a bank charge to a depositor's account the amount of a note which was discounted for him, before its maturity, when the bank has satisfactory proof that he is about to fail, and that the maker is not responsible?

REPLY.—In *law*, a bank cannot charge an unmatured note to the account of a depositor, who would thus be liable therefor at its maturity. At the outset it should be remembered that some States do not recognize the right of a bank to pay the note of a depositor by charging it to his account (*Grissom* v. *Bank*, 87 Tenn. 356, S. C., 45 BANKER'S MAGAZINE 777, April, 1891; *Bank* v. *Patton*, 109 Ill., 479), but in many of the States the courts have decided otherwise. (*Commercial Nat. Bank* v. *Henninger*, 105 Pa. 496; *Indig* v. *National City Bank*, 80 N. Y. 100; *Lamb* v. *Morris*, 118 Ind. 179; *Bedford Bank* v. *Acoam*, Sup. Ct. of Indiana, 45 BANKER'S MAGAZINE 777. For other authorities see Bolles on Banks and their Depositors,

§ 403.) But even when they have such authority it covers only matured obligations. This principle is clearly stated by Justice Folger in *Jordan* v. *National Shoe and Leather Bank* (74 N. Y. 467, 473), in which an attempt was made by the bank to set off a deposit against an unmatured obligation. "A lien is a right of one to retain property in his possession belonging to another until certain demands of him in possession are satisfied. (*Hammonds* v. *Barclay*, 2 East. 227–235.) But mere possession does not give the right. It must arise from contract or operation of law. There was no contract for a lien in this case, nor did the law operate to give one. It would be in complete hostility to the whole purport and contemplation of the contract of discount. The purpose, existing and understood by the parties in that act is, that the customer of the bank may draw out at his pleasure the avails of the discount. After the paper discounted falls due and payable, and remains unpaid, unless other rights have intervened, the bank may hold a balance of deposits and apply it towards the payment of the paper. But these deposits in a bank create between it and the depositor the relation of debtor and creditor. (*Commercial Bank of Albany* v. *Hughes*, 17 Wend. 100; *Ætna National Bank* v. *Fourth National Bank*, 46 N. Y. 82.) Now a debtor in one sum has no lien upon it in his hands for the payment of a debt owned by him which has not yet matured; nor has a bank, more than any other debtor. Both hold, as debtors, the moneys of their creditors, and may set up no claim to them not given by the law of set-off, counterclaim, recoupment, or kindred rules. (*Beckwith* v. *Union Bank*, 4 Sandf. Sup. Ct. 604; S. C. affirmed, 9 N. Y. 211; *Giles* v. *Perkins*, 9 East. 37.)"

Likewise Mr. Justice Trunkey has said: "A bank has no lien on money standing to the credit of one of its depositors for the amount of a note of such depositor discounted by the bank, but which has not matured. The purpose is that the customer may draw out at his pleasure the avails of his discount. A debtor in one sum has no lien upon money in his hands for the payment of an unmatured debt owing to him, and a bank is debtor for the discount which is placed to the depositor's credit. If it could retain the money against the note, the discount would be useless to the borrower." (*Dougherty Brothers & Co.* v. *Central Nat. Bank*, 93 Pa. 227, 232, citing *Fourth Nat. Bank* v. *City Nat. Bank*, 68 Ill. 398).

In *equity*, however, a bank has the right to retain the deposits of a customer to secure his debt, though it be not due, when he is insolvent. Of course, this authority is confined to banks in those States which also recognize their authority to pay the notes of their depositors which come into their possession. Where this authority is recognized, the equitable right to charge the deposit of an insolvent depositor against his unmatured obligation is also recognized. (*Kentucky Flour Co.'s assignee* v. *Merchants' Nat. Bank*, 45 BANKER'S MAGAZINE 437.) The question was ably considered, and a similar decision was reached by the Court of Appeals of Virginia. (*Ford's Adm'r* v. *Thornton*, 3 Leigh 695). This case has been frequently cited. (See discussion of the case by Bird, vice Ch., in *Camden Nat. Bank* v. *Green*, 45 BANKER'S MAGAZINE 124.) In these cases, however, the insolvency was open and admitted, while in the present instance it was not. This fact renders the authority of a bank to act more doubtful; for, until the depositor's insolvency is admitted, he can give checks, and their holders can rightfully demand payment; but after insolvency is admitted, the bank's right to retain the deposit can hardly be questioned in equity, even though the debt has not matured. Action might be taken, however, toward ascertaining admitted or legal bankruptcy, and thus secure the right of retaining the deposit.

In the Dougherty case to which we have referred (93 Pa. 227) it was decided that after a bank has discounted a note, but before paying over the money discovers the insolvency of the borrower, it has a right to refuse payment similar to that of a vendor to stop the delivery of his goods on discovering the insolvency of the purchaser. It may tender back the discounted note and refuse payment, and the latter's assignees have no superior rights. In that case the borrower issued drafts for the proceeds of the note discounted and endorsed them, and their holders presented them for payment, but the bank refused to pay them, and was sustained in its action. (See cases cited in brief of counsel for the bank, p. 231, also *Lancaster County Nat. Bank* v. *Huver*, 114 Pa. 216.)

Do the courts in New York recognize the superior equitable rights of a bank to charge such a note against the account of a depositor? In the Jordan case, to which we have referred, the right to set off a deposit against an unmatured debt of an insolvent debtor was not denied. Mr. Justice Folger simply remarked that "Insolvency of a party sometimes moves equity to grant a set-off which would not be allowed at law." The court referred to the Virginia case just mentioned, and then remarked that the case at bar presented no facts of a similar equitable character. The statute, however, changes somewhat the principle of the common law, and renders the right of a bank to set off its deposit in this manner against an unmatured note more doubtful. (*Martin* v. *Kunzmuller*, 37 N. Y., 396; *Mills* v. *Stewart*, 3 Barb. 40; *Keep* v. *Lord*, 2 Duer 84; *Beckwith* v. *Union Bank*, 4 Sandf. 604.) And the decision in *Lockwood* v. *Beckwith*, 6 Mich. 168, was founded on the statute relating to set off in that State.

This question, it should be remembered, is very different from the question whether a depositor has the right to have his deposit set off against his note held by a bank that has become insolvent before its maturity. The right to a set-off in such cases is determined by the statute relating to preferences. Under the National Banking Law this cannot be done, for, if it could be, the depositor would obtain a preference over other creditors, which is not permitted. This question has been considered by Peers, J., in *Stephens* v. *Schuchmann* (32 Mo. App. 333), and by Field, J., in *National Bank* v. *Colby* (21 Wall. 609).

Finally, it may be asked, would a bank have the right to charge such a note against the account of a depositor for whose benefit the note was discounted, and who is the first indorser, or only against the account of a maker who was also a depositor? The right of a bank to charge the note against either is quite free from doubt. (See cases in Bolles on Banks and their Depositors, §§ 404, 416.)

VERBAL ACCEPTANCE OF CHECK.

Is a verbal acceptance of a check by a banker in Illinois binding, or must it be made in writing?

REPLY.—An acceptance may be verbally made. (*Sturges* v. *Fourth Nat. Bank*, 75 Ill. 595.) In *Nelson* v. *First Nat. Bank*, 48 *Id.* 36, a bank promised a depositor that it would pay his checks for the purchase of corn, and the promise was communicated to the payee, who sold the corn and took the depositor's check therefor. The promise was declared to be binding on the bank. (See also *Bank* v. *Pettit*, 41 *Id.* 492.) It has been contended in some cases that such a promise is within the scope of the statute of frauds and cannot be enforced; but the Supreme Court of Illinois has answered this contention negatively, and so have the courts of other States.

Other States have maintained the same rule as Illinois. One of the most important cases is by the Supreme Court of New Hampshire. (*Barnett* v. *Smith*, 30 N. H. 256.) The Federal courts have maintained the same doctrine. (*Espy* v. *Bank*, 18 Wall. 604; *Morse* v. *Mass. Nat. Bank*, Holmes 209, 214.) In *Dunovan* v. *Flyn* (118 Mass. 537, 539) Gray, Ch. J., said: "An acceptance of a bill of exchange or draft for the payment of money may be oral, or may be implied from acts." The latest decision is by the Supreme Court of Nebraska (*Farmers and Merchants' Bank* v. *Dunbier*, 49 N. W. Rep. 376), in which Justice Norval says: "The statutes of some of the States require that the acceptance of a check should be in writing, and therefore in such States a verbal acceptance will not answer. But when, as in this State, the rule of the common law on the subject is in force, the verbal acceptance of a check by the drawee is valid and binding." All the authorities on the subject are reviewed in Bolles on Banks and their Depositors, § 229.

With respect to the right of a National bank to accept a check verbally, the case of *National Bank* v. *National Bank*, 7 W. Va. 544 may be consulted. The court clearly maintains that a National bank can do this. (See Bolles on the National Bank Act, 2d Ed. § 109 a.)

DISCHARGE OF DRAWER.

Bank A has two cashiers' checks drawn on the Maverick National Bank of Boston outstanding. One of them is dated May 23d, and the other September 3d, 1891. Is bank A under any obligation to pay these checks over its counter, the checks having been good at the Maverick Bank until the day of its failure?

REPLY.—The presumption when giving a check is that the drawer will provide funds at the proper time for payment. It is not reasonable to require him to keep funds indefinitely for that purpose at the place where the check is payable, for there is risk in doing so; the drawee may fail and the funds be lost. The law therefore requires the holder to present his check within a reasonable time after receiving it in order to hold the drawer. Moreover it has been decided what is a reasonable time; two rules have been established.

The first rule is, if the person who receives the check and the banker on whom it is drawn live in the same place, the check must, in the absence of special circumstances, be presented the same day, or, at latest, the day after it is received.

The second rule is, if the person who receives a check lives at another place than that of the bank on which it is drawn, in the absence of special circumstances the check must be forwarded for presentment on the day after it is received at the latest; and the agent to whom it is forwarded must in like manner present the same at the latest on the day after he receives it.

These rules are so well settled that perhaps no authorities need be cited. We will refer, however, to *Holmes* v. *Roe*, decided in 1886 by the Supreme Court of Michigan (28 N. W. Rep. 864), in which many authorities are mentioned. All the cases are collected in Ch. X. of Bolles' work on Banks and their Depositors, §§ 284–291.

As the checks would have been paid if presented in the usual course of business, and no facts appear to excuse the delay in presenting them, the holder cannot look to the maker of these checks for payment. He must take his dividend with the other creditors.

BANKING AND FINANCIAL ITEMS.

General.

New Bank Buildings and Other Improvements.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

N. Y. City.........Bank of Amsterdam..
Cal....Woodland .Bank of Woodland.
Col....Aspen .....First National Bank.
Mass...Florence....Florence Sav. Bank.
Mo.....Carthage...First Nat. Bank.
Mont...Billings ....First Nat. Bank.
N. Y....Brooklyn...Brooklyn Sav. Bank.
Texas..Waco ......First Nat. Bank.
Utah ..Logan .....First Nat. Bank.
Vt.....Montpelier..Capital Sav. Bank.
Wis....Wausau....First Nat. Bank.
" ..W. Superior. State Bk. of Wisc'n.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

Cal....Santa Rosa. Sav. Bk. of Santa Rosa
Ill.....Belleville ...Belleville Sav. Bank.
Ky.....Danville....Farmers Nat. Bank.
Me.....Belfast .....First National Bank.
" . Rockport...Camden Sav. Bank.
N. H...Portsmouth. Portsmouth Sav. Bk.
N. Y....Herkimer...Herkimer Bank.
Pa......Reading....First Nat. Bank.
Vt.....Barre.......Granite Sav. Bank.

Satin Bank Notes.—There are in existence some British bank notes, bearing date 1798, partly printed on and partly woven into a piece of bluish-white satin ribbon of the requisite width. These were not put into circulation, but printed for specimen copies. The most elaborate bank note is the hundred-rouble note of Russia, of the time of the Empress Catherine, which is a gorgeous piece of paper about four inches by ten. The note is barred from top to bottom with all the colors of the rainbow, blended as when thrown through a prism. In the center, in bold relief, is a large, finely-executed vignette of the Empress Catherine I. in black. Bank notes in Austria-Hungary are printed in two languages; on one side the note is in the Austrian language, while on the other it is printed in the Hungarian language for the benefit of the Magyars.

Eastern States.

Connecticut.—The annual report of the State Bank Commissioners, Messrs. Stephen Goodrich of this city, and Charles Griswold, of Guilford, showing the condition of the savings and State banks and of the Connecticut security and safe deposit companies for the year ending Oct. 1, has been placed in the hands of the Governor. The total increase in deposits in the eighty-six savings banks in the State will exceed $6,000,000, as compared with 1890, the aggregate Oct. 1 of that year being $116,406,675. There has been a marked increase during the year in the number of depositors having each less than $1,000 on deposit. One year ago the number of such depositors was 273,292. On the other hand, there has been a reduction during the twelve months in the total number of depositors each of whom has $1,000 but not more than $2,000 in bank. Last year the number was 22,991. The whole number of savings bank depositors in the State Oct 1 will not aggregate less than 310,000. The general rate of interest through the year has been 4 per cent., less than half a dozen paying five. The Society of Savings in this city, which has deposits to the amount of $13,000,000 in round figures, declared an extra dividend of one per cent. during the first quarter of the year. Less than twenty of the banks pay a 4½ per cent. dividend to the depositors. Taken as a whole, the year has been one of exceptional success with the savings institutions.

NEW HAVEN, CONN.—The directors of the Yale National Bank, which has the largest capital, and, by the last statement, the largest deposits in this city, have voted to reduce its capital from $750,000 to $500,000, subject to the assent of the stockholders. In a circular to the stockholders the directors say that there is no longer any profit in circulation, and that there is danger in employing the present capital of incurring too great risk. As the Second National Bank last July reduced its capital from $1,000,000 to $500,000, the National banking capital in New Haven is thus reduced by $750,000 within a single year.

BELFAST, ME.—The report of the condition of the Belfast Savings Bank shows that the surplus in 1891 is $90,220.08, against $83,259.22 in 1890—a gain of nearly $7,000. The dividend is at the rate of 3 per cent. per annum, and amounts to about $16,500.

MASSACHUSETTS.—Massachusetts loses a very efficient officer in the proposed resignation of Savings Bank Commissioner Chapin, who is to relinquish that position to accept the presidency of a bank in Springfield. Mr. Chapin has been one of the most capable commissioners the State has ever had, and his retirement will be in all directions a loss to the public service.

SPRINGFIELD, MASS.—Mr. Charles Marsh, president of the Pynchon National Bank, whose death has been chronicled elsewhere, was born at Hartford, Conn. He was educated in the best schools of the time, and at Westfield Academy fitted for college. In 1857 he was chosen treasurer of the Five Cents Saving Bank, and in 1859 he became secretary of the Hampden Fire Insurance Company. When that organization was wrecked by the Portland fire he began a general insurance business with Dr. Pynchon, and in 1866 he became cashier of the Pynchon National Bank. The responsibility in the management of the bank gradually fell on Mr. Marsh's shoulders, especially as Col. Case, the president, grew feeble. On the death of Col. Case, two years ago, he was chosen president. The financial responsibilities Mr. Marsh carried in addition to those connected with the Pynchon Bank were almost numberless. When he assumed a new duty people knew that it would be thoroughly and carefully performed as if no other obligation was pressing for his attention. His report as chairman of the finance committee of the American Missionary Association, with the earnest words accompanying it, was an inspiring feature of the annual meeting of that organization in Northampton last year. He was treasurer of the old Springfield & New London Railroad. He had been treasurer of the school for Christian workers since its organization, was treasurer of the Springfield Hospital, auditor for the Home for the Friendless Corporation, and was recently chosen clerk and treasurer of the Springfield Cemetery Association. He was also a trustee and vice-president of the Institution for Savings and president of the Springfield Clearing House. When the city sinking fund commission was authorized this year he was elected one of the three members. He was also a corporator of the Clarke Institution for Deaf Mutes at Northampton, and one of the most active workers on the board, attending the meetings faithfully.

BOSTON, MASS.—Mr. Joseph W. Work, late cashier of the Maverick National Bank, has been chosen a director in the Traders' National Bank, vice C. T. Linley, resigned, and also vice-president, an office which has been vacant for some years. It is reported that he has in mind a reorganization of the Traders' Bank, an increase in its capital stock, a removal of its banking rooms to the Maverick's quarters, and the employment of a number of the Maverick bank clerks.

BOSTON, MASS.—It is understood that over thirty of the banks which did business through the Maverick Bank have gone to the National Exchange, through which they will hereafter clear.

BOSTON.—President C. O. Billings, of the Globe National Bank, has just returned from an extensive trip south and west.

FLORENCE, MASS.—The Florence Savings Bank has moved into its new quarters.

WHITMAN, MASS.—The Brockton *Enterprise* says concerning the new institution: "The new National bank in Whitman will start out under the brightest of auspices, and in view of the fact that Whitman is one of the liveliest towns in this section, that it has a constantly growing business, and that its houses are on a good financial basis, there is no good reason why it should not be a success. Excellent judgment was shown in the selection of Albert Davis as president, and it cannot fail to be gratifying to that gentleman, who served in so many responsible positions of honor and trust during his life.

ADAMS, MASS.—The Greylock Bank officials have decided to increase their banking facilities by adding a savings bank department. It is said that quite a sum of money is yearly absorbed by out-of-town banks, and this new department of the Greylock National is inaugurated to give the laboring people of Adams an opportunity to patronize a home institution. It will be under the same management as the Greylock National, and be subjected to all the rules and regulations common to any and all savings banks.

FALL RIVER, MASS.—Hon. Charles J. Holmes, cashier of the Second National Bank, delivered a lecture a few days since on "Banking and Currency," before St. Mark's Mutual Improvement Class. He began first by explaining the constitution of the different kind of banks—National, State, savings and private. To organize a National bank, United States bonds had to be purchased as security for notes issued. The public were very much misled in regard to the assumed big profits which National banks made on their circulation. The Government would only issue notes to the amount of capital stock, and the law required from 15 to 25 per cent. kept in the vault—the latter percentage in redemption cities, of which there are sixteen in the United States. With such a large premium and reserve the power of the capital was reduced considerably. Unless there was a large deposit there was not much opportunity to make money. All but one bank in Fall River would be better off if they were not National banks. The exception is the Massasoit Bank, which has the Government deposit. The others would very much prefer not to be National banks. The reason there are now no more banks in Fall River, with a large population and more money in circulation than there were a dozen years ago, was that there was no way of making them pay under the National banking system. Legislation has been against them, and the tendency is in that direction. The result will be that most of the banks will become State banks eventually, with regulations not quite so pressing.

GLOUCESTER, MASS.—The First National Bank has moved into their new and elegant quarters. The rooms are tastefully fitted up, and are much more convenient for business than the one vacated. The floor is laid in red, white and brown marble tiles, the walls are tastefully papered, while the ceiling is covered with neat fresco. The bank counters are located across the rear of the room, and are constructed of Tennessee red marble and Cape Ann granite, the large panels and the pilasters being from the quarries of the Pigeon Hill Granite Company. The counter is surmounted by a bronze grill, which is neatly designed, having two openings for the convenience of the bank officials and their customers. An innovation has been introduced in placing the desk of the cashier in the front corner of the room, making that official easy of access, while the directors' room, which is located in the rear of the counters, affords opportunity for business requiring secrecy. The bank is also fitted with the latest conveniences, among which is a machine by which coins of various denominations can be automatically counted, and is combined with an ingenious device by which any counterfeit coin is readily detected, while the chances of mistakes in making change are reduced to the minimum. The bank was one of the first to be organized under the National banking law, being incorporated October 25, 1864, and opened for business December 12 of the same year, with a capital stock of $100,000. The original board of directors consisted of William A. Pew, president; Joseph O. Procter, Robert Fears, Addison Gilbert, Benj. H. Corliss, Josiah O. Friend, Jr., Sylvester Cunningham, Chas. Fitz, Joseph Friend, Charles Parkhurst and Leonard Burnham. Mr. George R. Bradford, cashier. Mr. Procter is the only one of the original directors now connected with the bank, and Messrs. Procter, Pew, Corliss and Parkhurst the only members of the board now living. Mr. Bradford has continously served as cashier from the incorporation of the bank. The present directors are Joseph O. Procter, president; George H. Perkins, vice-president; George R. Bradford, Frederic G. Wonson, Sylvanus Smith, Robert R. Fears, Samuel Lane, Henry Friend, Thomas Hodge, Andrew W. Dodd, David B. Smith, George J. Tarr and John J. Stanwood. Mr. Procter is now serving his thirteenth consecutive year as president of the board. The amount of $401,000 has been paid in dividends, and the bank now has a surplus of $75,000. The actual amount of capital stock paid in was $140,000, the balance of capital being made up from stock dividends, and at the present market prices of the stock, the latter represent with the surplus a value of $320,000, showing a total increase from the original $140,000 of over $700.000.

HOBOKEN, N. J.—Mr. Samuel R. Syms, president of the First National Bank, who was stricken with paralysis while attending a funeral, and died shortly afterward, had been a life-long resident of North Hudson County, and has been prominently identified with its business and financial affairs almost as long as anyone now living can remember. When, in 1857, a few of the leading citizens of Hoboken and North Hudson County started the project of establishing a bank, he was one of the first to espouse the cause. He agitated the affair until men enough of means were obtained to found the institution. It was called the City Bank, and was located in Hoboken. Mr. Syms was one of the original thirteen directors chosen for that institution. He was made its secretary. Of these thirteen there are but two surviving. They are J. W. Stickler and Louis Becker. The institution was a prosperous one, and was one of the very few banks that survived the financial disasters incident upon the war of the rebellion. During all those trying years its integrity was never once impeached, and it emerged from the contest with an unimpeached credit. In 1865 the bank was reorganized, with Benjamin S. Taylor as its president, and with Samuel R. Syms as one of its directors. The new bank was named The First National Bank of the city of Hoboken. After the death of Mr. Taylor, Mr. William G. Shepard was elected president. This gentleman withdrew on January 15th, 1874, and Mr. Syms was unanimously elected to take his place. He held the position uninterruptedly ever since. Under his fostering care, with the aid of a careful and business-like Board of Directors, the affairs of the institution have prospered greatly. It is to-day ranked by financiers and capitalists as one of the soundest money institutions in the country. Mr. Syms was always very proud of the honor of his bank, and it can be truthfully said that the directors, employes and patrons of the bank have always been proud and felt honored to be under the guidance of Mr. Samuel R. Syms. He was respected and loved by every one of them, from the cashier down to the messenger.

NEW YORK CITY.—During the past year a very beautiful stone structure has been slowly and lazily developing its proportions at the corner of Sixth avenue and Sixteenth street, which is in the very heart of New York's busiest retail shopping district. Owners and occupants of neighboring premises could not learn the purpose of the new building, and it was a matter of wonder why, if it was destined for a house of worship, there should be any secret about it. Real estate men ascertained that the ground had been conveyed to a capitalist, and that the contracts for the work were made with him, but he declined to explain. A placard now solves the riddle. It says: "This building will be occupied by the Greenwich Savings Bank." It is a temple to the unknown, for it is being built with the accumulation of unclaimed deposits in one of our oldest savings banks. The Greenwich is an ancient and solid institution, founded when the village of Greenwich was a suburb of New York city. The present banking house is ten blocks further down Sixth avenue, in a situation lying just between two differently populous quarters—one filled with highly respectable people of moderate means, or just such as are always the chief supporters of savings banks, and the other inhabited until very lately by a horde of vicious folks. These latter were also depositors in the Greenwich, and it is they who have most heavily provided the money for this temple to the unknown. The law of this State makes no provision as to what shall be done with unclaimed deposits, further than to stipulate that they cease to draw interest after remaining twenty years undisturbed. The directors of the Greenwich found, two years ago, that a careful examination of their books showed an aggregate of more than $100,000 that had remained unchanged by either additions, subtractions or other indication that the depositor was alive. The sums separately were very small, not one being above $100, and the great number under $5, not counting accrued interest. The question what to do with the money was discussed. It was desired to move the bank a little farther up town; so it was finally determined to buy the site already described and build thereon the finest savings bank in town. The material is stone and iron, with a very ornate exterior, perfectly fire-proof, and containing nothing else than quarters for the bank's business. Thus it will be unproductive from any sublet portions, and thus undisfigured by anything to make it look other than like some luxurious temple.

New York City.—Edward M. Stivers, for many years receiving teller of the Bank of America, died at his home on the Boulevard in Astoria, L. I. Mr. Stivers, who was 61 years of age, had been connected with the bank since his boyhood.

New York City.—Banks lose a great deal by short weight gold coin. When turned into the Sub-Treasury in this city it is valued by weight alone—so much weight should produce so many dollars. A recent deposit of nearly $60,000 resulted in a loss of $600 to the bank which deposited it.

New York City.—At the annual election of the officers of the Bank Clerks' Mutual Benefit Association Mr. Charles H. Fancher, president of the Irving National Bank, resigned, and Mr. Richard Morgan, paying teller of the Produce Exchange Bank, succeeded him as president. Mr. Butler, of the Leather Manufacturers' National Bank, was elected vice-president.

New York City.—A New York journal says that when Thomas C. Acton left his post as Assistant Treasurer of the United States he bent his energies to building up the Bank of New Amsterdam. It is now one of the foremost banks in New York. Mr. Acton's personal popularity alone was enough to insure the success of the institution.

New York City.—Richard King, president of the Bank of Commerce, who died since our last issue, was born in this city in 1821. He was brought up in the cotton business, but thirty-eight years ago he entered the Bank of Commerce as assistant cashier. He became cashier when Henry F. Vail assumed the presidency of the bank, and in 1882 he was chosen president to succeed Mr. Vail. He was devoted to his business and was noted for his careful methods and conservative judgment.

Rochester, N. Y.—Regarding a report that there will be a change in the presidency of the Flour City National Bank, President Henry B. Hathaway has said to a *Post-Express* reporter: " The matter has been given undue prominence. A year ago, when I was elected to the presidency, I stated to the directors, that, owing to the death of my partner, it might become necessary for me to relinquish the presidency after the present year. I made this statement in the interest of the bank, so that the directors might have an opportunity to look about for a successor, who could be put in training, perhaps, for the position. In conversation with two or three of the directors a few weeks ago I reiterated the statement that I should be glad to be relieved from the duties of financial officer after this year, if some one could be found acceptable to the board and the customers of the bank, and that I would try to remain in my present position until such a person could be found."

Westfield, N. Y.—The National Bank of Westfield has increased its capital stock from $30,000 to $50,000.

Scranton, Pa.—At the recent trial of Summers & Hayden, says a correspondent of the Scranton *Tribune*, these gentlemen testified that during their banking career of eleven years they had never kept a cash book nor taken an inventory. They commenced business with a combined capital of $2,800, upon which in deposits, etc., they did a business running up to $75,000 or more. They owe on certificates of deposit about $30,000, and in notes due to the First National Bank of Montrose, and other banks, about $16,000. They have petitioned the courts of this county to be given the benefit of the Insolvent Act, and the matter will be heard at the January session.

PITTSBURGH, PA.—Hugh Young, who succeeds George Sheppard as bank examiner of this district, is president of the Wellsborough National Bank, of Tioga County. He was bank examiner under President Arthur. He is a younger brother of the late Thomas Young, Lieutenant-Governor of Ohio. He is liked by the bankers of this city.

PHILADELPHIA.—Charles H. Dengler, treasurer of the Pottsville Iron and Steel Company, has been appointed National Bank Examiner, to fill the vacancy caused by the retirement of Mr. Drew. His past life has eminently fitted him for the position he is about to fill. He is now 56 years of age. In 1851 he began his active career in the Schuylkill Farmers' Bank, which was started in Schuylkill Haven, but moved to Pottsville that year. He was a clerk in this institution for some years. He was one of the organizers of the State National Bank of Pennsylvania, and was its cashier. This bank issued over $500,000 worth of State bank notes. The bank was almost taxed to death, and it was then changed to the Pennsylvania National Bank. Mr. Dengler became president of this institution. Then the Mountain City National Bank was organized, and Mr. Dengler became cashier. When the panic came the Mountain City Bank was carried under along with the Huntzinger Bank, the Pottsville Bank, the German Bank, and hundreds of other financial concerns. But this bank was the last to succumb. And then the court did something that was never done here before. Mr. Dengler, who was an active officer in the bank, was appointed receiver. Every dollar was paid and the record of the bank cleared.

WILKES BARRE, PA.—The directors of the Wyoming National Bank have added nearly $10,000 to the surplus, which now reaches the very handsome figure of $250,000.

MCKEESPORT, PA.—The directors of the National Bank of McKeesport have donated to the McKeesport hospital project $1,000.

DAWSON, PA.—The First National Bank of Dawson has been organized, with a capital stock of $50,000. The directors are James Cochran, P. G. Cochran, J. R. Loughrey, J. S. Newmeyer and Dr. Shoemaker, of Dawson; J. C. Core, of Vanderbilt; M. M. Cochran, of Uniontown; and Samuel S. Brown and Harry Brown, of Pittsburgh. The board has been organized by electing James Cochran president, and J. H. Wurts cashier.

PENNSYLVANIA.—Governor Pattison having appointed ex-Sheriff Charles H. Krumbhaar, of Philadelphia, to the office of Superintendent of Banking, under the Act of Assembly passed by the Legislature at its last session, the new department will now soon be organized and in full operation. The Superintendent is authorized to appoint a deputy and two clerks, and when that has been done and other preliminaries arranged, the work of examining banks and banking institutions chartered by the State can proceed. Private banks do not come under the provisions of the act, and are not subject to the supervisions of the Banking Department. In selecting Mr. Krumbhaar for this place Gov. Pattision has shown excellent judgment and an appreciation of the responsibilities of the new office. Mr. Krumbhaar is a citizen who commands public confidence, and he has the training and the qualifications for a proper performance of the duties which have been intrusted to him. He may be expected to organize the department on a broad-minded and intelligent model, and to make it the safeguard which it is intended to be for the people in their dealings with State banks and other institutions of a financial character chartered by the State.

WESTERN STATES.

JAMESTOWN, N. D.—North Dakota's State banking law has been in operation about one year, and the result, as obtained from Public Examiner Wallace, shows the act to be one of value and benefit to the State. Fears that banking capital would be driven from the State have not been fulfilled; in fact, the reverse is true, and there has been an increase in the number of small banks operating under the law, while a number of larger private banks have become National banks with an increase of capital stock. The law has added about $1,000,000 to the taxable property of the State. On Oct. 31 there were sixty-one State banks in operation, with a capital of $808,135.78; deposits, $2,269,222.20. The average capital of the State bank is $13,248,12 and the average deposits $37,200.04. All the statements show that the deposits have been greatly increased.

BELLEVILLE, ILL.—The savings bank has instituted a departure in the shape of a new safety deposit vault with compartments for the use of individuals.

SPRINGFIELD, ILL.—The Auditor of Public Accounts has issued a final certificate of authority to begin business to the Corn Belt Bank at Bloomington; capital $100,000. The officers are General John McNulta, president; James T. Snell, vice-president; A. S. Eddy, cashier; and Alvin Schureman, assistant cashier.

CHICAGO, ILL.—The arrangements required by law have been completed for the organization of the Chemical National Bank of Chicago. The new bank succeeds to the commercial business of the Chemical Trust and Savings Bank, and will conduct business in the old offices of the Trust and Savings Bank. The following are the directors of the new bank: J. O. Curry, E. C. Veasey, A. T. Ewing, Robert Vierling, S. E. Gross, M. Askead, C. H. Slack, O. W. Norton, T. E. Spooner, D. C. Newton, H. J. Straight, S. W. Lamson, Otis Jones, E. J. Edwards.

SPRINGFIELD, ILL.—The Auditor of Public Accounts has made up his quarterly statement showing the condition of the banks of Illinois, which are operating under the general law, at the commencement of business on November 14 There are eighty-seven of these banks, an increase of five over the number at the date of the last call, on the 20th of August last. Twenty-three of these banks are located in Chicago. The eighty-seven banks have total resources of $91,184,041.06. Total cash and reserve amounting to $29,044,872.50, and a total capital stock of $16,047,500

COUNCIL BLUFFS, IA.—The Omaha *Bee* says that the election of a new treasurer of the school district is expected to work some changes in the handling of the money belonging to the district. The bank which handles the money is the only one that has anything to gain or lose by having any particular treasurer elected. As long as J. W. Peregoy was treasurer the school funds were kept in the First National Bank. Mr. Wies, the new treasurer, is connected in an indirect way with the Citizens' Bank, consequently that bank will have a good share at least of the funds for the coming year. Two of the members of the school board are connected with the Council Bluffs Savings Bank, and it is understood that Wies received their votes on the understanding that their bank was also to have a share of the patronage.

MICHIGAN.—State Bank Examiner Sherwood says that the banks of Michigan have never been in better shape than they are just now, and all indications point forward to a season of great prosperity. He don't know just to what it is due, but there is a general good feeling prevalent just now in nearly every business that makes everyone feel hopeful. It is a feeling that is hard to define, but it is in the air just the same.

ISHPEMING, MICH.—The Ishpeming National Bank concluded it could use $175,000 to good advantage, and has increased its capital stock to that figure.

LANSING, MICH.—The directors of the Lansing National Bank have resolved not to renew the charter of that institution, which expires on the first of April next, but to organize in its stead the Lansing State Savings Bank, under the State laws. The capital stock of the new bank will be fixed at either $250,000 or $300,000, and after the outside subscriptions are all in, the stockholders of the Lansing National will take sufficient stock to bring the capital up to the amount finally determined upon. As the capital and surplus of that bank aggregate over $200,000 it will be seen that it should not require any very great effort to reach the greater amount mentioned. It is the plan of the projectors to continue the business of the Lansing National up to April first and then merge it into the Lansing State Savings Bank, which it is expected will begin business by January 1. For the present the new bank will occupy the present quarters of the Lansing National, but it is not improbable that a new home may be provided for it in the near future.

KANSAS.—The following statement shows the aggregate resources and liabilities of the 414 State and private banks in Kansas, as reported to the State Bank Commissioners:

TOTAL RESOURCES.

Loans and discounts on personal and collateral security	$17,651,210 98
Loans on real estate	1,550,333 91
Overdrafts	634,784 92
Real estate	2,869,172 47
Furniture and fixtures	500,351 29
Expense account	311,732 10
United States bonds on hand	10,360 00
Other bonds and stocks at their present cash market value	960,027 77
Checks and other cash items	292,735 82
Clearing House items	26,230 34
Currency	1,518,722 36
Gold coin	600,476 83
Silver coin	188,276 16
Fractional currency	10,057 62
Due from other banks, sight exchange	3,133,508 70
Total	$30,257,981 27

TOTAL LIABILITIES.

Capital stock paid in	$10,451,218 08
Surplus fund on hand	1,075,478 93
Undivided profits	686,465 61
Interest	399,898 62
Exchange	71,812 01
Dividends declared but not paid	6,262 74
Individual deposits	10,677,770 35
Banks and bankers' deposits	208,891 29
Demand certificates	1,902,978 77
Time certificates	2,983,798 77
Bills rediscounted	350,043 27
Bills payable	1,443,363 19
Total	$30,257,981 27

OTTAWA, KAN.—The Comptroller of the Currency at Washington, D. C., has issued a certificate extending the corporate existence of the People's National Bank of that city to November, 1911.

GRAND RAPIDS, MICH.—Mr. Mark D. Bailey has been promoted to receiving teller of the Grand Rapids Savings Bank, and Mr. Guy W. Rouse has been installed as bookkeeper. The bank recently had its vault lined with chrome steel plates an inch in thickness, and has now added to its equipment a screw-door safe, with double automatic time lock.

MINNEAPOLIS, MINN.—The following is the last statement of the condition of the Security Bank of Minnesota, in obedience to the call of the Superintendent of Banks: Resources—Loans and discounts, $5,191,718.82; real estate, furniture and fixtures, $130,000; overdrafts, $6,431.13; City of Minneapolis and other bonds, $98,896.70; due from banks, $1,513,747.92; cash, $1,006,869.40; current expenses, $22,581.49; total, $7,970,245.46. Liabilities—Capital stock paid in, $1,000,000; surplus fund, $250,000; undivided profits, $315,708.69; deposits, $6,400,384.77; dividends unpaid, $4,152; total, $9,970,245.46. The Hon. Henry M. Knox is vice-president of the bank, with whom are associated A. J. Dean, J. M. Shaw, W. M. Tenney, F. G. Winston, H. M. Carpenter, J. H. Thompson, E. F. Mearkle, F. A. Chamberlain and Perry Harrison as directors.

ST. PAUL, MINN.—Bank Examiner Kenyon has issued a report showing the condition of the State banks of Minnesota on Oct. 15, 1891, compared with the report issued July 9, 1891. The total resources Oct. 15 are placed at $38,473,-282.60, and July 9 they were $35,817,493.32—an increase of $2,685,789.28. There is an increase of $833,982.73 in loans and discounts; an increase of $1,491,905.55 in stocks and bonds other than United States bonds, and an increase of $104,113.83 in expenses paid. The total liabilities Oct 15 were $38,473,282.60, and July 9 were $35,817,493.32, being an increase of $2,655,789.28. There was an increase of three banks in the quarter.

CARTHAGE, MO.—The Central National Bank has introduced to the banking circles of Carthage an ingenious invention called a time stamp. It is a perfect time-piece, stamps the year, month, day of month, hour and minute with the name of the firm, its location and business, and such words at will as "Received," "Paid," "Arrived," "Delivered." "C. O. D." etc,

WOOSTER, O.—The capital stock of the Wooster National Bank has been increased from $50,000 to $100,000.

COLUMBUS, O.—The East Side Banking Company of Toledo has been incorporated. Incorporators, George W. Barnes, Milton T. Huntley, Herman R. Klauser, James C. Messer, Sanford W. Cook, Joel Potter and Wm. H. Patton. Capital stock, $50,000.

LOGAN, UTAH.—The First National Bank of Logan has been organized. The capital stock is $50,000. The following named gentlemen were elected directors: W. S. McCornick. of Salt Lake City; Mr. Lombard, of Lombard & Sons; ex-Mayor Quayle, Judge C. C. Goodwin, J. Z. Stewart, Wm. H. Davis, George A. Percival, formerly of Ogden; Allen Flemming and Dr. L. W. Snow. Our fellow-townsman, Judge J. Z. Stewart, was appointed president; ex-Mayor Quayle, vice president; George Percival, cashier; and Allen Flemming, assistant cashier.

OGDEN, UTAH.—The near completion of the Utah Loan and Trust Company's handsome building, and their occupancy of a portion of it already for their banking department, renders appropriate an expression of the high satisfaction with which the enterprise of the company is regarded. The structure is magnificent in all its appointments; it would be an honor and an ornament to any city in the land. —*Ogden Standard.*

MADISON, WIS.—The following statement of the First National Bank, of which Mr. N. B. Van Slyke is president, showing its condition on the 2d of October, 1890, and on September 25th, 1891, reveals a highly prosperous bank, and may well excite the envy of other bankers.

RESOURCES.	*Oct. 2, 1890.*	*Sept. 25, 1891.*
Loans and discounts	$680,593 26	$843,004 75
Overdrafts, secured and unsecured	1,889 79	2,198 28
U. S. bonds to secure circulation	25,000 00	25,000 00
U. S. bonds to secure deposits	50,000 00	50,000 00
U. S. bonds on hand	2,150 00	650 00
Stocks, securities, claims, etc	7,685 59	12,651 59
Due from approved reserve agents	227,626 01	205,006 53
Due from other National banks	200 00	
Banking house, furniture and fixtures	16,850 00	16,850 00
Other real estate and mortgages owned	18,596 73	3,015 00
Current expenses and taxes paid	2,700 79	684 24
Checks and other cash items	1,839 38	1,064 18
Bills of other banks	2,235 00	1,790 00
Fractional paper currency, nickels and cents	695 00	250 00
Specie	36,940 15	63,646 23
Legal tender notes	32,332 00	14,175 00
Redemption fund with U. S. Treasurer (5 per cent. of circulation)	1,125 00	1,125 00
Totals	$1,108,468 70	$1,241,060 80
LIABILITIES.		
Capital stock paid in	$100,000 00	$100,000 00
*Surplus fund	50,000 00	100,000 00
*Undivided profits	59,440 10	24,952 03
National bank notes outstanding	22,500 00	22,500 00
Individual deposits subject to check	349,040 62	405,532 89
Demand certificates of deposit	481,483 14	541,484 70
United States deposits	42,113 08	42,744 70
Deposits of U. S. disbursing officers	3,891 76	3,846 48
Totals	$1,108,468 70	$1,241,060 80

*Surplus and undivided profits: September 25, 1891, $124,952.03; October 2, 1890, $109,440.10; after paying two 7½ dividends — 15 per cent.; net gain, $15,511.93.

MADISON, WIS.—Mr. John Johnston, cashier of the Wisconsin Fire and Marine Insurance Co., Bank of Milwaukee, recently delivered the second lecture in the course on the "History and Practice of Banking." The speaker said that people were apt to mix up banking and currency, but that they had no necessary connection. The three leading features of banking, he said, were the deposits, discount, and exchange business. He illustrated the workings of each of these great departments, and showed the important factor which banking has been in promoting commerce and manufactures, and in helping on the comfort and well-being of mankind. Banking, as we know it, was only about 200 years old, and dates from the commencement of the great era of commerce in which we now live. The great works which the last fifty years have seen accomplished would have been utterly impossible but for the accumulation in banks of the tens of thousands of small sums of individuals. He showed that the losses arising from dishonest or bad management of banks are infinitesimal, when compared to the immense volume of business transacted. He remarked that, amid the strong competition between banks, many of the old rules of professional etiquette are being violated, many methods are being used by banks like those of the recently deceased Maverick National Bank, which are more worthy of a cheap clothing store than a conservative bank.

SARATOGA, WYOMING.—State Bank Examiner J. Ware Foster has resigned.

CARBON, WYOMING.—Arrangements have been completed for establishing the Carbon State Bank. L. R. Meyer, superintendent of the Union Pacific Coal department in Rock Springs and Carbon for the last twelve years, about the only man who had held his post through a score of administrations, has resigned this position to take the cashiership of the Carbon State Bank. Mr. Meyer is an excellent bookkeeper and good financier, whose employment to that responsible post puts at once confidence in the stability of the concern.—*Carbon Sentinel.*

SOUTHERN STATES.

MACON, GA.—The Exchange Bank has issued with its compliments a pretty printed book on banking business and hints on banking. The first page is embellished with a handsome picture of the Exchange Bank building. An interesting prefatory is written by Cashier J. W. Cabaniss.

COLUMBUS, GA.—A new National bank, with a capital of $150,000, will be organized early in January, 1892. The stock is all subscribed, half of the amount being taken by citizens of Kentucky, and the balance by some of our enterprising citizens. The bank is to be called the Fourth National. Mr. T. E. Blanchard will be president and Mr. E. P. Owsley cashier.—*Columbus Inquirer-Sun.*

SENOIA, GA.—In spite of the cry of hard times, our little city continues to thrive. A few weeks ago a bank with a capital stock of $25,000 was organized and the stock all taken. The bank company purchased a lot and have commenced the erection of a fine brick building.—*Atlanta Journal.*

LOUISVILLE, KY.—It is said that the First National Bank has secured the quarters of the Columbia Trust.

FREDERICK, MD.—According to the statements of the five National banks of Frederick for the quarter just ended, the individual deposits aggregate $1,847,-387.82.

BALTIMORE, MD.—Last month Baltimore lost one of its most highly esteemed citizens, Francis T. King. He was born in that city on February 25, 1818. He was for many years a member of the firm of King, Carey & Howe. He was a member of the Orthodox Society of Friends, an elder in the Friend's Meeting, and for a great number of years its presiding officer. Mr. King was a trustee of the Johns Hopkins University and Hospital, executor of the estate of the philanthropist, Thomas Wilson, a director of the Samuel Ready Orphan Asylum, president of the Central Savings Bank, a director of the Provident Savings Bank, manager of the Maryland Bible Society, a director in the Peabody and Baltimore Fire Insurance Companies, and president of the Board of Trustees of Bryn Mawr College, near Philadelphia.

BROWNWOOD, TEXAS.—At the meeting of the Western Banking Association, subordinate with the Texas Banking Association, the temporary organization consisted of A. S. Reed, president, and J. A. Austin, secretary. Committee on By-Laws and Constitution—F. B. Gray, A. S. Reed, Brooks Smith, E. M. Longcope, and D. M. Baker. Permanent Organization—F. B. Gray, president, of San Angelo; J. S. Walling, vice-president, of Brownwood; J. A. Austin, secretary, of Goldthwaite; D. M. Baker, treasurer, of Ballinger. Executive Committee—Brooks Smith, W. N. Cameron, A. S. Reed. The questions discussed were: Exchange, interest charge, over-draft, telegraphic service, express rates, uniformity of bank checks, drafts, etc., security, etc., cotton accounts.

NORFOLK, VA.—Judge Hughes has entered the final order directing the payment of $23.500 by the Norfolk National Bank to the owners of the site selected by the Government reservation at Willoughby Spit.

PACIFIC STATES.

CALIFORNIA.—Bank Commissioner Knight has reported three bank examinations, as follows: Bank of Arcata, resources and liabilities, $199,842.58; Bank of Eureka, $292,853.04, and the Savings Bank of Humboldt County at Eureka, $236,-222.06.

CALIFORNIA BANKS.—The following figures show their growth during the last thirteen years:

	1878.	1891.
Bank premises	$3,025,654 08	$6,472,073 38
Real estate foreclosed	4,825,975 18	3,561,067 02
Loans on real estate	67,193,691 74	106,648,603 64
Loans on stocks and bonds	15,390,067 32	25,070,624 72
Loans on other securities	2,722,962 67	5,810,577 61
Loans on personal security	20,811,113 24	65,766,932 84
Stocks and bonds owned	6,442,272 74	24,671,896 30
Money	14,791,217 35	22,703,721 63
Owed by other banks	8,191,064 02	16,023,018 59
Various assets	8,538,411 81	7,117,747 26
Total	$151,932,430 15	$283,846,262 99
Capital paid	$37,515,973 02	$60,214,045 78
Reserve surplus	8,715,388 03	24,531,518 68
Deposits	100,128,431 79	186,471,067 42
All other liabilities	5,572,637 31	12,629,661 11
Total	$151,932,430 15	$283,846,262 99

SAN FRANCISCO, CAL.—A strange discovery has been made at San Francisco by the workmen engaged in tearing down the old landmark at the northwest corner of Montgomery and Commercial streets. While removing the marble slabs which covered the floor, a stairway was discovered which led down to a vault under the building, the existence of which was unknown. A pioneer furnished the information that the building, or at least the first story, was erected in 1851, for the occupation of August Belmont & Co.'s banking house. The conflagration of 1849 had swept every structure in the vicinity out of existence, and when the building was erected it was determined to make it fireproof. The basement was where gold bullion and coin were stored, and it was built to resist burglars and defy fire. Even among the then residents of the city the existence of the vault was not generally known, and the method of reaching it was a secret confided only to the bank's employes and to the workmen who constructed it.—*San Francisco Letter.*

WOODLAND, CAL.—The articles of incorporation for a new bank, to be known as "The Yolo County Savings Bank," have been filed with the county clerk. The objects and purposes of the new institution are to transact a general savings and loan banking business. The capital stock is divided into five thousand shares, at a par value of $100 each. Two hundred and seventy-five thousand dollars have been subscribed by the following well-known residents of this county: A. D. Porter, P. T. Laugenour, H. P. Merritt and John Wohlfrom, $30,000 each; Emma C. Laugenour, A. W. Gable, H. C. Gable, Alex. Porter and G. W. Woodard, $20.000 each; D. N. Hershey, $15,000, and M. T. Emmert, $10,000. The board of directors is made up of the following shareholders: H. P. Merritt, D. N. Hershey, A. W. Gable, H. C. Gable, A. D. Porter, John Wohlfrom, P. T. Laugenour, M. T. Emmert and Geo. W. Woodard, who will serve for a term of one year.

WHATCOM, WASH.—Articles of incorporation of the Union Bank, to be established at Whatcom, have been filed with the county auditor by Eugene Canfield, H. B. Williams and Robert Canfield, of Whatcom; John H. McGraw, S. Baxter, N. B. Solner, H. E. Henderson and W. L. Miller, of Seattle; G. V. Calhoun, Herbert S. Conner, of La Conner. The capital stock is $250,000, in $100 shares. The officers are: President, Eugene Canfield; vice-presidents, G. V. Calhoun, W. L. Miller and S. Baxter; cashier, H. B. Williams; assistant cashier, N. B. Solner, now of the First National Bank of Seattle. Mr. McGraw has said of the new bank that there was a good field for it; that its president, Mr. Canfield, was one of the largest property owners in that county, and was also a man of experience in banking, having been connected with a bank at Aurora, Ill., and that the other gentlemen interested were all responsible men whose names would inspire confidence.

SPOKANE FALLS, WASH.—A meeting has been held for the purpose of reorganizing the old National Bank. The new bank will have a paid-up capital of $250,000. At this meeting the following directors were elected: S. S. Glidden, F. R. Culbertson, Moritz Thomsen, Julius Galland, Samuel R. Sterns, H. T. Fairlamb, H. B. Wadsworth, J. A. Patterson, Otis F. Hall. The directors then elected the following officers: Stephen S. Glidden, president; Otis F. Hall, cashier.

TACOMA, WASH.—The Commercial Bank has been incorporated, with a capital stock of $200,000. The president of the new bank is Hon. Grattan H. Wheeler, ex-city treasurer. He entered the George W. Hallock Bank, of Bath, N. Y., in 1870, and soon thereafter became assistant cashier, which position he occupied for eleven years, until his removal to Tacoma in 1885. Mr. Wheeler, during his term as city treasurer, gained the confidence and esteem of the entire public. Obliging, genial, attentive to his duties, an efficient officer, an upright business man, he could not but become the most trusted of public officials. It was due to his personal effort that the new and effective method of keeping the books of the city treasury was established. As a member of the firm of Nuhn & Wheeler he gained a wide and favorable acquaintance. A thorough business man, conservative and conscientious, he is the object of universal respect and confidence, and as president of the new bank gives it a stability and standing unquestioned. The vice-president is A. K. Hiscock, son of the Senator from New York. He has a financial reputation as a far-seeing and successful investor or business man, and probably no man here has the confidence of eastern investors as fully as has Mr. Hiscock. The cashier is A. Bridgman, late of Keokuk, Iowa. There is nothing more necessary than an efficient man in this place. Mr. Bridgman entered the State Bank of Keokuk, Iowa, nearly twenty-nine years ago; was advanced to the position of teller in 1863; was made assistant cashier in 1870, cashier in 1880, and for the past eleven years has held that position in a bank that is known as the most successful and conservative bank in Iowa.—*Tacoma News.*

SPOKANE FALLS, WASH.—Recently the council authorized a loan of $50,000. A loan of $10,000 was made, and the banking houses of the city were invited to bid upon the remaining $40,000. The First National Bank submitted a proposition to loan the city $40,000 payable in three installments, $10,000 to be paid December 1st, $15,000 January 1st, $15,000 February 1st, on preferred warrants, due and payable March 10, 1892, the warrants to be payable out of the general fund taxes levied and collected for the year 1891. The warrants are to bear eight per cent. interest, and to be discounted for seven per cent., to be deducted from the amount of the loan. The commission accepted the proposition, on the condition that the bank accept a slight change in the indorsement on the warrants.

FOREIGN.

CANADA.—Molsons Bank has added the First National Bank of Minneapolis to its list of United States agents. It is also agent in Canada for the money order departments of the Pacific Express Company, and the American Express Company of the United States.

CANADA.—The bank managers in Canada have formed an association for mutual protection. One subject which engaged the attention of the association was that of the circulation of American currency in Canada. Canadians have come to regard

American silver currency, whether represented by coin or paper, as equivalent to their own, and without question of the intrinsic or exchange value, they accept these tokens at their face values; yet American silver currency is in value, for commercial purposes, far below that of Canada, and those who accept it run the risk of appreciable loss. The bankers fear that, unless something is done to check this influx of American currency, the evil may become as marked as after the rebellion in the United States, and for a second time Government interference may be necessary. The United States has for some years past imposed a tax of 10 per cent. upon Canadian currency, and the bankers here propose to urge Parliament to imitate the example, as it is a matter of concern to the bankers to rid the country of this currency. As there is no more profitable branch of their business than the circulating of their own notes, against which they are compelled by law to hold no stipulated reserve, this opportunity of profit is contracted by the circulation of American notes.

CANADA.—The Eastern Townships Bank has declared a dividend of three and one-half per cent. on the paid-up capital of the bank.

The reports of the New York Clearing-house returns compare as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
Dec. 5...	$417,918,100	$89,828,500	$32,531,800	$433,986,700	$5,563,100	$13,863,625
" 12...	417,995,100	89,965,900	34,544,900	436,685,200	5,559,600	15,339,500
" 19...	422,840,200	94,440,300	36,355,700	446,538,000	5,589,600	19,161,500
" 26...	429,255,400	96,392,500	36,914,100	455,306,300	5,604,700	19,480,025

The Boston bank statement is as follows:

1891.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Dec. 5......	$154,984,400	$10,268,100	$5,900,500	$137,808,600	$4,136,600
" 12......	156,157,100	9,889,900	5,968,300	137,040,300	4,137,600
" 19......	156,140,100	9,372,800	5,909,100	136,511,800	4,105,000
" 26......	156,187,600	8,919,900	5,919,800	134,393,900	4,154,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1891.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
Dec. 5..................	$96,026,000	$28,655,000	$96,926,000	$3,423,000
" 12..	95,709,000	28,726,000	96,143,000	3,428,000
" 19..	94,999,000	29,005,000	96,063,000	3,388,000
" 26..	94,927,000	28,819,000	96,071,000	3,393,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Dec. 7.	Dec. 14.	Dec. 21.	Dec. 28.
Discounts..........................	5½ @ 6	5½ @ 6	5½ @ 6	5 @ 6
Call Loans..........................	3½ @ 2½	3 @ 2½	3 @ 2½	3 @ 2½
Treas. balances, coin..................	$109,974,426	$110,727,670	$110,582,733	$111,255,752
Do. do currency................	2,316,973	1,885,824	2,218,296	2,696,880

Sterling exchange has ranged during December at from 4.83¼ @ 4.85 for bankers' sight, and 4.81 @ 4.83¼ for 60 days. Paris—Francs, 5.21⅞ @ 5.19⅜ for sight, and 5.24⅜ @ 5.21⅞ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.81¾ @ 4.82; bankers' sterling, sight, 4.84½ @ 4.84¾; cable transfers, 4.85 @ 4.85¼. Paris—Bankers', 60 days, 5.22⅛ @ 5.22½; sight, 5.20⅝ @ 5.20. Antwerp—Commercial, 60 days, 5.25⅝ @ 5.25. Reichmarks (4)—bankers', 60 days, 94⅝ @ 94¾; sight, 95¼ @ 95⅜. Guilders—bankers', 60 days, 39⅞ @ 39 15-16; sight, 40⅛ @ 40 3-16.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from December No., page 508.)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY. Nat. Bank of Commerce.	W. W. Sherman, *P.*	Richard King.*
ALA....City National Bank, Birmingham.	J. H. Barr, *Cas.*	M. B. Lewis.
ARK....Bank of Fayetteville, Fayetteville.	W. B. Welch, *P.*	L. Gregg.*
COL....Farmers Nat. B'k, Longmont.	W. H. Dickens, *V. P.*	....
CONN...Fourth National Bank, Waterbury.	D. S. Plume, *P.*	E. T. Turner.*
DAK. N. Red River Valley Nat. Bk, Fargo.	R. S. Lewis, *Cas.*	....
DAK. S. Commercial State Bank, Edgerton.	Frank Adams, *Cas.*	Thos. A. Short.*
" ..Farmers & Merchants B'k, Iroquois.	John Balderidge, *Cas.*	C. P. Peterson.
GA.....Bank of Vienna, Vienna....	J. O. Hamilton, *P.*	J. P. Heard.
IDAHO..Lewiston Nat. Bk., Lewiston.	W. W. Brown, *Ass't Cas.*	....
ILL.... Merchants Nat. Bk., Aurora.	Nathan C. Simmons, *P.*	J. O. Curry.
" ..Third Nat. Bk., Bloomington.	S. W. Waddle, *Cas.*	A. S. Eddy.
KAN....First Nat. B'k, McPherson...	W. S. Burkey, *Ass't Cas.*	....
" ..Greenwood County Bank, Severy.	F. J. Benest, *P.*	Wm. S. Lambert.
	W. D. Burns, *Cas.*	S. C. Haines.
MD.....First Nat. Bank, Frostburg..	B. Stern, *P.*	L. M. Gorsuch.*
MASS...Broadway Nat. B'k, Boston..	Frederic H. Curtiss, *Ass't Cas.*	....
" ..South End Nat. B'k, Boston.	J. C. Dana, *V. P.*	Henry E. Cobb.
" ..Traders Nat. Bank, Boston..	J. W. Work, *V. P.*	....
" ..Concord Nat. B'k, Concord..	B. L. Fabens, *Cas.*	Horace Walcott.*
" ..Berkshire National Bank, North Adams,	H. T. Cady, *V. P.*	A. W. Hodge.
" ..Pynchon Nat. Bank, Springfield.	Edward P. Chapin, *P.*	Charles Marsh.*
MINN...German-Amer. Nat. Bank, Little Falls.	C. A. Weyerhaeuser, *V. P.*	....
	S. A. Swierts, *Ass't Cas.*	....
" ..First National Bank, Luverne.	Wm. Jacobsen, *P.*	S. W. Thompson.
	A. D. Ladue, *Cas.*	C. E. Huntington.
" ..National Bank Commerce, Minneapolis.	S. A. Harris, *P.*	Jas. W. Raymond.
" ..Nicollet Nat. Bank, Minneapolis.	Geo. B. Lane, *Cas.*	H. M. Knapp.
" ..Northwestern Nat. B'k, Minneapolis.	D. R. Forgan, *Cas.*	J. B. Forgan.
NEB....St. Paul. Nat. B'k, St. Paul..	A. U. Dann, *Cas.*	A. C. Rowell.
N. J....First National Bank, Jamesburg.	Chas. F. Westervelt, *Actg. C.*	T. Wilton Hill.*
N. Y...Franklin Trust Co., Brooklyn.	Geo. H. Southard, *P.*	Edwin Packard.
" ..Nat. Bank of Stamford, Stamford.	J. H. Merchant, *P.*	M. Fredenburg.*
	G. W. Kendall, *Cas.*	J. H. Merchant.
" ..National State Bank, Troy.	Thomas Colwell, *P.*	....
	R. Edson Starks, *V. P.*	....
OHIO...Wooster National Bank, Wooster.	John Willaman, *V. P.*	....
	Levi R. Kramer, *Ass't Cas.*	....
ORE....Capital National Bank, Salem.	W. A. Cusick, *P.*	R. S. Wallace.*
	Joseph H. Albert, *Ass't Cas.*	....
PA......Tradesmen's Nat. Bank, Pittsburgh.	Robert Wardrop, *Cas.*	P. J. Pierce.
S. C....Bank of Sumter, Sumter....	W. F. Rhame, *Cas.*	A. White, Jr.
WASH..First National Bank, Port Angeles.	C. P. Brown, *Cas.*	I. Sahlinger.
W. VA. Charleston Nat. Bank, Charleston.	H. L. Pritchard, *Actg. Cas.*	E. A. Reid.
" ..First National Bank, Parkersburg.	H. H. Moss, *Cas.*	F. M. Durbin.
" ..Nat. Exchange B'k, Weston.	F. M. Durbin, *Cas.*	D. M. Bailey.

Bank and Place.	*Elected.*	*In place of.*
WIS.... Merchants Exchange B'k, Milwaukee.	E. A. Conrad, *Ass't Cas*.....	F. J. Kipp.
" . First National Bank, Platteville.	J. H. Evans, *V. P*........... Clinton DeWitt, *Ass't Cas*...	....

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from December No., page 507.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ARK....	Osceola........	Bank of Osceola	Chase National Bank.
	$25,000	William P. Hall, *P.*	B. W. Hale, *Cas.*
		S. S. Semmes, *V. P.*	
CAL....	Antioch........	Bank of Antioch..........	Lazard Freres.
	$25,000	Stephen G. Little, *P.*	Robert Parkinson, *Cas.*
"	..Pacific Grove...	E. Cooke Smith...........	Chemical National Bank.
	$20,000		
"	..Pomona........	National Bank of Pomona.	....
	$50,000	J. T. Brady, *P.*	G. A. Lathrop, *Cas.*
COL....	Denver	Western Bank............	....
	$100,000	Fred C. Kilham, *P.*	Geo. W. Collins, *Cas.*
		Chas. Hallock. *V. P.*	
"	.. "	International Trust Co....	....
	$250,000	David H. Moffat, *P.*	John F. Bell, *Sec.*
		C. H. Dow, *V. P.*	Henry W. Hobson, *2d V. P.*
DAK.	N.Cooperstown...	First Bank of Cooperstown.	....
	$10,000	E. Ashley Mears, *P.*	Ira M. Curtis, *Cas.*
		Wm. B. Mears, *V. P.*	
"	..Leeds..........	First Bank of Leeds.......	....
	$5,000	E. Ashley Mears, *P.*	Robt. W. Akin, *Cas.*
"	..Michigan City..	First B'k of Michigan City.	....
		E. Ashley Mears, *P.*	
"	..Sanborn........	First Bank of Sanborn.....	....
	$5,000	E. Ashley Mears, *P.*	David Wiedemann, *Cas.*
DAK.	S.Belle Fourche...	Butte County Bank	Chase National Bank.
	$10,000	John R. Wilson, *P.*	Arthur H. Marble, *Cas.*
		Joseph N. Arnold, *V. P.*	D. R. Evans, *Ass't Cas.*
FLA....	Key West......	First National Bank.......	....
	$100,000	Geo. W. Allen, *P.*	Oscar Reierson, *Cas.*
GA.....	La Grange.....	Bank of La Grange.......	Hanover National Bank.
	$50,000	Lewis J. Render, *P.*	James G. Truitt, *Cas.*
		J. M. Barnard, *V. P.*	W. A. Reeves, *Ass't Cas.*
ILL.....	Chicago	Chemical National Bank...	....
	$1,000,000	J. O. Curry, *P.*	A. T. Ewing, *2d V. P.*
		E. C. Veasey, *V. P.*	Geo. E. Hopkins, *Ass't Cas.*
"	..Chicago........	Garden City Bkg. & Tr. Co.	Mercantile National Bank.
	$500,000	John Buehler, *P.*	John Wm. Buehler, *Cas.*
		Otto Peuser, *V. P.*	Max Frohlich, *Ass't Cas.*
"	..Mansfield	Farmers & Merch. State Bk.	Hanover National Bank.
	$25,000	William D. Fairbanks, *P.*	Luther M. Fairbanks, *Cas.*
		D. E. Corberry, *V. P.*	
"	..Norris City.....	Bank of Norris City.......	Seaboard National Bank.
		Jas. W. Westbrook, *P.*	Chas. W. Bainbridge, *Cas.*
		L. A. Browning, *V. P.*	
"	..Rossville.......	Citizens Bank........... .	Chase National Bank.
	$25,000	T. J. Campbell, *P.*	J. E. Whitman, *Cas.*
		W. T. Cunningham, *V. P.*	
"	..Sullivan	State Bank of Sullivan.....	....
	$25,000	Ab. Patterson, *P.*	L. B. Scroggin, *Cas.*
		J. E. Eden, *V. P.*	
IND.....	Elwood	First National Bank......	Chase National Bank.
	$50,000	John N. Page, *P.*	James M. Barton, *Cas.*
		James N. Dehority, *V. P.*	Jas. A. Dehority, *Ass't Cas.*
"	..Fortville	Bank of Fortville	Winslow, Lanier & Co.
	$10,000	Jacob P. Isley, *P.*	Isaac W. McConnell, *Cas.*
"	..Morristown.....	Commercial Bank.........	....
	$25,000	H. B. Cole, *P.*	L. E. McDonald, *Cas.*
		Wm. M. Pierson, *V. P.*	L. P. Good, *V. P.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
IND.	New Richmond.	New Richmond Bank	....
	$10,000	E. T. Pritchard, *P.*	L. F. Pritchard, *Cas.*
			T. S. Patton, *Ass't Cas.*
IOWA	Le Mars	German State Bank	Fourth National Bank.
	$50,000	Fred. Becker, *P.*	C. Henry Becker, *Cas.*
		Jno. Zurawski, *V. P.*	
KAN.	Lehigh	Commercial Bank	
	$10,000	Martin L. Mansfield, *P.*	Andrew J. Schmidt, *Cas.*
		C. H. Curtis, *V. P.*	
MD.	Baltimore	Economy Savings Bank	....
		James Bond, *P.*	Simon P. Schott, *Treas.*
		Joshua Horner, *V. P.*	
MASS.	Arlington	First National Bank	....
	$50,000	E. Nelson Blake, *P.*	W. D. Higgins, *Cas.*
		Alfred D. Hoitt, *V. P.*	
"	Whitman	Whitman National Bank	....
	$50,000	Albert Davis, *P.*	M. H. Melville, *Cas.*
		George O. Jenkins, *V. P.*	
MICH.	Elk Rapids	Elk Rapids Savings Bank	Chase National Bank.
	$35,000	Richard W. Bagot, *P.*	Frank B. Moore, *Cas.*
		Henry H. Noble, *V. P.*	
"	Saginaw	American Com. & Sav. Bk.	Hanover National Bank.
	$100,000	Isaac Bearinger, *P.*	W. G. Emerick, *Cas.*
MINN.	Hubbard	Hubbard County Bank	....
	$25,000	James A. Boggs, *P.*	F. T. Buenemann, *Cas.*
		Wm. C. McAdam, *V. P.*	J Robinson, *Ass't Cas.*
"	New Richland	Bank of New Richland	....
		Henry H. Corson, *P.*	Paul O. Sunde, *Cas.*
		C. Wagner, *V. P.*	
"	North Branch	Bank of North Branch	....
		(J. O. Kingsland)	
"	St. James	Watson, Miller & Co.	....
	$15,000		
"	Tyler	Matthews Bank	Corbin Banking Co
	$10,000	H. C. Matthews, Sr., *P.*	H. C. Matthews, Jr., *Cas.*
"	Wells	First National Bank	American Exch. Nat. Bk
	$50,000	P. M. Joice, *P.*	J. H. Joice, *Cas.*
MISS.	Hazlehurst	Bank of Hazlehurst	Chase National Bank.
	$25,000	John A. Covington, *P.*	Geo. W. Covington, *Cas.*
		Henry C. Conn, *V. P.*	
"	Scranton	Jackson County Bank	Kountze Bros.
		C. W. Ruth, *P.*	C. M. Ross, *Cas.*
MO.	Perryville	Bank of Perryville	Chase National Bank.
	$10,000	Simeon S. Tucker, *P.*	Robt. M. Wilson, *Cas.*
"	Smithton	Smithton Bank	Seaboard National Bank
	$6,000	John Ringen, *P.*	Frank L. Wright, *Cas.*
		Hy. Wagenknecht, *V. P.*	
MONT.	Phillipsburg	First National Bank	....
	$50,000	Jos. A. Hyde, *P.*	Ernest C. Freyschlag, *Cas.*
NEB.	Gretna	Spearman, Snodgrass & Co.	Fourth National Bank.
	$10,000		Cyrus K. Spearman, *Cas.*
N. H.	Groveton	Bank of Groveton	....
			Elmer E. Gilbert, *Cas.*
"	Woodsville	Woodsville Loan & Bkg. Co.	United States National Bank.
	$20,000	Isaac M. Smith, *P.*	Robt. A. Horner, *Treas.*
		Ira Whitcher, *V. P.*	
N. Y.	Ithaca	Ithaca Trust Co.	Metropolitan Trust Co.
	$100,000	Franklin C. Cornell, *P.*	Frederic J. Whiton, *Sec. & Treas.*
		Francis M. Finch, *V. P.*	Wm. H. Storms, *Cas.*
"	Parish	Parish Exchange Bank	Hy. Clews & Co.
		(Potter & Marsden)	Irving B. Niles, *Cas.*
OHIO	Chardon	First National Bank	Central National Bank.
	$50,000	A. D. Downing, *P.*	S. S. Smith, *Cas.*
		L. T. Wilmot, *V. P.*	
"	Columbus	State Sav. B'k & Trust Co.	Importers & Traders Nat. Bk.
	$100,000	Wm. A. Hardesty, *P.*	Edwin R. Sharp, *Cas.*
		Wm. F. Burdell, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
OHIO	Defiance	First National Bank	....
	$150,000	Edward Squire, *P.*	Elbert E. Carter, *Cas.*
		Chas. E. Slocum, *V. P.*	
OKL. T.	Chandler	Bank of Oklahoma	....
	$20,000	W. D. Lindsey, *P.*	William D. Tyler, *Cas.*
			M. P. Wright, *Ass't Cas.*
PA.	Stewartstown	First National Bank	....
	$50,000	James Fulton, *P.*	Cyrus W. Coe, *Cas.*
TENN	Memphis	Memphis Trust Co.	....
	$20,000	J. T. Fargason, *P.*	Austin Miller, *Gen'l M'g'r.*
		O. B. Polk, *V. P.*	
TEXAS	Coleman	Coleman National Bank	Chase National Bank.
	$50,000	J. E. McCord, *P.*	W. N. Cameron, *Cas.*
		R. S. Bowen, *V. P.*	
"	San Angelo	Citizens National Bank	....
	$100,000	F. B. Gray, *P.*	A. B. Sherwood, *Cas.*
"	Velasco	Velasco National Bank	National Park Bank.
	$50,000	John Milton Moore, *P.*	Robert T. Ervine, *Cas.*
		J. H. Shapard, *V. P.*	
UTAH	Logan	First National Bank	....
	$50,000	Jas. Z. Stewart, *P.*	Geo. A. Percival, *Cas.*
WASH	Spokane	Old National Bank	....
	$250,000	Stephen S. Glidden, *P.*	Otis F. Hall, *Cas.*
W. VA.	Charleston	Kanawha National Bank	....
	$100,000	George S. Couch, *P.*	E. A. Reid, *Cas.*
WIS	Greenwood	Greenwood State Bank	Hanover National Bank.
	$25,000	Jos. Gibson, *P.*	L. Sperbeck, *Cas.*
		Cullen Ayres, *V. P.*	Lee W. Gibson, *Ass't Cas.*

PROJECTED BANKING INSTITUTIONS.

ALA....Greenville......State Bank of Greenville; capital, $50,000.

" ..Hurtsboro .....Bank to be organized here.

" ..Mobile.........British-American Trust Co.; capital, $1,000,000. F. C. Clergue, of Maine, President; W. C. Gillibrand, of Mobile, Vice-President.

ARK....Hot Springs ...Western Investment Co.; Mr. H. W. Gerlach, Manager.

CAL....Woodland .....Yolo Co. Savings Bank. Directors: H. P. Merritt, D. N. Hershey, A. W. Gable, H. C. Gable, A. D. Porter, John Wohlfrom, P. T. Laugenour, M. T. Emmert, Geo. W. Woodard.

COL....Creede ....Miners' Bank opened for business.

" ..Denver.........Robson Loan and Investment Co.; capital stock, $50,000. Incorporators: James Robson, President; Chas. J. George, Oscar Liddle and N. B. Bachtell.

DAK. N.Mandan........The general opinion is that there is ample room in Mandan for another bank. It will be incorporated under the laws of the State, for $20,000, and the majority of the stock is held by Mr. W. A. Lanterman, Mr. H. R. Porter and Mr. H. F. Douglas. Mr. Lanterman will be its first president.

FLA....Key West......Mr. E. M. Semple is arranging to start another bank, with a capital of $50,000.

GA.....Augusta ....Irish-American Dime Savings Bank; capital stock, $30,000. Open January 1st.

" ..Columbus......New National bank to be started; capital stock, $150,000. T. E. Blanchard, President; E. P. Owsley, Cashier.

" ..Marietta ....Marietta Trust and Banking Co.; capital stock, $80,000.

IDAHO..Moscow........Farmers Bank of Moscow.

ILL.....Belleville ......Belleville Safe Deposit Co.; capital stock, $10,000. Incorporators: Lucius I. Turner, Edwin A. Bend, Peter J. Kaercher, Henry A. Kircher, Herman G. Wilber.

ILL....Carbon.........Carbon State Bank; L. R. Meyer, Cashier.
" ..Durand........New bank established; S. A. Blake, President; C. A. Norton, Cashier.
" Farmington....New National bank.
" ..San Jose.......San Jose Bank; capital stock, $25,000. Incorporators, Isaiah Thomas, Samuel Biggs, Rudolph Frey, J. A. Reidinger, Jacob Brauer, J. W. Morrison, Rudolph Jacobs.
" ..Wyoming......Wyoming State Bank; capital stock, $25,000. Organizers: William A. Paulson, Chas. Sparre, William Hill and Frank A. Smith.
IOWA. Corydon.......Citizens Bank; capital stock, $60,000. Aaron Evans, President; J. M. Swan, Vice-President; C. Huliday, Cashier.
" ..Des Moines ....Iowa Deposit and Loan Co.
" ..Salix...........A new bank to be started here.
" ..Sioux Center...Farmers Bank of Sioux Center; capital stock, $15,000. John Vanderburg, President; Peter Egan, Cashier.
" ..Stuart ....Stuart will have a new exchange bank.
KAN....Goffs ....State Bank of Goffs; capital stock, $10,000. Directors: Wm. E. McKibbin, E. B. Abbott, L. A. Corwin, John Denton, Daniel Butler, J. W. Taylor, F. M. Watkins, J. R. Sparling.
" ..Netawoka......Netawoka State Bank; capital stock, $10,000. Directors: A. P. Rider, J. C. Challiss, A. Amon, G. D. Abele, S. E. Graves.
MD.....Baltimore......Baltimore Trust Co. Apply Robert C. Davidson, E. G. Hipsley, Frank S. Hambleton.
MASS...Boston .. ..Cox, Bickford & Co. will conduct banking business at 46 Congress street.
" .. " ....The banking house of Wm. A. Lombard, of New York, has opened a branch office at 135 Summer street, Boston, under the charge of W. B. Harding.
MICH...Detroit ....Union Trust Co. Directors: James McMillian, F. J. Hecker, D. Whitney, Jr., R. A. Alger.
" ..Grand Rapids..Fraternal Savings and Loan Association at 109 Ottawa street. Wm. P. Innes, President; Cyrus E. Perkins, Vice-President; Chas. D. Stebbins, Treasurer; Edward D. Horton, Secretary.
" ..Lansing........Lansing State Savings Bank to take place of Lansing National Bank; capital stock, $250,000.
MINN...Hubbard.......Hubbard County Bank; capital, $25,000. Incorporators: James A. Boggs, Wm. C. McAdam, of Duluth; Edward C. Lincoln, of Superior.
" ..Minneapolis....Hill, Sons and Co., bankers; capital stock, $200,000. Henry Hill, President; Wallace Campbell, Vice-President; C. W. Hill, Cashier.
MO.....St. Louis ......West Side Commercial and Savings Bank; capital, $100,000. W. E. Berger, Cashier. Directors: L. J. W. Wall, J. J. Kreher, J. H. Steedman, Wm. Cullinane, Henry Wood, Geo. Gerling, Judge Bennett Pike.
NEB....Butte..........Farmers & Merchants Bank; capital, $10,000.
" ..Oakland ....Farmers and Merchants Bank; capital, $25,000. V. Neumann, proprietor; Arthur Neumann, Cashier.
N. H...Laconia........National bank to be organized.
" ..Lakeport ......New National bank.
" ..Sandwich ......Guaranty Savings Bank to be started.
N. Y...Albany.........Central Savings and Loan Association. John W. McNamara, President; Lester H. Helmes, Treasurer; Linneus H. Burdick, Secretary.
" ..Avon ....New bank, with W. J. Weed as Cashier.
" ..Ellicottville ....New bank here.
" ..Johnstown.....Fulton Co. Savings Bank incorporated.
" ..Remsen........New bank to be started.

N. Y.... Rochester...... A new bank of discount on the east side.

" .Saranac Lake .. Mr. Frank Fisher will start a bank.

" ..Westfield ...... B. D. Baird, S. H. Arnold and Asher Stafford, of Gowanda, will start a bank at Westfield.

N. C.... Raleigh .... Inter-State Trust and Brokerage Co. incorporated, with $300,000 capital.

OHIO... Cincinnati ..... American Loan and Savings Co.; capital stock, $1,000,000.

" .. " ..... Twenty-second Ward Loan and Deposit Co.; capital stock, $1,000,000.

" ..Cleveland...... Home Savings Co.; capital stock, $1,000,000. Incorporators: Samuel R. House, A. T. Brewer, Henry E. Palmer, Dwight P. Briggs, B. F. Morse.

" ..Columbus...... State Savings Bank and Trust Co.; capital stock, $200,000.

" ..New Castle..... A new savings bank with $100,000 capital.

" ..Pioneer........ New bank here.

" ..Toledo .... New National bank.

ORE.... Wasco......... Sherman County Bank; capital stock, $20,000. Incorporators: M. A. Moody, W. M. Barnett, V. C. Brock.

PA...... Corry .... New National bank to be started.

" ..Irwin.......... National bank to be organized, with capital of $50,000. Those directly interested are Drs. C. E. and W. H. Taylor, C. F. Caruthers, C. W. Gaut, Thos. Irwin, of Irwin, and C. F. Ludwig, of Freeport.

" ..Mercersburg.... New National bank; capital stock, $100,000. Incorporators: J. A. Witherspoon, Joseph Winger, J. N. Brewer, John Steiger, John Haulman, Andrew Schenebly and others.

" ..Philadelphia ... Messrs. Hoops & Townsend, and Haines, Jones & Cadbury, are negotiating for the purchase of stock for a bank to take the place of the Commonwealth National Bank.

" ..Reynoldsville... First National Bank to be established.

" ..South Scranton. New bank to be established.

" ..Steelton........ New bank here.

" ..Wyalusing..... New bank.

S. C... Columbia ...... Hamilton Gunn, of London, England, has obtained a charter for the Union Bank of South Carolina and London, at Columbia. Capital stock, $5,000,000.

TEXAS .. Crockett....... A National bank to be organized here.

" .Killeen .... A new National bank to be established.

VT..... Brandon....... An institution for savings to be opened.

VA...... Martinsville.... Martinsville Commercial Bank; W. D. Spencer, President; J. P. Lewis, Cashier.

" .. " .... Peoples Bank of Martinsville. Charles B. Keesee, President; J. H. Spencer, Vice-President; J. P. Lewis, Cashier.

W. VA.. Martinsburg.... Merchants and Farmers Bank; capital stock, $25,000. Shareholders: J. W. Bishop, J. Nelson Wisner, J. H. Gettinener, S. N. Myers.

" ..Moundsville.... Farmers-Mechanics Bank; capital, $25,000. Stockholders: M. F. Cox, S. Dorsey, M. Bonar, J. T. Francis, J. W. Cunningham, J. A. Blond.

" ..Weston ...... Citizens Bank of Weston; capital stock, $25,000. D. M. Bailey and others incorporators.

WASH.. La Conner.... La Conner is to have another bank.

" ..Tacoma........ Industrial Savings, Loan and Trust Co.; capital stock, $250,000. Incorporators: E. L. Shaffner, E. C. Warner, J. T. Howson, J. T. Redman, W. A. Henderson, R. P. Thomas, C. T. Patterson.

" ..Whatcom...... Union Bank to be established; capital stock, $250,000. Eugene Canfield, President; G. V. Calhoun, W. L. Miller, S. Baxter, Vice-Presidents; H. B. Williams, Cashier.

MAN.... Winnipeg...... M. J. A. Prendergast, of the Banque du Hochelaga, and Charles Chaput will open a bank here.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from December No., page 513.)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4658	First National Bank........... Phillipsburg, Mont.	Jos. A. Hyde,	Ernest C. Freyschlag,	$50,000
4659	Citizens National Bank........ San Angelo, Tex.	F. B. Gray,	A. B. Sherwood,	100,000
4660	Whitman National Bank....... Whitman, Mass.	Albert Davis,	H. H. Melville,	50,000
4661	First National Bank........... Defiance, O.	Edward Squire,	Elbert E. Carter,	150,000
4662	Velasco National Bank .... Velasco, Tex.	John Milton Moore,	Robt. Thomas Ervine,	50,000
4663	National Bank of Pomona..... Pomona, Cal.	J. T. Brady,	G. A. Lathrop,	50,000
4664	First National Bank........... Arlington, Mass.	E. Nelson Blake,	W. D. Higgins,	50,000
4665	First National Bank .... Stewartstown, Pa.	James Fulton,	Cyrus W. Coe,	50,000
4666	Chemical National Bank....... Chicago, Ill.	J. O. Curry,		1,000,000
4667	Kanawha National Bank....... Charleston, W. Va.	George S. Couch,	E. A. Reid,	100,000
4668	Old National Bank........... Spokane, Wash.	Stephen S. Glidden,	Otis F. Hall,	250,000
4669	First National Bank........... Wells, Minn.	P. M. Joice,	J. H. Joice,	50,000
4670	First National Bank........... Logan, Utah.	Jas. Z. Stewart,	Geo. A. Percival,	50,000
4671	First National Bank........... Chardon, O.	A. D. Downing,	S. S. Smith,	50,000
4672	First National Bank........... Key West, Fla.	Geo. W. Allen,	Oscar Reierson,	100,000

CHANGES, DISSOLUTIONS, ETC.

(Continued from December No., page 512.)

N. Y. CITY.............Henry E. Titus & Co. reported assigned.
CAL....Los Angeles....Los Angeles County Bank succeeded by Bank of America; same officers and correspondents.
" ..San Diego......California National Bank in hands of receiver.
COL....Meeker ....J. W. Hugus & Co. now Bank of Meeker; same correspondents.
DAK. N.Minot..........First National Bank reported closed.
DAK. S.Edgerton.......Commercial Bank succeeded by Commercial State Bank incorporated; same correspondents.
" ..Hitchcock......Bank of Hitchcock now State Bank incorporated.
" ..Huron ....Huron National Bank reported closing.
" ..Minnesella .....Butte County Bank succeeded by Butte County Bank at Belle Fourche.
FLA...Key West......Bank of Key West reported closed.
GA.....La Grange ... .First National Bank has gone into voluntary liquidation; succeeded by Bank of La Grange.
ILL.....Chicago........John Buehler & Co. succeeded by Garden City Banking and Trust Co.

IND.....Elwood........Farmers Bank, succeeded by First National Bank.
" ..La Fayette.....Indiana National Bank has gone into voluntary liquidation; succeeded by Perrin National Bank.
IOWA...Le Mars........Security Bank succeeded by German State Bank.
MINN...Norwood.......Bank of Norwood incorporated.
" ..Wells..........Citizens Bank succeeded by First National Bank.
MISS. ..Greenville......Bank of Greenville reported suspended.
MO.....Lamar ....M. N. Wills reported assigned.
NEB... Elwood........Farmers & Merchants Bank (White, Ward & Co.) now Perry & Pierce, proprietors.
N. C. ..Wilmington....First National Bank in hands of receiver.
OHIO... Defiance ....Defiance National Bank expired by limitation; succeeded by First National Bank.
PA. ....Hazelton.......Hazelton Savings Bank in liquidation.
" . Irwin ....Farmers and Miners Deposit Bank assigned.
" ..Philadelphia....Produce National Bank has gone into voluntary liquidation.
" . Rochester ......Beaver County Banking and Safe Deposit Association closing business.
" ..Tyrone.........Tyrone Bank reported closed.
TEXAS..Coleman.......McCord, Cameron & Co. succeeded by Coleman Nat. Bank.
" ..Colorado.......Citizens National Bank has gone into voluntary liquidation.
" ..Honey Grove...Exchange Bank discontinued.
" ..Quanah........First National Bank will consolidate with City Nat. Bank.
" ..San Angelo.....Veck, Sterrett & Co. succeeded by Citizens National Bank.
VA......Gordonsville ...Piedmont Bank reported suspended.
" . New Market....Rosenberger & Shirley reported suspended.
" ..Warrenton.....Rosenberger, Spindle & Co. reported suspended.
" ..Waynesboro'gh.Bank of Waynesborough reported suspended.
WASH..Blaine .... First National Bank reported in voluntary liquidation.
WIS....Burlington .....First National Bank expired by limitation.
WYOM..Cheyenne ......Cheyenne National Bank in hands of receiver.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during December, 1891.

DAK. S.Spearfish.......First National Bank, by D. C. Dwinnell and associates.
IDAHO..Weiser.........First National Bank, by B. A. Watlington and associates.
IND.....Anderson ......National Exchange Bank, by John L. Forkner and associates.
" ..Vernon ....First National Bank, by Jacob Foebel, Jr., and associates.
IND. T. Ardmore ....Ardmore National Bank, by A. H. Wood, Denison, Tex., and associates.
IOWA...Charles City....Citizens National Bank, by H. C. Baldwin and associates.
" ..Waterloo.......Waterloo National Bank, by Jas. F. Camp, La Porte City, Iowa, and associates.
MD.....Reisterstown....National Bank of Reisterstown, by G. Howard Stirling, Baltimore, Md., and associates.
MONT ..Red Lodge.....First National Bank, by J. M. Fox and associates.
PA.....Dawson ....First National Bank, by M. M. Cochran, Uniontown, Pa., and associates.
TEXAS..Crockett........First National Bank, by H. F. Moore, Galveston, Tex., and associates.
" ..Dallas ....Mercantile National Bank, by Paul Furst and associates.
" ..Detroit ....First National Bank, by D. A. Chambers and associates.
" ..Memphis .... .First National Bank, by Oscar E. Powers, Fort Worth, Tex., and associates.
" ..Tyler ....Tyler National Bank, by W. G. Cain and associates.
" ..Velasco ....Brazos National Bank, by H. Schmidt, Bremond, Tex., and associates.
" ..Waco..........Brazos Valley National Bank, by S. B. Moss, Morgan, Tex., and associates.
WASH..Everett ....Commercial National Bank, by John E. McManus and associates.
" ..Pullman ....First National Bank, by H. G. De Pledge and associates.
W. VA..Ceredo.........First National Bank, by Louis Prichard and associates.
" ..Elkins ....Elkins National Bank, by C. M. Hendley, Baltimore, Md., and associates.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, DECEMBER, 1891.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in December.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ......reg.	Quarterly—Mar.	100½	100½	100	100
4s, 1907 ....reg.	Quarterly—Jan	116¼	117	116	117
4s, 1907 .....coup.	Quarterly—Feb.	117¼	118	117	118
6s, cur'cy, 1895, reg.	Jan. & July.	108	109	108	109
6s, cur'cy, 1896, reg.	Jan. & July.	109½	111	109½	111
6s, cur'cy, 1897, reg.	Jan. & July.	111½	113½	111½	113½
6s, cur'cy, 1898, reg.	Jan. & July.	114	116	114	115½
6s, cur'cy, 1899, reg.	Jan. & July.	116½	118	116½	118

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	5¼	4⅞	—
Canadian Pacific	88¼	91½	87⅝	91½
Canada Southern	61¼	64½	60½	61¾
Central of N. J.	113½	114½	110¾	112
Central Pacific	—	35	32	—
Ches. & Ohio	23¾	27	23⅝	26⅞
Do 1st pref.	—	60¾	56	60⅛
Chic. & Alton	—	140¼	139	—
Do pref.	—	—	—	—
Chic., B. & Q.	102⅛	110	101⅜	109½
Chic. & East'n	—	70	64½	70
Do pref.	95⅞	103	95⅞	—
Chic., M. & St. P.	76⅝	82⅜	75⅞	82⅜
Do pref.	119¾	123⅞	119⅜	123¾
Chic. & N. W.	117⅞	118¾	113¾	116⅜
Do pref.	—	142½	139½	—
Chic., R. I. & P.	84¾	90⅛	84¾	89⅛
Chic., St. P., M. & O.	37½	49¾	36	49¼
Do pref.	98	113¾	98	110
C., C., C. & St. L.	71½	72⅝	70	70⅞
Col. Coal & Iron	35¼	37⅝	33¼	36¼
Col., H. Valley & Tol.	27½	30¾	27½	30⅛
Del. & Hudson	123	124⅞	120¼	123¼
Del., Lack. & W.	138	141½	136⅛	139⅜
Den. & Rio Grande	17¼	18⅝	17	—
Do pref.	44	48½	43½	48½
East Tenn. V. & G.	6	7¼	5½	7¼
Do 1st pref.	—	42	40	—
Do 2d pref.	—	14⅝	10½	14½
Evansville & T. H.	—	123	119	122
Illinois Central	101¼	109¾	101⅛	109
Lake Erie and Western	20¼	22¾	19⅜	22⅝
Do pref.	67	70	66	69¼
Lake Shore	125¾	127	122¾	123¼
Long Island	—	96½	95½	—
Louisville and Nashville	78⅝	83⅞	77⅞	83⅞
Louisville, N. Alb. & Chic.	—	25⅛	23	25⅛
Manhattan Consol	—	104¾	100½	[illegible]
Mexican Central	—	23⅛	20½	—
Michigan Central	—	109⅞	107¼	—
Mil., L. S. & W.	—	93	81⅞	—
Do pref.	111½	133	111½	133
Minn. & St. Louis	—	9¾	8¾	9¼
Do pref.	—	21½	19	20¾
Mo., Kan. & Texas	—	19¾	16¼	19¾
Missouri Pacific	60½	64¾	55⅝	63⅝
Nash., C. & St. L.	—	94¾	88	—
N. Y. C. & Hudson	115½	119¾	114½	117
N. Y., C. & St. L.	—	21⅝	20	21⅛
Do pref.	—	81½	78½	—
N. Y., L. E. & W.	30¼	34½	29⅜	34¼
Do pref.	70	77¾	69	75½
N. Y. & New Eng.	38½	42⅝	37½	42⅝
N. Y., Ont. & W.	20⅛	22	19⅜	21⅝
N. Y., Sus. & W.	—	10⅝	9	10½
Do pref.	—	41¼	37½	41
Norfolk & Western	—	17¼	16⅛	—
Do pref.	—	54¾	50½	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	25⅝	27	23½	26¼
Do pref.	70⅞	73	66⅝	71⅞
Ohio & Mississippi	26¼	26¼	22	—
Ohio Southern	—	20½	17¾	—
Oregon Impt.	—	28½	22½	28½
Oregon R. & N.	—	86½	78½	86½
Oregon Short Line	—	31¾	24	31¾
Pacific Mail	38⅝	38⅝	36½	38
Peoria, Decatur & Evansville	20⅜	22½	20	22½
Philadelphia & Reading	39	40¼	37¾	40¼
Pullman Palace Car Co.	177	186¼	176¼	—
Rich. & W. P. Term.	11	15½	8⅜	15⅛
Rome, W. & Ogd.	—	112¾	111¾	111¾
St. Louis, A. & T. H.	—	35	32	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	42½	47	41¾	46⅜
Do pref.	—	106½	100½	—
St. Paul, M. & M.	—	115	113	114¾
Southern Pacific Co.	—	40	38¾	39⅝
Sugar Refineries	88¼	91¼	82¾	84¾
Texas & Pacific	12⅛	14	10¾	14
Union Pacific	41½	48¼	40⅛	48¼
Wabash, St. Louis & Pacific	—	15	12⅛	15
Do pref.	28	31⅞	26⅝	31¾
Wisconsin Central	—	21¼	17	20¼
MISCELLANEOUS—				
Am. Cotton Oil Trust	29¼	35⅛	27¾	35⅛
Nat. Lead Trust	16⅞	18⅞	16⅛	18⅞
Tenn. Coal & Iron	39	41¾	38	41½
Express—Adams	143¾	149¾	143½	149¾
American	117½	117⅞	114	117⅞
United States	—	54	44¼	53
Wells-Fargo	—	142½	139½	—
Western Union	82¾	84¾	80½	84¼
Wheel. & Lake E.	37	38⅜	35½	38⅜
Do pref.	76⅛	77⅞	75½	77¾

THE

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AND

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WANTED, A NEW BANK SYSTEM.

The other day, a member of the Common Council of Philadelphia, well known for his investigations into the Keystone National Bank wreck, remarked that a new bank system was wanted. In other words, the failure of the Keystone National Bank, and of the other National banks during the last few months, had conclusively shown that the system itself was defective, and should be displaced by another. We differ radically from this conclusion. The causes for the recent failures are well known; only those who are blind or will not see need be ignorant of these things. The principal cause of these failures was speculation pure and simple, either by the cashier, or manager, or other leading officer; and in some cases the board of directors was also involved. The next principal cause was the use of the assets of the bank by the manager, or a small ring within the institution, for outside operations: either the construction of railroads or factories, or other enterprises of a similar character. These things cannot be charged to any defects in the National bank system; for it does not tolerate speculation, or the lending of the resources of a bank on land securities. Those who have ever read the law well know how severe its provisions are against making loans of a permanent nature. The design of the system is to assist commercial classes by lending to them money. In short, the system is designed to lend money, for short periods, to men or companies engaged in mercantile or kindred pursuits, and to no others. It would be difficult, after all the experiences through which the country has passed, to add additional safeguards for keeping banks true to this purpose. No one has suggested hardly a change in the law for the correction of the evils which are so well known.

How, for example, can a more stringent regulation be made against lending money on security of real estate? If a bank does this, the Government can annul its charter; surely no punishment can be more severe to a man or corporation than that of death, which is precisely the kind of punishment the law prescribes for an act of this kind. The law also provides that an amount not exceeding one-tenth of the capital of a bank shall be loaned to any person or individual, and this provision is made as plain and specific as language can possibly be used, and for a violation thereof the penalty of corporate death may also be inflicted. No one will question the wisdom of this restriction, and it would be difficult to conceive how a more severe punishment for this violation can be devised.

What, then, is the matter? not the law, not the system; the difficulty is with the administrators. Of the thousands who are engaged in conducting the business of banking, some of them have proved faithless, without regard for the law which they are called to administer, or the consequences to themselves, to their institutions, or to the public. No law can regulate such persons, no system can be devised that will have a remedial effect on them. The error is in selecting them for the business in which they are engaged; or in keeping them in it after their speculative or law-breaking habits or tendencies have become known. Carlyle has thus stated the problem: "Given a set of knaves to produce a united honesty of action." Has the ancient truth lost any of its force since our Great Master's day, That grapes cannot be gathered from thorn trees, or figs from thistles? If a scoundrel is in a counting room, the law will not convert him into an honest man; he will steal at the earliest opportunity. Possibly the fear of detection may lead him to abstain from violating the law, but his character is not changed, the tendency, the inclination, the desire, remains, and will be executed whenever the opportunity is seen. The obvious conclusion from this is, shut out such men from places of trust. If, perchance, they have been ignorantly put into them, when their tendencies and evil ways have been discovered they should be removed without delay.

If experience teaches us anything, it is that a speculator in stocks ought not to be employed in a bank. We need not enlarge on this point; every one knows what stock speculation means, and the dangers connected with it. Every one knows that with the gains, perhaps, losses are inevitable, and that both losses and gains thus won are demoralizing. The man who speculates is thinking of his personal pursuit rather than of the business for which he is employed; his thoughts are in Wall Street and not on the business of his bank; in short, he is utterly unfitted, by reason of the hazards attending speculation, from pursuing his business properly. When, therefore, bank directors know that such a man is acting as cashier or president he should be speedily removed, or at least be required to abstain wholly from such practices. The duty of bank directors in such a case is perfectly plain, and they should not hesitate to act. The disturbing list of bank failures teaches this one lesson more impressively than any other, that such men have no place in a banking institution. Furthermore, as we have previously remarked, if bank directors are unwilling to act, either because they are engaged in speculations themselves, or have not the courage or inclination to remove a cashier or president who is engaged in them, then the public should apply the remedy by giving a wide berth to such a bank, and do their business with other banks which are managed in a different manner. For, let us not forget, that the great number of banks are conservative and well managed. There is no occasion, therefore, for patronizing speculative banks, or those conducted by officers who have no regard for law and safety. All the places of any considerable size are well supplied with banks which are worthy of the highest confidence, and which have gone through many a public trial unharmed. If, therefore, we repeat, directors are unwilling or disinclined to select officers who are law-abiding and free from speculative tendencies, or if, as now and then happens, they are concerned themselves in conducting their bank contrary to law, in conspiracy with the bank cashier or president, or both, then the public must apply the remedy above prescribed. It is useless to turn to the State and ask for a new system; the true remedy is that mentioned, which the people must apply themselves.

Finally, these experiences teach us that character does count for something in the end. If people persist in thinking otherwise, then they must learn the worth of it by such failures as we have experienced. Certainly they will learn, after losing their capital, and paying as much more in the way of an assessment in order to cover the losses incurred by a president or cashier or other officer who had no regard or respect for the law, that character also has value. The common councilman to whom we have referred, in our opinion is utterly wrong—the need is character, not a new system; and with an improvement in this regard will come an improvement in the management of banks, railroads, and every other trust. But no system of law, whether for railroads or banks, or corporations of any kind, will ever do away with the necessity of this. It is the supreme thing in this world, which to get, is to have gotten all; to miss, is to have missed all; and the sooner the public learn that this is the bottom fact in all successful business enterprises, and act accordingly, the sooner will most of the bank failures come to an end.

A REVIEW OF FINANCE AND BUSINESS.

The general business situation has been characterized by the suspense that exists in commercial and financial affairs, when people are hesitating between fear and hope, in doubt whether to retreat or advance, and doing neither; hence there has been little change for better or worse during the first month of the new year. The causes of this condition of things are partially artificial and partly natural: Europe is still in an unsettled state financially and commercially, and gives little stimulus to business here, while distrust as to the legislation of the present Congress, on the tariff and on silver, inclines capitalists to defer all new enterprises and to restrict their operations in old ones, to the wants of the near future. The result is seen in the glut of the money market, which indicates anything but a healthy state of finance and trade. There has been another disturbing influence in the Chilian War buncombe, which has been the principal stock in trade on Wall Street and in the grain markets, as well as in politics, during the latter half of the month. This scare happily seems to have passed away, with the discovery that there has been little occasion for it, from the first, and that it has been used for political effect, for a good deal more than it was worth. On the other hand, the slight improvement in financial affairs in Europe during the past few months, seems to have been lost with renewed failures and withdrawals of gold for Russia and South America, which have created uneasiness again in London and Paris. At the same time, contrary to expectations on both sides of the water, exports of gold from that country to this, have almost entirely ceased, notwithstanding the shipment of breadstuffs from the United States to Europe have continued on a liberal scale, though not so large as during the five last months of 1891. There is therefore very little encouragement in sight for much improvement in business in the near future, until returning confidence shall lead to the better employment of the idle capital now seeking investment in Wall Street; for, so long as the circulation of the country returns to the heart, and remains, instead of going forth to invigorate the limbs, there is little hope of much strength, activity or improvement in the body.

THE RAILROAD SITUATION,

however, is the one bright spot in financial circles, as the enormous movement of the crops still continues; and, with mild weather, the net, as well as the gross earnings of the railroads, show large gains over a year ago, and must continue for another year, regardless of the outcome of the next crops; for, there is not sufficient capacity on the part of our railroads to bring forward the surplus of the crops of '91, during the crop year of '91–'92. With short crops next year, therefore, the railroads would find full employment during that period, with the certainty of maintaining the bulk of the enormous increase of this year, in their freight earnings, and the prospect of a large increase of their passenger earnings in '93, in consequence of the World's Fair at Chicago. Hence the railway systems east of the Rocky Mountains seem to be out of the woods for a good time to come. This interest of itself is so important, in its direct and indirect influence on commercial and financial affairs, that it does not seem possible the present stagnation can exist, after the disturbing influences of financial and tariff legislation are out of the way, although we have a presidential election this year. Notwithstanding this bright prospect for the future of railway property, however, the market for their securities has been under bear influences during the greater part of the month, as the January boom had been anticipated in December, and the reaction was natural in January, especially as the public refused to come into the market and relieve the professional operators of their December purchases, as expected. The talk of war with Chili has had something to do with the decline in stocks, as well as with occasional advances in the breadstuffs market; though why war with that country should have had either effect, no one has been able to explain. Towards the close of the month, however, a general and strong investment demand set in for the dividend-paying stocks, coming, as is supposed, from the banks and other big financial institutions, which have been unable to find employment for their money, since both call and time loans have fallen to two and four per cent. respectively, without adequate employment, on good collateral, even at that. The consequence has been that these great moneyed institutions have been forced to buy the better class of stocks, in order to find profitable employment for their idle funds, which have accumulated in this center in greater volume than has ever been known, as was shown a month ago in the unprecedented deposits of the city banks. At the same time the wild-cat stocks, in which gambling operations are chiefly carried on, have not sympathized generally with this upward movement, or increased activity, showing that the buyers of stocks have been for investment rather than for speculation, notwithstanding the public is still generally out of the market. Nothing certainly could be more healthy than this, so far as the stock market is concerned, however the money market may be, or how unsatisfactory the condition of industrial and commercial interests. This investment demand, however, has not extended to bonds, in any volume, owing to the fact that the prices at which they are held does not return as good interest on the investment as the dividend-paying stocks, of whose continued earning capacity, the prospects are certainly good, for two years to come, as shown above.

THE STERLING EXCHANGE AND SILVER MARKETS.

Of all unaccountable and unexpected conditions, that of the Sterling Exchange and Silver bullion markets are the most surprising, even to those who are familiar with their operations, and make them a study. Instead of the continued return of the gold from Europe, exported from here last summer, in exchange for the heavy exports of our cereals, considerably less than half the amount has come back, notwithstanding more than half of the crop year has passed, with little prospect, apparently, in the near future, of imports of gold in volume. During and since the Baring panic in London, it had been supposed that Europe had resold nearly all the American securities held on the other side, and that they had been returned to this country. Yet it is evident that Europe has been selling either securities or goods, in larger volume than usual, and in sufficient quantity, to pay for a greater part of these enormous exports of our breadstuffs. The most plausible explanation has been, that there were enormous amounts of goods shipped from Europe to this country before our new tariff went into operation for owner's account, in addition to those bought by our importers, to be held here until consumption should overtake these accumulated supplies, and that a large part of our exports have gone to pay for these heavy importations of a year ago. But it would certainly seem that there must soon be an end to this application of the funds received for our big crops, and that a large amount of gold must still come this way, during the balance of the crop year, to pay for additional exports. Yet the strength in foreign exchange toward the close of the month would not seem to indicate it in the near future. Another explanation has been that Europe has recently been selling her gilt-edged American securities which have not before come out, in order to invest the proceeds in the industrial stocks of Great Britain, which are at present greatly depressed, owing to the unsatisfactory condition of trade in Europe, as the present prices at which they are selling are considered great bargains. While these anomalous conditions exist in the movements of gold, silver has continued to decline, until it has sold at the lowest point in fifty years; notwithstanding the continued purchases by the U. S. Government of over a year past, for the express purpose of maintaining the price of silver and bringing it towards a parity with gold. The decline here has been followed by a similar one in London, partly on the lack of demand for the East Indies, and partly on the reported offerings of the Austrian Government in exchange for gold, until the lowest prices on record have been reached on both sides of the water. The western smelting companies have been the chief sellers here, and the price touched (91 cents) is nearly 14 cents lower than at the opening of 1891, and 30 cents lower than the top price on the silver boom of 1890. This is taken to indicate the hopelessness of the attempt of the American silver producers to secure any further silver legislation in their interest, at this session of Congress.

THE BREADSTUFFS MARKETS

have dragged along in the holiday rut into which they fell during December, on continued lack of new export demand of importance, except for corn, while foreign markets have been depressed under large arrivals of grains of all kinds and flour, going forward on contracts, made during the last three months of '91. These over-supplies, together with the rumors that Russia contemplates removing her wheat export prohibition next May, and that the French Government is considering an increase in the duty, on account of the better prospects of her next crop, have had a depressing effect, and enabled the Chicago bears to sell the market down, with but little resistance, until finally, the foreign houses here, who were long of future wheat for European account, have sold out. The only counteracting influence has been the fear of the shorts, whenever the market became oversold, of some damage to the winter wheat crop, or of war scares, which has temporarily turned prices up, as was the case on the Chilian war talk. But the effect was only temporary, and prices continued to sag lower after each rally. The condition of the flour market has been more stagnant even than that of wheat, as the speculation in the latter has enabled our local operators to play with the market, whereas neither exporters nor home trade have wanted any more flour than required for immediate consumption. The market for all other grains has been in the same depressed and stagnant condition, except for corn, which Europe has continued to buy freely, and as fast as the new crop has been available, while a bull clique in Chicago took hold of that market, towards the close of the month, in view of the large export demand and the correspondingly large short interest, together with the poor quality of the arrivals, little of which went into the contract grade. Hence corn has been comparatively firm, and oats have been held up by it while other cereals have declined. The clearances from Atlantic ports since September 1st, 1891, have been over 60,000,000 bushels wheat against 5,500,000 bushels last year. The clearances of corn from all Atlantic ports since 1st of September have been over 22,000,000 bushels, against a little over 9,000,000 a year ago. Shipments of flour from the Atlantic ports since the

1st of September, 1891, have been over 5,600,000 barrels, against 3,700,000 barrels last year.

THE PROVISION MARKETS

have advanced during the month while breadstuffs were declining, partly on the increased export demand for lard for France, in anticipation of the increased duty going in force on the 1st of February, and partly on the increased demand for bacon for Germany, as well as for France, under the new meat inspection law of the United States, and its treaty with Germany. This, together with lighter receipts of hogs, during the last few weeks, have caused greater confidence in the future of the values of hog products, followed by the covering of shorts and some outside demand for the long account, as the consumption of hog products has been increased by the higher prices, relatively, of breadstuffs, while stocks in Europe are lighter than usual. Yet at the advance, packers have been pretty free sellers, and towards the close of the month, a reaction set in, followed by a dull, dragging market that is not very encouraging for a further advance in the near future. On the other hand, beef products have failed to sympathize in the least, though relatively cheaper than hog products or breadstuffs, notwithstanding the higher price of cattle the past year.

THE COTTON MARKET

has continued as depressed as ever, under increased crop estimates and receipts in excess of a year ago following the largest crop ever raised, which has made the load too heavy for either speculators or big holders of spot cotton to carry, both having been severely weakened by the continued decline of over a year. In the summer of 1890 spot cotton sold at about 13 cents, and has lately gone below 8 cents, while nearly half of this decline has occurred since October of last year, and some houses that have bulled spot cotton on this crop all the way down, have been so weakened that they were compelled to throw over their load since the 8½ million crop estimates seem to have been confirmed. Prices are now at the lowest they have been since 1848, when Liverpool sold at 3½d. during the French Revolution, and our market at 7¾ cents. The condition of the planters after two such crops and such prices is coming to be serious, and they seem to be going through the same experience that our grain farmers of the West have undergone during the last five years. It is believed by well-informed parties in the trade that the result will be to drive the Atlantic States out of cotton raising, as these prices do not return cost of production, but that the trans-Mississippi region, which is practically five hundred miles wide by a thousand miles long, and only developed within the last ten years, will continue raising cotton, on as large a scale as ever, because it can raise nothing else, whether there is a profit in the business or not.

OTHER MARKETS.

The condition of the cotton goods market may be easily imagined from that above described for cotton, while that for woolen goods is also indicated by the decline of five per cent., in prices at the January wool sales in London, from the prices paid at the last sale in November; while the offerings were increased and the demand less even, than at the former sales. The condition of these markets, therefore, on the other side, is as depressed as here, and the complaints of dull trade and small profits, or none at all, are general in both woolen and cotton goods, on both sides of the water, while the demand from the interior is very limited, even in the West, where the crops have been good and marketed freely. At the South, however, trade is in a wretched condition, owing to the low prices of cotton, and demand from that section, for all class of goods, is as poor as collections are slow. The dry goods trade is therefore in about as bad a condition throughout, as is possible to conceive, except in time of panic or failures.

Ocean freights have also had a set-back, with the demand for ocean tonnage for grain, and prices have receded from a third to a half of those ruling last fall, in the height of the exports of wheat. The reason is that a large part of the tonnage for carrying the grain, contracted for them, for future delivery, was engaged ahead, at the time the purchases were made, and the rates then paid were so high as to attract tonnage from other quarters of the globe, especially from the Black Sea ports, after the prohibition of the exports of grain from Russia went into effect, leaving the Black Sea fleet to find employment in the Atlantic or Indian grain-carrying trade. So slack is the demand now for steamers, for charter, that for the first time in the crop year, owners of vessels have been compelled to buy cargoes of grain, on their own account, in order to find employment for their vessels.

H. A. PIERCE.

Kansas Banks.—The Wichita *Eagle* says: Under a law passed last winter providing for a State Bank Examiner, and who has just made his report, it is developed that Kansas has two hundred and forty-nine State banks and one hundred and sixty-five private banks in addition to National banks, the total resources of which are upwards of thirty millions of dollars. The individual deposits in these banks reach the sum of ten million dollars. By them is carried in currency, $1,518,722.33; in gold coin, $609,176.38; in silver, $188,276.16; in other cash items and fractional currency, $970,000. The report proves quite a surprise and will greatly interest eastern capitalists, who have been thinking that rural Kansas was "busted." The currency volume of Kansas "per capita" will astonish the mortgageor. Another thing, a majority of the stockholders of these private and State banks seem to be farmers, and more than half of the deposits are those of the farmer.

THE WALKER BANKING BILL.

The bank bill introduced by the Hon. J. H. Walker provides for a more elastic currency than any scheme ever before proposed, and as elastic as is consistent with safety, as under section 5 of the bill the Comptroller can allow the largest issue of currrency notes to the bank in the six months of any year when the reserve was the lowest in the previous year, and the smallest volume of circulation when it was the highest. Thus the banks would find it for their interest to carry a larger reserve during that season of the year when there was the least demand for money, because it would be compensated for so doing by being allowed a larger volume of circulating notes when most needed, and could carry a lower reserve and a larger circulation in that six months when the most money was needed in the country, at which time the total deposits would naturally be the lowest. When all the banks of the country are operating under the bill, it will make a leeway between the highest and lowest circulation of bills issued under section 5 of nearly 100 million dollars, keeping the notes issued under section 4 the same all through the year.

This bill does away with all bonds, but makes the currency as safe to the people, in case of the failure of the banks, as the present system. It provides for the issue of bills by banks equal to the average of their reserve, and an equal amount secured from the Government, by exchanging legal tender for circulating promissory notes, the old greenbacks to be canceled and destroyed to the amount of ninety per cent. of the currency notes so secured from the Government, ten per cent. to be reserved from the redemption fund. It provides that the reserve of the bank shall be not less than fifty per cent. in gold and gold certificates, and not more than fifty per cent. in silver or silver certificates.

It allows the bank to trench upon its reserve to any extent on any given day, provided its reserve averages the legal amount during the month. It taxes the bank four per cent. on the average deficiency of reserve in any month.

It provides for an Examiner-in-Chief, who shall direct and supervise all bank examiners, and makes the examination at the expense of the Government.

It provides for reports to the Comptroller each month of the main items of assets and liabilities of the bank for each day, and any other information the Comptroller may request.

It provides that, as in the case of silver notes and Treasury notes to-day, the Government may sell four per cent. Government two to five year bonds, and redeem the notes gotten from it by the exchange of lawful money for notes, and that all the assets of the bank, with the liabilities of the stockholders, shall be used to first pay the notes issued by the bank on its reserve, in case of failure or discontinuing its business.

It provides that the charters of all banks shall be so issued that they shall expire to the same number and having capital to the same amount each year for thirty-three years, each bank having a right of renewal of its charter to cover a period of not less than thirty years.

But one of the very best features of the bill is that it confers upon the Secretary of the Treasury the right to devolve the duties and responsibilities of executing the provisions of the redemption of the notes and other banking functions upon reserve banks, under such regulations as he may deem safe and proper, and to deposit with them the funds, etc., and also provides for a "Board of Advisers of Experts to the Comptroller of the Currency, upon changes desirable in and methods of executing existing law concerning banking, consisting of the Comptroller of the Currency, *ex-officio*, and the president of the redemption bank in the five chief redemption cities in the country, or such substitute for any one of the officials named as he shall from time to time appoint," which board shall meet once a year or oftener at the call of the Comptroller of the Currency or of a majority of the board, the action of the board to be published in the reports of the Comptroller of the Currency. The bill thus contains in itself the ultimate divorcing of the Government from all connection with the monetary affairs of the country, except police supervision.

The bill is so written that banks can be organized under it alongside of existing National banks, and all existing banks can organize under the new law at once, and are required to organize under it at the expiration of their charters.

Under this bill the banking capital of the country would increase to one-half as much again to double in five years, and the volume of the currency would be self-adjusting, and would not vary from the needs of trade, which would be a great advantage to the country.

The adoption of a banking system that would commend itself to the people would do more to settle the question of coinage than any direct legislation on the subject. Were the banks organized under this bill, it is claimed that by its working all other forms of currency notes in the country would soon be eliminated. It is so written from beginning to end as not to be open to the objections to the present banking system which exist in the popular mind. It has the approval of some of the leading bankers in the country.

CONGRESS AND THE NATIONAL BANKS.

A strong feeling exists in Congress against the National banks, and very likely a bill will be passed by the lower body abolishing their right to issue notes, or repealing the ten per cent. tax on State bank circulation, or authorizing the issue of more Government paper money. In other words, the object of this crusade is to expand the circulation. The southern people especially are having very hard times; and the most efficacious relief which they have devised is more money. Their belief concerning the rights of the States is not the root of their opposition to the National banking system, although the opposition on the part of some of the more antiquated springs from this source; but the objective point with most of them is more money. They are certain that this will result in lower rates of interest, and thus very considerable and desired relief will be experienced.

One of the difficulties from which many of the southern people suffer is their persistent habit of mortgaging their crops in advance. They are borrowing on future expectations. This is, as all know, a very old habit with them, an inheritance of anti-war times, which, unhappily, has not diminished much, it would seem, in recent years. If they were not in debt so much the interest problem would not be such a serious thing with them, and, therefore, it seems to us that they go to work in quite the wrong way to mend their difficulties. If they could succeed in flooding the country with new issues of cheap money, and reducing the rates of interest, we greatly fear that these enlarged issues and lower rates would not help them a whit, but, rejoicing in the new order of things, they would borrow all the more, and thus involve themselves deeper in the toils. This is precisely what did happen to thousands of people during the times of the great paper money flood, and we are certain that this experience would be repeated if the policy of enlarging the circulation, either by the Government or by the States, was adopted.

The truth is, the country is amply supplied with money at the present time, and all are very blind who cannot see this. No man, who has good credit, has the slightest difficulty in borrowing money at very low rates of interest. The banks have not had so much money for many years as at the present time. Its presence is manifested to us in most unusual ways, and therefore there is absolutely no foundation whatever for this movement to increase the quantity. There is, however, a very great deal of truth in the complaints about high rates of interest. These do certainly exist; but what is the cause for them? Simply the poor credit of the borrowers, the fear on the part of lenders that they will not get their money back; consequently a high rate is charged for the increased risk. If, therefore, the farmers in the South and West wish to obtain lower rates of interest the remedy is wholly with them, to regard their credit more sacredly than they have done in the past. The money supply is abundant, there never was more ready for investment in the South and West or in any place wherever good security or good credit exists. Let the southern and western people, who are now clamoring for more money, pay stricter attention to the observance of their obligations in the future, and there will not be the slightest difficulty in getting money at very low rates of interest. On the other hand, so long as the old policy is continued of borrowing on future crops, or hazardous security, and too often of paying but little regard to the fulfillments of their promises, so long will they be obliged to pay high rates of interest for money, however large may be the quantity, and whether issued by the Government, or by State banks, or by whatever authority.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONTINUED FROM THE JANUARY NUMBER.]

In 1820 we enter upon a new stage. The system of the Bank of France, although without statutory modifications, is different from what it was under the First Empire. In one case, as in the other, moreover, it is hostile to progress. From being absolute, it has become oligarchical. The composition of the meetings (the two hundred largest stockholders) and the limitation of the votes (a single vote to each member) facilitate for the council its recruitment by itself. That may be favorable to the stockholders, but will be essentially unfavorable to the interests of the public, the Bank of France being, let us not forget it, intrusted with an exclusive privilege. Napoleon said (and he knew what he was talking about): "Oligarchies never change their opinions, because their interests are always the same." Immobility is to be immutably the order of the day in the general council of the Bank of France. This has been shown only too often since 1820.

We may hasten to say that it is not with individuals that we find fault, but rather with the principles on which the issue of notes is based in France. Peter or Paul is acting his part by profiting, as a banker, by the existing order of things. The legislator is alone at fault, or rather he who delegates him, the elector. We must find fault with public opinion, while enlightening it. We

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

address ourselves to it, without recriminations against anybody, but without indulgence for the common error.

Let us note, in excuse for the Bank of France, that it made earnest efforts, at this time and down to the middle of Louis Philippe's reign, to give several of the most important cities of France local banks of issue (Nantes and Bordeaux in 1818; Lyons, Marseilles, Lille, etc., from 1835 to 1840). It opened, and that from 1836 only, offices (called branches from 1848) in those cities merely where it had been unable to induce the merchants to invest in a local bank. It will not always be thus, as we shall soon see.

It is remembered that the privilege of the Bank of France was to expire on September 24, 1843. The cabinet of May 12, 1839, which had Marshal Soult for president of the council, and Hippolyte Passy for minister of finance, laid before the Chamber of Deputies, January 25, 1840, a bill prolonging the exclusive privilege of the Bank of France until December 31, 1867, or twenty-four to twenty-five years. This bill was preceded by a rather short explanation of its motives. M. Dufaure was appointed to report on it, and brought in his work on the following April 27. In the interval, the Thiers cabinet (called that of March 1) had taken the place of the Soult cabinet, and Pelet (de la Lozère) had succeeded M. Hippolyte Passy in the finance department. The new cabinet adopted complete the plan of the cabinet that had preceded it.

M. Dufaure made a report more extended than the explanation of the motives, and nevertheless he acknowledged, with a frankness for which we honor his memory, the incompetence of the Chamber in banking matters: "The important modifications called for (on the subject of the Bank of France) can only be admitted after a serious study of the utility which they may have and of the circumstances which they present," and, a few lines further on: "The elements of information are much too limited for us to be able to improvise another law by the side of the one which is proposed to you." Then why legislate on banking matters, and why not leave them under the rule of the common law? Strengthen the penal code with a view to strike down fraud more effectually, but for the rest, apart from publicity, let things alone. It is a fine occasion to give evidence of your religion. The privilege of the Bank of France is to expire in three years; you will judge from the facts of the final decision to be taken.

But, no, that is too simple, too logical, and after this frank and sincere confession in the name of the commission composed of the most notable banking authorities in the Chamber, it was proposed, without hesitation, to make an engagement for twenty-four years. Anybody having reforms to propose can think them over for twenty-four years; your legislators, after having humbly declared themselves incompetent, vote in favor of the monopoly, preferring it to the common law. Twenty-four years of sleep in the life of a people; this is a worthy counterpart of what the present cabinet proposes to us, with an aggravation, however, for from 1840 to 1867 we count only twenty-eight years, while we have thirty from 1891 to 1920. Let us pass on.

The departmental banks are aroused and bestir themselves. The Bank of Bordeaux would be satisfied with an interpretation of an article (quite clear, however,) of its statutes; still more modest, the Bank of Lyons asks for nothing; but the eight others act together, appoint delegates, and, through them, address to the commission of the Chamber of Deputies the following requests:

1. That each bank may discount paper payable in any city where there is an authorized bank;
2. That the banks may pay reciprocally their notes to order and discount their notes to bearer, with the obligation to balance their current accounts at least once a month;
3. The extension of the current accounts, with the obligation of having a place of business in the same city with the establishment;
4. The right of discounting bills with two signatures, guaranteed by a deposit of shares of the bank admitting the bills;
5. The right of receiving deposits of sums of 2,000 francs and over, for a term of two months at least, and at an interest that shall not exceed 4 per cent. a year;
6. Finally, the right of issuing 100-franc notes.

These requests were not examined by the parliamentary commission; it preferred annexing to the bill an article stipulating that no departmental bank should thenceforth be established or have its privilege prolonged except by virtue of a law. In this way each bank might receive from the Legislature its special charter stipulating the conditions of working its privilege judged useful for its part of the country. On the other hand the branch offices of the Bank of France were to be established or suppressed by virtue of a simple royal ordinance. This was an aggravation of the situation of the departmental banks in comparison with that of the branch offices. These latter could be founded rapidly without starting up the whole legislative and executive apparatus. Instead of a general law enacted once for all the banks, it was preferred to make a special law for each one of them. What happened? From 1835 to 1840 seven departmental banks (including Dijon) had been founded, and four branch offices of the Bank of France had been constituted; from 1840 to 1848 not a single departmental bank was founded, but eleven branch offices were established by the Bank.

The only idea for which any thanks are due to the commission of the Chamber of Deputies, is the second paragraph of Article 1st of the law: "Nevertheless the privilege may come to an end or be modified on December 31, 1855, if it be thus ordered by a law voted in one of the two sessions preceding that date." It would have allowed a Government more friendly to parliamentary institutions than the Second Empire was to make up for the mistakes of 1840.

The discussion was interesting in the Chamber of Deputies from the 18th to the 21st of May; besides the reporter, the President of the Council, and the Minister of Finance, nine deputies had something to say. Not one pleaded the cause of liberty of credit under a legal, uniform, and simply repressive system. M. Lanjuinais declared himself insufficiently informed; in consequence, he desired the continuation of the privilege for only two years, time enough to throw light on the question in its essential aspects. M. de Laborde, less hesitating, asked, however, for the privilege of the Bank a simple duration of ten years, as for the Bank of England. The amendments of both were rejected.

M. Victor Grandin would have liked to see the Bank of France multiply its branch offices, but he pitied it for having, in 1840, to obey only statutes drawn up in 1803 and 1805; he railed at it pleasantly for having been unable at Rouen to continue its branch establishment, where a departmental bank managed to do a good business.

Messrs. Achille Fould, Jacques Lefebvre (director of the Bank of France), and Legentil, sound the praises of the Bank of France, but their laudatory eloquence is surpassed by that of the President of the Council, M. Thiers, who, in case of necessity, rectifies history, whenever it embarrasses him in his reasoning: the Bank of France has always kept its engagements (witness 1805 and 1814, when it limited to 500,000 or 600,000 francs a day the amount of the redemptions of its notes payable *at sight*). He indulges also in some interesting confessions; thus Napoleon established the Bank of France upon this principle, that a bank must never take any but good and solid paper, that is, proceeding from the higher branches of commerce. Thus he affirmed, in the train of Crétet in 1806, the aristocratic constitution of the Bank of France. He added further that Napoleon had found it republican and had made it monarchical, which it had since remained. What do our governing republican partisans think of this argument, in this order of ideas, of the *statu quo?*

M. Mauguin does not allow himself to be dazzled by the sonorous sentences of the eloquent southerner, and remarks that the progress, mostly of recent date, made by the Bank of France, is the result of the competition it encounters from the creation of the Caisse Générale du Commerce et de l'Industrie, founded by Jacques Laffitte in October, 1837. He makes M. Jacques Lefebvre admit that discount is cheaper in Lyons, Nantes, and Marseilles than at the Bank of France and its branches.

M. Garnier Pagès, Sr., regrets not to hear the voice of the minor branches of commerce in this discussion, which must yet be of interest to them.

The law is passed, notwithstanding, by a majority of 252 votes against 58 opposing.

In the Chamber of Peers the reporter was the illustrious Rossi, who, however, had lived in a country of political and economic liberty, where the banks were subject only to the common law, in Switzerland, whose inhabitants enjoy the well-merited reputation of understanding and practicing the operations of commercial credit. Nevertheless, he supported the governmental plan. Three orators, besides the Minister of Finance, made speeches. M. Mermillod would have liked a general law on the departmental banks instead of condemning them to pass one by one through the administrative and governmental rack; the Marquis d'Audiffret proved by A plus B that all is for the best, while the Viscount du Bouchage, less of an optimist, raised such doubts as to make him ask for the adjournment of the plan.

The adjournment of the plan! But that is equivalent to asking for the liquidation of the Bank! And think what a financial and commercial upheaval, what a cataclysm would be the result of that! Poor Bank of France! According to what its defenders say, it owes its good qualities only to its monopoly.

Favoring liberty of credit, we shall be less unjust toward it; we have faith in its admirable order, in its constant prudence, in its honesty, and we say that to suppress its monopoly is to take from it the crutches which it does not need, which even embarrass it, and which delude it as to the causes of its real solidity.

The Chamber of Peers passed the bill, on June 26, by 111 votes for it and 19 against it.

Before going further, let us cast a retrospective glance upon the banks so improperly called departmental, since their privilege extended only to the city where they were situated, and which might more fittingly have been called local banks. The history of these banks, by virtue of the acts of 1848, forms part of the history of the monopoly of the Bank of France, and because they no longer exist, it would be regrettable to pass over them in silence. Besides, their history is instructive.

Legally they date from the year XI. The law of Germinal 24 says, indeed, that no bank can be formed in the departments except by authority of the Government, which can grant them the privilege; the issue of their notes cannot exceed the amount which it has fixed. The smallest denomination of these notes shall be 250 francs. From these lines, it is evident that they are considered as meriting a more severe administrative rule than the Bank of Paris, called the Bank of France.

Under this legislation nine banks were successively authorized in the departments, all prior to the promulgation of the law of June 30, 1840.* The note circulation of these nine banks was subject to a limitation which we do not find in the Bank of France. Their liabilities payable at sight were not to exceed three times the amount of the metallic reserve. With a single exception (that of Bordeaux, which was not authorized to issue bank-notes redeemable at sight lower than 500 francs), the denominations of the notes were 1,000, 500, and 250 francs. From this point of view the Bank of Marseilles was distinguished by one peculiarity: the amount issued in 250-franc notes was not to exceed a fifteenth of the total circulation before 1839, and a tenth after that. The funds deposited, whose repayment might be called for at sight, could not bear interest in favor of the depositors. The paper discounted must everywhere have three signatures; almost everywhere it could not run for more than ninety days; however, at the Bank of Bordeaux it could run up to a hundred days on Paris, and a hundred and twenty on Bordeaux. The rate of discount was to be fixed by the general council of each bank; at Bordeaux, by an exceptional peculiarity, it could not exceed five per cent. without first obtaining the Government's approbation. We may add that this authorization was never solicited. Excepting at Lyons, Lille, and Toulouse, paper on Paris could be discounted by all the departmental banks. At Rouen the bank discounted, besides paper on that place and Paris, paper on Havre, Elbeuf, Darnetal, Yvetot, Bolbec, Fécamp, Dieppe, and Louviers: at Nantes, paper on Bordeaux; at Marseilles (at least after 1839), paper on Toulouse and Lyons; at Lille, on Turcoing and Roubaix; at Havre, on Rouen; and at Orléans, on Nantes. We remark that paper on cities having a branch of the Bank of France could not be discounted by the departmental banks. Thus, Lyons could not discount paper on Saint Etienne, Lille that on Valenciennes. Gratuitous collection for customers at Lyons, Marseilles, Lille, and Toulouse was made only of paper drawn on these cities; at Rouen, Nantes, Bordeaux, Havre, and Orléans we have found no limiting conditions in the statutes. In the accompanying table we give some data relating to the departmental banks in 1841 and 1847; we annex for comparison the Bank of France, branches included:

* There were also two other departmental banks, those of Dijon and Limoges which we pass over in silence. The first, that of Dijon, authorized by royal ordinance of August 4, 1839, did not begin business. Its associates, on a second inspection of the statutes, gave up their project. The second, that of Limoges, was authorized by decree of the Provisional Government of March 23, 1848. It had a short life, and we know nothing about its modest existence. On July 10, 1849, it was replaced by a branch of the Bank of France.

Place.	*Privilege Granted.*	*Capital Paid Up.*	*Total Annual Commercial Discounts.*	
			1841.	*1847.*
		Francs.	*Francs.*	*Francs.*
Paris (including branches in operation)	1800 to 1867	67,900,000	1,072,200,000	1,807,850,000
Rouen	1817 to 1863	3,000,000	64,109,000	79,900,000
Nantes	1818 to 1859	3,000,000	34,287,000	49,500,000
Bordeaux	1818 to 1848	3,150,000	100,981,500	106,200,000
Lyons	1835 to 1855	2,000,000	76,629,000	185,600,000
Marseilles	1835 to 1855	4,000,000	122,447,000	270,200,000
Lille	1836 to 1856	2,000,000	19,102,200	48,500,000
Havre	1837 to 1857	4,000,000	55,215,300	67,500,000
Toulouse	1838 to 1858	1,200,000	21,075,000	24,400,000
Orléans	1838 to 1858	1,000,000	17,609,000	19,800,000

Place.	*Proportion between discount and capital.*		*Dividend on shares (per cent.).*		*Price of shares (per 1,000 francs).*	
	1841.	*1847.*	*1841.*	*1847.*	*1841.*	*1847.*
					Francs.	*Francs.*
Paris (including branches in operation)	15⅔	26⅔	12.6	17.7	3,250	3,270
Rouen	21⅓	26⅔	11.3	14.4	2,310	2,650
Nantes	11⅓	16½	6.9	9.7	1,375	1,750
Bordeaux	32	34⅓	13.9	16.3	2,500	2,200
Lyons	38½	92⅔	14.6	28.8	2,710	3,770
Marseilles	30⅔	67½	6.9	12.9	1,580	1,970
Lille	9½	24¼	6.5	9.6	1,495	1,700
Havre	13 4-5	16⅞	5.3	6.8	1,250	1,330
Toulouse	17½	20⅓	6.9	11.7	700	1,200
Orléans	17 3-5	19 4-5	7.9	11.3	1,650	1,900

Average of the nine departmental banks: 1841, 23½; 1847, 38⅓.

We see that, in spite of the advantages by which the Bank of France profited compared with the departmental banks, it did not have so great an activity as the latter, and consequently its services were more limited.

Let us mention, however, the net-work of difficulties imposed by the too provident administration of the Restoration and the Government of July on the operations of banks other than the Bank of France:

Circulation restricted; discount limited to the paper of certain cities; collection generally regulated.

[TO BE CONTINUED.]

FINANCIAL FACTS AND OPINIONS.

Illinois State Banks.—Prior to 1870, State banks in Illinois were all organized and conducted under special charter granted by the Legislature from time to time. Under the constitution of Illinois, adopted in 1870, the Legislature was prohibited from enacting special legislation, and no banking laws could be made under the constitution. Consequently no new bank as a corporation could be organized from 1869 until after the amendment to the constitution and the present banking law, which went into effect July 1, 1889. When the new banking law went into effect there were only about thirty State banks in Illinois, and they were all organized under special charters granted prior to 1870 and had an aggregate paid-up capital of about $8,000,000, with a surplus and undivided profits amounting to about $4,000,000. Under the new law, which is as carefully drawn, and in which the interests of the depositors are as carefully guarded as under the National banking law in every respect, and under the requirements by the State Auditor of regular examinations and sworn published reports, the State banks have increased very rapidly, being everywhere received with great favor and at once commanding public confidence. In the last report of the State Auditor showing the condition of all the State banks of Illinois on November 14, 1891, it is stated that there were then in successful operation eighty-seven banks, with an aggregate paid up capital of $16,000,000, with a surplus and undivided capital of about $7,000,000, whose loans amounted to over $61,000,000, with cash assets of about $20,000,000, demonstrating that public opinion is more and more gravitating toward State banks.

The Farmers and the Banks.—In a communication to the editor of the Charleston *News and Courier*, signed Civis, the writer, after stating how desirous the farmers are in that State for cheap money and plenty of it, and expressing his astonishment at the patience of the banks under falsehood and misrepresentation, adds:

I have no doubt at all that the wild financial schemes of the Alliance have done the credit of certain States—our own of the number—an injury from which they will not recover for years to come. We have a very evident indication of this in the apparent failure to fund our State debt at 4 per cent. interest. Only a few years ago Georgia funded her debt at 3 per cent. The credit of South Carolina ought to stand at least as well as that of Georgia; and yet our bonds go begging at 4 per cent. The only reason I can imagine for this is the predominance of the Alliance, with its visionary and dangerous financial theories and its warfare against capital. Georgia would no doubt meet the same fate were she now attempting to fund her debt. Capital is notoriously timid, and it is apt to fight shy of those States where it is in danger of being legislated against. Our great want here at the South is unquestionably more capital, more banking capital, to lower the rate of interest, and more capital brought in from the outside to develop and build up our manufactures and other industrial enterprises. As I have on a previous occasion shown in the *News and Courier* from the last report of the Comptroller of the Currency, South Carolina has only sixteen National banks, with a capital of $1,798,000, while New Jersey, with approximately the same population, has ninety-five National banks, with a capital of over $14,000,000; Georgia, the Empire State of the South, has only thirty-one National banks, with a capital of $3,943,000, while Iowa, a much younger State, has one hundred and forty-one National banks, and a capital of $11,870,000. And similar relations we find all the way through. It would then be the part both of wisdom and good policy to do all in our power to encourage capital to come in and take up its permanent abode among us, instead of waging relentless war against it.

The writer evidently has a better comprehension of the real situation than the farmers themselves. If farmers in the South, and elsewhere, desire to have abundant capital, and low rates of interest, they can bring this delightful state of things around by ceasing to condemn those who are trying to furnish it, and seek to fulfill the obligations they undertake. Capital is timid and demands high rates whenever the risks are great; no fact is more trite than this in the banking business. If, therefore, the farmers wish to lessen their burdens they can do so by treating the banks more justly. Of course, it is not to be expected that farmers will wholly escape failures, and, when these occur, banks should deal considerately with them. But they have often disregarded their obligations without sufficient reasons, and their conduct on such occasions has done much to drive away the capital which they so much desire to have. The remedy, therefore, is with them as individuals, and not through legislative action.

Payment of Interest on Deposits.—Since the failure of the Maverick National Bank, of Boston, this question has been much discussed by Boston bankers. Some of them maintain that this is a correct business policy, supported as it is by the custom of the London banks. Their advertisements usually contain the terms which they are willing to make with depositors concerning the payment of interest. Some Boston bankers, while paying interest on the balances of large corporation accounts, decline to pay on mercantile accounts. This payment of interest, they argue, compels the bank to invest its money so closely that when there is any sudden demand the bank must depend on its ability to borrow at the Clearing House (without security) for its needs. It is generally admitted that the Maverick National Bank made from $100,000 to $150,000 a year. It had practically only $1,000,000 in capital and surplus, and it could not have earned ten to fifteen per cent. upon this from its general banking business and loan account. In spite of all the criticisms upon the bank, it must have made money out of its $5,000,000 bank deposits. It probably averaged to pay less than three per cent., but it received a generally higher rate for money than other banks with a less active president. On its $5,000,000 bank deposits it probably made one to two per cent., or $75,000 a year, and it is yet to be shown that paying interest on deposits caused the directors to speculate, or the bank to close.

A New Boston Bank.—The Boston newspapers have reported several times since the failure of the Maverick National Bank that some individuals were trying to organize another National bank in that city. Why this should be done is not clearly seen. There are fifty-three banks in the Clearing House Association, and seven other National banks outside of it, making sixty National banks in all. Are not these enough? It is true that there is a need for new banks in some of our large cities which are rapidly growing. In New York, for example, which is stretching up-town very rapidly, there is need of new banks in the newer portions, but to establish a bank in the heart of one of our cities, close by the other banks, is to engage in a hazardous enterprise, unless it is sustained by an exceptionally strong board of directors, who can and will secure for it a large amount of business. Why should a depositor leave his bank and go to a new one; and with respect to discounting paper, what advantages can a new bank expect to derive over an old one? Every banker well knows that a new bank is at serious disadvantages in comparison with old ones in these regards. Foreign experience is worth something in this matter. While the growth of London in population and business is enormous, the banks increase very slowly in number; in fact, in the city proper there is no increase at all, but the business goes to established and well-tried institutions. The London *Financial Times* recently remarked: "It is not often that we have to chronicle the advent of a new English bank. Within the past week, however, the Leeds Joint Stock Bank has made its bow to the public, the board being composed entirely of gentlemen engaged in local industries at Leeds. The capital is £400,000, in shares of £20 each, and it is proposed to call up £5 per share. The directors announce that no promotion money has been paid, that they will accept no fees until a reasonable dividend has been declared, and that, in order to show their confidence in the project they will each subscribe for not less than 500 shares." We cannot help thinking that the multiplying of banks in our large cities, except in the newer portions, is a great mistake. There is another reason, too, why this should not be done. For the banks in a city to be strong, unity of action is required. The establishing of Clearing Houses has accomplished wonders in this respect, but the difficulty of maintaining a unity of interest is enhanced by increasing the number of banks. The smaller the number, the more perfectly can a unity of interest and concord of action be preserved among them. For this reason, especially, the banks, as well as the people in general, should be slow in our larger cities to encourage the increase in number of these institutions.

LIABILITY OF BANK OFFICERS.

SUPREME COURT OF TENNESSEE.

Wallace v. *Lincoln Savings Bank.*

A suit by a shareholder against the directors of a corporation, to recover for losses caused by their inattention and mismanagement, can only be brought when the corporation is disabled from suing, as where the managing officers are themselves to be the defendants, or where the corporation wrongfully and willfully refuses to sue; and the decree obtained inures to the benefit of the corporation, and gives the complainant no preference or priority over other creditors.

The mere refusal of the corporation to bring suit will not authorize a shareholder to himself conduct such suit. The refusal must appear to have been wrongful, and to have been made by a majority of the board of directors ; the refusal of the president alone is not sufficient.

Where a corporation is in the hands of a trustee in insolvency, and he declines to sue, deeming himself unauthorized, a shareholder may conduct the suit.

The directors of a bank cannot be held liable at the suit of a shareholder for losses alleged to have been caused by their inattention and mismanagement, on proof merely of a large deficit—the difference between the liabilities of the bank including capital stock and the nominal value of all assets, good and bad ; especially where it appears that large dividends were paid by carrying large amounts of paper which subsequently turned out as worthless, and real estate taken for debts, which had depreciated in value.

The fact that large amounts of assets were invested in realty, causing great losses from depreciation, is not a wrongful diversion, where it appears that the realty was bought in on sales under foreclosure of mortages given to secure debts, to prevent a sacrifice.

Before the directors of a bank can be held liable, in case of almost total inattention to its management, for losses from loans made by the cashier without their knowledge or consent, it must be shown that the cashier did not exercise reasonable skill, diligence, and prudence in making the loans.

In an action by a shareholder against the directors of a bank, to recover for alleged losses due to their inattention and mismanagement, it appeared that, by resolution of the directors on the formation of the bank, the entire management was given to its cashier, a man of large estate and rare financial ability; that such cashier, without their knowledge or consent, borrowed enormous sums of the bank for a firm of which he was a member ; that on discovery of such fact, after several years, he was deposed, and the directors obtained security for his indebtedness, which was thereafter reduced from time to time by payments ; and that an action by the trustee of the bank, in insolvency, to recover the balance of $28,000, in which usury was set up in defense, was compromised by leave of court on the payment of $8,000. *Held*, admitting the negligence of the bank officers, that no such loss was shown as would sustain a recovery.

An action by a shareholder of a bank against its directors, to recover for inattention and mismanagement, resulting in alleged losses from loans made by the cashier to a firm of which he is a member, though brought in equity, is to enforce a legal right, and is subject to the operation of the statute of limitations.

Such action is barred in six years from the time of the loan, under the provision limiting to six years all actions "on contract not otherwise provided for," for the relation of director to corporation implies a contract to use ordinary diligence in discharging his duties.

In an action by a shareholder of a bank against its directors, to recover alleged losses caused by their inattention and mismanagement, the burden is on complainant not only to prove the losses, but that such losses were the consequence of defendants' negligence.

It is not responsible negligence in a cashier of a bank to pay the overdraft of a customer of character and business integrity, though not having property subject to execution. Reasonable conformity to the customs and methods in vogue among prudent bankers is the degree of diligence required in such cases. Directors cannot be made liable on mere proof that an account was overdrawn, and a loss thereby sustained.

The liability of bank officers for improvidently discounting a note arises at the time the note was taken, and the right of action therefor is barred in six years from such time, and not from the time of the taking of a renewal note in payment of the first note.

Bank officers are not liable for a mere neglect to sue notes, thus permitting them to become barred, without proof that they were solvent assets.

A director, in a suit between himself and the corporation, or those suing upon the corporate right of action, is not presumed to have knowledge of all that is shown by the books of the company. Such presumption applies only to suits between the bank and a stranger.

LURTON, J.—This is a bill by a shareholder and creditor of the Lincoln Savings Bank, in behalf of himself and all other shareholders and creditors, against such directors of the bank as held office at different times between the organization of the bank, in 1870, and its suspension, in 1886. Its other defendants are the corporation itself, under its corporate name, and the trustee of the corporation under a general assignment for benefit of creditors made in August, 1886. The bill charges that the defendant creditors, by their inattention, negligence, and mismanagement, have been guilty of a breach of trust, whereby the bank has been reduced to insolvency, its capital wasted, and the shares rendered worthless. There was a decree in favor of complainant for the use of the corporation against several of the defendants, holding them liable for certain losses sustained through improvident discounts, overchecked accounts, and neglect to bring suits upon matured paper. The decree has been appealed from by complainant and defendants.

Such a bill cannot be maintained by complainant for his peculiar and personal benefit. The wrongs complained of do not especially affect his stock or his demands as a creditor. The negligence of the defendants was in the discharge of duties to the corporation as such, and the corporation, for such negligence, has a right of action. Primarily, therefore, such suit should be brought by the corporation in its corporate name, and only under peculiar circumstances will a creditor or stockholder be permitted, by courts of equity, to bring the suit which the corporation has failed to bring. But where the corporation is disabled from suing, as where the managing agents of the corporation (its officers and directors) are themselves to be the defendants, or where the corporation wrongfully and willfully refuses to sue, then, in either case, a court of equity will entertain a suit by a shareholder, substituting him to the collective or corporate right of action. In either case, it is most obvious that the recovery must be for the benefit of the corporation, all its creditors and shareholders, innocent and guilty, sharing proportionately in the benefit of the decree. The learned chancellor was correct in holding that the decree obtained by complainant inured to the benefit of the corporation, and that complainant was not entitled to any preference or priority over other creditors or stockholders. The assignment of errors on this point by complainant is therefore overruled.

The defendants were not in office at the time this suit was begun. The corporation was not, therefore, disabled from suing by being in the hands and under the control of the parties to be sued. It must therefore appear, before complainant will be suffered to carry on such a suit, that the corporation, or those authorized to represent it, have been requested to sue, and that they have wrongfully refused to bring the suit. It by no means follows that the mere refusal of the corporation to bring a suit will authorize any stockholder dissatisfied with such decision to himself conduct the suit. A very wide discretion is necessarily reposed in the directors of a corporation. It is not the duty of the managers of such association to bring suit upon every supposed wrong or injury to the corporation. If it were so, strangers could never know when a settlement, compromise, or adjustment was a finality, if the matter was subject to be overhauled at the suit of any discontented shareholder. So a suit might appear so desperate, or be so expensive, or, for good reasons, impolitic, that creditors might, in the exercise of a sound discretion, deem it unwise to engage in litigation. In such case, if the refusal be in good faith, the courts will rarely suffer a shareholder to overturn such decision by entertaining his suit for the same cause of action. To authorize his suit, the refusal of the corporation to sue must appear to have been wrongful. (Mor. Priv. Corp. § 244.) The bill alleges, and the proof shows, that the president of the defendant corporation was duly requested to bring an action in the corporate name against the former directors for the cause of action stated in this bill. This he declined, because he did not deem the facts submitted to him justified such suit. This demand was not laid before the directors then in office, and they have never been requested to sue, nor have they declined to sue. The directors represent the corporation, not the president. The failure to show that a majority of the board had wrongfully refused to bring such suit would be fatal to complainant's right to sue, but for certain facts now to be stated.

In August, 1886, this bank was hopelessly insolvent, and in that situation a general assignment of all its assets was made to the defendant Hancock, a trustee, for the benefit of all creditors; any surplus to be paid over to the corporation. Hancock accepted the trust, and qualified as trustee. Subsequently he was requested to bring this suit, and declined, deeming himself unauthorized. The right of action passed as an asset to the trustee. (*Hume* v. *Bank*, 9 Lea. 744.) After the assignment, he represented the corporation as well as its creditors, and was alone authorized to have sued upon a corporate right of action. This point has been repeatedly settled by other courts. (*Williams* v. *Halliard*, 38 N. J. Eq. 376; *Ackerman* v. *Halsey*, 37 N. J. Eq. 356; *Jones* v. *Johnson*, 86 Ky. 530, 6 S. W. Rep. 582; *Bank* v. *Caperton*, 87 Ky. 306, 8 S. W. Rep. 885; *Brinckerhoff* v. *Bostwick*, 88 N. Y. 52.) In the case last cited, the suit was against the directors and officers of an insolvent National bank in the hands of a receiver appointed under the provisions of the National banking law. The receiver had refused to sue. The court held that the right of action was in him, and his refusal authorized a shareholder to present a bill in behalf of himself and all other shareholders, the receiver and the corporation being made defendants. The decision was not based upon any of the peculiar provisions of the act of Congress concerning effect of appointment of a receiver, or liability of officers and directors of National banks, but was squarely planted upon the general principle governing courts of equity in such cases. We do not think that the trustee of an insolvent corporation would have so wide a discretion as to suing as exists in the directors of a solvent and going corporation. In the case of the refusal of the managers of a corporation, an appeal would lie to the general meeting of shareholders, and, if in such refusal they did not represent the will of a majority, it could be then made to appear, and a board elected who could reverse their action. From the refusal of the trustee there was no appeal save to a court of equity. The case presented on the face of the bill was not frivolous, but was so grave in character, and important in amount as to have made it the duty of the trustee to have submitted the charge to the decision of court. This bank was organized in 1870, under a private charter granted by this State in 1869. The capital stock was $100,000, all of which was ultimately paid in. Some of the defendants were elected directors in 1870, and by annual re-election continued in office until 1885 or 1886. Others served for very short terms, while still others held office for from one to ten years. They are not charged with any sort of fraudulent collusion. Indeed, no intimation is found in pleadings or proof that any one of them profited, directly or indirectly, by any of the alleged acts of mismanagement or negligence. All of them were stockholders, largely interested in the success of the institution, and all suffered equally with complainant by its disastrous failure. The liability of defendants to the corporation is predicated alone upon the proposition that certain losses sustained by the bank, during its fifteen years of business activity, were the direct consequence of the negligence of defendants while directors. The principal fact constituting this alleged negligence is a charge that a board of directors abdicated their trust by failure to supervise the management, and turned over the entire control of the business of the bank to the unlimited discretion and unaided judgment of the cashier; that, as a consequence, the bank has sustained great losses through a series of unwise, indiscreet transactions, engaged in by the cashier without the aid, advice, and supervision of those charged by their selection with the duty of exercising an intelligent judgment in the control of that office. The allegation necessarily is that these transactions, so disastrous in their consequence, would have been avoided, and their losses escaped, but for the negligence and inattention of defendants in office at the date of the several transactions. The losses, alleged to be a consequence of this breach of duty, may be conveniently classified as follows:

First. That there is an unexplained deficit of about $40,000; that the proof of which consists in the fact that the liabilities of the corporation, including its capital stock of $100,000, exceed in amount the nominal value of all assets, good and bad, by the sum stated. This difference between liabilities and nominal assets is charged to be a deficit for which defendants must account. The books of the bank are no part of the record. No balance-sheets are exhibited, and no expert testifies as to the state of the bank, as shown by its books. There are many ways in which this deficit of nominal assets may be accounted for. Debts deemed worthless ought to be charged off to profit and loss, in which case they would no longer appear as an asset. This, indeed, appears to have been done to the extent of perhaps $20,000. But a more certain solution of this matter is found in the fact that 126 per cent. have been paid out in dividends upon paid-up stock. A profit justifying such dividends was made to appear by carrying as solvent large amounts of paper held by the bank, which subsequently turned out to be wholly or partially worthless. So real estate taken for debt continued to figure as an asset of the value of its cost to the bank, whereas large losses were subsequently sustained when such were made. Again, in the statement to the directors made by the cashier of the business of the bank, no overdrafts are shown. His habit was to deduct overchecks from aggregate amount due depositors. This was delusion, for large losses ultimately resulted from these very overdrafts. Thus it is a case where capital has been paid out in dividends, and the assets reduced below liabilities. Complainant does not seek a recovery of this deficit, or for dividends improperly paid. It is obvious that he could not, directly or indirectly, be allowed to again recover money already overpaid him in the shape of dividends. (*Turquand* v. *Marshall*, L. R. 4 Ch. 382.) In that case Lord Hatherley said, of a suit against directors by shareholders in part originating in improper payments of dividends, "that this was a very singular claim, as, in fact, it was asking the directors to pay over again to the shareholders what they had already received as dividends." The chancellor was clearly right in refusing to hold defendants to an account as to this so-called deficit. The second assignment of error by complainant is therefore overruled.

Second. The bill charges that, within a few years after organization, over $50,000 of the capital appeared to have been invested in real estate; that ultimately, losses, approximating $20,000, were sustained by reason of this diversion of assets. The facts do not sustain this charge. The bank did at one time own real estate costing nominally $50,000. But this was the result of foreclosure of mortgages and execution sales. The panic of 1873, and the hard times ensuing, together with local crop failures, operated to ruin large numbers of the bank's debtors. In some cases mortgages were taken, and in others suits were brought. It was deemed safe to bid the bank's debts upon lands sold under execution and at foreclosure sales. Two years following, real estate steadily declined, and was almost unsalable. The bank held, hoping to save itself. Ultimately the losses complained of were realized. There is nothing in the evidence tending to show anything more than bad judgment in the management of debts good when made, but imperiled by subsequent events. Indeed, the proof hardly makes out a case of error in judgment, for the probability seems to be that in bidding the debts upon the lands, and holding for a better market, the bank's officers did what the most prudent and sagacious would have done at the time, and under same circumstances. Complainant, however, insists that all the loans represented by this real estate were made by the cashier, and without the approval or knowledge of the directors or any committee, and that all the subsequent steps resulting in its acquisition were taken by the cashier, but without the knowledge or consent of the board of directors. This is perhaps true, for it is shown that the first board of directors, by resolution, gave the cashier exclusive charge of the loans and collections of the bank, and that down to perhaps as late as 1880 this responsibility was reposed exclusively in that officer, the directors during all that time rarely meeting, and having little, if any, knowledge of the business of the bank beyond what appeared in the annual statements made by the cashier to the directors and stockholders. Ordinarily, this would constitute such grave negligence as to make directors responsible both for the criminal defaults and negligent acts of the cashier. There are circumstances, however, to which it may hereafter be necessary to refer, which must mitigate this apparent abdication of duty. Ignoring these circumstances, and treating this as responsible negligence, complainant can only fix liability upon defendants by first convicting the cashier of negligence in regard to these transactions. A cashier is bound to exercise reasonable skill, care, and diligence in the discharge of his duties. If he fails in such skill or omits such care, and the bank suffers damage as a consequence, he is liable. If intrusted with the duty of making loans, he is not responsible as a guarantor of the solvency of his transaction, or responsible for an error of judgment when he has exercised reasonable skill, diligence, and prudence. (*Bank* v. *Ten Eyck*, 48 N. Y.305.) Complainant has not shown that there was any want of care or prudence in making these loans, or in the subsequent steps taken to secure or collect them. If the cashier is not chargeable with any want of care or skill about these matters, then it follows that defendants are not liable, for they, at most, can only be liable for losses resulting from his negligence in these matters. There was no negligence in the selection of the gentleman then filling the office of cashier. He bears a very high reputation as a business man of integrity and intelligence, and was better acquainted with the credit of the customers of the bank than any man in the county. We therefore concur with the chancellor in ruling that no liability attaches to any of defendants by reason of losses ultimately resulting from shrinkage in values, which human foresight could not guard against.

Third. The next loss with which it is sought to charge the directors is one of $20,000, said to have resulted from loans made to the cashier, Hampton, and to the firm of Carloss & Hampton, of which he was a partner. Hampton began borrowing as early as 1873, either for himself or his firm. His notes were from time to time renewed, and other sums borrowed, until the indebtedness of the two men reached the enormous sum of $50,000 in 1879. During this year the directors for the first time discovered these transactions. Hampton was himself a large shareholder, having in his own name something over $10,000 in stock. Under the charter the bank was given a lien upon the shares of a borrowing stockholder for the security of his loan. It appears that the president of the corporation had authorized Hampton to borrow to the extent of his stock, it being then at a premium. With this exception, none of the creditors were aware of the fact that their cashier was borrowing from the bank, and all, including the president, were greatly surprised when, in 1879, the extent of his indebtedness was discovered. Hampton was regarded as a man of fine estate and rare financial capacity, and the bulk of the stock was taken by subscribers upon the understanding that he was to be made the cashier, and, as such, to have the management and control of the bank. After his election, the first official act of the directory was, by resolution, to give him exclusive control of the discounts of the bank. No by-laws were adopted at any time by the shareholders, and none by the directors for their own governance. None of the directors originally or subsequently elected had had any experience whatever in the banking business. Confidence in Hammond's integrity and financial ability seems to have underlain the action of shareholders and directors. A portion of the directors were country gentlemen, living remote from the location of the bank. Others were lawyers and merchants of Fayetteville, but all fully occupied with their personal affairs. The president of the bank, up to his death, in 1885, was the late Col. D.W. Holman, a lawyer of large practice,which very fully engaged his time and enegry. He was allowed a small salary, and seems to have been much about the bank, much consulted by the cashier, and to have given the business of the bank a general supervision. Having died before the institution of this suit, we have not had the benefit of his evidence, but, from all that is shown, he only consented to the borrowing by Hampton of a sum equal to his stock, and was wholly ignorant of the subsequent large loans. Up to the discovery of these loans to Hampton and his partner, the directors had had few meetings, and knew little of the business of the bank. Its management was intrusted to the judgment and discretion of the cashier, with such general supervision as the president was able to give. The resolution, intrusting the lending of money and discounting of paper to the discretion of the cashier, did not authorize him to lend to himself. He could not represent himself and the bank at the same time, and his conduct in this matter is not to be defended, and was a clear breach of duty upon his part. So soon as these loans were discovered, the directors resumed the general control and management of the bank. Hampton was in a short time superseded by a new cashier of high character and experience. Such steps were taken as resulted in obtaining security, by way of collaterals or mortgages, amply protecting the bank against loss on these loans. By sale of collaterals and payments by the debtors, these debts were finally reduced to about $28,000. Afterwards several extensive suits at law were brought upon the unpaid balance. This suit was enjoined by the debtors by bill in chancery, seeking an account of usury, and claiming that the entire sum remaining due consisted of usury, which had from time to time been compounded. This suit was pending when complainant's bill was filed, but before the hearing, the trustee, Hancock, compromised the matter by accepting $8,000 in full of the notes for $28,000 remaining unpaid. For the loss thus sustained complainant seeks a decree against the defendants in office when these loans were made. In the view we take of this matter, it is unnecessary for us to consider whether the ignorance of the defendant directors, of the fact of these loans, is, under the peculiar circumstances of this case, such negligence as to make them chargeable with the consequences to the corporation. Assuming this responsibility if loss occurred, did the bank sustain any loss as the direct consequence of the negligence of the defendants in not preventing such use of the bank's funds by its own cashier? We think no such loss is shown. The balance due on the notes of Hampton & Carloss was amply secure at the time the trustee compromised their liability. This compromise was not made by reason of any insolvency of the debtors, or any infirmity in the securities held by the bank. The only defense was usury. The trustee regarded the whole debt as in peril by reason of this defense. The debtors claimed that the entire balance money, $27,000 or $28,000, was for usury. If this was true, it was a complete answer to the demand of the bank. The compromise was urged by a majority of the stockholders. The trustee submitted to the Chancery Court his form in the premises, which, being held ample, he, as for the best interests of creditors and all concerned, agreed to the proposed settlement. Defendant cannot be held liable because usury upon a well-secured debt has not been collected. The settlement is a bar to a suit against them by the corporation, and therefore a bar to complainant's bill, so far as this item is concerned. But, upon another and distinct ground, complainant cannot recover, and that is the bar of the statute of limitations. None of these loans were made after 1879. The negligence of defendants, if any there was, occurred prior to January 1, 1880. This suit was begun in December, 1886, more than six years after the last act of negligence in this matter. The chancellor seems to have entertained the opinion that, because a stockholder can alone sue in equity upon such a cause of action, therefore this was one of that class of purely equitable actions against which the statute does not operate. But, as we have before seen, this kind of suit is at last but the suit of the corporation, for its benefit, and upon its right of action. If, for any reason, the corporation is estopped from suing, or its action is barred, the suit by the stockholders or creditor is likewise affected. "A suit of this character," says Mr. Morawetz, "is brought to enforce the corporate or collective rights, and not the individual rights of the shareholders. It may therefore properly be regarded as a suit brought on behalf of the corporation, and the shareholders can enforce only such claims as the corporation itself could enforce. Moreover, the essential character of a cause of action belonging to a corporation remains the same, whether the suit to enforce it be brought by the corporation or by a shareholder. Thus a legal right of action would not be treated as an equitable one, or become governed by the rules applicable to equitable causes of action, or to limitations, etc., because a shareholder has brought suit in equity to enforce it on behalf of the company." (Section 271.)

Directors are not express trustees. The language of Special Judge Ingersoll in *Shea* v. *Mabry*, 1 Lea. 319, that "directors are trustees," etc., is rhetorically sound, but technically inexact. It is a statement often found in opinions, but is true only to a limited extent. They are mandatories. They are agents. They are trustees in the sense that every agent is a trustee for his principal, and bound to exercise diligence and good faith. They do not hold the legal title, and more often than otherwise are not the officers of the corporation having possession of the corporate property. They are equally interested with those they represent. They more nearly represent the managing partners in a business firm than a technical trustee. At most, they are implied trustees, in whose favor the statutes of limitation do run. (*Hughes* v. *Brown*, 88 Tenn. 578, 13 S. W. Rep. 286; *Spering's Appeal*, 71 Pa. St. 11; Mor. Priv. Corp. § 516.) An action at law lies in favor of the corporation against directors' malfeasance, misfeasance or negligence in office, whereby loss or damage had resulted, and the limitation applicable to the suit of the corporation at law is equally applicable to the suit of the stockholders upon the corporate right of action in equity. (Mor. Priv. Corp. § 271; Cook, Stocks, § 701; *Godbold* v. *Bank*, 11 Ala. 191; *Williams* v. *Halliard*, 38 N. J. Eq. 383; *Spering's Appeal*, 71 Pa. St. 11; *Brinckerhoff* v. *Bostwick*, 99 N. Y. 193, 1 N. E. Rep. 663.)

Our statutes of limitation operate upon all causes of action save suits between *cestuis que trustent* and express trustees under purely technical trusts cognizant only in courts of equity. (*Hughes* v. *Brown*, 88 Tenn. 578, 13 S. W. Rep. 286.) The statutes of three and six years were relied upon by defendants, both by demurrer and plea, as applicable to complainant's entire cause of action. By section 2,773 it is provided that "actions for injuries to personal or real property, actions for the detention or conversion of personal property," shall be barred unless suit is brought within three years from the accruing of the cause of action. This is not a suit of either injury to or converson of personal property, and this section is not applicable. The last clause of section 2,775 provides a limitation of six years for all actions "on contract not otherwise provided for." The case of *Bruce* v. *Baxter*, reported in 7 Lea. at page 477, was a bill in chancery against an attorney for neglect of duty in the collection of claims in his hands, whereby they were lost. The clause we have quoted from section 2,775 was held applicable to the suit. The reasoning of Judge Freeman, who delivered the opinion of the court, was that the relation of client and attorney implied a contract for the exercise of reasonable skill and diligence in doing what was undertaken, and that a failure to exercise such diligence was a breach of contract rendering the attorney liable for the loss resulting, but no more. A similar ruling was made in the earlier case of *Ramsey* v. *Temple*, 3 Lea. 253, it being a suit against an attorney for negligence in failing to sue out an execution. Those cases are controlling in this. The relation of a director to a corporation implies a contract that he will use ordinary diligence in the discharge of the duties he undertakes by accepting the office. For a breach of this duty, an action lies, which is barred unless begun within six years from the time right of action accrued. There has been no fraudulent concealment of the cause of action by defendants, and the remedy of the corporation for any negligence in the matter of the loans to Hampton or Hampton & Carloss is barred.

Upon the pleadings and proof, the chancellor dismissed complainant's bill, so far as it was sought to fix liabilities by reason of the matters heretofore considered. As to losses claimed to have resulted from overchecks, save certain items which he held unsupported by evidence sufficient to justify a reference, and losses resulting from improvident discounts, and claims lost by neglect to collect before insolvency, or barred by limitations, he ordered a reference to the master, laying down very distinctly the grounds upon which the defendants were to be charged. Upon this report, and exceptions thereto, decrees were finally pronounced against defendants, aggregating about $4,000. Errors have been assigned by both parties upon the decree of reference, as well as upon the final decree. The first error assigned by complainant is that the chancellor put upon complainant the burden, not only of showing losses sustained by the corporation, but that such losses were attributable to the negligence of defendants. Directors, by assuming office, agree to give as much of their time and attention to the duties assumed as the proper care of the interest intrusted to them may require. If they are inattentive to their duties, if they neglect to attend meetings of the board, if they turn over the management of the business of the company to the exclusive control of other agents, thus abdicating their control, then they are guilty of gross neglect with respect to their ministerial duties, and, if loss results to the corporation by breach of trust or acts of negligence committed by those left in control, which by due care and attention on their part could have been avoided, they will be responsible to the corporation. The diligence required from them has been defined as that exercised by prudent men about their own affairs, being that degree of diligence characterized as "ordinary." If a less degree of diligence is exercised, the negligence is gross, and for losses consequent he is liable. "What constitutes a proper performance of the duties of a director," says Mr. Morawetz, "is a question of fact, which must be determined in each case in view of all the circumstances—the character of the company, the condition of its business, the usual method of managing such companies, and all other relevant facts must be taken into consideration." (Mor. Priv. Corp. § 552.) Bank directors are not expected to give their whole time and attention to the business of the company. The customary method in regard to such associations is that the active management and responsible custody is left to the cashier and other agents selected by the directors for that purpose. These are paid salaries demanding their skill, and time should be given to the duties of immediate management. As a rule, the custodian of the assets is the cashier. The duty of directors with respect to such is to supervise, direct, and control. These agents, though usually selected by the directors, are not the agents of the directors, but agents of the corporation. (Mor. Priv. Corp. § 552, *et seq.*) The neglect which would render them responsible for not exercising that control and direction properly must depend on the circumstances of each particular case. They are not insurers of their fidelity, and they are not liable for their acts on any principle of the law of agency. "Directors," says Mr. Morawetz, "can be held for a loss resulting from wrongful acts or omissions of other directors or agents, only provided the loss was a consequence of their own neglect of duty, either in failing to supervise the company's business with attention, or in neglecting to use proper care in the appointment of such agents." (Mor. Priv. Corp. § 561.) The collection of matured paper and the paying of checks primarily pertain to the duties of the agents of the corporation having the immediate management of its business. If defendants were liable in regard to such matters, it was for negligence in the election and retention of such agents, or for neglect in the control and direction of these agents concerning their duties in such matters. It therefore devolved upon complainant to show that defendants had been neglectful in their duty in controlling or supervising these agents, and that this want of due care and attention had resulted in losses to the corporation. The ruling of the chancellor, that the burden was upon complainant, not only to prove losses, but to show that such losses were the consequence of the negligence of the directors, was right. One who seeks to recover for negligence must allege and prove it. So he must show that the damage he seeks to recover was the consequence of this negligence. (*Bruce* v. *Baxter*, 7 Lea. 477.) Complainant's first assignment of error must be overruled.

The only remaining assignment of error by complainant is the third, which is that it was error in the chancellor to refuse a reference as to certain losses resulting from overchecks by O. P. Bruce & Co., F. J. Gray & Co., and Caldwell & Kelso. As to the overchecks of Bruce & Co., and F. J. Gray & Co., it is enough to say that they were all made more than six years before this bill was filed, and any liability is barred. The only evidence cited to support the assignment as to the overchecks of Caldwell & Kelso is that of the trustee, Hancock. The witness does not show that this firm was irresponsible when their account was overdrawn. It is not negligence, *per se*, in the absence of a by-law or order of a superior officer, for a cashier to pay the overcheck of a responsible customer. Such overchecking is not uncommon, and in practical banking is almost unavoidable. In effect, the payment of an overcheck is a loan without security, upon the implied condition that the account shall be made the next day or upon notice. If not responsible negligence in the cashier to pay the overdrafts of responsible customers, it is clearly not a matter for which the directors can be made liable by mere proof that an account was overdrawn and a loss sustained. The assignment is overruled.

We come now to consider the errors assigned by defendants. The first is that it was error to charge defendants with the notes of W. H. Moore and W. T. Ross as discounts improvidently made. The Moore note was taken in 1882, by the president of the bank, in renewal of a balance due upon an old note. The original note, as shown by the fact that the new note was chiefly for past-due interest, was discounted more than six years before bill filed. The negligence, if any, was in discounting the original note, and any cause of action for that matter was barred. The W. T. Ross note was only for $21, and the cashier, Thomas, proves that a claim on Boyce & Blake, who were then regarded as responsible, was taken as collateral security. There was no negligence in this, and the first assignment is sustained.

The sixth assignment is that it was error to charge defendants with certain small notes barred by limitation. The master had reported that there was no proof to show any losses sustained by neglect to sue. Upon exception by complainant, the defendants were charged with the notes. The only evidence cited by complainant to support this charge is that of Mr. Hancock, who, in answer to the questions as to what assets turned over to him were barred, answered and set out these notes. It is not shown that they were solvent when discounted, or at any other time. It does not follow that they were lost to the bank because barred when they came to the hands of the trustee. Complainant should have gone further, and shown that they were solvent assets. The assignment is sustained.

Fourth assignment complains that it was error to charge defendants with the overchecked accounts of McCown Bros. and J. E. Caldwell & Co. The master had reported in favor of defendants upon these items, but, upon complainant's exception, they were charged to defendants. The evidence does not show that these firms were irresponsible when their accounts were overdrawn. The ruling made on complainant's third assignment, with reference to the overchecked account of Caldwell & Kelso, applies to this, and the fourth assignment of error by defendants is sustained.

The remaining assignments relate to the overchecked accounts of the following firms and individuals, all of which were charged to the defendants: W. T. Ross, $1,359.86; R. P. Haristone, $328.59; Ship & Miles, $72.69. The decided weight of proof with reference to the last two accounts is that, while the drawers had little property, yet they were in business, and had credit, and were accustomed to pay their debts. As to W. T. Ross, he was not indebted, was a moneyed character, was a profitable customer to the bank, and had a very large insurance business. The cashier was in the habit of indulging these parties by permitting them to overdraw; they paid interest. While it is probably true that none of these parties had property subject to execution, yet they were people of character and of business integrity, demanding and receiving credit. They had often overdrawn, and made their accounts good. If it were shown that these overchecks were with the consent of defendants, it would not necessarily follow that they were liable upon mere proof that the drawers could not be coerced into payment. We are not to try the responsibility of bank officers or bank directors by the rigorous principles regarding loans by technical trustees or guardians or executors. To lend at all is a breach of trust by some trustees who have no authority to lend. But in this case we are dealing with an institution whose business it is to lend. The law has never undertaken to rigidly define the conditions upon which banks may lend. Among business men, there is found a degree of trust and reliance upon moral character, business integrity, and thrift, justifying to a business man the soundness and prudence of a transaction which, to judges and lawyers engaged in applying the hard and fast rules of law, would seem indefensible and reckless. The standard of diligence and prudence by which bank officers and bank directors should be tried is that which business men have erected for themselves. Reasonable conformity to the customs and methods in vogue among prudent bankers is the degree of diligence required of such officers. Several of the overchecked accounts, heretofore disposed of upon other grounds, were the accounts of men engaged in buying and shipping produce. One of these now under consideration was that of a man now engaged in buying and shipping stock. These accounts were overdrawn upon an agreement that drafts drawn against the shipment, with bill of lading attached, should be turned over to the bank, and the account thus made good. Advances were made in this way, and the men thus enabled to carry on their business. In some instances, losses finally resulted because of losses sustained by decline in values; in others, the fund was misapplied. Without, however, determining the liability of defendants, if it had been shown that their accounts were overchecked by permission of defendants, we decide only the case presented. The defendants did not authorize these overdrafts, nor did they have actual knowledge that the accounts were being overdrawn; nor is there any presumption of knowledge from the mere fact that entries upon the books of the bank would have shown that the cashier was permitting overdrafts. A director in a suit between himself and the corporation, or those suing upon the corporate right of action, is not presumed to have knowledge of all that is shown by the books of the company. The presumption of knowledge attaching to a director, which is referred to in the case of *Lane* v. *Bank*, 9 Heisk. 437, applies only to suits between the bank and a stranger. The doctrine has never been extended to suits between the bank and its directors. (*Bank* v. *Caperton*, 87 Ky. 323, 8 S. W. Rep. 885; *Clews* v. *Bardon*, 36 Fed. Rep. 617; *In re* Denham, 25 Ch. Div. 752.) The doctrine of the same case is carefully limited in *Martin* v. *Webb*, 110 U. S. 8, 3 Sup. Ct. Rep. 428.

Whatever may be said as to the negligence of the directors in office prior to 1880, it is overwhelmingly shown that after that time, and through the entire period covered by the overchecking now under consideration, there was no inattention to the duties of their office. Meetings were regularly and frequently held, the assets, in shape of discounted paper, were carefully examined, and directions given as to collections. The cashier was forbidden to allow any overchecking, and he was required to have the approval of at least one director to the discounting of any paper. Vigilant efforts were made to save the bank by closely looking after its assets. It is true that the money in hands of cashier was never counted, but, as no defalcation or larceny was ever committed, the fact became immaterial. After this renewed vigilance and attention, there was no such habit or custom of permitting doubtful overchecks as to operate as notice, and, under all the circumstances, we do not think defendants chargeable wlth the items embraced in the assignment of error now being considered. Reverse the decree of the chancellor, and dismiss the bill, at cost of complainant.—*Southwestern Reporter*.

THE FIRST WRITER ON POLITICAL ECONOMY.

Political economy, the dismal science, is generally supposed to be the creation of Adam Smith and the writers of the present century. It is, therefore, not without surprise that we find not only a treatise on the subject, but the very name itself appearing in France as long ago as 1615. The author of this treatise seems to have been as badly treated as his work. Biographers who mention him have drawn exclusively from an obituary notice in the "Mercure," which is by no means favorable. Montchrestien probably became a Protestant at the end of his life, and was killed in the war of religion in 1621. It was natural that his memory should be blasted by loyal Catholics. The "Mercure" tells us that his name was in reality Mauchrétien, or bad Christian, that his father's origin was entirely unknown, that he became a hanger-on of the nobility, was a passable poet, but quarrelsome and fond of duels, and that he adopted a feudal title to which he had no claim.

We now find that, on the contrary, he was a studious man of letters, who made a name for himself in early manhood, that he moved in the best Norman society, and that any quarrels in which he might have been engaged were forced upon him by the turbulence of the age in which he lived, and the jealousy of his surrounnings. He did, as a matter of fact, fight a duel, and killed his man. After vainly asking pardon from Henry IV. in verses not unworthy of Corneille, he fled to England to escape hanging. Here the poet became a political economist.

Montchrestien was the first of those Frenchmen who derived enthusiasm for liberty from the air of England, and formed a succession of political thinkers who, during the next century and a half, gave currency to those ideas which produced, first, the revolution in America, and then the revolution in France.—*The Edinburgh Review*.

DEPOSITOR'S RIGHT TO SET OFF HIS DEPOSIT AGAINST AN UNMATURED NOTE HELD BY A SUSPENDED NATIONAL BANK.

UNITED STATES CIRCUIT COURT, EASTERN DISTRICT OF PENNSYLVANIA.

Yardley v. *Clothier*.

A depositor in an insolvent National bank, to which he becomes indebted through an indorsement of a note discounted by it, and maturing after its failure, can set off the amount deposited to his credit against the amount due on the note.

BUTLER, J.—The facts, presented in a case stated, so far as material, are that the plaintiff is receiver of the Keystone National Bank; that, at the time of its insolvency, it was indebted to the defendant in the sum of $1,127.96; that, at the same time, it held three notes indorsed by him, not then due, aggregating in amount $390; that the notes were not paid by the maker, and were duly protested, of which notice was given; that the plaintiff sues on these notes, and the defendant sets up the indebtedness to him as a defense.

The doctrine of set-off is founded on the principles of equity, and, within certain limits, is universally recognized and applied. Where parties dealing together become mutually indebted, the balance appearing on their accounts is, generally, alone recoverable. Well-defined and easy of comprehension as the doctrine is, however, its application to the varying state of facts which arise is attended with the same degree of difficulty that attends the administration of other plain legal principles, under unusual circumstances. In the distribution of insolvents' assets, whether under voluntary trusts for creditors, insolvent laws, in bankruptcy, or proceedings on decedents' estates, its application has frequently been resisted on the ground that its allowance would create preference among creditors. To enter upon an examination of the questions thus raised, and the distinctions drawn, would be unprofitable. It is sufficient to say that, in every instance in which this objection has been made, in the absence of controlling statutory provision, where the proffered set-off was due when the creditors' rights attached, the courts have overruled it, whether the defendant's debt, in suit, was due at the time or matured subsequently. In *Skiles* v. *Houston*, 110 Pa. 254, which was a suit by the administrator of an insolvent estate on a note which matured after the insolvent's death, the defendant set up a debt due him in the insolvent's lifetime, and the defense was resisted on the ground that its allowance would create preference. The court, in a well-considered opinion, sustained the defense. In *Van Wagoner, Receiver*, v. *Patterson Co.*, 3 Zabriskie 283 (N. J.), the Court of Appeals applied the principle under precisely similar circumstances, except that the suit there was by the receiver of an insolvent State bank. The language of the court in that case is so pertinent and forcible as to be worthy of repetition. Said the Chief Justice: "I am of opinion, both upon principle and authority, that the debtor of an insolvent corporation loses none of his rights by the act of insolvency; that he has the same equitable right of set-off against the receiver that he had against the corporation at the time of insolvency, and, consequently, that the debtor of a bank, whether his indebtedness has actually accrued or not at the time of insolvency, may in equity set off against his debt, either a deposit in the bank, or the bills of the bank *bona fide* received by him before the failure occurred.

"It is said the object of the act is to do equal justice to the creditors, and that equality is equity. But equality of what, and among whom? Clearly of the *assets* of the bank, among the *creditors* of the bank. In cases of cross-indebtedness the assets of the bank consist only of the *balance* of the accounts; that is, all the fund which the bank itself would have to satisfy its creditors, in case no receiver had been appointed. And there is no equality and no equity in putting a debtor of the bank, who has a just and legal set-off against the corporation, in a worse position, and the creditors in a better position, by the bank's failure and the appointment of a receiver."

In re Receiver of the District Bank, 1 Paige, Ch. Rep. 585, and *Clark* v. *Hawkins*, 5 R. D. St. R. 224, are to the same effect.

The suggestion that the rule in bankruptcy is referable to the language of the statute governing such cases, is not, we think, well founded. This language is general, referring in terms to mutual debts and credits, whether due or not. It cannot be doubted, we think, that the provision is simply a declaration of the previously existing rule, universally applicable to the settlement of insolvent estates, and that it would as certainly have been applied in bankruptcy proceedings without the provision as with. In *Van Wagoner, Receiver*, v. *Patterson Co.*, *supra*, the court well says: "It seems to be assumed by the plaintiff's counsel that the equitable doctrine of set-off, as applied in bankruptcy, is founded on the express provisions of the statute; and it is true that all modern bankrupt laws contain a provision that, in cases of mutual debts and credits, the balance only shall be deemed the true debt; and the fact that all well-considered bankrupt laws do contain such a provision in favor of set-off is of itself a strong authority in support of the natural equity and justice of the provision. It is equally true, however, that the jurisdiction of equity over set-off, in cases of bankruptcy, and the practice of allowing them, was not derived from the statute, but was exercised by the courts long prior to the introduction of the provision into the statute."

The plaintiff contends, however—and this seems to be his chief reliance—that the language of §§ 5,234, 5,236 and 5,242, of the revised statutes, relating to National banks, forbids the application of the principle here. He invites our attention to the following quotations from and summary of these sections.

"The receiver shall 'take possession of the books, records, and assets of every description of said association, collect all debts, demands and claims belonging to them, and may, if necessary to pay the debts of such association, enforce the individual liability of stockholders.' § 5,242 provides that 'all transfers of notes, bonds or other evidence of debt,' etc., 'and payments of money to its shareholders or creditors, made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor over another . . . shall be void.' These sections further provide, in effect, that the receiver shall pay over all money made to the Treasurer of the United States, subject to the order of the Comptroller of the Currency, to whom he is directed to make report of his acts and proceedings. And the Comptroller is directed, after making full provision for the redemption of the notes of the insolvent banking association, to make a ratable dividend on all claims against said association, which may be proved to his satisfaction." The foregoing quotations and summary are the plaintiff's.

Except in the quotation from § 5,242 we do not find anything relating directly to the subject of preferences, and this in terms only applies to transfer of assets after insolvency "with intent" to prefer. The language is not applicable to the facts before us. They show no transfer, nor proposition to transfer assets with intent to create preference. There is, of course, no room to doubt that Congress contemplated the equal distribution of assets, without preference, among creditors, just as the assets of all insolvent concerns and individuals are distributed. If, therefore, allowance of the set-off proposed here would result in such preference, it is prohibited, not more especially, however, by the statute, than by the general rule of law applicable to all similar cases. But, as we have already seen, it will not. The defendant will receive only what he is legally entitled to. His right of set-off was perfect before the creditors' rights attached. The latter stand on no higher plane than the bank occupied. Even an *assignee for value* would have taken the note subject to this defense. That the bank might have defeated it by indorsement is immaterial. That results from considerations not involved here. If the note had matured when the insolvency occurred it would not be pretended that the set-off would confer a preference—that the defendant should pay his debt, as other debtors are required to do, and take a dividend on his credit, as other creditors must; and yet the circumstance that it was not due is obviously immaterial to the equities involved.

The plaintiff finds support, however, for his position—that the statute forbids the set-off—in *Armstrong, Receiver*, v. *Scott*, 36 Fed. Rep. 63, decided by the United States Circuit Court in Ohio. The question was there decided as he asks us to decide it. Ordinarily the Circuit Courts should, and do, follow each other's rulings; they do so always when they can, conscientiously, and we would cheerfully follow this case if our sense of duty permitted. That it does not, is manifest from what we have already said. It is proper, however, that the case should receive further notice. The judge who delivered the opinion bases his conclusions on the language of the statute, and the cases of *Hade* v. *Mc Vay*, 31 Ohio, 231, and *Venango Bank* v. *Taylor*, 56 Pa. St. R. 14. Our views of the statute have been sufficiently stated. *Hade* v. *Mc Vay* is not, as we understand it, pertinent to the question. Hade, receiver of a National bank, brought suit on the defendant's note. The latter set up a claim for the penalty inflicted by the statute for taking illegal interest—the bank having incurred the penalty in discounting the note in suit. The set-off was disallowed, solely because the civil code of Ohio confines set-off to claims arising out of *contract*, the court saying: "A right of set-off, perfect and available against the bank when the receiver was appointed, is not affected by the bank's insolvency. The receiver succeeds only to the rights of the bank at the time it goes into liquidation." The fact that the proposed set-off does not arise out of contract is then pointed out, and the court proceeds: "A set-off can only be pleaded here in actions founded on contract, and must be of a *cause of action arising upon contract*." *Venango Bank* v. *Taylor* seems equally inapplicable. The set-off proposed was a claim *acquired after the bank had become insolvent* and closed its doors. This was plainly forbidden, not more especially by the statute, however, than by the general rule governing the administration of all insolvent corporations and estates. Its allowance would have worked an obvious preference. The report of *Armstrong, Receiver*, v. *Scott*, says: "The Circuit Judge concurs in the conclusions of the opinion, which are in accordance with his opinion in *Bung Co.* v. *Armstrong*, Fed. Rep. 94." Turning to this case, we find it to be a proceeding in equity to obtain set-off, in which the facts are stated as follows: "The Bung Co., as maker, paid Armstrong, receiver of the bank, a certain promissory note, and afterwards filed their bill in equity, to secure the right of set-off, to which bill the defendant demurred." The syllabus is as follows: "The voluntary payment by the maker of a promissory note, with full knowledge of all the facts, operates as an abandonment and waiver of all right to set off cross demands, or independent debts, and a bill, disclosing such facts, presents no case for equitable relief by way of set-off." This case does not seem to bear any resemblance to *Armstrong, Receiver*, v. *Scott*.

The plaintiff also cites *Stevens, Receiver*, v. *Schurchman*, 32 Missouri App. 333, as sustaining his view of the statute. This case adopts the ruling in *Armstrong, Receiver*, v. *Scott*. The court, however, refers to numerous authorities not cited in the latter case. A careful examination has failed to satisfy us that they support the conclusion reached. They appear to be readily distinguishable from the case before the court. In *National Bank* v. *Colby*, 21 Wall. 609, a creditor of the bank attached its assets after it became insolvent and closed its doors. That this was a violation of the statute is clear; but the facts bear no resemblance to those of *Stevens* v. *Schurchman*. *Jordan* v. *National Bank*, 74 N. 7,467; *Balch, Receiver*, v. *Wilson & Kemble*, 25 Minn. 299; *U. S. Trust Co.* v. *Hains*, 2 Bosworth 75, decide simply that the debtor of an insolvent bank or estate, whose obligation *matures before the insolvency*, cannot set off a counter-claim *maturing subsequently*. These cases are analogous to *Bosler* v. *The Bank*, 4 Pa. 32, and rest on the same foundation—that the rights of other creditors *attached and became fixed before the right of set-off arose*; that the defendant, having no such right at the time his obligation matured, could not acquire it by disregarding his duty to make prompt payment. As said in *Balch, Receiver*, v. *Wilson & Kemble*, *supra*: "If the defendant had paid his note when due, the money would have passed into the receiver's hands for the benefit of all the creditors; and the failure to pay as he ought should not place him in a better position than he would have occupied if he had discharged his duty. That these cases are inapplicable to the facts before the court in *Stevens, Receiver*, v. *Schurchman*, and here, where the defendant's right was perfect when the creditor's right attached, has, as we have already seen, been repeatedly decided. In *Jordan* v. *Sharlock*, 84 Pa. 366, and *Skiles* v. *Houston*, 110 Pa. 254, the Supreme Court of Pennsylvania—by which *Bosler* v. *The Bank*, *supra*, was decided—held that set-off is allowable in all cases where the defendant's right is perfect when the insolvency occurs—reviewing the subject generally, and pointing out the difference between such cases and that of *Bosler* v. *The Bank*. It may be remarked, in passing, that what is said in *Jordan* v. *Sharlock*, respecting the nature and effect of voluntary assignments in trust for creditors, is immaterial to the question involved, as fully appears by the subsequent decision of the same court in *Skiles* v. *Houston*. The insolvent deed, in the former case, fixed the rights of creditors as effectually as did the insolvent's death in the latter. The two cases rest on the same foundation—that the right of set-off was perfect before the creditors' rights attached. *The American Bank* v. *Wall*, 56 Kaine 167; *Colt* v. *Brown*, 12 Gray 233; *Clark, Receiver*, v. *Brockway*, 3 Keys 13, decide no more than that a defendant cannot set off a claim, *acquired since the insolvency*, against his debt, which matured before. *Merit* v. *Seaman*, 6 N. Y. 167, and *Foy* v. *Evans*, 8 Wend. 330, decide simply that a defendant cannot set off his claim against an insolvent, in suit against him for a debt contracted, not with the insolvent, but his *legal representative*. This review of the cases cited in *Stevens, Receiver*, v. *Schurchman*, seems to justify a belief that they do not support the decision in that case.

The plaintiff also appeals to the *Security Bank* v. *Price, Receiver*, 22 Fed. Rep. 696, and Smith, Fleming & Co.'s case—*In re* Commercial Bank—Law Reports, 1 Chan. App. 538. In the first of these cases the suit was by the receiver of a National bank to recover money paid a creditor *after it had become insolvent.* The court held the payment to be a violation of the terms of the statute—a transfer of assets "with intent" to prefer, saying: "One is presumed to intend the necessary consequences of his own acts, and, after the directors vote to close the bank and go into liquidation, any transfer of assets to a creditor, whereby he secures a preference, must be presumed to be made 'with intent to prefer.' The case does not seem to shed any light on the question before us. Smith, Fleming & Co.'s case, if applicable here, seems to be against the plaintiff rather than for him. The bank having failed, a liquidator was appointed, under the British statute governing such cases. Among the assets were drafts accepted by Smith, Fleming & Co., not yet due. This firm, having a claim presently due, proceeded by bill to restrain the liquidator from negotiating the drafts, and thus defeating their right of set-off. The Master of the Rolls held that complainants had a valid right of set-off, provided the drafts remained with the liquidator until maturity. That it would be inequitable to allow him to negotiate them, as the statute authorized, under certain circumstances, and therefore restrained him. On appeal, the court agreed with the master that the right of set-off existed, and might be exercised if the drafts remained with the liquidator, but held that, as they carry the right of negotiation, and the statute authorized its exercise, there was nothing in the circumstances to justify the restraint. This case, as before stated, seems to be against the plaintiff. Here the defendant's obligation remained with the receiver, and is the subject of his suit.

The question before us was considered by the Circuit Court, sitting in New Jersey, in *Balback* v. *Frelinghuysen*, 15 Fed. Rep. 68, where it is said by Judge Nixon, after considering other questions which arose: "I have much less difficulty with regard to the other questions raised by the pleadings and the evidence, to wit: The right of the complainants to offset the amount of their credit on the books of the bank at the time of the failure against the two promissory notes for $15,000 each, which the bank had received from them for discount in the months of July and August preceding the failure (and not due at the date of insolvency). It is unquestionably true that, if the Newark National Bank held these notes at the time of failure, and was entitled to receive the amounts due thereon, when they matured, such offset might be made." It appeared, however, that the bank had indorsed and parted with the notes before maturity.

Judgment must, therefore, be entered for the defendant, as provided for in the case stated.

Acheson, J., concurred in the opinion.

LEGAL MISCELLANY.

BANKS—COLLECTIONS—GARNISHMENT.—Generally the payee of a bill of exchange, by indorsing it (otherwise in blank) "For deposit to the credit of" himself retains ownership not only of the bill, but of ist proceeds, until they are so deposited. The money realized by collecting the bill is, in the hands of a disinterested bank through whose agency the collection was made, subject to garnishment as assets belonging to such indorser. [*Freeman* v. *Exchange Bank*, Ga.]

NEGOTIABLE INSTRUMENT—JOINT ADMINISTRATORS.—In an action on a note given to the administrators of a decedent's estate, a parol agreement between defendant, who was one of the makers, and one of the payees, who in his individual capacity was one of the makers, that defendant should be liable only for one-half of the amount of the note, and that such co-maker would be liable for and pay the other half, will be no defense, even if it were assented to by the other payee, and has been executed by defendant by making payment of his agreed proportion. [*Clark* v. *Grambling*, Ark.]

NEGOTIABLE INSTRUMENT—PAROL EVIDENCE.—Action against the defendant as indorser upon the following promissory note: "$1,000. Minneapolis, May 12th, 1884. Six months after date we promise to pay to the order of A. J. Boardman, treasurer, one thousand dollars. [Signed] Minneapolis Eng. & Machine Works. By A. L. Crocker, Sec'y. [Indorsed]: A. J. Boardman, treasurer." *Held*, that the indorsement is *prima facie* the individual contract of the defendant, but that extrinsic evidence is admissible to show that he made it only in his official capacity, as treasurer of the maker corporation, and as its indorsement. [*Souhegan Nat. Bank* v. *Boardman*, Minn.]

TAXATION—CORPORATION—CAPITAL STOCK.—Under the charter of the town of Shelbyville, authorizing it to tax the capital stock of banks and other corporations doing business in the town, a trust company, organized to act as trustee, administrator, etc., can be taxed on its entire capital stock of $50,000, though only $5,000 of it is actually paid in. [*Shelby County Trust Co.* v. *Board of Trustees*, Ky.]

CORPORATION—FOREIGN—AGENT—USURY.—An agent to loan money on real estate for a foreign corporation has no implied power to appoint a sub-agent, and the fact that a sub-agent, appointed without express authority, exacts a commission in excess of legal interest, does not render the loan usurious. [*Scruggs* v. *Scottish-American Mortgage Co.*, Ark.]

NEGOTIABLE INSTRUMENT—ACTION.—In an action on a note brought in the name of the payee by the holder, a motion to dismiss on the ground that it was not authorized by the nominal plaintiff will not, in the absence of equities, be entertained when presented after the cause is called for trial. [*Troeder* v. *Hyams*, Mass.]

USURY—EVIDENCE.—Evidence that the payee of a note intentionally included therein a sum greater than the amount loaned, with 10 per cent. interest on the face amount of the note, whereby he secured to himself a greater compensation for the forbearance of the sum actually loaned than the statute allows, is sufficient to support the charge of usury. [*Holmen* v. *Rugland*, Minn.]

NEGOTIABLE INSTRUMENT—CERTAINTY OF PAYEE.—A note payable to a named payee "*et al.*" is not negotiable, either at common law or under Code Iowa, § 2,085 providing that "instruments by which the maker promises to pay a sum of money to another are negotiable instruments, with all the incidents of negotiability, whenever it is manifest from their terms that such was the intent of the maker. [*Gordon* v. *Anderson*, Iowa.]

NEGOTIABLE INSTRUMENT—INLAND BILL OF EXCHANGE.—An order for the payment of a sum certain to a third person is none the less a bill of exchange because it shows on what account it is to be applied, or the consideration which has been received. [*Hillstrom* v. *Anderson*, Minn.]

NEGOTIABLE INSTRUMENT—PLEDGE.—Where negotiable promissory notes, pledged to an innocent holder to secure a pre-existing debt due from the payee to the pledgee, are subject to equitable defenses as between the maker and payee, and are of a greater amount than the pre-existing debt, the recovery of the pledgee against the maker is limited to the amount of the pre-existing debt. [*Farmers' State Bank* v. *Blevins*, Kan.]

NEGOTIABLE INSTRUMENT—PROTEST--NOTARY.—In an action against an indorser of a promissory note, a notarial certificate of protest under seal is *prima facie* evidence of such protest, although given in another State. [*Johnson* v. *Brown*, Mass.]

USURY—SEPARATE NOTES.—Where two notes are given in renewal of another which was usurious, the first being for the amount of the debt computed at the legal rate and the second for the usurious interest, the plea of usury is no defense to the first note in the hands of a transferee after maturity, without notice of the usurious agreement. [*Aiken* v. *Waco State Bank*, Tex.]

CORPORATE STOCK--TRANSFER.—Under Code Ala. § 1,670, which provides that no transfer of corporate stock shall be valid as against *bona fide* creditors "except from the time such transfer shall have been registered or made on the books of the corporation," a transfer of stock as collateral security for a loan passes no title, as against a subsequent attachment, where it is not registered, and no demand is made for the transfer on the books of the corporation until after the levy. [*Abels* v. *Mobile Real Estate Co.*, Ala.]

NEGOTIABLE INSTRUMENTS—CORPORATIONS.—The maker of a note payable to a bank cannot, in an action on the note, raise the question of the incorporation of the bank. [*Exchange Nat. Bank* v. *Capps*, Neb.]

NEGOTIABLE INSTRUMENTS—GUARANTY—PAROL EVIDENCE.—Where a third person writes his name across the back of note, the presumption that he thereby guaranteed the note may be rebutted by parol evidence. [*Kingsland* v. *Keoppe*, Ill.]

NEGOTIABLE INSTRUMENTS—NOTICE OF NON-PAYMENT.—The agreement of the payee and indorser of a negotiable note to accept the maker's draft for the amount due thereon, does not operate as a waiver of notice of non-payment, where the draft was drawn for a materially larger amount, which was known to the bank that discounted the note, and the payee refused to pay such increased amount. [*Lititz Nat. Bank* v. *Siple*, Penn.]

NEGOTIABLE INSTRUMENT—DEFENSES.—Where the defendants in an action upon a promissory note admit that they signed the note, and that the note after its maturity was assigned to the plaintiff in the action by the payee of the note, and the plaintiff has the possession of the note: *Held*, that a *prima facie* case in favor of the plaintiff and against the defendants is established. [*Hoskinson* v. *Bagby*, Kan.]

CONGRESSMAN WALKER'S BANK BILL.

A bill to secure to the people the advantages accruing from the issue of circulating promissory notes by banks, to increase the volume of such notes, and to supervise and control banks by officers of the United States.

Be it enacted, etc., That National banking associations organized for the transaction of business under this act will be subject to existing law, excepting as is hereinafter provided.

SEC. 2. That any bank incorporated by special law, or any banking institution organized under a general law of any State, may become a National banking association under this act by the name prescribed in its organization certificate; and in such case the articles of association and the organization certificate may be executed by a majority of the directors of the bank or banking institution; and the certificate shall declare that the owners of two-thirds of the capital stock have authorized the directors to make such certificate and to change and convert the bank or banking institution into a National banking association. A majority of the directors, after executing the articles of association and organization certificate, shall have power to execute all other papers, and to do whatever may be required to make the organization perfect and complete under this act. Any association organized and doing business under existing law, by giving notice to the Comptroller of the Currency of its desire so to do, may organize under this act, with the approval of the Comptroller of the Currency.

SEC. 3. That every association organized under this act, before it shall be authorized to commence a banking business, shall deliver to the Treasurer of the United States, United States legal tender notes, or coin, or coin and bullion certificates, as provided in section four, in amounts as follows:

First. Every association having a capital not exceeding two hundred and fifty thousand dollars, an amount equal to not less than one-tenth of the capital stock.

Second. Every association having a capital in excess of two hundred and fifty thousand dollars, an amount not less than twenty-five thousand dollars. The notes issued in blank under section four shall never be less than fifty per centum of all the promissory currency notes issued to and by the association.

SEC. 4. That, upon a delivery of coin, coin or bullion certificates, or United States legal tender notes to the Treasurer, the association making the same shall be entitled to receive from the Comptroller of the Currency promissory currency notes of different denominations, in blank, registered and countersigned as provided by existing law, equal in amount to the coin, coin or bullion certificates, or United States legal tender notes delivered; but at no time shall the total amount of all currency notes supplied to and issued by any association under this section and section five exceed the amount of its capital stock at such time actually paid in.

SEC. 5. That the Comptroller of the Currency may issue, in blank, to any association, and the association may issue promissory currency notes in denominations of not less than five dollars, as provided in section nine, in addition to the promissory currency notes described in section four, not to exceed in amount a sum equal to the sum of its reserve during the first year of its corporate existence. Thereafter he may issue to any association the notes described in this section, to the amount of the average reserve held by that association during any six consecutive months of the previous year. The amount to be issued to or retained by any association under this section shall be annually or oftener, at his discretion, ascertained and determined by the Comptroller of the Currency. The promissory currency notes provided for by this section shall differ in color and have printed on them a different affirmation from those described in section four: *Provided, however*, That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, may at any time issue currency notes as provided in this section, of a denomination less than five dollars, and may at any time by the same authority recall the same: *And provided further*, That the notes issued in blank in compliance with this section shall never be more than fifty per centum of all the promissory currency notes issued in blank to the association.

SEC. 6. That the Treasurer shall forthwith redeem and destroy existing United States legal tender notes in such manner as he may deem proper, equal in amount to ninety per centum of the aggregate of the coin, coin certificates and United States legal tender notes received for promissory currency notes, in blank, issued under section four, and the Treasurer shall set aside the remaining ten per centum for a redemption fund, as provided in section fourteen.

SEC. 7. That, when there shall be no more than one hundred million dollars of the United States Treasury legal tender notes outstanding, the Secretary of the Treasury shall then use the one hundred million dollars reserve fund, now held for the redemption of such notes under acts of January fourteenth, eighteen hundred and seventy-five, and July twelfth, eighteen hundred and eighty-two, to redeem all outstanding United States legal tender notes issued under those acts, and thereafter all acts or parts of acts that authorize or permit the issue of such legal tender notes shall have no force or validity.

SEC. 8. If any association neglects or refuses to take and issue currency notes, as provided for in section four, to the amount averaged to be taken and issued by three-fifths of all National banking associations of like or nearly like capital and deposits, and doing the same, or nearly the same class of banking business done by such bank or banks, when directed so to do by the Comptroller of the Currency upon a notice issued by the Comptroller of the Currency and approved by the Secretary of the Treasury, and fails to take the currency circulating notes directed to be taken by said officers for the period of three months, it shall be liable to and shall pay into the Treasury of the United States a duty equivalent to twelve per centum per annum upon the face value of the notes it is directed to take and fails to take so long as the failure continues. The Comptroller of the Currency may classify and reclassify in whole or in part, at any time he may deem proper, banks organized under this act, for the purpose of executing the provisions of this section, and the decision of the Comptroller as to what class any particular bank belongs in shall be final, when approved in writing by the Secretary of the Treasury.

SEC. 9. That in order to furuish suitable promissory currency notes for circulation as money, under sections four and five, the Comptroller of the Currency, under the direction of the Secretary of the Treasury, shall furnish such notes, in blank, to banking associations entitled to receive them, and every provision of this act applicable to the promissory currency notes provided for in section four shall also apply to the promissory currency notes furnished to such associations by the Comptroller of the Currency provided for in section five: *Provided, however*, That notes issued under section five shall not be counted in any reserve fund; and in case of the insolvency of the bank, the notes issued under section five shall be redeemed and paid as provided in section seventeen.

SEC. 10. That all promissory currency notes issued under authority of this act shall have the same standing and validity and be subject to the same restrictions, excepting as to their being a part of the reserve fund.

SEC. 11. That any association, upon giving to the Comptroller of the Currency six months' notice of its intention so to do, may, at the expiration of that period, surrender its promissory currency notes issued under section four in excess of the amount it is required to take, and receive coin or coin certificates therefor. Any association, upon giving to the Comptroller of the Currency one year's notice of its intention so to do, may close up its business, and dissolving its organization may surrender such promissory currency notes and receive coin or coin certificates therefor upon surrendering the same to the Comptroller, and upon like notice in like manner any association which reduces its capital stock may deposit a like proportion of such promissory currency notes in excess of the amount it is required to have in section four of this act, and receive coin or coin certificates therefor, and any association may reduce its promissory currency notes issued to it under section five of this act, by surrendering them for destruction to the Treasurer of the United States, and the Treasurer shall destroy the notes so surrendered. The liability of any association for such notes shall neither be canceled nor reduced in any other manner: *Provided, however*, That the doing by an association of any one of the things provided for in this section must be with the approval and permission of the Comptroller of the Currency.

SEC. 12. That any association at any time within two years next previous to the date of the expiration of its corporate existence under this act, and with the approval of the Comptroller of the Currency, may, by amending its articles of association, extend its period of succession for a term fixed by the Comptroller of not more than twenty-five years from the expiration of the period of succession named in the articles of association, and shall have succession for such extended period. But such amended articles of association shall not be valid until the Comptroller shall have given to the association a certificate of approval thereof. Every association organized under this act shall have the right to extend its corporate existence for a further period or periods, so that the whole life shall not be less than thirty years, and all certificates of authority shall be so issued by the Comptroller of the Currency as to expire as nearly equal in number and amount of capital as is practicable in each year of a period of thirty-three years.

SEC. 13. That upon the expiration of the corporate term of any association organized under this act and its corporate existence not extended by the Comptroller of the Currency, or upon the insolvency of an association, or with the consent of the Comptroller, approved by the Secretary of the Treasury, the Treasurer shall redeem the promissory currency notes issued to the association under the provisions of section four of this act. In redeeming the promissory currency notes issued under section four of this act he shall do so in coin of the same intrinsic value as the nominal value of the money deposited by the association for the issue of the notes in blank upon the date of such deposit.

SEC. 14. That the Treasurer shall at all times keep and have on deposit in the Treasury of the United States in coin, or coin and bullion certificates, for the redemption fund of each association, the ten per centum provided in section six, to be held and used for the redemption of all kinds of its promissory currency notes. And when the currency notes of any associations organized under this act, assorted or unassorted, shall be presented for redemption to the Treasurer of the United States. in sums of five hundred dollars, or any multiple thereof, the same shall be forthwith redeemed. The right to confer the duties and responsibilities of executing the provisions of this section, and of other sections or parts of sections of this act relating to the fund provided for in this section (or any part of them), upon reserve banks, under such regulations as he may deem safe and proper, and to deposit the fund or funds provided for in this section in such banks, taking ample security therefor, is hereby conferred upon the Treasurer of the United States, with the approval of the Secretary of the Treasury, but any such deposit shall not be counted as a part of the reserve of such bank. The Secretary of the Treasury shall publish in one of the three papers having the largest circulation in business circles in New York City a list of the securities and the amount of each kind accepted by him to secure any and all deposits made in any bank.

SEC. 15. That to enable the Secretary of the Treasury to fund the circulating promissory notes issued under section four, the redemption of which by him is provided for in this act, he is hereby authorized to issue on the credit of the United States, coupon bonds or registered bonds, redeemable at the pleasure of the United States after two years, and payable ten years from date, and bearing interest at the rate of four per centum per annum, payable semi-annually, and the bonds herein authorized shall be of such denominations, not less than one hundred dollars, as may be determined upon by the Secretary of the Treasury, and the Secretary of the Treasury may dispose of such bonds at any time, at the market value thereof, for coin or coin certificates.

SEC. 16. That any association designated by the Secretary of the Treasury as a depositary of public money may be required by the Secretary to keep on hand on account of such deposts such reserve fund as he may deem expedient. But such deposits by the Secretary shall not be counted in computing the required reserve under existing law.

SEC. 17. That whenever, in the opinion of the Comptroller of the Currency, the complete redemption and retirement of all the promissory currency notes issued to and by any association is then necessary for the protection of the holders of such notes, the Comptroller may take possession of all the assets of such association and proceed to create a fund ample for the redemption of such notes, by first setting aside for such fund all the coin or coin and bullion certificates held by the association and all the ten per centum fund from the lawful money delivered to the Treasury by the association on account of the notes issued to the association under section four of this act, and held by the Treasurer as a redemption fund for the notes of the association; and the Treasurer of the United States shall use the fund created as above for the redemption and the retirement of the promissory currency notes issued to the association under section five of this act; and in the case the sum is not sufficient to redeem such notes, then in such case the Comptroller shall set aside and cover into such fund so much of all the other assets of the association as shall be necessary to make up any deficiency in such fund to redeem such notes, and the Comptroller, after completing a fund sufficient for the complete redemption and retirement of such notes, and not before, shall deliver the remaining assets to the association; and the balance of said fund over and above the amount required for the redemption of such notes, if there be any, shall be paid to the association entitled thereto. In doing the things herein provided, the Comptroller may sell any part of the property, or may pledge the whole or any part of the assets of the bank, at any time, as security for any loan he may elect to make in order to create a fund herein mentioned.

SEC. 18. That the reserve required by law to be kept may be in coin, or in coin certificates, or in promissory currency notes issued under section four of this act, or mixed; but when the daily reserve of an association averages less for any month than the amount required to be kept by it at all times by existing law, it shall pay into the Treasury of the United States a duty for that month equivalent to interest at the rate fixed by law in the State where the association is located, on the amount of average deficiency in such reserve for that month, and every association organized under this act shall pay into the Treasury of the United States a duty on that part of its average daily reserve that is averaged to be kept in any month, in notes issued to banking associations under section four of this act, at the rate of two per centum per annum; and whenever any association fails to redeem on demand the promissory currency notes signed and issued by it such association shall pay an additional duty at the rate of four per centum per annum on the whole amount of the sum of the reserve it is required at all times to have on hand until redemption is resumed. Not less than fifty per centum of the coin and coin certificate reserve provided for in this act shall be in gold coin or gold certificates, and fifty per centum may be in silver coin or silver certificates, and any excess of silver coin or silver certificates over gold coin or gold certificates shall be counted as though they were promissory currency notes issued under section four of this act.

SEC. 19. That the Comptroller may at all times know the condition of each bank, and what duty is due and collectable from it, each bank shall make such record at the close of each day as the Comptroller shall request, in a book kept for that purpose, which record shall show the total amount of its outstanding promissory currency notes issued to it under section five of this act, and its total deposit account, and its total reserve account, as shown by its books at the close of each business day, and of what the reserve consisted, which record of daily deposits, reserve and currency notes, and other matter requested by the Comptroller, shall be made up for each month, and a copy or report thereof transmitted to the Comptroller of the Currency on or before the tenth day of the following month; and the duty upon the averages of the kinds of money which made up the reserve during that month, and all duties imposed by this act, shall be collected semi-annually on the first day of April and the first day of October in each year. The records and reports provided for in this section, and any other data he may request, shall be in such form as the Comptroller shall direct.

SEC. 20. That before making the record for the day, as provided in section nineteen, every transaction of that day pertaining thereto shall be duly entered in the books of the bank. All moneys hereafter received from the duty collected from banking associations, over and above the cost to the Government of maintaining the Bureau of the Currency, shall be used to redeem and cancel the United States legal tender notes heretofore mentioned, if there be any.

SEC. 21. That there is hereby created the office of National Bank Examiner-in-Chief, who shall be appointed by and be under the direction of the Comptroller of the Currency, and shall be paid the sum of three thousand dollars per annum, in addition to the necessary expenses incurred by him in traveling. The Examiner-in-Chief shall, under such direction, supervise and direct all other bank examiners, and be paid out of the appropriation for the Bureau of the Currency. The National bank examiners shall be held to be employes in the office of the Comptroller of the Currency when examining associations organized under this act, and their fees shall be paid out of the appropriation for the Bureau of the Currency.

SEC. 22. Dividends to shareholders shall be payable by any association organized under this act semi-annually, on such day as the Comptroller shall approve.

SEC. 23. That all currency promissory notes received by any bank shall be carefully assorted, and of those issued under sections four and five of this act, that are paid out by it, those issued under section four shall be first paid out, excepting as provided in section eighteen, and then those issued to other banks under section five, and, lastly, those issued under section five to the bank holding them.

SEC. 24. That there is hereby constituted and appointed a Board of Advisers, of experts, to the Comptroller of the Currency upon changes desirable in and methods of executing existing law concerning banking, consisting of the Comptroller of the Currency, who shall be member *ex-officio* and president, and the president of the chief redemption bank in the five chief redemption cities in the country, or such substitute for any one of the officers named as he shall from time to time appoint, which board of advisers shall meet once a year, or oftener if the Comptroller of the Currency or a majority of the board so determines, at such a time and place as the Comptroller shall appoint. The recommendations of such board, or a synopsis thereof, shall be published in the annual report of the Comptroller of the Currency; and the decision of the Secretary of the Treasury from time to time, as to what person is entitled to act under this section, shall be final.

SEC. 25. That all existing laws affecting National banking associations, and promissory currency notes issued by them, shall apply to those organized under this act, and to promissory currency notes issued under it, which are not inconsistent with the provisions thereof, but this act shall not be held to affect any National banking association not organized under it, excepting as to a National Bank Examiner-in-Chief, as provided in section twenty-one of this act.

THE FATHER OF MODERN BANKING.

The "Father" of modern banking was one Francis Child, who became Lord Mayor of London in 1698. Child was an apprentice to a goldsmith and pawnbroker named Wheeler. He married the granddaughter of his employer, and finally succeeded to the head of the business. About 1690 Francis Child established a system of money-dealing that proved to be the basis of modern banking. He died in 1721. His second son, Francis Child, succeeded him as head of the firm. In 1729 he introduced a form of promissory note, probably the first form of printed bank note known. The head of the firm in 1782 was Robert Child, the last of the family. His only daughter eloped with the tenth Earl of Westmoreland. The ledgers of Child's Bank show accounts with King William and Mary his Queen, with Barbara Villiers the Duchess of Cleveland, and with Mme. Eleanor Gwynne. This latter lady, known as Nell, could not write. Her mark appears frequently. The doctor's receipt for attendance during her last illness is still in existence. The money, £109, equal to $500, was paid by Child's Bank.

"COMMERCIAL NOTE SYSTEM *vs.* OPEN ACCOUNTS."

In nearly all the State commercial banks it is usual to allow the regular customers to borrow money by overdrawing their accounts. In National banks the practice is prohibited by statute. In the former the officers consent to the method, if indeed they do not actually invite it—in the latter to tolerate it is to commit a felony. It is true the revised statutes passed to control the National associations in this particular were caused by and directed against flagrant abuses in some of the New York banks, but the laws are there, like the sun, shining on the just and the unjust alike.

The legislative opposition was caused by a custom of certifying the checks of stock brokers for sums not at the time to the credit of their accounts, but to be made good during banking hours. With these checks enormous blocks of stocks were handled, a clearance, as it were, settling matters at the close of each day. A volume of business, impossible if actual money had been used, was transacted, finally reaching dangerous quantities, and causing the Government to interfere, and hence, because abused, the privilege of offering to customers a convenient form of facilitating every-day business transactions was abolished by law. It has been stated that certain National banks have retired in consequence, adopting the State form of banking.

In the National system the law prohibits the certification of the customer's check unless the amount be actually at his credit on the books. To so certify even a check drawn inadvertently in the ordinary course of business is a violation of law. An attempt to evade by "accepting" checks that could not be "certified," was prosecuted and condemned. Assuming that checks that cannot be certified nor accepted cannot be paid, it follows that any overdrafts are unlawful. Notwithstanding the interdiction of the Government, the banks repeatedly report them, it is true, almost without exception in sums that are inconsequential, showing that the banks prefer to infringe the law rather than refuse to pay the checks of customers.

What is there in the legitimate use of the system of overdrafts to condemn it?

Confining our attention to the granting of overdrafts in reasonable amounts to acceptable borrowers, instead of calling for their respective notes on hand, the persons chiefly interested in banks and their practices are the bankers, the depositors and the borrowers. It is sometimes hard to decide which of the three classes is of the most importance in considering the welfare of the concern, but we will begin courteously with the depositors. The overdraft system is a benefit to the depositors, for, as we will attempt to show hereafter, the toleration of overdrafts compels the bank to keep larger reserves than if confined to the promissory note system, decidedly an advantage to all the creditors of the institution. Another point claimed to be favorable to overdrafts, is that all sums so advanced are call loans, and subject to payment on demand, and this circumstance has the tendency to create confidential relations between banker and customer not so likely with promissory notes. The argument is used that the nervous, shifting character of overdrafts quickens the apprehension and intensifies the relations between banker and borrower, far less likely when promissory notes constitute the only way of raising money, for they may be offered to comparative strangers and in numbers of places.

As opposed to these alleged facts, it is hard to point out any imperilment necessarily incidental to the use of overdrafts as opposed to promissory notes.

It is true, in the minds of many people the feeling prevails that the former is a loose and unbusiness-like method of transacting banking, and the expression, "overdrafts without security," has passed into circulation to an extent sufficiently great, possibly, to affect, in occasional instances, the minds of some depositors. But all this is modified when subjected to analysis and comparison, for, as a matter of fact, "promissory notes without security" are no better off, and no worse than overdrafts. In other words, a discussion between the two systems is a question of manner, not matter, and if the security of depositors is assured, the way of doing business may be safely left to the banker.

Turning next to the borrower, the overdraft is advantageous for many reasons. He is charged interest for his actual drafts on the bank, getting the full benefit of his unpresented checks until the last moment, while his deposits go to his credit instantly, diminishing the amount he has at interest. The books at the bank rarely show the full amount he owes the bank, and he really borrows more than he pays for. Often he obtains an accommodation which he does not use, the money lies idle, and the bank bears the inconvenience or the strain. To such an extent is the method an advantage, that many operators refuse to do business with a bank that declines to pay their checks overdrawing without notice, even carrying the point so far as to secure the privilege in different towns, and in banks in which they never leave deposits.

The objections to overdrafts must exist, if they exist at all, among the bankers, and that is precisely where we will find them. With the banker there is absolutely nothing to recommend the system, unless it be the wish to be accommodating, while there is much to condemn it.

Cash reserves must be maintained in careful proportion to the number of overdrawing "patrons," and the amount each is likely to want. This means a state of uncertainty that can only be made tolerable by extraordinary cash balances, and at all times demanding a vigilance that may be called eternal. Loans are not negotiated at the cashier's desk, and completed by the note clerk, but materialize through the paying teller. It lies beyond the power of mortal man to tell what a day may bring forth. Just as the various red ink figures become familiar they disappear, only to come again, until the manager wonders if the bookkeepers are all right, and if forged and other irregular checks are not creeping into the business. Money borrowed by overdraft is certainly worth as much as one per cent. more per annum, but the banker is not always so fortunate as to get it. From a bank bookkeeping point of view, the overdraft is objectionable, highly so, for loans obtained in that way must pass through the depositor's account in the ledger, thus mixing up the bank's creditors and debtors, or, if we may use the expression, its depositing depositors with its borrowing depositors, and as balances only appear, the true liability to depositors is obscure in many banks, disappearing altogether in those where the overdrawing depositors exceed the depositing, presenting the curious feature of depositors, as depositors, owing the bank money.

The overdraft system does not present the securities of a bank in such a shape that rehypothecation is possible, while the promissory notes can be readily transferred. Whether this be an advantage or a disadvantage, depends entirely upon the way you look at it.

It is often suggested that the open account operates to permit borrowers to encroach upon the bank, obtain more than the amount originally intended to be loaned, finally ending in disaster, not likely under the short note system. Possibly, but this depends rather on the temper of the management than on the form employed to accommodate the customer.

As between open accounts and promissory notes, it may be concluded that depositors are indifferent, and that the advantages to the borrowers are more than an offset to the disadvantages to bankers. When the protecting arm of the Government interfered in the National associations it was supposed, doubtless, that the interests of the public were involved, but as a matter of fact the enactment seems more especially calculated to benefit the banker, if it results in abolishing overdrafts. In the State banks, no laws operate to prevent them. That the bankers would like to stop the practice may be taken for granted. Two causes render efforts in that direction weak, if not actually useless, namely, the deep-rooted hold the system has upon a large number of valuable customers, and secondly, the want of unity of purpose as among the bankers themselves, due undoubtedly to the competitions of business.—*A paper read at the California Bankers' Convention by Mr. James A. Thompson, Cashier of the Mutual Savings Bank of San Francisco.*

THE MERCHANTS' BANK OF PROVIDENCE.

This institution has had a splendid history, which has been lately published by the Providence *Journal*, on the occasion of describing the new building which the bank has erected for its own occupancy.

The bank was incorporated in February, 1818, and is therefore 73 years of age. April 22, 1818, William Richmond, 2d, was appointed first president, and Joseph Wheelock, cashier. Its capital was $300,000, and it was located in a building on the present site. Its first board of directors were: Gravener Taft, William Richmond, 2d, Andrew Taylor, Peleg Rhodes, Truman Beckwith, Samuel N. Richmond, Randolph Chandler, Stephen H. Smith, Josiah B. Woods, Charles Potter, George S. Rathbone, Charles L. Bowler and Nathan Tingley. During its 73 years of existence the bank has had three presidents and seven cashiers. The first president, William Richmond, 2d, held that office from April 22, 1818, to January 14, 1850, 32 years. He was succeeded by Josiah Chapin, who filled the position until 1868, at which time old age and infirmities compelled him to resign. He was then 80 years of age. He was succeeded by ex-Gov. Royal C. Taft, the present incumbent.

The cashiers of the bank who have served since its incorporation are Joseph Wheelock, Henry E. Hudson, Henry P. Knight, William B. Burdick, Augustus M. Tower, Charles T. Robbins and John W. Vernon, the present incumbent, who has served since 1868. The capital stock was increased from time to time, until, in 1865, it was $939,500. At this time the bank was reorganized and converted from a State bank to a National bank, and the capital stock increased to $1,000,000.

In 1856 the present Merchants' Bank building on Westminster street was erected. During the building of the block the business was conducted on South Main street. The building and estate cost over $90,000, and the banking rooms when fitted up were considered the finest in New England.

That the prosperity of the bank has been continuous, both as a State and as a National institution, is evidenced by the fact that it has never passed a dividend during the 47 years of its existence. As a State bank the dividends, regularly paid each half year, averaged 7 per cent. per annum. Since its reorganization as a National bank in 1865 its dividends have averaged 7½ per cent. per annum. For many years the Merchants' Bank, in connection with the Suffolk Bank of Boston, redeemed the bills of all the banks of the State, a work of great labor and responsibility and some profits. It is a question whether this most useful service to the public, which engrossed the attention and energy of the management of both banks, did not eventually involve a greater loss through neglect of other channels of banking activities than the temporary gain realized from the enormous volume of business connection with this redemption work. After the inauguration of the National banking system, the Merchants' National Bank and the National Bank of North America effected the clearings for the other banks of the city, a work that some three years since was assumed by the Clearing House Association of the banks of the city. Since then the clearings of the Merchants' National Bank for the year ending June 30, 1889, amounted to $53,700,000, and for the year ending June 30, 1891, to $59,200,000, the largest amount credited by the Clearing House to any institution in the city.

About July, 1890, the bank began some extensive improvements on its building, remodeling the whole of the interior and adding another story, making it six stories high. The stairway leading from the entrance on Westminster street up into the building was torn down and a new entrance made on the northwest corner. An elevator was also put in and the upper rooms fitted up for offices. On each floor there is a spacious hallway. Every room is fitted up with gas and electric light attachments, so that either or both can be used if desired. The lower floor is being fitted up for the business of the bank. The bank will have its own entrance on Westminster street, and in no way can access be obtained from any other part of the building. The banking rooms are fitted up with every accommodation.

The entrance from the vestibule into the lobby, which is paved with ornamental mosaic work, is by double swinging mahogany, glass-paneled doors. Directly in front is the mahogany counter, surmounted by a very chaste, strong grille of oxidized silver finish, which, in addition to its beauty, has the advantage of being less trying to the eyes than the glittering brass work so generally used. The counter and grille run quite across to the north wall of the building, enclosing in the lobby one large window on the east front of the building and one on the north side, both fitted with upholstered window seats. There are three openings in the counter grille, two for the tellers and one for the bookkeeper, discount and dividend clerk.

From the northeast corner wall projects into the lobby what looks like a mahogany confessional, with a marble panel on the outer face, pierced by a silver water faucet for drinking water. Investigation through a door in the side reveals a very small working room with facilities for a single depositor to write or to count money behind the security of a locked door and plate glass panels.

On the left or south side of the lobby, as you enter, is the partition of mahogany and glass, cutting off the cashier's room, into which enters the only inside door from the lobby, and from which entrance is had by another door into the general banking room.

The cashier's room, containing one front window south of the main entrance, connects by sliding double doors with the directors' room, containing the two remaining front windows south of the main entrance.

Across the southwest corner of the directors' room stands a very handsome marble fireplace of coloring closely approaching the mahogany finish of the rooms. On the west side of the directors' room are two doors, one opening into a private wash room, finished in white marble, and the other into the telephone room.

The window seats in these rooms are upholstered like those in the lobby. The walls above the high mahogany wainscoting are finished with Lincrusta Walton painted on ivory white. The ceilings, as are those of the general banking room, are painted with the simplest possible decoration and with light tints that take nothing from the light.

The banking room occupies the greater portion of the floor. Situated in the northwest corner is the correspondence clerk, and near him on the same side is located the bank bookkeepers.

Through the southwest wall of the building, opening on the lane, has been cut an immense window to be protected on the outside by a heavy wrought iron grille. This window admits a flood of light, and near it are placed the desks for the bookkeepers of the individual accounts, and also the sorting desk and two tables for general purposes.

Encircling two of the iron columns in rear of the tellers, which are finished in silver bronze, and which support the floors above, are two round tables, one large and one small, for use of the tellers. A very unique and ingenious device for holding envelopes is placed on the wall directly above the correspondence table desk. The front is finished like the roller top to a desk, and when it is thrown up displays several tiers of partitions of suitable sizes for envelopes, each with a glass front, through which is read at a glance the printed addresses upon the envelopes, which are readily reached by those sitting at the table. This arrangement was invented some years ago by an employe of the bank, and has proved a great convenience ever since. It was not patented, though quite worthy of being so.

At the southeast end of the banking room is a large book vault, in which all the books and papers of the bank are to be kept. The inside is finished in white enamel, furnished by the Fenton Mfg. Co., and the door is from the manufactory of the Corliss Safe Door Co., of this city. The shelves inside are fitted with rollers for the books, and there are other receptacles for documents and files. Next to the vault, and to the left, there are clothes presses for the clerks, and to the right of the vault are toilet conveniences. Next to the clothes closets is a small room partitioned off for the telephone service with double glass panels. This can be entered either from the cashier's room or from the main or banking room. Directly in front of the entrance is located the large vault in which all the money and valuables of the institution are kept. The interior of this vault is finished in white enameled brick. Inside the larger vault is a 64-inch Corliss safe. The door of this vault is also made by the Corliss Safe Door Co. There are two ponderous iron doors and an iron gate to pass through here before access can be obtained to the vault, and covering the whole is a wooden folding door. A burglar alarm is attached, and when everything is closed up for the night it is impossible for any one to thrust an instrument into the woodwork surrounding the safe without calling the police. Every pains have been taken to make everything convenient, and the whole interior is plain and simple, yet, withal, rich and handsome. The woodwork is of white ivory finish, and the furniture of mahogany and cherry. The room is heated by indirect radiation from steam pipes in the cellar. The bank has its own cellar, a brick wall having been built across the opening, shutting it off from the main cellar of the building. Here are arranged a number of shelves for the old books and papers of the bank, and the cellar is fitted up with gas fixtures.

The growth of the business of the bank during the last quarter of a century may be seen from the following statements of the condition of the bank at the close of business on September 25, 1866, and on September 25, 1891, the latter being the date of the last report rendered to the Comptroller of the Currency.

Providence, Sept. 25, 1866.

RESOURCES.	
Loans and discounts	$1,131,027.09
U. S. Treasury notes	534,000.00
Premium on above	5,125.00
Real estate	75,000.00
Specie	95,879.30
Due from banks	119,396.38
Bills on other banks	23,469.71
Current expenses and taxes paid	10,742.39
Total	$1,994,639.87
LIABILITIES.	
Capital	$1,000,000.00
Surplus	10,400.00
Undivided profits	55,159.67
State bank circulation	6,553.00
National bank circulation	468,000.00
Due to individuals	205,477.03
Due to banks	249,050.17
Total	$1,994,039.87

Providence, Sept. 25, 1891.

RESOURCES.		
Loans and discounts		$3,151,907.60
United States 4 per cent. bonds		650,000.00
Premium on above		100,000.00
Bonds other than Governments		17,500.00
Real estate, furniture and fixtures		131,097.55
LAWFUL RESERVE.		
Coin and legal tenders	$170,668.53	
Due from reserve banks	425,270.22	
Due from U. S. Treasurer, 5 per cent. fund	28,762.00	624,700.75
Due from other banks		163,691.21
Due from United States Treasurer		3,000.00
Nickels and cents		615.46
Bills and checks on other banks		24,188.57
Current expenses and taxes paid		12,745.54
Total		$4,879,446.68
LIABILITIES.		
Capital		$1,000,000.00
Surplus		200,000.00
Undivided profits		165,823.26
Circulation		564,500.00
Due to individuals		2,214,135.78
Due to banks		734,987.64
Total		$4,879,446.68

The present officers of the bank are Royal C. Taft, president; John W. Vernon, cashier; directors, Royal C. Taft, Frank Mauran, Frank E. Richmond, Samuel R. Dorrance, John W. Danielson, Edward D. Pearce, Horatio N. Campbell, Frederic C. Sayles and George M. Smith.

INQUIRIES OF CORRESPONDENTS.
ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

MISTAKE IN NOT COLLECTING THE FULL AMOUNT OF A CHECK.

Bank of A. sends a check to bank of B. for collection, and by a clerical error it was listed as thirty dollars instead of fifty dollars in the letter. Bank of B. collects thirty dollars on the check. On the day that A. bank received the remittance the bank on which the check was drawn failed. Who is liable for the twenty dollars?

REPLY.—The bank of B. was clearly negligent in not collecting the full amount of the check. The letter accompanying it describing the check, sent to the bank of B., was not an imperative letter of instruction directing that bank to collect only the amount described therein. It was simply a description of the check enclosed, which the bank of B. was ordered to collect, and it was the plain duty of that bank to have examined the check, and, if possible, to have collected it.

The Bank of B. therefore is liable; but is the bank of A. also liable to the depositor for the negligence of its sub-agent? In New York and in many other States the bank of A. would be liable. This also is the Federal rule. (See *Exchange Nat. Bank* v. *Third Nat. Bank*, 112 U. S. 276 for the authorities.) But this is not the rule in Tennessee, where the banks in question are located. In that State if the first bank sent the check to a solvent bank in good standing its duty was performed. It was not liable for the negligence of the second or collecting bank. In *Bank of Louisville* v. *Bank of Knoxville* (8 Bax. 101, 105), Justice Deaderick said: "It is held that the more reasonable and just construction of the nature of the undertaking of the bank in which the bill is deposited for collection is that, where the bill is payable at another and distant place, the bank so receiving the bill discharges itself of liability by transmitting the same in due time to a suitable and reputable bank or other agent at the place of payment, and in such case it is manifest that a sub-agent must be employed and the assent of the principal is implied." And the proper thing for the first bank is, not to pay the deficit in such case and then attempt to sue the second, for as the payment would be voluntary it could not recover the amount. The action must be brought by the owner of the check.

PRESENTMENT OF DRAFT FOR ACCEPTANCE.

Is it necessary to present for acceptance bills of exchange and drafts drawn payable at a fixed date?

REPLY.—In the case of the *Fall River Union Bank* v. *Williard* (5 Met. 216, 220), Mr. Justice Hubbard said: "It is a well-established principle of the law regulating bills of exchange that the holder of a bill, payable at a certain time after date, need not present it for acceptance prior to the day of payment. And though it is usual and safe so to do, as he thereby strengthens his security, or, in case of non-acceptance, acquires an immediate right to call on the other parties to the bill, yet he is under no legal obligation to do it, nor can the omission be taken advantage of by the drawer or indorsers." Daniel, with his usual clearness, expresses the rule thus: "Bills payable on demand (which are immediately payable on presentment), or payable at a certain number of days after date, or after any other certain event, or payable on a day certain, need not be presented for acceptance at all, but only for payment." (Neg. Inst. 454, fourth ed.)

This inquiry springs from a statute passed in Massachusetts in 1860, which reads thus: "A person upon whom a bill of exchange or draft, which requires acceptance, is drawn, shall have until two o'clock in the afternoon of the business day next succeeding the first presentation thereof in which to decide whether or not he will accept the same; but every bill of exchange or draft which is, for cause, held over one day, shall, when accepted, date from the day of presentation." (Pub. Stat. Ch. 77, sec. 17, p. 428.) Our inquirer writes: "A bill drawn after sight is plainly not dishonored until the day following presentation; but how is it in regard to paper drawn payable at a fixed date? If the expression 'which requires acceptance' means '*when acceptance is necessary*,' there would seem to be two classes of drafts—one to be treated in the ordinary way, the other to be held over a day."

There are two classes of drafts: one class is payable at a fixed time, either on demand or at a fixed number of days from date, and these need not be presented for acceptance. But there is a second class, "payable at sight, or at so many days after sight, or after demand, or after any other event not absolutely fixed," and these, says Daniel, "must be presented to the drawee for acceptance and payment, or for acceptance only, without unreasonable delay, or the drawer and indorsers will be discharged, for they have an interest in having the bills accepted immediately in order to shorten the time of payment, and thus put a limit to the period of their liability." (Neg. Inst. § 454.) The statute evidently relates to this second class of drafts. They must be presented for acceptance.

With respect to presentation for payment, drafts payable at a fixed date must be presented on the day when they are due. Our correspondent inquires: "Is it not certain that drafts payable at a fixed date cannot be held over until the next day without discharging the drawer or indorser? The common practice here is to hold either class over." This cannot be safely done. Daniel, after remarking that with respect to the maker of a note and the acceptor of a bill it is not important on day presentment is made before the operation of the statute of limitations, says: "In respect, however, to the drawer of a bill and the indorser of a bill or note, it is essential to the fixing of their liability that the presentment should be made on the day of maturity, provided it is within the power of the holder to make it. If the presentment be made before the bill or note is due, it is entirely premature and nugatory, and, so far as it affects the drawer or indorser, a perfect nullity. And if it be made after the day of maturity, it can, as a matter of course, be of no effect, as the drawer or indorser will already have been discharged, unless there were sufficient legal excuse for the delay. The evidence must be distinct as to the promptness of the presentment or the excuse for delay, as the burden of proof is on the plaintiff." (Neg. Inst. § 59, 8.) Clearly, therefore, drafts of this nature should be presented for payment on the date of their maturity.

Recovery of Money Paid by Mistake.

Two banks in different parts of Pennsylvania collected checks for each other drawn on banks in their respective localities. When collections were made it was the custom between these banks to apply all items sent for credit—local and out-of-town—to the credit of the account, remitting twice a month at fixed dates, and to charge back all dishonored out-of-town items. On one occasion bank B. sent to bank A. a postal card, crediting to it three out-of-town checks, describing the amounts. The credit for the last amount, $300, was by mistake, as the check was drawn on C. bank, a hundred miles away, and had not been collected. Can A. bank recover the amount of B. bank?

REPLY.—It may be further stated that the check on bank C. as soon as received was duly forwarded for collection, but could not be collected, in consequence of the failure of the bank. Furthermore, as soon as bank A. received the letter stating that the check had been credited, it paid the amount to its customer.

Mr. Justice Rapallo has said: "It is now settled, both in England and in this State, that money paid under a mistake of fact may be recovered back, however negligent the party paying may have been in making the mistake, unless the payment has caused such a change in the position of the other party that it would be unjust to require him to refund. (*National Bank* v. *National Mechanics' B'k'g Ass'n*, 55 N. Y. 211, 213; *National Park Bank* v. *Seaboard Bank*, 114 *Id.* 28.) And in the same case he also added: "The rules of law in relation to the correction of mistakes of fact have been gradually growing more liberal, and are molded so as to do equity between the parties."

That this was a mistake of fact, if a mistake at all, can hardly be questioned. In *Mowatt* v. *Wright* (1 Wend. 355), Savage, Ch. J., said: "An error of fact takes place either when some fact which really exists is unknown, or some fact is supposed to exist which really did not exist." On this occasion a fact was supposed to exist that did not exist, namely, that bank C. had paid the check. Supposing that it had been paid, the amount was credited to the bank from which it was received.

It is admitted that bank A., if not entitled to the money, will be placed in a worse condition, for the reason that it has paid the amount of the check to its customer. In the case first mentioned this qualification of the rule is clearly mentioned. In *Boas* v. *Updegrove* (5 Pa. 516) Gibson, Ch. J., thus states the qualification: "Money voluntarily paid by mistake cannot be recovered back, where the parties cannot be placed in *statu quo;* for where the blunder necessarily imposes a loss on some one, it must be borne by the author of it."

Do the facts in the transaction in controversy take it out of the operation of these well-known principles? Our correspondent has stated the following facts.

"It is disclosed in evidence that the B. bank received the items in dispute, to be collected and the money paid to its customer when it had received advice of *payment* only. On the receipt of the card the A. bank immediately disbursed the money. The item in the meantime went forward, was presented, dishonored, and returned and charged back by the B. bank to the A. bank. It is disclosed in evidence that the other items on the card are found charged on the ledger of the A. bank against its B. bank correspondent, on the days forwarded; while the item, $300.00, is not so charged, but is entered on the 'Collection Register.' The collection register is designed to give a full description of the items spread upon it, including the point 'where payable.'

Did the manner of treatment applied by the B. bank constitute such a mistake as would make the bank liable? In other words, ought the A. bank, in its exercise of ordinary diligence, to have been misled by the postal card? The item at the date of the card being in the B. bank, or just entering on its journey to the C. bank, should the A. bank not have known that it was a physical impossibility that it could be paid, especially with the information furnished by the 'Collection Register'? At least, should not a question have been raised in the mind of the A. bank, involving the duty of making inquiry, or of awaiting the lapse of further time to provide for transmission to and from the place where the C. bank was doing business, or awaiting further advice? Having the facts before him that should have enabled him, if properly used, to correct the error, if such it be, of the B. bank, was it not the duty of the officer of the A. bank to have done so? Does not a failure to discharge that duty involve a want of diligence, not to say a charge of gross negligence, that fixes the liability on the A. bank."

Our correspondent says that the money was to be paid to its customer when it had received advice of *payment* only. Was not the postal card such an advice? When checks are thus credited to a bank, this means in some cases that they have been paid, in others that they have been received for collection. For example, when a depositor presents several checks with his book to a bank they are entered to his credit, but the bank has not received cash for them at the time of making the entry. Both the bank and the depositor understand in ordinary cases, when nothing is drawn against them, that the crediting is provisional, subject to correction if the checks are not paid.

Says Paxson, Ch. J., in a recent case: "Checks deposited for collection in city banks are entered as cash unless there is some reason to distrust the depositor. . . It has never been supposed that when a bank credits a depositor with the amount of a check left for collection, it may not be charged back to him in case it turns out worthless. (*Rapp* v. *National Security Bank*, 45 BANKER'S MAGAZINE 632. See also *National Park Bank* v. *Seaboard Bank*, 114 N. Y. 28; *U. S. Nat. Bank* v. *National Park Bank*, 13 N. Y. Supp. 411; *Nat. Butchers & Drovers Bank* v. *Hubbell*, 117 N. Y. 384.) And this seems to have been the arrangement between these banks. It is by no means clear that any mistake was made in crediting all of the checks if by so doing the A. bank understood the crediting to be provisional and subject to correction if its checks thus sent for collection were not collected.

When checks are thus sent for collection and credited the sending bank may presume they have been paid, and ordinarily act with safety in paying over the money whenever the receiving bank has had sufficient time to collect them; on the other hand, when not enough time has elapsed to make a collection the opposite presumption is just as strong and operative with a bank. Banks everywhere act on these presumptions, and we discover no reason why A. bank should not have done so. A. bank does not contend that B. bank guaranteed the collection of the check or intended to pay it, until the money had been received. The statement in the postal card, therefore, must be regarded in effect that the check had been received and *provisionally credited* during the period of sending it forward and collecting the amount. We think, therefore, that A. bank was not justified in paying over the money so quickly, and that it cannot collect the same.

The appearance of the item on the collection register, and not the other two items mentioned in the postal card, is something of a circumstance against the A. bank, but does not count for much. Perhaps they would have been thus entered if they had been deposited by well-known and responsible depositors. The entry on the register simply shows that the A. bank regarded the collection of that check with more solicitude than the collection of the other two, and its promptitude, therefore, in paying its customer requires more explanation.

GENERAL STATEMENT OF THE BANKS IN ST. LOUIS,

Compiled from Official Statement of the National Banks on December 2d, 1891; State Banks on January 2d, 1892.

Resources.

	Bonds deposited to secure circulation.	*Real Estate, Furniture and Fixtures.*	*Loans, Discounts, Bonds, etc.*	*Cash, Checks and Exchange.*	*Cash, Coin and Currency.*	*Amount of Assets.*
American Exchange Bank	......	$1,548	$1,671,840	$335,535	$218,051	$2,226,974
Boatmen's Bank	......	502,801	6,349,796	1,118,242	1,603,813	9,574,652
Bremen Bank	......	19,000	981,511	104,819	94,606	1,199,936
Chemical National Bank	$50,000	16,246	680,019	190,216	106,190	1,042,671
Citizens' Savings Bank	......	6,169	700,084	51,244	73,065	830,562
Commercial Bank	......	......	2,287,543	384,184	751,615	3,423,342
Continental National Bank	50,000	50,000	5,673,640	1,248,314	1,079,858	8,101,812
Fourth National Bank	50,000	......	4,496,617	534,673	991,567	6,072,857
Franklin Bank	......	60,000	2,694,183	293,225	267,645	3,315,053
German-American Bank	......	30,000	2,515,754	266,992	457,468	3,270,214
German Savings Institution	......	35,722	3,426,358	368,291	492,601	4,322,972
International Bank	......	61,651	739,356	54,510	110,362	965,879
Laclede National Bank	50,000	49,642	2,494,422	521,327	694,643	3,810,034
Lafayette Bank	. . ..	......	2,325,342	699,884	196,967	3,222,193
Mechanics' Bank	......	......	2,748,507	782,774	416,569	3,947,850
Merchants' National Bank	50,000	......	2,052,534	469,592	532,222	3,104,348
Mullanphy Savings Bank	......	38,347	1,182,390	49,972	74,293	1,345,002
National Bank of Commerce	50,000	533,000	7,450,630	1,457,138	1,615,951	11,106,719
National Bank of the Republic	50,000	17,500	905,227	288,064	146,600	1,407,391
Northwestern Savings Bank	......	......	1,291,775	400,869	79,856	1,772,500
South Side Bank	......	1,389	477,000	60,045	53,180	591,614
State Bank of St. Louis	......	63,844	4,126,685	388,788	887,994	5,467,311
St. Louis National Bank	50,000	204,350	2,603,090	451,897	973,589	4,282,926
Third National Bank	50,000	190,000	2,607,407	500,719	517,961	3,866,087
Aggregates	$450,000	$1,881,209	$62,481,710	$11,021,314	$12,436,666	$88,270,899
Aggregates December, 1890	400,000	1,646,103	60,225,735	9,155,435	11,365,433	82,792,706
Increase	$50,000	$235,106	$2,255,975	$1,865,879	$1,071,233	$5,478,193

Liabilities.

	Circulation.	*Capital.*	*Surplus.*	*Time Deposits.*	*Demand Deposits.*	*Bank Deposits.*	*Amount of Liabilities.*
American Exchange Bank	......	$500,000	$317,360	$52,164	$1,263,788	$93,662	$2,226,974
Boatmen's Bank	......	2,000,000	401,288	2,110,830	4,582,440	480,094	9,574,652
Bremen Bank	......	100,000	96,000	565,953	437,983	......	1,199,936
Chemical National Bank	$45,000	500,000	6,713	36,840	361,371	92,747	1,042,671
Citizens' Savings Bank	......	200,000	52,990	109,294	451,438	16,840	830,562
Commercial Bank	......	200,000	580,000	5,745	2,200,417	437,180	3,423,342
Continental National Bank	45,000	2,000,000	67,131	369,765	2,567,298	3,052,618	8,101,812
Fourth National Bank	45,000	1,000,000	663,943	353,836	2,406,812	1,603,266	6,072,857
Franklin Bank	......	200,000	421,080	1,181,045	1,243,650	269,278	3,315,053
German-American Bank	......	150,000	536,272	697,943	1,803,456	82,543	3,270,214
German Savings Institution	......	250,000	480,151	1,797,685	1,692,606	102,530	4,322,972
International Bank	......	200,000	60,169	219,967	480,524	5,219	965,879
Laclede National Bank	45,000	1,000,000	149,934	98,455	1,227,651	1,288,994	3,810,034
Lafayette Bank	......	100,000	200,000	1,154,297	1,765,333	2,563	3,222,193
Mechanics' Bank	......	600,000	567,694	309,478	2,130,047	340,631	3,947,850
Merchants' National Bank	45,000	700,000	179,089	260,631	1,301,244	618,384	3,104,348
Mullanphy Savings Bank	......	100,000	141,084	679,857	409,104	14,957	1,345,002
National Bank of Commerce	45,000	3,000,000	685,813	1,458,213	4,267,831	1,649,862	11,106,719
National Bank of the Republic	45,000	500,000	18,906	56,104	425,629	361,752	1,407,391
Northwestern Savings Bank	......	100,000	60,718	903,885	707,897	......	1,772,500
South Side Bank	......	300,000	3,483	65,554	212,415	10,162	591,614
State Bank of St. Louis	......	650,000	1,130,897	323,574	2,986,953	375,887	5,467,311
St. Louis National Bank	45,000	1,000,000	119,434	215,022	1,295,296	1,608,174	4,282,926
Third National Bank	45,000	1,000,000	285,940	200,000	1,486,439	848,708	3,866,087
Aggregates	$405,000	$16,350,000	$7,226,089	$13,226,137	$37,707,622	$13,356,051	$88,270,899
Aggregates December, 1890	360,000	15,050,000	6,587,401	11,883,559	37,432,061	11,479,685	82,792,706
Increase	$45,000	$1,300,000	$638,688	$1,342,578	$275,561	$1,876,366	$5,478,193

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

MASS...Boston.....Lincoln Nat. Bank...
" ..Provincet'n.Seamen's Sav. Bank..
" .Somerville..Somerville Sav. Bank
MO.....Carthage...First Nat. Bank.
NEB....Omaha.....German Sav. Bank.
N. Y....Brooklyn...Brooklyn Sav. Bank.
VT.....Brattleboro.Brattleboro Sav. B'k.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

LA......N. Orleans..American Nat. Bank.
ME.....Rockport...Camden Sav. Bank.
N. H...Concord....Nat. State Capital Bk.
WIS....W.Superior.First Nat. Bank.

BANKS WHICH ARE INCREASING THEIR CAPITAL.—

GA.....Columbus......Columbus Sav. Bank, from $50,000 to $100,000.
ILL.....E. St. Louis....The First Nat. Bank, from $100,000 to $250,000.
IND.....Indianapolis....Merchants National Bank, increased to $300,000, and surplus to $40,000.
MICH...Lansing........People's Sav. Bank, to be increased to $200,000.
WIS....Milwaukee......The Merchants Exchange Bank has increased its capital from $100,000 to $250,000.

SALES OF BANK SHARES.—

Location.	*Name.*	*Sold at*	*Par.*
Macon, Ga..........	Exchange Bank......................	35.20	—
" "...........	Macon Savings Bank................	10.80	—
Westminster, Md....	Union National Bank................	50.00	25
Phillipsburgh, N. J..	Phillipsburgh National Bank	119.72	50
Mechanicsville, N. Y.	First National Bank.................	145.00	100
Middletown, Ohio...	Merchants National Bank............	150.00	100
Brownsville, Pa.....	Monongahela National Bank..........	47.50-49.50	25
Philadelphia, Pa....	Commercial National Bank...........	60.50	—
" "	Corn Exchange National Bank.......	70.00	—
" "	City National Bank..................	125.00	—
" "	Girard National Bank...............	101⅛	—
" "	Independence National Bank	125.00	—
" "	Manufacturers National Bank........	92.00	—
" "	National Bank of Republic	140.00	—
" "	Penn National Bank.................	86.25	—
" "	Philadelphia National Bank	240.00	—
" "	Quaker City National Bank..........	75.00	—
" "	Union National Bank	80.00	—
" "	Sixth National Bank	200.00	—
" "	Western National Bank..............	104.00	—
" "	Merchants & Manufacturers Nat. Bank	60.00	—
Hagerstown, Md....	First National Bank.................	27.35	10
" "	Hagerstown Bank....................	19.25	15

SOUTHERN NATIONAL BANKS make an exceedingly favorable showing, considering the adverse circumstances of the last year.—*Louisville Courier-Journal.*

Some Recent Bank Dividends.—

Location.	*Name.*	*Annual.*	*Semi-Annual.*	*Added to Surplus.*
N. Y. City.........	Chase National Bank........	....	5	....
〃 〃	Chatham National Bank.....	....	4 quart.	....
〃 〃	Continental National Bank..	....	4	....
〃 〃	East River National Bank..	....	4	....
〃 〃	Fourth National Bank.......	....	3½	....
〃 〃	Irving National Bank........	....	4	....
〃 〃	Market & Fulton Nat. Bank.	....	4	....
〃 〃	Mercantile National Bank....	....	3	....
〃 〃	Merchants National Bank ...	....	3½	....
〃 〃	National Bank of Commerce.	....	4	....
〃 〃	Nat. Bank of North America	....	3	....
〃 〃	National Broadway Bank ...	....	8	....
〃 〃	National Citizens Bank......	....	3½	....
〃 〃	National Park Bank.....	....	5	....
〃 〃	Nat. Shoe & Leather Bank...	....	4	....
〃 〃	Bank of America............	....	4	....
〃 〃	Clinton Bank...............	....	3	....
〃 〃	Bowery Bank...............	....	6	....
〃 〃	Eleventh Ward Bank........	....	4	....
〃 〃	Mechanics & Traders Bank...	....	4	....
〃 〃	Mount Morris Bank.........	....	3	....
〃 〃	Nineteenth Ward Bank......	....	3	....
〃 〃	People's Bank..............	....	5	....
〃 〃	St. Nicholas Bank...........	....	3	....
〃 〃	Bank for Savings...........	....	4	....
〃 〃	Bowery Savings Bank.......	....	4	....
〃 〃	Citizens Savings Bank.......	....	3½	....
〃 〃	Dry Dock Savings Institution	....	4	....
〃 〃	Emigrant Industrial Sav. Bk.	....	3½	....
Del.... Wilmington	First National Bank.........	....	4	....
〃 .. 〃	N. B. of Wilm'tn & Br'd'wine	....	7	....
〃 .. 〃	Central National Bank.......	....	3	....
〃 .. 〃	Union National Bank......	....	7½	....
Ga.....Lumpkin....	Bank of Stewart Co.........	....	5	....
〃 ..Valdosta....	Merchants Bank............	....	4	....
Ky. ... Louisville...	Louisville Trust Co..........	....	4	....
Me.....Rockland....	Rockland Trust Co..........	....	3½	....
Mass...Athol.......	Millers River National Bank.	....	6	....
Minn...Duluth	First National Bank.........	....	3	$25,000
〃 .. 〃	American Exchange Bank...	....	5	10,000
〃 .. 〃	Security Bank.....	....	4	10,000
〃 ..Minneapolis.	First National Bank.........	....	4	....
〃 .. 〃	Flour City National Bank ...	....	3	...
〃 .. 〃	Northwestern National Bank.	....	4	....
〃 .. 〃	Union National Bank.......	....	3½	....
〃 .. 〃	Bank of Minneapolis.........	....	4	....
〃 .. 〃	Citizens Bank..............	....	3	....
〃 .. 〃	Commercial Bank...........	....	4	....
〃 .. 〃	Farmers & Merch'ts State B'k.	....	2½	....
〃 .. 〃	German-American Bank.....	....	4	....
〃 .. 〃	Metropolitan Bank.........	....	4	....
〃 .. 〃	People's Bank..............	....	3	....
〃 .. 〃	Security Bank..............	....	4	....
〃 .. 〃	Swedish-American Bank.....	....	4	....
N. J....Bayonne....	Mechanics Trust Co.........	5	....	....
N. Y...Brooklyn....	Long Island Bank...........	....	3½	....
〃 . Glens Falls..	Glens Falls National Bank...	....	105	....
〃 .Newburgh..	Highland National Bank....	....	3	....
〃 .. 〃 ..	Quassaick National Bank....	....	3½	....
Ohio...Toledo......	Ketcham National Bank.....	6	....	15,000
Pa.....Honesdale..	Honesdale National Bank...	....	5	....
〃 ....Lykens......	Miners Deposit Bank........	....	6	1,000

Location.		Name.	Annual.	Semi-Annual.	Added to Surplus.
PA......	Honesdale..	Wayne Co. Savings Bank....	....	5	....
TENN..	Woodbury ..	Bank of Woodbury..........	10	....	....
WIS....	Superior....	Bank of Superior............	6	....	....
"	..W. Superior	First National Bank.........	4	....	$5,000
"	.. "	Keystone National Bank.....	....	3	....
"	.. "	Bank of Commerce	....	5	10,000
"	.. "	Douglas County Bank.......	....	3	2,000
"	.. "	State Bank of Wisconsin....	....	5	5,000

ANNUAL REPORT OF SUPERINTENDENT PRESTON, OF THE STATE BANKING DEPARTMENT.—Superintendent Preston, of the State Banking Department, has completed his annual report for the fiscal year ending September 30, 1891, relative to incorporation of banks, individual bankers, safe deposit companies and trust companies. Twenty new banks have been organized during the fiscal year, with a capitalization of $2,370,000. The increase of total resources of State banks on September 12, 1891, over the same period in 1890, was $4,875,738. The figures contained in the report regarding the operations of the State banks and the trust companies have heretofore been published. It appears from the receiver's report of the North River Bank of New York City that he has already paid 30 per cent., and it is probable he will pay additional dividends. The increase in banking capital for the year ending September 30, 1891, by the formation of new banks, was $2,370,000, and the total increase in the capital of the ten associations previously organized was $1,095,000. There has been a decrease in the banking capital of seven banks during the same period, of $1,294,125, making the net increase in banking capital of $1,291,125. The outstanding circulation of banks incorporated under State laws is $83,434. No individual banking associations were organized during the year, and but three are now doing business in this State. Nine new National banks were organized in the State during the last fiscal year, with a capitalization of $1,700,000, as against twenty new banks organized under the State banking act, with a capitalization of $2,370,000. At the close of the fiscal year there were thirty-three trust companies in active operation in the State, twenty of them being in New York City and seven in Brooklyn. Three new trust companies were organized during the year. The increase of capital of trust companies during the year was $563,000. Only a reference is made to the insolvency of the American Loan and Trust Company of New York City. Nineteen safe deposit companies, with a total capital of $3,296,000, were in operation at the close of the year—an increase of two. Twelve are located in New York City and three in Brooklyn.

EASTERN STATES.

THOMASTON, CONN.—President Israel B. Woodward, of the Thomaston Savings Bank, a prominent resident of Thomaston, died on the 18th inst., aged 77. He was a native of Watertown, and had lived most of his life in Thomaston. In 1879 he represented the town in the General Assembly. He was for many years engaged in leather manufacturing.

HARTFORD, CONN.—In the January edition of BANKER'S ALMANAC the following figures should have been used, being the last statement of one of the flourishing banking institutions of the city, the Connecticut Trust and Safe Deposit Company, of which Mr. M. H. Whaples is president. January 1, 1892. Liabilities—capital stock, $300,000; surplus, $150,000; undivided profits, $13,750.24; due to banks, $261,368.67; deposits, $1.429.467.02; total, $2,154,585.93. Assets—Loans and discounts, $935,016.57; railroad bonds, $719,224.72; due from banks, $464,901.28; bills and specie, $35.443.36; total, $2,154,585.93.

BOSTON.—The National banks of Boston have united to ask for legislation compelling trust companies to carry a reserve fund of 25 per cent. instead of 15 per cent. Last year a bill was reported to make the reserve 20 per cent., but it failed to become a law.

BOSTON.—The Boston Bankers' Association had its annual dinner on the 11th of January at the Brunswick. Some thirty members attended. The affair was private.

BOSTON.—Spencer Trask & Co. has become a Boston as well as a New York house, by the admission to their firm of Wm. Blodget & E. P. Merritt, late of Adams, Blodget & Co. Messrs. Trask & Co. succeed to the business of Adams, Blodget & Co., and will continue dealing in investment securities on the same lines that have been special features of Adams, Blodget & Co.'s business. Of the New York members of this firm, Mr. Spencer Trask has a successful banking career of over twenty years in New York. Mr. G. F. Peabody is a member of the New York Stock Exchange, and, like Mr. Trask, has been giving of late a large part of his attention to the affairs of companies with whose management he has been identified. The other New York members are E. M. Bulkley and C. J. Peabody.

BOSTON.—At a meeting of the Traders' National Bank directors, it was voted to lease the banking rooms which were reconstructed for the use of the Maverick National Bank. The removal will be made about the first of March.

SOUTH BOSTON.—Attempts have been made to obtain better banking facilities for South Boston, but it has always been impossible to sell a sufficient amount of stock. About two years ago a charter was issued to the Mattapan Deposit and Trust Company, of South Boston, to conduct a banking business, and it will be under this name and charter that the new institution will work. The Monks Building, at the corner of E street and Broadway, has been secured and will be immediately altered for the use of the company. The stockholders will meet in a few days for organization.

LAWRENCE, MASS.—The Lawrence *Eagle* says that at the last annual bank meetings "naturally there was some conversation on the standing of the banks and the year's work, and it appears that not only did the Lawrence banks have a good year's business last year, but that they did better than when there were only four banks in the city. It is one of those cases where another business house does not lessen the profits of all. Of course, considerable local money was formerly on deposit in Boston, and a portion of this has been kept at home, and some accounts have been brought here that were not here before. Still better, Lawrence has been making a good growth for the past year, and this is also reflected in the prosperity of the banks. Doubtless the Savings banks too would show good results, as do the National banks."

ELIZABETH, N. J.—The city council by a vote of sixteen to two killed the proposition of Mayor Rankin to take the moneys deposited in the city banks, amounting to $150,000, to New York, where it would draw interest. Ex-Assemblyman Corbin charged that it was the special interest of those councilmen who would vote against the measure that prompted them to thus act. Ten banks in New York and the Manufacturers' Bank of Newark had offered 2½ per cent. interest, as did the Citizens' Bank of Elizabeth, if $50,000 deposit was guaranteed. Public sentiment was in favor of placing the money where it could draw interest. Comptroller A. B. Carlton thought the money should stay in Elizabeth banks, so as to encourage manufacturers to locate in Elizabeth.

BROOKLYN, N. Y.—The trustees of the Sprague National and City Savings Banks recently gave the Mayor of that city, David A. Boody, a fine dinner. With these two well-known fiduciary institutions Mr. Boody has been connected for a number of years. In the former he is one of the two largest stockholders, and was prominent among its directors until his election to the mayoralty incapacitated him from holding office in a private corporation within the limits of the city whose affairs have been intrusted to his hands. In 1886 he was elected first president of the City Savings Bank.

GLEN COVE, N. Y.—The subscribers to the capital stock of the proposed Glen Cove Bank have been requested by the State Superintendent of the Banking Department to consider the advisability of making the amount $50,000 instead of $25,000. At a recent meeting of the subscribers it was deemed more suitable for the village that the smaller amount be adhered to, and a committee, consisting of Messrs. F. E. Willetts, J. B. C. Tappan, E. T. Payne and D. V. Weeks, was appointed to confer with the Superintendent and report to a subsequent meeting.

NEW YORK CITY.—Jacob Dyckman Vermilye, president of the Merchants' National Bank, who died on the first day of the year, was for the last twenty-five years of his life a conspicuous figure in the financial affairs of the city. He was for many years chairman of the executive committee of the clearing house and president of that organization, and he had been president of almost all the clearing house committees. He was chairman of the loan committee in the crisis of 1890. He was 74 years old at his death, and for the past two or three years he had gradually retired from the many active obligations he had assumed in his younger years. For many years Mr. Vermilye was a member of the board of education. In 1873 he was made chairman of the finance committee of the board, and he has held that place sixteen years. He was treasurer of the Princeton Theological Seminary. He was one of the original directors and organizers of the Central Trust Company, a trustee of the Royal Insurance Company, one of the proprietors of the Equitable Gaslight Company, and a director of the Continental Insurance Company and of the Bank of North America.

NEW YORK CITY.—The board of directors of the Merchants' National Bank have elected Robert M. Gallaway president, to fill the vacancy caused by the death of Jacob D. Vermilye, who had filled the office since 1868. Mr. Gallaway was the vice-president of the bank, and was formerly, for many years, vice-president and acting executive of the Metropolitan Elevated Railway Company. He was, for a number of years, a member of the Board of Education. The Merchants' National Bank has a capital of $2,000,000, with a surplus and undivided profits of $1,C41,-000. It pays semi-annual dividends of 3½ per cent.

NEW YORK CITY.—Robert W. Donnell, the venerable banker, had been failing in health for five years. Mr. Donnell was born nearly seventy-five years ago in Greensboro, N. C., and came from a revolutionary family. When a young man he emigrated to the "Platte purchase," settling in St. Joseph, Mo., where he was a successful merchant and banker. He established the Bank of the State of Missouri. In 1863 Mr. Donnell removed to Montana, establishing a mercantile and banking house at Helena, under the firm name of Tutt & Donnell. Later, with the present United States Senator Clarke, the firm of Donnell, Clarke & Larrabee established banking houses in Helena and Butte. Mr. Donnell came to New York in 1870. With George Simpson, the banking firm of Donnell, Lawson & Simpson was established at No. 102 Broadway. Mr. Donnell retired from active business five years ago.

NEW YORK CITY.—The Bowery Savings Bank has on deposit $47,191,052, mostly the savings of labor. That this is the case is indicated by the fact that it has 107,440 depositors.

PHILADELPHIA.—The following is a statement of the resources and liabilities of the National Bank of the Republic on the first of January:

RESOURCES.	
Loans	$1,968,922 83
Banking House and Safes	110,398 33
Due by Banks	235,397 61
Cash and Reserve	831,708 71
	$3,146,427 48
LIABILITIES.	
Capital	$500,000 00
Surplus and Profits	354,068 98
Circulation	45,000 00
Deposits	2,247,358 50
	$3,146,427 48

The bank began business on May 22, 1866, and the net earnings have been $1,339,068.98; the dividends, $985,000; undivided profits, $54,068.98; surplus, $300,000; and the capital, $500,000. Mr. William H. Rhawn is the well-known president of this institution, and Joseph P. Mumford the cashier.

PHILADELPHIA.—The Philadelphia *Record* says of the annual bank meetings of the shareholders of the National banks: "That the reports in general were of the most satisfactory character hardly needs the saying. After a season of extraordinary stress the banks find themselves in vastly better shape than they were at this time a year ago; and there can be no question that the experience, trying as it was for a brief term, will continue to exercise a salutary influence on the various directorates."

PITTSBURGH, PA.—Comptroller E. S. Lacey, of the United States Treasury Department, refused to accept the resignation of Bank Examiner George Sheppard. Recently Mr. Sheppard was elected secretary and treasurer of the Pittsburgh Bank for Savings. He accepted the office and tendered his resignation as National Bank Examiner, a position he has held since the beginning of President Harrison's administration. An effort was made by the officials at Washington to induce him to withdraw the paper, but he refused, having fully decided to leave public life. Comptroller Lacey notified Mr. Sheppard that he had determined not to accept the resignaion. The reason he gave for this was that Mr. Sheppard's services had proven very valuable to the department, and he did not want to lose them. He offered, however, to relieve him of his district and permit him to engage in private business, the Government reserving the right to call on him in cases of emergency. The matter was laid before the directors of the Pittsburgh Bank for Savings, who consented to this arrangement. and Mr. Sheppard accepted the situation. This action on the part of Comptroller Lacey leaves Mr. Sheppard in commission as a bank examiner unassigned. It is a thing that was never before done in the history of the Treasury Department, and is looked upon by Mr. Sheppard's friends as a very high compliment to that gentleman.

MONTPELIER, VT.—Among the deaths last month was Jabez W. Ellis, of Montpelier. He was a director of the old Vermont Bank, of which Homer W. Heaton was president and continued in the same capacity with the First National Bank, serving twenty-six years, having been elected vice-president about one year ago, when Hon. Charles Dewey became president on the retirement of Hon. John A. Page. He was also a director and auditor of the Vermont Mutual Fire Insurance Company.

WESTERN STATES.

TRINIDAD, COL.—The Trinidad National Bank has effected a lease on the room now occupied by the First National Bank. The change will be made as soon as the new bank building is ready for the reception of the First National.

GRAND FORKS, N. D.—Reports to the Secretary of State show that there are sixty-one banks in the State of North Dakota operating under the law, which is now one year old. These banks have a combined capital of $308,135.78; deposits, $2,269,222.20 ; average capital, $13.248.13: and average deposits, $37,200.44. Deposits have largely increased during the last thirty days.

ILLINOIS.—The private bankers of Illinois, numbering over 500. have formed "The Private Bankers' Association of the State of Illinois." The object is mutual protection and to advance the interests of the members.

SPRINGFIELD, ILL.—Some changes have been made in the State National Bank. Mr. S. H. Jones, who was one of the principal founders of the bank, and so well and favorably known in the county and State, will continue as president. Mr. F. K. Whittemore will be succeeded by Mr. Joseph F. Bunn as cashier. who has been connected with the bank for thirteen years. He is well and favorably known to all the patrons of the bank as well as the community generally. Mr. Edward Payne, formerly paying teller at the Ridgely National Bank, and connected with it for over seventeen years, and Mr. Herman Pierik, also a teller, who has been in the banking business for twenty years at the same bank, will represent the new interests merged into the State National Bank by purchasing a large portion of the capital stock, and will both personally enter the service of the concern.

DES MOINES, IA.—At a meeting of the stockholders of the Iowa National Bank a reorganization was effected which will add to the prestige which it has always enjoyed in the financial circles of the West. The reorganization which had become necessary after the death of Hon. H. K. Love, the former president. has resulted in the infusion of new blood and presages an active management in the future. The Iowa National Bank has for fifteen years been one of the strongest in public favor in Des Moines. with its score of great banking houses. Its business has been conducted upon a safe, conservative basis, such as has won perfect confidence and long since placed it in the front rank of western banks. With new officials and progressive, level-headed men in charge it is designed to achieve new laurels in the domain of finance. Its already heavy business will increase rapidly and its field of usefulness broaden. One of the heaviest stockholders stated to the reporter that there will be in the near future a marked increase of its capital stock. B. F. Kaufman, the president, is a gentleman in the prime of life, a long-time resident of Des Moines, and an attorney whose ability in his profession has not only made him a leading member of the Iowa bar, but also placed him in affluent financial circumstances. He is a stockholder in some of the most successful banking and other successful institutions. Edward Hunter, the vice-president, is a bright, progressive, energetic young man, with abilities of a high order. Twelve or fifteen years ago Mr Hunter entered the railway service of the Chicago, Burlington & Quincy, with which he is still identified as its general agent in Des Moines. A young man of careful and accurate business methods and rare executive ability, he has won distinction and earned success in the line of his chosen vocation.—*Des Moines Capital.*

FORT DODGE, IOWA.—The First National and Merchants' National Banks have consolidated. The aggregate capital of the combine is $235,000. S. T. Meservey, president of the First National, is made president, and the combination is styled the First and Merchants' National Bank. The new concern will occupy the headquarters of the heretofore Merchants' National.

LINDSBORG, KANSAS.—If Kansas has won an undesirable reputation of late for unsuccessful banking, there are numerous banks in the State whose operations have been marked with most gratifying results. One of these is the First National Bank of Lindsborg, which is in the very heart of the storm center. The following is a copy of the last statement:

RESOURCES.	
Loans and Discounts	$106,279 35
U. S. Bonds to Secure Circulation	12,500 00
Due from Approved Reserve Agents	7,715 18
Due from Other National Banks	8,029 78
Current Expenses and Taxes Paid	1,305 00
Checks and Other Cash Items	1,359 56
Fractional Paper Currency, Nickels and Cents	89 75
Specie	7,554 60
Legal Tender Notes	7,500 00
Redemption Fund with U.S. Treasurer (5 Per Cent. of Circulation)	562 50
Total	$152,895 72
LIABILITIES.	
Capital Stock Paid in	$50,000 00
Surplus Fund	30,000 00
Undivided Profits	4,889 43
National Bank Notes Outstanding	11,250 00
Individual Deposits Subject to Check	31,179 49
Demand Certificates of Deposit	25,576 80
Total	$152,895 72

TOPEKA, KAN.—The Kansas Alliance Co-operative Mortgage Association, capital stock $1,000,000. The charter was filed with the Secretary of State, and business will be commenced with the new year. The object is to negotiate directly with eastern capitalists for the necessary amounts for defraying farm mortgage indebtedness without the assistance of the middleman. The company will obtain securities by forming a fund of the effects, personal and real, of its members.

LANSING, MICH.—Cashier Coleman is authority for the statement that it is not improbable that the charter of the Lansing National Bank, which expires April 1, will be renewed and business continued. Mr. Coleman says that several of the stockholders are desirous of taking this step, and intimates that the old bank is not liable to go into liquidation for many years to come. Should this bank continue doing business and the People's Savings Bank increase its capital, the need for increased banking capital will be largely supplied. The committee appointed to secure a location for the Lansing State Savings Bank has not yet decided upon quarters.

LANSING, MICH.—The annual report of the State Bank Commissioner, T. C. Sherwood, shows that at the end of 1891 there were in Michigan 124 State banks and three trust companies, with total assets of $65,191,972, an increase of 44 banks and two trust companies, with an increase of $26,228,555 in assets since December 31, 1889. Twenty banks and one trust company, with a total capital of

$1,285,500, have been organized within the year. Two have gone into voluntary liquidation and two have failed. The capital stock of the banks is $9,522,420, distributed among 4,234 shareholders, and 2,427 of these own $1,000 or less of the stock. It is recommended that banks be required to increase their surplus to 50 per cent. of their capital by carrying 10 per cent. of the earnings annually to the surplus account, and when the maximum amount is reached it is to be exempt from taxation.

MINNEAPOLIS, MINN.—The banks of Minneapolis have shown wonderful progress from year to year, in keeping with the advancement of the city, but it is safe to say that none have ever made a better record than the Metropolitan. This bank was organized two years and eight months ago. It has paid five semi-annual dividends on its capital stock, and now has a capital paid up of $150,000 and an aggregate of $327,714.56 of deposits. C. E. Braden is cashier, and was instrumental in the organization of the bank. The success of the institution, which is almost without parallel, is largely due to his efforts and extensive acquaintance and experience.—*Commercial Bulletin.*

ST. LOUIS, MO.—The following is the last statement of one of the most prominent and well-managed banking institutions of St. Louis, the American Exchange Bank, of which Mr. Peter Nicholson is president; Mr. Alvah Mansur, vice-president; and Mr. Walter Hill is cashier:

	January 1, 1888.	January 1, 1892.
Loans and discounts	$388,290.74	$1,639,041.86
Stocks, bonds, and real estate	21,011.90	5,572.51
Due from banks, and currency on hand	73,227.59	598,206.53
	$482,530.23*	$2,242,820.90
Capital	$200,000.00	$500,000.00
Surplus and undivided profits	70,740.71	317,010.78
Bank deposits	721.90	101,953.04
Individual deposits	211,067.62	1,323,857.08
	$482,530.23	$2,242,820.90

ST. LOUIS BANKING.—In response to the charge that the banks of St. Louis are too conservative in their dealings with borrowers, the *Chronicle* has collected the following opinions from the bankers in that city: Peter Nicholson, president of the American Exchange Bank, thought that the banks of this city were not more conservative than sound banking would justify. "Money is becoming plenty and cheap," said Mr. Nicholson, "and any legitimate business, whether mercantile or manufacturing, will meet with proper accommodation." "There never was so much confidence felt in banking circles," said S. E. Hoffman, president of the Laclede Bank, "as at the present time, and any new enterprise will find sufficient backing if it is properly managed. Money will be plentiful, and the rate of interest will be less excessive." "What do I think of the loaning policy of St. Louis banks?" said Cashier Biebinger of the Fourth National. "I think that our banks are no more conservative than our depositors care to have them. Money is a little easier now than it has been for some time, but there will not be a plethora of it, as there was two years ago. We shall have to carry considerable cotton, as its present low price will not justify its sale. Already 130,000 bales are stored in St. Louis, and we can't afford to let our cotton interests suffer." "Good bankers are naturally conservative," remarked Cashier Bullen, of the Continental, "but I think the banks will take care of any legitimate demand that may be made upon them. While a stranger with no financial standing might meet with some difficulty as a borrower, he would be heartily welcomed as a business man, and after he had shown himself to be worthy he would easily get a foothold." Cashier A. Herthel, of the International Bank, thought that everything that could be done for borrowers had been done in the past, and that the banks would continue this policy. President Lee, of the Merchants' National, thought that a plenty of money during the year would make it easier for borrowers, for the banks had been compelled to be a little more exacting during the past two years than they would have been had money been less stringent.

HASTINGS, NEB.—Since the 1st of January all the banks of the city have charged exchange on all drafts sold, at the rate of ten cents on every one hundred dollars or less.

OMAHA, NEB.—Colonel J. N. Cornish, president of the National Bank of Commerce, has thus recently remarked: "The financial condition of the country is improving, and country banks have plenty of money. I was looking over the list of country banks that do business with us the other day, and I found that in the entire list of over ninety banks every one of them had a snug balance to their credit. A year ago it was hard work to keep them from getting into us."

SOUTHERN STATES.

ALABAMA.—The Jacksonville *Republican* says: "The foreign loan companies are withdrawing their money from Alabama and making no new loans. The agitation of the question of alien ownership of lands is responsible for this action. The withdrawal of the vast sums loaned the people of Alabama by foreign loan companies will seriously cripple many good men and add to the scarcity of money. This, coupled with the intention of local capital to go out of the advancing business, will, we fear, seriously cripple farm operations in the State this year. Money is a very timid thing, and will not go where there is any prospect of hostile legislation."

MOBILE, ALA.—The financial operation which has resulted in the transfer of the Alabama National Bank to a directory headed by Mr. Francis H. Clergue, president of the Bank of Maine, is one full of importance to Mobile. The purchase of the controlling interest in some bank in Mobile, or the establishment of a banking house here, was a requisite in the fulfillment of the plans laid down by Mr. Clergue and his associates in the formation and operation here of a trust company. The British-American Trust Company having been organized with $1,000,000 capital, subscribed to by some of the leading financiers of this country and of England, Mr. Clergue opened negotiations for the purchase of President Ruth's interest in the Alabama National Bank. These negotiations have been satisfactorily brought to an end, and Mr. Clergue added one more tie to that already binding him to Mobile.—*Mobile Register*.

JACKSONVILLE, FLA.—W. L. Gibson, assistant cashier of the National Bank of Jacksonville, has been the surprised and delighted recipient of a Christmas present in the shape of $600 worth of bank stock of the above bank. This was a just and kindly recognition of a very faithful official.

GEORGIA.—Governor Northen has designated the following banks as State depositories. These banks' term of office had expired, but there are other banks not named whose term of appointment has not expired. Each bank is appointed for four years, and they are as follows: Atlanta, Merchants' Bank; Macon, Central Georgia Banking Company; Savannah, Southern Bank State of Georgia; Augusta, Georgia Railroad Bank; Columbus, Third National Bank; Athens, The Bank of the University; Americus, Bank of Americus; Griffin, Griffin Banking Co.; LaGrange, LaGrange Banking and Trust Company; Brunswick, Brunswick State Bank. The counties authorized to deposit in these banks will be announced later. Those counties contiguous to the bank are the ones that willl be authorized to deposit. This saves the tax collector from remitting direct to the State treasury.

MACON, GA.—The savings banks of Macon are doing well. They are daily becoming more popular. The enormous sums, reaching hundreds of millions, in the savings banks of New England furnish much of the capital needed for carrying on the vast business interests of that section. Scattered throughout the South, a few dollars here and a few there, hid away in old stockings, there are in the aggregate some millions of dollars of idle money. If it could be concentrated into strong savings banks it would prove of great value to this whole section. Here is a chance for the business men of the South to engage in a work which will benefit those who use these banks, and also the community at large.—*Macon News*.

KENTUCKY.—The State greatly needs a Bank Inspector. Such salary should be provided as will secure the services of a thoroughly capable man. With such an officer, who would fearlessly and honestly perform his duties, such disastrous banking frauds as have recently happened in our State, whereby immense losses of money were entailed upon widows, orphans, and aged and helpless men and women, could have been prevented. He should be armed with liberal powers, that he might probe every financial institution that could legally be made subject to inspection and investigation.—*Louisville Courier-Journal*.

BALTIMORE, MD.—The following extract is taken from a beautiful tribute to Mr. Francis T. King, president of the Central Savings Bank, of Baltimore, passed by the directors on the occasion of his death. His business enterprises and the numerous trusts committed to him were conducted with great prudence and foresight, and with ability of the highest order. One of the chief enterprises of Mr. King was the organization, in the year 1854, of the Central Savings Bank. He was admirably fitted for the conception and successful management of such a work. Of absolute integrity, conservative yet progressive, a financier by nature and education, of consummate skill in outlining a policy, and yet with a comprehension of details which was a marvel to his associates, he brought to the affairs of the bank a capacity possessed by few in the same, by none in a greater degree. In the present prosperous condition of the bank and the substantial building in which its business is now conducted, is found the best evidence of the ability with which he discharged the duties of its president from its organization to the date of his death. The secret of his useful life of threescore years and ten, so wonderfully complete in itself, was due as much to his fidelity to duty as to any other quality, and this ran through all the acts of his long life as a thread of gold, binding them into one harmonious whole.

FAYETTEVILLE, TENN.—The cry is often made, says the Fayetteville *Observer*, that there is no money in the country and times are hard. Money is rather hard to get now, but this is not owing to its scarcity, but the everlasting croaking of chronic fault-finders. Since last July the books show the Fayetteville banks have paid to farmers over $700,000. We do not know the amount paid out by the Petersburg Bank. One fact will knock out a hundred theories and put ten thousand to flight. These figures show there is an abundance of money in the county, but capital is easily frightened and talk of hard times makes it hide in stockings, auger holes in the wall and in the cellar floor.

MEMPHIS, TENN.—Mr. Horace E. Garth, president of the Mechanics' National Bank, of New York, has been mingling with his old friends in Memphis. "Mr. Garth returns to Memphis on a brief visit, after several years' absence in the metropolis of the country, where his position as president of one of the largest banks in New York City makes him a central figure in the great financial world. The friends he made in Memphis during his long residence have noted with pride the distinction which has been awarded him by a just appreciation of his merits, and he is regarded in New York as one of the ablest bankers in that great city. Mr. Garth was for several years president of the German Bank of Memphis, and his experience here no doubt served of benefit to him in the greatly enlarged responsibilities of his present position. The *Appeal-Avalanche* joins with his host of friends in a welcome to his old home."

TEXAS.—In an interview between a representative of the Houston *Post* and Mr. H. M. Spalding, National bank examiner for this State, he gave the following statistics: "At present there are 200 National banks in operation in this State, with a capital of nearly $23,000,000, seventeen of which have been organized in the past year, with a capital of $1,510,000. At the same time two National banks have gone into voluntary liquidation, with a capital of $100,000, and two banks have failed and receivers have been appointed, which had a capital of $400,000. There has never been but four National bank failures in Texas. One on June 8, 1878, with a capital of $100,000, which paid 38 1-10 per cent. of its deposits; one on August 17, 1887, with a capital of $50,000, which paid deposits in full with interest; one on July 1, 1891, with a capital of $300,000; one on September 14, 1891, with a capital of $100,000, and the deposits in the last two named banks were very small, being less than $50,000, and no dividend yet declared. Four private banks have failed in Texas this year, and with large liabilities."

WACO, TEXAS.—The executive committee of the Texas Bankers' Association have been making arrangements for the meeting of the next annual convention of the association in May next. The committee is composed of Messrs. J. W. Blake, of Mexia, president of the association; Gen. W. R. Hamby, of Austin; Heber Stone, of Brenham; A. S. Reed, of Ballinger, and John K. Rose, of Waco.

TEXAS.—If Congress should abolish National banks what would Texas do? Our Constitution forbids the State to charter anything that resembles a bank.—*Gainesville Hesperian.*

NORFOLK, VA.—Some time since *The Virginian* published a full report of a proposition of certain home and outside capitalists to start a new bank in this city, and stated that while the bulk of the capital to be employed would be furnished by outside parties, yet enough would be subscribed by home people to make it essentially a Norfolk enterprise. The capital subscribed is $250,000. For president, Mr. Krise, of the First National Bank of Frostburg, Md., has been selected. The directory of that bank, in a highly complimentary account of him, state: "We desire to add that in the service of this bank as its cashier, Mr. Krise has been industrious, painstaking and faithful; that he has diligently, carefully and constantly guarded and promoted the welfare of the bank, and brought it, as we believe, to its present strong monetary condition, and that he has shown a business intelligence and energy which fit him for a higher place in financial administration." Frank A. Porter, who accompanies him, will be teller.

FOREIGN.

CANADA—BANK OF OTTAWA.—The transactions of this bank for the year closed with November were the largest and probably the most important in its history. The result has been large earnings and a considerable addition to reserve account from new stock issued at a premium of $42.50 per share. The net profits reached the handsome sum of $153,561, which, added to $31,079 brought forward, enabled the addition of $75,000 to be made to the rest, besides carrying forward $28,678. Adding the premium on new stock, the rest is swelled to $574,468, equal to almost 50 per cent. of the paid capital. The vice-president, Mr. Magee, considers a bankers' association, such as is now in process of formation, much needed. He sees, too, that there is a very general feeling in favor of a Dominion Act to deal with the administration of insolvent estates.

CANADIAN BANKERS' ASSOCIATION.—The Canadian bankers have formed an association. Two honorary presidents have been elected: Hon. J. D. Lewin, president of the Bank of New Brunswick, St. John, and Mr. R. W. Heneker, president of the Eastern Townships Bank, Sherbrooke. The regular officers are: President, Mr. George Hague, general manager of the Merchants Bank; vice-presidents, Messrs. Walker, general manager of the Canadian Bank of Commerce; Ward, of the Bank of British Columbia; Stephenson, of the Quebec Bank; and Fysh, of the Bank of Nova Scotia. A council has been elected, composed of Messrs. E. S. Clouston, general manager of the Bank of Montreal; R. R. Grindley, general manager of the Bank of British North America; F. W. Thomas, of the Molsons Bank; G. Burn, of the Bank of Ottawa; J. Bousquet, of La Banque du Peuple; Schofield, of the Bank of New Brunswick, and W. Farwell, of the Eastern Townships Bank. The council has elected a secretary-treasurer, in the person of Mr. W. W. L. Chipman.

FOR THE PURPOSE OF IDENTIFICATION.—One of the latest schemes, which will undoubtedly prove a valuable thing to business men and others, is a system of identification certificates to be used by a Boston company recently organized. It is proposed that business concerns and banks who are dependent upon the honesty of employes shall enroll the latter at the agency of the company. The employe is given a card upon which is printed his photograph and his description. He affixes his signature to the card and makes affidavit as to its accuracy. A duplicate is kept in the office of the company. If any employe should run away, or disappear from any cause, his accurate description and photograph can be instantly secured. The card is not designed especially for this class of employes, but the company proposes to seek the patronage of traveling men, bankers and tradesmen. The card will prove invaluable as a means of identification in cashing checks at banks or money orders at telegraph offices, where identity must be proven in the case of strangers. In case of accident its merits will be demonstrated in ascertaining the names of injured or killed. Already the scheme has been received with much favor in business circles.

The reports of the New York Clearing-house returns compare as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
Jan. 2...	$438,616,400	$95,972,200	$37,814,400	$466,218,200	$5,537,400	$17,232,050
" 9...	444,289,900	99,050,100	39,256,600	477,382,300	5,563,000	18,951,120
" 16...	445,833,200	104,569,300	41,604,800	486,392,300	5,590,700	24,576,025
" 23...	447,202,600	110,402,400	46,968,600	497,472,400	5,566,700	33,002,900
" 30...	453,582,700	113,192,600	50,206,800	509,514,000	5,488,300	36,020,900

The Boston bank statement is as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Jan. 2......	$156,663,800	$9,283,800	$6,186,600	$137,254,500	$4,206,000
" 9......	157,304,100	9,244,000	6,282,300	141,362,800	4,214,700
" 16......	157,887,500	9,342,500	6,758,300	143,212,000	4,167,000
" 23......	159,082,800	9,207,300	6,696,000	142,197,100	4,191,400

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
Jan. 2	$95,306,000	$30,786,000	$99,487,000	$3,333,000
" 9	95,919,000	33,676,000	103,396,000	3,341,000
" 16	96,166,000	34,605,000	104,866,000	3,343,000
" 23	96,452,000	35,018,000	104,284,000	3,336,000
" 30	95,795,000	35,728,000	104,750,000	3,333,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Jan. 4.	Jan. 11.	Jan. 18.	Jan. 25.
Discounts	5½ @ 6	5 @ 6	5 @ 6	5 @ 5½
Call Loans	6 @ 2½	3 @ 4½	2½ @ 2	2 @ 1½
Treas. balances, coin	$112,376,229	$112,966,971	$113,534,062	$114,302,813
Do. do. currency	2,565,402	3,401,635	5,045,592	6,833,770

Sterling exchange has ranged during January at from 4.84½ @ 4.86¼ for bankers' sight, and 4.81¾ @ 4.84½ for 60 days. Paris—Francs, 5.20⅝ @ 5.17½ for sight, and 5.23⅛ @ 5.20 for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84 @ 4.84½; bankers' sterling, sight, 4.85¾ @ 4.86¼; cable transfers, 4.86¼ @ 4.86½. Paris—Bankers', 60 days, 5.20⅝ @ 5.20; sight, 5.18⅛ @ 5.17½. Antwerp—Commercial, 60 days, 5.23⅛ @ 5.22½. Reichmarks (4)—bankers', 60 days, 95 @ 95⅛; sight, 95⅜ @ 95½. Guilders—bankers', 60 days, 40 @ 40 1-16; sight, 40 3-16 @ 40¼.

DEATHS.

BARKER.—On January 11, aged sixty-seven years, GEORGE S. BARKER, of the firm G. S. Barker & Co., New Brighton, Pa.

CASE.—On December 22, aged seventy-three years, JEROME I. CASE, President of Manufacturers National Bank, Racine, Wis.

CAVIS.—On December 21, aged sixty-one years, GEORGE M. CAVIS, Treasurer of Bristol Savings Bank, Bristol, N. H.

DORRANCE.—On January 18, aged eighty-six years, CHARLES DORRANCE, President of Wyoming National Bank, Wilkes-Barre, Pa.

FLEMING.—On December 30, aged sixty-eight years, HARRISON FLEMING, President of First National Bank, Fairmont, W. Va.

HAMILTON.—On January 1, aged seventy-three years, D. M. HAMILTON, President of National Bank of Coxsackie, N. Y.

NEWTON.—On December 25, aged seventy-three years, WARREN NEWTON, President of National Bank of Norwich, N. Y.

NICHOLSON.—On January 5, aged fifty-two years, ANDREW J. NICHOLSON, of the firm J. J. Nicholson & Sons, Baltimore, Md.

RICHARDSON.—On January 2, aged eighty-one years, E. D. RICHARDSON, President of Bank of Geneva, Lake Geneva, Wis.

VERMILYE.—On January 1, aged seventy-five years, JACOB D. VERMILYE, President of Merchants National Bank, New York City.

WHEELOCK.—On January 8, aged seventy-five years, S. W. WHEELOCK, President of Moline National Bank, Moline, Ill.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from January No., page 587.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ALA.	Greenville	State Bank of Greenville	Tradesmen's National Bank.
	$25,000	W. B. Farris, *P.*	J. B. Little, *Cas.*
		L. D. Little, *V. P.*	W. W. Wright, *Ass't Cas.*
"	Huntsville	Farm. & Merch's Nat. B'k	....
	$100,000	Willard I. Wellman, *P.*	Edward H. Andrews, *Cas.*
"	Mobile	British American Trust Co.	....
	$500,000	Francis H. Clergue, *P.*	Melville H. Wardwell, *Sec.*
		W. Clark Gellibrand, *V. P.*	
COL.	Creede	Miners Bank	Chase National Bank.
		J. D. Maben, *P.*	Wm. O. Statton, *Cas.*
GA.	Columbus	Fourth National Bank	....
	$150,000	T. E. Blanchard, *P.*	Ephraim P. Owsley, *Cas.*
"	Marietta	Marietta Trust & B'k'g Co.	....
	$37,500	L. Sessions, *P.*	James T. Anderson, *Cas.*
		Joseph Paige, *V. P.*	D. N. Anderson, *2d V. P.*
IDAHO.	Caldwell	First National Bank	....
	$50,000	Howard Sebree, *P.*	Walter R. Sebree, *Cas.*
ILL.	Durand	Bank of Durand	....
	$40,000	S. A. Blake, *P.*	Chas. A. Norton, *Cas.*
		O. Norton, *V. P.*	
IND.	Anderson	National Exchange Bank	Fourth National Bank.
	$100,000	Jas. W. Sansberry, *P.*	John L. Forkner, *Cas.*
		Thomas J. McMahan, *V. P.*	
"	Muncie	Farmers National Bank	Hanover National Bank.
	$100,000	Geo. W. Spilker, *P.*	Edward Olcott, *Cas.*
		Carl A. Spilker, *V. P.*	
"	North Vernon	First National Bank	Chase National Bank.
	$60,000	John Overmyer, *P.*	Albert A. Tripp, *Cas.*
		V. C. Meloy, *V. P.*	Ed. Williams, *Ass't Cas.*
"	Vernon	First National Bank	Ninth National Bank.
	$50,000	Jacob Foebel, Jr., *P.*	John S. Morris, *Cas.*
		J. W. Hill, *V. P.*	A. G. Cotton, *Ass't Cas.*
IOWA	Charles City	Citizens National Bank	....
	$50,000	H. C. Baldwin, *P.*	F. B. Miner, *Cas.*
KAN.	Olsburg	Farmers State Bank	Hanover National Bank.
	$16,500	Arch. Richards, *P.*	James L. Rogers, *Cas.*
"	Topeka	Ætna National Loan Co.	....
	$1,000,000	Byron Roberts, *P.*	Elmer R. A. Misemer, *Cas.*
		John Guthrie, *V. P.*	
MICH.	Detroit	Union Trust Co.	....
	$500,000	D. M. Ferry, *P.*	B. H. Lawson, *Ass't Sec. & Treas.*
		W. C. McMillan, *V. P.*	J. L. Edson, *2d V. P.*
MO.	Troy	Peoples Savings Bank	Chase National Bank.
	$10,000	James A. Jackson, *P.*	Robt. S. Shelton, *Cas.*
		Fred W. Harbaum, *V. P.*	
NEB.	Leigh	Maple Valley State Bank	Kountze Bros.
		C. A. Whiting, *P.*	V. W. Graves, *Cas.*
		H. P. Benedict, *V. P.*	
"	Milligan	State Bank of Milligan	Hanover National Bank.
	$7,000	Wm. H. Taylor, *P.*	William J. Zirhut, *Cas.*
		Frank Chase, *V. P.*	
PA.	Dawson	First National Bank	....
	$50,000	James Cochran, *P.*	John H. Wurtz, *Cas.*
		J. R. Laughrey, *V. P.*	
"	Mount Jewett	Mount Jewett Bank	Seaboard National Bank.
	$10,000	M. J. Gallup, *P.*	H. J. Brennan, *Cas.*
TENN.	Pulaski	Citizens National Bank	....
	$60,000	John S. Wilkes, *P.*	W. L. Abernathy, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
TEXAS..	Crockett........	First National Bank.	Hanover National Bank.
	$50,000	William E. Mayes, *P.*	H. F. Moore, *Cas.*
		James C. Wootters, *V. P.*	
" ..	Detroit.........	First National Bank.......	....
	$50,000	C. H. Miers, *P.*	D. H. Chambers, *Cas.*
" ..	Goldthwaite.....	First National Bank.......	....
	$50,000	Daniel H. Trent, *P.*	G. E. Brown, *Cas.*
WASH..	Everett.........	First National Bank	....
	$50,000	Adolphus F. McClaine, *P.*	John F. Culver, *Cas.*
" ..	Waitsburgh.....	First National Bank	First National Bank.
	$50,000	Lewis Neace, *P.*	G. M. Rice, *Cas.*
W. VA..	Moundsville.....	Farmers & Mechanics B'k.	....
	$15,000	Miles Boner, *P.*	Millard F. Cox, *Cas.*
		L. Martin, *V. P.*	Wm. H. H. Showacre, *Ass't Cas.*
WIS....	Burlington......	Bank of Burlington.......	Chase National Bank.
	$50,000		Chauncey Hall, *Cas.*
		Stephen Bull, *V. P.*	Eugene Hall, *Ass't Cas.*
" ..	West Superior..	Superior National Bank...	United States National Bank.
	$200,000	A. A. Cadwallader, *P.*	John J. Hallowell, *Cas.*
		James H. Agew.	
WYO. ..	Sheridan........	Sheridan State Bank......	Gilman, Son & Co.
	$50,000	John B. Kendrick, *P.*	Allen S. Barrows, *Cas.*

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from January No., page 586.*)

	Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY.	Garfield National Bank..	R. W. Poor, *Cas*...........	H. D. Northrop.
" " .	Merchants Nat. Bank....	R. M. Gallaway, *P*.........	J. D. Vermilye.*
" " .	Nat. Bk of Commerce.	William C. Duvall, *Cas*....	....
		Neilson Olcott, *Ass't Cas*..	W. C. Duvall.
" " .	Seventh National Bank.	John D. W. Grady, *2d V. P.*	....
		Geo. W. Adams, *Cas*......	John D. W. Grady.
ALA....	Alabama National Bank, Mobile.	Francis H. Clergue, *P*......	C. W. Ruth.
CAL....	National Bank of Pomona, Pomona.	M. B. Campbell, *V. P*......	....
COL....	First National Bank, Telluride.	T. A. Davis, *Cas*..........	Chas. L. Hyde.
		Wm. W. Bird, *Ass't Cas*...	A. M. Wrench.
CONN...	Windham Co. Nat. Bank, Brooklyn.	C. S. Burlingame, *P*.......	John Palmer.
" ..	Danbury Nat. B'k, Danbury..	Samuel H. Rundle, *P.*	Lucius P. Hoyt.
"	First Nat. Bank, Stonington.	Moses A. Pendleton, *V. P.*.	O. B. Grant.
IDAHO..	First Nat. Bank, Hailey....	R. F. Buller, *P*...........	M. B. Loy.
		M. B. Loy, *V. P*..........	A. J. McGowen.
		F. T. Lang, *Ass't Cas*....	....
ILL.....	Nat. State B'k, Bloomington.	R. F. Evans, *2d V. P*.....	....
" ..	Nat. Live Stock B'k, Chicago.	Gates A. Ryther, *Ass't Cas.*	Chas. Jameson.
" ..	Union Nat. Bank, Chicago...	August Blum, *Cas*.........	W. C. Oakley.
" ..	Moline National Bank, Moline.	Porter Skinner, *P*..........	S. W. Wheelock.*
		H. A. Ainsworth, *V. P*....	Porter Skinner.
" ..	Commercial Nat. Bk, Peoria.	Walter Barker, *V. P*.......	Henry P. Ayres.
IND.....	Citizens National Bank, Crawfordsville.	C. Goltra, *Cas*............	Benj. Wasson.
		P. C. Somerville, *Ass't Cas.*	C. Goltra.
" ..	Merchants National Bank, Indianapolis.	O. F. Frenzel, *Ass't Cas*...	....
" ..	First Nat. Bank, Lagrange .	J. I. Norris, *Cas*..........	....
IOWA...	Nat. Bank of Sioux City, Sioux City.	H. L. Warner, *P*..........	O. J. Taylor.
KAN....	First National Bank, Kirwin.	Chas. W. Hull, *V. P*......	M. H. Johnson.
		H. R. Hull, *Cas*...........	Chas. W. Hull.
		Duncan Algar, *Ass't Cas*..	H. R. Hull.

* Deceased.

Bank and Place.	Elected.	In place of.
KAN....Lawrence National Bank, Lawrence.	Walter L. Howe, *Cas.*.....	H. C. Vaughan.
	H. B. Topping, *Ass't Cas.*.	Walter L. Howe.
" ..First Nat. B'k, McPherson...	W. S. Bukey, *Cas*.........	....
" ..McPherson National Bank, McPherson.	H. H. Champlin, *Ass't Cas.*	....
KY.....First National Bank, Middlesborough.	Geo. L. Reis, *P.*..........	G. W. Arthur.
	J. P. Sandifer, *Cas*........	Edw. LaBoiteaux.
ME. ....Gardiner Nat. B'k, Gardiner.	J. C. Atkins, *V. P.*........	....
" ..York National Bank, Saco...	Sumner C. Parcher, *Cas*...	John C. Bradbury.*
MD.....Drovers & Mech's Nat. B'k, Baltimore.	James Clark, *P.*...........	James Carroll.
	Henry Clark, *V. P.*.......	....
" ..Nat. Bk of Elkton, Elkton...	H. H. Brady, *V. P.*........	J. A. J. Creswell.*
" ..Montgomery Co. Nat. B'k, Rockville,	Spencer C. Jones, *P.*.......	J. D. Baker.
	J. D. Baker, *V. P.*.........	....
MASS...Shawmut Nat. B'k, Boston..	F. H. Barbour, *2d Ass't Cas.*	....
" ..Gloucester National Bank, Gloucester.	John Corliss, *P.*..........	Benj. H. Corliss.
" ..Grafton Nat. Bank, Grafton.	Jos. A. Dodge, *Ass't Cas.*..	....
" ..Hopkinton Nat. Bank, Hopkinton.	WebsterW.Page, *Ass't Cas.*	Palmer Taylor.
" ..National Pemberton Bank, Lawrence.	W. S. Jewett, *P.*..........	W. R. Spalding.*
" ..First Nat. B'k, Merrimac	J. A. Lancaster, *V. P.*.....	B. F. Sargent.*
" ..Agricultural National B'k, Pittsfield.	W. M. Crane, *V. P.*.......	J. N. Dunham.
" ..Pittsfield Nat. B'k, Pittsfield.	Andrew J. Waterman, *P.*..	Zenas Crane.
" ..Central National Bank, Worcester.	Henry A. Marsh, *P.*........	Joseph Mason.
	William Woodward, *Cas.*.	H. A. Marsh.
	W. H. Adams, *Ass't Cas.*..	W. Woodward.
MICH...First National B'k, Pontiac..	S. E. Beach, Jr., *Ass't Cas.*	....
" ..First Nat. Bank, Reed City..	James M. Reed, *V. P.*.....	....
MINN...Commercial B'k, Min'apolis..	O. C. Merriman, *Cas*......	H. P Browne.*
" ..Security B'k of Minnesota, Minneapolis.	F. A. Chamberlain, *P.*....	....
	E. F. Mearkle, *2d V. P.*...	....
	Perry Harrison, *Cas*.......	F. A. Chamberlain.
" ..First Nat. B'k, Pipe Stone...	D. C. Briggs, *Ass't Cas.*...	....
" ..Lumbermens Nat. Bank, Stillwater.	A. J. Lehmicke, *Ass't Cas.*	I. E. Staples.
" ..St. Paul National Bank, St. Paul.	F. W. Anderson, *P.*.......	Peter Berkey.
	W. B. Geery, *Ass't Cas.*...	....
MO.....Central National Bank, Boonville.	H. Bunce, *P.*............	J. M. Nelson.
	C. W. Sombart, *V. P.*.....	H. Bunce.
NEB....First Nat. Bank, Grant......	E. P. Brown, *Ass't Cas.*...	C. W. Anderson.
" ..Nebraska Sav. & Ex. B'k, Omaha.	John Rush, *P.*............	J. L. Miles.*
N. H...Conn. River Nat. Bank, Charlestown.	Richard Robertson, *P.*....	J. G. Dinsmore.*
" ..Mechanicks National Bank, Concord.	B. A. Kimball, *V. P.*......	J. B. Walker.
N. J....Bloomsbury National Bank, Bloomsbury.	J. W. Creveling, *Ass't Cas.*	....
" ..Key Port Banking Co., Key Port.	Thos. S. R. Brown, *P.*....	M. Taylor.*
	A. Walling, Jr., *V. P.*.....	Thos. S. R. Brown.
" ..Moorestown Nat. Bank, Moorestown.	W. M. Paul, *P.*...........	C. Lippincott.
	David D. Griscom, *V. P.* .	W. M. Paul.
N. Y....Albany City N. B'k, Albany.	Geo. I. Amsdell, *3d V. P.*.	....
" ..City Savings Bank, Brooklyn.	Remsen Rushmore, *P.*....	D. A. Boody.
" ..N. B. of Coxsackie, Coxs'kie.	Platt Coonley, *P.*.........	D. M. Hamilton.*
" ..Merch. & Farm. Nat. B'k, Dansville.	Wm. Kramer, *V. P.*.......	C. D. Beebe.
" ..Farmers N. B'k, Granville...	M. C. Hulett, *V. P.*.......	S. B. Norton.
" ..First Nat. Bank, Greenport..	F. B. Corey, *Ass't Cas.*....	....
" ..State of N. Y. Nat. Bank, Kingston.	Jesse Myer, *P.*............	Henry Abbey.
" ..First N. B'k, New Brighton..	C. H. Ingalls, *Actg. Cas.*..	J. H. B. Edgar.
" ..Highland National Bank, Newburgh.	Augustus Denniston, *P.*...	M. C. Belknap.
	Daniel S. Waring, *V. P.*...	A. Denniston.
" ..National Bank of Norwich, Norwich.	T. DeWitt Miller, *P.*......	....
	John O. Hill, *V. P.*.......	T. DeWitt Miller.

* Deceased.

Bank and Place.	Elected.	In place of.
N. Y... Farmers & Manuf'rs N. B'k, Poughkeepsie.	Edward S. Atwater, *P.*	Wm. A. Davies.
" . Merchants National B'k, Poughkeepsie.	W. C. Arnold, *V. P.*	Albert Tower.
" .. Poughkeepsie Nat. B'k, Poughkeepsie.	Stephen G. Guernsey, *P*	A. J. Ketcham.
OHIO... First Nat. Bank, Ashland	A. C. Bogniard, *Ass't Cas.*	....
" .. First Nat. Bank, Batavia	P. F. Jamieson, *Ass't Cas.*	C. T. Jamieson.
" .. First Nat. Bank, Bridgeport	H. M. Clark, *Cas.*	J. J. Holloway.
" .. First Nat. Bank, Bryan	Will W. Morrison, *Cas.*	D. C. Baxter.
" .. First Nat. Bank, Bucyrus	Geo. C. Gormly, *V. P.*	Benjamin Sears.
	J. C. Gormly, *Cas*	George C. Gormly.
	J. B. Gormly, Jr., *Ass't Cas.*	....
" .. Citizens Sav. & Loan Asso., Cleveland.	Wm. S. Jones, *P.*	H. B. Payne.
	H. B. Corner, *S. & Ass't Tr.*	....
" .. Hubbard B'k'g Co., Hubbard.	David G. Dennison, *P.*	R. N. Jewell.*
" .. First N. B., McConnellsville.	H. B. Vincent, *V. P.*	R. Stanton.
" .. Merchants N. B., Middletown.	P. J. Sorg, *P.*	Chas. F. Gunckel.
" .. Tiffin National Bank, Tiffin.	J. M. Naylor, *P.*	John D. Loomis.
" .. Merchants National Bank, Toledo.	M. I. Wilcox, *P.*	R. V. Boice.
	N. H. Swayne, *V. P.*	M. I. Wilcox.
ORE.... United States Nat. Bank, Portland.	Tyler Woodward, *V. P.*	J. E. Haseltine.
	F. W. Sherman, *Ass't Cas.*	George W. Haden.
PA...... First Nat. B'k, Gettysburgh..	Alex. Spangler, *V. P.*	....
" . First National Bank, Glen Rock.	W. C. Wambaugh, *Cas.*	D. A. Becker.
	N. K. Seitz, *Ass't Cas.*	W. C. Wambaugh,
" .. First National Bank, Honey Brook.	John E. Finger, *Cas.*	R. W. Morton.*
	G. L. Ramsey, *Ass't Cas.*	John E. Finger.
" .. First Nat. Bank, Pen Argyl.	Frank Hagerman, *V. P.*	J. H. Werner.
" .. Union Trust Co., Philad'phia.	D. H. Foote, *Tr. & Sec.*	M. S. Stokes.
" .. First National Bank, Saltsburg.	James P. Watson, *P.*	John M. Stewart.
	J. P. Smith, *V. P.*	S. Waddle, Sr.
" .. Wyoming National Bank, Tunkhannock.	Paul Billings, *V. P.*	John Jackson.
" .. Williamsport Nat. Bank, Williamsport.	Edgar Munson, *P.*	Geo. L. Sanderson.
R. I.... Pascoag Nat. Bank, Pascoag.	A. L. Sayles, *V. P.*	James S. Cook.
" .. Rhode Island Nat. Bank, Providence.	Earl P. Mason, *V. P.*	....
" .. Citizens N. B'k, Woonsocket.	Edgar K. Ray, *P.*	O. J. Rathbun.
TENN... Nat. Bank of McMinnville, McMinnville.	W. H. Magness, *P.*	....
	H. L. Walling, *V. P.*	W. H. Magness.
" .. First Nat. Bank, Nashville.	Herman Justi, *P.*	Thomas Plater.
" .. First Nat. Bank, Tullahoma.	James G. Aydelott, *V. P.*	T. J. Morris.*
TEXAS.. First Nat. Bank, Bellville	C. Langhammer, *V. P.*	....
" .. State Nat. Bank, Denison	E. S. Walton, *Ass't Cas.*	....
" .. First National Bank, Houston.	A. P. Root, *P.*	B. A. Shepherd.*
	W. H. Palmer, *Cas.*	A. P. Root.
" .. Houston Nat. B'k, Houston.	N. C. Munger, *Actg. Cas.*	L. L. Jewett.
" .. First Nat. Bank, Temple	P. L. Downs, *Cas*	F. E. Sanford.
VT..... Weldon National Bank, St. Albans.	E. C. Smith, *P.*	....
	F. Stewart Stranahan, *V. P.*	E. C. Smith.
	John C. Stranahan, *Cas.*	F. S. Stranahan.
VA...... First Nat. B'k, Buena Vista.	A. P. Moore, *V. P.*	B. C. Moorman.
" .. Nat. Exchange B'k, Roanoke.	J. H. Campbell, *Ass't Cas.*	....
W. VA. Kanawha N. B'k, Charleston.	J. F. Bedell, *Ass't Cas.*	....
" .. Merchants National Bank, Clarksburgh.	S. R. Harrison, *2d Ass't Cas.*	....
WASH.. First National Bank, Aberdeen.	B. F. Johnston, *P.*	G. W. E. Griffith.
	J. M. Weatherwax, *V. P.*	J. A. Taft.
" .. First Nat. B'k North Yakima.	Henry Teal, *Ass't Cas.*	....
" .. Yakima National Bank, North Yakima.	Geo. Donald, *P.*	H. S. Rowe.
	R. K. Nichols, *V. P.*	Geo. Donald.
" .. Traders National Bank, Spokane.	M. M. Cowley, *P.*	....
	C. E. McBroom, *Cas.*	M. M. Cowley.
WIS.... Manufacturers N. B., Racine.	M. B. Erskine, *P.*	Jerome I. Case.*
" .. First National Bank, Ripon.	F. Spratt, *Ass't Cas.*	....

* Deceased.

PROJECTED BANKING INSTITUTIONS.

N. Y. CITY............Colonial Bank; capital, $100,000. Incorporators: A. C. Cheney, W. S. Arkell, Charles J. Peabody, John A. McCall, Robert Dunlap, Frederick Culver, Edwin W. Orvis, G. B. Jacques, Alexander Walker, James Wiggins, S. L. Chamberlain and Percival Knauth.

ALA....Huntsville......Huntsville Loan and Investment Co. A. D. Davis, of Chicago, Ill.; L. S. Cook, St. Paul, Minn., and O. C. Cole, of Tennessee.

CAL....Biggs...........Sacramento Valley Bank; capital stock, $200,000. Directors: G. K. Smith, W. C. Stose, J. A. Foster, W. P. Hammon, W. A. Shippee.

" ..Hollister........Farmers and Merchants Bank; capital, $50,000. William Palmtag, President; A. Town, Cashier.

" ..Lemoore........Bank of Lemoore; capital stock, $100,000. Directors: B. O. Carr, G. E. Short, R. E. McKenna, J. H. Rout and S. C. Lillis.

" ..Sacramento.....Sacramento Savings and Loan Bank. William P. Coleman, President; Ed. R. Hamilton, Cashier.

" ..San Francisco..Mutual Investment Union of San Francisco; capital stock, $200,000. Directors: A. S. Barney, J. M. Chase, J. T. Ward, W. E. Lamb, W. Allen, F. C. Havens, A. H. Clough, W. E. Wallace and Thomas Mulligan.

" ..Sebastopol......W. H. Currier, of Petaluma, and others, will establish a bank with a capital of $50,000.

COL....Creede.........Peter Breene, of Leadville, with others, will start a bank here.

" ..Denver.........Merchants and Mechanics Bank. W. J. Smith, President; $1,000,000.

" .. " ....Reliance Bond and Trust Co.; capital, $250,000. Directors: C. W. Haskins, W. P. Wadsworth, S. D. I. Emerson, T. A. Thompson, J. H. Ewing and H. Emerson.

" ..Fort Lupton....Denver men will establish a bank here.

DAK. N. Hillsboro......Hillsboro Banking Co.; capital stock, $20,000.

FLA....Pensacola.......Mr. Charles D. Pratt, Cashier of the Bank of Pell City, Ala., with Boston capitalists, is arranging to open a bank at Pensacola.

ILL.....Charleston.....Charleston State Bank; capital stock, $25,000. Organizers: George R. Chambers, Lewis Monroe, W. M. Chambers, W. E. Hill, Ed. Chilton, John R. Hamilton, W. G. Cash, J. H. Marshall, John O. Piper.

" ..Chicago........Title Guarantee and Trust Co. Stockholders: Gwynn Garnett, John DeKoven, W. D. Kerfoot, Samuel B. Chase, A. H. Sellers, John P. Wilson, Edson Keith, George C. Walker, Chas. W. Drew, George M. Bogue, John G. Shortall.

" ..Gridley.........State Bank of Gridley; capital stock, $25,000. E. H. Hynemann, President; R. Breese, Vice-President; C. M. Coyle, Cashier.

IND.....Kentland.......Bank of Kentland. Isaac Smart, President; Geo. D. Rider, Cashier.

KAN....Overbrook......Kansas State Bank; capital, $10,000.

MASS...Boston..........F. S. Moseley & Co., note bankers, have opened an office at 28 State street.

" ..South Boston...Mattapan Deposit and Trust Co.; capital stock, $100,000. Apply G. H. Bond, Monks Building.

MICH...Clarksville......Bank to be opened in the spring.

" ..Homer.........First State Bank; capital, $25,000.

" ..Mancelona......Antrim County Savings Bank.

" ..Milford.........Lacey & Lidell will open a private bank.

" ..Perry..........A State bank has been organized here.

MINN...Anoka..........J. M. Bartlett, of Minneapolis, will open a State bank at Anoka.

" ..Bellingham.....Bellingham State Bank, of Lac-qui-parle County, was incorporated, with a capital stock of $25,000.

" ..Cokato.........New bank with $30,000 capital. Stockholders: Messrs. Woodward, of Minneapolis; Kensington, of Breckenridge, and Bull, of Cokato.

MO.....Buckner........New bank; capital stock, $10,000. Directors: T. G. Hall, S. H. Chiles, Thos. D. Williams, Jas. W. Kenyon. George H. Avitt, of Higginsville, will be Cashier and Vice-President.

" ..Sedalia.........Peoples Bank; capital stock, $50,000.

NEB... Beatrice........J. W. Page and W. W. Morse have formed a partnership for banking, under firm name of Page & Morse.

" ..Bennington ....Mangold & Glandt, bankers; capital stock, $20,000. Incorporators: Peter, George and Michael Mangold, Peter Glandt and Anton H. Bachmann.

" ..Elwood........Citizens State Bank; capital stock, $30,000. Incorporators: M. T. Jackson, F. W. Perry, A. R. Rose, H. M. Hare.

" ..Lincoln........Industrial Savings Bank incorporated.

N. Y....Brocton.........State Bank of Brocton succeeds Dean & Hall's private bank.

" ..Freeport........A bank of deposit is to be organized here, with a capital of $30,000.

" ..Suspension Bridge } Judge McKoon and Mr. Percy, of New York, are arranging to start a bank, with $25,000 capital.

OHIO...Middletown.....Gunckel Banking Co.; capital stock, $50,000. Stockholders: Charles F. Gunckel, E. W. Gunckel, Thomas Collet, S. P. Crane and Hon. L. B. Gunckel, of Dayton.

PA. ....Blairsville......A Second National Bank to be established.

" ..Harmony......S. S. Niece has started a bank here. J. W. Borough, Assistant Cashier of the Peoples Bank of North Baltimore, Ohio, will take charge.

" ..Mount Jewett...New bank started by Messrs. Gallup & Brennan.

" ..Philadelphia....Henry S. Louchheim and Frederick Leser have entered into partnership, under firm name of H. S. Louchheim & Co., for the transaction of a general banking business. Fifth and Chestnut streets.

" . Susquehanna....Susquehanna Trust and Safe Deposit Co. Directors: B. C. Bowman, John Lawshe, E. A. Rowley, John G. Reading, Gottlieb Fullmer.

S. C.... Columbia......Canal Dime Savings Institution; capital stock, $20,000.

TENN...Kenton........Bank organized here, with $50,000 capital. George P. Hunt, President; S. A. Chambers, Cashier.

TEXAS..Canadian.......Canadian Valley Bank established by Messrs. Moody & Young.

UTAH...Salt Lake City..B. H. Schettler, broker.

WASH..Fairfield........Coey Bros. & Co. Bank. E. L. Moore, Cashier.

WIS.... Milwaukee......Pabst National Bank; capital, $1,000,000, Those interested in the project are Capt. Pabst, Charles Schriber, Cashier of the National Bank of Oshkosh; D. M. Benjamin, A. A. L. Smith.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during January, 1892.

DAK. N. Langdon.......First National Bank, by W. J. Mooney and associates.
DAK. S..Bridgewater....First National Bank, by E. N. Smith and associates.
IDAHO..Caldwell........First National Bank, by W. R. Sebree and associates.
IOWA.. Eagle Grove....Merchants National Bank, by J. Fitzmaurice and associates.
" ..Estherville .....First National Bank, by F. E. Allen and associates.
" ..Preston ....First National Bank, by G. D. Foster and associates.
KAN....Pittsburgh......National Bank of Commerce, by J. F. McKinney and associates.
MASS...Holyoke........Park National Bank, by E. L. Munn and associates.
MINN...Albert Lea......Albert Lea National Bank, by H. D. Brown and associates.
N. H...Manchester.....National Bank of Commonwealth, by Joseph C. Moore and associates.
N. J....Orange.........Second National Bank, by Chas. A. Lindsley and associates.
N. Y.... Buffalo........ Columbia National Bank, by Josiah Jewett and associates.
OHIO...Columbus ......Hayden National Bank, by E. R. Stewart and associates.
ORE....Dallas..........First National Bank, by D. W. Sears and associates.
PA. ....Irvin...........First National Bank, by J. P. Taylor and associates.
" . Pottstown......Citizens National Bank, by R. Morgan Roote and associates.
TEXAS..Amarillo........National Bank of Amarillo, by A. H. Wood and associates.
" ..Denton.........Denton County National Bank, by I. B. Walker and associates.
" ..Jefferson.......Iron City National Bank, by A. H. Schlester and associates.
VA.....Norfolk.... ....City National Bank, by A. E. Krise and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from January No., page 592.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4673	First National Bank........... Dawson, Pa.	James Cochran,	John H. Wurtz,	$50,000
4674	Farmers National Bank .... Muncie, Ind.	George W. Spilker,	Edward Olcott,	100,000
4675	First National Bank........... Elwood, Ind.	John R. Page,	James M. Barton,	50,000
4676	Citizens National Bank........ New Castle, Pa.	Thomas W. Phillips,	David Jameson,	200,000
4677	Citizens National Bank........ Charles City, Iowa	H. C. Baldwin,	F. B. Miner,	50,000
4678	First National Bank........... North Vernon, Ind.	John Overmyer,	Albert A. Tripp,	60,000
4679	Citizens National Bank........ Pulaski, Tenn.	John S. Wilkes,	W. L. Abernathy,	60,000
4680	Superior National Bank........ Superior, Wis.	A. A. Cadwallader,	John J. Hallowell,	200,000
4681	First National Bank........... Waitsburgh, Wash.	Lewis Neace,	G. M. Rice,	50,000

No	Name and Place.	President.	Cashier.	Capital.
4682	First National Bank........... Detroit, Tex.	C. H. Miers,	D. H. Chambers,	$50,000
4683	Coleman National Bank....... Coleman, Tex.	James E. McCord,	William N. Cameron,	50,000
4684	First National Bank........... Crockett, Tex.	William E. Mayse,	H. F. Moore,	50,000
4685	National Exchange Bank...... Anderson, Ind.	James W. Sansberry,	John L. Forkner,	100,000
4686	First National Bank........... Everett, Wash.	Adolphus F. McClaine,	John F. Culver,	50,000
4687	First National Bank........... Goldthwaite, Tex.	Daniel H. Trent,	G. E. Brown,	50,000
4688	First National Bank........... Vernon, Ind.	Jacob Foebel, Jr.,	John S. Morris,	50,000
4689	Farmers & Merchants Nat. B'k Huntsville, Ala.	Willard I. Wellman,	Edward H. Andrews,	100,000
4690	First National Bank........... Caldwell, Idaho	Howard Sebree,	Walter R. Sebree,	50,000
4691	Fourth National Bank......... Columbus, Ga.	T. E. Blanchard,	Ephraim P. Owsley,	150,000

CHANGES, DISSOLUTIONS, ETC.

(*Continued from January No., page 592.*)

DAK. S.Aberdeen.......Northwestern National Bank has gone into voluntary liquidation.
" ..Huron..........Huron National Bank is in hands of a receiver.
" ..Oelrichs.........Fall River County Bank reported closed.
GA... ..Marietta........Anderson Bros. will be succeeded by Marietta Trust & Banking Co.
ILL... .Chicago........Security Loan & Savings Co. reported assigned.
IND.....Anderson.......Exchange Bank succeeded by National Exchange Bank, same correspondents.
" ..North Vernon...Jennings County Bank succeeded by First National Bank.
" ..Vernon.........State Bank of Jennings County succeeded by First National Bank.
IOWA.. Fort Dodge.....Merchants National Bank has gone into voluntary liquidation.
" ..Parkersburg.....Exchange Bank now State Exchange Bank, same officers and correspondents.
KAN.. .Downs..........First National Bank reported closed.
" ..Leoti...........First National Bank reported suspended.
KY.....Glasgow........Deposit Bank reported closed.
MD.....Baltimore......J. J. Nicholson & Sons closed.
MO.....Marshall........Cordell & Dunnica Banking Co. assigned.
NEB....Leigh..........Maple Valley Bank (C. A. Whiting) succeeded by Maple Valley State Bank, incorporated.
" ..Milligan........Milligan Exchange Bank succeeded by State Bank of Milligan.
OHIO...Bucyrus........Monnett & Co. title changed to Bucyrus City Bank.
" ..Cincinnati......Morehead, Irwin & Co. succeeded by Irwin, Ellis & Ballman.
" ..Marysville......Farmers Bank incorporated, same officers and correspondents.
PA.....Dawson........Dawson Deposit Bank reported closed.
" ..Muncy..........First National Bank reported closed.
" ..Philadelphia ....Ervin & Toland now Ervin & Co.
TEXAS..Rockdale........Rockdale Bank retiring from business.
VA.....Lynchburgh.....Virginia Investment & Banking Co. succeeded by Traders Bank, same officers.
WASH..Waitsburgh.....Bank of Waitsburgh succeeded by First National Bank.
WIS....Lake Geneva....Bank of Geneva closing out business.
" ..Manitowoc......First National Bank has gone into voluntary liquidation succeeded by State Bank of Manitowoc, same officers and correspondent.
WYO...Sheridan........Kendrick & Barrows succeeded by Sheridan State Bank.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JANUARY, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in January.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
	Quarterly Mar.				
2s, 1907 .. ...reg.	Quarterly	100	100	100	100
4s, 1907.......reg.	Quarterly Jan.	116½	117	115½	116
4s, 1907 .....coup.	Quarterly	116½	117	115½	116
	Quarterly Feb.				
6s, cur'cy,1895,reg.		109	109	109	109
6s, cur'cy,1896,reg.	Jan.	111	111	111	111
6s, cur'cy,1897,reg.	&	113	113	113	113
6s, cur'cy,1898,reg.	July.	115½	116	115½	115½
6s, cur'cy,1899,reg.		118	118½	118	118

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific...........	—	5¼	5	—
Canadian Pacific...........	92⅝	94½	88¾	—
Canada Southern	61¾	62	58⅜	61
Central of N. J.........	113	117¼	111½	115⅜
Central Pacific....	34	35	32⅝	—
Ches. & Ohio.	26⅞	28	24⅞	26
Do 1st pref..	60¼	64½	59	61⅞
Chic. & Alton..	—	140	140	—
Do pref..	—	—	—	—
Chic., B. & Q.	109½	110⅝	106¼	109¾
Chic. & East'n..........	70	70	67½	—
Do pref..	—	102¾	98	—
Chic., M. & St. P......	82¾	83⅜	77⅝	80⅜
Do pref..	124	126	120½	124⅜
Chic. & N. W	116⅞	119	114⅞	118⅜
Do pref..	—	145½	141½	—
Chic. R. I. & P...........	89⅛	94¼	88½	92¼
Chic. St. P., M. & O.......	49¼	50⅞	44	49¾
Do pref..	—	114⅞	108½	—
C., C., C & St. L	72	75	70¾	72⅛
Col. Coal & Iron......... ...	37⅝	39½	35⅞	38
Col., H. Valley & Tol.......	31¾	32¼	29½	31
Del. & Hudson............	—	127	122⅞	126
Del., Lack. & W......	139⅝	148¼	138⅛	146
Den. & Rio Grande........	19½	19½	17	18
Do pref..	50	51¼	45	50¾
East Tenn. V & G.........	7⅝	9¾	7⅜	—
Do 1st pref..	—	51¾	46	—
Do 2d pref..	15¼	19⅛	14¾	—
Evansville & T. H...... ...	—	124	119½	—
Illinois Central.	109½	109¾	107½	109
Lake Erie and Western.. ...	22¾	23⅞	20¼	22⅜
Do pref..	70	74½	69¼	71¾
Lake Shore..............	123½	123½	120	122¾
Long Island..............	—	97½	95	—
Louisville and Nashville.....	84½	84½	73¾	74⅝
Louisville, N. Alb & Chic...	27½	31	26	29¼
Manhattan Consol..........	104	119	104	116
Mexican Central........ ...	23¼	23¾	19¼	19¼
Michigan Central...	106⅛	108½	104	107¾
Mil., L. S. & W	—	93	92⅝	—
Do pref..	—	135	133	—
Minn. & St. Louis..........	—	10¾	9	9
Do pref..	21¾	24	20¼	20½
Mo., Kan. & Texas........	20	20¾	18½	—
Missouri Pacific............	63⅞	65⅜	59	63⅜
Nash., C. & St. L...	—	90	88	—
N. Y. C. & Hudson	116⅞	116⅛	112⅜	115⅜
N. Y., C. & St. L..	21½	22½	19	20
Do pref..	—	81½	78½	—
N. Y., L. E. & W..........	34¾	34¾	29¾	31⅛
Do pref..	75⅞	75⅞	70⅜	72⅝
N. Y. & New Eng	44	52⅜	42¾	50¼
N. Y., Ont. & W.....	22	22	18⅞	19⅜
N. Y., Sus. & W....... ...	—	13	10½	—
Do pref..	41⅝	50¼	41⅛	49½
Norfolk & Western.........	—	18	16	—
Do pref..	55	56	49¾	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific.	26½	26½	23	24
Do pref..	72⅛	72⅛	65½	67⅝
Ohio & Mississippi......	—	24	22	—
Ohio Southern	—	23	19	21½
Oregon Impt...............	28½	29⅝	26½	—
Oregon R. & N............	88	91⅜	85	—
Oregon Short Line..	33	33⅛	28½	30½
Pacific Mail	39	40⅜	35½	38⅞
Peoria, Decatur & Evansville	22¾	22⅞	19¾	21¼
Philadelphia & Reading.....	40¼	42⅞	38	41⅜
Pullman Palace Car Co......	—	189	185	189
Rich. & W. P. Term........	15	17⅛	13¾	15
Rome, W. & Ogd.....	—	112	110	110¾
St. Louis, A. & T. H..	—	33⅞	32¾	—
Do pref..	—	—	—	—
St. Louis & San Francisco...	—	—	—	—
Do pref..	—	—	—	—
Do 1st pref..	—	—	—	—
St. Paul & Duluth..........	—	48⅞	44¼	—
Do pref..	—	106	103	—
St. Paul, M. & M..........	115¾	116½	112½	—
Southern Pacific Co.........	39⅝	41¼	39⅜	40
Sugar Refineries...........	85½	88½	78½	81¾
Texas & Pacific............	14	14⅝	12	—
Union Pacific............	49⅝	50⅛	45⅝	47⅞
Wabash, St. Louis & Pacific.	15¼	15⅛	12¾	—
Do pref..	33	33½	28½	31
Wisconsin Central..........	—	21¼	18	—
MISCELLANEOUS—				
Am. Cotton Oil Trust......	36⅛	37⅛	33⅛	36
Nat. Lead Trust............	38⅜	39	31	36⅛
Tenn. Coal & Iron..........	41¼	44⅞	40½	42⅞
Express—Adams.....	148	150	147	—
American.........	117⅛	118	116¾	—
United States.....	—	54	48	—
Wells-Fargo	—	145	140	—
Western Union.............	84⅛	85⅜	81⅞	85
Wheel. & Lake E..........	38½	40¼	36	37⅜
Do pref..	77¾	80⅛	76¾	78⅞

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVI. MARCH, 1892. No. 9.

MONEY, BUSINESS AND PRICES.

The banks in New York and other large cities have an enormous accumulation of funds which many regard as an index of bad times. This, however, is not the only construction that can be put on these accumulations. It is true that when times are dull and credit is shaken the deposits in banks increase through fear of lending them. At such times persons having good credit can obtain money at low rates, while those whose credit is less favorably regarded can borrow at only very high rates, or not at all. But the present accumulations now may be explained in another way. The returns from the crops have been flowing into the banks, and the deposits now in sight are only another way of registering the country's prosperity, and which is waiting investment. In a short time, comparatively, the holders will begin to inquire how to employ their funds and they will flow out. It is said that inquiries after municipal securities have been particularly active of late, and a large amount is likely to be absorbed in this manner. Other sums will doubtless go into new railroad enterprises, and perhaps a considerable portion will be diverted into the delusive stream of speculation.

The volume of business in our country has become very large, even in dull times, and a vast amount of money is needed to transact it, which finds its way, at one time and another, into banks and is mingled with other deposits. There are two things about production at the present time which cause no little disquietude. First, the profits from business, in most cases, are small; competition is so sharp, especially in manufactures and transportation, that they have run down to a minimum. An enormous business is now transacted on which it is believed that hardly any profits are earned, while those from the most favored operations are small compared with what they were a few years ago. Moreover, this change is likely to be permanent; the old days of great profits have gone both in production and transportation. No one is likely to acquire them unless through accident or some unusual stroke of fortune. Of course, in the great field of production there are many processes of a monopolistic character, such as patents, whose owners are protected by law, and whose profits may continue to be very large. But the statement is doubtless correct that, in production and exchange generally, profits have declined to a low figure and are likely to be small in the future.

Many producers have not forgotten the old times when profits were very great, and consequently they cannot help feeling despondent over the change.

There is another change in profits even less pleasant to contemplate. The low profits could be endured if they were regular, but besides this fact competition has become exceedingly active, speculation has invaded many fields, greatly increasing the risks of business. It is this state of things which is causing so much anxiety, making men grow old rapidly, and leading them to look with distaste on business and to regard the future with foreboding. They have come to see that in order to exist at all large plants must be created, millions must be invested, but no sooner perhaps is a plant finished than a new invention is discovered for cheapening production which must be introduced at very considerable cost, or a later competitor who has introduced it reaps an advantage which the other cannot overcome. Thus in one way or another the risks of production are enormously increased.

In another article we have referred to the change which has occurred in the profits of anthracite coal mining since the introduction of bituminous coal. Until a few years ago the supremacy of anthracite coal in the East was complete. But now every year less and less is used for steam purposes; and the advantages of softer coal are becoming more generally known. The same thing is true with respect to lines of transportation. New competing railways are built, and thus the rates are diminishing constantly until it would seem as if hardly anything was left as profits for the transporter. These are some of the conditions which those engaged in production and transportation must face, and which render them so anxious concerning the future. But it is well to understand them, to know the changes that are in progress and to prepare for them. Those who are unwilling to see, or who persist in their old ways, are sure to be left behind in the struggle.

THE PHILADELPHIA AND READING RAILROAD LEASES.

One of the most important railroad operations of recent years is the leasing by the Philadelphia & Reading of the Lehigh Valley and New Jersey Central Railroads. It is important not only in the amount of capital thus aggregated, but also in the increased power which the Philadelphia & Reading Railroad can exercise in the production, transportation and sale of anthracite coal. We propose to look at the operation briefly from several points of view.

Regarded as a stock-jobbing enterprise, it must be pronounced a remarkable success. The stock represented by the three companies suddenly advanced nearly $20,000,000 in value, which means that the holders were better off by that amount than they were before. Of course, they have not cleared this much by the advance, for doubtless many of the Philadelphia & Reading and Lehigh Valley stockholders paid far more than the present price for their holdings.

But those who had purchased their stock at the low prices which have long prevailed, must have made a very handsome profit from the operation, and especially those who bought Jersey Central a few years ago at the low figures which the stock then commanded. Probably no considerable class have been so lucky as the few men who invested in Jersey Central within a half a dozen years, expecting that by some happy turn of fortune, or better management of the property, or both combined, to make a good thing from their venture. They certainly have succeeded.

Whether this advance will be maintained is quite another matter. Those who bought the stock for sale before the consolidation have doubtless sold it, and consequently whether the leases are pronounced void or not, or whether the earnings of the road shall fulfill the strenuous predictions of its ardent prophets is of no moment to them. If they are out and have been paid for their stock their interest is ended, and the loss, if one is sustained, must be borne by others. The only essential thing left for them to do is to maintain their confidence in the constitutionality of the combination, so that when the unreasoning and too confiding crowd discover the pit into which they have fallen, they will not look quite so savagely on the faces of those who digged it. This is what the Scriptures regard as acting wisely in one's generation.

How far, or to what extent this movement originated with a few large shareholders, for the purpose of selling their shares, is not yet fully known to the public. It has been well known that for several years the principal holders of the New Jersey Central were quite ready to sell or lease at the first opportunity. It has been reported on several occasions that they were ready to combine, or sell the property, or resort to almost any arrangement to escape from their burden. Not that they were without confidence in their property; but simply, not regarding themselves as railroad managers, and not purchasing with the expectation of keeping it permanently, but only to improve and sell at an advance, they were desirous of realizing on their venture. This, of course, is a perfectly square business, and no one can criticise such conduct. They had a right to invest in Jersey Central in the beginning; they certainly have done much to improve the property; others could have bought it if they had desired, and if now they have succeeded in leasing it to another company at a large advance they are simply reaping the reward which legitimately comes from an honest venture.

Let us now look at the probable effect of the consolidation to the public. Will the price of coal be increased, or the rates of transportation generally; if they are not to be, how can the public suffer particularly from the union of the three companies? We do not belong to the enemies of large corporations. Any one who studies the necessities of our time must become convinced that their creation cannot be prevented. It is only by thus massing capital and intelligence and energy that new economies can be introduced. The enlargement of our modern industrial enterprises, either by growth or by amalgamation, is one of the inevitable results of the existing industrial conditions. Thus regarding them, what shall be said of their future? They are by no means bad; they cannot be condemned as public enemies *per se;* whether they become bad or not depends on the policy which they adopt and maintain. For example, what led the sugar refiners of the United States to combine? Simply that many millions were invested in the business which yielded but little, if any, profit. The business is highly useful, and those engaged in sugar refining were quite as much entitled to a fair profit from their undertaking as those who were engaged in producing iron, corn or cotton. There was no harm, therefore, in combining, nor would the public ever have complained over a reasonable increase in the price of sugar; but when the refiners, taking advantage of their situation, sought to extort an excessive profit then the public complained, and the justice of their complaint was wholly on their side. These remarks apply to the combination under consideration. Nothing wrong has been done from a moral point of view; doubtless there are legal difficulties, but these we shall not attempt to discuss; from the moral point of view, however, the consolidation infringes no principle; if the concern shall continue to do business in the old way, or to sell coal at a reasonable profit, based on a fair investment, no one, with justice, can complain.

We therefore approach the question, What are the probabilities of the future conduct of this great company? First of all, it is announced that there will be no increase in the price of coal. Again and again has the public been assured, by the friends of the company, that the anticipated profits are to be derived, not by increasing the price of coal, but by introducing new economies in the conduct of the business.

In the next place, it is by no means certain that the company could raise the price of coal, even if it had the inclination. And for two reasons: first, not all of the anthracite coal producers are connected with the company. The Delaware & Hudson and Pennsylvania coal companies, and a large number of producers are still outside and wholly free from its control. Suppose these producers determine to sell coal at the old price, can the Philadelphia & Reading Company adopt a higher? In other words, because the company can control seventy-three per cent. of the product, it does not follow that it can fix a price for the whole. When Commodore Vanderbilt was alive, he concluded to inject forty millions of water into the stock of the New York Central, increasing the amount from fifty to ninety millions. A new tariff was prepared from which he expected that a sufficient revenue would be earned to pay eight per cent. on the increased capital. Though he did not live long afterward, he lived long enough to learn that he had much less power in fixing the rates of transportation over his road than he had supposed. He learned to his great regret that when several railroad companies are competing, the company having the poorest credit and the least regard for its obligations, or still worse, if in bankruptcy, is the company that makes rates for the rest, and for the simple reason that, having no obligations which it is required to fulfill, so long as enough revenue can be obtained to run cars and engines, it is of the smallest consequence whether anything more is earned or not. It is not necessary for such a road to earn dividends on stock or to pay interest on bonds, and therefore a bankrupt road, which in those days happened to be the Erie, controlled the situation. The coal operators outside the Philadelphia & Reading are financially in as good if not better condition than the Reading Company. The Delaware & Hudson is a strong, well-managed company, having excellent credit, while the Pennsylvania Coal Company and other large producers enjoy many advantages in the production and transportation of coal. It by no means follows that they can be drawn into the Philadelphia & Reading combination, or that they will follow the rates which the Philadelphia &

Reading may make. They may conclude to sell for less and increase their production, and if they should, it is difficult to perceive how the new company would fare any better than the companies previously existing.

The controlling factor, though, is the existence of an illimitable bituminous coal field, and which can be operated very cheaply. The superiority of bituminous coal for steam purposes has been proved. For many reasons it is quite impossible for anthracite coal to make any headway against the bituminous. First of all, the bituminous coal land has been bought at much lower figures, and the coal can be very cheaply mined. In short, bituminous coal can be furnished at a much lower figure than anthracite. It is true that anthracite is preferable for house purposes, but this preference is not so great as to lead people to continue the use of it if the price should be greatly increased. If a few cents more per ton were added, probably a very large number of people in the East would make such changes as were necessary, and burn bituminous coal like the people in the middle and western sections of the country. Of course, many would burn anthracite by reason of its superior cleanliness, etc., even if the price were very considerably increased. But this remark applies only to a limited number. An advance of twenty-five or fifty cents a ton, which was likely to be permanent, after it had become known that bituminous coal could be had at a much lower figure, would doubtless lead to a very general change. And it is certain that the new combination will lead bituminous coal producers to renewed energy in introducing their product in the East for house as well as steam consumption. For these reasons, therefore, we do not have the slightest fear that the company, though producing and transporting a large proportion of anthracite will, even if it desires, greatly enhance the price of the product. The conditions against an advance are too serious to be overcome. The public, therefore, have no cause for fearing a change in the policy.

On the other hand, if the public have nothing to fear, if the price is likely to remain unchanged, what pecuniary benefit is likely to come to the shareholders of the Philadelphia & Reading? It is asserted that great economies can be introduced by leaving out the middlemen, who have absorbed a large portion of the profits which otherwise would have gone to the coal companies. No one questions the costliness of marketing anthracite coal. The sums annually drawn by the coal merchants for their services have been very large. If these can be saved, the item will be a considerable one, and go far towards paying interest on some of the securities from which the holders now receive very little, if any, income. But even if all the middlemen can be swept away, and the entire sum which hitherto has been thus diverted shall flow into the treasury of the company henceforth, no portion of it will ever reach the shareholders. The saving certainly will be large and important, and most desirable from every point of view. Nevertheless, great as it may be, no dividends are ever likely to come from this source.

Finally, it is not certain that these middlemen can be eliminated. We think this depends on the action of the producers outside. If they should determine to increase their output, to be more active in making sales, it may be that the Philadelphia & Reading, in spite of their wish, will be obliged to continue the old system. Every one, indeed, ought to hope that this great economy can be effected, and that the sums now diverted can be saved to pay interest on bonds and dividends on stock. But whether it can be perhaps, can be determined only by trial.

One other fact must not be overlooked—the enormous capital ization of the company for the business which it is to transact. We were asked the other day how came these companies to make such an enormous expenditure. Much of it was incurred in the old days before the bituminous coal fields were developed. Mr. Gowen, when paying fancy prices for coal land, never dreamed of the invasion of the East by the bituminous coal producer. He supposed that the anthracite producer would hold the eastern field forever. And thus thinking, it did not seem to matter very much what might be the price paid for coal land, and for building roads to transport it, or the expense for opening collieries. But the discovery of an immense bituminous coal field, in which the coal lies near to the surface, and can be cheaply obtained, the purchase of these lands at low prices, and the superiority of the coal for many purposes, have given the bituminous coal producers an enormous advantage over their older anthracite coal competitors which they cannot overcome. They are on top, so to speak, and can easily remain there. This new movement, instead of depressing them or tending in the least to diminish by a single ton their product, will only have the opposite effect of stimulating bituminous coal production. Acting on the belief that possibly their competitors may attempt to increase the price of anthracite, they will produce more. And so we cannot help thinking that in the long run, and which will not be very long either, the three companies will perceive that they have not mended their situation much by united action.

We are moved to say this for another reason: When it is discovered that the production of the new company cannot be increased, and that the anticipated profits cannot be realized, then the president of the Philadelphia & Reading, and those associated with him, will probably reap the whirlwind. As this movement was primarily a shareholders' movement, so on them should be visited the denunciations of the disappointed, when they abandon hope of realizing their expectations. Mr. McLeod is the first president the Philadelphia & Reading has had for many years who has displayed an able and loyal devotion to the company. Whatever unflagging industry and proved ability can do to rescue it from its present condition we are assured he will put forth. But the situation is well-nigh hopeless. Both the Jersey Central and Lehigh Valley companies have been carefully managed, and there are no leaks in them to close, no great economies to adopt. The one already mentioned relating to the sale of coal is the only important saving that can be effected. The present shareholders, therefore, should not hope for too much; and furthermore, as Mr. McLeod, judging from all the facts in the possession of the public, is not responsible for the combination, so should he not be regarded as the chief sinner when the evil day comes, and those who are now rejoicing become even louder in their condemnations.

Loans to Bank Officers.—An amendment to the National Bank Act has been passed by the House, requiring that all loans to the officers shall be presented to the board of directors or executive committee for action. It is well known that bank officers, especially in the large cities, make many loans on their own responsibility, the directors simply ratifying them afterwards; and this practice seems to be necessary in the conduct of business. Directors cannot meet every day, and borrowers cannot wait; so authority to make loans is delegated to a finance committee or to the president, and his action is reviewed and ratified at board meetings. But there is a sound reason in denying bank officers the right to serve themselves as they serve others in this regard. Surely the cases must be rare indeed in which a bank officer cannot wait until his board meets to obtain whatever money he may desire. The bill has the approval of many bank officers, and we cannot imagine that opposition to it should come from any quarter save those who prefer to manage their banks wholly themselves. Surely no conservative bank will object to such restrictions on the part of its officer. It is contended, however, that the bill ought also to apply to directors. Comptroller Lacey in his annual report devoted special attention to the cases in which bank funds had been used for the private uses of directors, and he urged such legislation as would render impossible this flagrant abuse of the privileges of bank management. In the bill passed by the House provision is made for the prevention of unwarranted loans to other officials of the bank, but no safeguards are placed around the loans to directors. Elsewhere will be found the bill.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL SITUATION

has begun to improve with the opening of spring trade. But it is more noticeable in the West than in the East, whence money is now returning to the country again, to meet the increased requirements of general business, after having accumulated in New York for several months, following the autumn movement of the crops. The dry goods trade has improved, both woolens and heavy cottons being in better demand, the latter having followed the late advance in print cloths, of which the stock became abnormally low during the month of January. But the demand for finer cottons and unseasonable woolens still drags, while prices have generally remained unchanged throughout the list of both. The iron trade, however, which is considered the commercial barometer of the country, is more depressed than it was at any time during the past year, as a result of continued over-production of pig iron and accumulation of stocks, at an unprecedented rate, in the face of a most disappointing demand from the manufacturers of iron, especially from the railroads and building trades, neither of which have yet been stimulated by the big crops and large export demand. Never before have such crops and such exports failed to bring the railroads into the markets, as buyers of new rolling stock and equipments. It is, therefore, difficult to understand the reason of the present anomaly, unless it be that the substitution of steel for iron in railway plants has rendered renewals so much less frequent by reason of the greater durability of steel, as to reduce the requirements of railroads, and, hence, the demand for pig iron. It certainly is not generally their financial inability to purchase new equipments, after seven months of more business than they could handle at full rates. No doubt the progress, in reducing railroading to a scientific basis, has made economies possible that previously had not been considered compatible with efficiency. Not only are heavier, and therefore more durable rails now used than formerly, but also heavier and larger cars and locomotives, requiring a smaller number of both to move the same volume of traffic. It would, therefore, be strange, if the iron trade had not contributed its share at least, to the reduced cost of transportation by rail, as well as by water, owing to the new economies introduced year by year by railroads and steamboats alike.

THE BALANCE OF TRADE FALLACY.

The great financial puzzle, over which our financiers have been scratching their heads, the past month, has not yet been solved; nor has there been any intelligent explanation made, of the evident fallacy, of the balance of trade theory, on which our indebtedness to Europe has been miscalculated, for so many years. That the difference between our exports and imports, represents the balance of trade between this country and Europe, has been settled in the minds of financial men and writers, until it seems a heresy to question its orthodoxy. Yet, the course of the Sterling Exchange market, and the renewed exports of gold, during February, have shaken, if not entirely destroyed their faith in this old creed. Financial writers have been racking their brains to explain this exception to their rule, and why it has been inoperative. But their solution of the puzzle is no more satisfactory than that of the financiers of Wall Street. Sterling Exchange has advanced, when it should have declined, and we have been exporting gold when we should have been importing it, according to this ancient balance of trade theory; and, the only explanation given by some, for this heterodoxy is that Austria is accumulating gold, in order to return to the single standard basis for her circulating medium. But, from all accounts, this seems to be a thing of the future still, as it has been for some years past, rather than of the present. Beside, that of itself, could not explain this seeming anomaly. The other popular guess, is that Europe has been selling its investments in American securities, as it did its speculative holdings, a year ago, after the Baring failure; and that it has returned a large amount of Reading securities, after the recent coal consolidation boom in those stocks, which has afforded the first opportunity Europe has had, in many years, to get out of Reading. There may be considerable truth in this theory, and probably more, than in the one named above; yet neither, nor both, can account for the movement in Sterling Exchange and in gold, against such enormous exports, as have been going from this country to Europe, for the past six months. To these two influences, the payment of interest to Europe on our industrial stocks, railway securities and State and National bonds, held there still, ocean freight, on our imports and letters of credit, taken by Americans, traveling in Europe, must be added. Yet, we have an apparent trade balance of nearly one hundred and sixty millions of dollars, against Europe; and, it can scarcely be possible, that all these causes combined, could have offset that enormous sum. But, in all these speculations, as to the cause of this revolution in our exchanges with Europe, not one word has been said, of our balance of trade with South America, which is largely against us, while that of Europe, with South America, is largely against the latter; and, our balance of indebtedness to those countries is paid in London. The balance of trade, therefore, between Europe on the one hand,

and North and South America on the other, should be taken together; or, the balance we owe South America, deducted from the balance Europe owes this country, in order to ascertain the true balance between this country and Europe. In the one item of coffee alone, this country imports from Brazil, over forty millions annually, nearly every dollar of which is paid in London, by sterling bills, bought in this market, or, by shipments of gold. This is the season of the year, when the bulk of the coffee crop is moving, and this, no doubt, more than any one, and, perhaps, more than all other causes combined, accounts for the continued and heavy demand for sterling exchange, until the price has been advanced to the gold exporting point. While this is the largest item in our imports from South America, hides, wool and rubber, are also important, in volume and in value, and add materially to the amount of indebtedness this country pays to South America, by the way of London. We should therefore add, whatever balance of trade we owe South American States, as a whole, to our imports from Europe, in order to ascertain our true balance with the latter. This can as easily be ascertained, by aggregating the imports and exports between the United States and all of those countries, as we obtain our own imports and exports with Europe. That this balance will be sufficient to offset that in our favor, and against Europe, after allowing for the causes noted above, is altogether possible. The result will also indicate the probable course of the sterling exchange market, in the near future, as well as the prospects for further exports of gold. The trade balance in favor of the United States on the interchange of merchandise and silver in the seven months to March 1, it is estimated, will approximate $210,000,000 to $220,-000,000, by far the largest in any similar period in our history.

INTERNATIONAL SILVER CONFERENCE PROSPECTS.

At last, England, which has been the chief obstacle, in the way of an international agreement, regarding the use of silver as well as gold, for a circulating medium, is at last weakening her opposition; and, is now meeting the advances of the United States, in this direction, fully half way; having, apparently, been converted to the double standard basis, by her experiences of the past year, following the Baring failure, and the withdrawal of gold from London by Russia. France for a long time has had practical bi-metalism, since the Bank of France has the option of paying its notes in silver or gold; and, the right to refuse gold in times of panic or other financial crises. Had the Bank of England had this privilege, during the two crises named above, the semi-panic that followed both occurrences would have been far less severe. It is to these two experiences, that the changed attitude of England on the silver question is believed to be due. With her co-operation and that of France, which was tacitly assured so soon as other European nations consented, the prospects of arriving at an international agreement in the coming Conference, upon, at least, a limited double standard basis, are brighter than was expected. Should, however, the silver ring of this country secure control of this Conference, on the part of the United States; and demand unlimited, or free international coinage of silver, it is very doubtful if any agreement can be brought about. Pending negotiations for this Conference, the Silver Question is likely to be held in abeyance in Congress, until the extent to which England and France will go in this direction is ascertained. Meantime, the silver market hangs in a state of suspended animation, with speculation nearly out of it. The great banks of Europe are still accumulating gold, and those of England, France and Germany together held on February 25 a total of £116,848,092, against £115,029,385 on February 11.

THE MONEY MARKET AND BANK RESERVES.

Money has been working gradually closer during the month, with decreasing supplies at this center, owing to withdrawals of their balances by country banks, and especially by those at the West, where trade is generally better than at the East; and improving materially since the beginning of the new year. Still, rates here have not advanced largely, so far. Speculation on the Stock Exchange, chiefly in the coal stocks; and the large advance in the prices of the latter, has also increased the demand for call loans from that source, for carrying stocks; and the bank reserve has decreased rapidly since the early part of February, until the excess, over the legal limit, has been reduced to $26,069,700. The last statement showed a smaller decrease, however, than that of the previous week, being $3,887,850 against over $10,000,000. At the same time, loans increased $4,309,000 for the week ending February 27th; specie decreased $5,337,800, $2,000,000 of which were exported to Europe. The average loans of the New York banks for the same week, were $480,889,000, and deposits, $531,938,000. Government deposits in National banks, on that date, were $13,403,320. The declared balance, on the United States Treasury books, on the same date, was $29,406,121. The redemption of 4½ per cent. bonds. to the same date, were $23,362,050, leaving outstanding $2,142,650.

STOCK MARKET AND RAILROAD EARNINGS.

Notwithstanding, railroad earnings continue to show large increases over a year ago, both in gross and net, owing to continued good traffic in grain, provisions and cotton, and to the mild winter. The public still remains out of the Stock Market, although it is taking bonds in moderate amounts, for investment, leaving the stock exchange professionals and the pools, in possession of the market. The tendency of prices had been downward, under the pressure of a growing Bear sentiment and short sales by the leading operators, simply because the public was out of the market, and the cliqued stocks were not supported. This was the condition of things; and, lower prices the result, on the general list early in the month; and, until the great coal deal was consummated, when the market took a sharp upward turn, lead by these stocks, on which the shorts were badly caught, the Deal having been kept so secret, that there was no suspicion of what was going on until the thing was done. Reading, however, had been specially active and strong before the rest of the coal stocks began to move upward, on heavy buying by insiders who had knowledge of what was going on. But the Bears, who had considered the coal stocks a good sale, when they were at the bottom, on account of the supposed inharmonious relations of the coal roads, and the depressed condition of the trade, continued to increase their short lines as the market advanced, on the belief that there was no salvation for the coal stocks, until the very morning that the consummation of the Deal was announced by the press. Then ensued such a scramble by shorts, both big and little, to get out of the hole in which they were caught, as was never seen on the Stock Exchange; and, sales ran up to the unprecedented amount of over one million shares a day, of which the larger proportion were Reading; and a good share of the balance, other coal stocks. At first, the syndicate in these stocks, sold sparingly, on the advance, nor did they become free sellers until Reading had reached 60, from which it rose rapidly to 65, on the panic of the shorts, notwithstanding the heavy outpouring of long stocks. This was a rise of over 20 points, before the shorts were all able to get out, and their losses were something enormous; but they fell largely upon the big professional operators of the Street, who were able to stand it. Not only did the other coal roads sympathize with Reading and Jersey Central, which were embraced in the consolidation, but New England, which is believed now to be practically a part of the Reading system, with a connection over the Poughkeepsie Bridge, followed in the wake of the coal stocks, until the new management of that line, which was also interested in the coal syndicate, threw their speculative holdings on the market. The profits made by the few who were on the inside of this coal deal, were as enormous as the losses of those who were on the outside. Current report named several prominent bankers, railway officials and their brokers, whose profits ran into the millions. But the outsiders got none of it, as never was there so great secrecy maintained, until the end, in so great an enterprise. Since the shorts liquidated in the coal stocks however, the market has sagged back on realizations by the outside longs, who got in on the top as usual, and helped relieve the syndicate of their heavy holdings. The balance of the list however, has generally been void of interest or activity, and sympathized but slightly with the boom in the coal stocks.

OUR EXPORT AND IMPORT TRADE.

Notwithstanding there has been a falling off from the activity that had characterized our export trade during the fall, the returns for January were still very heavy, it being the fourth consecutive month in which the value has exceeded one hundred millions of dollars, a total never reached before this period. The following statement in comparison with last year shows the value of the principal items:

	Jan., '92.	Jan., '91.	Increase.
Breadstuffs	$30,147,281	$9,718,586	$20,428,695
Cotton	28,732,225	35,038,339	*6,306,114
Provisions	12,187,846	11,185,583	1,002,263
Petroleum	3,247,223	3,312,225	*65,002
Cattle and Hogs	2,831,197	2,294,850	536,347
Minor exports	22,992,636	21,080,408	1,912,228
Total	$100,138,408	$82,629,991	$17,508,417

*Decrease.

Breadstuffs alone, showed any important increase, while cotton showed a heavy decrease, and petroleum a small one.

Our imports during the month of January amounted to $62,720,112 this year, against $62,300,663 last year, or practically the same. This is a simple repetition of what has been shown by our import returns for months, namely, that the tariff which was designed to be prohibitive, has not accomplished its purpose any more than legislation has advanced the price of silver, which is lower than ever.

THE BREADSTUFFS MARKETS

have been unsettled and inactive, for the most part during the month, in which prices were depressed early, by the Chicago Bears, in the absence of new export demand, and of Bull speculation for foreign account, owing to the unsettled condition of financial affairs on the other side, which prevented bankers and banks from loaning any more money, than they had already tied up, in excessive imports of American products. It was this, that emboldened the Western Bears to get heavily short of the wheat market, at a time when bad reports came from France of the condition of her growing crop, owing to severe winter weather again in Europe, followed by thawing and freezing in the southern portion of France. This, combined with an improved export demand, started our markets up, and carried them to a point that frightened the shorts and drove them in, even to the last big one in Chicago, who covered a line of about five million bushels at the top. Since then, better crop reports from France, and larger receipts at interior points, in this country, following the advance, caused a reaction, toward the close of the month, ending with the report that Russia would remove her prohibition against exports of corn immediately, while it had under consideration, the removal of the prohibition, on other grains as well. These have been the only new influences, in the other grain markets, which have simply followed wheat, except corn, at the close, when freezing and thawing weather at the West, caused bad country roads and a lighter movement. There were rumors also at the close, or rather letters from France to exporters here, declaring that the fall of the late French Cabinet, and the difficulty in forming a new one, was due to the high prices of food, caused by the new tariff, which went into effect on February first, in addition to the effect of the short crop; and, that the French ministry's only alternative, was resignation, or repeal of these increased duties, in order to escape a threatening revolution, in the larger cities of France, on account of the high prices of food. Rather than stultify itself by revoking its own policy of protection, the old ministry resigned, upon a self-created pretext, and have left a new ministry, to meet the dilemma. These same letters state that the solution, will be a suspension of the new duties on food products, until another crop and lower prices; hence, exports of our breadstuffs and provisions to that country, which have ceased since the first of February, are expected to be resumed again, before many weeks. Notwithstanding the lull in exports, which have been lighter in February, than shown in the above statement for January, there has been a steady movement of all our breadstuffs out of the country, partly on old purchases, for future shipments; and, partly on new ones, made from day to day; and, the prospects are good for a continued demand, for the balance of the crop year, at fair prices.

PROVISIONS AND COTTON.

The market for our hog products has been stupidly dull, since the activity of January, in lard, especially for the French markets, in anticipation of the higher duties, which took place on February first, and, prices have gradually receded, though receipts of hogs have decreased, as outside speculation has gone out of provisions and into wheat. The only exception to this stagnation is in bacon, which has been in active demand; and, at advancing prices for the German markets, under the new government meat inspection law, by which American meats are admitted to Germany under the late treaty. Still, the prices of product are below the prices of hogs, relatively, as stocks of the former are still heavy, though receipts of the latter have fallen off. Beef products have been as dead as possible, except grades used for ship stores, since the exports of live cattle to England, have nearly superseded our exports of cured beef.

The cotton market has made several faint efforts to rally, on the argument of low prices, but the volume of the crop, and the movement, is so great as to stagger even the most sanguine Bulls. Starting last September with a crop estimate considerably lower than last year, the movement on this crop has been, and still is, largely ahead of that of 1890-'91, until crop estimates have been raised to nearly the same figures, as a year ago. The total movement since September 1st has been 7,859,000 bales, against 7,405,000 bales a year ago, or nearly half a million bales in excess. The visible supply in this country is as follows: Consolidated port stocks 1,205,000 bales, interior towns, 470,000 against 739,000 port stocks and 380,000 interior towns a year ago; or an excess of over 550,000 bales. There has been talk of a combination, or syndicate, formed to bull cotton, as there has been of another to bull wheat; but the supply has been too great, and the load too heavy, for the courage of any Bull clique that has yet appeared, in either.

The Anti-Option Bill in Congress, has also deterred any extensive speculation, in any of these markets, which have declined and advanced respectively, as the prospects of the passage of the bill improved, or grew less hopeful, from day to day, as speculators profess to regard it as a Bear measure, while farmers are supporting it, in order to stop Bear speculation.

H. A. PIERCE.

Brooklyn Savings Banks.—It seems that there has been a large decline in the deposits of the savings banks in Brooklyn, and this has given rise to much comment concerning the cause. Several of the important banks have no money to loan, as the law of this State allows savings institutions to invest not more than 65 per cent. of their deposits in bonds and mortgages. The savings banks consequently are investing in securities more easily available, but real estate dealers notice no effect on the rates for loans, as money is abundant. The reason more generally ascribed than any other for the change is not that the saving classes have been less saving than formerly, but simply are investing their money in a different way: putting it into the building and loan associations, which are increasing very rapidly in New York. A statement issued by State Bank Superintendent Preston shows that there are 385 building and loan associations in this State alone. The statement shows further that about $14,500,000 has been deposited in these institutions during the year 1890. The sum total invested by these concerns in bonds and mortgages during the same year was $20,000,000.

FINANCIAL FACTS AND OPINIONS.

National Banks and Real Estate Loans.—The farmers, in the West especially, have complained that the National bank system is quite useless to them, for the reason that they cannot obtain loans based on the security which they have to offer—real estate. Is not this complaint quite just? The law does not permit a bank to take such security, and though in some cases this has been done, yet not generally. It is well known that one reason why the banks were forbidden to make such loans was the fear that, through the taking of this security in payment of debts due to them, they would become great holders of real estate. Any one who has read the discussions in Congress when the National Bank Bill was introduced knows this. Another reason was, that experience has shown that real estate is a poor kind of property for a bank to possess. Under the former system of State banking banks not unfrequently took such securities for their loans, and in a little time all their funds were invested in this manner, and then they were unable to grant further accommodations. This was the other reason which moved Congress to keep banks out of the real estate business. The leading idea was for a bank to keep its funds in active circulation, and to do this, required not only the making of short loans, but also the taking of such securities as could be readily sold in the event of their non-payment. When stock is taken, or other collaterals of similar character, they can be sold at the exchanges, and in this manner a bank can come into possession of its funds, but when real estate is taken for debt, a bank may be obliged to hold it for years before a customer can be found, unless it is sold at a sacrifice. Nevertheless, we think the experiment ought to be tried once more of permitting banks to lend on the security of real estate. We are sure that by withholding this privilege from the farmers they have suffered in several ways. In the first place, they have borrowed from other companies which insisted on making loans for a longer time than the farmers really wished to fix; and secondly, they were unwilling to lend as small sums, in many cases, as the farmers wished to borrow. So, in order to get anything at all, they have been compelled to borrow really more and for a longer period than they wished. If the National Bank Law was so changed that a farmer could borrow for short periods, say six months or not exceeding a year, and also prescribed the maximum amount which he could borrow; and also the amount in the aggregate which a bank could lend of its capital in this manner, one-quarter, or perhaps one-half, most of the opposition, we think, to these institutions, on the part of the farmers, would cease, and we should hear less of the Farmers' Alliance, and of the Sub-Treasury and of similar schemes. The farmers wish to borrow on the security of their real estate and other property and at reasonable rates like other people; and we think the experiment might be safely made with the National banks to accommodate them in these matters. Another objection urged against such loans is: as the money belongs to the com mercial classes it should be lent to them. This objection is not altogether true. In the sections of the country where real estate loans would be most desired, the farmers are large depositors, and thus in lending to them they would be only receiving money deposited by them for their products. Besides, the capital furnished by the shareholders does not belong to one class more than to another; the merchants have no special claim on it in preference to the farmers.

"*Can our National Banks be made Safer.*"—The *North American Review* contains an article, by the Comptroller of the Currency, on the above subject, in which he enumerates eight causes for the failures of National banks, which in the order of their relative importance are as follows:

	Per Cent.
1. Depreciation of securities	27.0
2. Injudicious banking	22.7
3. Fraudulent management	18.3
4. Defalcation of officers	9.0
5. Excessive loans to officers and directors	7.1
6. Real estate and real estate loans	6.8
7. Excessive loans to customers	5.0
8. Failure of large debtors	4.1
	100.0

He says that the failures of National banks have been in twenty-nine years 3½ per cent. of the total number—a record which, under all the circumstances of the case, is greatly to the credit of our bankers. But the Comptroller is anxious to make failures still less numerous, and some of his suggestions are timely and valuable. We summarize them as follows:

1. The law should forbid the purchase of shares of any incorporated company, and should require the prompt sale of all shares taken to secure doubtful debts.

2. Boards of directors should exercise greater care in selecting officers, and employ greater diligence in instructing and supervising them.

3. There should be occasional changes of desks among employes, and very systematic and frequent audit of bank affairs by skilled accountants.

4. Defalcations cannot be prevented altogether, but it is a significant fact that these are usually discovered by the official examiners and not by the directors.

5. Officers and employes of banks should be forbidden to become liable, directly or indirectly, to the bank with which they are connected.

6. A limitation should be placed upon the amount which may be lawfully invested in banking houses.

After remarking that, as a general proposition, it may be stated that the success of a bank is dependent upon the integrity and ability of its active officers, Comptroller Lacey says:

Neither legal enactments nor official supervision can create these qualities, although the former serve to deter the wrong-doer, and the latter to educate the inexperienced. Whatever, therefore, tends to induce greater care in the selection of these officers by boards of directors will enhance the safety of the system. Experience demonstrates, also, that safety is promoted by a proper distribution of shares. In a general way success is jeoparded where the holdings of capital stock are so widely distributed as to prevent the active supervision of intelligent proprietorship, or so concentrated in the hands of a few as to make possible selfish or corrupt control. Safety ought to be the paramount consideration in bank management. As a rule, this principle is recognized by managers. The exceptions, however, are made so conspicuous by disaster as to give them more prominence than their relative importance warrants. Many dangers menacing these associations are due to mistakes in judgment entirely consistent with complete integrity and the scrupulous observance of legal requirements. Loans are always an accomplished fact before they come to the knowledge of the Comptroller or Examiner, and hence serious losses have often become inevitable before official action could be taken. It is obvious that the governmental authorities cannot conduct a banking business—they can only inspect and supervise. The National Bank Act is mainly confined, so far as it relates to the transaction of the business of banking, to the imposition of restrictions, leaving the managers of an association free to act within established limits. So long, therefore, as bank officers are deficient in judgment or integrity failures will occur. That system is best which reduces these disasters to the minimum.

Women as Bank Officers.—Miss Sarah C. Clark has recently been elected treasurer of the Union Five Cent Savings Bank, of Exeter, for the tenth consecutive time, having been first elected treasurer in 1883. Previous to that date she was a clerk in the bank. Since her appointment its business has largely increased, and its assets now exceed $500,000. As her good judgment in making loans has been fully demonstrated, she has been made a member of the investment committee. The Haverhill *Bulletin*, in remarking on her election, says: "It is really a wonder that more have not secured such positions. Women are faithful, conscientious, careful, and honest in their commercial dealings, characteristics especially fitted for employes in financial institutions. Nobody ever heard of a woman in a position of trust being short in her accounts or embezzling, or anything of the sort, in fact, there are only two cases on record, notwithstanding the large number of women so employed."

Mr. Knox's Death.—By the death of the Hon. John Jay Knox, one of the most conspicuous bankers in the country has passed away. The National banking law had been in operation only a few years when Mr. Knox was appointed Comptroller, and in this capacity he soon distinguished himself. Not only did his reports contain a large body of timely information and numerous wise recommendations, but in the administration of his office be displayed a peculiar fitness. Only those who are familiar with its duties realize their difficult nature. More than one bank, whose real condition was unknown to the world, through his wisdom and firmness has been restored to health and worthy of confidence. Many who admired his genial ways knew less perhaps of the stern side of his character which led him when the occasion required to act with great decisiveness. He resigned his office to accept the presidency of the National Bank of the Republic, which has grown to the full stature of the great banks of the city. Thus his success as a practical banker has been hardly less marked than his career as a public administrator. No more fitting words can be added than those by his close friend, ex-Comptroller H. W. Cannon, uttered at a special meeting of the New York Clearing House:

Mr. Knox was a man of original ideas on all financial subjects; a close and accurate student, and a man whose social qualities endeared him to all his acquaintances.

It is well known that we are principally indebted to him for the National Bank Act, which has provided this country with the best banking system in the world.

In 1870 Mr. Knox codified the mint laws, and prepared the bill under which the mints of this country are now operated. This bill provided for a Director of the Mint at Washington, and threw about our coinage many safeguards which did not previously exist.

He was of great service to this association and banks of this country during his connection with the Treasury Department. His practical knowledge of banking, together with his intimate acquaintance with Treasury methods enabled him at all times to advise understandingly with the various Secretaries of the Treasury during the war, and afterwards as to the relations of the Treasury to the banks and the people. At the time of the resumption of specie payments it was by his advice that the Assistant Treasurer of the United States was made a member of this association.

His administration of the difficult and delicate duties of Comptroller of the Currency, which brought him in contact with bankers throughout the country, was remarkable for firmness and good judgment. In fact, he laid the foundation of a code of practice in the Comptroller's office which is most equitable and fair to the banks, and at the same time sufficiently restrictive for the safety of the public.

His writings upon financial subjects are sound, instructive, and original in their statements, and are accepted as authority in this country and in Europe. He was a man of the strictest and most unvarying integrity in public and private business and in all his relations to others. He was dignified in his bearing, cordial in his disposition, thoughtful and courteous in his treatment of all, and unfailing and loyal in his friendships. By his death we lose a distinguished citizen, a Christian gentleman, a devoted husband, a loving father, and dear friend.

Insolvent National Banks.—Failures among banks cannot be wholly avoided. If corporations, or persons engaged in other business, fail, owing banks, as they often do, of course they must lose, and thus, apart from losses by the faithlessness of officials, they must occasionally succumb. A good bank system must provide for these unwelcome contingencies. One of the glories of the National bank system is that the creditors have fared much better than they ever have under any other system. Since its organization, twenty-nine years ago, 4,648 associations have been formed, of which only about 3½ per cent. have become insolvent. Thus far this has involved a loss of only $8,087,944 by the failure of National banks in the period named. When the vast volume of business done by our National banks is considered, is not this a remarkable showing, especially if a comparison be made with the State and private banks during the same time? In the three years ending in 1879, 210 State and private banks failed, involving a loss of nearly thirty-three millions, or four times as much as the entire loss from National bank failures in twenty-nine years. Not only this, but the losses from the insolvency of National banks never fall on the holders of the bank notes or bills, which are secured by deposits in the National Treasury, and are perfectly good everywhere and under all circumstances, whatever happens to the bank that issues them. The average paid to depositors has been 74.17 per cent. of their deposits, and their affairs have been wound up at an expense of only 9.28 per cent. Those closed during the last five years have paid depositors an average of 90.65 per cent., at an average cost for expenses of 4.08 per cent. The total loss to depositors in twenty-nine years has averaged less than one-twentieth of 1 per cent. per year. During the last five years it has averaged much less than that. It is not believed that any banking system in the world have a record that can compare with this.

The Regulation of Trust Companies.—The National banks are feeling the pressure of the trust companies in several ways. First, in nearly all of the States they are not required to maintain any reserve, and usually they escape with less taxation. Having a wider latitude, they are enabled to do many things which are forbidden to National banks, and which are profitable. In Massachusetts they are invading the field of the savings banks, and this has caused fresh criticism of their methods from a new quarter. The Savings Bank Commissioners of that State, in their report, say:

> The fact of a trust company maintaining a savings bank department, which, by the nature of its charter, takes all the business risks, is really that of a savings bank engaging in business venture. It seems to this board that to allow a system of savings banks to become established, though under the guise of a trust company, is striking such a dangerous, if not disastrous, blow at the fundamental principle of the savings bank system, that it merits immediate attention and correction.

It may be added that an attempt has been made, on the part of one or more National banks of that State, to accumulate deposits from persons who ordinarily would put them in the savings banks. With reference to this the Savings Bank Commissioners also say:

The attempt on the part of any National bank in this Commonwealth to establish as a part of its business a savings bank department must be looked upon as usurping a right and privilege belonging to the Commonwealth, a right strengthened by moral obligation and power, if not by the law.

The Bank Commissioners, after reviewing the failure of the Suffolk Trust Company, also remark that authority should be given to levy assessments on the stockholders of a trust company whenever, in its judgment, the capital stock is impaired and should be restored, for by so doing insolvency might be averted. The growth of the trust companies throughout the country is very remarkable, but it is not due solely to the larger powers which they are permitted to exercise, nor to diminished taxation. For the most part, the officers of these companies are men of great energy. The older banks have felt so secure of maintaining their business that they have put forth no special energy to keep it. This explains, in part, the growth of these rival institutions. They have been conducted for the most part wisely and honestly, and have done only what the law permitted. On the other hand, they doubtless should be required to keep reserves. With respect to their loans it must be said their record is quite as good, if not better, than that of their rivals. The recommendation of the Savings Bank Commission, however, concerning smaller deposits, certainly contains great force. They ought not to be permitted to do a savings bank business without voluntarily, or otherwise, subjecting themselves to all the well known conservative methods required of saving institutions.

Savings School and Nickel Savings Stamp Banks.—Within a comparatively short period the saving school and nickel savings stamp banks have been introduced into this country. The former kind has flourished in England for several years, and over twenty-five hundred have been organized in that country. A much larger number exists in Belgium and Germany. The stamp banks are hardly more than a year old, yet it is asserted that over two hundred of them have been organized. There seems to be less need for such banks here than abroad, for the reason that in most of the States savings banks exist. Nevertheless, perhaps the others serve a useful purpose. The amounts they take are very small, and they doubtless encourage habits of saving. Surely between the three systems no pennies ought to escape. In some places the stamp plan is called the penny provident fund. Since the commencement in New York, a little more than two years ago, more than 15,000 persons have availed themselves of the privileges, and the sum of $4,664.81 remained on deposit January 1, 1890, in amounts varying from one cent and upwards. The Stamp Savings Society, of Boston, opened October 15, 1890, at No. 36 Bromfield street, had, up to June, 1891, about 3,000 depositors. The net proceeds of stamp sales was $2,293.43. The amount withdrawn was only $753.10, and some of this has been put into regular banks. So far as is known, that which has been withdrawn and spent has suggested in the manner of its expenditure the real purposes of saving money, not to keep it, but to get what you need for either the present or future. Boston has seventy-two branch stations. New York had, in 1890, fifty-three.

Clearing Houses.—The returns from the various Clearing Houses are regarded by some persons as an index of the business and prosperity of the city that records them. They contain, however, many delusive features. In the first place, in a city like New York, as is well known, the returns include speculative business, but Wall Street transactions are no barometer of legitimate trade. As no distinction is made between speculative operations and others, no one can tell by the returns what they mean. They convey a very inadequate story of what is really done. In the exchanges of late many complaints appear as well as rejoicings over the figures recorded. It seems that some cities which are ambitious to make a large showing of this kind are careful to swell their transactions as much as possible, while other cities that are less ambitious fail to include many returns which might be properly added. Thus in St. Joseph, Mo., the following statement has recently appeared concerning the returns in that city:

> The showing of the local Clearing House is by no means a fair criterion of the extent of St. Joseph's monetary transactions. It is not intended to be said that the associated banks are alone to blame. The fault is largely ascribable to the apathy of the merchants, in not inquiring whether the interests of St. Joseph can be subserved through this channel or not. The Board of Trade a year ago took up the matter, and a committee, consisting of C. W. Hobson and Col. John F. Tyler, made a report that suggested the propriety of remedying the loss, but no attention was paid to it.

The report among other statements contained the following:

> We also find that the express office money business is not passed through the Clearing House, but that all orders issued upon the Pacific Express Company are cashed by one of the local banks, and by the bank transmitted for collection in bulk to Omaha, where they are passed through the Omaha Clearing House. We presume that this is the case also with the orders of the other express offices. We therefore recommend to the board to appoint an efficient committee to confer with the Clearing House and the express offices and see that the money business is represented in the clearings.

A St. Louis paper contains the following statement:

Here is a check from a firm in a city which need not be named, and in the left-hand top corner is printed the sentence: "This check must be passed through the Clearing House." That means that if it had been paid to a neighboring house, banking close to the bank of issue, or even at the identical bank, the Clearing House formality must be gone through just as though it had been made payable to a firm a thousand miles away. This really explains why some cities have such enormous bank clearing returns in proportion to the volume of business transacted, and why St. Louis is so severely handicapped in the matter. Here the Clearing House is only used when necessary for legitimate transaction of business, and checks representing tens of thousands of dollars daily never pass through it at all. I venture to assert that if that little Clearing House condition were placed on every check printed for St. Louis banks, and its terms enforced, our clearing returns would increase 50, if not 100 per cent., as a matter of course.

The following is the method of doing business at Galveston:

We have no system of certifying checks, nor have we brokers who buy or sell exchange. All the exchange business is done directly with the banks, so that only a portion of the business goes through the Clearing House. As already stated, if the object of publishing clearings is to indicate the volume of business done, it should all be reported. We have therefore adopted the rule to report to the Clearing House the amount of all the checks presented and paid, whether coming through the Clearing House or presented by individuals. We contend that this is the only correct way of establishing the volume of business actually done.

With respect to the returns of Tacoma and Seattle, the Seattle *Telegraph* remarks:

The Tacoma *Ledger* points with pride to that city's report of bank clearances as being in excess of those of many other older and larger places, and the *News* says they could be increased $15,000 daily if two concerns now outside the Clearing House should join that association. These are the Fidelity Loan and Trust Company and the National Bank of the Republic. The other seventeen of Tacoma's banks and financial institutions settle their business with one another through the Clearing House. All their operations, big and little, are made to do duty in swelling the city's exhibit; for "it is very desirable," says the *News*, "that the clearings should be as large as possible." Seattle has not paid much attention to this matter, many transactions here not figuring at all in the clearance showing. There are cities, however, which think it a good advertisement to make a large display of this sort, and accordingly record every nickel that changes hands.

These statements must be quite enough to convince any one of the delusive character of these returns for comparative study. In many places they include too much or too little, but if a plan could be devised of separating the returns, especially speculative transactions from others, and of tracing their origin still more minutely, they might be of the greatest value.

Austrian Resumption of Gold Payments.—It is reported that Austria will soon issue a loan of $150,000,000, and use the proceeds as a reserve for resuming gold payments. Under the best conditions, such an operation would be very difficult for Austria and very threatening to other countries. But coming, as is now proposed, immediately on the heels of the Baring dislocations and the late general disturbance of European finance (one chief element in which was a dangerous insufficiency in the available supply of gold), the scheme can hardly be regarded in any other light than as dangerous. It is probable that the anticipation of this operation has an important connection with the existence here of a condition of the foreign exchanges wholly inexplicable on ordinary commercial movements. During the last week of January, the Bank of England lost $5,000,000 of gold. It was supposed to have gone to Austria and to have been the beginning of a continuous drain in that direction. If that supposition be well founded, we may reasonably expect that every effort will be made to supply the Austrian demand from the United States, where the stock of gold is not only large but more easily reached than that of other countries. This is an element in the financial situation that will need close watching; for, if the proposed operation be continued, a certain degree of general financial disturbance is inevitable.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONTINUED.]

With regard to discount, for example, we have seen that Lyons, Lille, and Toulouse could not discount paper on Paris. On the other hand, by a singular anomaly, certain banks (Rouen, Nantes, Bordeaux, Marseilles, Havre, and Orléans) could discount paper drawn on other cities than their own, even on cities provided with a local bank. In this respect, Rouen competed with Havre, and *vice versa;* Nantes with Bordeaux, Marseilles with Toulouse, Orléans with Nantes, etc. Those worst off in this way were Lyons and Toulouse, which endured the competition of the others without being able to reply to it. It is true that for Lyons, at least, this did not prevent its prospering, for the bank of that city has always given the most useful rotation to its capital merely by discount (thirty-eight and one-third times in 1841, ninety-two and two-thirds in 1847!).

From this point of view, the Bank of France is surpassed by Lyons, Marseilles, and Bordeaux.

When we consider the gratuitous collection in favor of customers, we see that, while there is no exclusion of place of payment for

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

five banks (Rouen, Nantes, Bordeaux, Havre, and Orléans), the other banks can only collect paper payable in their own cities.

Now we shall understand the full scope of the requests formulated by the departmental banks in 1840, particularly by the first three.

Willingly or unwillingly, we must continue the consideration of the departmental banks. They alone are to monopolize, until the early days of May, 1848, the attention of the people who, in France, are interested, theoretically or practically, in questions of commercial credit.

Here, for example, is the Bank of Rouen. Its privilege was to expire with the year 1843; the law of June 5, 1842, enacted in conformity with Article 8 of the law of June 30, 1840, prolonged it for twenty years. This credit institution, since 1827, had the same rate of discount as Paris: four per cent. Its prudent and intelligent course had assured to it well-merited credit. It may be remembered that it had obtained success, where a branch of the Bank of France had failed. It was thought best, nevertheless, to regulate its circulation strictly; not only this latter, united with the other items of the liabilities payable on demand, could not exceed three times the amount of the specie really on hand, but also the excess of the liabilities payable on demand over the specie on hand was not to go beyond four times the amount of the institution's capital. This was a singular idea, to establish a proportion between the liabilities payable on demand and the bank's liabilities toward itself. The metallic reserve might reach the amount of the liabilities payable on demand, the bank thus becoming a deposit bank, like the old Amsterdam, Barcelona, and Hamburg banks, yet there would be no security, unless the money so deposited did not exceed four times the amount of the institution's capital. When will a stop ever be put, to the great injury of everybody, to the attempt to replace human foresight and intelligent prudence by an automatic mechanism of bookkeeping?

In the Chamber of Peers, the reporter, M. Boullet, again expressed regret at the preference shown in 1840 to special laws over one general law.

A law seemingly not calculated to call the attention of the parliamentary world to the departmental banks was that of June 10, 1847, which had for its sole object the reduction to 200 francs of the minimum denomination of bank notes, both in Paris and in the departments. In its bill the Government proposed 250 francs for the Bank of France and maintained the *statu quo*, or the same figure (that of the law of the year XI), for the departmental banks.

The committee of the Chamber of Deputies proposed 200 francs for the provinces as well as for Paris. Harmless enough at first sight, this law was, after that of 1840, an introduction to the unity of banks. Not foreseeing the occasion, unexpectedly arising from the Revolution of 1848, the Bank of France advanced toward its ends by degrees, of which public opinion did not anticipate the centralizing consequences. A deputy from the Bouches-du-Rhône set them forth in a speech full of tact and penetration. Alex. Clapier, a southerner like Thiers, but having more faith in liberty than did he, opposed the law in these words:

"The real interest of the measure is not an immediate discount interest; it is an interest of the future. The Bank of France cherishes a plan which it does not conceal: *it wishes to absorb within itself all the provincial banks*, and to attain this result it tries to attract to its vaults all the money of the country.

"Our social, political and industrial constitution is so organized as to call, always compulsorily, necessarily, all the property of France to the capital. All the provincial banks are obliged to resort to Paris to keep up their cash. Now, as soon as by means of a reduction of the denomination of notes, all the specie circulating in Paris shall have passed into the Bank's vaults, all the provincial banks will necessarily have to resort to the Bank of France. The provincial banks will then be at the discretion of the Bank of France; the very moment this result is secured, the last hour of the provincial banks has sounded.

"The important question of the provincial banks is therefore agitated under this question of detail, which is submitted to us. It is the first step to be taken to arrive at this result. Now, do you want to obtain this result? Do you want to form at the center of the country an establishment, which shall have in its hands all the credit of the country, the secret of all the fortunes of the country? For my part, I think that this would be an immense danger. I have heard it said, upon a recent occasion, that one of the dangers, one of the inconveniences of our political situation was this excessive centralization which puts in the hands of power all the places, all the offices of the country, and it was said that the power, which can dispose of all the places and all the offices, holds in its hands all the votes, all the consciences. Well, I say that there is a centralization more dangerous than that of the places and offices: it is that of fortunes and credit. An establishment holding in its hands all the country's credit would hold more than all the country's votes; it would hold the existence of everybody.

"There must be one of two things: either this establishment would be in the Government, or it would be outside of the Government. If it were outside of the Government, it would be the stronger and would crush it; if it were in the Government, the Government would be stronger than anything else, and would crush us."

The speaker following Clapier, de Bussière (Marne), appears also as a partisan of the federation of the local banks. This deputy said: "The absorption of the departmental banks. to the profit of the Bank of France, proposed by the committee,* has not been received without energetic opposition."

Thémistocle Lestiboudois added: "To suppress the departmental banks in order to give the monopoly of all discount business to the Bank of France seems to me the most serious thing in the world." Finally, M. Victor Grandin, in his speech, introduced this sentence, which left no doubt upon his way of thinking: "I do not at all share the ideas of the committee, or, if you please, of the reporter. What he wants is the absorption—excuse the expression—of the financial *bourgeoisie* to the profit of the financial aristocracy, and to the detriment of the commercial democracy." The latter deputy demanded, that the Bank of France should really return to the capital of 90,000,000 francs, reproaching the act very sharply for having redeemed 22,100 shares, from 1810 to 1817, without informing the public of it, and profiting by the occasion to fall upon the cosmopolitan bankers who monopolized the Bank to their own profit. In the course of the discussion in the lower Chamber, Léon Faucher, a partisan of the unity of banks, had proposed to lower the limit to 100 francs, but only for the Bank of France. Lestiboudois was also a partisan of the 100-franc note, but for the provincial banks as well as for the Bank of France.† In the Chamber of Peers, after a very colorless report from the Marquis d'Audiffret, de Lagrenée pronounced himself in favor of lowering the limit to 100 francs, and Wustenberg against any modification of the figures previous to 1847; Hippolyte Passy was not opposed to the 100-franc note, but he thought it unseasonable to reduce it at once to this figure. The bill was passed, notwithstanding, in the Chamber of Deputies, by 243 votes against 17, and in the Chamber of Peers by 100 against 13. We see that the speeches of those opposed to it had but a very slight influence upon the opinion of their colleagues.

All the same, sympathy for the departmental banks made its way slowly, but with perseverance. In embryo in 1840, affirming itself as early as 1843, it swelled in 1847-'48 in the parliamentary world of restricted suffrage.

Before approaching the era of universal suffrage, let us speak

* The reporter, M. Benoist d'Azy, had indeed said in his report: "We believe therefore, that it is necessary either to modify the organization of the local banks, or to prepare for their incorporation with the Bank of France. *The latter seems best to us* and most conformable to the true interests of the important cities where they are established.

† We may note that M. Benoist d'Azy proposed to the Chamber of Deputies the minimum limit of 200 francs, *while awaiting the 100-franc note for the departments.*

of a bill that was discussed just at the time of the overthrow of the July Monarchy. In April, 1847, the Government, through the Minister of Finance, Lacave-Laplagne, laid before the Chamber of Deputies a bill postponing until December 31, 1868, the expiration of the exclusive privilege of the Bank of Bordeaux, which was to end on November 23, 1848. This bill, which Lacave-Laplagne had not to defend in Parliament, Dumon succeeding him on the following May 9, contained, like the laws of 1840 and 1842, a contingent clause allowing the Government to limit the privilege to December 31, 1855. The selection of the reporter, Alex. Clapier, shows well enough the interest that the Chamber took in the existence of the local banks. The discussion, tardily opened on February 21, 1848, when the report had been handed in since June 26, 1847, took a most serious turn; notwithstanding the excitement caused by the events preceding the Revolution of 1848, the speakers followed one another without interruption, and the attention of their hearers did not fail them. Among those favoring the bill we notice, besides the reporter: Thém. Lestiboudois, Th. Ducos, Ad. Blanqui; among the opposing speakers, we may mention: Léon Faucher, Deslongrais and Benoist d'Azy. These names prove, by their abundance and the oratorical merit of those bearing them, all the ardor of the struggle. The arguments for and against were generally the same as those which we have developed concerning the laws of 1840, 1842, and 1847, the last two particularly. We shall not repeat them. It will be remarked only that, faithful to the idea which had caused the local banks' demands to be rejected in 1840, the idea of not making any general law for the departmental banks, but separate laws for each of them, the Government, as a sequel to the prolongation of the Bank of Rouen's privilege by the law of 1842, entered upon the question of the privilege of the Bank of Bordeaux.* The privileges remaining to be renewed by act of legislature going from 1855 to 1860, there were still twelve years to complete the evolution. This was not free competition; it was the breaking up of the privilege into sections, under the pre-eminence of a quasi-governmental bank helping out the localities not important enough to be provided with a local bank. It was better for provincial interests than a unity of banks. In time the system of the local banks would certainly have been improved. The tax-paying Parliament did not object. Universal suffrage would perhaps have respected it. Arbitrary authority decided otherwise.

THE ONLY BANK—1848–'91.

The Revolution of 1848 breaks out; the July Monarchy is swept

* The Revolution of 1848 coming to interrupt this discussion, the Provisional Government's decree of March 17, 1848, continued until December 31, 1849, the rights and privileges of the Bank of Bordeaux.

away without even defending itself. The nation, which desired only an electoral reform, is astonished at being involved, not merely in a change of dynasty, as in 1830, but in a change of system. All continental Europe is shaken. Politically, things would recover; by a marvelous instinct of conservation, the administrative movement would be resumed. But this Revolution, which was not expected, which, once accomplished, was accepted unreservedly, is not simply political; parallel with democracy, socialism appears there in full strength. Universal suffrage, a precious conquest which had but one fault, that of arriving suddenly and not progressively, makes the situation more serious. Fear possesses people's minds; the National Assembly, which, after the Constituent Assembly of 1789, is to be the best political assembly that France has ever had, cannot open before several months. The panic assumes unexpected dimensions; the holders of bank notes do not escape it. Before their increasing numbers at the Bank's windows, the formidable line of people who, from necessity, but chiefly from fear, await their turn for redemption at the door or near the office of this institution, the latter asks and obtains from the Provisional Government, by decree signed on the night of March 15 to 16, the suspension of specie payment for its notes and their forced currency. It was time; it said in its report to the Minister of Finance: "From February 16 to March 15, the Bank has discounted at Paris the sum of 110 million francs; of 125 that it owed to the Treasury, it has repaid 77, besides 11 placed at the disposal of the Treasury in different offices to meet various urgent expenses of the public service in fifteen departments. Moreover, the Bank has discounted 43 million francs in the fourteen cities, where it possesses branches. From February 26 to March 14, the metallic reserve in Paris has fallen from 140 to 70 million francs. New places for exchange have been opened to accelerate the service; to-day (March 15) over 10 million francs have been paid out in specie; there is left in Paris this evening only 59 million francs, to-morrow the crowd will be still greater; a few days more and the Bank will be entirely destitute of specie, etc., etc." To do nothing was necessarily to go on to the suspension of all discount business, to the liquidation of the Bank. An impartial examination of its situation, the favor it enjoyed with the public, the confidence which its order, regularity, and extreme prudence had won for it, authorized a composition. The Provisional Government understood this, yielded to the Bank's desire, and did well.

Public opinion sanctioned this decision by a revival of the value of the bank notes, which, losing 5 per cent. before the governmental resolution, rose to par as soon as the decree of March 15 was promulgated. The same decree limited to 350 million francs the figure of the Bank of France's issue, and authorized the creation of the 100-franc note requested, as will be remembered, in 1840.

The consequence of this decision forced by events was (decree of March 25) the same authorization granted to the departmental banks. The circulation of each of them was also limited (Rouen, 15 million francs; Nantes, 6; Bordeaux, 22; Lyons, 20; Marseilles, 20; Lille, 5; Havre, 6; Toulouse, 5; and finally Orléans, 3). The 100-franc note was also allowed them. Legal currency, however, was granted them only within the bounds of the department, where each was located. The serious inconvenience resulting from this isolation of each departmental bank might have been remedied by giving forced currency to their notes over all the continental territory, and obliging the Bank of France and the nine local banks to receive their notes reciprocally, with the opportunity of exchanging them within a short period, settling the balances in specie. The Bank of France would have served as a *Clearing House;* but for it to enter into this combination, it must not have been cherishing the secret intention of absorbing its provincial sisters.

Now we come to the decrees of April 27 and May 2, 1848, which, without any preliminary discussion, without ceremony, decided upon the absorption of the local banks by the Bank of France. This absorption, which was decorated with the name of reunion or fusion, was it really free on the part of the local banks,* or, at least, was it not imposed by the force of events, by necessity? In a word, did public interest call for it, in the absence of any private interest?

In Belgium the creation of the National Bank and the giving up to it of the right of issue of the Société Générale and the Bank of Belgium were the consequence of long negotiations, which did not come to an end until May, 1850. Now forced currency had been granted, on March 20, 1848, to the notes of these two institutions, at the same time with the suspension of their redemption in specie. There was, therefore, a resistance to public excitement, and it was only at a relatively calm period, and with the consent freely obtained from the interested parties, that the law of May 10, 1850, was made. It was not so in France. The Provisional Government, without the advice of any State council or competent disinterested commission, settled the question. The Bank of Lyons alone asked its stockholders, assembled at a general meeting called more or less for this purpose, for authority to unite; the eight other banks did it upon the simple resolution of their council of administration, whose powers certainly did not go so far as taking a resolution of this gravity. We may remark that the deputies to Parliament, under restricted suffrage, were far from pronouncing

* Some desires for fusion manifested by the Bank of France were ill received. "The local banks wanted above all to preserve their independence," says the Bank of France in its report to the general meeting of January 25, 1849; and it must be believed.

themselves so unanimously in favor of the unity of banks. If, in 1840, they voted against a general law on banks, in 1842 and 1847 they pronounced more or less directly against the omnipotence of the Bank of France. In February, 1848, in the matter of the Bank of Nantes, sympathy with the regional banks was displayed. Without the Revolution of 1848, the prolongation of this bank's local monopoly would have been decreed by a solemn vote. As for the Parliament under universal suffrage, it was not yet in session; its opening took place on May 5. It was therefore by a stroke of authority that the Provisional Government, full of good intentions, moved by patriotic disinterestedness, but overwhelmed with business and only slightly informed on these subjects, engaged the future instead of providing merely, as was its strict duty, for the necessities (already numerous enough) of the present.

In consequence of the panic occasioned chiefly by the display of the wildest Socialist doctrines, numerous business or banking houses, and some of the best ones, were embarrassed to the point of suspending their payments, which, however, most of them resumed a short time afterwards. Some joint-stock banks—there were not many of them in existence then—succumbed finally, the Bank of France refusing them all assistance, rightly or wrongly. We say rightly or wrongly—we ought to say rightly and wrongly; for while some, by imprudent use of their resources, did not deserve to be assisted, others, with a little aid, might have survived and thus rendered from the beginning of the Republic of 1848 great service to commerce and industry during this troublous period.

Why was the Bank so uniformly hard, when it had just obtained so liberally quite unusual advantages? Did it bear in mind the progress which, in spite of itself, it had had to endure, the competition of these credit establishments being the spur to urge it on?

However that may be, the First Consul's Bank now becomes really the Bank of France; for the first time its powers justify its title. Its popularity will go on increasing; its credit grows more and more extensive; in twenty-two years it will be subjected to a painful and great trial, such as no credit institution has yet suffered, and it will come out of it victorious. Yes, thanks to the good management of the Bank of France, to its financial courage (there is a courage occasionally on this ground), we have had revenge for our cruel military reverses in matters of commercial credit. We shall see presently whether this sincere avowal obliges us, to be logical, to sacrifice liberty to this *great business house*,* the first in the world perhaps. For the present, let us see how the last renewal of the privilege of the Bank of France was effected.

* It is so called by a friend of the Bank of France, by Count Mollien.

[TO BE CONCLUDED IN THE NEXT NUMBER.]

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

Since the work on "The National Bank Act and its Judicial Meaning" was published, more than one hundred and fifty decisions have been rendered by the Federal and State courts which contain additional interpretations of the act, or fortify or amend former interpretations. It is our purpose to summarize these decisions, and in doing so we shall put most of them under the same sections as similar decisions in the original work.

ORGANIZATION AND EXTENSION.

SEC. 6. **Authority of the Deputy Comptroller.**—In describing his duties, Hawley, J., has declared, in an action by a receiver against stockholders to recover an assessment, that he is authorized to act in place of the Comptroller in the contingencies mentioned in the law, and that a court will presume, in the absence of any showing to the contrary, that the deputy has acted in conformity with law. (*Young* v. *Wempe*, 46 Fed. Rep. 354.)

SEC. 14. **Place of operation.**—A National bank is not situated within a State in which no business is transacted except that of receiving deposits. (*National State Bank* v. *Pierce*, 5 W. N. Cas. 344.)

SEC. 21. **Comptroller's certificate.**—The certificate of compliance, pertaining to organization, given to an association by the Comptroller may be signed by the Deputy Comptroller as Acting "Comptroller of the Currency." (*Keyser* v. *Hitz*, 133 U. S. 138, revsg. 2 Mackey 473. See §§ 49, 49a.)

SEC. 25. **A converted bank is liable for the debts of the State bank.**—A bank can escape none of its debts by conversion; nor can it be relieved of them by State legislation. Thus by the New York statute of 1859 a State bank was released from the obligation of redeeming its notes six years after closing business. It was contended that, by conversion into a National bank, it had in effect closed its business as a State bank. Nevertheless, it was obliged to redeem its notes presented more than six years after its conversion. (*Metropolitan National Bank* v. *Claggett*, 12 U. S. Sup. Ct. Rep. 60, affg. 125 N. Y. 729, and 56 Hun. 578.)

SEC. 36. **Conversion by savings bank.**—The act of 1876 relating to the conversion of savings banks in the District of Columbia was considered in *Keyser* v. *Hitz* by the local court (2 Mackey 473), and afterward by the Supreme Court of the United States. (133 U. S. 138.) The act was deemed effective to convert a savings bank, organized in the District by a National law and having a capital stock wholly or partly paid, into a National banking association.

SEC. 40. **Place of business.**—"Under this section (5,190) it certainly would not be competent for a National bank to provide for the cashing of checks upon it at any other place than at its office or banking house." (Sage, J., *Armstrong* v. *Second Nat. Bank*, 38 Fed. Rep. 883.)

SEC. 41. **Action of shareholders in making up deficiency in capital.**—Sometimes, when the capital of a bank has become impaired, instead of putting the institution into insolvency, it is permitted to live on condition that enough capital is contributed to supply the impairment. On one occasion (*Booth* v. *Welles*, 42 Fed. Rep. 11, and 38 *Id.* 807) the Comptroller required that $100,000 of fresh capital should be contributed to restore the solvency of the bank. Objectionable securities to a similar amount were to be retired. The amount was contributed, and an account was opened with trustees who were appointed by the directors to manage the fund. The securities for retirement were to be designated by the Comptroller and Bank Examiner. Before the selection of them had been completed the bank closed, and the receiver sought to collect and retain the entire assets for distribution. The contributors contended that the balance of fresh capital, nearly $36,000, which was held by the trustees at the time the bank closed, was a special or trust fund which formed no part of the assets of the bank, and belonged to the contributors. But the court decided that the contribution could not thus be regarded. "To so treat it would defeat, instead of effectuating, the purpose for which it was originally contributed. In effect, the only trust created was with relation to the objectionable paper, and this was not of such a nature as to prevent the bank from using the fund as part of the assets of the bank as soon as it was paid in, nor did it now entitle the contributors to charge the proceeds realized from the assets in the hands of the receiver with a trust, so as to claim a preferential right of payment therefrom over other creditors." In another case (*McCann* v. *First Nat. Bank*, 112 Ind. 354) the capital was reduced enough to cover a loss which it was supposed had happened by a bad investment, and which was charged to profit and loss. Afterwards, the entire amount was collected. One of the principal shareholders then sought to recover his share of the amount realized, but did not succeed. Said Mitchell, Ch. J.: "There is certainly no express provision in the law authorizing the withdrawal and distribution of any part of the capital stock of a banking association prior to the final winding up of the bank. On the contrary, section 5,204 in terms prohibits any association, or member thereof, from withdrawing, or permitting to be withdrawn, any portion of its capital stock during the time the bank continues its banking operations. Notwithstanding this prohibition, it may well be, in case a banking association should find itself unable to employ the whole of the capital originally embarked in the enterprise, and should for that reason determine upon and actually effect an authorized reduction, that the excess would in that event be liberated, and cease thereafter to be a part of its capital stock. In such a case the excess could well be said to have accomplished its mission as bank capital, and like a dividend duly declared, could not be carried to the surplus fund of the bank, and be divested from the stockholders without their consent. Having reduced its capital upon the sole pretext that it could not find employment for the excess, the bank would not, for obvious reasons, be heard to say, after the reduction had been allowed and made, that it would retain the money for use in its business. Such a reduction would proceed upon the implied understanding that the stockholders should have, as a consideration for the surrender of a portion of their stock, a pro rata distribution of the excess. To refuse to distribute the excess above what was required to maintain the reduced stock at its full value would, in such a case, be in the nature of a fraud upon the stockholders. "But it is not the rule that the reduction of a capital stock of a corporation always authorizes the distribution among the stockholders of the difference between the original and the reduced amount of capital. Such a distribution is only lawful when it appears that the original capital stock is unimpaired." (Cook on Stock and Stockholders, §§ 289, 537.)

SEC. 46. **Authority of the committee of appraisement under a recharter.**—Under the law of 1882, providing for the extension of National bank charters and the appraisal of the shares of shareholders who wish to withdraw, the authority of the committee to make an appraisal has been defined by the Supreme Court of Pennsylvania. (*National Bank* v. *Brenneman's Ex.*, 114 Pa. 315.) Says Green, J.: "No provision is made for constituting the appraisal a proceeding of any court, or for filing it in any office or with any public officer, or even directing that it shall be in writing, or that the parties shall be notified of it. The act does not provide that when the value has been ascertained and determined it shall be a debt due from the bank to the stockholder, to be forthwith paid, and this is what makes it a cause of action. The committee are simply to appraise the value of the shares; they have no judicial functions, they hear no controversy, they render no judgment as upon a litigated cause, their proceedings are not of record, they are mere appraisers, and, presumably, inform the parties of the fact and amount of their appraisement. For aught that appears in the act that information may be imparted wholly or in writing." And they can correct a mistake in their appraisal within thirty days from the time of making the same.

SEC. 46a. **Obligations of a re-chartered bank.**—When a National bank is re-chartered for another period of twenty years as permitted by this law, all of the obligations due to, or from it, have the same force as before. The re-chartered corporation is the same as the other. Said Pardee, J., in *National Exchange Bank* v. *Gay* (57 Conn. 224, 234): "The power which created the plaintiff put a limit to its existence; before that limit had been reached, while the plaintiff was in full corporate life, the creating power moved that limit farther into the future. The power which can create can prolong. It was not the substitution of one legal entity for another; it was not the change of a State into a National corporation; it was not even the restoration of a spent corporate life. The identical corporation which received the breath of life in 1863 has been in uninterrrupted unchanged existence to this present; having the same rights; bearing the same obligations."

SEC. 48. **Liquidation of expiring banks.**—To effect its liquidation a bank may continue to elect officers and directors; and it can sue and be sued as an existing corporation. The directors can submit a claim to arbitration; and unless others are elected, the old board remains in power. But a shareholder cannot transfer his shares during the period of liquidation. Says Devens, J., in *Richards* v. *Attleborough National Bank* (148 Mass. 187): "Whether the liquidation of the affairs of the bank be voluntary or involuntary, or whether it proceeds under the authority given to continue in existence in order to close its affairs, it is necessarily implied that the respective rights, not only of the creditors and debtors of the bank, but of the stockholders, are to be determined as of the time when it commences. Indeed were the stock as such to continue transferable, serious embarrassments would arise. Where stock is sold in the ordinary course of business, and so transferred, it is not important to the purchase whether the bank has or has not claims against the stockholder so transferring stock. But when the bank is in liquidation, and when all to which the stockholder is entitled is his proportion of the assets, the claims which the bank may hold against him are a proper offset to those which he may hold against it by virtue of his ownership of stock. He therefore cannot place another in the position of a stockholder, even if he may invest him with such rights as he himself equitably may have."

SEC. 49. **When the association is formed.**—Until the articles of association of a proposed National bank, together with the certificate of organization, are filed with the Comptroller of the Currency, the bank does not become a corporation. (*Regester* v. *Medcalf*, 71 Md. 528.)

[TO BE CONTINUED.]

WHAT IS DISCOUNTING? USURY.

CIRCUIT COURT OF APPEALS, THIRD CIRCUIT.

Danforth v. *National State Bank of Elizabeth.*

The purchase of accepted drafts by a National bank from the holder, without his indorsement, at a greater reduction than lawful interest on their face value, is a discounting of those drafts, within the meaning of Rev. St. U. S. § 5,197, which prohibits such bank from taking interest on any loan or discount made by it, at a greater rate than is allowed by the laws of the State where it is situated.

The acceptor of the drafts so purchased may defend against the recovery of interest thereon by the bank, under section 5,198, which provides that the taking of an unlawful rate of interest shall be deemed a forfeiture of the entire interest which the "bill or other evidence of debt carries with it"; for this provision destroys the interest-bearing power of the instrument.

Where the acceptor of the drafts makes a payment to the bank without any direction as to its application, it cannot be applied to the forfeited interest, but must be credited on the face value of the drafts.

ACHESON, J.—This action was brought by the National State Bank of Elizabeth, a National bank located in the State of New Jersey, against Waldo Danforth and Seth B. Ryder, executors of the last will of Edward G. Brown, deceased, to recover the amount of certain drafts and interest thereon. The material facts disclosed by the record are these: Brainard Bros. drew nine drafts, payable to the order of themselves, upon Edward G. Brown, who accepted the same. Afterwards, and before the maturity of the drafts, Brainard Bros. indorsed, and placed them in the hands of James W. Raynor, a broker in commercial paper, for sale, and the plaintiff bank bought the drafts from Raynor at a discount, at the rate of 15 per centum per annum for the length of time they had to run, paying to Raynor the face amount of the drafts, less the said discount. The bank did not know that Raynor was acting for Brainard Bros., or that the latter then owned the drafts. The legal rate of interest in the State of New Jersey was 6 per centum per annum. On April 5, 1889, Ryder, one of the executors of Brown, paid to the bank $2,500. Shortly before, the cashier of the bank had made a demand on Ryder for the interest on the drafts. Ryder consulted his counsel, who advised him not to pay the interest, but to make a check for even $2,500, which was something more than the interest would be, and give it to the bank. This Ryder did, handing the check to the cashier without saying anything. He testified that his intention was to make a general payment. The cashier, without the consent or knowledge of Ryder, credited the $2,500 on account of interest. The defendants resisted the recovery of anything more than the amount of money advanced by the bank on the drafts, less the payment of $2,500, claiming that all interest was forfeited under the following provisions of the National banking law (sections 5,197, 5,198, Rev. St.):

"Sec. 5,197. Any association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate allowed by the laws of the State, territory, or district where the bank is located, and no more; except that where, by the laws of any State, a different rate is limited for banks of issue organized under State laws, the rate so limited shall be allowed for associations organized or existing in any such State under this title. When no rate is fixed by the laws of the State, territory, or district, the bank may take, receive, reserve, or charge a rate not exceeding seven per centum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run. And the purchase, discount, or sale of a *bona fide* bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts, in addition to the interest, shall not be considered as taking or receiving a greater rate of interest.

"Sec. 5,198. The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, twice the amount of the interest thus paid from the association taking or receiving the same; provided such action is commenced within two years from the time the usurious transaction occurred."

The court below overruled the defense, assigning as reasons for so doing the following:

"*First.* That the transaction was not usurious, there being a difference between discount and purchase.

"*Second.* That the payment made by Ryder upon the indebtedness was either a distinct payment upon interest, or, if a payment generally, must be by law credited upon the interest account in this transaction.

"*Third.* That, if the transaction was usurious as to Brainard Bros., the drawers of the drafts, that does not relieve the defendants from liability to pay the full amount."

And by direction of the court, the jury rendered a verdict for the plaintiff for the whole amount of its claim, namely, the sum of $13,654.44, and judgment therefor was entered.

We are now to determine whether these rulings were correct. Undoubtedly, the suggested distinction between discount and purchase has been judicially recognized as existing under State usury laws, and it has been held that, without infraction of those laws, a promissory note or draft, valid in its inception, and originally free from usury, may be purchased from the holder at any agreed price, without regard to the rate of interest fixed by law. But such decisions are not applicable here. (*Bank* v. *Johnson*, 104 U. S. 271.) It was there held that, so far as loans and discounts are concerned, "the sole particular in which National banks are placed on an equality with natural persons is as to the rate of interest, and not as to the character of contracts they are authorized to make." In that case a National bank, located in the State of New York, acquired from the payee certain promissory notes, business paper, and valid for the full amount in his hands, at a deduction exceeding the lawful rate of interest, and the notes were transferred to the bank by the indorsement of the payee, imposing upon him the ordinary liability of an indorser. By the law of the State of New York it was not usurious or unlawful for natural persons thus to acquire business paper, the transfer being treated as a sale. But the Supreme Court of the United States adjudged that the transaction was a discount by the bank, and was within the prohibition and penalty of sections 5,197 and 5,198 of the Revised Statutes. Now the only distinction between that case and the case in hand is that here the bill-broker who negotiated with the bank, and who was the ostensible owner of the drafts, transferred them to the bank by mere delivery, without his own indorsement. Does this circumstance so distinguish the two cases as to justify the conclusion of the court below that the transaction in question was not a discount, within the meaning of the sections above quoted?

In *Fleckner* v. *Bank*, 8 Wheat. 338, 350, the Supreme Court of the United States, speaking by Judge Story, said:

"Nothing can be clearer than that by the language of the commercial world, and the settled practice of banks, a discount by a bank means, *ex vi termini*, a deduction or drawback made upon its advances or loans of money upon negotiable paper, or other evidences of debt, payable at a future day, which are transferred to the bank."

And it was added that, if the transaction there was a purchase, it was "a purchase by way of discount." It will be perceived that the above definition of discount embraces as well a transaction where money is advanced upon paper transferred to a bank without the indorsement of the previous holder, as the case of a strict loan thereon, where the relation of debtor and creditor is created. Mr. Justice Matthews, in *Bank* v. *Johnson, supra*, tersely defined "discount" as "the difference between the price and the amount of the debt, the evidence of which is transferred." In *Tracy* v. *Talmage*, 18 Barb. 456, 462, the court said: "Now to 'discount' includes to buy; for discounting, in most cases, is but another term for 'buying at a discount';" and this proposition the Court of Appeals of New York cited with approval in *Bank* v. *Savery*, 82 N. Y. 291, 302. In *Bank* v. *Baker*, 15 Ohio St. 68, 85, the court declared:

"It is also undeniably clear that the term 'discount,' when used in a general sense, is equally applicable to either business or accommodation paper, and is appropriately applied either to loans or sales by way of discount, when a sum is counted off or taken from the face or amount of the paper, at the time the money is advanced upon it, whether that sum is taken for interest upon a loan, or as the price agreed upon a sale."

In *Pape* v. *Bank*, 20 Kan. 440, 451, the court said: "And the term 'discounting' includes purchase, as well as loan." It is worthy of observation that the opinion of the Supreme Court of Kansas in that case was delivered by Judge Brewer, now an Associate Justice of the Supreme Court of the United States. In *Bank* v. *Sherburne*, 14 Ill. App. 566, the court expressed the opinion that "a purchase may be made by way of discount equally as well as a loan may be made by way of discount." This question was before the Court of Appeals of the State of New York in *Bank* v. *Savery, supra*, where the facts were substantially the same as they are here. There a negotiable promissory note, duly indorsed, was delivered by the holder to a firm of brokers, to whom he was indebted, with directions to sell the note, and apply the proceeds on that indebtedness. They accordingly sold and delivered the note to the bank, without their own indorsement upon it, at a greater rate of reduction than lawful interest. The Court of Appeals held that this was a discount within the meaning of the State act, which authorizes associations organized under it "to carry on the business of banking by discounting bills, notes, and other evidences of debt."

Upon the score, then, of judicial authority, the conclusion is well warranted that, in the business of banking, "discount," in the ordinary acceptance of the term, includes what is called "purchase." We find nothing in the National banking law to suggest that Congress used the word in any other than its usual commercial sense, or intended to make the distinction between discount and purchase insisted on by the defendant in error. But, upon the face of the statute, there are, we think, decisive indications to the contrary. All the powers National banks have to deal in negotiable paper and other evidences of debt are conferred by section 5,136 of the Revised Statutes. The grant of power is this:

"To exercise . . . all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; . . . by buying and selling exchange, coin, and bullion; by loaning money on personal security."

Now, clearly, no authority is hereby given to National banks to acquire notes, drafts, etc., otherwise than by way of discount. The term "negotiating," as here used, does not enlarge the power of acquisition, but concerns the disposal by a bank of the notes, etc., it may have acquired, and authorizes the transfer thereof by the bank. (1 Morse, Banks, § 73, p. 156.) If, then, there is any essential difference between discount and purchase, it is plain that a National bank cannot lawfully take title to paper by purchase, for, where there is no grant of power to these banking associations to do an act, a prohibition against the exercise of the power is implied. (*First Nat. Bank* v. *National Exchange Bank*, 92 U. S. 122.) Then observe the power of "discounting" promissory notes, drafts, etc., is conferred by the same paragraph which authorizes "buying" exchange, coin, and bullion. The statute thus evinces great care and nice discrimination in the use of words. Again, turning to the concluding clause of section 5,197, we find it there declared that—

"The purchase, discount, or sale of a *bona fide* bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts, in addition to the interest, shall not be considered as taking or receiving a greater rate of interest."

The obvious deduction is that, but for this saving clause, the described purchase would have come within the previous limitation as to the rate of interest on loans and discounts. Then, too, as Judge Matthews pointed out in *Bank* v. *Johnson*, *supra*, "here the purchase, discount, and sale of bills of exchange are classed as one, and subject to the same rule and rate of discount." (Page 278.)

It is incredible that, while the statute carefully restricts the rate of interest upon loans and discounts, it was intended that National banks should have the right to buy commercial paper at any agreed price, without respect to the usury laws. This, in effect, would be to relieve these institutions from all limitation on the right to charge interest whenever the transfer takes on the form of a purchase, and is so denominated.

We are then constrained to differ with the court below as to the nature of this transaction, and to hold that the bank acquired the drafts sued on by discount, or by purchase by way of discount, which substantially are one and the same thing.

But it is contended that, even if the transaction between Brainard Bros. or their broker, Raynor, and the bank was usurious, the forfeiture prescribed by the statute is not an available defense to the executors of Brown, the acceptor of the drafts; and so the court below held. But this view, in our judgment, is against the words of the statute, and defeats the legislative intention. The language of the act is plain:

"The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon."

The forfeiture here denounced attaches to the instrument itself, and the consequence inheres in it. As it carries no interest, how can any interest thereon be recoverable? The clause operates directly upon the bank, and affects its power. The statutory franchise to recover interest is lost by the commission of the illegal act. Being without right to demand interest, the offending bank cannot recover interest from any one. The right to defend is not made a personal one; and herein, it will be perceived, there is a marked difference between this provision of the law and the one immediately succeeding, which gives a particular remedy to the person by whom the excessive interest has been paid. We are therefore of the opinion that the plaintiffs in error may defend under the forfeiture clause of the act.

We are aware that this conclusion is at variance with the ruling of the Supreme Court of Ohio in *Smith* v. *Bank*, 26 Ohio St. 141, and of the Supreme Court of New Jersey in *Bank* v. *Littell*, 47 N. J. Law 233; but we are in accord with the decision of the Supreme Court of Pennsylvania in *Guthrie* v. *Reid*, 107 Pa. St. 251. There, the objection being made that the maker of a note discounted by a National bank (the equitable plaintiff) for the payee at a usurious rate of interest could not defend because the illegal interest had been paid by the payee, the court declared: "The answer to this is that the bank, by its act, has destroyed the interest-bearing power of the note, and can recover no interest upon it from anybody."

We are brought now to the consideration of the question how far a valid defense exists to the claim in suit. It was settled by the case of *Barnet* v. *Bank*, 98 U. S. 555, that, where unlawful interest has been paid to a National bank, it cannot be used by way of set-off or payment in a suit by the bank on the bill, note, or draft. This principle is applicable here, so far as relates to the usurious interest taken by the defendant in error in its transaction with Raynor. It is true the illegal interest was not here paid to the bank in money, but it was paid in what was the equivalent. Raynor was the apparent owner of drafts good in his hands for their face amount as against all the parties to the paper, and which, indeed, in the hands of Brainard Bros., themselves, were thus good as against the acceptor. Therefore, the transfer of the drafts to the bank operated as a payment of the amount charged for discount. This point was expressly so ruled by the Court of Appeals of New York in *Nash* v. *Bank*, 68 N. Y. 396, which was an action to recover penalties under a State act identical, as regards the taking of interest, with the National banking law. The same ruling was also made by the Court of Errors and Appeals of New Jersey in *Bank* v. *Carpenter*, 52 N. J. Law 165, 19 Atl. Rep. 181, which was a suit for a penalty under section 5,198 Rev. St. To the extent of the face amount of the drafts, then, the bank had an enforceable claim.

But we are clear that no interest upon the drafts after their maturity was recoverable. The statutory forfeiture is not of part of the interest, but all of it. "The entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon," is comprehensive language. It would be difficult to employ broader terms. The legislative intent, we think, was utterly to destroy the interest-bearing capacity of the instrument. The interdiction of a recovery of interest by the transgressing bank is salutary, and full effect should be given to it. These views have prevailed in the courts. In *Bank* v. *Stauffer*, 1 Fed. Rep. 187 (Cir. Ct. W. D. Pa.) a National bank upon the discount of a note had charged and received more than the legal rate of interest between the date and maturity of the note, and the question there, as here, was whether this subjected the bank to a forfeiture of the interest which otherwise would have accrued upon the note after its maturity.

Judge McKennan held that it did, and that nothing could be recovered but the face amount of the note. The same point arose in *Bank* v. *Childs*, 133 Mass. 248, and the Supreme Court of Massachusetts ruled that, while illegal interest paid to the bank upon the discount of a note could not be set off in a suit brought on it, yet the bank was entitled to recover only the face of the note, without interest. So, too, in *Alves* v. *Bank*, 3 Browne, Nat. Bankr. Cas. 452, the Court of Appeals of Kentucky decided that, by receiving a greater rate of interest than was lawful, the bank forfeited all interest accruing by law upon the discounted note after its maturity. This was also adjudged by the Supreme Court of Pennsylvania in *Guthrie* v. *Reid*, *supra*. The court there said:

"It is settled law that where a National bank takes, receives, or charges more than the legal rate of interest in the discount of a note, the interest-bearing power of the note is destroyed; and, when once so destroyed, it remains so. The taint of usury clings to it until paid. It is a dead note thereafter, so far as interest is concerned."

It only remains for us to consider the question of the application of the payment of $2,500. We have carefully examined the evidence, and are of the opinion that it was not sufficient to warrant a finding that the payment was made specifically on account of interest. The burden of showing this was upon the bank, especially in view of the circumstances of the case. No interest was legally demandable. Besides, Ryder was acting in a representative capacity, and he had no right to appropriate the funds of the estate of the decedent, Brown, to forfeited interest. Certainly, he made no express application of the money to interest, and such an application by him is not to be lightly inferred, but should be satisfactorily proved. The cashier of the bank himself testified that when Ryder handed him the check "he did not say it was for interest," but "went right away without saying anything." Under the evidence, it must be regarded as having been a general payment; and, if it was that, then clearly it was not competent for the bank to apply it to forfeited interest—to a claim which had no legal existence. (*Adams* v. *Mahnken*, 41 N. J. Eq. 332, 7 Atl. Rep. 435 (N. J. Err. & App.); *Greene* v. *Tyler*, 39 Pa. St. 361.) The law will appropriate the payment to the principal of the drafts.

Under the evidence, the jury should have been instructed to render a verdict for the plaintiff below for the face amount of the drafts, less the payment of $2,500, without interest.

The judgment is reversed, and the case is remanded to the Circuit Court, with a direction to award a new trial.—*Federal Reporter*.

LIABILITY OF SURETY FOR CONDUCT OF EMPLOYE.

SUPREME COURT OF PENNSYLVANIA.

American District Telegraph Company v. *Lennig*.

A bond conditioned that the principal shall faithfully perform the duties of the office of bookkeeper, "to which he has been appointed," and shall faithfully account for "all moneys which may come into his hands as the agent, employe, or officer" of his employer, does not bind the surety for the principal's default as cashier, an office to which he was subsequently appointed.

Where, in an action on such bond, it appears that the first fraudulent entry in the books appeared after the principal was appointed cashier, and had assumed the duties of the office, and it does not appear whether he continued to act as bookkeeper also, it is a question for the jury whether the embezzlement was committed as bookkeeper or as cashier.

CLARK, J.—This action was brought by the American District Telegraph Company of Philadelphia against Ambrose T. Secor and George G. Lennig, upon a bond dated 3d May, 1882, for $500, conditioned that Ambrose T. Secor "shall and will faithfully perform the duties of the office or employment of bookkeeper, to which he has been appointed in the service of the said company, so long as he continues in said office or employment, and shall faithfully account for and pay over to the said company any and all moneys which may come into his hands as the agent, employe, or officer thereof," etc. The plaintiff in its statement avers (1) that Secor at various times between May 31, 1884, and May 8, 1886, while performing the duties of his office of bookkeeper for the plaintiff, made certain false entries on the plantiff's books, by means whereof the plaintiff was defrauded of large sums of money, in the aggregate amounting to $4,000, and upwards; and (2) that about the 9th June, 1884, Secor was by the plaintiff requested to assume, and he did assume, the duties of cashier of the company, in addition to his duties as bookkeeper, which latter position he continued to occupy, and that in his said office of cashier he embezzled other sums of money, amounting to $1,000, at various dates prior to the 8th May, 1886, when he fled the country. When the testimony was closed at the trial, the court instructed the jury that upon the evidence their verdict should be for the plaintiff for the amount of the bond, and interest; and a verdict to that effect was accordingly entered. This peremptory instruction of the court is the error assigned.

Although the condition of the bond is not only faithfully to perform the duties of bookkeeper, but also to account for and pay over to the said company all moneys which may come into his hands "as agent, employe, or officer thereof," Lennig, the surety, is held only for the peculations of Secor as bookkeeper, and not as cashier, of the company. We agree with the appellants that, when one becomes surety upon a bond which recites that the principal has been appointed to a particular office, mere general words in the condition of the bond will not, in the absence of a clear intent to the contrary, extend the liability of the surety to acts of the principal, after a change in that office. The recital in the bond, undertaking to express the precise intent of the parties, controls the conditions of the obligation which follows, and does not allow it any operation more extensive than the recital, which is its key, and it has been so held in many cases. (*Association* v. *Conkling*, 90 N. Y. 116, and cases there cited.) It is a well-settled principle of law that the obligation of a surety cannot be extended by implication, beyond the terms of his contract. He is bound only to the extent, and in the manner, and under the circumstances pointed out in his obligation; and if the principal parties, without his consent, change the contract in a material part, so as to affect the nature and extent of his responsibility, he is discharged. It follows that where there is a bond of suretyship given for the faithful performance of the duties of an office, and the duties and responsibilities pertaining to the office are by the obligee materially changed, so as to affect the surety, the bond, as to him, at least, is thereby discharged. But the surety will not, in general, be relieved from responsibility merely because the act of his principal which occasioned the loss was not strictly in the line of the duties of his office, or was done in the course of a temporary or casual performance of other duties, at the request of his employer. (*Bank* v. *Auth*, 87 Pa. St. 419; *Bank* v. *Ziegler*, 49 Mich. 157, 13 N. W. Rep. 496; *Bank* v. *Elwood*, 21 N. Y. 88; *Mayor, etc.* v. *Kelly*, 98 N. Y. 467.) The duty of Secor as bookkeeper was to keep the books of the company; but if, in the temporary absence of Mr. Wood, the secretary and assistant treasurer, he should for the time being act for and in behalf of that officer, and receive moneys from the collector, as it is alleged in frequent instances he did, it cannot be doubted that, as this was merely incidental to his regular employment, Mr. Lennig would be held for his faithful application of the money. So, too, if the bookkeeper, taking advantage of the trust reposed in him as an officer of the company, had stepped aside from his ordinary and proper duties, and rifled the money drawers, or otherwise appropriated to his own use the company's money, although the books were in every respect correctly kept, the responsibility of his surety for the money taken would not be questioned, for the import of the surety's obligation is that the bookkeeper was entitled to trust and confidence, and that he will be honest and faithful. But it is not charged that any false entries were in the company's books, or that the company was defrauded of any money by Secor, until on and after the 31st May, 1884. There is some proof of a lead-pencil addition in the plaintiff's ledger, which it is now contended may have been made about the 30th April, 1884; but this is not set forth or specified in the plaintiff's statement of claim, to which, of course, the case is necessarily confined. The first fraudulent entry complained of, as we have said, was made by Secor on the 31st May, 1884, in the account entitled "Lesyeas' District Collection Account." By that entry it is charged, and the evidence tends to show the fact, that Secor falsely set forth in figures that the sum total of credits due by the said Lesyeas amounted to $16,760.77, whereas in truth these credits amounted to $16,202.49; that he falsely stated the debt of Lesyeas to be $3,772.15, whereas in reality it was $4,330.43; and that by this means he fraudulently concealed his own embezzlement of $558.28 of the company's money; and, further, that this false entry was continuously carried through all the subsequent accounts under that title. But whether this was a false or fraudulent entry, whether it was made by Secor while he remained in the company's employment as a bookkeeper, and whether the plaintiff was damaged or defrauded thereby, as alleged, were matters of fact, we think, which under proper instructions should have been submitted to the jury.

It appears that in the early part of the month of May, 1884, Mr. Wood resigned his position as secretary and assistant treasurer, to take effect on the 16th of May in that year. On that day his resignation was accepted, and, under instructions from the president, he turned over all the money, books, papers, etc., to Mr. Secor, whom the president on the same day appointed cashier *pro tempore*. Secor from that date was the acting cashier until the 9th June, 1884, when, by the action of the board of directors, he was formally appointed cashier of the company. Prior to this the company had no officer of that name. His duties as cashier do not appear to have been defined, but, as the duties of that office are commonly understood, he was put in charge of the money, with superintendence, perhaps, over the payments and receipts of the company. The president may not have had the general power of appointment, but, as the executive officer of the company, it was his duty, and he had the power, to provide for the emergency, and until a meeting of the board might be conveniently had. From the 16th May, 1884, therefore, until he absconded, Secor held an office entirely distinct in its duties and responsibilities from that of bookkeeper; and it is plain that Mr. Lennig was not held upon his bond for the fraudulent acts of Secor as the cashier. The question is whether or not he remained liable for his acts as the bookkeeper. Of course, if the effect of Secor's appointment to the new office, by the terms of that employment, or from the nature of the duties to be performed, had been to terminate his office as bookkeeper, the liability of his surety would thereby come to an end. (*Association* v. *Conkling*, 90 N. Y. 116; *Pybus* v. *Gibb*, 6 El. & Bl. 902.) But if there was merely an addition of duties, different in their nature from those which belonged to the office for which the bond was given, and these duties were undertaken as a new, distinct, and additional employment, which did not interfere with the performance of the duties of bookkeeper, it seems plain that no increased responsibility or risk would thereby be imposed on the surety, and the new appointment could not, therefore, have the effect to discharge the bond, given as a security for the performance of the duties first assumed. Neither the imposition of additional, distinct, and consistent duties, nor the appointment of the principal to an additional office, would necessarily relieve the surety on his bond, if the new duties or the new office have no such connection with the old as to interfere with or affect the original employment. (*Mayor, etc.* v. *Kelly*, 98 N. Y. 468; *Bank* v. *Elwood*, 21 N. Y. 88.) The testimony on this branch of the case, it must be conceded, is vague and unsatisfactory. The keeping of the books would not ordinarily fall within the scope of a cashier's employment; and yet Secor, who was the cashier, at the same time acted as the bookkeeper. The question was for the jury, and we think the court erred in assuming the material facts of the case to be undisputed or admitted, when they were seriously in dispute, and in giving binding and peremptory instructions to find for the plaintiff. The judgment is reversed, and a *venire facias de novo* awarded.—*Atlantic Reporter*.

DOES A SEAL DESTROY THE NEGOTIABILITY OF A NOTE?

SUPREME COURT OF PENNSYLVANIA.

Stevens v. *Philadelphia Ball Club, Limited.*

A note signed with the name of a limited partnership by its treasurer, pursuant to a resolution authorizing its execution, is not rendered unnegotiable by the fact that a stamped device, purporting to be the seal of the company, had been affixed to the left-hand side of the note, over the body of the writing.

The action was by John S. Stevens against the Philadelphia Ball Club, Limited, upon a note in the following form:

"$5,000. Philadelphia, July 15th, 1887.

"Two months after date we promise to pay to the order of John I. Rogers, treasurer, five thousand dollars, at Columbian Bank, without defalcation, value received. [Signed] PHILADELPHIA BALL CLUB, L't'd. "JOHN I. ROGERS, Treas.

"[Seal of Philadelphia Ball Club, L't'd.]"

Indorsed: "JOHN I. ROGERS, Treas."

PER CURIAM.—The learned referee and the court below held that the note in question was negotiable. That it was so in form is not disputed. It was signed by the treasurer, and his authority to do so was expressly found by the referee. It was urged, however, that the fact that the "seal of the Philadelphia Ball Club, Limited," was attached destroyed its negotiability. The association was organized under the act of 1874, providing for the creation of limited partnerships. Such associations were referred to in *Oak Ridge Co.* v. *Rogers*, 108 Pa. St. 147, as *quasi* corporations. They are certainly artificial bodies, not natural persons. Whatever may be the character of such associations, there is nothing in the act of 1874 which requires or authorizes them to use a common seal, as in the case of a corporation, nor is there anything to show that it had ever adopted a seal. The resolution authorizing the issue of the note in suit is as follows: "The chairman and treasurer be directed to execute the proper promissory notes for the installments borrowed, and secure the same with a judgment note for the whole amount, $25,000." Here was authority to issue proper promissory notes, which means in the usual form of such instruments. There is not a word about a seal, and the seal appended was evidently not that of the officer who signed the paper, nor was it placed opposite his name. It was on the left-hand side of the note, over the body of the writing, and was a stamped device. As the association had no common seal, so far as the case shows, and as there was no instruction or authority to affix it, we must regard it as surplusage, and not as interfering with the clear intention to make the instrument negotiable. We need not discuss the question of the effect of a seal upon instruments issued by a corporation, further than to say that in such cases the question of their negotiability depends to a large extent upon the purpose for which they were issued. As was said in *Mason* v. *Frick*, 105 Pa. St. 162, in regard to coupon bonds: "Presumptively the bonds were issued to raise money to construct the works of the company. It was a private corporation, and it put these bonds in the market for sale. The clear intent of the maker was that they should pass as negotiable paper." In the case in hand we think the intent equally clear that the note was intended by the maker to be negotiable. Even if we treat the device referred to as a seal, it does not show a contrary intent, nor destroy the negotiability of the note. Judgment affirmed.—*Atlantic Reporter.*

LEGAL MISCELLANY.

LOST NOTE—PROOF OF LOSS.—Where, in a suit on a lost note, it is shown that a bank received the note for collection; that it is unable to produce it; that search has been made for it—there is sufficient proof of its loss, and evidence of its execution and contents is admissible. [*Colorado Nat Bank* v. *Scott*, Tex.]

GIFT INTER VIVOS.—A donor directed the teller of a bank in which she had money to pass a certain amount to the credit of each of three nieces, requesting that the bank-books be so made that the donees could not draw the money during her lifetime. He entered upon the pass-books, "Only Mrs. C. has power to draw." One of the donees accompanied her, and signed her name in the signature book, and the others, on being told of the gift by the donor, sent their names to the bank to be entered therein. The donor's name was also entered therein, and the word "trustee" written after it, and she retained the pass-books until her death. *Held*, that the transaction constituted a valid gift *inter vivos*. [*Appeal of Buckingham*, Conn.]

NEGOTIABLE INSTRUMENT—REISSUE.—One of two joint makers of a note cannot, after taking it up, reissue it. [*Stevens* v. *Hannon*, Mich.]

PARTNERSHIP IN BANKING.—W. and O. having dissolved partnership in the banking business under the name of "W. & O.," the business was continued under the firm name of "W. & Co.," it being generally understood that A., a brother of W., and an employe in the bank, became a partner. A. not only did not deny that he was a partner, but on several occasions stated that he was. He was present, and made no objection when W. ordered the fact of their partnership to be published in a newspaper, which was done; and he did other acts in carrying on the business to cause the belief that he was a partner: *Held*, that not only was A. estopped to deny the partnership, but the jury were warranted in finding its existence as a fact. [*Wright* v. *Weimeister*, Mich.]

BANKS—DISCOUNTS.—Defendants drew a draft at 30 days, payable to themselves, and, having indorsed it to the plaintiff bank "for collection," sent it to plaintiff in a letter, offering it the paper if it wished to discount it, and send them a check for the amount, which offer was accepted and complied with by plaintiff: *Held*, that plaintiff became the holder and owner of the draft for value, and, on its being dishonored by the acceptor, could sue defendants thereon. [*Payne* v. *Albany City Nat. Bank*, Ind.]

NEGOTIABLE INSTRUMENT—DEMAND NOTE.—On a demand note providing for a reasonable attorney's fee in case of suit thereon, the maker is entitled to demand of payment before suit can be brought, and it is error, in an action on such a note, to render judgment for plaintiff on the pleadings, if the answer alleges that payment was not demanded. [*Prescott* v. *Grady*, Cal.]

TAXATION—EQUALIZING ASSESSMENT.—Where the county board of supervisors orders that all property be assessed for taxation at 50 per cent. of its actual cash value, and afterwards, when acting as a board of equalization, orders that 50 per cent. be added to all assessments on money and credits, the latter order is void, as it clearly creates an inequality in the taxation, instead of equalizing it. [*Manson Loan & Trust Co.* v. *Heston*, Iowa.]

NEGOTIABLE INSTRUMENTS — FRAUD — BONA FIDE PURCHASER — USURY.—(1) The burden is on the holder of a negotiable note to show that he was a *bona fide* purchaser, where the maker, in an action against him, has shown that it was obtained from him by fraud. (*Vosburgh* v. *Diefendorf*, 119 N. Y. 357.) (2) Where the maker of a negotiable note, in an action thereon by the holder, shows that it was obtained from him by fraud, the evidence of plaintiff alone as to the circumstances attending the purchase of the note, since he is a party and an interested witness, is not sufficient to justify his court in taking the question from the jury, and deciding as a matter of law that the plaintiff was a *bona fide* purchaser. (*Canajoharie Nat. Bank* v. *Diefendorf*, 123 N. Y. 19.) (3) Certain persons falsely represented that they were partners of one A., and could buy him out for a certain amount, and thereby induced defendant to agree to become a member of the firm in A.'s place, and to execute his notes, to be held by the firm, and not sold or disposed of, but to be paid out of the proceeds of the business. *Held*, that the notes had a legal inception, so that the rule rendering void a note in the hands of a third person, who had purchased it at a discount greater than the legal interest, did not apply. [*Joy* v. *Diefendorf*, N. Y. Ct. of App.]

BROKERS—COMMISSION—ADMISSIONS.—The fact that a broker asks a third person to go to his principal and urge him to sell to the purchaser found by the broker does not make such person the broker's agent, so as to make his statements as to the relation between the broker and the purchaser competent evidence against the broker. [*Minilla* v. *Houghton*, Mass.]

CORPORATIONS—WITHDRAWAL OF SUBSCRIPTIONS.—A subscriber to the stock of a proposed corporation may withdraw his subscription at any time prior to the time at which the company is ready to file its articles of incorporation in the office of the secretary of the commonwealth. [*Auburn Bolt & Nut Works* v. *Schultz*, Penn.]

PRINCIPAL AND SURETY—CASHIER'S BOND—CONDITION.—A cashier's bond was conditioned for the faithful discharge of his duties "for and during the time of his employment by said bank, whether under his present election, or under any subsequent election to the said position, or whether under its present organization or charter, or under any renewals or extensions thereof." There was no formal re-election of the cashier each year after his election: *Held*, that the want of such annual re-election did not relieve a surety from his liability on the official bond of the cashier. [*Shackamaxon Bank* v. *Yard*, Penn.]

NEGOTIABLE INSTRUMENT—FRAUD.—The payee named in a note procured the maker, who could not read, to sign it, by fraudulently representing that it was payable to another person, to whom the maker was indebted: *Held*, the note in the hands of the payee was void. [*Schaller* v. *Borger*, Minn.]

NEGOTIABLE INSTRUMENT — NATURE AND REQUISITES — INDORSEMENT—PRESUMPTION.—An instrument executed by the vendee of personal property, by which he promises to pay therefor a certain sum at a time stated, but which expresses that the sale is upon condition, and may be rescinded by either party, is not a negotiable promissory note, since it does not require the payment to be made absolutely and at all events. [*First Nat. Bank* v. *Alton*, Conn.]

DEPOSITS.—A bank which receives from a depositor a check drawn on itself by another person, and gives the depositor credit therefor, thereby pays the check, and cannot afterwards deduct the amount of such check from the depositor's account without his consent. [*American Exchange Nat. Bank* v. *Gregg*, Ill.]

LOANS TO BANK OFFICERS.

AN ACT FOR THE BETTER CONTROL OF AND TO PROMOTE THE SAFETY OF NATIONAL BANKS.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

That no National banking association shall make any loan to its president, its vice-president, its cashier or any of its clerks, tellers, bookkeepers, agents, servants, or other persons in its employ until the proposition to make such a loan, stating the amount, terms, and security offered therefor, shall have been submitted in writing by the person desiring the same to a meeting of the board of directors of such banking association, or of the executive committee of such board, if any, and accepted and approved by a majority of those present constituting a quorum. At such meeting the person making such application shall not be present. The said acceptance and approval shall be made by a resolution, which resolution shall be voted upon by all present at such meeting, answering to their names as called, and a record of such vote shall be kept, and state separately the names of all persons voting in favor of such resolutions and of all persons voting against the same, and how each of such persons voted. In case such proposition shall be submitted to the executive committee, the resolution and its vote thereon shall be read at the next meeting of the board of directors and entered at length in the minutes of such directors' meeting. No such association shall permit its president, its vice-president, its cashier, or any of its directors, or any of its clerks, tellers, bookkeepers, agents, servants, or other persons in its employ, to become liable to it by reason of overdrawn account.

Sec. 2. That every president, vice-president, director, cashier, teller, clerk, or agent of any such association, who knowingly violates section 1 of this act, or who aids or abets any officer, clerk, or agent in any such violation, shall be deemed guilty of a misdemeanor, and shall be punished by a fine of not more than $5,000 or by imprisonment not more than five years or by both.

Sec. 3. That each report of every National banking association, made to the Comptroller of the Currency in accordance with the provisions of section 5,211 of the revised statutes of the United States, shall exhibit in a schedule to be added thereto, under such classification and in such forms as the Comptroller of the Currency may direct, the amounts of the debt due or to become due to such association from its president, vice-president, each of its directors, and from its cashier, and any of its clerks, tellers, bookkeepers, agents, servants, or other persons in its employ, as principals, indorsers, sureties, guarantors, or otherwise, in a separate item from the other assets of said bank, and shall also state separately the amount of all debts to such association, which are past due and remain unpaid: *Provided*, that nothing contained in this act shall require or be deemed to require the publication of such schedule of the debts due or to become due to such association from each of its directors, or officers, or employes in any statement published in a newspaper as now required by law.

Passed the House of Representatives February 13, 1892 Attest: James Kerr, clerk.

PROPOSED STATE BANK LEGISLATION.

NEW YORK.

A bill has been introduced to dispose of the unclaimed deposits, dividends and interest now held by banking associations or corporations and by individual bankers. It provides for annual statements of such deposits and that such of them as have remained unclaimed for ten years and upwards shall be paid over to the Banking Department and the Superintendent shall give his receipt for the same and shall report annually to the Legislature. At the end of 20 years from the time the deposit was made with the Superintendent, all such deposits, dividends and interest still remaining unclaimed are to be applied to the payment of the expenses of the State. Failure to comply with the law is punishable by fine or imprisonment or by both.

Another bill provides that it shall not be lawful for any savings bank or any officer or employe thereof to become the custodian of or retain in his possession the bank book or other evidence of deposit of any of its depositors, unless for a sufficient time, not exceeding 10 days, to permit the balancing of the books and crediting the payment of interest.

NEW HAMPSHIRE.

A new law has been enacted restricting the investments of savings banks. On the authority of the Manchester *Mirror* it will operate, local financiers say, in cutting down the deposits in savings institutions, investors preferring to put their money in building and loan associations or western mortgages or county warrants or most anything that promises a rate of interest somewhere near six per cent., rather than in a bank where they cannot get more than four or four and a half.

OHIO.

A bill has been introduced which applies to the safe deposit and trust companies in Cincinnati and Columbus. The law authorizes and empowers such companies to act as executors, guardians, administrators, etc. The Columbus *Dispatch* says that this will necessarily monopolize much business now done by attorneys. There was a bitter fight against the bill, when first presented in the General Assembly several years ago. At that time it was general, but the last Legislature, being unable to pass it in that form, tacked on an amendment making it applicable to Cincinnati only. The trust companies are given full power to perform judiciary service, and can take the place of an individual in the settlement of estates.

MARYLAND.

The most important piece of bank legislation requires banks to make semi-annual sworn reports to the State Comptroller, setting forth their condition, which reports shall be published by the Comptroller at the bank's expense. The bill provides for a heavy fine for failure to comply with these provisions, and if deposits are received while a failure is contemplated the banking firm becomes guilty of a misdemeanor.

The Baltimore *World* thus criticises the bill: "The proposition that all the banks be required to make semi-annual sworn statements of their accounts to the State Comptroller is a good one, as is also the proposition that the reports be published. But when it comes to the provision that the Comptroller shall arrange for the publication of these reports and that the banks shall pay the bills, the *World* interposes an objection. In the first place, there is no excuse for such a provision, the bankers probably have sufficient business ability to place their own advertising, and arrange for the amounts to be paid for it, without the kind interposition of the Comptroller. Very likely this little inoffensive and altogether harmless provision is inserted to throw into the hands of a State official a little more political pap to be deal out to the faithful in doses to suit the requirements of the case."

VIRGINIA.

A bill is before the Legislature to regulate private banks and banking institutions and provide an inspector. Among other criticisms Col. Hubbard, who is a member of the firm of Burke & Hubbard, bankers, of Alexandria, who have been doing business ever since 1852, did not think private bankers should be forced to make public their private affairs. His firm had withstood several crises and carried on business from year to year in a straightforward manner. While they were willing to be subjected to any amount of fine in case they should fail to comply with the provisions of the bill, they did not want to be compelled to publish their statements. Mr. Pilcher, the patron of the bill, explained the provisions of the bill and stated that the only intention of the measure was to get hold of such men who posed as private bankers and obtained the confidence of the public without deserving it.

KENTUCKY.

An elaborate bill has been prepared providing for the appointment of a bank inspector, and defining his duties.

REPORTS OF THE SAVINGS BANK COMMISSIONERS.

NEW HAMPSHIRE.—The 46th annual report of the bank commissioners shows that there are 103 banks, trust companies and building and loan associations in the State—an increase of eight in the last year. There has been an increase of $3,804,005 in the deposits, and an increase of 6,482 in the number of depositors. The total accumulations in the savings banks aggregate $76,091,519. The deposits average $418 to each depositor, and if divided among the people of the State would give every individual in round numbers $185. The same division in Massachusetts of its savings-bank deposits would give to each of its inhabitants $174. In proportion to its population, New Hampshire stands first among the States of the Union in the amount of its savings deposits. The accumulations of the savings banks are invested as follows: In New Hampshire, $22,235,550; in New England, $24,486,679; out of New England, $50,332,255. Of the amount invested out of New England $27,420,344 is in western mortgage, personal and collateral loans, and $22,911,911 is in United States, State, county, city, town, district, railroad and miscellaneous bonds, in railroad, bank, manufacturing and miscellaneous stocks, and in miscellaneous investments, such as warrants, county, judgments, etc. The board recommend that no more savings banks be chartered; that dividends be reduced to 4 per cent.; that the bonds of treasurers be reduced, and that the tax on investments made in the State be reduced. The law limiting investments in western farm loans and debentures to 40 per cent. of the deposits is heartily recommended.

CONNECTICUT.—There are by the latest report of the bank commissioners of Connecticut, just 158 depositors in the 87 savings banks of the State, whose deposits amount to as much as $10,000 each. There are 317,925 depositors in the State and 307,789 of them have less than $2,000 apiece; 286,237 have less than $1,000 apiece. "It is," says the Norwich *Bulletin*, "an astonishing thing to think of, that of the entire population of the State, including men, women and children, almost exactly half have money deposited in the savings banks. There isn't another territory of similar size and population on the wide expanse of the globe, nor has there ever been one in the globe's history, which showed such proof of thrift and of the absence of poverty." The most important figures connected with the savings banks of the State are shown in the following table, which represents their condition the first of last October:

Number of savings banks	87
Increase during the year	1
Total assets	$130,241,025
Increase during the year	6,808,193
Deposits	122,582,159
Increase during the year	6,175,484
Total number of depositors	317,925
Increase during the year	12,062
Average amount due each depositor	$385.57
Dividends declared during the year	4,803,093

That the funds of these banks are generally well invested is shown by the rates of dividends which are paid by the banks to depositors. Five banks paid 5 per cent., 22 paid 4½ per cent., 47 paid 4 per cent., while a few others paid some depositors only 3 and 3¼ per cent., there being a discrimination between the rates paid large and small depositors. Twenty-seven out of the 87 banks in the State paid over 4 per cent. The New Orleans *Times-Democrat* in commenting on the report says: "When it is considered that the people of that one little State have $122,582,242 saved up, or more than half of the total assessed wealth of Louisiana, some idea will be formed of how comfortably 'fixed' the Connecticuters are. The South has been a little backward in this matter of savings banks, and Connecticut's deposits are many times greater than those of all the Southern States combined. The truth is, we have needed all the money we could have for the development of our resources, and but little of it therefore has found its way to the banks, but with the growth and development of this section, particularly in manufactures, savings banks are springing up in which the workingmen and others can deposit their savings."

MASSACHUSETTS.—In this State during the period covered by the last report of the commissioners two savings banks, four safe deposit and trust companies and five co-operative banks have commenced business, making a total of 312 institutions with assets of $487,053,546.26, now under supervision of the board, an increase of $27,718,486.64 over 1890. The total amount of ordinary dividends paid by the 180 savings banks was $13,956,944.57; extra dividends, $25,753.78 for the year ending Oct. 31, 1891; average rate of dividend, 4.10 per cent. The deposits were $369,526,385.50, an increase of $15,933,448.30, nearly $5,000,000 less than 1890. This difference can, without doubt, be largely accounted for by investments made in the bond investment companies and similar concerns which have proved to be merely schemes for preying upon the incredulous. In 1890 the number of deposits made was 1,060,877; in 1891, 968,750, a decrease of 92,127. The number of withdrawals in 1890 was 725,751; in 1891, 805,197, an increase of 79,446; these large variations in the number of transactions (such a less number of deposits and such a vast increase in the number of withdrawals) establishes beyond question that the small depositors of our savings banks have been the sufferers from the bond investment companies and short-term orders. The number of open accounts is 1,131,203, an increase of 47,386; average amount to the credit of each, $326.67; average deposit per capita (census of 1890), $165.04. The amount deposited (not including dividends), $73,405,435.08; increase, $1,383,731.44. Amount withdrawn (including dividends), $71,172,935.04; increase, $6,107,156.61. Total earnings, $18,-815,334.61; increase, $1,186,633.06. Compared with last year, the statement of the loan and trust companies shows an increase in capital of $1,225,000; in surplus of $1,020,325.99; and in deposits of $5,173,397.38. The cash reserve has increased $2,656,244.58. The increase of deposits in the savings banks has fallen off $5,000,000 this past year over 1890. The commissioners thus speak in regard to that fact: "While all of the five millions of dollars may not have been directly invested in the companies referred to, the decrease can be properly attributed to that cause, owing to the fact that, during the excitement and height of interest in these companies, investors placed more of their earnings therein than they could afford; they were therefore called upon later to draw from their deposits in savings banks to meet ordinary family expenses."

THE GERMAN SOLUTION OF THE TRAMP QUESTION.

An experiment in the solution of the tramp question was begun in Germany by a benevolent clergyman in 1882. It was to give relief to those vagrants in exchange for work. The stations are styled Labor Colonies, and last year twenty-one of them admitted 6,231 persons. If a tramp refuses the work provided for him at a colony, he is turned over to the civil authorities and disposed of according to law. The system has already reduced vagrancy and mendicancy in the empire, and has diminished indiscriminate almsgiving. The work supplied at the colonies is farm labor, reclamation of wastes, forestry, or trades. They are supported solely by private subscriptions. After fourteen days, the tramp is paid moderate wages, and from them is deducted the cost of clothing and other articles he may use. Besides the colonies, there are a thousand "stations," where wanderers have temporary relief, always in return for work. The promoters of this partial charity hope that a penniless wanderer seeking work shall be enabled to travel from one end of the land to another without begging, and they are not without hope that he will perhaps attain to an appreciation of the advantages of honest and regular labor. It is objected that this system encourages aimless wandering, and produces a class of "colony rounders and bummers." Certainly, it has not yet suppressed the tramp; but it is steadily working in that direction. A system like this is possible in Germany. How it would work in those parts of the United States where the tramp has a perennial existence is a question; but any means of terminating an evil as great as this is in the country districts would be welcome.

CHICAGO STATE BANKS.

The State Auditor, C. W. Pavey, has issued the following table showing the condition of the State banks of Chicago on February 10, 1892. This is an excellent statement, showing that the banks are in a strong and healthy condition. Loans and discounts have increased over two and a half millions since the statement of November 14, 1891, and deposits have grown more than three million three hundred thousand within the same time:

Resources.

NAME.	Loans and Discounts.	Overd'fts secured and unsecured.	United States Bonds.	Other Bonds and Stocks.	Cash on hand.	Due from other banks.	Real Estate.	Furniture and fixtures	Current expenses	Checks and other cash items.	Collections	Total resources.
Bank of Commerce	$928,222	$5,317	$100	$103,000	$48,318	$505,274	....	$1,000	$6,420	$16,983	....	$1,614,634
Bank of Illinois......	....	....	....	54,200	....	49,350	....	....	....	....	....	103,550
Central Trust & Sav. Bk...	342,048	6,500	....	....	27,545	63,550	....	3,308	140	971	....	444,052
Chicago Trust & Sav. Bk.	831,935	2,594	....	2,150	53,550	37,017	$10,913	4,500	3,679	....	$46	946,384
Commercial L. & T. Co..	855,029	103	....	....	58,886	124,729	....	5,552	....	33,643	....	1,077,942
Corn Exchange Bank......	5,283,161	5,436	....	11,000	1,024,883	1,676,223	....	....	....	686,082	....	6,686,785
Dime Savings Bank.........	350,390	2,943	1,664	113,920	7,882	40,151	8,095	19,500	....	6,492	....	551,037
Garden City Bkg. & T. Co.	687,861	46	....	132,187	53,049	317,501	....	....	1,751	24,877	2,188	1,219,460
Globe Savings Bank.......	301,911	3	....	56,000	8,137	30,738	....	4,215	1,300	3,851	....	406,155
Home Savings Bank.......	205,086	....	10,450	40,500	....	46,431	....	....	....	....	314	302,781
Illinois T. & Sav. Bank....	12,770,846	....	....	1,761,113	1,419,627	2,455,054	....	....	....	493,410	....	18,900,050
Industrial Bank...........	227,688	581	....	....	22,058	40,474	11,151	777	7,879	....	....	310,608
International Bank........	1,223,257	9,139	....	2,050	123,436	297,287	24,892	....	2,601	66,002	16,097	1,764,761
Milwaukee Ave. State Bank	479,726	439	....	....	25,814	101,637	....	10,202	1,230	11,416	4,286	634,750
*Northwestern Bd. & T. Co.	684,859	....	....	....	547	45,193	....	2,000	....	874	....	733,473
Royal Trust Company.....	757,073	995	....	10,000	21,984	137,878	....	6,726	17,942	....	49,186	1,001,784
State Bank of Chicago.....	1,609,444	538	....	13,131	70,095	465,425	....	....	....	33,251	....	2,191,884
American Tr. & Sav. Bank	3,677,928	42,650	....	339,439	294,730	972,943	....	....	....	152,285	163	5,480,138
Hibernian Banking Asso...	2,601,803	18,379	29,086	197,560	178,256	343,033	8,237	4,072	....	1,936	....	3,382,403
Merchants L. and T. Co...	6,306,079	5,997	2,350	405,500	2,133,248	2,905,012	....	....	12,169	383,429	....	15,153,784
Northern Trust Co........	2,615,250	52	2,600	1,042,000	577,224	1,670,209	....	....	....	22,433	....	5,929,768
Prairie State S. & T. Co...	1,181,596	....	....	650,941	58,297	203,531	....	4,000	....	15	187	2,098,567
Union Trust Co......	2,286,632	745	....	824,483	185,495	724,049	7,362	5,000	5,159	....	....	4,038,925
	49,207,824	102,457	46,250	5,759,174	6,393,101	13,252,689	70,650	70,852	60,270	1,937,950	72,467	76,973,685

Liabilities.

NAME.	Capital stock.	Surplus fund.	Undivided profits.	Savings deposits subject to notice.	Individual deposits subject to check.	Demand certificates of deposit.	Time certificates of deposit.	Certified checks.	C'shier's checks outst'd-ing.	Due other banks.	Total deposits.	Total liabilities.
Bank of Commerce	$500,000	$7,500	$11,352	$151,711	$853,592	$36,097	$40,420	$8,481	$5,446	....	$1,095,747	$1,614,634
Bank of Illinois	100,000	1,000	2,550	....	....	....	....	....	....	....	....	103,550
Central Trust & Sav. Bank	200,000	....	3,710	....	166,226	7,571	....	6,337	3,487	$56,731	240,353	444,062
Chicago Trust & Sav. Bank	500,000	....	6,778	72,796	295,133	17,130	....	1,467	....	43,080	439,606	946,384
Commercial L. & T. Co.	500,000	25,000	19,671	....	457,418	9,409	1,421	6,433	58,590	....	533,271	1,077,942
Corn Exchange Bank	1,000,000	1,000,000	99,243	....	5,002,666	231,079	250,000	....	29,171	1,074,326	6,587,242	8,686,785
Dime Savings Bank	100,000	33,000	3,819	414,218	....	....	....	....	....	....	414,218	551,037
Garden City Bkg. & T. Co.	500,000	....	256	26,911	494,579	31,044	125,962	9,158	2,934	28,616	719,204	1,219,460
Globe Savings Bank	200,000	....	3,135	104,021	65,406	3,710	24,046	1,525	1,252	3,060	203,020	406,155
Home Savings Bank	5,000	....	26,051	269,850	567	....	....	1,313	....	....	271,730	302,781
Illinois T. & Sav. Bank	2,000,000	1,000,000	306,989	7,947,098	6,049,787	164,813	1,187,322	108,027	136,014	....	15,593,061	18,900,050
Industrial Bank	200,000	....	7,148	14,505	71,153	7,800	....	....	2	....	103,460	310,608
International Bank	500,000	125,000	26,213	....	1,006,064	88,198	....	17,609	1,677	....	1,113,548	1,764,761
Milwaukee Ave. State Bank	250,000	....	10,177	127,570	214,077	4,245	23,077	1,696	3,908	....	374,573	634,750
*Northwestern Bd. & T. Co.	100,000	....	17,678	....	44,880	....	570,915	....	....	....	615,795	733,473
Royal Trust Company	500,000	....	27,966	18,014	327,912	37,145	6,585	7,141	431	76,590	473,808	1,001,784
State Bank of Chicago	500,000	....	30,757	705,251	787,586	8,254	81,913	3,415	5,469	68,714	1,660,602	2,191,884
American Tr. & S. Bank	1,000,000	150,000	42,064	546,040	2,730,510	162,176	....	92,066	10,716	746,626	4,288,134	5,480,138
Hibernian Banking Asso'n.	222,000	....	299,234	2,156,613	683,522	13,242	....	2,050	30	5,712	2,851,169	3,382,403
Merchants L. & T. Co.	2,000,000	1,000,000	674,801	....	8,875,687	260,636	....	23,675	144,735	2,174,145	11,478,878	15,153,784
Northern Trust Co.	1,000,000	175,000	64,220	....	2,830,432	193,949	1,576,320	18,354	71,493	....	4,690,548	5,929,768
Prairie State S. & T. Co.	200,000	....	16,492	1,775,413	21,965	2,393	69,455	329	12,520	....	1,882,075	2,098,567
Union Trust Company	500,000	478,500	18,605	1,377,429	1,390,001	169,151	....	3,655	1,073	100,511	3,041,820	4,038,925
	12,577,000	3,995,000	1,718,849	15,707 440	32,369,163	1,448,042	3,957,436	312,731	488,948	4,378,111	58,681,871	76,973,685

*Does not do a general banking business.

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL.... Berkeley.. Berkeley Commercial & Savings Banks..
COL.... Grand Junc. Mesa Co. State Bank.
CONN... Higganum.. Higganum Sav. B'k.
" .. Waterbury.. Mfrs. Nat. Bank.
DAK. N. Mandan.... First National Bank.
GA..... Columbus... Fourth Nat. B'k.
IDAHO.. Moscow..... Moscow Nat. Bank.
ILL..... Springfield.. Illinois Nat. Bank.
IOWA... Spencer .... Clay County Bank.
MASS... Dedham.... Dedham Nat. Bank.
" " .... Dedham Inst. for Sav.
" .. Lexington.. Lexington Sav. Bank.
" .. Rockland... Rockland Sav. B'k.
" .. Salem...... First National Bank.
" " ...... Salem 5-cts. Sav. B'k.
MASS... Taunton.... Bristol Co. Nat. B'k.
MICH... Lansing.... Peoples Sav. Bank.
" .. Marquette... MarquetteCo. Sav. B'k
MINN... Owatonna... First National Bank.
N. H... Manchester.. Granite State Tr. Co.
" " NewHampshireT. Co.
N. Y... Goshen..... Nat. B'k Orange Co.
" . Poughkeepsie Farm. & Mfrs Nat. B'k.
OHIO... Toledo..... East Side Bank.
PA. .... Washington Citizens Nat. Bank.
TEXAS.. Iowa Park.. Exchange Bank.
UTAH .. Park City... Park City Bank.
VA...... Manchester.. Mech's & Merch's B'k.
" .. Richmond . Planters Nat. Bk.
WIS.... Markesan... Markesan State Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

COL.... Denver...... International Tr. Co.
CONN... Hartford.... State Bank.
KY. .. Henderson.. Farmers Bank of Ky.
MAINE.. Rockland... Rockland Trust Co.
N. Y.... Fort Plain.. Farm. & Mech. B'k.
N. Y.... Oneonta.... Wilber Nat. Bank.
OHIO... Bucyrus.... First National Bank.
TENN... Nashville... Bank of Commerce.
WASH.. Fairhaven... Bank of Fairhaven.
WIS.... Berlin...... Berlin Nat. Bank.

BANKS WHICH ARE INCREASING THEIR CAPITAL.—

ALA.... Mobile......... Alabama National Bank, from $150,000 to $250,000.
CAL.... Riverside....... Riverside Banking Co., from $200,000 to $1,000,000.
MASS... Fall River...... Massasoit National Bank, from $200,000 to $300,000.
MINN... Minneapolis.... Northwestern National Bank, from $1,000,000 to $1,250,000.
OHIO... Sandusky ...... Sandusky Savings Bank, from $50,000 to $100,000.
PA. ... DuBois .... DuBois Deposit Bank, from $50,000 to $75,000.
" .. Reading........ Citizens Bank, from $75,000 to $100,000.
WIS.... Milwaukee...... Merchants Exchange Bank, from $100,000 to $250,000; surplus, $450,000.

SALES OF BANK SHARES.—

Location.	*Name.*	*Sold at*	*Par.*
KY..... Louisville...	Columbia Finance & Trust Co.......	139.00	—
PA..... Johnstown..	Citizens National Bank..............	116.00	100

AMERICAN BANKERS' ASSOCIATION.—The Executive Council of the American Bankers' Association, at a special meeting in the Directors' Room of the American Exchange National Bank, New York City, in response to an invitation of the bankers and merchants of San Francisco and of the California Bankers' Association unanimously decided to hold the seventeenth annual convention in San Francisco, on Wednesday and Thursday, the 7th and 8th September next.

THE CIPHER CODE.—" The Thorough Cipher Code for Telegraphing," by Channing Burnz, is a carefully compiled arrangement of ciphers and commercia and general meanings, with easy methods for their use. It supplies [illegible] ant tha has been felt keenly by every message sender who has searched in a trad[illegible] the code for the meaning he wished to convey, only to find that each long, technica sentence meant something more or less different. This Code, however, provides abundant blanks in which to write special or trade phrases; all that is needed to make it fit your business fully is to fill in these blanks with the meanings desired, in each code held by you and your special correspondents.

FIVE-DOLLAR National bank notes, series of 1882, issued by the Mechanics' National Bank of Providence, R. I., have been detected by the cashier of the National Bank of Battle Creek as having the president's and cashier's signature printed instead of written with a pen and ink. The Comptroller of the Currency's attention having been directed to the case, stated that such printed signatures were a direct violation of the law, and that he had ordered the Mechanics' National Bank of Providence to call in all issues having printed signatures and forward them to Washington at once for destruction.

WASHING OFF BANK BILLS.—Recently a five dollar note on the National Bank of Rhode Island, at Newport, came in for redemption. On the face it looked quite new, but the back was washed perfectly clean. The Bureau of Engraving adopted the brown back for such bills on the ground that it could not be washed off, as the green back can be. It was intended in this way to prevent counterfeiters from procuring Treasury paper by rendering notes of small denominations blank with acids and printing big ones on them. This is the first time that confidence in the indelibility of the brown ink has been disturbed. Even the seal on the front, which is done in the same ink, has entirely disappeared in the bill described. Whether the thing was done for a jest or by accident the authorities do not pretend to say.

OLD GERMAN-AUSTRIAN THALERS.—Arrangements have been completed with Austria-Hungary to demonetize the silver coin known as Vereins thalers, a vestige of the old German-Austrian monetary union. The total amount in circulation in Germany is estimated at 75,000,000 marks. Germany agrees to withdraw and melt into bars thaler pieces to the amount of 50,000,000 marks, while Austria will buy up 25,000,000 marks, and, to make up for deterioration, will pay Germany 3,500,000 marks. The operation will extend over three years, and the bars will go to the silver market in London. The agreement is certain to revive the silver discussion in the Reichstag when the Thaler bill is presented by the government.

A NOVEL WAY OF IDENTIFICATION.—The paying teller of the oldest bank in Boston had a rather peculiar experience a short time ago. A man presented himself at the teller's window with a check to be cashed; being unknown to the teller, his usual formula, "Have you anything about you to identify yourself with?" was put to the party. The man looked at the teller and proceeded to take off his overcoat, then he deliberately removed his undercoat. The teller by this time would have been somewhat worried had there not been strong bars on the counter; but when the man unbuttoned his shirt sleeve and commenced to roll up his shirt sleeve on his right arm, the teller appeared paralyzed. When the sleeve was rolled up, the party showed to the astounded teller, indelibly printed into his arm, his name in full, and said, "Will that do?" It did do. *The identification was complete.*

EASTERN STATES.

MAINE.—Hon. George D. Bisbee, of Buckfield, has been reappointed and confirmed as bank examiner of Maine, to the great satisfaction of all interested in our savings banks. Mr. Bisbee has proved himself an able and successful bank examiner, and has the fullest confidence of the business public. The savings banks of Maine are in excellent condition under Examiner Bisbee's supervision.

ROCKLAND, ME.—A. J Bird of this city, who died at the age of 70, was president of the North National Bank, vice-president of the Cobb Lime Company, and a trustee of the Rockland Savings Bank. He had been a member of both branches of the city government, and was connected with many public enterprises.

MASSACHUSETTS.—The annual report of Tax Commissioner and Commissioner of Corporations Hon. Charles Endicott shows that the whole amount of tax on bank shares assessed during 1891 was $1,659,109, of which there was retained by towns on account of shares owned by residents $547,326. Of the balance of $1,099,807, there were certified due to cities and towns on account of tax of 1891 on bank shares owned by residents, $594,439; due to savings institutions, $141,576; to insurance companies, $37,728 ; to literary, scientific and charitable societies, $33,-249; accruing to the commonwealth, $483,111.

BOSTON, MASS.—Messrs Charles Heyden and Galen L. Stone, both with Messrs. Clark, Ward & Co., have formed a co-partnership for the transaction of a general banking and brokerage business under the name of Hayden, Stone & Co. Mr. Hayden is a son of Mr. Josiah Hayden, and Mr. Stone was formerly the financial editor of the Boston *Daily Advertiser*, and now writes the "In and Out of State Street," in the *Saturday Evening Gazette*, over the signature of "Berkeley." Mr. Hayden has purchased a seat in the New York Stock Exchange.

BOSTON.—The bank presidents of Boston hold a meeting once a month, and after the eatables and liquid refreshments are disposed of, a discussion on matters of common interest is indulged in. At the last monthly meeting the question of not leaving money at the Clearing House was discussed, but without arriving at any conclusion. The idea was to prevent the publication of the ruling rate for money, so that the brokers could not name the rate for call loans when money was easy as it now is. Whether or not it is the effect of the wine drunk at the monthly suppers, there never is practical outcome of the discussions of those times.

BOSTON.—The appointment of Auditor Trefry to the office of savings bank commissioner is understood to have been suggested originally by Lieutenant Governor Haile, who had become impressed by intimate observation with the admirable business and personal qualities of Mr. Trefry ; and immediately Mr. Chapin's resignation was announced the Lieutenant Governor's mind instantly reverted to Mr. Trefry as the ideal man for the office. The members of the council, all Republicans but one, seconded the views of his honor, and although the Governor might and probably would have nominated Mr. Trefry, the appointment was in effect made by the Assistant Governors rather than by the Governor in-Chief. It was therefore a natural and proper thing for the Governor to send in the nomination, that the council might round out and complete its work by confirming its own appointment. It is cheerful to see at least one indication of harmony existing between the executive and his official advisers, notwithstanding their conflicting partisan relations, and it is also flattering to Mr. Trefry, and a matter of congratulation to the people generally, that the new commissioner of savings banks should be regarded by men of all parties who know him or about him as eminently fitted for the office.—*Boston Transcript.*

WORCESTER, MASS.—At the last annual meeting of the Central National Bank, Mr. Joseph Mason said: "As I am about to decline a further re-election to the office of president of this bank, it seems to me not inappropriate to allude briefly to some facts of its past history. This is the sixty-second annual election of its officers. Since its organization four different persons have held the office of president of the bank, and six have held the office of its cashier. I have been a director of the bank forty-three years, the last nine of which I have been its president. Mr. Henry A. Marsh has been its cashier thirty years, and previous to that was its teller for several years. The several presidents have not devoted their time exclusively to the business of the bank. The cashiers have been its working managers. The bank has been successful, and its business at the present time is greater than ever before. Its stock also stands high in the market. I have enjoyed my long term of service in the bank as director and president. My associates have all the time been gentlemen of intelligence and culture, and have endeavored in an honorable way to promote the interests of the bank. No unpleasant differences of opinion have marred the harmony of our meetings or disturbed our friendly relations. Our customers have been courteously attended to with a view to give them all the accommodation solicited consistent with the safety of the bank. In this business we have been much indebted to the sagacity, prudence and watchful care of our excellent cashier, Mr. Marsh, who, I have no doubt, will use the same degree of care, and exercise the same administrative skill in the office of president, when elected to it." Mr. Marsh was elected his successor, which gives universal satisfaction to those who have any dealings with the bank. His unfailing urbanity and obliging disposition, as well as his strict attention to business and his unimpeachable integrity, have made him one of the most popular and respected financiers in the city. The usual promotions followed the elevation of Mr. Marsh to the presidency of the bank. William Woodward, who has been connected with the bank for eighteen years, becomes cashier in place of Mr. Marsh. Walter H. Adams, who has been with the bank for 11½ years, is made assistant cashier. Arthur H. Evans, who has been in the employment of the bank for nine years, becomes bookkeeper, while Harry A. Adams, with a record of eight years in the bank, is promoted to be assistant bookkeeper. Charles E. Putnam, who was formerly messenger, now becomes clerk. A new messenger will be appointed as soon as possible. The directors of the bank for the ensuing year were elected as follows: Joseph Mason, Thomas L. Nelson, Samuel R. Heywood, Augustus N. Currier, Waldo Lincoln, George W. Knowlton, Henry A. Marsh, Charles H. Hutchins, Philip W. Moen.

MILFORD, N. H.—The Milford *Cabinet* says of the late Mr. C. S. Averill: "In his position as treasurer of the Milford Savings Bank, and president of the Souhegan National Bank, he had so entered into the spirit of his work that he seemed to be a very part of it." For several years he practiced law, "until elected treasurer of the Milford Savings Bank in '75; also serving most of the time as Superintendent of Schools in Milford, and in 1873 and '74 as Superintendent of Schools in the city of Nashua. Accepting the position of treasurer of the savings bank in August, 1875, while the bank was suffering from the effects of a great robbery, and in weak condition, he devoted all his faculties to building it up, and to his careful judgment and business ability is largely due the fact that to-day we have one of the most prosperous institutions of this class in New England. Mr. Averill has been a trustee of this bank since its incorporation, and was for many years a director of the Souhegan National Bank, where he was advanced to the position of vice-president, and in January, 1882, to the office of president, which he ably filled until his death."

JERSEY CITY, N. J.—The will of Samuel Robert Syms, late president of the First National Bank of Hoboken, directs that a certificate in the Washington Association and eighty shares of stock in the First National Bank of Hoboken be held in trust by the cashier of that bank and his successors, who shall collect the dividends thereon and distribute them equally each year among the employes of the bank. When the bank ceases to exist the stock is bequeathed to the Bank Clerks' Mutual Benefit Association of New York.

HOBOKEN, N. J.—The First National Bank in 1865 was reorganized under the National banking law, with the above title. It now has a full paid capital stock of $110,000, surplus fund and undivided profits amounting to $313,129.50, while the total resources foot up $1,905,174.87 at the date of the last official report to the Comptroller of the Currency at Washington, under the date of December 6, 1891. During its thirty-five years of existence it has never passed a dividend. For the past eight years the bank has averaged about $700,000 in discounts yearly, and during that time *has never lost a dollar*—a record of which but few banks in the whole country can boast. The following is a list of the officers and directors: President, S. Bayard Dod; vice-president, Theophilus Butts; cashier, William B. Goodspeed; Louis Becker, Robert Gardner, J. W. Stickler, Theophilus Butts, S. Bayard Dod, D. M. Demarest, John C. Besson, A. E. Crevier, William Shippen, John Stevens, E. A. Stevens, Myles Tierney and Cornelius Zabriskie, directors.

NEW YORK CITY.—At a special meeting of the Clearing House on the 19th of February, a minute was passed on the death of the Hon. Jacob D. Vermilye, president of the Merchants' National Bank, the chief portion of which is the following: Mr. Vermilye was a man who studied all financial questions with patient care, and his conclusions were reached only after the most deliberate thought. He was conservative in his methods, and his well-known ability caused him to be sought as an adviser upon all important financial matters either of a local or national character. He was an active member of this association and served with fidelity on all its important committees; and when he was called by a unanimous vote to assume the responsibilities of presiding officer every banker in the city felt that the affairs of the association would be ably and conservatively administered. He had a mild and loving disposition, and was as tender and gentle in his sympathies as a woman; but in times of financial peril he had all the aggressiveness and force of a great leader. He was unostentatious in his charity, and, though a liberal giver, he believed in the doctrine of "not letting his right hand know what his left hand was doing."

He was an influential director of many of our largest business corporations. His name appears among the managers of some of the most important eleemosynary institutions of this city, and his services were most efficacious in building up and maintaining these homes of the poor. For nearly twenty years he was one of the most respected members of the Board of Education of this city, and during his long and faithful service as Chairman of the Finance Committee, he supervised, without compensation, the expenditure of nearly $6,000,000 per annum with no word of unfavorable comment either from his associates in the board, from the public press, or from the vast army of parents who watch with vigilance the conduct of this important branch of our city government. In early manhood Mr. Vermilye connected himself with the Church, of which he remained a consistent member and office-bearer until the time of his death; and throughout his long and active career he not only "bore the white flower of a blameless life," but maintained that inward spiritual calm which comes alone to him whose soul is anchored in an intelligent Christian faith. A man of quiet dignity, of charming refinement, of unfailing courtesy and attractive affability; a citizen of public spirit and unflinching patriotism, a presiding officer of ceaseless vigilance and undaunted courage, a financier of unsullied integrity, of broad views, of sound policies, of abundant aggressiveness, joined to safe conservatism; a loyal friend, a devoted husband, a loving father, a Christian of sturdy faith, sincere humility, unostentatious piety—such a man was Jacob D. Vermilye.

NEW YORK CITY.—The most prominent death among bankers last month was the Hon. John Jay Knox, who had become one of the most widely known men in the country. He was born at Knoxboro, Oneida County, N. Y., in 1849, and learned the rudiments of banking in the bank of Vernon, of which his father was president. He subsequently assisted in organizing banks in Syracuse and in Binghamton under the free banking law of New York, and soon became well acquainted with all the provisions of that act. He advocated the National banking system in Hunt's Merchants' Magazine more than a year previous to its adoption. He was appointed deputy comptroller of the currency by Mr. McCullough in 1867, and comptroller five years thereafter by President Grant. He was reappointed, without his knowledge, previous to the expiration of his first term, and confirmed by the Senate without reference to any committee. He was appointed to a third term on April 12, 1882. He had a continuous service of 17 years in the comptroller's office, and during his administration his office was not subjected to any investigation until the attack by the shareholders of the Pacific National Bank of Boston, from which he was fully exonerated by the committee on banking and currency. It was said of him, after his retirement, that the intelligence which he brought to the complicated duties of his office was never surpassed in any similar station, and has never been equaled in the particular station which he so long filled. On his retirement from the office in which he rendered such eminent service to the financial interests of the country, Mr. Knox accepted the presidency of the National Bank of the Republic of New York. His management of the bank had been highly successful, it now ranking among the first in amount of deposits.

POUGHKEEPSIE, N. Y.—The retirement of W. A. Davies from the Farmers and Manufacturers' Bank is an event which suggests a train of thought that takes in the history of banking in Poughkeepsie for half a century. The years have been exceedingly kind to Mr. Davies, and he has known many of them. The fact that W. A. Davies and Homer Wheaton are the only living members of the original board of directors of one of Poughkeepsie's oldest business establishments, makes these men the representatives of much that is interesting and important in the history of Poughkeepsie. Two new bank presidents have recently appeared upon the scene in Poughkeepsie, Stephen G. Guernsey of the Poughkeepsie bank, and Edwin S. Atwater of the Farmers and Manufacturers' Bank.—*News-Press.*

UTICA, N. Y.—Mr. Robert S. Williams, president of the Oneida National Bank, recently delivered an address before the Y. M. C. A. of that city on the benefits of banks to a community and the benefits of a community to banks. Among other things he said that the highest proof of the existence of great and general wealth and material prosperity in a community or nation is a flourishing system of banking. Commerce cannot exist to any great extent without banks, as witness all the great centers of manufactures and trade. The early banks were merely depositories for coin. plate and valuables. Later on England became possessed of and has ever since held the undisputed control of the financial world. Banking is to business or commercial life, what steam is to mechanics. It is a factor in modern civilization that is inwrought and intertwined with almost every phase of our daily life, and to its proper conduct in times of emergencies in some measure may depend the stability of government. It is the science of the proper use and good care of money. It is the aggregation of capital so that it can be used for the public good, to assist in the development of the energies and activities of a community by furnishing capital for enterprises too great for individual development. This is done by gathering idle money belonging to a number of individuals. The technicalities of banking were then fully explained and an idea given of the immensity of banking in New York City. In concluding, Mr. Williams said there are from 20,000 to 30,000 bank officers in this country who are for the most part honest. The temptations are great, but in proportion to the extent of their transactions, there is less dishonesty than in any other branch of business.

HARRISBURG, PA.—Dr. George W. Reily, president of the Harrisburg National Bank, died on the 8th of February. He was a prominent financier and identified with many enterprises.

HAZLETON, PA.—The First National Bank of Hazleton has had a very prosperous year. Notwithstanding that in that time it underwent a run on the bank, and was completely burned out, its report shows gross earnings for the year of 42 per cent. on its capital, out of which has been declared an 8 per cent. dividend to the stockholders, and the balance has been carried to the surplus.

TYRONE, PA.—The appraisers in the estate of the Tyrone Bank, of Tyrone, Pa., which recently failed and assigned its effects, made a report to the Blair County Court to-day. Following is a recapitulation of the available assets of the bank and its stockholders: Tyrone Bank property, $74,319.78; C. Guyer, $32,620; A. B. Hoover, $33,000; P. Flynn, $75; C. Guyer and A. B. Hoover, $7,500; Claude Jones, $10,740; total resources, $158,254.78. If this statement of the assets is correct the bank will pay dollar for dollar of its indebtedness.

WILKESBARRE.—An important decision has been rendered by Judge Rice, in which the question was whether banks are rendered exempt from local taxation on securities upon payment of the six-mill State tax. The issue was raised by the Wilkesbarre Deposit and Savings Bank, and the Court decides that the act of 1889 does not exempt banks from the payment of the local State tax. The case will probably be taken to the Supreme Court.

WESTERN STATES.

BISMARCK, N. D.—The State Bank of Morton County, with Dr. H. R. Porter, W. A. Lantermann, H. F. Douglass and John O'Rourke, as incorporators, has filed articles of incorporation, and will proceed to do business at Mandan under the State banking laws. The First State Bank of Abercrombie and the First State Bank of Hankinson have also made application to do business at the places named, under the State laws.

ABERDEEN. S. D.—Six members of the executive committee of the State Bankers' Association. David Williams, of Webster; W. P. Bebee, of Ipswich; Fred Ware, of Clark; William Fisher, of Volga; D. M. Winan, of Vermillion, and F. G. Hale, of Scotland, met here recently and decided to hold the annual meeting of the association at Madison, May 25 and 26. The association is testing the constitutionality of the new banking law in court, and expects a favorable decision in a few days. If unfavorable it will appeal.

PEORIA, ILL.—The general conference of Illinois bankers will be held in Peoria in the month of May next.

CHICAGO.—The Chemical National Bank of Chicago has been granted the privilege of establishing and operating a bank on the Exposition grounds. It will afford to exhibitors and visitors all the conveniences and safeguards of a metropolitan bank, including safety deposit vaults.

AURORA, ILL.—Our esteemed fellow citizen, John Plain, vice-president of the German-Am. National Bank, came to Aurora in 1853. almost 40 years ago, when our city was but a hamlet, and his first business venture was in the grocery trade. He, together with a young man who subsequently became his partner, were prospecting for a business opening, and they finally made a bargain to buy out William Tanner, who then kept a small grocery. One of the young men had five or six hundred dollars in money, and they paid this sum over to Mr. Tanner. But the inventory ran up to $900, and what should they do? Mr. Plain set himself about getting the additional $300, and Mr. Tanner carried the key and kept the store open for trade in the meanwhile. At the end of three weeks the remainder of the money had been raised by young Plain, the partners took possession, and Mr. Tanner turned over the sales for three weeks, which amounted to—how much? The enormous sum of seventeen dollars! Years have fled. Times have changed. Aurora is bigger. The small beginning is pleasantly remembered by John Plain, who is one of the wealthy and honored men of a bustling city.—*Aurora News*.

INDIANA.—Each of the three National banks of Greensburg has filed a suit in the Circuit Court to enjoin the Auditor from increasing the amount of their taxable effects in accordance with directions from the State Board of Tax Commissioners. The First National is raised from $92,400 to $130,000; the Citizens' from $80,000 to $110,000, and the Third National from $60,000 to $75,000. The two Jay County banks have also brought suit to enjoin the County Auditor from putting upon the tax duplicate the increase made in their assessment by the State Board of Tax Commissioners. The increase to which they object amounts to $35,000.

ATCHISON, KAN.—Concerning the death of Mr. W. W. Hetherington, president of the Exchange National Bank, the Atchison *Patriot* says: "He has been a resident of this city since 1859. He inherited the banking qualities of his father, the late Wm. Hetherington, and upon his death succeeded to the presidency of the Exchange National Bank, one of the soundest banking institutions in the country, a bank whose doors have never been closed since they swung open away back in 1859 and which has withstood every financial storm that has swept over the country since that date. He was considered, though among the youngest, one of the ablest bankers in the country, and his sagacious counsels and wise policies have prevented more than one financial crash in this city and maintained the integrity of its banking houses. He was a money maker, but he spent his money in Atchison, and he was loyal to the city where he had lived since childhood. He built houses, invested in brick and mortar, and gave employment to labor. He was public spirited, and always gave freely to public enterprises. He went to the rescue of Atchison's merchants and manufacturers in their hours of trouble, and many a prosperous and growing business would now be dead or languishing had it not been for his timely and generous succor."

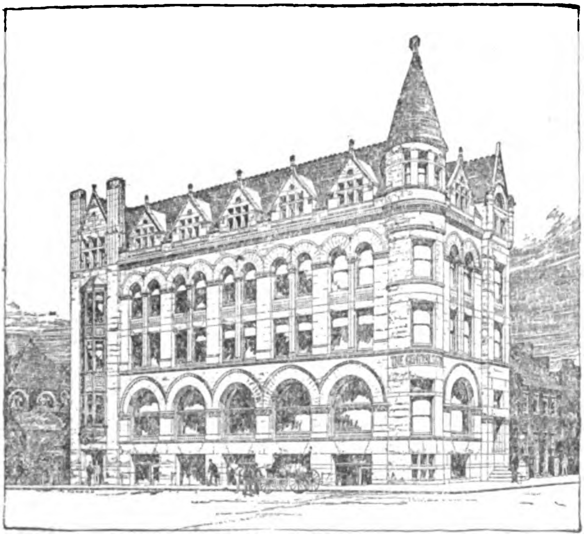
TOPEKA, KAN.—The report of the State Bank Commissioner showed loans and discounts on personal and collateral security to be $18,438,175.65; loans on real estate, $1,600,949 63; total resources, $32,449,563.82. In liabilities the capital stock paid in was shown to be $10,843,006.28; individual deposits, $12,139,655.03. Total liabilities, $32,449,563.82.

WINFIELD, KANSAS.—Mr. M. L. Read, late president of the First National Bank, who died on the last day of September, after a long and successful business career, and who was the founder and president of Read's Bank from 1872 to 1885, from which the First National was organized, has been succeeded as president by Mr. W. C. Robinson, while Mr. Henry E. Kibbe will be cashier. Mr. Kibbe has been connected with the bank since 1886, and is thoroughly familiar with the business.

GRAND RAPIDS, MICH.—Local National banks are considering the advisability of asking the Comptroller of the United States Treasury to make Grand Rapids a reserve city under the banking act for National banks of the State. There are five National banks in the city, with a total capital of $2,200,000, and, with the savings banks, the clearances last year were over $44,000,000. Detroit is the only reserve city in the State now, and the local bankers think it will be a great accommodation for western and northern Michigan bankers to have this town named as a reserve city.

EATON RAPIDS, MICH.—The First National Bank, of Eaton Rapids, pays 14 per cent. dividends, and Jackson capitalists are trying to steal the cashier for local purposes.—*Detroit Times*.

BARBERTON, OHIO.—Though the savings bank has only been opened for nine months, yet the volume of business done was such that a 6 per cent. dividend was declared and a snug sum added to the surplus fund. The bank is used by the manufacturers in Barberton, and the working men are beginning to appreciate the savings branch of the bank. The farmers residing in that part of the county are using the bank almost exclusively.



CANTON, OHIO.—Herewith is presented a handsome cut of the building of the Central Savings Bank, of Canton, Ohio, which was recently completed. Mr. Edward S. Raff, the cashier, in an open letter to the patrons of the bank thus describes its prosperity and methods of doing business: At the close of 1891 it numbered "as its regular depositors one-fourth of all the thirty thousand men, women and children in the City of Canton. If another question be asked as to the main reasons for this splendid showing, I would mention two: First, hard work; second, high credit. The first of these reasons explains itself. We do work hard every minute of the day, making a conscientious effort to give our patrons the best of everything in banking. Upon the second of these reasons—credit—I will speak briefly. Security, as understood in this bank, is something more than a word. It is experience, discrimination, conscientiousness, strict observance of tested rules—a whole world of meaning. Moreover, it has with us reality, not mere appearance. This is proven in the character of the men composing our organization, and in the restrictions followed when loaning our funds. The personality of our bank is familiar, and needs no commendation. The kind of investments we accept is likewise well known, but some points of detail may be found interesting. We place our funds in two ways only: The purchase of municipal bonds, and loans secured by mortgages on unencumbered real estate. We invest largely in the first of these kinds of securities—county and city bonds—because they are beyond question safe. The rates of interest they yield are not large, but the return of both principal and interest is sure, and that is the first consideration. The balance of our funds is loaned with first mortgage security on property in this city. For a savings bank this class of loans is recognized as unsurpassed, when selected, as a matter of course, with the intelligent judgment that follows training and experience. As with all loans, suit in court must occasionally be brought to collect the amount due; but with good real estate as a recourse the liability of loss is reduced to a very small fraction. Our record for five years is one forced sale; the loan was small and the property sold for twice the amount. Such a statement of results is a very practical illustration of what we mean by good loans. In this connection, moreover, it must not be forgotten that in a corporation such as ours, a loss on account of a loan cannot reach the depositor, because the capital, surplus, and individual liability of stockholders stand between—an altogether unassailable protection. Before leaving the subject of our bank's investments I add a few personal words, for which I will be pardoned because they relate strongly to the subject. My experience in savings banking covers ten years, and during that time the two banks in whose management I shared have never lost a dollar. I make this statement not for the sake of personal pride, but as the active officer of the Central Savings Bank, and as a representative of its foundation principles. Such facts are good things for stockholders, but they are a hundred-fold good things for depositors. Banking is a profession, like law, or medicine, or any other. It demands long apprenticeship and unceasing study. Experience can be trusted in this profession just as in any other. The question of loans is the most important one in banking. It is far too broad to be discussed fully here. The few points of detail I have touched upon will indicate, to those of our patrons not already familiar with our methods, the safeguards with which we surround this department of our business. Through 1891 our bank has pursued the even tenor of its way and enjoyed a very prosperous year. The most important event of the twelve months is the completion of our handsome new building. Two years since we anticipated the growing requirements of our business, and purchased the lot whereon our building now stands. In the spring of 1890 work on the building commenced, and in April last was finished."

SOUTHERN STATES.

PENSACOLA, FLA.—The business of the First National Bank and that of Messrs. F. C. Brent & Co., bankers, has been consolidated under the name of the First National Bank, of Pensacola, Florida. At a meeting of the stockholders held at the office of the First National Bank, Mr. F. C. Brent was elected president: Mr. W. H. Knowles, vice-president: Mr. J. S. Leonard, cashier; and Mr. W. K. Hyer, Jr., assistant cashier. Directors: Messrs. F. C. Brent, Wm. H. Knowles, W. A. Blount, W. D. Chipley, B. F. Simmons, J. S. Leonard.

BALTIMORE.—*The Manufacturers' Record* says of the Baltimore Savings banks that they "are numerous and their deposits count up into many millions of dollars. The saving habit is thoroughly engrafted upon our people, and there is no need of argument to prove the utility of such institutions. A brief review, however, of certain facts in regard to them will not only prove interesting, but may tend to increase the number of those who will undertake by small savings to lay the foundation of a fortune. Eight savings banks in Baltimore hold available assets amounting to $38,815,000, the number of depositors is 124,874, and an increase during 1891 of 7,731. In other words, nearly 125,000 people in Baltimore are taking advantage of the opportunity offered by the savings banks to invest such money as they have. It goes through banking operations to the strengthening and upbuilding of legitimate manufacture and trade, and such institutions are of value to the community in a double sense."

WILMINGTON, N. C.—It is said to be a fact that legal proceedings will soon be instituted against several "preferred" creditors of the First National Bank If successful, this movement will add considerably to the assets of the bank. The ground on which the proposed action is based is said to be a section of the law governing National banks, which declares that preferences made after a bank has been guilty of an act of insolvency are void.—*Wilmington Star.*

DALLAS, TEXAS.—Col. Henry Exall in an interview with a Galveston *News* reporter, in response to an inquiry concerning the prospects of business, said: "Times are rapidly getting better, our banks have more money than they have had at any time for twelve months, and I look for a good year's business and a large increase in the population of Texas and of Dallas; but now that the great money pressure and rush is over, it might be well to mention some of the causes that tend severely to contract the currency, and that are more active in their operations during great financial stringency than at any other time. I believe a change in some of these methods would tend possibly as much as any other one thing to prevent congestion in the money market, and make possible a much larger commercial activity than we could in any other way have. In that line I would suggest that one of the chief reasons for the greater scarcity of money in the western and southwestern or newer portions of the United States, is the habit that a large number of people have of carrying their money in their pockets or keeping it in their houses, instead of depositing it in the banks and using checks with which to settle their obligations."

FORT WORTH, TEXAS—The directors of all the National banks in Fort Worth have held their annual meetings, received the reports of officers and declared their annual dividends. Last year was a hard one on all classes of business, and banks have felt the toughness of times as well as other concerns, but still the showing made by the financial institutions of Fort Worth is a creditable and healthy one. The following is a report in brief of the business results of five banks in the city, the Merchants' National not having been obtained: The directors of the State National met and declared an annual dividend, net of taxes of 10 per cent., carrying $12,000 to undivided profits. Capital stock still at $375,000, and surplus $130,000. Deposits 20 per cent better than in 1890. The City National Bank directors met and declared a semi-annual dividend, net of taxes of 6 per cent., and carried a handsome sum to undivided profits. Deposits much better than in 1890. The directors of the First National met and declared a semi-annual dividend of 6 per cent., net of taxes, carrying $21,194 to undivided profits. Surplus, $125,000; capital stock, $250,000. Deposits much better than during 1890. Traders' National directors met and declared an annual dividend of 12 per cent. The disposition of undivided profits not given. Surplus, $50,000; capital stock, $125,000. Farmers and Mechanics' National directors declared a dividend of 2 per cent. quarterly, and carried $5,000 to the surplus fund, making it $36,200. A snug sum was placed to the credit of undivided profits. Capital stock, $1,000,000.

SAN FRANCISCO, CAL.—The Berkeley Bank of Savings and the Commercial Bank, incorporated November 16, 1891, with a capital of $50,000 and $100,000 respectively, were reincorporated under date of January 27, 1892. The following are directors for both banks: Frank K. Shattuck, A. W. Naylor, Walter E. Sell, Jno H. Stewart, Charles K. Clark, Thomas Ham and Jas. R. Little. The Savings & Loan Bank of San Benito County, office at Hollister, was incorporated January 28, with a capital of $250,000. Following are the directors: Thomas S. Hawkins and N. C. Briggs of Hollister, Uriah Wood of San Jose, Thomas Flint of San Juan, and L. A. Whitehead of Gilroy. The Bank of Sebastopol was incorporated January 27, with a capital of $50,000. The following are the first directors: William Hill and George P. Baxter of Petaluma, and C. Wightman, J. H. P. Morris and P. H. Atkinson of Sebastopol.

PORTLAND, ORE.—The Union Banking Company is a new bank and one of the largest and finest on the coast. It commenced business in May, 1891, with a capital of $100,000. It transacts a general banking business, deals in home and foreign exchange, makes collections, etc., and pays interest on time deposits. The location is and soon will be the best in the city, 120 and 122 Washington street, corner of Sixth street. The officers are: R. P. Earhart, president; W. V. Spencer, cashier. Directors: R. P. Earhart, B. P. Caldwell, Vincent Cook, James T. Gray, Harvey A. Hogue, J. C. Moreland, W. V. Spencer, John A. Child, D. W. Taylor and Mert E. Dimick, all reliable and responsible gentlemen. Mr. Earhart, the president of the company, is Collector of Customs at this port, and served as Secretary of State for two terms.

WASHINGTON.—Representative Kem, of Nebraska, has introduced a bill providing for the creation of a bureau in the Treasury Department to be known as the Government Banking and Loan Bureau, the chief of which shall establish Sub-Treasuries in each county which has a population of 1,000 or more, under certain conditions set forth in detail. Any person may deposit money in such Sub-Treasuries and draw interest at the rate of 3 per cent. per annum.

FOREIGN.

CANADA.—The Bank of Montreal has issued a new $5 bill. It differs from the old ones in three particulars. The figures are printed in black, and stand out boldly from the face of the note, which is tinted throughout in a bluish green shade. The portrait on the left hand side has also been changed, and the likeness of Mr. Buchanan, the late manager, no longer appears, it being replaced by that of the present manager, Mr. E. S. Clouston.

TORONTO, CANADA.—The Toronto *World* says, concerning the opening of the new branch of the Dominion Bank under the management of Mr. J. H. Horsey, that it is the most complete and best equipped branch in the city. It consists of basement, main floor and two stories. It is built of Connecticut brown stone and pressed red brick. The stonework is admirably carved and shows some of the best work in the city. Terra cotta will relieve the monotony of the brickwork. There is a massive copper cornice, and the design of this and of all the woodwork carving and the plaster cornices indoors is the same as that of the stonework. The bank is admirably lighted; there are windows the full extent of the College and Spadina frontages. There are noble chandeliers, a magnificently hand-carved walnut counter, with a half a dozen compartments at which the practical business of the bank will be dispatched. There are also side tables and desks for writing for customers. There is abundant room for the present and the prospective business of the bank. The manager's room is remarkably tasteful. There is a handsomely carved mantel with ornamental tiles, mirrors and velvet carpet, and tasteful furnishing make the sanctum complete. The walls of the bank are left rough-plastered, in order the better to take the fresco decoration, which they are to undergo in spring.

CANADIAN BANK FAILURES.—The Toronto *Monetary Times* says that "there was no bank *failure* in 1891 nor was there one in 1890. What was unsound and rotten in Canadian banking culminated a year or two ago in the failure of that wretched concern, the Central Bank, an institution which would never have been permitted to exist if the Legislature had acted with reasonable precaution in the premises. It is a satisfaction, however, that owing to the careful provisions of our banking law, making bank notes a first charge on the assets, the bills of that bank were all redeemed within a short time of the stoppage. It is a further satisfaction, so far as the public is concerned, that the depositors of the Central Bank have been paid 93 per cent.; but the heavy loss to the stockholders will be a source of very bitter reflection to a number of confiding people as long as they live.

The reports of the New York Clearing-house returns compare as follows:

1892.	*Loans*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
Feb. 6...	$460,653,600	$111,992,200	$50,293,400	$515,376,700	$5,532,100	$33,441,425
" 13...	466,291,300	112,935,500	51,111,300	521,571,900	5,548,500	33,653,825
" 20...	476,571,000	113,152,100	50,520,900	531,261,900	5,457,700	30,857,550
" 27...	480,880,000	107,814,300	52,140,100	531,938,800	5,465,600	26,969,700

The Boston bank statement is as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits*	*Circulation.*
Jan. 30......	$159,648,300	$9,223,900	$6,711,000	$144,014,100	$4,204,600
Feb. 6......	160,725,600	9,307,000	6, 64,800	141,730,500	4,187,800
" 13......	160,446,600	9,793,500	6,114,300	144,328,300	4,212,000
" 20....	159,746,300	10,125,100	6,014,100	143,412,400	4,239,200
" 27......	159,235,800	10,417,500	6,008,600	141,439,900	4,212,000

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	*Loans*	*Reserves*	*Deposits.*	*Circulation.*
Feb. 6..................	$96,014,000	$35,982,000	$105,076,000	$3,337,000
" 13..................	96,776,000	36,307,000	105,727,000	3,338,000
" 20..................	97,369,000	37,500,000	107,856,000	3,324,000
" 27..................	98,204,000	37,166,000	108,548,000	3,352,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	Feb. 1.	Feb. 8.	Feb. 15.	Feb. 23.	Feb. 29.
Discounts.............	5 @ 5½	4½ @ 5½	4½ @ 5½	4½ @ 5½	4½ @ 5
Call Loans............	2 @ 1½	2 @ 1½	2 @ 1⅛	2 @ 1⅛	2 @ 1⅛
Treas. balances, coin...	$114,917,230	$115,797,283	$116,247,006	$113,887,912	$112,030,628
Do. do currency.	9,558,032	12,684,229	15,240,652	18,545,769	18,988,922

Sterling exchange has ranged during February at from 4.86¼ @ 4.88¼ for bankers' sight, and 4.84¼ @ 4.85¾ for 60 days. Paris—Francs, 5.17½ @ 5.15⅝ for sight, and 5.20 @ 5.18⅛ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.85¼ @ 4.85½; bankers' sterling, sight, 4.87¾ @ 4.88; cable transfers, 4.88 @ 4.88¼. Paris—Bankers', 60 days, 5.19⅜ @ 5.18¾; sight, 5.17½ @ 5.16⅞. Antwerp—Commercial, 60 days, 5.21⅞ @ 5.21¼. Reichmarks (4)—bankers', 60 days, 95⅛ @ 95¼; sight, 95½ @ 95⅝. Guilders—bankers', 60 days, 40⅛ @ 40 3-16; sight, 40 5-16 @ 40⅜.

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from February No., page 669.*)

	Bank and Place.	*Elected.*	*In place of.*
N. Y. City	National Bank Republic	Oliver S. Carter, *P.*	John Jay Knox.*
		Eugene H. Pullen, *V. P.*	Oliver S. Carter.
Ala.	First National Bank, Fort Payne.	W. K. Sheldon, *P.*	H. B. Hill.
		Jas. Norfleet, *V. P.*	T. P. Randall.
"	Farm. and Mer. Nat. Bank, Huntsville.	S. J. Mayhew, *V. P.*	....
"	Planters and Mer. Bank, Ozark.	H. M. Sessions, *Cas*	H. L. Martin.
Ark.	Citizens Bank, Eureka Springs.	W. M. Duncan, *P.*	O. W. Watkins.
		F. N. Claffiin, *Cas*	W. M. Duncan.
"	Dardanelle Bank, Dardanelle	Z. G. Pierce, *P.*	James K. Perry.
"	First Nat. B'k, Little Rock	S. B. Smith, *Ass't Cas*	....
"	First Nat. B'k, Russellville	R. F. Roys, *V. P.*	....
Cal.	California B'k, Los Angeles	J. Frankenfield, *P.*	H. C. Witmer.
"	Citizens B'k, Los Angeles	T. W. Brotherton, *P.*	T. S. C. Lowe.
		T. S. C. Lowe, *V. P.*	T. W. Brotherton.
"	Pasadena Nat. B'k, Pasadena.	E. F. Spence, *P.*	Isaac W. Hellman.
		C. W. Brown, *V. P.*	E. F. Spence.
"	B'k of Commerce, San Diego	R. M. Powers, *P.*	John Long.
"	First Nat. B'k, Santa Monica	W. D. Vawter, *P.*	G. H. Bonebrake.
"	Santa Rosa Nat. Bank, Santa Rosa.	D. N. Caruthers, *V. P.*	B. M. Spencer.
		A. B. Swain, *Ass't Cas*	....
"	Savings B'k of Santa Rosa	John P. Overton, *Cas*	Geo. P. Noonan.
Col.	First Nat. Bank, Alamosa	A. W. McIntire, *V. P.*	John L. McNeil.
"	First Nat. Bank, Boulder	Chas. H. Wise, *Ass't Cas.*	....
"	Colorado Savings B'k, Denver.	Chas. West, *P*	John A. Clough.
"	Bank of Garrison, Garrison	D. H. Staley, *Cas*	W. O. Statton.
"	Greeley Nat. Bank, Greeley	J. L. Brush, *P*	G. W. Clawson.
"	First National Bank, La Junta.	M. C. Stephens, *V. P.*	....
		T. F. Doty, *Ass't Cas*	G. H. Downer.
"	Farmers Nat. B'k, Longmont	W. H. Dickens, *V. P*	....
"	Pueblo Nat. Bank, Pueblo	Geo. W. Robinson, *P.*	A. E. Graham.
		N. D. Hinsdale, *Cas*	G. W. Robinson.
		J. Dinkelspiel, *Ass't Cas*	....
"	First Nat. Bank, Rico	J. W. Gilluly, *P.*	J. E. McClure.
"	First National Bank, Trinidad.	John Hudelson, *Ass't Cas*	E. P. Jordan.
"	Trinidad Nat. Bank, Trinidad	D. J. Devine, *Ass't Cas*	D. M. Connor.
Conn.	First Nat. B'k, Danielsonville	Abner Young, *P.*	Henry Hammond.
"	First National Bank, Stamford.	A. R. Turkington, *P.*	....
		Harry Bell, *Cas*	A. R. Turkington.
Dak. N.	Hillsboro Nat. B'k, Hillsboro.	H. J. Nyhus, *Cas*	James E. Hyde.
"	First Nat. Bank, Minot	Jesse Owen, *V. P*	Olaf A. Olsen.
"	Bank of Rugby, Rugby	I. F. Clem, *Cas.*	M. W. Buck.
Dak. S.	Nat. Bank of Canton	F. H. Bacon, *V. P.*	N. Noble.
"	Minnehaha Nat. Bank, Sioux Falls.	Porter P. Peck, *P.*	....
		S. G. Tuthill, *V. P.*	P. P. Peck.
"	Citizens Nat. B'k, Watertown.	John F. Brock, *V. P.*	O. E. Dewey.
Del.	Peoples Nat. B'k, Middletown.	G. W. W. Naudain, *V. P.*	W. R. Cochran.
D. C.	Second Nat. B'k, Washington.	John C. Eckloff, *Ass't Cas.*	....
Fla.	First Nat. Bank, Key West	August Roesler, *V. P.*	....
"	Citizens National Bank, Orlando.	W. L. Palmer, *P.*	John H. Gilbert.
		C. S. Johnson, *Ass't Cas.*	C. E. Bacon.
"	First National Bank, Pensacola.	F. C. Brent, *P*	Wm. H. Knowles.
		Wm. H. Knowles, *V. P.*	W. A. Blount.
		J. S. Leonard, *Cas*	W. K. Hyer, Jr.
		W. K. Hyer, Jr., *Ass't Cas.*	J. H. Ticknor.
Ga.	First Nat. B'k, Cedartown	J. R. Barber, *Ass't Cas.*	N. K. Bitting.
"	Mer. and Plant. B'k, Griffin	J. H. Smith, *Ass't Cas.*	....
"	La Grange B'k'g & Trust Co., La Grange.	Geo. A. Speer, *P.*	A. D. Abraham.
		J. T. Johnson, *Cas*	Geo. A. Speer.
"	Merchants Nat. Bank, Macon	W. T. Johnston, *P.*	R. F. Lawton.*

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
Ga.	First National Bank, Valdosta.	D. C. Ashley, *P.*	S. L. Hayes.
		C. H. Paine, *V. P.*	D. C. Ashley.
Idaho	First Nat. Bank, Caldwell	D. H. White, *V. P.*	....
"	Moscow Nat. Bank, Moscow	J. H. Maguire, *V. P.*	....
Ill.	First Nat Bank, Canton	W. D. Plattenburg, Jr., *Cas.*	F. W. Hulit.
"	First Nat. Bank, Chester	M. C. Crissey, *P.*	Chas. B. Cole.
"	Nat. B'k Republic, Chicago	John A. Lynch, *P.*	John B. Mallers.
"	Farm. & Mer. Nat. B'k, Galva.	V. A. Wigren, *Cas*	....
"	Leaf River B'k, Leaf River.	G. C. Loveland, *P.*	Jos. Newcomer.
"	Lincoln National Bank, Lincoln.	F. C. Orton, *2d V. P.*	....
		P. E. Kuhl, *Cas*	F. C. Orton.
"	First Nat. Bank, Mattoon	W. A. Pickett, *Ass't Cas*	....
"	First Nat. Bank, Pana	E. A. McCracken, *Ass't Cas.*	....
"	State Nat. Bank, Springfield	Joseph F. Bunn, *Cas*	F. K. Whittemore.
Ind	First Nat. Bank, Columbus	F. F. Herod, *Ass't Cas.*	....
"	First Nat. Bank, Hammond	E. E. Towle, *Cas*	Frank H. Tuthill.
"	First National Bank, Martinsville.	M. H. Parks, *V. P.*	....
		T. H Parks, *Ass't Cas*	....
"	Rockport Bank, Rockport	John Biedenkopf, *P*	T. R. Hardy.*
Ind. T.	First Nat. Bank, Ardmore	C. L. Hemming, *Ass't Cas.*	....
Iowa.	Avoca Bank, Avoca	John J. Spindler, *Cas*	Chas. N. Voss.
"	Taylor & McGowen Bank, Bloomfield.	D. M. McFadden, *Cas*	M. H. Jones.
"	First Nat. Bank, Centreville	J. A. Bradley, *Cas*	J. R. Hays.
"	First National Bank, Chariton.	W. P. Beem, *Ass't Cas*	....
"	Clarinda Nat. Bank, Clarinda.	Harvey R. Spry, *Cas*	W. W. Newlon.
"	First National Bank, Clarion.	U. B. Tracy, *Cas*	N. F. Weber.
		E. R. Lockwood, *Ass't Cas.*	U. B. Tracy.
"	Iowa Nat. Bank, Davenport	Chas. N. Voss, *Cas*	D. H. Vieths.
"	Iowa National Bank, Des Moines.	B. P. Kauffman, *P.*	S. A. Robertson.
		Edward H. Hunter, *V. P.*	Geo. A. Dissmore.
"	First National Bank, Fort Dodge.	E. H. Rich, *Cas*	Harry Jones.
		G. L. Rich, *Ass't Cas*	C. D. Ottoson.
"	First Nat. Bank, Fort Madison.	J. B. Morrison, *P.*	Chas. Brewster.
"	Citizens Nat. Bank, Knoxville.	John McMillan, *V. P.*	....
"	Commercial Savings Bank, Mason City.	J. B. Dakin, *V. P.*	W. C. Ellis.
		G. E. Winter, *Cas*	Frank Roberts.
"	Citizens Bank, Mount Ayr	Day Dunning, *P.*	....
		Clyde Dunning, *V. P.*	Day Dunning.
"	First Nat. Bank, Muscatine	H. W. Moore, *P.*	S. G. Stein.*
		S. G. Stein, Jr., *V. P.*	H. W. Moore.
"	First Nat. Bank, Ottumwa	J. W. Harlan, *Ass't Cas*	....
Kan.	Exchange Nat. B'k, Atchison	D. P. Waggener, *P.*	W. W. Hetherington.*
"	Chanute Nat. Bank, Chanute	J. H. Light, *V. P.*	E. E. Ward.
"	First National Bank, Emporia.	C. S. Cross, *P.*	H. C. Cross.
		D. M. Davis, *Cas*	Chas. S. Cross.
"	First Nat. Bank, Great Bend.	G. L. Chapman, *Cas*	C. M. Wickwire.
		W. L. Bockemohle, *A. Cas.*	....
"	First Nat. Bank, Hiawatha	J. W. Hervie, *Ass't Cas*	....
"	First Nat. Bank, Hutchinson	W. C. Berry, *Ass't Cas*	....
"	Bank of Louisburgh, Louisburgh.	W. Schwartz, *P.*	M. Reed.
		W. M. Wright, *V. P.*	W. Schwartz.
"	Bank of Miltonvale, Miltonvale.	A. B. Crandell, *Cas*	John B. Morris.
"	Minneapolis National Bank, Minneapolis.	F. L. Flint, *V. P.*	E. B. Eastman.
"	First National Bank, Norton	Elmer E. Ames, *P.*	E. V. Peterson.
"	First National Bank, Oberlin.	S. C. Woodson, *P*	J. B. Hitchcock.
"	National Bank of St. Mary's	Geo. F. Anderson, *V. P.*	....
"	Kansas National Bank, Topeka.	A. Washburn, *V. P.*	L. L. Turner.
		L. L. Turner, *Cas*	Wm. Wadsworth.
		W. Wadsworth, *Ass't Cas.*	....
"	Bank of Waverly, Waverly	Jennie Fisher, *P.*	R. E. Fisher.*
		E. T. Duvall, *Cas*	J. L. Senior.
"	First National Bank, Westmoreland.	J. F. O. Daniel, *P.*	....
		Geo. A. Streeter, *V. P.*	J. F. O. Daniel.
		W. Anthony, *Ass't Cas*	J. J. Hostutter.
"	First National Bank, Winfield.	W. C. Robinson, *P.*	....
		Henry E. Kibbe, *Cas*	W. C. Robinson.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
KAN.	Winfield Nat. Bank, Winfield.	G. H. Schuler, *V. P.*	J. W. McDonald.
KY.	First Nat. Bank, Covington.	Frank P. Helm, *V. P.*	....
"	Farmers National Bank, Cynthiana.	S. J. Ashbrook, *P.*	J. W. Peck.
		W. A. Webber, *V. P.*	S. J. Ashbrook.
"	Henderson N. B'k, Henderson.	Thomas Soaper, *P.*	L. C. Dallam.
"	First Nat. Bank, Louisville.	James Clark, *V. P.*	G. W. Lewman.
LA.	First National Bank, Franklin.	J. M. Burguieres, *P.*	M. T. Burwell.
		Philip H. Mentz, *V. P.*	J. M. Burguieres.
"	First National Bank, Lake Charles.	A. J. Perkins, *2d V. P.*	....
		Louis P. Pavia, *Ass't Cas.*	....
ME.	Augusta Nat. Bank, Augusta	Elias Milliken, *P.*	Samuel Titcomb.
"	Northern Nat. B'k, Hallowell.	Geo. A. Safford, *Cas.*	Geo. R. Smith.
"	Limerick Nat. Bank, Limerick.	C. G. Moulton, *Cas.*	Wm. W. Mason.
"	First National Bank, Madison.	B. P. J. Weston, *V. P.*	....
"	North Nat. Bank, Rockland.	S. M. Bird, *P.*	A. J. Bird.*
"	Thomaston N. B'k, Thomast'n.	T. A. Carr, *Ass't Cas.*	....
MD.	Queen Anne's National Bank, Centreville.	Eugene Pennington, *Cas.*	Jas. Wooters.
"	First Nat. Bank, Frostburg.	John L. Porter, *Cas.*	Albert E. Krise.
"	Union Nat. B'k, Westminster.	J. H. Billingslea, *V. P.*	....
MASS.	Greylock Nat. Bank, Adams.	J. K. Anthony, *V. P.*	....
"	First National Bank, Ayer.	Levi Wallace, *P.*	Andrew Atwood.
"	Boylston Nat. Bank, Boston.	Chas. Torrey, *V. P.*	....
"	Broadway Nat. Bank, Boston.	J. B. Kellock, *Cas.*	Wm. R. Dresser.
"	Gloucester S. Dep. & Tr. Co., Gloucester.	Nathaniel Babson, *V. P.*	John L. Stanley.
		C. E. Fisher, *Treas.*	Sylvanus Smith.
"	First National Bank, Grafton.	Chester T. Linley, *P.*	H. S. Warren.
		Bentley C. Starr, *Cas.*	Geo. H. Sprague.
"	Holyoke Nat. Bank, Holyoke.	C. H. Heywood, *P.*	Geo. W. Prentiss.
"	Home Nat. Bank, Holyoke.	Fred. F. Partridge, *Cas.*	Edwin L. Munn.
"	Bay State Nat. B'k, Lawrence.	Joseph Shattuck, *P.*	....
"	Lawrence Sav. B'k, Lawrence.	W. W. Spaulding, *Treas.*	W. R. Spaulding.*
"	Marblehead N. B'k, Marblehe'd.	Isaac C. Wyman, *P.*	John F. Harris.
"	First National Bank, Salem.	E. Kendall Jenkins, *P.*	L. S. Tuckerman.
"	Citizens Nat. Bank, Worcester.	Geo. A. Smith, *Cas.*	L. W. Hammond.
MICH.	First Nat. Bank, Bessemer.	Wm. I. Prince, *Cas.*	M. A. Northrop.
"	Detroit Nat. Bank, Detroit.	Wm. T. DeGraff, *Cas.*	C. M. Davison.
"	First Nat. Bank, East Saginaw.	J. W. Howry, *P.*	Geo. F. Cross.
"	First Nat. Bank, Kalamazoo.	F. N. Rowley, *Cas.*	David W. Osborne.
"	First Nat. Bank, Ypsilanti.	H. P. Glover, *V. P.*	Chas. King.
MINN.	First National Bank, Brainerd.	A. F. Ferris, *P.*	H. J. Spencer.
		H. J. Spencer, *Cas.*	A. F. Ferris.
"	Scandia American Bank, Crookston.	J. W. Wheeler, *Cas.*	L. Ellington.
"	German-American Nat. Bank, Little Falls.	John Wetzel, *Cas.*	Jas. D. Anderson.
"	Flour City National Bank, Minneapolis.	A. A. Crane, *Ass't Cas.*	....
"	National Bank of Commerce, Minneapolis.	Walter Hurlbut, *V. P.*	....
"	State Bank, Minneapolis.	K. Kortgaard, *P.*	S. E. Olsen.
		O. E. Naegle, *Cas.*	K. Kortgaard.
		John S. Nelson, *Ass't Cas.*	....
"	First National Bank, Rochester.	F. E. Gooding, *V. P.*	....
		T. H. McConnell, *Cas.*	Walter Hurlbut.
"	First National Bank, Shakopee.	Mathias Berens, Jr., *P.*	H. B. Strait.
		Theo. Weiland, *V. P.*	M. Berens, Jr.
"	Union Bank, St. Paul.	L. H. Carr, *Ass't Cas.*	....
MISS.	First National Bank, Meridian.	W. W. George, *P.*	Chas. A. Lyerly.
		Chas. A. Lyerly, *V. P.*	W. W. George.
MO.	First Nat. B'k, Cape Girardeau.	W. B. Wilson, *V. P.*	....
"	Fourth Nat. Bank, St. Louis.	F. W. Biebinger, *P.*	....
		Chas. Schmeiding, *2d V. P.*	....
		G. A. W. Augst, *Cas.*	F. W. Biebinger.
"	First National Bank, Tarkio	W. F. Rankin, *Ass't Cas.*	J. F. Hanna.
MONT.	Northwestern National Bank, Great Falls.	Jas. T. Stanford, *Cas.*	Jos. A. Baker.
"	First National Bank, Kalispel.	J. W. Huffaker, *Ass't Cas.*	....

* Deceased.

	Bank and Place.	*Elected.*	*In place of*
MONT	First National Bank, White Sulphur Springs.	Hugh Cameron, *Ass't Cas.*	....
NEB	First Nat. Bank, Arapahoe	R. J. Finch, *V. P.*	W. S. Morlan.
"	First Nat. Bank, Beaver City	T. M. Williams, *V. P.*	....
"	City Nat. Bank, David City	C. O. Crosthwaite, *A. Cas.*	E. V. Dunphy.
"	City National Bank, Kearney.	H. C. Andrews, *P.*	F. G. Keens.
		K. R. Andrews, *Ass't Cas.*	....
"	Nebraska National Bank, Omaha.	R. C. Cushing, *V. P.*	Lewis S. Reed.
		Lewis S. Reed, *Cas.*	W. H. S. Hughes.
N. H.	Connecticut River Nat. Bank, Charlestown.	Roswell Huntoon, *V. P.*	R. Robertson.
"	Derry National Bank, Derry	William H. Shepard, *V. P.*	....
"	First Nat. Bank, Manchester	Arthur H. Hale, *Cas.*	Chas. F. Morrill.
"	Indian Head National Bank, Nashua.	David A. Gregg, *P.*	C. H. Campbell.
		W. H. Beasom, *V. P.*	D. A. Gregg.
N. J.	Atlantic City National Bank, Atlantic City.	Joseph A. Barstow, *V. P.*	....
"	Second Nat. Bank, Jersey City.	A. A. Lutkins, *V. P.*	....
"	Peoples Nat. Bank, Key Port	C. Ackerson, *Ass't Cas.*	....
N. MEX.	New Mexico Nat. B'k, Socorro.	E. E. Nold, *Ass't Cas.*	....
N. Y.	Nat. Commercial B'k, Albany.	Edw. J. Hussey, *Ass't Cas.*	....
"	First National Bank, Bainbridge.	Jas. K. Wetmore, *V. P.*	J. Bush.
		C. V. Pruyn, *Ass't Cas.*	....
"	First National Bank, Homer	P. C. Kingsbury, *P.*	George Murray.
"	First National Bank, Ithaca	John C. Stowell, *P.*	....
		Geo. R. Williams, *V. P.*	J. C. Stowell.
"	First Nat. Bank, Morrisville	N. P. Mead, *V. P.*	Henry Runkel.*
"	National Bank of Poland, Poland.	W. A. Brayton, *V. P.*	....
		F. J. C. Steber, *Ass't Cas.*	....
"	Farmers & Man'frs Nat. B'k, Poughkeepsie.	G. H. Sherman, *Ass't Cas.*	....
"	Merchants Bank, Rochester	Chas. J. Burke, *P.*	Geo. E. Mumford.*
		Rufus K. Dryer, *V. P.*	Chas. J. Burke.
"	Nat. Bank of Schuylerville	D. A. Bullard, *P.*	E. C. Bullard.
"	First Nat. Bank, St. Johnsville.	John C. Beekman, *V. P.*	A. Devendorf.
"	Third Nat. Bank, Syracuse	Jacob Amos, *V. P.*	W. K. Niver.
"	Second National Bank, Utica	F. R. Winant, *Ass't Cas.*	Willard Conkey.
N. C.	First Nat. B'k, Elizabeth City.	J. G. Wood, *V. P.*	....
"	First National Bank, Gastonia.	W. L. Robinson, *V. P.*	J. F. Love.
"	First National Bank, Hickory.	Wm. H. Ellis, *V. P.*	....
OHIO	First National Bank, Bellaire	N. Roemer, *P.*	John T. Mercer.
"	State Nat. Bank, Cleveland	H. C. Ellison, *V. P.*	....
"	First Nat. Bank, Gallipolis	H. R. Bradbury, *P.*	Edwd. Delatombe.
		W. G. Wheaton, *Cas.*	H. R. Bradbury.
		C. A. De Lay, *Ass't Cas.*	W. G. Wheaton.
"	First National Bank, Hamilton.	Asa Shuler, *P.*	P. Hughes.*
		J. E. Hughes *V. P.*	Asa Shuler.
"	First Nat. Bank, Ironton	D. H. Clark, *V. P.*	H. B. Wilson.
"	First Nat. Bank, Miamisburg	W. A. Black, *Cas.*	Elmer M. Hill.
"	First Nat. Bank, Norwalk	S. M. Fullen, *V. P.*	N. G. Sherman.
"	Citizens Nat. Bank, Sandusky.	T. B. Taylor, *P.*	Albert E. Merrill.
ORE	Eugene Nat. Bank, Eugene	F. M. Osburn, *Cas.*	Walter T. Peet.
"	Commercial National Bank, Portland.	Frank De Kum, *P.*	D. P. Thompson.
		R. L. Durham, *V. P.*	Frank De Kum.
		Edwd. Cookingham, *Cas.*	R. L. Durham.
		F. E. Langford, *Ass't Cas.*	H. C. Wortman.
"	Oregon Nat. Bank, Portland	Geo. B. Markle, *P.*	Van B. DeLashmutt.
PA	First National Bank, Emlenton.	Eben Crawford, *V. P.*	....
		E. E. Sloan, *Cas.*	J. W. Rowland.
"	Keystone National Bank, Erie.	Matthew Griswold, *P.*	J. F. Downing.
		J. F. Downing, *V. P.*	Matthew Griswold.
"	First Nat. Bank, Jeannette	Thos. M. McKee, *V. P.*	J. A. Chambers.
"	First Nat. Bank, Newtown	Wm. H. Walker, *V. P.*	Lewis Beeckman.
"	Farmers & Mechan's Nat. B'k, Philadelphia.	H. C. Stroup, *P.*	S. W. Bell.
		S. W. Bell, *V. P.*	....
		M. W. Lewis, *Cas.*	H. C. Stroup.
		W. W. Arnett, *Ass't Cas.*	M. W. Lewis.
"	Third Nat. Bank, Philadelphia.	G. W. Kendrick, Jr., *V. P.*	B. F. McFillen.

* Deceased.

	Bank and Place.	Elected.	In place of.
PA.	Union Nat. Bank, Phila	E. G. Reyenthaler, *V. P.*	W. H. Sowers.*
"	Farmers & Mechanics N. B'k, Phoenixville.	Isaac Z. Reiner, *V. P.* H. A. Jenks, *Cas.*	John Griffith. D. W. Brower.
"	First Nat. B'k, Stewartstown	Milton W. Bahn, *V. P.*	....
"	First Nat. Bank, Washington	Thos. McKean, *V. P.*	....
TENN.	Farm. & Mer. Nat. Bank, Clarksville.	H. C. Merritt, *V. P.*	M. Savage.
"	Third Nat. Bank, Knoxville.	H. B. Carhart, *P.* H. B. Branner, *V. P.* F. W. Armstrong, *Cas.*	R. N. Hood. H. B. Carhart. H. B. Branner.
"	Citizens National Bank, Pulaski.	J. B. Stacy, *V. P.* J. T. Oakes, *Ass't Cas.*	....
TEXAS.	First National Bank, Cameron.	John M. Hefley, *P.* J. C. Reese, *V. P.* John B. McLane, *Cas.* T. F. Hardy, *Ass't Cas.*	R. H. Sellers. D. Kemp. C. P. Dodge. W. L. Baird.
"	Farmers and Mer. Nat Bank, Cleburne.	H. S. Wilson, *P.* P. C. C. Chambers, *Ass't.*	E. Y. Brown. W. A. Jennings.
"	Colorado Nat. B'k, Colorado	W. Martin, *V. P.*	Jno. B. Slaughter.
"	Comanche N. B., Comanche.	T. J. Holmsley, *P.* J. R. Thomas, *V. P.* T. H. Oberthier, *Ass't Cas.*	J. B. Chilton. .... R. V. Neely.
"	City Nat. Bank, Dallas	H. E. Hamilton, *Ass't Cas.*	E. O. Tenison.
"	Exchange Nat. Bank, Denton	J. C. Coit, *Cas.*	W. A. Ponder.
"	First National Bank, Detroit.	H. C. Bailey, *V. P.* J. A. Caton, *Ass't Cas.*	....
"	First Nat. Bank, Goliad	R. R. Stout, *V. P.*	Jonathan Payne.
"	First National Bank, Goldthwaite.	Brooke Smith, *V. P.* W. E. Pardue, *Ass't Cas.*	....
"	First Nat. Bank, Jacksboro	J. L. Loving, *V. P.*	John R. Hoxie.
"	First Nat. Bank, La Grange	J. D. Jones, *Ass't Cas.*	....
"	Palestine Nat. B'k, Palestine	V. F. Dubose, *Cas.*	John A. Davis.
"	First National Bank, Rockport.	G. W. Fulton, *P.* T. H. Mathes. *V. P.*	R. H. Wood. Jas. C. Fulton.
"	First Nat. Bank, Texarkana	Henry W. Myar, *P.* W. B. Kizer, *V. P.* T. C. Skeen, *Ass't Cas.*	J. H. Draughon. C. C. Dorean. ....
"	Inter-State Nat. Bank, Texarkana.	H. L. Vaughan, *Cas.*	....
"	Provident National Bank, Waco.	T. C. Tibbs, *V. P.* W. P. Ferguson, *Cas.*	W. A. Taylor.* J. S. Corley.
UTAH	First Nat. Bank, Park City	John J. Daly, *P.* C. J. Salisbury, *V. P.* J. H. Deming, *Ass't Cas.*	M. S. Ascheim. ....
"	Deseret Savings Bank, Salt Lake City.	James T. Little, *P.*	John Sharp.*
"	Zion Savings B'k & Trust Co. Salt Lake City.	Geo. M. Cannon, *Cas.*	Thos. G. Webber.
VT.	First Nat. Bank, Montpelier	Fred. E. Smith, *V. P.*	J. W. Ellis.*
VA.	Mt. Jackson Nat. Bank, Mt. Jackson.	C. L. Bowman, *Ass't Cas.*	R. B. Moore.
W. VA.	First National Bank, Fairmont.	J. M. Hartley, *P.* J. C. Beeson, *V. P.*	Harrison Fleming* J. M. Hartley.
"	South Branch Valley N. Bank, Moorefield.	A. M. Inskeep, *P.* Jesse Fisher, *V. P.*	G. Cunningham. A. M. Inskeep.
WASH.	Fairhaven National Bank, Fairhaven.	J. H. Bloedel, *V. P.*	G. W. E. Griffith.
"	First National Bank, Fairhaven.	A. McKenzie, *P.* B. B. Seymour, *Cas.*	E. M. Wilson. C. D. Francis.
"	Hoquiam National Bank, Hoquiam.	Geo. W. Hertges, *P.* John Sawbridge, *Cas.*	C. M. Parkhurst. Geo. W. Hertges.
"	First Nat. Bank, Pomeroy	D. P. Thompson, *P.*	W. F. Burrell.
"	Seattle National Bank, Seattle.	E. W. Andrews, *P.* Robert G. Hooker, *Cas.*	G. W. E. Griffith. Fred Ward.
"	Citizens Nat. Bank, Spokane	A. A. Newbery, *Cas.*	J. F. McEwen.
"	Baker Boyer Nat. Bank, Walla Walla.	F. D. Boyer, *Ass't Cas.*	....
WIS.	First Nat. Bank, Columbus	L. E. Everson, *Ass't Cas.*	....

* Deceased.

	Bank and Place	Elected	In place of
WIS.	Citizens Nat. B'k, Green Bay..	Howard S. Eldred, *P.*....	M. F. Merick.
"	..Kellogg Nat. Bank, Green Bay.	W. J. Fisk, *P.*............	....
		F. Hurlbut, *V. P.*........	W. J. Fisk.
"	..First Nat. Bank, Hudson......	D. E. Hanna, *Ass't Cas* ...	J. B. Goss.
"	..National Exchange Bank, Milwaukee.	Chas. Ray, *V. P.*..........	W. G. Fitch.
		J. W. Lombard, *2d V. P.*..	Chas. Ray.
"	..German Nat. Bank, Oshkosh..	Geo. Baumann, *2d V. P.*...	....

NEW BANKS, BANKERS, AND SAVINGS BANKS

(*Monthly List, continued from February No., page 667.*)

State.	Place and Capital	Bank or Banker	Cashier and N. Y. Correspondent.
N. Y. CITY	....	Colonial Bank.............	....
	$100,000	Isaac W. White, *P.*	Sam'l L. Chamberlaine, *Cas.*
		Edwin W. Orvis, *V. P.*	
ALA.	Russellville	Franklin County Bank....	....
	$10,000	James A. May, *P.*	
		Walter Moore, *V. P.*	
CAL.	Lemoore.......	Bank of Lemoore..........	National Park Bank.
	$50,000	S. G. Lillis, *P.*	Byron O. Carr, *Cas.*
		G. E. Shore, *V. P.*	
COL.	Denver.........	Merch's & Mech's Sav. Co..	....
	$100,000	William J. Smith, *P.*	Chas. L. Groesbeck, *Cas.*
		Walter P. Beach, *V. P.*	
DAK. N.	Abercrombie....	First State Bank.	National Bank Republic.
	$10,000	Daniel Patterson, *P.*	Walter L. Carter, *Cas.*
		Joseph Patterson, *V. P.*	Don J. Clark, *Ass't Cas.*
"	..Ellendale.......	Citizens State Bank.......	....
	$10,000	Chas. P. Haseltine, *P.*	Leander Van Hecke, *Cas.*
		F. E. Cawley, *V. P.*	
"	..Hankinson......	First State Bank..........	National Bank of Republic.
	$10,000	Daniel Patterson, *P.*	Walter L. Carter, *Cas.*
		Joseph Patterson, *V. P.*	
"	..Hillsboro.......	Hillsboro Banking Co.....	National Bank Republic.
	$20,000	Lewis H. Larson, *P.*	James E. Hyde, *Cas.*
		James D. Burke, *V. P.*	
"	..Mandan........	State Bank of Morton Co..	Chase National Bank.
	$10,000	Wm. A. Lauterman, *P.*	Chas. A. Kinney, *Cas.*
		H. R. Porter, *V. P.*	
DAK. S.	Chamberlain....	Bank of Chamberlain......	Chase National Bank.
	$10,000	D. H. Henry, *P.*	Patrick Henry, *Cas.*
		C. A. Greeley, *V. P.*	
GA.	Americus.	Bank of Commerce........	National City Bank.
	$65,000	John W. Sheffield, *P.*	Frank Sheffield, *Cas.*
		C. A. Huntington, *V. P.*	Lott Warren, *Ass't Cas.*
"	..HarmonyGrove.	Northeastern Bank........	Hanover National Bank.
	$25,000	L. G. Hardman, *P.*	Clement J. Hood, *Cas.*
		Wm. T. Harber, *V. P.*	
"	..Thomaston.....	Farmers & Merchants Bank	Hanover National Bank.
	$25,000	William S. Witham, *P.*	Thos. M. Matthews, *Cas.*
ILL.	Chrisman.......	State Bank...............	Chase National Bank.
	$30,000	Rufus S. Cusick, *P.*	William Hartley, *Cas.*
"	..Dalton.........	Dalton City Bank.........	....
	$7,000	David P. Keller, *P.*	Chas. A. Hight, *Cas.*
"	..Gridley.........	State Bank....	....
	$25,000	E. H. Hyneman, *P.*	C. M. Coyle, *Cas.*
		Richard Breese, *V. P.*	R. J. Renn, *Ass't Cas.*
IND. T.	Vinita..........	First National Bank.......	Hanover National Bank.
	$25,000	Samuel S. Cobb, *P.*	Henry C. Cook, *Cas.*
		Edgar N. Ratcliff, *V. P.*	
IOWA	Anamosa.......	Anamosa National Bank..	National Bank Republic.
	$50,000	Chas. N. Lull, *P.*	Chas. S. Millard, *Cas.*
		H. W. Sigworth, *V. P.*	Jno. Z. Lull, *Ass't Cas.*

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
IOWA	Burt	Burt Bank	....
	$25,000	C. C. Chubb, *P.*	Edw. J. Murtagh, *Cas.*
		W. C. Tyrrell, *V. P.*	
"	Corydon	Citizens State Bank	Chemical National Bank.
	$60,000	Aaron Evans, *P.*	C. Holliday, *Cas.*
		C. W. Steele, *V. P.*	
"	Delmar	Bank of Delmar	....
		William J. Creglow, *P.*	H. W. Flenniken, *Cas.*
		D. W. Hurst, *V. P.*	
"	Dickens	Exchange Bank	....
	$15,000	F. M. Tuttle, *P.*	P. E. Randall, *Cas.*
"	Dows	State Bank	....
	$25,000	J. H. Carleton, *P.*	H. E. Schultz, *Cas.*
		J. J. Johnson, *V. P.*	U. H. Rummel, *Ass't Cas.*
"	Eagle Grove	Merchants National Bank	....
	$75,000	J. Fitzmaurice, *P.*	W. S. Worthington, *Cas.*
"	Estherville	First National Bank	National Bank Deposit.
	$50,000	F. E. Allen, *P.*	John P. Kirby, *Cas.*
		Webb Vincent, *V. P.*	
"	Madrid	Citizens State Bank	Fourth National Bank.
	$25,000	J. L. Carey, *P.*	N. D. Moore, *Cas.*
		Wm. Johnson, *V. P.*	
"	New Hampton	Chickasaw Co. Bank	....
	$15,000	Frederick Markle, *P.*	W. G. Shaffer, *Cas.*
			A. F. Markle, *Ass't Cas.*
"	Sigourney	Sigourney Savings Bank	Hanover National Bank.
	$50,000	Josiah Utterback, *P.*	Gilbert F. Utterback, *Cas.*
		Anderson Clubb, *V. P.*	J. M. Adams, *Ass't Cas.*
"	Sioux City	Finance Co. of Iowa	....
	$50,000	Wilbur P. Manley, *P.*	Edward H. Bucknam, *Sec. & Tr.*
		T. Arthur Thompson, *V. P.*	
"	Spencer	Peoples Savings Bank	....
	$25,000	J. W. Cory, *P.*	Sumner S. Snow, *Cas.*
		E. Nicodemus, *V. P.*	
"	Thor	Bank of Thor	....
	$13,650	John C. Cheney, *P.*	Samson Lund, *Cas.*
			O. H. Korslund, *Ass't Cas.*
"	Tipton	Tipton Savings Bank	....
	$25,000	H. L. Dean, *P.*	Chas. W. Hawley, *Cas.*
		G. L. Miles, *V. P.*	
KAN	Claflin	Claflin State Bank	....
	$10,000	M. C. Elmore, *P.*	O. B. Looney, *Cas.*
		Franz Roesler, *V. P.*	
"	Netawaka	Netawaka State Bank	Importers & Traders Nat. Bank.
	$10,000	A. P. Rider, *P.*	James C. Challiss, *Cas.*
ME.	Presque Isle	Merchants Tr. & B'k'g Co.	....
	$50,000	Charles P. Allen, *P.*	Geo. Barker, *Cas.*
		Benj. F. Jones, *V. P.*	
MICH	Homer	Farmers State Bank	Chase National Bank.
	$15,000	Albert Andrus, *P.*	Wm. J. Webster, *Cas.*
		John Powers, *V. P.*	
"	Homer	First State Bank	Eleventh Ward Bank.
	$20,000	Thomas Lyon, *P.*	E. P. Allen, *Cas.*
		J. W. Breakey, *V. P.*	
"	Mancelona	Antrim Co. State Sav. B'k.	Western National Bank.
	$25,000	H. Knickerbocker, *P.*	E. S. J. Mills, *Cas.*
		W. E. Watson, *V. P.*	
"	Milford	Lacy & Liddell	Importers & Traders Nat. Bank.
"	Perry	State Bank	Mechanics National Bank.
	$11,250	L. M. Marshall, *P.*	Stanley E. Olcott, *Cas.*
		Chas. H. Calkins, *V. P.*	
"	Sturgis	Citizens State Bank	National Bank of Deposit.
	$50,000	Nelson I. Packard, *P.*	Harry A. Clapp, *Cas.*
		Thomas J. Collins, *V. P.*	
MINN	Anoka	State Bank of Anoka	Bank of New York, N. B. A.
	$25,000	John M. Bartlett, *P.*	John M. Haven, *Cas.*
		Norman C. DeMille, *V. P.*	Geo. D. Bartlett, *Ass't Cas.*
"	Bellingham	Bellingham State Bank	Seaboard National Bank.
	$25,000	H. M. Hagestead, *P.*	Jas. M. Severens, *Cas.*
		C. W. Gebhard, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
MINN	...Cokato..........	State Bank of Cokato......	....
	$30,000	Henry C. Bull, *P.*	Frank M. Swanson, *Cas.*
		Austin M. Woodward, *V. P.*	
"	..Fertile..........	Fertile State Bank	Chase National Bank.
	$25,000	Wm. H. Matthews, *P.*	Norman Hanson, *Cas.*
"	..Minneapolis.....	Bank of New England	Tradesmens National Bank.
	$100,000	Alden J. Blethen, *P.*	Frank M. Morgan, *Cas.*
			G. G. Kindsett, *Ass't Cas.*
"	..Ortonville......	Craig & Keith............	American Exchange Nat. Bank.
	$10,000		
"	..West Concord..	Bank of West Concord....	Chase National Bank.
	$15,000	Julian G. Schmidt, *P.*	Walter T. Schmidt, *Cas.*
		P. Schmidt, *V. P.*	
N. H.	...Manchester.....	Nat. Bank Commonwealth	....
	$100,000	Jos. C. Moore, *P.*	Chas. F. Morrill, *Cas.*
		Frank Dowst, *V. P.*	
N. MEX.	Gallup..........	Bank of Gallup...........	Hanover National Bank.
	$33,334	Simon C. Lillis, *P.*	Richard F. Lillis, *Cas.*
			J. H. Shone, *Ass't Cas.*
OHIO	...Columbus......	Hayden National Bank....	....
	$200,000	P. W. Huntington, *P.*	Edw. K. Stewart, *Cas.*
PA	.....Irwin..........	First National Bank.......	....
	$50,000	Jacob P. Taylor, *P.*	Thomas P. Herron, *Cas.*
TEXAS	..Brownwood.....	Brownwood National Bank	Hanover National Bank.
	$60,000	L. Bair, *P.*	F. W. Henderson, *Cas.*
		W. W. McCullough, *V. P.*	
"	..Dallas.	State National Bank......	Hanover National Bank.
	$400,000	J. S. Armstrong, *P.*	E. O. Tenison, *Cas.*
		C. A. Keating, *V. P.*	
"	..Laredo.........	Bank of Laredo...........	....
		(J. K. Beretta & Co.)	
"	..Whitewright....	First National Bank.......	....
	$50,000	D. M. Ray, *P.*	C. B. Bryant, *Cas.*
VA	.....Martinsville.....	Peoples Bank.............	Hanover National Bank.
	$50,000	Chas. B. Keesee, *P.*	James P. Lewis, *Cas.*
		James H. Spencer, *V. P.*	
WASH	..Everett.........	Commercial Nat. Bank....	Kountze Bros.
	$100,000	John E. McManus, *P.*	Chas. B. Stackpole, *Cas.*
		A. C. Peters, *V. P.*	
WIS	....Marshfield......	German-American Bank.	National Bank of North America.
	$25,700	Richard Dewhurst, *P.*	Robert L. Kraus, *Cas.*
		Henry A. Maurer, *V. P.*	C. B. Arnold, *Ass't Cas.*

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from February No., page 673.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4692	First National Bank.......... Whitewright, Tex.	D. M. Ray,	C. B. Bryant,	$50,000
4693	Nat. Bank Commonwealth.... Manchester, N. H.	Jos. C. Moore,	Charles F. Morrill,	100,000
4694	Merchants National Bank..... Eagle Grove, Iowa.	J. Fitzmaurice,	W. S. Worthington,	75,000
4695	Brownwood National Bank.... Brownwood, Tex.	L. Bair,	F. W. Henderson,	60,000
4696	Anamosa National Bank...... Anamosa, Iowa.	Chas. N. Lull,	Chas. S. Millard,	50,000
4697	Hayden National Bank....... Columbus, O.	P. W. Huntington,	Edw. K. Stewart,	200,000
4698	First National Bank.......... Irwin, Pa.	Jacob P. Taylor,	Thos. P. Herron,	50,000

PROJECTED BANKING INSTITUTIONS.

CAL....Hollister........Hollister Savings Bank; capital, $50,000.

" " ....Savings and Loan Bank of San Benito County; capital, $250,000. Directors: Thomas S. Hawkins, N. C. Briggs, Uriah Wood, Thomas Flint, L. A. Whitehurst.

" ..Riverside.......Riverside Orange Trust. C. H. Low, President; H. M. Streeter, Vice-President; E. F. Kingman, Secretary.

" ..San Francisco...Rowley Investment Co. Directors: Forrest S. Rowley, George F. Dutel, Louis Bazet, N. A. Acker, H. W. Cobb.

" ..San Francisco..Bradford Investment Co.; capital, $500,000. Trustees, Chas. P. Bradford, George C. Bradford.

" ..Santa Cruz.....Peoples Bank; capital, $200,000. A. P. Hotaling, President.

" ..St. Helena......Savings Bank of St. Helena; capital, $100,000. Subscribers: M. G. Ritchie, J. M. Weitz, D. O. Hunt, Thomas Watt, A. L. Williams.

" ..Sebastopol......Sebastopol Bank of Savings; capital, $50,000. Directors: William Hill, J. H. P. Morris, T. H. Atkinson, George T. Baxter, Chauncey Whileman.

" ..Stockton........Stockton Investment Co.; capital stock, $250,000. J. M. Welsh, President; Lyndall Miller, Secretary and General Agent.

COL....Aspen..........J. H. Fesler will start a new bank.

" ..Cripple Creek...Bank of Cripple Creek; capital, $30,000. John A. Himebaugh, President; J. M. Parker, Cashier. Directors: W. S. Nichols, John A. Himebaugh, N. C. Parker, J. M. Parker.

" . Denver.........Holland American Mortgage Bank; capital, $400,000.

" ..Fremont........New bank started by Colorado Springs capitalists.

DAK. N. Fargo..........E. E. Hazen, of Sioux City, and F. Porritt, of Fargo, have organized a National bank with a capital of $60,000.

DAK. S..Clear Lake.....New State bank; John Swenson, of Canby, Minn., principal stockholder.

" ..Kimball........Kimball State Bank; capital, $5,000.

FLA....Hawthorn......New bank to be started.

" ..Pensacola......Branch British American Trust Co. W. A. Wheeler, of New Orleans, General Manager.

" " ....Bank of Pensacola; capital, $50,000.

GA... ..Athens.........Branch of North American Investment and Deposit Co., of Dubuque, Iowa, to be established at Athens by Mr. Isaac Bates, vice-president of the company.

" ..Jefferson.......Jefferson Banking Co. S. A. Turner, President; T. R. Holder, Vice-President; J. C. Turner, Cashier.

IDAHO..Kendrick.......New State bank; capital, $50,000. J. M. Walker, President; R. M. Walker, Cashier; M. S. Freeman, Vice-President.

ILL.....Atwood........Atwood Bank; capital, $25,000. Organizers: Theodore Gross, James Drew, A. E. Drew, J. A. Hawks, M. A. Hawks.

" ..Byron..........Farmers and Merchants Bank to be established by H. M. Brewster.

" ..Chicago........Illinois Trust Fund and Loan Co.; capital, $500,000. Incorporators: Harlan H. Peck, H. P. Peck, A. H. Armour, Albert D. Burt, E. J. Tyler.

" " ....Lake City State Bank; capital, $200,000. Organizers: John J. Fenn, T. A. Soule, W. E. Brown, Jay H. Gillespie, John B. Rubland.

" ..Downer's Grove.Farmers and Merchants Bank; capital, $25,000. Organizers: W. H. Edwards, Levy Mertz, W. J. Herring, L. P. Laramore, Chas. Mochel, J. Klein, E. H. Prince, George Mochel.

ILL.....Englewood.....Lake City and State Savings Bank; capital, $200,000. Bernard Timmerman, President; Charles Brown, Cashier.

.Freeport........Farmers and Merchants State Bank; capital, $100,000. Organizers: Ersom Mayer, John H. Brockmier, Frederick L. Brockmier.

" ..Oak Park.......New bank; capital, $50,000. Organizers: E. W. Lyman, Arthur N. Draper, E. A. Cummings, E. S. Conway and others.

IND.....South Bend ....A Polish Savings Bank to be established by the Polish Building and Loan Association.

KAN....Leoti ....First State Bank; capital, $10,000.

LA......Shreveport.....New bank to be started.

ME.....Lewiston.......Merchants Trust and Banking Co.

MASS...Boston.........Odd Fellows Savings Bank. Incorporators: Henry A. Thomas, Superintendent of Mails in Boston P. O.; Col. John J. Whipple, of Brockton; Wm. F. Cook, of Springfield; A. B. Bruce, of Lawrence.

" " ....Hodges & Doane, bankers and stockbrokers. Firm composed of Edward C. Hodges, George A. Doane, Jr.

" " ....Charles Hayden and Galen L. Stone have formed a copartnership for the transaction of a general banking and brokerage business under the name of Hayden, Stone & Co.

" ..Essex..........New bank; apply Charles H. Goodwin.

" ..Millis ....New savings bank to be established.

MICH...Bay City.......New National bank; capital, $200,000.

" ..Detroit.........Branch of Dime Savings Bank will be established at Woodward avenue.

" ..Iron Mountain.Commercial Bank; capital, $50,000.

" ..Marshall........State Savings Bank; capital, $5c,000. W. J. Dibble, President; W. Phelps, Cashier.

" ..St. Joseph......New savings bank to be started.

" ..West Bay City..First National Bank; capital, $200,000. F. W. Wheeler, H. W. Sage are interested.

MINN...Duluth.........Guaranty Investment Co.; capital, $200,000.

" ..Graceville......New State bank. Ex-Postmaster Lindquist, of Willmar, backed by St. Paul and Minneapolis capitalists, will manage the institution.

" ..Thief RiverFalls.F. G. Banks started banking business.

" ..West Concord..Bank of West Concord. J. G. Schmidt, of Northfield, President; W. T. Schmidt, Cashier.

MO.....Dexter.........Bank of Dexter; capital, $15,000.

" ..Skidmore.......Ed. T. Duval and H. H. Nash will start a banking business.

" ..St. Louis.......Municipal Trust Co. Mr. Charles A. Gitchell, Edward Butler, of St. Louis, and A. F. Richardson, of New York, interested.

NEB....Red Cloud.....Messrs. Meek, Briggs, and Auld will open a bank.

N. H...Exeter... ......A co-operative bank to be established, with $40,000 capital.

" ..Lakeport...... New National bank; those interested are John Aldrich, John S. Crane, Henry J. Odell, Henry R. Quinby.

N. J....Elizabeth.......New bank.

" ..Jersey City.....A Fourth National Bank is to be organized here with Eugene Hartnett at the head; capital, $100,000.

" .Summit........New bank started; capital, $50,000.

N. MEX.White Oaks....Exchange Bank; John Y. Hewitt, President.

N. Y....Avon ....New State bank established; capital, $30,000.

" ..Glen Cove.....Glen Cove Bank; Carmi Gruman, President; Fred. E. Willits, Vice-President; D. Nelson Gay, Cashier.

" . Ogdensburgh. .Savings and Loan Association.

" ..Oneonta ....New bank.

N. C.... Wilmington.... New bank; Mr. Norwood principal promoter of enterprise.

OHIO.. Spring Valley... New bank established; will be superintended by Mr. Pucket, of Yellow Springs.

" .. Toledo......... New National bank.

PA. .... Bedford........ J. G. Hartley & Co. reorganized. Hon. J. M. Reynolds and Capt. S. S. Metzgar admitted as partners.

" .. Chester....... Branch of Commonwealth Savings and Investment Co. to be established. I. F. Lumb, agent. Those interested are Dr. Samuel Starr, Col. W. C. Gray, J. Lentz Garrett, A. A. Cochran and others.

" .. Duquesne...... Duquesne National Bank to be started.

" .. McDonald...... H. H. Miller, cashier of the First National Bank, of Claysville, and ex-Sheriff Lockhart, will establish a National bank here.

" . McKeesport.... A dollar savings bank to be organized.

" .. Reading....... H. A. Hoff, Harry K. Hoff, and John H. Millholland wil commence banking business. Office, Hoff & Millholland Building, North Fifth street.

" .. Wyalusing..... Bank of Wyalusing. C. J. Lewis, J. B. Stalford, and C. A. Stowell interested. Hon. E. A. Strong, of Dushore, Cashier.

TENN... Ducktown.. ... New bank to be established here.

" .. Memphis....... Central Loan and Trust Co. Incorporators: Walter Goodman, John S. Toof, George McGinnis, C. H. Albright, F. B. Hunter, Ralph Wormeley, A. R. Taylor, Elliston Mason, Emmett Howard, C. F. De Garis, R. B. Armour.

TEXAS.. Clarendon...... New National bank to be started.

" .. Garland........ New National bank to be started.

" .. Waco.......... City Savings Bank; capital, $100,000. Incorporators: W. D. and J. D. Mayfield, J. D. Bell, O. W. David, E. M. Ewing, H. G. Bostwick, C. L. Johnson.

UTAH... Salt Lake City.. L. L. Porter, of Ottawa, Kansas, will organize a loan and trust company.

VA. .... Newport News.. Seaport Investment Co.; capital, $50,000. Robert P. Orr, President; J. A. Willett, Cashier.

" .. Norfolk........ Norfolk Safe and Deposit Co.; capital, $1,000,000. Incorporators: Walter H. Taylor, Douglas H. Gordon, E. V. White, A. H. Taylor, E. H. Smith, John Redmond, Alfred P. Thomas.

" .. Richmond...... Broadstreet Bank.

" .. " ...... Virginia Mercantile and Safe Deposit Co. Major Skinner, President; M. M. Gilliam, Vice-President; Bernard Peyton, Secretary and Treasurer.

" .. " ...... Virginia Trust, Guarantee and Loan Co.

WASH.. Seattle......... Puget Sound Bond and Trust Co.; capital, $100,000. Trustees: A. F. Shelton, Rufus H. Smith, and J. D. Riley.

" .. " .... Scandinavian-American Bank; capital, $75,000. Directors: Andrew Chilberg, A. Amunds, H. S. Conner, N. Anderson, G. I. Anderson, K. K. Twete, W. H. Talbott, and others.

" .. Spokane........ Provident Trust Co.; capital, $500,000. George R. Reeder is agent for Montana, with an office at Helena.

" .. Tacoma........ Mason Mortgage Loan Co.; capital, $150,000. Incorporators: Allen C. Mason, Stuart Rice, William J. Meade.

" " .... Edison Savings Bank. H. D. Lombard, President; Peter McConville, Vice-President; G. H. Johnson, Cashier.

WIS.... Grantsburg..... Grantsburg, Burnett County, calls for an exchange bank.

" .. Milton Junction. State Bank of Milton Junction, successor to Gates & Babcock, has commenced business with a capital of $40,000.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from February No., page 673.*)

ALA.	Montgomery	Farley National Bank has resumed business.
"	Sheffield	Sheffield Savings & Trust Co. reported closed.
ARK.	Washington	Baird & Carruth have discontinued business.
CAL.	Biggs	G. K. Smith succeeded by Sacramento Valley Bank.
"	Eureka	A. W. Randall succeeded by Randall Banking Co., incorporated.
DAK. N.	Cogswell	Bishop, Montgomery & Co. discontinued business.
"	Ellendale	Farmers & Merchants State Bank succeeded by Citizens State Bank.
"	Langdon	Cavalier Co. Bank will reorganize as First National Bank.
"	Northwood	Farmers Security Bank discontinued.
DAK. S.	Big Stone City	Craig's Bank (Craig & Keith) moved to Ortonville, Minn.
"	Chamberlain	First National Bank has gone into voluntary liquidation, succeeded by Bank of Chamberlain.
"	Lake Preston	Farmers Bank discontinued.
"	Pierre	Dakota Central Bank discontinued.
FLA.	Pensacola	F. C. Brent & Co. have transferred their business to First National Bank.
ILL.	Brighton	Stratton & Amass reported closed.
"	Byron	Byron Bank (J. C. Woodburn) now Dwiggins, Starbuck & Co., proprietors.
"	Frankfort Stat'n.	Exchange Bank retired from business.
IND.	Greentown	Greentown Bank succeeded by Farmers Bank.
"	Pierceton	Farmers Bank closed.
"	Russiaville	Commercial Bank succeeded by Commercial State Bank.
IOWA.	Dows	Citizens Bank succeeded by State Bank of Dows.
"	Estherville	Emmett County State Bank succeeded by First National Bank.
"	Goldfield	Bank of Goldfield (O. C. McIntosh) now Sprole & Bridge, proprietors.
"	Madrid	Citizens Bank succeeded by Citizens State Bank.
KAN.	Claflin	Bank of Claflin succeeded by Claflin State Bank.
"	Hope	Farmers Bank closed.
"	Marion	Commercial Banking & Trust Co. discontinued.
"	Osborne	State Bank reported liquidating.
"	Sedan	Sedan National Bank has gone into voluntary liquidation.
"	S. Hutchinson	Strike out Bank of South Hutchinson.
"	Valley Falls	Valley Falls Bank of Deposit (R. H. Crosby) now Alvin D. Kendall, proprietor.
MD.	Hagerstown	Hoffman, Eavey & Lane, now Eavey, Lane & Co.
MICH.	Homer	Homer Exchange Bank succeeded by First State Bank.
"	"	Andrus & Webster succeeded by Farmers State Bank.
"	Mancelona	Antrim County Bank succeeded by Antrim County State Savings Bank.
"	Sturgis	Clapp Bros. & Co. succeeded by Citizens State Bank.
MINN.	Bellingham	Bank of Bellingham succeeded by Bellingham State Bank.
"	Fertile	Matthews & Co. will be succeeded by Fertile State Bank.
NEB.	Elwood	Farmers & Merchants Bank succeeded by Citizens State Bank.
"	Kearney	Commercial and Savings Bank reported suspended.
"	Pilger	Stanton County Bank succeeded by Pilger State Bank.
OHIO.	Lima	Lima National Bank, receiver appointed.
N. H.	New Market	New Market Savings Bank reported suspended.
N. MEX.	Deming	First National Bank in hands of a receiver.
"	Raton	Marcy, Geer & McCarn reported closed.
"	Silver City	First National Bank in hands of a receiver.
N. Y.	Brooklyn	Empire Loan & Trust Co., of South Hutchinson, Kan., charter refused.
PA.	Millerstown	Butler County Bank (H. J. Hoyt) assigned.
"	Muncy	First National Bank is in hands of a receiver.
TENN.	Pulaski	Giles National Bank has gone into voluntary liquidation.
TEXAS.	Dallas	Fourth National Bank now State National Bank.
"	"	Flippen & Adoue have discontinued.
"	Fairfield	First National Bank has gone into voluntary liquidation.
"	Goldthwaite	D. H. Trent succeeded by First National Bank.
"	Temple	Bell County National Bank is in hands of a receiver.
WASH.	Everett	Bank of Everett will be succeeded by Commercial National Bank.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during February, 1892.

ARIZ....Phoenix........Phoenix National Bank, by James A. Fleming and associates.

COL....Creede.........First National Bank, by R. W. Woodbury, Denver, Col., and associates.

" " ....Creede National Bank, by Samuel G. Gill, Gunnison, Col., and associates.

IND. T..Ardmore........City National Bank, by D. T. Lacy, Gainesville, Texas, and associates.

IOWA. .Woodbine......First National Bank, by H. M. Bostwick and associates.

MASS...Ipswich.........First National Bank, by Isaac J. Potter and associates.

MINN...Moorhead......Moorhead National Bank, by A. H. Hazen, Sioux City, and associates.

" ..New Duluth....New Duluth National Bank, by James W. Norton, Duluth, Minn., and associates.

NEB... Omaha........Western National Bank, by H. H. Meday and associates.

N. MEX.Raton..........First National Bank, by Chas. Springer and associates.

OHIO...Columbus......Hayden National Bank, by E. K. Stewart and associates.

OKL. T.Guthrie........Capitol National Bank, by George A. Metcalf and associates.

PA. ....Lansford.......Lansford National Bank, by J. G. Pence and associates.

" ..McDonald......First National Bank, by G. S. Campbell and associates.

" . Wilkinsburg... First National Bank, by Peter J. Pierce, Allegheny City, Pa., and associates.

TENN...Cumberland Gap. } First National Bank, by C. H. Rogers and associates.

TEXAS..Dangerfield....National Bank of Dangerfield, by J. Y. Bradfield and associates.

" ..Gatesville......City National Bank, by J. R. Sanders and associates.

" ..Jefferson.......State National Bank, by J. W. Rainey and associates.

" . Marlin..........First National Bank, by B. C. Clark and associates.

WYO. ..Lander.........Fremont Co. National Bank, by J. B. Okie, Washington, D. C., and associates.

" " ....Lander National Bank, by Fred. T. Wright and associates.

DEATHS.

BROWN.—On January 31, aged sixty-six years, CHAS. W. BROWN, President of First National Bank, Stamford, Conn.

JOHNSON.—On February 11, aged sixty-eight years, WM. H. JOHNSON, President of State National Bank, Logansport, Ind.

KNOX.—On February 9, aged sixty-three years, JOHN JAY KNOX, President of National Bank Republic, New York City.

MESEROLE.—On February 12, aged seventy-six years, ARCHIBALD K. MESEROLE, President of Mechanics and Traders Bank, Brooklyn, N. Y.

MORTON.—On January 13, aged seventy-five years, R. WHITEHALL MORTON, Cashier of National Bank of Honey Brook, Pa.

MUMFORD.—On February 2, aged sixty years, GEO. E. MUMFORD, President of Merchants Bank, Rochester, N. Y.

TITCOMB.—On January 13, aged seventy-one years, SAMUEL TITCOMB, President of Augusta National Bank, Augusta, Me.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, FEBRUARY, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in February.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
	Quarterly: Mar.				
2s, 1907 .....reg.	Quarterly: Jan.	100	100	100	100
4s, 1907 ....reg.		116½	116½	116⅛	116¼
4s, 1907 .....coup.	Quarterly: Feb.	116½	116½	116¼	116¼
6s, cur'cy, 1895, reg	Jan. & July.	109	109	109	109
6s, cur'cy, 1896, reg.		111	111	111	111
6s, cur'cy, 1897, reg		113	113	113	113
6s, cur'cy, 1898, reg.		116	116	116	116
6s, cur'cy, 1899, reg.		118½	118½	118½	118½

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	5	5	4⅜	4¾
Canadian Pacific	90	90¼	88¾	90¼
Canada Southern	61	62½	59⅝	61⅝
Central of N. J	116¼	145	114⅞	145
Central Pacific	—	—	—	—
Ches. & Ohio	26⅛	26⅛	24¼	25½
Do 1st pref.	62	63¼	60	62
Chic. & Alton	—	145	144	—
Do pref.	—	—	—	—
Chic., B. & Q	109⅝	109⅝	102¾	106
Chic. & East'n	67	68½	66	—
Do pref.	—	104	100½	101¾
Chic., M. & St. P	80⅛	80½	76½	80¼
Do pref.	125	128⅛	124½	128
Chic. & N. W	118½	118½	116	117½
Do pref.	—	145	144	—
Chic., R. I. & P	92	92⅛	87⅝	8[illegible]⅝
Chic., St. P., M. & O	49	49½	46¾	48¼
Do pref.	—	116	113⅜	115⅛
C., C., C & St. L	72¼	73⅝	69¾	72⅛
Col. Coal & Iron	38	38	35½	37¼
Col., H. Valley & Tol	31⅜	33⅛	30¾	31⅝
Del. & Hudson	—	145¼	124½	145¼
Del., Lack. & W	146¼	167½	144	167½
Den. & Rio Grande	—	19⅜	16⅞	19⅜
Do pref.	50	52⅞	47½	52⅞
East Tenn. V & G	—	8	7	7⅝
Do 1st pref.	—	—	—	—
Do 2d pref.	—	20	15½	20
Evansville & T. H	122	123	120¼	—
Illinois Central	109¼	109¼	105¼	105½
Lake Erie and Western	22⅞	27	21½	26⅞
Do pref.	73	78½	71¼	76⅞
Lake Shore	122⅞	125½	122	125½
Long Island	—	100	95¼	—
Louisville and Nashville	74¾	76⅞	72⅜	74¾
Louisville, N. Alb & Chic	29⅜	29⅜	26⅜	26⅞
Manhattan Consol	118	118⅝	113	115⅜
Mexican Central	19⅛	20	19	—
Michigan Central	107¾	108¼	106	107
Mil., L. S. & W	94	94	93¾	—
Do pref.	—	—	—	—
Minn. & St. Louis	9½	9½	8	8¼
Do pref.	—	20	18½	18¾
Mo., Kan. & Texas	18¼	18½	16¾	18
Missouri Pacific	63¼	64	61	62⅞
Nash., C. & St. L	86¼	87	86	86½
N. Y. C. & Hudson	115⅞	116¾	113¼	116¾
N. Y., C. & St. L	20	20	18⅝	19
Do pref.	77	77	75	—
N. Y., L. E. & W	31	34¼	29⅞	32⅞
Do pref.	72⅝	76¾	71¼	74¼
N. Y. & New Eng	50	56½	46⅛	52½
N. Y., Ont. & W	19¼	23⅛	18⅜	21⅜
N. Y., Sus. & W	11¾	14⅝	11	13⅛
Do pref.	50½	59¼	49	56¾
Norfolk & Western	—	15	14⅛	—
Do pref.	49⅛	51½	49	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	23¾	25⅜	23⅜	24
Do pref.	67¾	71	66⅜	68½
Ohio & Mississippi	22½	22½	21	—
Ohio Southern	—	23¾	20	—
Oregon Impt	—	28⅛	27	—
Oregon R. & N	—	—	—	—
Oregon Short Line	30¼	31	28	29½
Pacific Mail	39	39⅜	36½	37¼
Peoria, Decatur & Evansville	20¾	20⅞	19½	19¾
Philadelphia & Reading	41⅞	65	40¾	60⅝
Pullman Palace Car Co	190	190	188⅛	—
Rich. & W. P. Term	15¼	17½	14¼	16¾
Rome, W. & Ogd	111¾	111¾	110¼	—
St. Louis, A. & T. H	—	33	32¼	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	46¼	46½	43½	—
Do pref.	106¾	106¾	103	—
St. Paul, M. & M	—	113¾	112	—
Southern Pacific Co	39¾	40	38½	39¼
Sugar Refineries	80⅞	85	79½	85
Texas & Pacific	12½	12½	9¼	10¼
Union Pacific	47⅞	49½	44½	47⅞
Wabash, St. Louis & Pacific	13½	13⅞	12⅞	13½
Do pref.	31	31⅜	28⅜	30⅛
Wisconsin Central	—	19¼	18	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	35¾	36⅜	32½	36⅝
Nat. Lead Trust	37¼	38¾	32½	—
Tenn. Coal & Iron	43	47	41	46⅜
Express—Adams	148	148	144	—
American	117	118½	116	—
United States	—	51½	48¾	48¾
Wells-Fargo	140	145½	140	145
Western Union	85½	89¼	84⅞	88½
Wheel. & Lake E	37⅜	38⅜	36¼	38⅛
Do pref.	79	79⅛	76¼	77¼

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVI. APRIL, 1892. No. 10.

THE SILVER QUESTION.

The world's necessities seem to be slowly solving the silver question. Several years ago it was said by those who thought the most, and were most familiar with the world's business, that it was quite useless to attempt any remedy; the true policy was to wait. In other words, the correct thing was to wait until the necessities of business and of nations revealed more clearly what action ought to be taken concerning the use of silver. There has been a party, or class, from the beginning who were perfectly sure of the needful remedy, and that no other would or could suffice. Another class has been equally confident that the remedy prescribed by the other would prove a failure. Whatever opinion we may have entertained, we could not help seeing that the disagreement was widespread and deep; and one of the indispensable elements to the solution of the question was pressure of a commercial or a financial kind. When this became greater, it would inevitably lead to steps of a more decisive character in the way of solving the question. England, for example, has been trying to live on a gold standard, and that country has been thinking all along that it was quite able to transact its business and make its loans in gold, but the situation has become more clearly understood, even by the English, and they are at last beginning to see that the requirements for gold are greater than it can easily fulfill. They are beginning to see that the endeavor to float new gold loans in addition to completing the exchanges of the world, with the desire and intention on the part of other nations also to adopt a single gold standard, is causing such a great demand for gold as to jeopardize business interests, retard industrial development, and in other ways seriously impair the world's prosperity.

It seems to us, therefore, that the question is somewhat nearer a solution than it was a few years ago. Great Britain evidently has learned much; or at all events the new conditions of business have shown more clearly that the gold foundation is too slender for the superstructure that rests upon it. What then shall be done?

Why cannot the gold standard be continued, using silver at its true gold valuation? All can see that by continuing the present policy of making gold payments in this country that we are nearing, not a double standard, but an exclusive standard of silver; and it is doubtless true that foreign nations, and especially England, are waiting, hoping that we will continue in our present course, and certainly believing that if we do our country will be landed on a silver basis, that the gold will be expelled, and that with the supply thus obtained they will have enough to continue their present policy of a single gold standard. Whether they are right or not, no one will question that this is their belief and expectation. We cannot help thinking that the true policy for this country to pursue is to use our silver in making payments; and in such a way that people will understand that we are making silver payments whenever it, or its paper representative, is used. Now, it is said that the silver is practically useless; that we have tons stored away, an utterly unmerchantable commodity. This statement, as we know, is not true, though uttered every day, for certificates are issued against it, and are in circulation throughout the country; but the fatal thing in our present system, as it seems to us, is the endeavor or pretense on the part of the Government to make gold payments and gold payments alone. In other words, the Government is seeking to continue the system of gold payments for all this mass of silver, which is constantly increasing. Instead of doing this, we believe the true policy to be to make silver payments as well as gold, using gold as the sole standard, but paying in silver at a gold valuation.

Of course, it is said there is no practical way of ascertaining the exact gold valuation of silver, and therefore any endeavor to establish such a policy must inevitably break down. Two answers may be made to this contention. First, the people, in general, would be satisfied—all who are engaged in legitimate business, if a policy was adopted of using silver at its gold valuation, even if there was a slight difference of one or two or three per cent. between the two metals. The people would not care, for we do not suppose in any case they would demand the metal. They are equally satisfied with its representative, they simply wish to be sure that they are receiving from the Government essentially the value which the Government professes to give them, and nothing more.

Again, such a policy, we believe, would not in the least unfavorably affect the mine owners, for they would get just as much for their silver as they do now; and if they did, they ought not to complain; they are getting its full market value for it at the present time, and they cannot, under any state of things, get any more.

Second, the difficulty in executing this plan is, that the speculative classes, who are always willing to turn an honest penny, would be trying to raise or depress the price of silver, with the hope or expectation of benefiting by the change. It would be urged that, if such a policy was adopted, the speculators would buy, or get possession of a large quantity of these notes, and then enhance the price of silver and sell out to the Government, and make a handsome thing by the operation. Then the next move would be to turn bears, lessen the price of silver, buy more of the certificates and repeat the operation. If, therefore, the Government could find a way of checkmating their operations, this plan would not seem so impracticable.

Cannot the difficulty be met in several ways? In the first place, the existing silver dollars need cause no difficulty, because, on presentation, silver certificates could be given for them, which would entitle the holder to a dollar's worth of silver measured by its gold value, and when thus received would not be issued again. In payment of the certificates, whenever payment was demanded, the Government would simply give bullion, prepared in various forms and weights to suit purchasers. In truth, there would be no use for silver except as persons might need it for use in the arts, or possibly, in some cases, to make payments in other countries.

Having disposed of the silver dollars, we are prepared to consider the question, What can the Government do towards establishing and controlling the price? Is the Government powerless; can the speculators increase and diminish the price by their own sweet will? Is it true that the legitimate demand for silver for use as money and in the arts can be controlled by speculative operations? Suppose, instead of our Government, all the leading Governments should act in accord. Suppose they were willing to accept gold as the single standard of value, but to use silver at a gold valuation, and to issue certificates therefor as above described. Suppose the value of silver should be fixed by them at stated periods, would the speculators be able to make a price that would stand against their united action? This may be questioned; and if they could not, what objection would any Government be likely to urge to such a plan? Surely the gold valuation of England or any other country would not be disturbed; the supremacy of gold would be as firmly established as ever. The risk of loss from the decline in silver any Government could easily bear; the strong probability is that its value would be increased. No nation, of course, would be answerable for the redemption of the certificates of any other; and therefore it would seem as if the risk to any nation would hardly be worth mentioning. On the other hand, such united action on the part of the Governments towards establishing and maintaining the value of silver would be very great. Would they not command the situation?

ON FORCING BUSINESS.—COMPETITION.

When man, instead of trying to obtain all the things he desired by his own direct efforts, obtained a portion of them by exchange with others, society made a very noteworthy advance. By thus exchanging with each other a great economy was wrought, which was a real gain to both parties. If we should return to the early state of trying to satisfy all our wants by direct effort, barbarism would return, for only a few of our many wants could possibly be supplied.

Of course, in relying on others for many things we desire, expecting to give an equivalent in return, much faith is shown, for we confidently believe that they also desire the things we can give in exchange. All exchanges are thus based on mutual desires and mutual efforts. From this point of view the process of production and exchange appears to be a very simple matter. Mutual dependence and mutual interests, these lie at the foundation, and, so long as they do, they ought not to cause any confusion in society. Why, then, since desires and interests are so closely related, should so much discord, anxiety, and loss in production and exchange exist? The service which each renders to the other is a valuable service; the dependence on either side is equally great; the gain from the exchange is, or ought to be, equal; the process, then, reduced to its primary elements, is the simplest imaginable. It must be, therefore, that the difficulties which are so apparent in production and exchange to-day are due to some abnormal elements, which are worth finding out, and, if possible, eliminated or lessened.

What are these? We think that they may be reduced mainly to two—excessive profits and excessive competition. The profits from production and exchange in many cases are so great that those who reap them seek to produce and exchange beyond what may be termed the normal or healthful limits of society. That this remark is true is within the ken of every one's experience. The modern machinery for forcing business in many directions furnishes abundant proof. Why should weather and politics, and matters of that nature, seriously affect production and exchange? Do not men need boots and shoes and clothing and food in bad weather as well as in good? in times of political excitement as well as in others? Why should trade be so much affected by these things if it rests on the basis above mentioned—of mutual desires and the perfect knowledge that they can be better satisfied by the exchange of products than by direct production? Is not one explanation for thus driving business to be found in the profits reaped from it? They are so much that producers and exchangers seek to extend their trade in every possible manner. They endeavor to tempt buyers by the use of all the devices which wisdom, inspired by love of gain, can invent. This is clearly one of the causes for extending business in the extraordinary ways which are so often seen. Constant and unceasing vigilance is the order of the day. The conduct of many producers and exchangers would seem to imply that men no longer had any wants; that production and exchange was not based on mutual interest; that it could be affected only by the application of extraordinary energy. This seems to be the underlying idea in much of our modern exchange, and yet, as we have seen, it must be wholly false, or else our leading premise is erroneous.

Another explanation for thus forcing business is the small profits, which necessitates producers and exchangers to increase their business in every possible manner in order to get enough to pay their expenditures and save themselves from bankruptcy. We are all familiar with the consequences of attempting to do business when insolvency is impending. All know what extraordinary efforts are often made in order to avert that event. How goods are pledged for future advances; how they are sold at very low prices and often at ruinous loss; how money is borrowed at high rates of interest; in short, all sorts of methods are adopted in order to escape such an unwelcome fate; and the result of these things, of course, is most destructive to all legitimate business. Reasonable prices are destroyed, the entire market is demoralized, and, in fine, the whole process of production and exchange is thrown out of gear when the pressure to produce and sell originates from this state of things. And yet, in the past, a great deal of production and exchange has had such an origin; the unlucky are always with us, who, in trying to save themselves, too often draw many others nearer to the dangerous line than they were before.

These, in brief, are the leading explanations of the phenomena which we set out to explain. Men seek to produce and exchange beyond any rational desire, either to enhance their profits or to escape ruin. It is either a fight for too much or a fight for life. Probably society suffers more from the operation of the last cause than from the operation of the former; but in either case the suffering is great. Production and exchange should lead to no such results; these processes should yield mutual gains and pleasure. And they would, if kept within proper limits. What produces so much loss and misery in the end is the extension of production and exchange beyond these boundaries.

One of the consequences is the sinking of capital in factories, railroads, and other enterprises that are not needed. Then, when they are built, excessive competition in many cases is experienced. If the factory or railroad had previously been enjoying a good business and making money in supplying the real wants of society, having now invested too much capital, having built beyond the wants of society, it is necessary to force business in order to escape bankruptcy. This singular state of things is constantly happening, especially in our country. The change from a condition of prosperity to its opposite is constantly experienced, caused in numberless cases by an undue extension of capital, invested either in mills, railroads, or in other forms.

What, then, is the outcome of all this? At present, what do we see? Extensions have become excessive, followed naturally by the forcing of business which has literally destroyed profits, turning what ought to have been a useful and profitable business into a positive loss. Competition is now to be succeeded by union, in order to escape bankruptcy. This has not been attempted until the last moment; until it was clearly seen that to pursue any longer the opposite course would lead to inevitable ruin. So now we are to be treated to the opposite state of things, and our manufacturing and transportation concerns, huge as many of them were before, are to be made larger still. And is this an evil? That depends. Excessive competition which leads to bankruptcy brings no good to any one; on the other hand, union, if resulting in excessively high prices, is another evil from which the public ought not to suffer, as they certainly have been guiltless in causing it. And yet, of course, the fear is very general that those who have the power to control and fix prices will use that power in unworthy ways. Such has been the experience of the past. It is true that in the long run excessive greed has brought a cure; it has led others to produce and sell; and possibly the lessons of the past may be heeded in the future, and a wiser policy prevail; but the public is slow to believe in the moral improvement of mankind.

Looking at the question from the side of justice, how far may prices be advanced? Admitting that sugar, for example, is too low, ought the price to be advanced sufficiently to yield a reasonable profit on the entire investment? That does not follow. If, in consequence of the large profits in the business a few years ago, twice as much capital has been invested as ought to have been; twice as much machinery erected as was needful to supply all the sugar which the people desired, neither justice nor reason will justify the sugar trust in asking enough for their product to yield a considerable net return on the entire investment. A fair price would be one which would yield a fair return on the capital and machinery needed to produce all the sugar which the people desire and no more. And yet it is evident enough that all of these trusts expect, and intend, if possible, to get much more than this. If they buy out refineries and close them, they expect, after all, that the people will pay for them. In other words, if persons have built sugar refineries far beyond the needs of the country, and these are purchased in order to close them, the people must pay for the purchases, though getting only dearer sugar for them. This, then, is the sad outcome of forcing business.

Notwithstanding the excessive competition which has been so prevalent everywhere, resulting in such serious consequences, the times are not so bad in many respects as they have been on many occasions. At present, the extension of all industrial enterprises is of the most conservative character. Our country has certainly learned much in this regard from past experience. If railroad construction has greatly diminished, compared with the figures of three or four years ago, it may truly be said that the railroads now in process of construction are needed, or, in other words, are likely to pay at an early date. Such construction is fully justified, and if the building of them had been undertaken in the same thoughtful, conservative way in the past, thousands of millions of money thus sunk would have been saved. The same remark applies to extensions of industrial enterprises of almost every kind; they are certainly made with greater care than they were a few years ago. And so, in general, we may remark, that while business is not so prosperous as many desire, yet no great losses are impending, and the future must, therefore, be regarded with hopefulness. The truth is that the sooner we get back to the original idea of simply satisfying the legitimate wants of mankind in production and exchange, the sooner will business become perfectly healthful; be more easily and safely conducted; and the prosperity of society be advanced in manifold ways.

A REVIEW OF FINANCE AND BUSINESS.

GENERAL BUSINESS

has dragged along during the first month of spring with but little improvement over that of the winter months. A backward season has aggravated bad trade in the East and South, only the West showing the improvement natural after big crops, and a free movement of the same into export. Speculation, except among professional operators, is dead. The public is not in it any more, but has learned by sad experience that there is no short road to wealth, notwithstanding the boom in the grain markets last year, in consequence of short crops abroad and big ones here. The losses in that speculation for old-time prices have been so heavy that the small remnant of outside speculators left, and insiders too, has been thoroughly intimidated, and the prospect for another crop of Bull speculators in 1892 is very small. Investors also have learned that the once sacred first mortgage railroad bond is a delusion and a trap in which to catch the money of the unwary and hold it where they cannot get it out. This is true at home and abroad, and instead of buying new issues, investors are selling old ones, long held in their strong boxes. This is the fruit of reckless railway mismanagement and abuse of the public confidence. The investing classes are no longer lambs for these Wall Street shearers. Hence our bonds are coming home from Europe to roost; and, especially those not payable in gold, principal and interest, in anticipation of a depreciated currency. This takes investors, as well as speculators, out of all our markets, and leaves the legitimate trade only, which is equally disappointing, because we have become accustomed to booms and periods of inflation, in which a short road to wealth could be found.

Indeed, the period of greed and dishonesty seems to have culminated, and to be on the decline; and this country is reaping its first fruits. We are getting slowly and painfully back to the honest, legitimate, and therefore slow methods of money getting, in vogue before the war. This, together with the constant cheapening of production in almost every branch of human industry and skill, gives us steadily declining, rather than advancing markets and prices, and it will be impossible again to attain general prosperity until the fruits of this increased industrial activity shall have become distributed more generally among the producing masses, and their ability to consume has increased with their ability to produce, and the old equilibrium between supply and demand shall be restored. As it is now, the civilized world over, the supply is continually in excess of demand, owing to the fact that the increased wealth resulting from this increased power of production, has been concentrated in the hands of the already wealthy classes, whose ability to consume is but little, if any, increased, by this enormous increase in wealth. A nation of millionaires and paupers cannot be prosperous. Prosperity must be general, to be legitimate and permanent. No class or community can become over-rich at the expense of another, without a reaction, in the end, upon those who take more than their share of the profits of human industry. It is the violation of this great fundamental natural law, by this country in particular, and the rest of the civilized world in general, since the introduction of steam, electricity, and machinery in the place of human labor, that is at the bottom of the present depression the world over; and it will only pass away when the enjoyment of the benefits of these new industrial forces and commercial agencies shall become general, instead of exclusive, as for the past two decades. It is not a healthy state in any community, when the great masses are growing poorer, or are not increasing their wealth and comfort in proportion to that of the country.

THE SILVER SITUATION.

The Silver Question before Congress has been the all-absorbing one in financial and commercial circles during the month, as the prospects were in favor of the passage by the House of the bill favoring free coinage of this metal. But, unexpectedly, in the final test of the strength of the silver advocates in the House, they were defeated, contrary alike to the expectations of the friends and the enemies of the bill. This result was due to the re-conversion of many of the supporters of the bill who had given it their adhesion, on the belief that the country or their constituents demanded it. To the surprise of everybody, the general discussion of the subject by the press of the country, has brought about a change in public opinion, and the prospects for further silver legislation are now very dim. This has been one of the great bugbears in financial as well as commercial circles, and it has tended greatly to restrict business within old channels, as well as to prevent the opening of new ones. With this change of front in Congress, and apparently in the Democratic party, it is more than likely that general business will soon show an improvement with the restoration of confidence in the future of our currency and of values depending thereon. Meantime the price of silver has continued to decline steadily both here and in London, without any rallying power. What effect this unexpected defeat of the free coinage movement will have on the future price of silver is still problematical. That there is little prospect of help from our Government alone is certain; but the improved prospects of the bi-metallic Conference between England, France, Germany and the United States may afford some relief in the future to this depressed industry. The defeat of free coinage in Congress, however, will render it far more probable that some practical results will come from this Conference. Should these four Great Powers decide upon an international plan for an enlarged use of silver for currency, it may furnish a permanent outlet, sufficient to relieve this country of the excess of its production over home demand.

THE MONETARY SITUATION

has remained practically unchanged during the past month, though the outward movement of gold has materially decreased, at the same time that our exports of breadstuffs and produce generally have fallen off. The anxiety caused during the month of February by the unexpected increase in the exports of gold has mostly disappeared, while the return of securities from Europe has also fallen off, notwithstanding the agitation of the silver question in Congress, to which the return of these securities was largely attributed for the past two months, from the fact that those coming home were nearly all payable in currency or the coin of the United States, while those still held abroad are largely payable in gold, both interest and principal. The fluctuations of last month, therefore, in the sterling exchange market have ceased to attract the attention then given to them; and, even with our smaller exports of produce, it is not now apprehended that there will be any financial disturbance from this source for the remainder of this crop year. The money market has remained fairly active, and rates have been generally easier, and in favor of the borrower of time money, as the supply offering has been in excess of the demand; notwithstanding a considerable movement still of currency to the country, especially to the Northwest, where spring wheat has continued to come forward freely. There have been a considerable number of failures in financial circles in Europe and a general uneasiness in European financial centers, with further withdrawals of gold by Russia, but from Paris, rather than from London. Still the rates for money on the other side have generally been easy, owing to the general stagnation there in all classes of business. The one redeeming spot has been a slight improvement in Argentine securities, owing to the good crops in that republic, and a large surplus for export, with which to pay its indebtedness to Europe.

THE RAILROAD SITUATION.

Railroad earnings have continued to make a favorable showing compared with last year, with few exceptions. Yet, the volume of business has been falling off since the early part of February, at which time the blockade that existed in East-bound freight for three months last fall, was cleared up. This is due to the decreased export demand for our cereals, as Europe appears to have imported more in the first half of the crop year than required to make good her deficit in her crops for that period, leaving over good stocks on the last half, while Indian shipments of wheat have materially increased and taken the place of those from this country, more largely than expected. This, together with the break in Lake freights, in anticipation of the opening of navigation, has renewed the old chronic state of rate cutting between the Trunk lines, for the first time on this crop year, in order to secure East-bound business, not only before, but after the opening of navigation. The prospect is, therefore, that there will be decreased earnings from now on till the next crop, unless an unexpected demand should spring up in Europe for our farm products, although an active movement is expected for a month after the opening of the lakes and canals, as large accumulations of wheat are held at Duluth and other Lake ports that have been bought for export by the water routes. Yet, there is little prospect of railroad earnings, for the last half of this year, being as small as for the same period last year.

THE STOCK MARKET

has been as unsatisfactory to the holders of securities as have the produce markets for the holders of staples of commerce. The boom caused in February by the coal deal and the oversold condition of the market for stocks, has given place to a reaction that has extended to nearly the whole list, as did the advance in February, the exceptions being the industrial stock, led by the Sugar Trust securities, on the absorption of the independent refineries in Philadelphia. A general decline in prices has been the result, outside of these stocks, notwithstanding the support of the cliques in the speculative favorites. The public has remained out of the market on the decline as it did on the advance, except where investors have sold out their holdings in anticipation of financial disturbances, on account of silver legislation. These cliques have had to take whatever stocks and bonds have come out of the boxes of investors, both here and on the other side; yet, this has not been a difficult thing to do, in the easy condition of the money market, and stocks have generally passed into strong hands; but that there is much prospect of a profit, on the Bull side of the market, in the near future, is extremely doubtful.

THE PRODUCE MARKETS.

Heavy and general liquidation in the produce markets, led by wheat and cotton, has continued throughout the month, until nearly every Bull has been tired out, shaken out, or sold out, resulting in enormous losses to the short crop Bulls who bought last fall at top prices in anticipation of a famine in Europe before the end of the crop year. Wheat has been sold out that was bought last fall, in large lines, at a loss of 20 to 25 cents a bushel, both here and in Chicago, after being carried for months, for both local and foreign account. Some failures, on the other side and here, have resulted; but as a rule, the losses have been so distributed as not to cause general disaster, but the volume of speculation in these markets, has been seriously curtailed, as well as in stocks. Corn and oats have not suffered so severely as wheat and cotton, because of the fact that the corn crop moves later, and the export demand for that staple had not been supplied until after the deficiency in the wheat supply of Europe had been filled. The coal strike in England and the consequent closing of her manufactories of cotton goods, caused a severe break in the cotton market, together with the continued liberal receipts at Southern ports, and further indications that the Government crop estimate, as well as in the case of our wheat crop, were too low. Provisions have followed grain in the absence of new export demand, notwithstanding the movement of hogs at the West has fallen off. Flour has suffered as badly as wheat, with European markets almost closed against us for two months past, except for the shipment of old purchases, previously made, for forward delivery. These have been sufficient to overload the foreign markets, as well as our own, and flour has absolutely been unsalable for a greater part of the month, except in a jobbing way for local consumption. This state of affairs, with our decreased exports, has forced people in the trade to the opinion that our crops have been under-estimated at the same time that the deficit of Europe has been over-estimated, and that there will be a good surplus left over this year, instead of a deficit in the world's supplies of food products, and that with average crops at home and abroad another year, we will return to the low prices existing before 1890-1.

OTHER MARKETS.

The iron trade continues to be depressed, with scarcely any improvement except in a few instances, and an over-production of pig iron, notwithstanding the decreased demand for manufactured goods. The Southern furnaces are pushing their product into the Northern markets, and prices have reached the point that some of the Northern furnaces have been compelled to shut down. There is a little improvement, now and then, in the demand from the railways, but it is exceptional; as the lack of rolling stock and cars, so severely felt during the blockade in the grain movement last fall, has been overtaken, with little prospect of its renewal again this crop year. This condition of the iron trade reacts on the coal trade, although the late spring has increased the demand beyond usual requirements for domestic purposes. The condition of this trade, however, is regarded as more satisfactory, owing to a better maintenance of prices since the consolidation of the chief coal-carrying roads, upon the basis of the old schedule rates, as well as larger tonnage.

Ocean freights have lost fully half of the advance of last autumn, in consequence of the decreased export demand for breadstuffs and other produce, and of the scarcity of grain at the seaboard, which has materially checked exports, as the spot price has been forced from five to seven cents a bushel above the May price on wheat and fully three cents on corn, which fact explains in part the decreased shipments, which must continue until the arrival of grain by the canal. As noted above, lake rates of freight also have opened this spring materially lower than they closed last fall, notwithstanding large amounts of grain have accumulated during the winter at the lake ports, awaiting shipment on the opening of the lakes.

H. A. PIERCE.

Abolition of Days of Grace.—At last the American Bankers' Association has struck out in a fruitful direction. Ever since the laws relating to the taxation of National banks were amended, the association has been floating in an aimless way; and many have questioned the desirability of continuing it. As, however, the expense was trifling, the subject has not been deemed worthy of much consideration. But there is a clear field for the association to occupy, if it only will, in improving the laws relating to negotiable paper. Every intelligent banker knows that many of the rules now established by the courts are without sense or reason, conflicting with each other; and ought to be corrected by proper legislation. One of these is the abolition of days of grace. There was a reason in the beginning for granting them, but the reason has long since passed away, and the rule, therefore, ought to be abolished. There is not a single reason in favor of its continuance, unless it be the very mean one, entertained by a few bankers, that possibly they are now succeeding in getting three days' interest from a few ignoramuses without their knowledge. This reason, however, does not count for much, and should count for absolutely nothing; in truth, it should be a reason in favor of abolishing the rule. It is a real pleasure to note that, at the last meeting of the executive council of the association, Mr. Van Slyke, who introduced the subject at the last convention, was heartily sustained, and the association now has set its seal on the abolition of the practice. A long list of other amendments might be mentioned just as needful, and which doubtless could be established without the expenditure of much time or money, as the good sense of the people would readily favor them.

FINANCIAL FACTS AND OPINIONS.

Savings Bank Investments.—One of the subjects with which Legislatures, of late years especially, have had to deal is that of savings bank investments. In the beginning, in order to insure the greatest safety possible of the loans of savings banks, real estate was required. After a time it was found quite impossible to secure all the loans of savings banks in this manner, and then slowly the Legislatures began to permit savings banks to invest a portion of their funds in other securities. Even these enlarged discretionary powers are not sufficient, and a wider latitude must be given, or the earnings of these institutions must decline. One of the bills now pending before the New York Legislature provides for the investment of savings bank funds, to a certain extent and under sufficient safeguards, in the stocks or bonds legally authorized of any city of 50,000 inhabitants in any one of several of the leading States, providing the indebtedness of the city does not exceed seven per cent. of the valuation of the taxable property therein. The memorial accompanying it shows that savings bank deposits have almost doubled in amount since 1875, and now aggregate $588,425,420, while the amount available for investment during the same period has decreased nearly sixty per cent. It is then shown that the trustees of the various savings banks in the State will be called upon to invest and re-invest during the coming fifteen years at least $500,000,000. The memorial continues:

> The only opposition to the bill comes from those who fear that an extension of the limit of investment will cause a rise in the rate of interest on municipal, town, county and village bonds within the State, as the banks are now restricted largely to this class of investments. The injustice of an effort to obtain the use of the savings of the poor at a less rate of interest than would have to be paid in an open market is manifest, and must result sooner or later in a feeling of strong indignation on the part of the depositors, especially as the savings banks now hold $140,000,000 in these securities, almost one-quarter of their entire deposit, while the necessity of investing $500,000,000 is a sufficient guarantee that not only will all the bonds offered by the cities, counties, towns and villages in this State be absorbed, but also that can be purchased of the cities named in this bill.

After showing that the bill has the support and indorsement of many of the leading officers, present and past, of the State Bank Department, as well as of the leading financiers, the memorial continues:

> Unless the scope of investment is enlarged, the time is not far distant when the rate of interest to be paid to depositors must be still further reduced; and it is feared that such reduction will not only lead to withdrawals of deposits, but be a serious check to the incentive to save on the part of the people.

Thus it will be seen that the opposition to the bill, stated in the memorial, is of a singular character—the fear that if the scope of investments is enlarged, other borrowers, who have been supplied from this source, may be obliged to pay a higher rate of interest. In view of the plentiful supply of money, this is quite groundless. There is enough to go all around; especially for all who have good securities to offer. The decline in the earnings of these institutions is a serious thing; and the Legislature should extend, within the lines of prudence, the scope of savings banks investments. Surely a bill which has been so carefully considered, and which has the support of so many influential savings institutions, ought not to encounter serious opposition.

The Annual Report of the Pennsylvania Railroad Company.—From the annual report of this great company it appears that the gross earnings last year on all the lines were $134,254,612.51, and the expenses, excluding rentals, interest, dividends, etc., were $91,819,660.15, leaving as net earnings, $42,434,952.36. The number of tons of freight traffic carried were 129,992,599, and the number of tons carried one mile 12,285,714,707; the number of passengers 86,934,517, and the number carried one mile 1,642,913,227. No other railroad corporation in the world has a business of anything like such magnitude. It is the result of a policy which encountered great opposition in the beginning, but the wisdom of which is now apparent. The business of the company is constantly expanding and in a healthful manner, as a careful study of the report clearly shows. The president, Mr. Roberts, in his annual report last year, happily likened the development of the company to that of a man, declaring that if it ever ceased death would begin. One of the things which has impressed us most in reading this report is the enormous expenditures which the company has made to lessen the risks and inconvenience to life and traffic from the growth of cities through which its lines extend. Many of these were only small villages when the lines were built. In Lancaster, Pennsylvania, for example, when the road was completed the town was a small affair, and lay almost wholly on one side. Then it grew on the other, the trains, too, multiplied in number until the two portions of the town were seriously inconvenienced by them. To lessen this inconvenience the company built two tracks outside the city for the use of its freight trains. Within the last two or three years the company has been spending a large amount of money to elevate its tracks through Jersey City to lessen the danger to life and inconvenience to business. Grade crossings have been abolished for several miles outside the thickly settled portions of Philadelphia, and at no small expense; the road has been elevated to Broad Street. These expenditures are highly necessary, and show a watchful regard for the interest and comfort of the public, but on the other hand they are very expensive. Doubtless many of them could be avoided if the company insisted on its legal rights. The wisdom, however, of making them, notwithstanding their cost, cannot be questioned. The president, in his address delivered at the annual meeting, departed somewhat from his usual custom, to explain more fully the policy of the company, and its willingness to co-operate with those engaged in business in all directions which were likely to prove of mutual benefit. His remarks were as timely as they ought to be satisfying, especially to those who, we fear with more prejudice than reason, have been criticising so much, of late, the policy of the company. His remarks are a proof that the company seeks to maintain the kindliest feelings between itself and its patrons; for, after all, their interests are mutual, and no real ground for friction should exist between them.

Colombian Money.—Colombia is considering various plans for putting the currency of the country on a more substantial basis, especially the National bank bills. Paper money was established in Colombia in 1885, as a means of relieving a severe mercantile crisis caused by the effects of civil war, and a heavy decline in the price of quinine and other Colombian products, which caused an inequality in her commercial exchanges that had to be adjusted by the exportation of silver, which threatened a National bankruptcy. To avert this, paper money was issued, but not by the Government directly, but through a National bank obligated to redeem the paper. In recent years the exports of Colombia have increased in such considerable proportions that it is believed by many that a favorable time has arrived to declare the National bank bills redeemable for standard silver coin on presentation. It is claimed that, though there is not the money on hand to redeem all the bills should they be presented at once, there is sufficient to take care of such as will probably be presented during the first excitement, and that the Government can secure silver as it may be required, on account of the more favorable conditions, which will give confidence in the bills and keep them in circulation for the sake of their convenience. *La America* comments favorably on this plan, but calls attention to the fact that the same causes which caused the loss of silver in 1885 might again cause an unfavorable financial situation, as any decline in the price of the few products exported from Colombia, even though the exports are increasing, would cause a serious difference to be settled by the exportation of coin, which might again become scarce—Colombia being dependent for her financial condition on the price of a few principal exports in foreign markets. To adjust this matter and form a solid basis for the National finances, *La America* recommends that, having resumed special payments, particular attention should be given to increasing the variety of exports, so that the finances could be more independent of foreign markets, and the decline in price in one or two staples would not cause so serious a difference, but be partially offset by exportations of other products.

Cuban Finances.—Cuba is an unprofitable possession for Spain, as it must assume the annual deficits of the Island Government. The debt of Cuba is $186,000,000. Of the entire income of the Cubans in 1889, $80,000,000, the sum of $33,000,000 was paid in taxes! Since Spain and the United States negotiated the reciprocity treaty for Cuba, the monopoly of trade so long enjoyed by the Spaniards has been destroyed, and Spain finds herself in this dilemma—either she must increase taxes in Cuba, or assume a larger annual deficit.

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

[CONTINUED.]

GENERAL POWERS.

SEC. 49a. **General powers. Cashier's bond.**—The general powers of a National bank are set forth in section 5,136. Among these is the election of officers, the defining of their duties, and the requiring of bonds of them. Not every officer is required to give a bond, but cashiers are within the requirement. And if his bond recites that he has been elected to hold his office during the pleasure of the board of directors, his sureties are liable for any default occurring while he holds his office. (*Phillips* v. *Bossard*, 35 Fed. Rep. 99.) Nor are they discharged by the perpetration of frauds on the bank before the bond was given if they were unknown to the officers; though they might be guilty of negligence in not discovering them. (*Tapley* v. *Martin*, 116 Mass. 275.) Nor are they discharged if the president and board of directors were negligent and inattentive to their other duties after the bond was given. (*Phillips* v. *Bossard*, 35 Fed. Rep. 99.)

A different opinion has been expressed by the courts of Kentucky and Missouri (*Graves* v. *Lebanon Nat. Bank*, 10 Bush 23; *Third National Bank* v. *Owen*, 14 S. W. Rep. 632), but it is opposed to the general current of decisions. (See Bolles on Bank Officers for a review of the authorities, §§ 136–144.) Furthermore, a judgment against a cashier for embezzlement will not estop a bank from bringing an action on his official bond to recover amounts appropriated by him, by means of false entries that are subsequently discovered. (*Phillips* v. *Bossard*, 35 Fed. Rep. 99.) Finally, when the defalcations of a cashier exceed the amount of his bond, the bank need not credit thereon the sums collected from other sources, but may apply them to reduce the unsecured balance. (*Id.*)

SEC. 49a. **No business can be done until authorized by Comptroller.**—The law clearly forbids a bank transacting business except what is necessary and incidental to its organization until authorized by the Comptroller. Consequently, a bank can make no contract with another for cashing its checks until the Comptroller's authority has been obtained. (*Armstrong* v. *Second Nat. Bank*, 38 Fed. Rep. 883.) In *First National Bank* v. *Armstrong* (42 Fed. Rep. 193), Sage, J., declared that correspondence between a bank and a person who was forming a bank, and afterward became president, could not constitute an agreement between the two banks, but it might be used in connection with other evidence to show what was their understanding concerning the business to which the correspondence related. (See §§ 21, 380.)

SEC. 52. **The National banks have the same rights in all the States,** and the Federal courts are not controlled by the decisions of the State court in which a National bank is situated in a case requiring the application of the principles of commercial law, even though the cause of action be on a note executed by one of the citizens of the same State, and in which it was also executed and payable. (*Oates* v. *First Nat. Bank*, 100 U. S. 239; *Brooklyn City, etc., R. Co.* v. *National Bank*, 22 Alb. L. Jour. 189.)

SEC. 55a. **The president's power to secure a debt.**—The earlier view of the limited authority of a president is changing. One reason for this change of view is that he is a far more active officer than he was formerly, especially in the smaller banks and outside the large cities. Once, the cashier was the chief manager of these institutions very generally, but now the president is often chosen with the expectation that he will thus serve. It has therefore been decided that to secure a debt he can take property, cattle for example, even though they may be encumbered by other liens. (*Panhandle Nat. Bank* v. *Emery*, 78 Texas 498, 511.) "At any rate, after having had them and received the property, it cannot, while enjoying the fruits of the transaction, be absolved from the performance of its obligations to others assumed by its officers as a means of getting possession of the property, on the plea that its acts were *ultra vires*." And in such a transaction the letters written by the president concerning it may be introduced against the bank in a legal controversy relating thereto. (*Id.*)

SEC. 55b. **Authority to contract with the bank's promoter.**—In establishing corporations promoters sometimes render assistance and the authority of the corporation, after it is created, to ratify contracts made by them has been considered. In compensating him for his services it has been decided that the president cannot do this without authority from the board. (*Tifft* v. *Quaker City Nat. Bank*, 8 Pa. Co. Ct. Rep. 606, affd., 141 Pa. 550.) Nor would the reaping of some advantage by a bank from an unauthorized contract by its president with a promoter render it liable. (*Id.; Bank* v. *Hoch*, 89 Pa. 324; *Twelfth St. Market Co.* v. *Jackson*, 102 Pa. 269.) In Tifft's case, Arnold, J., remarked: "In cases of claims against corporations for outlays and services to the preliminary organization, the services must be rendered at the instance and request of a majority of the promoters. A minority cannot bind the organization. (*Bell's Gap R. Co.* v. *Christy*, 79 Pa. 54.) Here the services were rendered at the request of only one person. The contract which is to be ratified must be one within the scope of the business of the corporation; for it can no more ratify an illegal act than it can do such an act in the first instance. (*Supervisors* v. *Schenck*, 5 Wall. 772.) It is very doubtful whether a bank can ratify a contract of its promoters to pay for obtaining subscribers to its capital stock. (Taylor on Corp., § 86.) If the value of such services is to be settled by a jury, the capital of the bank might be impaired at the outset. But if it could ratify such a contract, the proof of ratification must be more positive than was offered in this case. Mere silence of the board of directors, or failure to object, when the claim was mentioned, is not such an act of ratification as will bind the bank."

SEC. 58. **Cashier's unusual agreement.**—A cashier cannot guarantee a contract between third persons for the delivery of building materials. If he should, no action thereon could be maintained against the bank. Allen, J., remarked in such a case that the cashier had no authority to make the guarantee, nor was his act ever ratified by his bank. In fact, the directors repudiated it as soon as they had knowledge of it. "It was no part of the duty of the cashier to make the guarantee, nor was its making any part of the ordinary business of the bank." (*Norton* v. *Derby Nat. Bank*, 61 N. H. 589, 593.) But if a bank should deny the legality of such a guarantee, it must part with the benefit. It "cannot be permitted to repudiate the unauthorized contract and retain the fruits of it." (*Id.*)

SEC. 58d. **Special application of money.**—Again, if a president or cashier should agree to apply borrowed money in a special manner, the application must be made even though neither had authority to make such a contract. Money thus obtained is charged with a trust which is regarded as accepted by retaining the money; moreover, its retention operates as a ratification of the loan by the officers. (*Keyser* v. *Hitz*, 2 Mackey, 513.)

SEC. 59. **Though the president and cashier can borrow from their bank,** neither of them without special authority, either acting alone, or conjointly, can appropriate its funds to pay his personal debts. The directors might permit them to exercise authority; or ratify their act if it had been done. (*Dowd* v. *Stephenson*, 105 N. C. 467.)

SEC. 62. **Grants of power in seventh clause of section 5,136.**— In interpreting this clause, which relates among other things to the discount and negotiation of promissory notes, Welch, J., has remarked: "The words 'by discounting promissory notes, drafts, bills of exchange,' etc., are not to be read as limiting and defining the kind of banking which is authorized by the act. In other words, the association is authorized to carry on banking 'by discounting and negotiating promissory notes, drafts, bills of exchange,' etc., and to exercise 'all such incidental powers as shall be necessary' for that purpose." (*Shinkle* v. *First Nat. Bank*, 22 Ohio St. 516, 524.)

SEC. 63. **The right of a bank to purchase as well as discount notes and bills** has been recently considered. (*Danforth* v. *National State Bank*, 47 Fed. Rep.) Says Acheson, J., "Upon the score then of judicial authority, the conclusion is well warranted that, in the business of banking, 'discount,' in the ordinary acceptance of the term, includes what is called 'purchase.'" (The case contains references to many authorities.) If the distinction between the discount and purchase of notes remains permanently blotted out, it will seriously affect the remuneration that may be demanded for the use of money. (See § 332.)

SEC. 66. **A bank's right to deal in securities.**—An important case on this subject has been determined by the Court of Appeals of Kentucky and by the United States Supreme Court. (*Logan Co. Nat. Bank* v. *Townsend*, 139 U. S. 67 affg., Ky.) A. sold the bonds of a municipal corporation to a National bank, which agreed to deliver the same amount to him on demand at a similar or lower price. The bank refused to execute the agreement. In an action to recover their value, less the price paid, at the time they were demanded the bank sought shelter under the plea of *ultra vires*. But the court decided that the bank had no absolute right to retain them, even though it had no authority to buy them. Though it was not bound to surrender them until reimbursed for the purchase money, and might hold them as security therefor, yet when the amount was retained or tendered back, and the bonds were demanded, the bank could retain them no longer and was liable for their value. It could not rightfully hold them by the contract and refuse to comply with its terms.

SEC. 74a. **An assignment of money may be taken to secure a debt.**— A bank can take an assignment of money due, or that may become due from a city on a contract to secure the contractor's indebtedness to the institution. (*First Nat. Bank* v. *City of Ottawa*, 43 Kan. 294.)

SEC. 74b. **When a chattel mortgage is taken the surplus of security must be returned.**—When a bank to secure its indebtedness takes possession by its cashier of goods under a chattel mortgage and disposes of them, it must account for the balance which is not required to satisfy its debt. It cannot claim immunity from liability on the ground that the cashier exceeded his powers in selling the property. (*Cooper* v. *First Nat. Bank*, 40 Kan. 5.) Said Holt, C., in a case involving this question: The bank "received the property, secured its own claim, and then refused to account for the balance. We think if it had the power to take the property and secure its own claim, it ought to have power to pay back the balance to plaintiff. It would be a very strange proposition of law for the bank to receive property upon a chattel mortgage or an agreement to secure its own claim, and not be compelled to account for any balance remaining after its own claim was satisfied."

SEC. 76. **Special deposits.** — Though it was once questioned whether a National bank could take them (*First Nat. Bank* v. *Ocean Nat. Bank*, 60 N. Y. 278), the question was long ago affirmatively answered. The provision in the law for their delivery after the failure of a bank (Sec. 5,228) is a recognition of its right to take them. (*First Nat. Bank* v. *Strang*, 27 N. E. Rep. 903, affg. 28 Ill. App. 325.) In an action for their recovery, therefore, a bank cannot defend on the ground that they cannot be legally taken. (*Id.*)

SEC. 76a. **A cashier can issue a certificate of deposit**; and his bank is liable therefor even though the cashier should embezzle the deposit. (*First Nat. Bank* v. *Brooks*, 22 Ill. App. 238.) Nor would the bank be released from liability if the certificate contained unusual stipulations concerning the application or use of the deposit. (*Id.*) Nor is such a certificate within the prohibition against issuing post notes. (*Riddle* v. *First Nat. Bank*, 27 Fed. Rep. 503.) Usually, the certificate is payable to the order of the depositor on his return thereof, and when thus written, the deposit is not due and suable until a demand has been made accompanied with an offer to return the certificate. (*Id.*) Finally, the statute of limitations does not run against a certificate by the appointment of a receiver of the bank which issued it. (*Id.*)

SEC. 76b. **Liability of bank for certificates of deposit fraudulently issued.**—On one occasion a depositor requested a certificate of deposit drawing interest for his deposit. The teller gave him one which purported to be issued by B. & Co., a private banking firm, and informed him in the cashier's presence that this was the certificate of the bank. On this assurance the certificate was accepted. The members of the firm were managing officers of the bank, but had a separate place of business. The bank was liable for the deposit. (*Steckel* v. *First Nat. Bank*, 93 Pa. 376; *Ziegler* v. *First Nat. Bank*, *Id.* 393.) In like manner it was declared liable for the act of an officer who induced a depositor, unable to read English, to sign a promissory note on the representation that it was simply a receipt for money. (*Resh* v. *First Nat. Bank*, *Id.* 397.)

SEC. 82. **A bank cannot receive deposits when insolvent.**—"If a bank receives money from a depositor on the eve of suspension, knowing that it is insolvent and about to suspend, such conduct is fraudulent, and entitles the depositor to reclaim the deposit if the particular money can be identified, and has not become mingled with the funds of the bank." (Thayer, J., *Furber* v. *Stephens*, 35 Fed. Rep. 17.) But if a check should be deposited when a bank is insolvent, and the depositor should ask for its return on the ground that it was fraudulently received, Nixon, J., has remarked "that no knowledge by any of the officers of the bank of its insolvency is sufficient to avoid the transaction unless the evidence clearly shows that the directors, who represent the corporation, also had such knowledge." (*Balbach* v. *Frelinghuysen*, 15 Fed. Rep. 675, 684.)

[TO BE CONTINUED.]

BANK EXAMINATIONS.

In an article on National Banks, which appeared in the February number of *The North American Review*, the Hon. Comptroller of the Currency, writing of bank examiners, says:

"In addition to the supervision exercised by means of correspondence, every association is visited at least once a year by a bank examiner who has power to make a thorough examination into all its affairs.

"He is required to make a full and detailed report of the association to the Comptroller of the Currency.

"This agency is more potent for good than any other at the command of the Comptroller."

If the present system of bank examinations is the best agency at the command of the Comptroller for obtaining a knowledge of the actual condition of the National banks, it is not surprising that the department often discovers irregularities when it is too late.

This is not so much the fault of the system as it is due to the fact that in many cases the bank examiners are not men who have had any experience in banking affairs, and are not competent to make such an examination as is intended by the National Banking Law.

Examiners of banks should not be appointed because of political influence, unless competent to discharge the duties of the office.

The writer is fully aware of the fact that the directors of a bank ought to see that its affairs are properly conducted, but bank directors, as a rule, *do not direct*, and this is particularly true in regard to country banks.

The present system of examinations does not bring the examiner in contact with the directors of the bank, but with the employes, either its president or its cashier.

Would it not be an improvement on the present system if the Comptroller should direct that at least once in six months each National bank should select a committee from its board of directors, who should be required to make a detailed and careful examination of all its loans, and to *prove* all statements made by the employes?

Let this examination be made with the assistance of the regularly appointed examiner, who should be a man having a practical knowledge of the methods of banking, and it could not fail to be a great improvement on the present system.

It is not possible for an examiner to know whether the bills receivable held by the bank are well secured. By the method mentioned, he can go over all the affairs of the institution with men who are elected to supervise the business of the bank, and whose duty it is to do so—men who are familiar with the customers of the bank, and who are better able to judge of the responsibility of borrowers than a stranger.

In this way a more intelligent idea of the condition of National banks would be obtained, and bank directors would be obliged to give more attention to the detail of the business.

Let the stockholders of National banks elect good business men as directors, and drop out the "figure heads."

Let the Comptroller require such an examination as is suggested, every six months. Let him see to it that the examiners are men who are familiar with the methods of good banking, and we shall have fewer failures of National banks.

R. A. J.

RENEWAL OF THE PRIVILEGE OF THE BANK OF FRANCE.*

[CONCLUDED.]

The forced currency of the bank notes established by decree of March 15, 1848, is finally abolished by the law of August 6, 1850. The loans to the State, the departments, and the cities made in 1848 and the following years by the Bank of France are nearly all liquidated, repaid; merely temporary transactions, they came to an end with the causes which had accidentally brought them about. We shall not hesitate, in this connection, about giving praise to the Bank of France. On the other hand, we may mention an inaccuracy, not on account of its importance, but because it shows the slight liberty that the Bank of France has in its relations with the State. The fact is instructive in many respects. We give in parallel columns a passage concerning this same fact from each of the consecutive reports of January 30, 1851, and January 29, 1852, before and after the *coup d'État* of December 2, both proceeding from the pen of the same personage:

January 30, 1851.

"The second transaction, of the date of June 30, 1848, and sanctioned by the law of the following July 5, had opened to the Treasury a credit of 150 million francs, which were to be paid to the State, half in the last quarter of 1848 and half in the first of 1849. The Treasury only availed itself of this credit to the amount of 50 million francs. The law of August 6, 1850, reduced to 75 millions the original credit of 150 millions. According to the dates fixed by this same law, the 25 millions destined to complete the loan of 75 millions could not be demanded after December 31, 1850. *The Treasury not having used its right, the credit of 150 millions is definitely reduced to 50 millions.*"

(page 6). D'ARGOUT.

January 29, 1852.

"The second loan of 150 million francs, sanctioned by the law of July 5, 1848, and reduced by the law of August 6, 1850, to 75 millions, had only been executed in part; the Government, you know, gentlemen, had only availed itself of the sum of 50 millions; things were maintained on this footing until the middle of the fourth quarter of 1851. *At this time the Treasury claimed the last 25 millions.* The general council of the Bank, in its deliberation of November 27 last, acknowledged that this demand was in conformity with the agreements. *The Treasury was credited with these 25 millions on the following December 8.*"

(page 5). COUNT D'ARGOUT.†

Let us pass on and come to 1857.

The privilege of the Bank of France was to expire, as we have seen, on December 31, 1867. Ten years before this time the Gov-

* Translated from the French of Alphonse Courtois by O. A. Bierstadt.

† It was in honor of this personage that a part of the Rue des Vieux-Augustins became the Rue d'Argout.

ernment feels the need of prolonging this privilege for thirty years. Why? This is what we shall learn from the discussion in the Corps Législatif.

Not that this discussion was very much developed. Under the Second Empire, the laws were seriously discussed before the Council of State; there shone the men most talented, especially from a financial or administrative point of view, doubtless no very great economists, but at least going to the bottom of things, when the logic of facts did not frighten them too much. Sometimes, however, in the Corps Législatif, some undisciplined member arose and played the part of an *enfant terrible.* This is what happened in 1857 with regard to the Bank of France.

The Imperial Government, on May 9, laid before the Corps Législatif (we shall not say on the speaker's desk, for there was none) a bill prolonging for thirty years the exclusive privilege of the Bank of France. In the recital of its motives, the requests of the meeting of July 15, 1814, are treated as a spirit of reaction. This recital of motives forms, as we see, after its fashion, the history of the Bank of France; let us lose no time in criticising it. On May 26, M. Dewinck brought in his report on the bill, and on the 28th the discussion began and was finished the same day. So it was short, and what, indeed, was the use of drawing it out? Is the incompetence of the Corps Législatif not attested by M. Ad. Vuitry, who confesses that the Government sought for light on this question outside of this Assembly (poor Corps Législatif, whose only consolation is to shake hands with the Chamber of 1840), and that this was the cause of the bill's being brought in late?

In fact, the bill was brought in on May 9, and the session was to end on May 15; it was indeed continued for a fortnight, but this continuation was not foreseen when the bill was brought in. Considering the importance of the question, we must confess this was treating the Corps Législatif very meanly.

There happened to be, nevertheless, on the benches of the majority, a character rather difficult to please, who thought the situation was too hard, which the Government of his choice made for him. M. Maximilien Koenigswarter, a distinguished banker, a clear and simple speaker, a practical man, asked himself why so serious a discussion should be rushed through at such speed. "The report was brought in only yesterday. The unexpected and *strange* tackings of the commission are known to you, etc." M. Vuitry's response, given above, was neither gracious nor conclusive. There was, indeed, in the governmental bill, an article which gave rise to legitimate objections. The Bank of France was to buy of the State 4 million francs of 3 per cent. rentes at the price of 75 francs, or for a capital of 100 million francs, and the Bank was to double its capital for the purpose of making this purchase. For such a loan as this the State prolonged its privilege for thirty years, and that ten years in advance. "Why this precipitation? Is the enemy at the gates of Paris? Has the State such a pressing need of these 100 million francs that it is forced to go down on its knees to the Bank and ask it to have the kindness to accept a prolongation of its privilege for thirty years in exchange for these one hundred millions?" There must have been (the hidden meaning of M. Koenigswarter's speech, and the vague answers of the Government's commissioners make this clearly understood) an energetic, firm pressure, coming from above, exercised upon the commission of the Corps Législatif, favoring at first a rejection, alarmed as it was by the conditions subscribed by the Government, then suddenly pronouncing blindly for adoption. Our opponent of a day adds: "I dare not say what name might be applied to such a change of opinion."

Adverting to the 50-franc note, which the Bank of France has the right and not the obligation to issue, M. Koenigswarter ironically remarks that "the Bank has never been a violent progressist," and that "it has sometimes seen itself forced into reforms called for by public opinion." In support of his assertion, he recalls the history of the 100-franc note proposed in 1840 and 1847, rejected at these two dates, then adopted in 1848. He concluded from this, that in this case the obligation should have been imposed on it, and not merely the right given it, and if reference be had to what we have previously related on this subject, it may be said that M. Koenigswarter spoke this time as a prophet.

We must be just; the commission of the Corps Législatif was weak rather than not clear-sighted enough. Upon the governmental bill it had grafted an article analogous to that introduced for the first time in the law of 1840, declaring that the privilege might come to an end on December 31, 1877, or suffer modifications, if it were so-ordained by a law voted in one of the two sessions preceding that date. The Council of State having rejected this amendment to the governmental bill, the obedient commission yielded, regretting a clause that Rossi (favorable to the bank, as may be remembered) supported in these words in 1840: "The Bank of France is interested in progress, *warned*, I may almost say threatened as it is by the clause added to article 1." Even in the matter of institutions of issue, is not competition sometimes good?

We abridge, omitting to speak of other points, to which we have previously called the reader's attention. We may finish with this conclusion of M. Koenigswarter's speech: "Finally, I ask myself why the Minister of Finance (M. Magne) has consented to this bill. Neither do I understand why the Council of State has adopted it; I understand still less our voting for it. For my part, I recognize that the Government has done some very good things; but, financially, I have *enough** of this system of alienation of the whole future, I have *enough* of these railroad companies as powerful, almost more powerful than the Government itself; of these companies which, after gaining hundreds of million francs by the most advantageous concessions, came, but a few days ago, to complain, with incredible audacity, of some centimes of taxes that were asked of them. I do not want any longer to alienate the country's jewels one after another."

The law was, as we have said, passed on May 28 by 225 votes to 15, and approved by the Senate on the following 8th of June.

A curious incident, from our present point of view, was that relating to the Bank of Savoy. This institution, founded on April 26, 1851, or under the Sardinian law, with an original capital of 800,000 francs, increased in 1856 to 4 millions, had its main office at Annecy and a branch at Chambéry. It issued notes payable at sight and to bearer, in the denominations of 1,000, 500, 250, 100, 50 and 20 francs. Its unengaged liabilities were never to exceed a third of the metallic reserve. Finally, it paid an interest to all its depositors of specie, and did not refuse bills of exchange, provided with only two signatures. The same law mentioned above, of February 27, 1856, had authorized it to establish branches "in all the cities depending upon the crown of His Majesty, Victor Emmanuel II." The treaty of annexation having stipulated that the individuals and bodies belonging to Savoy were called upon to exercise in France the same rights which they held from the Sardinian law, we see here all the advantage which, powerfully aided, this institution, with a little ambition and much audacity might draw from this situation. This is what happened. The Crédit Mobilier, or to speak more exactly, Messrs. Pereire Brothers, made a contract with the Bank of Savoy for an increase of its capital from 4 million francs to 40 millions, through a subscription executed by these two financiers for 36 million francs of new shares.

A special meeting, in October, 1863, of the stockholders of this Neo-French institution, approved of the contract made with Messrs. Pereire. Immediately the flag was unfurled, and the campaign began against the Bank of France.

This was at least an original sight. The old Bank of France had a privilege literally granted only for Paris and the cities where it did business through a branch. The Bank of Savoy, recently with a capital of less than a million francs, now found itself in a position to open branches at Versailles and Saint-Denis for example,

* The author of the speech puts this word in italics in the reprint of it that we have under our eyes.

surrounding the capital with Bastilles of a new kind and trying to attract the Parisian customers of the Bank of France by the seductive terms mentioned above.

We may say that, prior to the signing of the Pereire contract, negotiations had taken place between the Bank of France and the Bank of Savoy; the latter asked an indemnity for the cession of its privilege of issue. Its request (we do not know its extent) was deemed too great by the Bank of France, which offered 1,200,000 francs that the Bank of Savoy refused. Then the connection was made with the Crédit Mobilier.

In the meantime, a merchant but little known petitioned to ask the Government to interfere in the public's favor, by obliging the Bank of France to reduce the rate of its discount, incidentally allowing it to be understood that the Bank of Savoy might, in this respect, do better for the country's interests than the Bank of France. By the provisions of the Imperial constitution, his petition went straight to the Senate, which examined it in May, 1864. The reporter was M. Hubert-Delisle; his conclusions (purely and simply the order of the day) were sustained by the Count de Germiny and E. Rouher and attacked by Michel Chevalier and Le Roy de Saint-Arnaud. Finally the order of the day was voted May 28 unanimously, except for the votes of the two opponents mentioned.

The question of the plurality of banks (we do not say the liberty of banks) was approached a little more freely than in the preceding parliamentary debates. Nevertheless it was obscured by the fears of a financial war between the directors of the Crédit Mobilier and the government of the Bank of France. Everybody felt that if the latter consented to grant Messrs. Pereire the facilities they were anxious for, the Bank of Savoy would be abandoned like a useless tool and would return to its local limits. At the most the question at present was of a duality of banks more than of their plurality. Michel Chevalier, however, made a remark, which has not ceased to be true: the development of discount business is felt more at Paris than in the departments; in other words, centralization contracts, to the detriment of the province and the profit of the capital.

We give for several years the annual amount, both at Paris and in the departments, of the purely commercial discounts (the Bank furnishes them with this label for us). We add some comparative figures, to which we shall have to refer.

The first two columns are already instructive; they inform us that the amount of the departmental discounts, if it has not fallen in the absolute sense of the word, has not progressed with the same rapidity as the Parisian discounts; in 1882, for example, the provinces had furnished the figure of 6,183 millions, and Paris that of 5,139 million francs; in 1890 we have for the capital 4,783 millions, and for the departments 4,827 million francs, or for Paris a decrease of 356 millions, and for the rest of France of 1,356 millions! and yet the number of bankable places reached by the Bank of France has considerably increased.

Amounts Discounted Annually.				*Proportion per cent. of provincial discounts to total amount discounted (Paris and Provinces).*	*Number of bankable places in operation. (Branches, auxiliary offices, places attached, etc.)*
Years.	*Paris (Thousand Francs).*	*Departments (Thousand Francs).*	*Total (Thousand Francs).*		
1850	340,612	835,812	1,176,424	71.05	26
1860	1,636,316	3,323,397	4,959,713	67.01	49
1870	2,889,056	3,738,837	6,627,893	56.41	61
1880	4,101,237	4,595,651	8,696,888	52.49	90
1881	5,491,099	5,882,880	11,373,979	51.72	114
1882	5,139,437	6,182,747	11,322,184	54.61	154
1883	4,782,849	6,044,425	10,827,274	56.75	149
1884	4,381,352	5,845,892	10,227,244	57.16	175
1885	3,970,822	5,279,299	9,250,121	57.07	204
1886	3,810,105	4,492,784	8,302,889	54.11	207
1887	3,869,745	4,398,913	8,268,658	53.20	252
1888	4,221,956	4,463,770	8,685,726	51.39	257
1889	4,620,349	4,560,004	9,180,353	49.66	257
1890	4,782,520	4,827,268	9,609,788	50.23	257

It was still but 154 in 1882 (94 branches and 60 attached cities); in 1890 it is 257 (94 branches, 38 auxiliary offices, 20 places united each to one of these establishments, finally 105 attached cities). Certainly we do not pretend that a bankable place, merely because it is equipped with an establishment belonging to the Bank of France, must at once produce as much as the average of the others. However the activity ought to be increased by these creations; on the contrary, it is Paris alone that profits by these filial establishments (as our neighbors across the Channel would say), and the provinces see their instrument of activity contract and shrink in their hands. May it not be inferred, with too much reason, that the departments are sacrificed to the capital, and that the institution of a single bank, even provided with as many branches as may be desired, is an instrument of accelerated centralization, of that centralization so fatal to our departments, and which made too little known a publicist* utter a cry of patriotic anguish: "On the Decadence of France"?

Well, this centralization, which is consuming us and would already have killed us but for our strong constitution, is in our country the

* Raudot (of Yonne), author of "La France avant la Révolution," "De la décadence de la France," and "Grandeur possible de la France," three works which, by their connection, make really but one.

Bank of France, so far as it is an exclusively privileged establishment, where it is manufactured to the best account.

It is well known that afterwards the Bank of France, emboldened by the Government, bought of the Bank of Savoy its local privilege of issue for 4 million francs. It is well known, also, that a monumental investigation was made in 1864–'65, once the fact accomplished and the monopoly consolidated until 1897, a venerable mausoleum on which might have been inscribed, the intentions of those who inspired it being known, Dante's saying about the Inferno: *Lasciate ogni speranza*.

Here we end, reminding the reader that it is not even a summary history of the Bank of France which we have attempted, but a sketch of the history of its monopoly.

If we run through this rapid recital, we see the Bank of France (more exactly the Bank of Paris) being at first a State bank, and passing, without profiting thereby, through all the schooling necessarily inflicted by this vicious system.

Instructed by experience, there is a desire in 1814 to return to a commercial bank; but routine resumes its rights, and a bank is arrived at, managed by the State and supervised by the public. Regional banks are indeed established, and the Bank of France is first to help, but these regional banks are still monopoly: monopoly broken up by localities, that is all. That, however, is worth more than a single, centralizing monopoly; the provinces are of some account in this system. And there is also a shadow of competition. Havre feels the spurs of Nantes and makes its own' felt in Rouen; Bordeaux holds a tight rein over the latter city, etc. By improving the system, a tolerable situation may be reached; after some hesitation, centralization is preferred, and, by arbitrary authority, profiting by the general scare of 1848, unity of banks is attained.

This act (we were going to say this crime) perpetrated, the Bank of France will make no more innovations unless constrained and forced or giving merely to receive. It effects, of its own accord, but with a great outcry about it, some secondary reforms, choosing its own time to make them, that is just when the moment is coming for a renewal of its privilege. It does the State, we may better say the fatherland, great service during the war; the holders of the monopoly remember then that they are Frenchmen, and perform a patriotic action. But see the inevitable effect of monopoly: the Bank of France, which, to be just, did not aim for any profit at that critical time, cannot have rendered a service gratuitously; it is obliged to submit to colossal profits, the tunic of Nessus, which its stockholders support very philosophically. But the public has gained thereby! The operations of the Bank of France have been developed, the number of its branches has considerably increased, everything goes to prove the growing usefulness of the Bank of France!

Without doubt. But how paltry is this progress compared to what it would have been with liberty! See the industrial development of the last hundred years, since the abolition of the corporations, since the Constituent Assembly established freedom of labor, and from that judge what this development would have been if liberty of credit had been joined to liberty of labor. What movement in the unceasing increase of personal property! How many times the inextricable shackles of credit operations have prevented an industry from being normally developed with us, which has been obliged to go to other countries—to England, Switzerland, Germany, the United States, and elsewhere—to seek for a liberty more favorable to its prosperity!

We are, as is known, a partisan of liberty of exchanges; but all liberties being mutually related, we are no less a partisan of liberty of credit. The harm done by monopoly can only be estimated after its suppression, as by comparing 1889 with 1789 it is possible to estimate the benefits of liberty of labor. The prevention of good is specially the harm produced by monopoly.

We say without reserve that we do not wish for the suppression of the Bank of France—far from it—but that of its privilege. We desire to rejuvenate it by liberty, as others hasten its decrepitude by monopoly.

PAYMENT OF FORGED DRAFT BY THE PAYEE.

SUPREME COURT OF MISSOURI.

Northwestern National Bank v. *Bank of Commerce.*

The drawee of a bill of exchange or draft is bound to know the handwriting of his customer, the drawer, and if he pays a bill or draft in the hands of a *bona fide* holder for value, he is concluded by the act, although the bill or draft turns out to be a forgery.

A bank in Kansas City discounted for a depositor, without any suspicious circumstances, a draft drawn by a bank in Omaha, payable to his order on a bank in Chicago. It was regularly indorsed by the depositor, and by the Kansas City bank "for collection," and forwarded to its correspondent in Chicago, which collected the amount of the drawee. On receipt of the draft by the Omaha bank its forgery was discovered. The drawee bank sought to recover the amount paid to the Kansas City bank, but failed to maintain its suit.

THOMAS, J.—On the 17th day of December, 1885, a man calling himself John Whitney presented to the paying teller of defendant bank the following letter: "Citizens' Bank of Nevada. Nevada, Mo., 12–16–85. To Bank of Commerce, Kansas City, Mo.: This will introduce to you Mr. John Whitney, who holds our certificate of deposit for $350 of this date. He will want to draw the money there. Below we give his signature for identification. Yours truly, C. K. CALDWELL, Cashier. JOHN WHITNEY." Whitney, when at the bank, acted in the ordinary way, and there was nothing about his manners or looks that attracted the attention of the officers of the bank. He left the certificate of deposit for $350, receiving $50 cash, and a credit for the balance. He rented a room on Main street in Kansas City. On the 20th day of December he advertised in the Kansas City *Times* for a bookkeeper, and on the 22d of that month one H. P. Brown, who went to that city in October in the same year, applied to Whitney for employment. When Brown reached Whitney's office it was wholly unfurnished, but on the same day Whitney bought a table, two chairs, and some writing material. Brown was employed at $15 per week and expenses while away. Whitney informed him that he had ordered office furniture from Chicago, and took him to defendant bank, and introduced him as his bookkeeper to the officers, stating he was engaged in the cattle business, would need a good deal of currency, and would probably send checks by Brown to be cashed, and which the bank should cash when presented by him. In the afternoon of the same day Whitney handed Brown two checks for $3,500 each, drawn by the United States National Bank of Omaha on a New York bank in favor of Whitney, and directed him to deposit one with the defendant and the other with the Citizens' National Bank, which was done. The next morning Whitney drew two checks of $2,500 each—one on defendant, and the other on the Citizens' National Bank—both payable to the order of Brown. These were paid, and the money given to Whitney about 10 o'clock in the morning. In the afternoon of the same day (December 23) Whitney handed Brown a draft, of which the following is a copy: "United States National Bank of Omaha. $4,000. Omaha, Nebraska, Dec. 21, 1885. If duplicate unpaid, pay to the order of John Whitney four thousand dollars in current funds. To Northwestern National Bank, Chicago, Ill. M. T. BARLOW, Cashier. No. 211,573. pp. C. WILL HAMILTON. [Indorsed:] JOHN WHITNEY," —with direction to deposit it in the defendant bank, which was done, and the amount, $4,000, duly placed to the credit of Whitney. Defendant immediately indorsed this draft as follows: "Pay Metropolitan National Bank, Chicago, or order, for collection, for account of the Bank of Commerce of Kansas City, Missouri. C. J. WHITE, Cashier,"—and sent it to the latter bank at Chicago. On the morning of December 24th Whitney drew a check for $4,500 on defendant, payable to Brown, which was at once presented by Brown, and paid, the proceeds being given to Whitney. At half-past twelve that day Whitney disappeared from Kansas City, and was never afterwards seen there. He told Brown he had been called by telegraph to Nevada, Mo., to buy stock, and wanted Brown to go down to Nevada on Christmas night or the next morning, giving him $75 to pay his expenses and a week's salary. Brown went to Nevada on the morning of the 26th, and stayed all day, inquiring for Whitney, but, being unable to learn anything about him, or who he was, he returned to Kansas City that night, it being Saturday night. He went to the office next morning, but found no one there. He went again Monday morning, December 28th, and, again finding no one, he went to the defendant, and inquired for him, but the officers of the bank knew nothing of him. He continued to go to the Whitney office for about a week. The draft of $4,000 reached Chicago December 25th, and on the next day—December 26th—it was presented to and paid through the Clearing House by the Northwestern National Bank (the plaintiff) to the Metropolitan National Bank, and the proceeds duly placed to the credit of defendant on the books of the Metropolitan National Bank. The items paid by plaintiff on the 26th through the Chicago Clearing House were 1,425 in number, amounting to nearly $442,000. Its average daily clearing was about $300,000; while the entire amount paid daily through the Clearing House was about $8,500,000. The clearings are made at 11 A. M., and the items are received by the bank as soon as the messenger can make the exchanges and get back, which takes about half an hour. The items cannot be examined at the Clearing House. This must be done by the bank, and such items as it is not desired to pay must be returned to the bank sending them before 2 P. M. There is not time, under the rule, to make a critical examination of every item paid in this way. On December 26th plaintiff paid 31 other drafts of the Omaha bank. The $4,000 was charged to this bank, and was sent to it in the regular course, with other vouchers, on January 4th. On the 11th, said bank, by letter and wire, notified plaintiff of the forgery. The telegram was received too late, so that notice was not given the Metropolitan Bank until the next day. Plaintiff, through that bank, at once gave notice to defendant. The forgery was a very dangerous one. The officers of the Omaha bank, as well as the clerk whose name was signed to the draft, at first thought it was genuine. They say it must have been lithographed on the original plate of their drafts. There was evidence showing that the channel through which a draft is presented for payment makes a difference with respect to the inspection; that in dealing with responsible parties their prudence and care is relied upon; that a draft paid through the Clearing House does not receive as close inspection as when presented over the counter by the payee. The evidence also tended to show that the letter of the cashier of the Nevada bank was a sufficient identification of Whitney to justify a prudent bank to deal with him in the ordinary course of business. Whitney was traced by detectives to New York, where it was ascertained he had been sent to the penitentiary for five years from Rochester in April, 1886, for forgery. It was learned his true name was David Lynch. but he was sent to the penitentiary under the name of George Edmonds. Whitney left $550 to his credit in the defendant bank, of which the plaintiff received $280, and the New York bank $270. Upon these facts the plaintiff by this action seeks to recover from defendant the sum of $3,720 and interest—the amount lost on the forged draft. The Circuit Court of Jackson County directed the jury to return a verdict for defendant, whereupon plaintiff took a nonsuit, with leave, etc. The court having refused to set aside this nonsuit, plaintiff appealed to this court.

Before proceeding to analyze the evidence to determine whether the court erred in forcing plaintiff to a nonsuit, we will take our legal bearings, and ascertain the principles of law we must apply to the facts in the case. The general rule is that the drawee of a bill of exchange or draft is bound to know the handwriting of his customer, the drawer; and, if he pays a bill or draft in the hands of a *bona fide* holder for value, he is concluded by the act, although the bill or draft turns out to be a forgery. This rule was first announced by Lord Mansfield in *Price* v. *Neal*, 3 Burrows, 1,354 (1762), and has been followed and approved by the English courts, and an overwhelming majority of the American courts, including the Supreme Court of the United States and of this State. (*U. S. Nat. Bank* v. *National Park Bank* (Sup.) 13 N. Y. Supp. 411; *Stout* v. *Benoist*, 39 Mo. 277; *Bank* v. *Yost* (Sup.) 11 N. Y. Supp. 862; 4 Harv. Law Rev. 297, and cases cited.) See 3 Amer. & Eng. Enc. Law, 222, where the English and American authorities are collated. It is also well settled that an indorsement of a draft for collection limits the effect which would have been given to a general or blank indorsement, and warns parties dealing with it that there is no intent to transfer the ownership or proceeds of the draft. (*Mechanics' Bank* v. *Valley Packing Co.*, 70 Mo. 643, 4 Mo. App. 200, and cases cited.) With these legal principles for our guide, let us see if the defendant was a *bona fide* holder for value of the draft of $4,000 at the time the plaintiff paid it.

If it was, the loss must fall on the latter. It is conceded defendant paid full value for this draft, but plaintiff's contention is that it is not a *bona fide* holder of the draft, because it was not prudent in its dealings with Whitney in failing to inquire more particularly who he was. Defendant's conduct must be judged from the standpoint it occupied during these transactions, and from the circumstances as they presented themselves to it at that time. We know much now that the officers of the bank did not know then. We know that the true name of the man calling himself Whitney was David Lynch. This the bank officers did not know. We know that Whitney's office was substantially unfurnished. This the bank officers did not know. We know that Whitney was a criminal, and that the drafts he deposited were forgeries. This the bank officers did not know. But the evidence shows that Whitney and Brown were strangers to the bank officers. Whitney brought a letter of introduction from the cashier of the Nevada bank, showing his genuine signature. He went to the defendant, presented this letter, and a certificate of deposit for $350 given by the Nevada bank. He drew $50 cash and left $300 of this certificate on deposit with defendant. He was neatly dressed, and had the appearance of an ordinary business man. He did nothing, said nothing, to attract attention. When he left, on December 24th, he had a deposit with defendant of $550, which he never drew out. The evidence all shows that the letter of the cashier of the Nevada bank was a sufficient identification of Whitney to justify defendant in dealing with him in the customary way, and there is no question that the defendant cashed Whitney's drafts as drafts are usually cashed in the ordinary course of business. The drafts handled by Whitney were so well executed on the blanks of the Omaha bank that the officers of this bank first thought they were genuine. We find nothing in this record to show that defendant's officers knew anything or saw anything to arouse their suspicions as to Whitney, or to cause them to make further inquiry in regard to him. If they had followed him to his office, and had seen his surroundings there, they might have learned enough to put them on further inquiry, but it can scarcely be expected that bank officers shall act as spies upon their customers. Brown knew the office surroundings, but he was thrown completely off his guard by the statement of Whitney that furniture had been ordered from Chicago; and, besides that, Brown did not communicate to the bank the condition of the office. Brown's trip to Nevada shows conclusively how completely he was deceived. Whitney was beyond question an old offender. His plan of operations was well contrived and admirably executed, and calculated to throw the best business men off their guard. The chances of being defrauded by a forgery are slight. Yet bankers are in the habit of requiring identification, and, indeed, they must, at their peril, require the identification of those dealing with them. But when a person is identified by a responsible party, this requirement is fulfilled.

Our conclusion is that the defendant became the *bona fide* owner of the forged draft, for value, in the ordinary and usual course of business. Let us next inquire whether it was the holder of this draft at the time it was paid by plaintiff, on December 26, 1885. If the principle of law we have announced above, that an indorsement of a draft, "For collection," does not transfer the ownership or proceeds thereof, be correct, this branch of the case will require but little discussion. This draft was indorsed by defendant, "For collection," and when the Metropolitan National Bank presented it to plaintiff for payment it presented it as the agent of defendant, and plaintiff was bound to know this by the very form of the indorsement itself. The plaintiff knew, when it paid the draft, that the proceeds were to go to defendant. Hence it cannot now say that it thought the defendant had negotiated the draft, parted with the title to it with the intent to give it currency as negotiable paper. Defendant's indorsement destroyed the negotiability of the draft. (*Mechanics' Bank* v. *Valley Packing Co., supra.*) The form of the defendant's indorsement distinguishes this case from a number of cases, of which *Bank* v. *Bangs*, 106 Mass. 444, is a type, where third persons take drafts and give them currency by indorsing them in blank. Defendant, by its indorsement in this case, warned plaintiff that it was not intended to transfer the ownership of the draft or its proceeds, and hence the defendant did not guarantee the genuineness of the signature of the drawer, but it did guarantee that the payee's signature was genuine; and it was genuine. It is true, the payee's real name was not Whitney, but the payee of the draft was in fact the person who went by the name of Whitney, and this person did in fact indorse the note—*i. e.*, this draft was not payable to one person and indorsed by another, but was payable to and indorsed by the same person. If, therefore, plaintiff paid the draft more readily, and with less investigation and inquiry, because a reputable bank presented it for payment, than it would have otherwise done, it will nevertheless have to bear the loss. The defendant owed plaintiff no duty. It simply presented for payment a draft purporting to be drawn by the Omaha bank, and it was the duty of plaintiff to know, before paying it, that it was in fact made by the party who appeared to be the drawer, and, having failed to perform this duty, it cannot be heard to complain. Here are two innocent parties, upon one of which this loss must fall. The argument that defendant's conduct in taking the draft was not induced or controlled or affected by plaintiff should have no influence in the determination of questions growing out of commercial transactions of the character involved in this controversy. The business of the world is transacted now almost wholly through banks and banking institutions, by checks, drafts, and bills of exchange. This system could not last a day unless there be fixed and determinate rules by which business men can certainly know their liability or non-liability. It is true, if plaintiff had refused to pay this draft when presented, the loss would have fallen, and certainly fallen, on defendant, for Whitney was gone before the draft was paid in Chicago, though defendant knew it not. But we cannot lay down rules to meet exceptional cases. Many cases may arise in which a remedy would exist against the wrong-doer if applied promptly. When the defendant sent this draft to Chicago, and it was paid, it had as much right to assume that its liability to loss had ceased as if it had indorsed it in blank, and it was not protested in the proper time for non-payment. Any other rule would put the commercial world at sea. We need not inquire now whether the rule we lay down be the best or not. We find it to exist, and that it has existed since 1762. It may, like all general rules, work occasional hardships, but considerations of convenience and public policy imperatively demand that it be not changed to do what the judge may deem equitable in a given case. The best interests of the commercial world require stability and fixedness in commercial law. We think it clear that plaintiff, upon the pleadings and evidence in this case, is not entitled to recover, and the judgment of the Circuit Court is accordingly affirmed.

All concur.—*Southwestern Reporter.*

INDORSEMENT OF A THIRD PERSON.

SUPREME COURT OF ILLINOIS.

Kingsland v. *Koeppe.*

Where a third person writes his name across the back of note, the presumption that he thereby guaranteed the note may be rebutted by parol evidence.

In an action against several defendants on a joint contract, judgment cannot be rendered against a single defendant.

CRAIG, J.—This was an action brought by Kingsland Bros. & Co., the appellants, against Koeppe, Schwuchon, Klinge, and Loring, to recover a balance due on certain promissory notes executed by the Lake View Electric Light Company, and payable to the plaintiffs. At the date of the execution of the notes by the corporation, the four defendants wrote their names across the back of the notes, and they were sued in this action as guarantors. On the trial in the Circuit Court, one of the defendants, Loring, withdrew his pleas, and judgment was rendered against him by default for the full amount claimed by the plaintiffs. Nothing need therefore be said as to him at present. The other defendants claimed that they were not guarantors of the notes, and offered parol evidence to show what the contract was between them and appellants at the time they placed their names on the backs of the notes. The court admitted the evidence, and, in the propositions of law submitted, held that it was competent to prove by parol evidence what the real contract between the parties was; and this ruling was affirmed in the Appellate Court. (35 Ill. App. 81.)

Where the payee of a note indorses it by placing his name on the back of the instrument, a contract of indorsement is created; the liability assumed by the payee being established by the writing. Parol evidence to change or vary the terms or conditions of a contract is not admissible. (*Mason* v. *Burton*, 54 Ill. 353; *Johnson* v. *Glover*, 121 Ill. 283, 12 N. E. Rep. 257; *Jones* v. *Albee*, 70 Ill. 34; *Woodward* v. *Foster*, 18 Grat. 200.) But where a person who is not the payee of a promissory note, but a third party, places his name on the back thereof, a different question arises. In such case the rule long established in this State is that it may be shown by parol evidence what liability was intended to be assumed. In an early case (*Cushman* v. *Dement*, 3 Scam. 497) where a third party wrote his name across the back of a note, it was held that the indorsement was *prima facie* evidence of a liability in the capacity of a guarantor, but the legal presumption was liable to be rebutted by parol proof. In *Boynton* v. *Pierce*, 79 Ill. 145, where the obligation of a guarantor arose, it was expressly held that the presumption that a party, not the payee, who places his name on the back of a note is a guarantor, may be rebutted by parol evidence. In *Stowell* v. *Raymond*, 83 Ill. 120, where the question again arose, the same rule was declared. The question again arose in *Eberhart* v. *Page*, 89 Ill. 550, and in deciding the case it is said: The indorsement of a note in blank by a third party raises a presumption only that it is intended thereby to assume the liability of a guarantor, which may be rebutted by proof that the real agreement between the parties was different. From the cases cited it is apparent that this court is fully committed to the doctrine that, when a third party writes his name across the back of a promissory note, the presumption from the indorsement is that he assumed the liability of guarantor; yet parol evidence may be introduced to prove what liability was in fact assumed. It is conceded in the argument of appellants that the cases cited fully establish the rule indicated; but it is insisted that these cases were virtually overruled by *Johnson* v. *Glover*, 121 Ill. 283, 12 N. E. Rep. 257. This is a misapprehension of the force and effect of that decision. In that case, Johnson, who was the payee of a note, indorsed it in blank, and the note subsequently fell into the hands of Glover, who sued Johnson as a guarantor; and it was held that he was not a guarantor, but an indorser, and that parol evidence was not admissible to vary or change the character of the liability he had assumed. It is there said: "The general rule is that the name of the payee appearing on the back of the instrument is evidence that he is indorser, and proves that he has assumed the liability of an indorser as fully as if the agreement was written out in words [citing authorities]. "Parol evidence is no more admissible to contradict or vary this contract than any other written contract." What was decided in this case, and what was said, had reference solely to a payee of a promissory note who had indorsed the note in blank, and had no bearing whatever upon the rights or obligations of a third party who had placed his name on the back of a note. Moreover, it is manifest that there was no intention to overrule or modify the doctrine announced in *Boynton* v. *Pierce*, 79 Ill. 145; *Stowell* v. *Raymond*, 83 Ill. 120; and *Eberhart* v. *Page*, 89 Ill. 550—from the ruling in *Bank* v. *Nixon*, 125 Ill. 618, 18 N. E. Rep. 203. This case was heard and decided some time after *Johnson* v. *Glover* had been decided, and the doctrine of Boynton, Stowell, and Eberhart cases was approved, and those cases were cited as sustaining the rule announced. We think, therefore, that the ruling of the Circuit Court, in the admission of evidence, that the defendants might resort to parol evidence to prove what contract was made between the parties was correct. The signature of the defendants written on the back of the notes was *prima facie* evidence that the defendants assumed the liability of guarantors; but whether the evidence introduced was sufficient to remove the legal presumption of guarantee was a question of fact for the trial court, who heard the cause without a jury, which does not arise here, and upon which we express no opinion. Whether the propositions of law held or refused by the court are technically accurate it will not be necessary to determine, as the judgment will have to be reversed on other grounds. What has already been said may be regarded as sufficient on another trial to obviate any supposed error in this regard.

As was said in the first part of this opinion, judgment was rendered against one of the defendants by default, and in the trial the court found in favor of the other defendants, and judgment was rendered in their favor against the plaintiffs. The plaintiffs now assign as error the rendition of judgment in their favor against one of the defendants. This error is well assigned. (*Thayer* v. *Finley*, 36 Ill. 262.) The action was brought on a joint contract, and the general rule in such cases is that judgment must be rendered against all or none. (*Davidson* v. *Bond*, 12 Ill. 84; *Claflin* v. *Dunne*, 129 Ill. 248, 21 N. E. Rep. 834.) The judgments of the Appellate and Circuit Courts will be reversed, and the cause remanded to the Circuit Court.—*Northeastern Reporter*.

LEGAL MISCELLANY

BANKS AND BANKING—SAVINGS BANKS—PASS BOOK.—A stranger, H., presented for deposit at defendant savings bank in Connecticut a check on another bank, and received two pass-books, a portion of the amount being entered in each. The check proved to be fraudulent, and the bank published notice thereof. Afterwards H. presented one of the books to plaintiff in Dublin, requesting a loan thereon. Plaintiff declined, but afterwards gave to a bank there his draft, accepted by B., and indorsed by himself. The bank discounted the draft for H., and took the book, with his order for collection. On learning that the book was obtained by fraud, the bank returned it to plaintiff, who paid the draft. *Held*, that plaintiff was guilty of negligence, and was not a *bona fide* holder of the book. [*McCaskill* v. *Connecticut Sav. Bank*, Conn.]

CHECKS—WITHDRAWAL OF FUNDS.—Defendant gave a check signed by him as "Agent." He did not disclose for whom he was acting as agent, if for any one, and he afterwards withdrew the money deposited to himself, as agent, and deposited it to his individual account. *Held*, that an action by an indorsee who had lost the check was properly brought against defendant individually as a drawer. [*Armstrong* v. *Brolaski*, U. S. C. C., Mo.]

BANKS AND BANKING—COLLECTION OF DRAFT.—A bank which collects a draft sent to it by another bank for that purpose, with directions to remit the proceeds to a third 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 the 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. [*Merchants & Farmers' Bank* v. *Austin*, U. S. C. C., Ala.]

USURY—EVIDENCE.—Where plaintiffs in an action on a debt greater than the sum loaned with lawful interest, in which the defense is usury, set up, as consideration for the excess, services of a neighborly character, generally performed without remuneration, and there was no special agreement as to compensation, and it is not shown what charge was made for any particular service, it is insufficient to show that the transaction was not usurious. [*Humphrey* v. *McCauley*, Ark.]

CHECK—PLEADING.—The drawing and delivery of a check implies the indebtedness of the drawer to the payee to the amount of the check, and in an action upon the check it is unnecessary to aver in the declaration any further consideration. [*McClain* v. *Lowther*, W. Va.]

NATIONAL BANKS.—Rev. St. U. S., § 5,201, which forbids National banks to make loans on the security of shares of their own capital stock, does not invalidate such a loan, since only the Government can take advantage of the breach of the law. [*Walden Nat. Bank* v. *Birch*, N.Y.]

NEGOTIABLE INSTRUMENT—ALTERATION.—Where a note signed by several makers is, after delivery, changed by one of the makers, without the holder's consent, so as to read "We" instead of "I" promise to pay, such change does not invalidate the note. [*Green* v. *Beckner*, Ind.]

FEDERAL COURTS—RECEIVERS OF NATIONAL BANKS.—Receivers of National banks are officers of the United States, and as such may sue in the United States courts in the district in which the banks of which they are receivers are located, and may maintain the action without regard to the citizenship of the parties or the amount involved in the action. Still the federal courts do not have exclusive original jurisdiction of all actions by or against such receivers. State courts have concurrent jurisdiction with the federal courts. [*Thompson* v. *Shaetzel*, S. Dak.]

NEGOTIABLE INSTRUMENT—GAMBLING CONTRACT.—A person owning two notes indorsed thereon a guaranty of payment, and transferred them to another in payment of a void grain gambling debt. The latter deposited the same with a bank as collateral security for a valid debt, less in amount than the face of the notes. The bank took them without notice of the gambling transaction, and thereafter recovered a judgment for their full value against the guarantor: *Held*, that this judgment was conclusive between the bank and the guarantor, to the amount of the debt secured, notwithstanding that Rev. St. Ill. ch. 38, §§ 130, 131, provide that all instruments and judgments given in consideration of gambling contracts may be set aside. [*Pearce* v. *Rice*, U. S. S. C.]

NEGOTIABLE INSTRUMENT—ESTOPPEL.—In an action against the acceptor of a bill of exchange, where the declaration merely charges defendant with having accepted the bill on condition that the amount thereof should be found to be due from him to the drawer, plaintiff cannot show that, by subsequent declarations, defendant is estopped to deny a sufficient indebtedness to the drawer, since estoppel must be specially pleaded. [*Gooding* v. *Underwood*, Mich.]

NEGOTIABLE INSTRUMENTS—NOTES.—In an action on a note by the payee against the maker, the payee makes out a *prima facie* case by showing possession, and he need not, therefore, set out in the complaint or establish by evidence indorsements on the back of it. [*Anniston Pipe Works* v. *Mary Pratt Furnace Co.*, Ala.]

BANKS—DIRECTORS.—The directors of a savings bank, who have lent to one person a sum greater than one-fourth of the bank's capital stock, contrary to the prohibition of Rev. St. 1879, § 916, are liable to the bank or its receiver for any loss that may accrue from such loan, although the statute itself does not provide any penalty for its violation. [*Thompson* v. *Greeley*, Mo.]

BANKS—PAYMENT OF FORGED DRAFT.—The drawee of a bill of exchange or draft is bound to know the handwriting of his customer, the drawer; and, if he pays a bill or draft in the hands of a *bona fide* holder for value, he is concluded by the act, although the bill or draft turns out to be a forgery. [*Northwestern Nat. Bank* v. *Bank of Commerce*, Mo.]

CORPORATIONS.—Where money is loaned to a corporation *de facto*, supposed at the time of the loan to be regularly incorporated, the fact that it is not a corporation *de jure* does not affect its liability, nor give the lender a right of action against its members as unincorporated persons. [*Larned* v. *Beal*, N. H.]

TRUST.—G. deposited $560 in a bank in his name as trustee for M. as shown by the bank-book and the books of the bank. The bank-book was in the possession of M. at G.'s death. *Held*, that, in the absence of rebutting evidence, there was sufficient to create a trust in favor of M. [*In re Gaffney's Estate*, Penn.]

CHECKS—DAYS OF GRACE.—An instrument in form of a check, which read: "100 Franklin Street, $200. Boston, Aug. 31, 1889. The National Revere Bank of Boston, pay to the order of Geo. H. Towle, Oct. 1, 1889, two hundred dollars. No. 9,288. [Signed] Samuel W. Creech, Jr."—was a check and was not entitled to grace. [*Way* v. *Towle*, Mass.]

BANKING IN NEW ERSEY.

Hon. George S. Duryee, the Commissioner of Banking and Insurance, has filed his first annual report with Governor Abbett. Instead of the statistical report which the Secretary of State issued annually, when the department was under his supervision, the commissioner gives a very readable statement of the working of banks and savings institutions, and their present standing. The report is the largest, and probably the most important, issued by the State, and Mr. Duryee and his clerks have been engaged on it for several months.

The report deals only with savings banks, State banks and trust companies. The insurance companies will be dealt with at a later day. There are twenty-six savings banks in the State, two of which, the Dime, of Woodbridge, and the Elizabethport Savings Bank, are in process of voluntary liquidation. The deposits of these banks were small, and the patrons of the Dime will suffer small loss.

The total resources of savings banks have increased during the past year $1,293,252.42. On January 1, 1892, they were $36,875,745.54; the amount of deposits was $33.807,634.16; the surplus, $2,977,239.80, and the other liabilities, $90,871.58. The resources of the twenty-six banks are mostly invested in real estate, bonds and mortgages, and bonds of the Federal Government, the State, and the various cities of the State. The mortgage loans on January 1, 1891, amounted to $13,535,683; while on January 1 of the present year the amount was $14,326,411, an increase during the year of $790,729. The aggregate amount invested in banking house properties was valued a year ago at $430,045; on January 1, 1892, it was $590,438, an increase during the ten years of $160,393. The other real estate owned by these concerns is valued at $613,416, an increase over the preceding year of $18,808. The par value of the stock and bonds owned by the institutions is $15,952,232, a net increase of $804,-720. The total market value of the stock and bonds is $17,623,699, an increase of $598,132.

Savings banks are allowed, under the law, to invest 15 per cent. of their total deposits in collateral loans of the character National banks invest in. On January 1, 1892, $2,125,423 was invested in this way, which is an increase over last year of over $400,000. On the first day of this year the banks had $1,445,543 in cash on hand. The deposits during the year have increased $1,345,004, which is not quite up to the average annual increase during the past five years. The amount on deposit now is $33,807,634, the number of depositors in the State is 131,739, 6,666 more than last year. The surplus held by the institutions amounts to $2,977,240, an increase of $26,937, and estimated on the par value of stocks and market value of real estate, it has increased $599,219 in one year. The surplus, estimated on par values, has tripled during the past five years, and from $586,000 in 1886, has increased to $1,671,467.

The average rate of interest paid by the savings banks of this State is represented by the fraction .033 per cent. Thirteen banks paid 3 per cent., two paid 2 and 3 per cent., one paid 2¾, one paid 3½, four paid 3 and 4, and only two paid 4 per cent. During 1891 $962,077 was paid out in interest, which is $43,272 more than was paid last year.

Examination of Banks.

The result of systematic examinations shows the institutions to be in a sound and prosperous condition, and a word of commendation of the spirit and method of management is justified by the facts. The requirements of the law with respect to investments are closely followed. Biennial examinations are made and are found to assist materially in preventing the decline of the institutions. A statement showing the condition of savings banks in the hands of receivers is being prepared and will accompany a report.

An interesting table, showing the condition of savings banks in this State during the past twenty-four years, shows a curious rise and fall in the deposits. In 1869 there was $11,551,369 in the banks; this was gradually increased until 1875 when the panic made itself felt. In that year the deposits amounted to $32,000,000, while four years later they were only $14,993,038. This was the lowest point, however, and they increased until to-day they are $33,807,634. The resources and surplus tell the same story, and the hard times and the prosperous ones may readily be traced. The growth of the banks during the three years ending January 1, 1872, is remarkable, and the deposits and number of banks doubled in that short period.

State Banks.

There are twenty-two State banks in operation, six of which increased their capital during the past year, and the examination shows them to be in excellent condition. Sixteen trust companies are also under the control of this department. The total resources of these companies amount to $8,919,723.27; over $6,000,000 are deposits. The commissioner recommends an act requiring these companies to keep "savings deposits" separate, and invest them only as provided under the savings bank law.

THE PROVIDENCE NATIONAL BANK.

The banks in this country are rare indeed which are old enough to celebrate their centennial. The Providence National Bank, however, reached its one hundredth year not long since, and celebrated the occasion with appropriate ceremonies.

The incipient movement which led to the establishment of the bank was made Aug. 13, 1791. A meeting was called at the State House Aug. 15 at 3 o'clock P. M., to which all those interested in the establishment of a bank in Providence were invited. The reasons given for such an institution were "the rise in the value of bank stock and the scarcity of specie as a medium of trade." The question was also to be decided whether it would be more advisable to obtain a branch of the National bank or to establish a State institution.

The conclusion reached was to incorporate an individual State bank, but to enlist the support of both the general Government and the State Government by making each stockholders. The next step was the issue of a proposal for a bank at Providence, issued Sept. 10, 1791. The writers of this proposal stated that:

"Taught by the experience of Europe and America, that well regulated banks are highly useful to society by promoting punctuality in the performance of contracts, increasing the medium of trade, facilitating the payment of taxes, preventing the exportation of specie, furnishing for it a safe deposit, and by discount rendering easy and expeditious the anticipation of funds on lawful interest, advancing at the same time the interests of the proprietors:

"We, the subscribers, desirous of promoting such an institution, do hereby engage to take the number of shares set against our names, respectively, in a bank to be established in Providence, in the State of Rhode Island, on the following plan, to wit:

"That a subscription be now opened for $250,000, in 625 shares of $400 each; and that $50,000 thereof, being 125 shares, be reserved for the United States, to be subscribed by the Secretary of the Treasury, or the directors of the National bank, which may first happen, and fifty shares for the State of Rhode Island, should they choose to subscribe for the same between this and the ending of the second session of Congress after this time." The fund subscribed was to be paid to such directors as might be chosen at the meeting, one-half in silver or gold, one-quarter in 6 per cent. and one-quarter in 3 per cent. bonds of the United States.

These payments were to be made in equal quarterly installments of three months, the last installment to be paid July 1, 1792. The rate of payment for the stock was twenty-one shillings of silver or gold for twenty shillings of 6 per cents., and twelve shillings in coin for twenty shillings of three per cents. Any officer or director who should commit any fraud or embezzlement was to "forfeit all his stock and be prosecuted to the utmost vigor of the law." No president or director was to receive any pecuniary reward for service until the annual earnings of the bank reached the amount of 6 per cent. The bank promised to receive all sums of money for safe keeping subject to check at sight "without any charge for the receiving, keeping and delivering of the same." In discounting in close times preference was to be given to stockholders, and no sale of stock was valid until it had been made on the bank's books.

No name for the bank had yet been proposed. On Oct. 1, 1791, the promoters issued an address, urging attention to the meeting called for the following Monday. Those who failed to attend to the matter would have none to blame but themselves should they not get the stock; and they were "particularly desired to remember when the script of this bank may be selling from 50 to 100 per cent. profit, they might be sorry they did not attend the meeting." The promoters specially expressed a desire that the subscribers to the stock should be as numerous as the wealth of the State would warrant. The meeting was held at the State House, and kept open from 10 A. M. to 6 P. M. The proposals which had been issued were, with some minor changes, adopted as a "plan or constitution," no charter yet having been granted.

At the close of the meeting it was found that 1,324 shares had been subscribed for, nearly three times the entire number available. The first board of directors was then chosen. It consisted of nine individuals, to wit: John Brown, John Innes Clark, Jabez Bowen, Moses Brown, Welcome Arnold, Nicholas Brown, Samuel Butler, Andrew Dexter and Thomas Lloyd Halsey.

The following day—Tuesday—John Brown was elected the first president, and Olney Winsor the first cashier. The first payment of specie was made on the next day, Wednesday, and on the Monday following, Oct. 15, 1791, the bank discounted its first paper. Still, it had no charter, and no name in print had yet been given to it.

The bank began operations at the "Bank House, on the south side of the new paved street commonly known as Gov. Hopkins' lane." Discount days were Mondays and Fridays, and short time paper, "thirty days and three days' grace," was taken. Among the collateral on which the bank proposed to loan money was included "plate." The bank was open every business day from 9 A. M. to 3 P. M., and the officials earnestly suggested that "should any person about to leave town, or for other cause wish to exchange bank notes for specie at any other hour, it is hoped that every one having specie by him will readily accommodate in such cases, as all may, should they choose, obtain specie for notes the moment the bank shall open."

The subscription to the stock of the bank came from Philadelphia, New York and Massachusetts as well as from Rhode Island. The General Assembly passed an act soon after, incorporating the new institution as the Providence Bank. In June, 1865, the institution was reorganized as a National bank. The building now occupied by the bank was erected about 1795. It was designed from the architecture of Palladio, a treatise by that architect being imported by John Brown for the purpose. The home lately occupied by Prof. Gammell, and the John Carter Brown house, all date from the same period.

The bank occupies unassuming quarters in the old building above mentioned. The inside of the edifice abounds in nooks and corners that forcibly remind one of the olden time. Through these doors and over these thresholds have passed generations of human beings, the great mass of whom—even their names—have long since been forgotten. In a corner of the building, at the head of a short stairway, is located the bank. The quarters are somewhat cramped and a high railing separates the visitor from the busy officials. Yet in these modest premises an enormous business has been transacted.

The capital stock of the bank is $500,000, and the board of officers consists of the following members: President, William Goddard; vice-president, R. I. Gammell; cashier, Andrew R. Matteson; directors, William Goddard, Marshall Woods, M. B. I. Goddard, R. I. Gammell, George W. R. Matteson, John Carter Brown Woods and William Gammell.

When the centennial was celebrated a fine dinner was given, at which the president delivered an address. He described the early history of the institution and paid a strong tribute to the men who were instrumental in launching it. The bank was a big undertaking for those days, when banks were comparatively few in the New England States.

He quoted largely from the "plan or constitution" adopted by the founders, and dwelt at considerable length upon the aspirations and doubts, the hopes and fears, the ideas and ambitions of those financiers of the olden days. He paid a tribute to the first president of the bank, to the first cashier and to the first board of directors. These men he said builded well and the institution whose birth they had witnessed had been safely transmitted from decade to decade, from hand to hand, until it has come down to our own time, vigorous, robust and progressive.

He reviewed the enormous growth of the banking business since the Providence Bank was organized in 1791. He alluded to the prominent position now occupied by this city in the financial world, and predicted a vast mercantile and commercial expansion for the future.

The present directors of the bank came in for a striking meed of praise, and the record of the institution before and since its incorporation as a National bank was reviewed. The speaker narrated many interesting reminiscences regarding past officials of the bank and warmly praised the fidelity and honesty shown by employes of the institution both then and now. Other banks had finer and more impressive edifices, but none could show a prouder or more substantial career.

After the conclusion of the address of President Goddard, ex-Gov. Royal C. Taft spoke, who said that an event like the present was one of great rarity in the United States. The Providence National Bank had completed a century of existence and it had been a century of progress, honor and triumph. It had taught Rhode Island a great lesson in business life. It had stood for one hundred years as a monitor to the commercial life of the State. The history of this ancient but modern bank was almost the history of Providence. Both had grown together. Both had witnessed the birth and the dissolution of generation after generation. Both had waxed strong and spread and grown even beyond the most sanguine expectations of their founders. And both were destined to grow far into the future. Ex-Gov. Taft then referred to the increase in the number of National banks in this city and reviewed the origin and rise of the several institutions. He happily commented on the great degree of prosperity at present existing in Providence banking circles and presented a most inspiring portrayal of the city's future.

Hon. Olney Arnold was the poet of the occasion, and entertained his hearers with a production composed for the occasion.

CANADIAN BANKERS AT DINNER.

The recent dinner given at the Toronto Club by Mr. Byron E. Walker, chairman of the Bankers' Section of the Toronto Board of Trade, to business men of the city, prominent in connection with banking or in other directions, was a very delightful affair. Some eighty or ninety gentlemen sat down, Mr. Walker occupying the chair, with Sir Casimir Gzowski on his right and Hon. Frank Smith on his left, Messrs. R. H. Bethune and J. L. Brodie, the vice chairs. The toasts were few, and the host showed good taste and a happy brevity in their introduction. Hon. Frank Smith and Mr. D'Alton McCarthy responded to the toast of the Dominion Parliament. In his own droll way Mr. Edward Gurney replied to the toast of the Merchants and Manufacturers of Toronto, and to the same toast Mr. J. Short McMaster made a very earnest response. It was an unhappy coincidence that either personal illness or serious illness in the household compelled the absence of the president of the Board of Trade, Mr. H. N. Baird, and of the first and second vice-presidents, Mr. Hugh Blain and Mr. S. F. McKinnon. In the circumstances the toast of the Toronto Board of Trade was responded to by Messrs. D. R. Wilkie and G. M. Rose. To the toast of Our Railways responses were made by Messrs. Edmund Wragge and Thomas Tait, the latter gentleman making quite a lively and effective speech. In response to the toast of Banking, Mr. Bethune replied briefly and in a humorous vein, and was succeeded by Mr. J. L. Brodie, who made one of the most appropriate and interesting addresses of the evening. Mr. Brodie said :

" It would not be easy, sir, to dispose of the subject of banking in a few sentences, but I might notice some points that may be interesting to the gentlemen present. No doubt, before banking existed there was a system of barter, consisting of the exchange of one article for another and which would be followed by the use of tokens of some intrinsic value, and from that our present complex and widespread system of banking has gradually developed.

There is one part of our banking system that has always elicited my admiration, and I have had the same feeling in regard to it that I have frequently in London, when standing in front of the Royal Exchange, with the Mansion House on one hand and the Bank of England on the other, and looking at the vast stream of people and vehicles of all sorts, representing the wealth, power and energy of the British people. I refer, sir, to our widespread credit system. By the use of it we purchase tea in China and Japan, figs and currants in Asia Minor and the Ionian Islands, silks and wines in France, fruits and nuts in Spain, and sugar in Venezuela and the West Indies, etc., and but rarely does a hitch occur in these varied and extensive operations. It looks to me as if banking had thrown a network over the face of the globe, like a spider's web, with the center of it in London, where, at present, nearly everything is domiciled, and I do not know, sir, how the business of the world could now be conducted without it, any more than it could without railways, steamships, and telegraphs. It has struck me lately as remarkable how comparatively small an effect was produced on this world-wide, complex credit system, by the crippling even of such a large concern as Barings. I may say, sir, that personally I have seen this same credit system in operation in India, where the bills (Hoondees) of the native bankers (Marwarees) have passed current for generations, with rarely a default. I think, sir, that this part of the business or profession of banking, that I have been referring to, almost raises it from the commonplace to the romantic. It is like the action of the telephone, which from frequent use comes to be looked upon as nothing very wonderful; but, sir, when you hear the actual voice of a friend coming to you from a distance of twenty miles, and perhaps through a storm of wind and rain, it is to me a perpetual miracle.

I might also, sir, say a few words as to the qualities required to make a good banker. I have, of course, a high opinion of education and theory, but theory without practice is not of much avail. You may explain to a man how to mount and ride a horse, but without practice he and his theory would, on a lively animal at least, be apt soon to come to the ground. Then there are ability (for which after all one has to thank Providence) and experience—these are indispensable; but there are two qualities, and these opposites, which I think are highly requisite. I mean courage and caution. People may imagine, sir, that a banker can sit quietly in his office, and in an austere way refuse nearly every transaction, but *you* know, sir, that he has to have courage enough to accept perhaps 90 per cent. of the business risks offered to him, and to use his caution only in the refusal of the 10 per cent. that does not commend itself to his judgment. There is one other particularly desirable quality, and it applies to all businesses, if success is to be expected, which is with me a favorite definition of the word 'genius,' and I am apt to bore the gentlemen in my own office with it—that is, 'the capacity for taking endless trouble.' Without this a young bank officer will hardly ever rise beyond being a bank dude.

Before sitting down, sir, I would take this opportunity of recording my high opinion of the character and integrity of the bank staff of Canada. I have been connected with banking in this country for twenty years, and I recollect comparatively very few cases of dishonorable conduct on the part of bank officials. And with regard to gentlemen holding the position of chief executive officer of a bank, from the large corporation of the Bank of Montreal, to the smaller institutions, such as that represented by myself, I hardly recollect an instance of such an officer proving recreant to his honor and his duty.

I thank you, Mr. Chairman and gentlemen, for your patient and good-natured attention to these few remarks."—*Toronto Monetary Times.*

THE SILVER QUESTION.

At the last dinner of the Chicago Bankers' Club Mr. William P. St. John, president of the Mercantile National Bank of New York, delivered an address upon "Equally Unrestricted Coinage for Gold and Silver," the larger portion of which is here presented.

Inadequate Supplies of Gold.

An authority inordinately esteemed by the most aggressive of newspaper gold-monometalists in New York, Dr. Giffen of London, while laboring to prove that the market price of gold is independent of coinage laws, and therefore that the depressed price of silver is not a consequence of a lack of coinage laws, furnished statistics which more widely accredited statisticians had advanced already, and which make evident that less than $30,000,000 worth of new gold per annum is now available to increase the entire world's money.

The mines of the United States produce $32,000,000 worth of gold a year. Practically all of it enters our mints. About $14,000,000 worth of it is subsequently consumed in our arts. Thus $18,000,000 of gold, unless we export or import gold, is our one year's increase of gold money out of the aforesaid gross of $30,000,000. In such case, the United States leaves only $12,000,000 of gold a year for the entire outside world's increase of money. The utter inadequacy of so limited a possible increase of money from the whole world's mines of gold may be inferred from the surprisingly acceptable employment found in this one nation alone for our annual increase of silver, exceeding $30,000,000 a year since 1878, and exceeding $54,000,000 a year since August, 1890, in addition to our available supplies of gold.

Europe's Silver Will Not Flood Our Mints.

Such evident inadequacy of available supplies of gold alone for Europe's primary money assures us that continental Europe will so rejoice in our success as not to dare adopt a course herself that would threaten us defeat in our attempting to rehabilitate silver. We have seen a Treasury official sanction of newspaper reports that Austria is endeavoring to sell her interest-bearing bonds for gold with which to adopt a single gold basis for her currency. We prefer to believe, however, that Austria's real intention is only to enlarge her great bank's present stock of $27,000,000 of gold to an aggregate on which, together with its present stock of $80,000,000 of silver, she may make a creditable show, at least, of resuming specie redemptions for her $230,000,000 of now irredeemable bank notes. We reason that if Austria is quite unable to resume specie payments while possessing two coins, with the option to redeem her notes in both or either, she cannot possibly maintain her specie payments upon surrender of that option and the discarding of either coin.

The Bank of France carefully reserves and exercises the like option to redeem her notes in silver, or gold, or both, according to her own convenience, with moderate regard for the maintenance of the money parity between her notes, her silver and her gold.

At another time and elsewhere I submitted the financial condition of the several important nations of continental Europe, and also the trade relations of each with India. Each is a debtor to India annually; Austria from \$9,000,000 to \$16,000,000 a year; France averaging over \$35,000,000 year by year. I stated India's valuation of silver in terms of our money at \$1 for 348.3 grains, against continental Europe's at \$1 for 359.91 grains, and the United States' at \$1 for 371.25 grains. And because these European States elect to settle with India in the equivalent of gold by buying Council Bills drawn in London, thus do not recoin their silver into India's rupees at a saving of 11.6 grains of silver in excess of every dollar, therefore they cannot be supposed desirous of avalanching us instead, at a minimum sacrifice of 11.3 grains on the dollar required of them at our reopened mints. And remember that Europe's only silver is her silver *money*.

With France as our criterion, I repeat: Her stock of silver, exactly like her stock of gold, is her unlimited legal tender money. As such it circulates at home at par. Surely our mints cannot attract it at a discount. And 100 cents of her lawful money silver would recoin into less than 97 cents of ours. Her old silver coin would yield not over 95 cents on the dollar at our reopened mints. Estimate the necessary shrinkage at 5 cents on the dollar as the gross requirement of France in recoining her \$700,000,000 of silver money here, and it would occasion her a sacrifice of \$35,000,000 in the operation; and for nothing more available to her at home as lawful money if our gold is thus obtained by her in such exchange.

And as to the Bank of France, a chartered institution, whose prime object is to make money, she is not authorized to coin it. That bank's present reserves of silver approach \$250,000,000. Her reserves of gold exceed \$260,000,000. Both are exactly alike available for the liquidation of her vast liabilities, including her outstanding issue of circulating notes. With her present total sum of circulating notes exceeding \$600,000,000, her total stock of silver less than \$250,000,000, and this silver applicable to redemptions of these notes at par, the Bank of France is not more concerned about the "bullion value" of her lawful money silver than our National banks are concerned about the paper value of the United States legal tender notes.

Thus the Bank of France cannot avalanche our reopened mints with silver until her shareholders can be supposed to sanction a voluntary sacrifice of, say, 5 per cent. of \$250,000,000, or \$12,500,000 in a practically valueless exchange.

A Minority Objection of the House Committee on Coinage.

Hon. George Fred Williams, of Massachusetts, and his associates proclaim that: "Up to the year 1873 the whole civilized world, except Great Britain, accepted silver as a precious money metal (1) at a ratio of exchange with gold which was fixed at or near the current market price by general consent (2) and the legislation of leading commercial countries. The supply of silver was easily exhausted and its price easily maintained (3) because the mints of the world were open to it and the leading nations of the world consented to exchange it freely for gold at a fixed ratio."

This a unique version of the world's monetary history. It differs from all records obtainable by me.

(1.) *Until* 1865 *the world was not acquainted with general consent* of even a few of the commercial nations, *as to a ratio for coinage* of gold and silver. The Latin Union, formed in 1865 and maintained unbroken until 1874, did not embrace a larger or more widely extended population than that of the United States at present, and their aggregate of domestic trade was not as great as ours to-day. That Union was formed, as its preamble announced, upon a desire to unify their *subsidiary* moneys. It did not aim to maintain the market value of either money metal.

(2.) The European nations have differed in coinage ratios for the precious metals from times immemorial. Alexander Hamilton expended painstaking research upon the discovery of the coinage ratio to adopt for the United States in 1792. According to later seers he made a vicious selection finally.

(3.) Failure to maintain the money parity of our gold and silver, if we adopt at once the plan reported favorably to the House of Representatives, is not to be predicted as this minority thus report. The world's present relative production of gold and silver is 59 per cent. silver. In 1792 the proportion was 76 per cent. silver. The eighteen months of operation of our statute of 1890 evidences the fact that, upon a low average absorption of silver in the world at large, our silver-purchase law already trenches upon the world's mine product of silver. Which means that the consumption of silver, including our Treasury absorption, has exceeded the production in the current year. Or flatly, that in spite of continuing fluctuations in the price which have occasioned a reduction of $17,000,000 worth of silver in the absorption of India during a period of nine months, the gross aggregate supply of silver in London, San Francisco and New York has been reduced from over 15,000,000 ounces to less than 7,000,000 ounces, by close estimate, all told.

The Fixed Price of Gold.

The Bank of England is required by statute to receive *gold* from every one and in any amount, and pay for it immediately at the rate of £3 17s. 9d. per standard ounce, eleven-twelfths fine. *The entire world's arts have the price of their supplies of gold thus fixed for them by law.* The British mint must coin gold, at a three halfpence higher valuation, for all who will wait for coining. Similar mint laws operate on gold in continental Europe and the United States; but *without international statute,* please observe.

Imagine these coinage laws for gold repealed! Thereupon the $30,000,000 (or thereabouts) of *gold* each year, which the arts do not require and which therefore finds its use in money, would need to seek consumption in the lower arts and ordinary industries. The consequent extent and rapidity of the decline in price of gold, when thus deprived of its present support of coinage law, is employment for the imagination. Similar treatment of silver in the western world quite accounts for like results, but by no means so extreme, on silver. Therefore, in preceding paragraphs we have submitted facts in proof that the United States may now, with entire safety, afford the support of law to fix the price of silver.

Equally Unrestricted Coinage for Gold and Silver—Our Necessity.

I confidently postulate: *The necessity of law for the increase of money in the United States commensurate with our growth in wealth and population.*

I picture, as within ten years, our population at exceeding eighty millions; our cities dotting a territory seventeen times the area of France; our money appliances, meanwhile, necessarily enlarging with the consequent enlargement of our intersectional trade.

We are aware that the U. S. Director of the Mint discovers in the present money plethora in New York an evidence of too abundant money in the United States already. But our experiences of like money plethora, in times when his own statistics proclaimed a much smaller aggregate of money afloat than now, impels us to the diametrically opposite conclusion. We recall the recent strain of an unusual summer demand upon New York for money, especially for the South. Cautionary epistles to the West and South forbade dependence upon New York during the possible stringency predicted for this early winter. We witnessed a marked diminution in the volume of business in the country as the result of these precautions. Our present accumulations of idle money are the entirely natural consequence. The insufficiency of our gross supply of money, made potentially evident last summer, is thus the effectual cause, in our opinion, of the temporary plethora now.

BANK-NOTE ISSUES DISAPPEARING.

But some would procure this commensurate increase of money within provisions of law to stimulate the voluntary enlargement of bank-note issues.

In my opinion no such requirements of law will ever again be provided by the United States. Advocates of bank-note circulation are no longer influential with our legislators, and are now at variance mutually. The self-appointed champion of one element, Congressman Harter, of Ohio, has set himself at work to encompass State bank operations within a unique extension of the national statutes. He has also set out to "*repeal* the present peculiar prohibitory tax upon State bank-note circulation, and fix the same rate of taxation upon notes of banks issued under State authority as is paid upon National bank notes." But the no less earnest and much more experienced advocate of bank-note enlargement, the late Hon. John Jay Knox, valued "those few lines of the United States statute which virtually prohibit all sorts of State bank issues as one of the soundest financial achievements of our civil war."

THE CONSTITUTIONALLY AUTOMATIC ISSUE OF MONEY—OUR UNQUESTIONABLE NEED.

Finally, reverting, therefore, to our absolute need to enlarge our money volume as our domestic trade expands, I submit that the evident alternatives, between which conservatives must choose, are *first*, our restoration of the coinage system of the United States founded with the mint and maintained continuously for eighty years thereafter, until unobservedly overthrown in 1873, and for which overthrow no satisfactory explanation has ever yet appeared; or *second*, indeterminate issues of Treasury paper, necessarily irredeemable if gold shall be our only primary money.

The proposed restoration of our old and long existing system, *i. e.*, equally unrestricted coinage for gold and silver, the coin to circulate by paper substitute if desired, would provide an automatic issue of money regulated by the mine product of hard labor.

The single other alternative is the inestimably capricious issue of limitless legal tender notes.

THE DECLINE IN THE PRICE OF SILVER.

The decline in the price of silver, notwithstanding the heavy decline in supply, is a most singular fact; and the explanation herewith presented by Mr. W. P. St. John is worthy of careful consideration. Whatever opinions may be held concerning the unwisdom of the free coinage of silver, or of maintaining the existing silver policy, it is unquestionably true that the silver coined by our Government and used in the form of a paper representative is just as completely absorbed as the steel rails of a railroad that are in use. Again, the manipulation of silver by speculators has been most disastrous; they have left their cursed mark on the metal as they have on almost everything they have ever touched. Their purchases and sales have been made without much, if any, knowledge of the true causes which should affect the value of silver.—EDITOR OF THE MAGAZINE.

First—Note our newspaper instigation of foreign opinion as to the requirements and operation of our existing law of 1890. This European influence is reflected in New York. This opinion and its reflection appear in Saturday's cabled quotation of an editorial in the *London Times*, thus: "The accumulation of almost useless bullion is producing the natural consequence, and business men are awakening to a perception of the danger"; and in the New York *Evening Post's* review of the state of trade to-day, thus: "As for silver, it is apparent that the time must soon come when the enormous mass of about $430,000,000 of silver accumulated in the United States Treasury under the Silver Purchase Act must come upon the market in one way or another." The actual fact, however, is that the title to this silver bullion in the Treasury of the United States is carried in the pockets of the people, in the form of legal tender notes issued on purchasing this silver. The whole of this Treasury silver bullion is thus practically in active circulation, and thus is, to all intents and purposes, coined money. If our newspapers would allow Europe to understand this fact distinctly, our Treasury accumulation of silver bullion would be without the slightest influence upon the world's market price of silver, as it ought to be.

Second—The supply of silver bullion in the world's distributing markets has been reduced during eighteen months from a gross of over 15,000,000 ounces to a present gross of less than 6,000,000 ounces, in spite of fluctuations in the market price, which have diminished the far-eastern absorption of silver importantly. In the face of this reduced supply of silver the market price has declined. Like conditions in the market for any other great commodity would have advanced the price. But in addition to the incubus of fear already mentioned, the following is noteworthy:

The bulk of the available supply of silver is at present in New York, and practically all of it [3,200,000 ounces] in the hands of speculators who have no acquaintance with the sources of supply and demand for silver. This fact is known and worked upon effectively in London, as for instance: On Saturday an offering of less than $1,000 worth of silver bullion in the New York Stock Exchange served to reduce the market quotation 3 cents per ounce, to 85½ cents, at which the 1,000 ounces were sold. Sales were subsequently made at 87¼ cents per ounce. The closing quotations listed were 85 cents to 85¾ cents per ounce. These figures, being cabled to London, made the London price. They were reflected this morning in the New York price, which, except that the

Treasury has completed its March purchases, would have been the basis of our mint price for silver this Monday morning, under the existing law of 1890. Transactions of quite as little moment have repeatedly thus fixed the New York price for silver bullion and the basis upon which our Treasury purchases were made. It is thus evident that this moderate stock of silver bullion held on speculation in New York, the sum total of it not more than any one of a hundred men in this city could pay for comfortably, is governing the world's market price for silver, and actually is about to determine the legislation of the United States.

The immediate effect of a defeat of the pending Silver Bill upon the market price of silver will depend upon the information in possession of the speculators. Diminishing supplies make the future reasonably certain. The misfortune likely is a booming market price, with new accumulations temporarily resulting, and a limping foreign trade for consequence.

PUBLIC SUPERVISION OF THE BANKS.

"One of the great questions before the American people to-day," says Hon. T. C. Sherwood, Commissioner of the State Banking Department of Michigan, "is to what extent shall the State or General Government interfere with the business of corporations and individuals? Shall the Government undertake to do the banking business of the country, or shall it only supervise that which is done by the individual or corporation? If we decide that supervision is all that the State should undertake, then arises another question: What shall constitute the supervision, and how far shall that supervision extend?

"First, is there necessity for State supervision of banks? The answer to this is, there would be no necessity for State supervision, in fact, there would be no necessity for a banking law, if all men were honest and unselfish. It needs no argument to prove that this is not the case. When a banking business is managed with special reference to the amount of money the stockholders can realize out of it, or when the finer sensibilities of a noble manhood are sacrificed in the mad desire for wealth and power, we cannot expect that all men will be honest and upright in their business transactions. If this reasoning is correct, a banking law is a necessity. But what practical benefit can be derived from it unless it be obeyed? And how will we know that it is obeyed unless it is under the supervision of some one clothed with authority to examine and enforce its provisions?

"Second, how far shall State supervision extend, and what shall be the powers granted the commissioner and examiner? The law requires that whenever articles of incorporation are filed with the Commissioner of the Banking Department, and at least 50 per cent. of its capital stock is paid in, the commissioner visits the bank, ascertains if all the provisions of the law relative to its incorporation have been complied with, informs himself as to the amount of money paid in on account of its capital, who the directors are and where they reside, and the amount of stock held by each. If the bank is lawfully entitled to commence business, the commissioner gives his certificate to that effect.

"From this we see that supervision protects the public from fraud at the very start, as it prevents the fraudulent incorporation of a bank and prevents its advertising a fictitious capital. Again, he can call for a report of any association under his supervision, showing the resources and liabilities at the close of business at any past day by him specified. The report having been made and published, what guarantee have you that the report is correct, unless an examination be made by some State official, clothed with authority, who is an expert accountant, and in no way connected with the association?

"The public derives great benefit from State supervision, the associations themselves are benefited by the watchful care exercised by a banking department, advice is given where advice is needed or solicited, local jealousies are to be dissipated and internal dissensions healed."

INQUIRIES OF CORRESPONDENTS.

Addressed to the Editor of the Banker's Magazine.

Stamp on Paid Note.

Has a bank any right to insist on stamping a note "paid" on tendering payment of the amount with the request not to stamp it? Also, would this record affect the collection of the amount of the indorsers?

Reply.—Daniel says: "Where a bill or note is paid it should either be destroyed, or some memorandum should be made upon it unequivocally indicating that it has been canceled. . . For, unless payable at a specific time, the fact that it was overdue might not be apparent from its face, and the parties to it would incur risk of liability to a *bona fide* purchaser without notice." (Neg. Inst. § 1,235a.) In an old case, but which is good law (*Burbridge* v. *Manners*, 3 Comp. 193), Lord Ellenborough said: "It is the duty of bankers to make some memorandum on bills and notes which have been paid, and if they do not, the holders of such securities cannot be affected by any payment made before they were due." (*District of Columbia* v. *Cornell*, 130 U. S. 655, 659.)

The stamping of them in this manner does not affect a recovery from the indorsers. It is a common practice to stamp checks as "paid" when another check or a draft has been taken in payment, and whenever that is not paid the original check is demanded for the purpose of bringing an action thereon. The stamp does not preclude a recovery. (*Turner* v. *Bank*, 40 N. Y. 425.) The stamp is a mere acknowledgment that the money has been paid to the party receiving it. (*Vogel* v. *Ball*, 7 S. W. Rep. 101.)

Effect of Different Forms of Indorsement for Collection.

An ordinary form of remittance indorsement between banks has been, "Pay First National Bank, Chicago, or order, for collection for account of," etc.

This has in many cases been changed to, "Pay any National bank, or order, for collection for account of," etc., and a bank handling the item afterwards considers that the indorsement of *any* National bank following the above is sufficient and satisfies the instruction given.

Now, I find the form made still briefer, and reading, "Pay for account of Third National Bank, Omaha."

Will you please oblige me by publishing your opinion whether *this* indorsement and instruction could be construed as addressed to any or all following indorsers, and the drawee bank, and whether they could be held for a proper disposition of the funds—that is "for account of the Third National Bank, Omaha"—or is there no more responsibility in handling or paying a check with this indorsement than under the first-quoted forms?

REPLY.—All of these are qualified or restrictive indorsements. In one of the late cases (*Central Railroad* v. *First Nat. Bank*, 73 Ga. 383, 384), in which a check contained two indorsements, similar in form, "Pay to A., cashier, or order, for collection for account of First National Bank," Blandford, J., said:

"The qualified indorsements on the back of this draft by the cashier of the First National Bank of Lynchburg, whereby he directs payment to be made to W. H. Patterson, cashier of the Citizens' Bank, or order, for collection for account of First National Bank, Lynchburg, Va., was nothing more nor less than a warrant of attorney authorizing the indorsee to collect the amount due on the draft for the indorser. It conveyed no title to the paper, but was notice to all persons subsequently dealing with this paper that defendant in error had not parted with the title or intended to transfer the ownership of the proceeds to another. The legal import and effect of the indorsement was to notify the plaintiff in error that the defendant in error was the owner of the draft, and that the Citizens' Bank was merely its agent for collection; that a qualified title for this purpose only, and no other, was in the Citizens' Bank."

The check in controversy in *Freeman's Nat. Bank* v. *National Tube Works*, 151 Mass. 413, contained an indorsement in similar form. Mr. Justice Knowlton, speaking for the court, said: "An unbroken succession of such indorsements would indicate that each indorser was acting by direction of the next preceding indorser, who was himself an agent of the owner, who had before indorsed, and for whom the collection was to be made. . . It has long been held by the courts that an indorsement of this kind is restrictive, protecting the rights of the owner."

SURETY.

What would be the liability of a person signing his name on the face of a promissory note as surety? or, in other words, if he signs under the signature of the principal maker of the note and adds the word "surety" after his signature, could he be held liable after maturity if the note was not protested for non-payment on the day of maturity?

REPLY.—By signing a note in this manner the signer is regarded as a joint promissor with the principal. (*Rice* v. *Cook*, 71 Me. 559; *Hughes* v. *Littlefield*, 18 *Id.* 400.) This subject has been well considered by the Supreme Court of California. (*Aud* v. *Magruder*, 10 Cal. 282.) The court declares that by the unvarying current of decisions the obligation of the surety is the same as that of the original promissor. Notice is no more required in the one case than in the other. In the language of the court: "A person signing a note as surety for another makes himself immediately and directly responsible for the debt."

BOOK NOTICES.

The Industrial and Commercial History of England. Lectures delivered to the University of Oxford. By the late JAMES E. THOROLD ROGERS, Professor of Political Economy in the University of Oxford, and of Economic Science and Statistics, King's College, London. Edited by his son, ARTHUR G. L. ROGERS. G. P. Putnam's Sons. New York and London. 1892.

We have read this volume with regret because it is the last that we are ever to receive from the author. One of the most learned men of this generation, his knowledge was well digested and applied. The great work of his life was a history of prices, which covered a considerable period of English history, and we are yet not informed how nearly completed was his great design. His "Six Centuries of Work and Wages," and "Economic Interpretation of Work and History," as well as the work before us, are to some extent the outgrowth of the history of prices, but these side efforts, so to speak, are highly valuable and doubtless will be more widely read than the monumental work to which he devoted such a large portion of his life. In some respects the present work is the most interesting of the three, as the titles to some of the lectures indicate. For example, "The Development of Credit Agencies," "The Development of Transit," "The Economic History of Chartered Trade Companies," "The Joint Stock Principle in Capital," "The Joint Stock Principle in Labor," "Economic Legislation, 1815-'41," "Economic Legislation since '41." These, as well as other topics reveal, not only the practical character of the work, but its value for our readers; and we can assure them that in studying these pages they will not be disappointed. Though the style is often homely, it is easy, and is interspersed with various illustrations, drawn from his extensive experience. For example, in describing the Bank of England he remarks (page 66): "The mechanism which the directors preside over in Threadneedle Street is the perfection of trained and traditional skill, and the managers are almost as automatic an engine as the mint is, or as some tell us the pork factories of Chicago are, where a live pig enters at one door, and emerges through various machines from another as pickled and packed pork." We can most heartily commend this book to our readers, for we are sure that they will learn much from this source which will not soon be forgotten.

The Investors' Review. Edited by A. J. WILSON. Longmans, Green & Co. New York. 1892.

The objects of this magazine are to deal with the most important and interesting questions of current finance; to review company balance sheets, and also the principal events in the lives of individual companies; and, lastly, to give a list of public securities classified by their actual yield at recently quoted or ex-dividend prices, and sub-classified by the groups to which they belong. The editor further states that it will be conducted in the interest of buyers of securities alone, not in any sense in those of the sellers.

"Therefore, its dominant note will be one of criticism. The excellence or the weakness of good investments will be set forth equally with the rottenness of bad, not in a captious or censorious spirit, but with the single purpose of enabling those who have money to invest to have an intelligent perception of what they are doing. In this direction it is believed that the *Review* may fill a place to some extent vacant in current periodical literature, notwithstanding the fact that great advances have been made by the daily and weekly press of the country in the variety and amount of its information about, and criticism upon, financial subjects." The contents of the first number we suppose convey a pretty good idea of the range of subjects which the magazine expects to cover. These are, "Argentine Finance and the Rothschild-Morgan Committee," "United States Railroad Securities," "The Art and Mystery of Financial Trusts," "Mr. Goschen's Currency Proposals," "The Philadelphia & Reading Railroad Company," "Spain and Her Debts," and "Hints for Investors of Small Means." These articles are followed by others relating to American railroads, banks, breweries, and general information of a financial, industrial and mining character. The articles are carefully prepared, and the editor shows a thorough knowledge of American securities. The article on "The Art and Mystery of Financial Trusts" is a valuable and timely contribution. It surely is deserving of careful reading. If the magazine fulfills the promise of the present number, it will serve a highly useful purpose. Criticism of this character, without malice and with the sole intent of giving information to investors, is much needed. The English people especially have grievously suffered of late years from a lack of knowledge concerning their investments. They have been inclined to put faith in men when they should have made personal investigation. Perhaps they have regarded themselves as unable to do this, even if they were so inclined. At all events, enormous sums have been lost in the Argentine country, much also in the United States and in other countries, by purchasing securities on the recommendation of men, instead of investigating them themselves. Evidently, the time is past when securities can be so generally bought with safety in this way. If the magazine shall remain true to its purpose, it will doubtless be warmly welcomed by investors.

The Philosophy of Wealth—Economic Principles Newly Formulated. By JOHN B. CLARK, A. M., Professor of History and Political Science in Smith College. Boston. Published by Ginn & Company.

The traditional system of political economy is obviously defective in its premises, in using assumptions for bases, instead of facts, for whenever they are at variance with facts, the conclusions must be erroneous. Again, the better elements of human nature have been left out in many economic calculations; the economic man is more mechanical and selfish than the man of the actual world. As Professor Clark aptly says, a degraded conception of human nature has vitiated the theory of the distribution of wealth. In this book the author has broadened the conception of wealth, and has found a place in his system for the better motives of human nature. To use his own language, "he has brought the premises of the science into better accordance with facts, and the general spirit of it into greater harmony with the instinctive demands of a healthy human nature." In studying the nature of production and distribution, "the one process is found to consist of a synthesis, and the other of an analysis; the same elements which are combined in production are separated, step by step, in distribution. The process loosely termed competition is analyzed, and a new theory of 'non-competing groups' is advanced, and applied to the labor problem. The lines furnished by these groups are found to determine the limits of the combinations of capital and labor, which are the distinctive feature of the present era. A study is made of the laws determining what forms of industrial organization shall emerge from the present chaotic condition. The test of economic principles is applied to the intellectual and spiritual activities of society." This book marks a noteworthy departure in political economy, and its merits have been widely recognized. The fact cannot be denied that the older economy is narrow and superficial, because it is founded on too narrow and shallow premises. Professor Clark is certainly working on the right lines, and the work before us is a proof at once of the shallowness of the method of the old school and a rich promise of the fruitfulness of working in the new direction.

The Centennial of the Providence National Bank, October 3, 1891.

This exquisitely printed monograph contains the address of Mr. Wm. Goddard, President of the Providence National Bank, delivered on the occasion of the celebration, and responses to the toasts by Governor Taft, President of the Merchants National Bank, and by Mr. George Ripley, President of the National Hide and Leather Bank in Boston, and also a poem by Gen. Olney Arnold, President of the First National Bank of Pawtucket. Elsewhere in the present number of the MAGAZINE will be found an account of the institution, drawn from President Goddard's address. An event of this kind is rare in American banking history, and all should rejoice over such a record of honorable success.

The Question of Silver. Comprising a brief summary of legislation in the United States, together with a practical anlysis of the present situation, and of the arguments of the advocates of unlimited silver coinage. By LOUIS R. EHRICH, of Colorado. G. P. Putnam's Sons. New York and London. 1892.

Though the author is a bimetalist and a resident of Colorado, he is strongly opposed to free silver coinage. Nor does he agree with those who believe that such a policy would be helpful to the interests of his own State. "The undisguised truth is," he says, "that every free silver coinage man is, in reality, an enemy to the best interests of Colorado." The book is an earnest and intelligent plea for sound money, in the most general sense in which the phrase is used, and has excited considerable attention, especially in his section, as well it may, because his views are so strongly at variance with those generally held by the persons around him.

Annual Report of the Director of the Mint to the Secretary of the Treasury for the fiscal year ending June 30, 1891. *Edward O. Leech, Director.*

Proceedings of the First Annual Meeting of the Ohio Bankers' Association, held in the Board of Trade Auditorium, Columbus, Ohio, Thursday, November 5th, 1891.

Proceedings of the First Annual Convention of the California Bankers' Association, held at San Francisco, October 14th, 15th and 16th, 1891. *Los Angeles*. 1891.

Municipal Ownership of Quasi-Public Works. By ALLEN R. FOOTE, Washington, D. C. 1891.

Sixteenth Annual Report of the Board of Commissioners of Savings Banks, 1891. Boston. 1892.

The Duty and Reward of Loyalty. By LIEUT. ALLEN R. FOOTE. Washington, D. C. 1891.

Railroads and the Public. An address delivered before the Contemporary Club of Philadelphia by JOSEPH D. POTTS. Philadelphia. 1892.

A Proposed National Money System Embracing Gold, Silver, and a Currency as Good as Gold. By R. M. WIDNEY, LL. D., President of the University Bank of Los Angeles, California.

Report of the Inspector of Finance of the State of Vermont. 1891.

CORRESPONDENCE.

To the Editor of the BANKER'S MAGAZINE:

DEAR SIR.—I beg leave to call your attention to page 596, BANKER'S MAGAZINE, February, 1892. The law does not limit loans to one borrower. It only limits loans of a certain kind. One trouble with the Maverick National Bank, Boston, was excessive loans of the kind not limited, being on paper of doubtful value, except in the indorsers, who were directors.

It is not easy to make laws that cannot be evaded. The article in your MAGAZINE is mainly right. The Bank Act needs to be improved, rather than to be superseded. Much would be accomplished if the reports to the Comptroller stated the amount of loans to each director, as promissor, as indorser, and as guarantor, and the liability of each director as promissor, on paper discounted for, or obtained from other borrowers.

The reports might further show the largest loan to any one borrower. When this seems to the Comptroller to be too large, he could call for further information, as the second largest, third largest, and let him have power after due warning to the bank, to take active measures for the correction of the irregularities. It might be well to have the reports of loans to directors included in the usual publication of the reports.

CASHIER

BANKING AND FINANCIAL ITEMS.

FOREIGN.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL.	San Francisco.	California Safe Deposit & Trust Co.
"	Oakland.	Home Savings Bank.
"	Ventura.	Bank of Ventura.
COL.	Delta.	Delta County Bank.
GA.	Athens.	Athens Sav. Bank.
IDAHO.	Boise City.	Boise City Nat. B'k.
ILL.	Austin.	Austin State Bank.
"	Rockford.	Peoples Bank.
IOWA.	Sioux City.	Security Nat. Bank.
LA.	Franklin.	First National Bank.
MD.	Baltimore.	Hopkins Pl. Sav. B'k.
MASS.	Gloucester.	Cape Ann Sav. B'k.
"	Lawrence.	Arlington Nat. Bank.
MICH.	Detroit.	Home Sav. Bank.
MO.	St. Joseph.	Saxton Nat. Bank.
N. H.	Concord.	First Nat. Bank.
N. H.	Concord.	Union Guaranty Sav. Bank.
N. J.	Paterson.	Paterson Sav. Inst.
N. Y.	Amityville.	Bank of Amityville.
"	Brooklyn.	Twenty-sixth Wd B'k.
"	Margaretville.	Peoples Bank.
"	New Paltz.	New Paltz Sav. B'k.
"	Perry.	First National Bank.
"	Riverhead.	Riverhead Sav. B'k.
"	Watertown.	Jefferson Co. Nat. B'k.
"	"	Jefferson Co. Sav. B'k.
OHIO.	Eaton.	Preble Co. Nat. B'k.
PA.	Claysville.	First National Bank.
"	Easton.	Easton Trust Co.
TEXAS.	Beaumont.	First National Bank.
"	Denton.	Denton Co. Nat. B'k.
WIS.	Milwaukee.	South Side Sav. B'k.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

CONN.	Hartford.	Charter Oak Nat. B'k.
"	Rockville.	Rockville Nat. Bank.
DAK. N.	Grand Forks.	Second Nat. Bank.
FLA.	Fernandina.	First Nat. Bank.
GA.	Savannah.	Southern Bank of State of Georgia.
KY.	Falmouth.	Farm. & Merch. B'k.
MASS.	Haverhill.	Haverhill Safe Deposit & Trust Co.
MASS.	Holyoke.	Park National Bank.
"	Pittsfield.	Pittsfield Nat. Bank.
MICH.	Grand Rapids.	Fifth Nat. Bank.
N. H.	Nashua.	Indian Head Nat. B'k.
N. Y.	Albany.	Nat. Commercial B'k.
"	Poughkeepsie.	Poughkeepsie Nat. Bank.
PA.	New Castle.	First Nat. Bank.

BANKS WHICH ARE INCREASING THEIR CAPITAL.—

ARK.	Jonesborough.	Bank of Jonesborough, from $25,000 to $50,000.
COL.	Rico.	Rico State Bank, from $30,000 to $200,000.
IOWA.	Ottumwa.	Iowa National Bank, from $100,000 to $150,000.
"	Rhodes.	Farmers Bank, from $10,000 to $15,000; surplus, $1,000.
N. Y.	Jamestown.	Jamestown National Bank; surplus, $20,000 to $100,000.

BANK PUNCHES DO NOT PREVENT CHECK RAISING.—Many persons have regarded the punch which cuts the figures out of the face of the check or draft an efficient safeguard against raising the amounts. Before and after the figure is cut a dollar mark ($) or a star (*). Yet recently two genuine drafts, one for $18 raised to $1,800, and one for $16 raised to $1,600, were paid at different banks. The forger had filled the mark following the figures with adhesive pulp, and subjecting it to powerful pressure had incorporated it with the paper in a manner that defies detection save under a lens. The rest of the forgery was easy. The additional figures were punched to correspond with the altered amount.—*N. Y. Sun*, March 14, 1892.

Various schemes to prevent alterations have been devised. Different kinds of writing inks claiming to be unalterable, various printed tints, and a great number of punching machines—upon thorough trial all have failed at some points to meet the case. The only sure means of protection found so far is the National Safety Paper.—*Official Report of Convention of American Bankers' Association.*

EASTERN STATES.

NEW HAVEN, CONN.—The stockholders of the Yale National Bank at New

Haven have voted to decrease the capital stock from $750,000 to $500,000. Of the 7,500 shares, 6,289 were represented at the meeting, and a unanimous vote was passed for reduction.

AUGUSTA, ME.—The annual report of Bank Examiner George D. Bisbee has been submitted to the Governor. The Examiner recommends some law—like that in Massachusetts—providing that deposit books be presented at banks during some stated period for verification by some person other than the treasurer or clerks who receive the original deposits. Twelve trust and banking companies are transacting business, with a capital stock paid in of $1,008,900. They have deposits amounting to $2,516,143.38, an increase of $390,112.09; and total assets of $4.279.477.44, a gain of $649,581.67. Certificates of authorization have been issued to four loan and building associations during the year. One, the Pittsfield, having ceased operations, there are now a total of thirty, a gain of three the past year. The People's Association of Richmond is winding up its affairs. The statements of loan associations show a total number of shareholders at 6,710, and total assets at $1,032,301.53, an increase the past year of $399.242.22. The Examiner recommends some law requiring associations to make a trial balance of their stockholders' accounts at least every time a dividend is credited. In accordance with the act of 1891, nine foreign corporations have been licensed to do business in the State. The deposits for the past year have been increased by nearly $2,500,000, while the number of depositors shows a gain of more than 6,000. Maine, like the other New England States, has been putting a great deal of money into the South and West. Better still, its business men during the past year have been devoting liberal capital to the establishment and development of State industries. From these latter there is no doubt about the future return. For these reasons the savings banks show only a portion of the State's prosperity.

BOSTON.—The Bank Officers' Association of Boston has 400 members, lacking just a few. They represent 66 institutions, including National and savings banks and trust companies. They also represent every grade of bank positions, from messenger to president. About 250 of them met at the American House for their seventh annual dinner—a complimentary one, provided by the surplus on hand—after which they discussed an important amendment to the by-laws of the association, by which a portion of the assessments—at present levied for death benefits only—shall be appropriated for more frequent social gatherings than the dinner now held annually. Mr. George B. Ford, the president, called first upon Mr. Francis B. Sears, vice-president of the Third National Bank, who spoke of the flourishing associations of a similar kind in New York, Philadelphia and Providence, which are all more than 20 years old. He suggested that effort be made to increase the permanent fund, now $1,650, and expressed the belief that the banks themselves would be willing to contribute. Mr. A. P. Weeks, cashier of the Merchants' Bank, urged the establishment of a club room. Various other suggestions were offered by Messrs. Arthur Luke, F. L. Claflin, F. S. Davis, B. F. Ayer, C. B. Bradbury, H. D. Forbes, C. A. Ruggles and others. Upon motion of Mr. Luke, a resolution was finally passed for the appointment of a committee to canvass the banks to see whether they would contribute to a permanent fund, the income to be applied to increasing the amount of death benefits, the expenses of the social gatherings of the association, and a $300 death benefit to be defrayed by assessments levied for that purpose. It was further resolved upon motion of Mr. E. C. Whitney to make the annual assessments $6 a year for members under 30 years of age, and $10 a year for members over 30, the assessments to be paid quarterly, and to cover all charges, and to pay in addition to the $300 death benefit $10 a year for every year the deceased has been a member of the association.

BELMONT, MASS.—Hon. J. Varnum Fletcher, president of the Belmont Savings Bank, and of the Faneuil Hall National Bank, celebrated his 80th birthday on the 27th of February. The following letter was read from S. F. Woodbridge, a director in the Faneuil Hall National Bank: "To Hon. J. V. Fletcher—Dear Sir: It gives me great pleasure to meet and congratulate you on this, your birthday. As we measure time on a dial, you have reached the grand old age of fourscore years—a fact alone that shows a careful and true use of your physical powers and capabilities well worthy our imitation; but if we measure time by good deeds performed and sacrifices made for others, by good examples set of business integrity and honest dealing, we find in you a life well rounded and more than filled with those things that make a true man Not only in your immediate home circle has your kindness been felt, but town, city and State have cause to remember in you the free-hearted citizen and wise legislator. I trust that you may have many such pleasant gatherings as these, and I hope that you may be 'led down the slopes of sunset as up the hills of morn.' Very sincerely yours, S. F. WOODBRIDGE." Mr. Fletcher was born in Westford, and at an early age moved to Charlestown. He received but a common school education. While a resident of Charlestown he occupied many positions of honor, being at one time a member of the city council of that city, previous to its becoming a part of Boston. He removed to Belmont in 1858, the year previous to the incorporation of that town—a movement in which he was quite prominent. In Belmont he has filled many offices, and is now president of the Belmont Savings Bank. He has made many gifts to the town, and has always taken an active part in her improvements, being particularly interested in education, public library, savings bank, and the Unitarian Church, of which he is a prominent member. At the erection of its present handsome edifice he was by far the largest contributor. He also gave a beautiful memorial window in memory of his wife, who died a few years ago. He represented his district two years in the Legislature, and also two terms in the Senate. He is president of the Faneuil Hall National Bank, Boston, and is highly respected and esteemed in the business circles in that portion of this city. Mr. Fletcher had always been an active business man, and can be found any day at his place of business. He takes the early train each morning for Boston.

JERSEY CITY.—A meeting of the prominent merchants and business men of Jersey City has been held, to establish a new National bank in addition to the three already existing. C. H. Benson was president, and Wm. A. Harney secretary. The amount of capital stock was fixed at $200,000 at $100 per share, and the amount of $23,000 was at once subscribed. The new institution will be known as the Fourth National Bank of Jersey City.

NEW YORK CITY —Mr. Oliver S. Carter, the first vice-president of the National Bank of the Republic, has been elected president, in the place of John Jay Knox, and Mr. Eugene H. Pullen, the cashier, was promoted to the position of vice-president. The board of directors will practically stand as it was before Mr. Knox's death. Eugene H. Pullen, who was elected vice president, has been connected with the institution for thirty-one years. During that period he has served eighteen years as an official, five years as assistant cashier, and thirteen years as cashier.

NEW YORK CITY.—Mr. J. Pierpont Morgan has made a gift of $500,000, to be used by Col. Auchmuty in extending the industrial school system in which he is so much interested.

KINGSTON, N. Y.—The Ulster County Savings Institution has resumed business, pursuant to the order of the court and direction of the board of trustees. It is paying out 25 per cent. of deposits on demand. There has been no run and none is expected. The business men and citizens generally are elated over the fact that the old bank has resumed.

POUGHKEEPSIE, N. Y.—Mr. Le Grand Dodge, late president of the Merchants' National Bank, had for more than a year past been in failing health before his death. He was in his seventy eighth year. His native place was Pawling, where several of his family still live, but he came to Poughkeepsie in his early manhood, and studied law in the office of Johnson & Cole. Soon afterward he began the practice of his profession, but in 1851 was elected secretary of the Dutchess County Mutual Insurance Company, and held that office for thirty years. During this time he had the satisfaction of seeing the company of which he was the chief executive officer maintained on a firm financial basis, while nearly every other mutual company in the whole country went down, and its success was recognized as largely owing to his prudent and careful management. In 1881 he was succeeded in the office by the present secretary of the company, and since that time has been prominent in banking circles. He had then been a director in the Merchants' National Bank for more than twenty-five years, and its vice-president for eight years. The failing health of the then president, Hon. James Emott, soon brought upon him many of the duties and responsibilities of the presidency, and after Judge Emott's death, in 1884, Mr. Dodge was elected to his place. He was also treasurer of the Dutchess Turnpike Co. and of the Poughkeepsie Gaslight Co. for many years. Mr. Dodge was a genial, modest, unassuming gentleman, decided in his opinions, but unobtrusive, and never seeking public position or notoriety. His public spirit made him interested in all that concerned the welfare of the city in which he spent his life, but he never held any office except the ancient legal one of Master in Chancery, many years ago.—*Poughkeepsie Eagle.*

BUFFALO.—At a meeting of the directors of the People's Bank, Mr. Charles T. Lathrop, who has been with the bank since its organization, was elected to the position of assistant cashier. Mr. Lathrop has had long and valuable experience in the business, and possesses in an eminent degree the two essential requisites, reliability and courtesy. His promotion was well earned.—*Buffalo Commercial.*

GREENPOINT, N. Y.—One of the oldest residents of Greenpoint died on the 12th of February in the person of Archibald K. Meserole, president of the Mechanics and Traders' bank. Mr. Meserole was born March 26, 1816, in the old Meserole homestead, and the house in which he died was on what was once the Meserole farm. The ancestors of the deceased can be traced back to 1620. His grandfather was in the revolutionary war, and was incarcerated in the old prison ship in the Wallabout, and survived the atrocities there enacted. For forty years or more Mr. Meserole was engaged in the coal and building material business. He was the first president of the Greenpoint Savings Bank, and when the Mechanics and Traders' Bank was organized in 1867 he was first vice president, and from 1869 he has been its honored president. The proud status of the bank to-day is due largely to his conservative methods and idea of finance. He was not inclined to take risks, but rather leaned toward the safe side of every project.

ALBANY, N. Y.—The National Commercial Bank has furnished a separate department for its women patrons. It is furnished with easy chairs and sofa, and is provided with a double desk, where the women may arrange their business or write their checks. It is also provided with stationery for the convenience of the customers. There is a commodious dressing-room adjoining the banking room, and beyond this a splendidly furnished coupon room. Although the scheme is new in this city, it supplies a long-felt want, and promises to be liberally patronized.

POUGHKEEPSIE, N. Y.—Mr. F. W. Davis, cashier of the Manufacturers' National Bank, died on the 5th of March. He was of German parentage, his father being Henry Davis, a native of Hesse Cassel. He passed his youth in Red Hook, and in 1829 came to Poughkeepsie as a clerk in the County Clerk's office under Henry I. Traver. Three years afterwards he entered the Poughkeepsie Bank as bookkeeper, and remained in that position four years. And then, in 1836, he went to New York to become bookkeeper in the clothing establishment of John Lockwood. At the institution of the Pine Plains Bank in 1839 Mr. Davis was offered the cashiership, which he accepted, and he filled the position with great ability until, in 1847, the cashiership of the Farmers and Manufacturers' Bank was offered him, and in August of that year he entered upon the duties of his new office, and for about forty-five years, until within a week of his death, he continued the faithful occupant of that important position.

CURWENSVILLE, PA.—The Curwensville Bank is an institution of which the citizens of Clearfield County are justly proud. It was started in 1876 and Gen. John Patton has been its president continuously since. This gentleman was also president of the old National Bank. He, with Dr. D. A. Fetzer and A. W. Patchin, are the gentlemen who constitute this bank. The capital at first was $50,000 and is now $100,000. The surplus and undivided profits are $128,000. Mr. A. E. Patton, is cashier, C. S. Russell is teller, and Anthony Hill is bookkeeper. Mr. A. E. Patton, the cashier, was born at Curwensville in 1852. In 1877 he became cashier, and since has practically been at the head of the institution. Mr. Patton furnished the money for the building of the water-works of the town, and was instrumental in interesting prominent New York State people in the construction of the Beech Creek R. R. and in the development of the coal interest of Cambria and adjoining counties.—*Elmira Gazette.*

PHILADELPHIA.—It is expected that the proposed addition to the Philadelphia Bank will be so arranged as to give access to the Bourse from Chestnut street.

PHILADELPHIA.—Mr. Hammett's ordinance to regulate the deposit of city money, and providing that the banks in which it is deposited shall pay 2 per cent. interest to the city, has been ordered to be favorably reported to councils by the finance committee.

BRADDOCK, PA.—Andrew Carnegie has started his new banking system at Duquesne, viz., paying all his workmen 6 per cent. on all deposits they may make with the firm. The system has been in vogue for several years, and Mr. Carnegie claims that it encourages the men to be thrifty.

NORRISTOWN, PENN.—The local banking institutions represented by John Jacobs, of the Mongomery Trust Company; John Slingluff, Montgomery Bank; George Shannon, First National Bank; F. G. Hobson, of the Norristown Title, Trust and Safe Deposit Company; S. K. Anders, People's National Bank, and W. E. Albertson, of the Albertson Trust Company, have held a conference for the purpose of devising a uniform rate of interest of money to be paid upon deposits. The conference did not result in any decision being arrived at, and another meeting will be held, but one of the members of the conference said he did not think it would result in any change over the present system.

WESTERN STATES.

LITTLE ROCK, ARK.—At a meeting of the Arkansas executive council of the Bankers' Association, a quorum of the following membership of the council was present: Logan H. Roots, president, Little Rock; Meritt H. Johnson, secretary, Little Rock; Creed T. Walker, treasurer, Little Rock. Vice-Presidents, S. H. Horner, First District, Helena; A. E. Harris, Second District, Monticello; W. Y. Foster, Third District, Hope; W. H. Gee, Fourth District, Dardanelle; Geo. R. Wood, Fifth District, Van Buren; J. S. Handford, Sixth District, Batesville. Executive Committee, W. J. Stowers, Morrilton; F. M. Smith, Malvern; W. B. Worthen, Little Rock. The time for holding the next convention was changed to April 26. Invitations were ordered to be issued to distinguished financiers to be present at and address the convention. Arrangements were perfected insuring a very interesting session of the convention.

PEORIA, ILL.—The last statement of the Central National Bank shows that it is in a flourishing condition, and as deserving of the confidence of its patrons as ever.

RESOURCES.

Loans and discounts	$561,706 25
Overdrafts, secured and unsecured	16,040 02
United States bonds to secure circulation	50,000 00
Stocks, securities, etc	6,000 00
Due from approved reserve agents	59,895 91
Due from other National banks	2,014 71
Due from State banks and bankers	4,084 27
Banking-house, furniture, fixtures	10,826 82
Current expenses and taxes paid	4,040 25
Premiums on United States bonds	7,500 00
Exchanges for Clearing House	12,885 89
Bills of other banks	9,806 00
Fractional paper currency, nickels, cents	57 32
Specie	20,187 50
Legal Tender notes	35,000 00
Redemption fund with United States Treasurer, 5 per cent. of circulation	2,250 00
Total	$802,294 94

LIABILITIES.

Capital stock paid in		$200,000 00
Surplus fund		30,000 00
Undivided profits		11,155 19
National bank notes outstanding		45,000 00
Dividends unpaid		160 00
Individual deposits subject to check	$293,083 72	
Demand certificates of deposit	147,578 35	
Certified checks	350 00	
Cashier's checks outstanding	2,178 61	
Due to other National banks	7,477 69	
Due to State banks and bankers	65,311 38	$515,979 75
Total		$802,294 94

INDIANAPOLIS, IND.—The Capital National Bank has leased the ground floor of the Commercial Club building for five years.

RICHMOND, IND.—In a paper recently read by Mr. James F. Reeves, president of the First National Bank, he declared his opposition to free silver, but did favor the making of silver dollar of equal value to the gold one. At the close of the discussion which followed it, Mr. Reeves disclaimed his approval of the course of the Government in hoarding silver and in many other matters. He favored issuing silver certificates, but believed they ought to be payable by delivering to the person demanding payment a sum of silver equal in intrinsic value to the face of the certificate.

DETROIT, MICH.—About 250 persons assembled at Brown's Hall at the reception tendered the officers and directors of the Dime Savings Bank by north side citizens, in commemoration of the opening of the branch at 1471 Woodward avenue. Dr. O. H. Lau was toastmaster. Among the speakers were James E. Scripps, James H. Stone, John Atkinson, S. M. Cutcheon and J. E. Bolles.

MINNEAPOLIS, MINN.—The Northwestern National Bank voted recently to increase its capital stock from $1,000,000 to $1,250,000. This increase runs the banking capital of Minneapolis up to nearly $9,000,000, exclusive of savings banks. The new stock will not be placed on the market at once, but the stockholders and heavy depositors will be given an opportunity to purchase blocks of it—at a high figure. The charter of the bank, which expires March 23, has been renewed for another twenty years.

MINNEAPOLIS BANK STOCKS.—The Minneapolis *Journal* says: "Minneapolis bank stocks stand high in the estimation of investors. There is not a bank in the city whose stock is below par, although there is quite a range of value above par, making the general situation decidedly creditable to the banks, several of which are young, and are yet seeing their stock transferred at a handsome premium. People have been taking hold of bonds, mortgages and dividend-paying stocks for a good many years, but they have often passed by bank stocks as of a second consideration. They have felt satisfied to get a safe investment that would draw 4½ or 5 per cent. And yet every bank in Minneapolis, with two exceptions, paid a dividend last year in excess of six per cent., and several paid 10 per cent., and among the latter were two or three banks of scarcely two years' organization. The conservative class of investors, men who regard the word "speculation" with a shudder, even though it be reasonably safe, would do well to give more consideration to local bank stocks. The conservative method of Minneapolis bankers is well established. The only banking failure in the city occurred over 30 years ago, when a small private institution closed its doors. The business of the city is growing with such rapidity that the banking institutions must increase earnings without in any way making concessions from the safe policy they long ago established."

ST. PAUL, MINN.—The Bank of North St. Paul has a lady teller. It's quite natural that a young lady should hold such a position. Everybody knows the inability of girls to keep secrets.

TOLEDO, OHIO.—The Ketcham National Bank received a few days ago a package of $20,000 in bills from Denver, Colorado, and on counting the money a $10 bill, issued by the First National Bank of Toledo, was found. The bill was issued in 1863, shortly after the bank went into business, and is numbered 7,504. The dashing signature of V. H. Ketcham appears on its face as president, together with the name of T. B. Casey as assistant cashier. Mr. Casey was formerly a member of the firm of Carrington & Casey of this city, but is now located at Minneapolis. The bill does not give any evidence of having been much used. It will undoubtedly be preserved as an interesting relic by Mr. John B. Ketcham, 2d.

GUTHRIE, OKL.—The Capitol National Bank starts with $50,000 capital stock fully paid up, and Geo. A. Metcalf is president, and M. L. Turner, cashier.

MILWAUKEE, WIS.—The Wisconsin Bankers' Association has been organized. Its purpose is to promote the general welfare of the banking business, and it is similar in form to the bankers' associations of many other States. Mayor Somers delivered an address of welcome, after which came the work of organization. A resolution condemning the Bland Silver Bill as detrimental to the commercial, manufacturers', and labor interests, was unanimously adopted, as was also a resolution recommending that the executive committee take such action as possible to secure the passage of a law abolishing the three days of grace now allowed on all commercial paper. Permanent officers were elected as follows: President, N. B. Van Slyke, Madison; first vice-president, F. G. Bigelow, Milwaukee; secretary, James K. Ilsley, Milwaukee; treasurer, F. J. Kipp, Milwaukee; vice-presidents from congressional districts—First, N. D. Fratt, Racine; Second, L. S. Hanks, Madison; Third, J. H. Evans, Plattville; Fourth, C. C. Schmidt, Milwaukee; Fifth, Fred Karste, Sheboygan; Sixth, C. A. Galloway, Fond du Lac; Seventh, William A. Rust, Eau Claire; Eighth, W. J. Fisk, Green Bay; Ninth, Thomas Bardon, Ashland; Tenth, Walter C. Brooks, West Superior. Executive committee for one year; John Johnston, Milwaukee, chairman; Henry D. Smith, Appleton; T. C. Shove, Manitowoc. Two years: J. W. P. Lombard, Milwaukee; G. W. Roe, Oshkosh; E. E. Bentley, La Crosse. Three years: A. B. Geilfuss, Milwaukee; A. J. Frame, Waukesha; W. H. Slack, of West Superior. The bankers, together with a number of invited guests, attended the banquet at the Plankinton. John Johnston delivered an address of welcome, and toasts were responded to by N. B. Van Slyke, Judge Dyer, Gov. Peck, Gen. Lucius Fairchild, Dr. J. L. Kane, and Judge J. P. Donnelly.

Pacific States.

SPOKANE, WASH.—The many friends of O. F. Hall, who has just resigned his position as cashier of the Old National Bank, that he may take a much-needed rest, will be glad to hear that he proposes to return to Spokane in the fall with a view of engaging in business again. Before leaving the bank the directors unanimously adopted the following resolution of regard: "The retirement of Mr. O. F. Hall from the position of cashier of this bank having been brought to the notice of the board at the last meeting, and it being the unanimous sense of the board that the untiring efforts of the retiring cashier should have received recognition, and a committee having been named for the preparation of suitable resolutions, on motion, duly seconded, the board unanimously adopted the following: This board with sincere regret parts with the efficient and valuable services of the retiring cashier, Otis F. Hall. His efforts have ever been untiring, even while contemplating retirement, and have always been for the best interest of the bank, and he bears with him to his new home our best wishes for his welfare."—*Spokane Spokesman.*

Foreign.

CANADA—A very good ratio of net profits, something over 14 per cent., is shown by the Bank of Nova Scotia for the year 1891. The net profits for the twelve months were $210,258, out of which two dividends, $42,405 and $58,315 respectively, go to shareholders. An increase of $300,000 has been made in the reserve. This is derived in part from premium on new stock (50 per cent. on $385,700), and $1c7,150 is from earnings. It assists to explain these handsome results in the way of earning when we remember that the bank has deposits of $5,800,000, about 80 per cent. of them subject to notice. The paid-up capital is now a million and a half, and the reserve a million. The statement of the Merchants' Bank of Halifax for the calendar year 1891 shows assets of $6,264,107, of which current loans and discounts, less rebate of interest, make up $4,261.866, and immediately available assets $1,734.631. The deposits are $3.432,906, nearly three-fourths of them at notice, and the circulation stood on December 31st at $949,325. The bank's capital paid up is $1,100,000 on which it earned over thirteen per cent. After dividing six per cent. among stockholders, it carried $75,-000 to Reserve Fund, which now aggregates $450,000. This is a good showing indeed. The bank has twenty-one agencies in all three of the maritime provinces, besides having a Montreal branch.

MEXICO.—At the annual meeting of the shareholders of the Bank of London and Mexico, the president, Thomas Braniff, Esq., congratulated his fellow-shareholders on the excellent results obtained in the business of the institution during the past year. "Our policy," he added, "as shown in the yearly balance sheet, has been to have strong reserves, and we have, therefore, preferred not to divide our total profits, but rather to place a large amount aside, having added $400,000 to reserve, making the amount $750,000. The strength of a bank depends on its reserves, and we prefer to continue in the path of financial conservatism, thus adding to the solidity of the institution which, for so long a period, has justly merited the confidence of the business community. Business throughout the country during the past year has been good, even in spite of the sensational statements that have been frequently made regarding the failure of crops. From our standpoint as bankers we can only say that we feel the steady progress that the country is making, ably assisted by the wise and powerful administration of General Diaz, which has pursued a financial policy characterized by great prudence and sagacity contributing essentially to the strengthening of the national credit at home and abroad. We much regret the persistent publication in American newspapers of unfavorable reports regarding the condition of this country and its Government. Those reports are, indeed, grossly untruthful, as any one residing here can testify; but abroad, where Mexican affairs are less perfectly understood, such rumors, inventions though they be, are undoubtedly calculated to damage the national credit as well as all business interests, both Mexican and foreign, located in the country."

The reports of the New York Clearing-house returns compare as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
Mch. 5...	$488,675,300	$104,479,800	$50,207,100	$533,578,700	$5,598,000	$21,292,225
" 12...	492,934,000	100,455,800	48,734,800	531,976,600	5,571,100	16,196,450
" 19...	494,659,700	99,741,200	50,035,500	534,308,000	5,564,400	16,199,700
" 26...	490,435,300	101,218,700	49,318,900	530,120,700	5,600,300	18,007,425

The Boston bank statement is as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
Mch. 5......	161,121,600	10,532,500	5,900,100	144,420,200	4,221,300
" 12......	161,180,300	10,318,100	5,559,600	143,832,800	4,258,100
" 19......	160,361,700	10,342,100	5,632,200	144,792,000	4,267,500
" 26	159,445,700	10,329,900	5,505,200	143,717,500	4,243,600

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	*Loans*	*Reserves*	*Deposits.*	*Circulation.*
Mch. 5..	$98,816,000	$36,982,000	$108,653,000	$3,379,000
" 12..	99,593,000	36,179,000	108,557,000	3,368,000
" 19..	99,945,000	36,265,000	109,973,000	3,374,000
" 26..	99,812,000	36,319,000	109,603,000	3,377,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	March 7.	March 14.	March 21.	March 28.
Discounts..	5 @ 5½	5 @ 6	5 @ 6	5 @ 6
Call Loans..	2 @ 1½	2 @ 1½	2 @ 1½	2 @ 1½
Treas. balances, coin...	$109,379,128	$109,060,807	$109,229,142	$109,857,486
Do. do currency...	19,853,469	20,152,900	20,127,218	20,773,190

Sterling exchange has ranged during March at from 4.87¼ @ 4.88¼ for bankers' sight, and 4.85¼ @ 4.86½ for 60 days. Paris—Francs, 5.17½ @ 5.15⅝ for sight, and 5.19⅜ @ 5.17½ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.86¼ @ 4.86½; bankers' sterling, sight, 4.88 @ 4.88¼; cable transfers, 4.88½ @ 4.88¾. Paris—Bankers', 60 days, 5.18⅛ @ 5.17½; sight, 5.16¼ @ 5.15⅝. Antwerp—Commercial, 60 days, 5.20⅝ @ 5.20. Reichmarks (4)—bankers', 60 days, 95¼ @ 95⅜; sight, 95½ @ 95⅝. Guilders—bankers', 60 days, 40 3-16 @ 40¼; sight, 40 ⅜ @ 40 7-16.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from March No., page 748.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ALA.	Tuscaloosa	Farmers Savings Bank	National Bank Republic.
	$25,000	J. S. Hanly, *P.*	J. S. Hanly, *Cas.*
			J. G. Hanly, *Ass't Cas.*
ARK.	Dardanelle	Peoples Bank	National Park Bank.
	$15,375	J. J. George, *P.*	Jno. B. Crownover, *Cas.*
		C. B. Cotton, *V. P.*	W. S. McCorrell, *Ass't Cas.*
"	Stuttgart	Bank of Stuttgart	....
	$15,000	Joseph I. Porter, *P.*	Henry W. Ulrich, *Cas.*
		Newton C. Dougherty, *V. P.*	
CAL.	St. Helena	Savings Bank of St. Helena	....
	$10,000	Daniel O. Hunt, *P.*	Alton L. Williams, *Sec.*
		M. G. Richie, *V. P.*	
"	Woodland	Yolo County Savings Bank.	....
	$30,000	A. D. Porter, *P.*	J. I. McConnell, *Cas.*
		P. T. Langenour, *V. P.*	
COL.	Creede	First National Bank	Hanover National Bank.
	$50,000	John McDonough, *P.*	Jay B. Merritt, *Cas.*
		James F. Benedict, *V. P.*	
"	"	Miners & Merchants Exch. B'k	Hanover National Bank.
		William H. Cochran, *P.*	J. P. Owens, *Cas.*
GA.	Americus	Planters Bank	Hanover National Bank.
	$50,000	G. W. Council, *P.*	C. M. Council, *Cas.*
		R. J. Perry, *V. P.*	S. G. Council, *Ass't Cas.*
"	Senoia	Farmers & Merchants B'k.	Third National Bank.
	$25,000	Wm. S. Witham, *P.*	Joseph H. Sasser, *Cas.*
		Matthew H. Couch, *V. P.*	
ILL.	Atwood	Atwood Bank	National Park Bank.
	$25,000	James A. Hawks, *P.*	Theodore Gross, *Cas.*
"	Blue Island	Wireton Park Nat. Bank.	....
	$100,000	Frank Leland, *P.*	Henry A. Moehlenpah, *Cas.*
		Millard Powers, *V. P.*	
"	Bushnell	First National Bank	Chase National Bank.
	$50,000	James Cole, *P.*	Jas. M. Gale, *Cas.*
		G. A. Kaiser, *V. P.*	Geo. W. Cole, *Ass't Cas.*
"	El Dorado	Bank of El Dorado	....
		W. E. Mitchell, *P.*	Joseph H. Davis, *Cas.*
"	Oak Park	Oak Park State Bank	....
	$50,000	Henry W. Austin, *P.*	Arthur N. Draper, *Cas.*
		Henry C. Hanson, *V. P.*	
IND.	Windfall	Peoples Bank	....
		S. W. Hale, *P.*	E. L. Kraft, *Cas.*
		Ira J. Chase, *V. P.*	W. B. Hale, *Ass't Cas.*
"	Wingate	Farmers & Merchants Bank.	....
	$25,000	Willber Kerr, *P.*	Jesse Martin, *Cas.*
IOWA.	Baxter	Jordan Bank	....
	$15,000	W. N. Jordan, *P.*	M. R. Jordan, *Cas.*
"	Jewell	Farmers & Traders Bank.	....
		Fred H. Alexander, *P.*	Att Alexander, *Cas.*
		A. Alexander, *V. P.*	
"	Marengo	Farmers Savings Bank	Importers & Traders Nat. Bank.
	$25,000	Herbert A. Brown, *P.*	Albert B. Eshleman, *Cas.*
		G. W. Danskin. *V. P.*	John Partridge, *Ass't Cas.*
"	Montezuma	Montezuma Savings Bank.	....
	$15,000	J. W. Carr, *P.*	A. C. McGill, *Cas.*
		William Emslie, *V. P.*	
"	Redfield	Bank of Redfield	....
	$10,000	S. M. Holmes, *P.*	Geo. W. Curtis, *Cas.*
"	Riceville	Riceville State Bank	United States National Bank.
	$25,000	Thomas McCook, *P.*	Cyrus C. Earnist, *Cas.*
		M. Thielen, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
IOWA	Stratford	State Bank	....
	$25,000	Augustus Anderson, *P.*	J. T. Drug, *Cas.*
		Jonas Fallein, *V. P.*	
"	Struble	Bank of Struble	....
		Lewis E. Day, *P.*	Arthur M. Day, *Cas.*
KAN.	Caney	Bank of Caney	Hanover National Bank.
	$8,000	W. S. Brown, *P.*	Fred G. Dye, *Cas.*
		W. K. Godden, *V. P.*	J. M. Cunningham, *Ass't Cas.*
"	Downs	State Bank of Downs	....
	$10,000	Wm. O. Harrison, *P.*	D. B. Harrison, *Cas.*
		D. H. Harrison, *V. P.*	
"	Goffs	State Bank of Goffs	Tradesmens National Bank.
	$5,000	Edmund B. Abbott, *P.*	Levi Clippinger, *Cas.*
		Luther A. Corwin, *V. P.*	
"	Leoti	First State Bank	National Park Bank.
	$10,000	Thomas W. Pelham, *P.*	Geo. W. Young, *Cas.*
LA.	Donaldsonville	Bank of Donaldsonville	Chase National Bank.
	$25,000	Henry McCall, *P.*	Thos. J. Clay, *Cas.*
		Wm. M. McGalliard, *V. P.*	
MASS.	Holyoke	Park National Bank	National Park Bank.
	$100,000	Edwin L. Munn, *P.*	Geo. W. Parker, *Cas.*
		Wm. F. Whiting, *V. P.*	
MICH.	Fowler	D. H. Power & Co.	Chase National Bank.
	$10,000	John H. Corbit, *P.*	D. H. Power, *Cas.*
		Otis Fuller, *V. P.*	
"	Iron Mountain	Commercial Bank	Hanover National Bank.
	$50,000	Jesse Spalding, *P.*	Oliver Evans, *Cas.*
		Francis A. Brown, *V. P.*	
"	Lansing	Lansing State Savings B'k.	Ninth National Bank.
	$20,000	Orlando M. Barnes, *P.*	J. Edward Roe, *Cas.*
		J. W. Potter, *V. P.*	
MINN.	Albert Lea	Albert Lea National Bank	....
	$50,000	Horatio D. Brown, *P.*	C. B. Kellar, *Cas.*
		D. R. B. Hibb, *V. P.*	
"	Moorhead	Moorhead National Bank	....
	$60,000	Andrew Holes, *P.*	F. W. Porritt, *Cas.*
MO.	Buffalo	Bank of Buffalo	....
	$10,000	Wm. J. Evans, *P.*	I. B. Morrow, *Cas.*
		Geo. I. Edmisson, *V. P.*	
"	Dexter	Bank of Dexter	....
	$15,000	George Houck, *P.*	E. C. Mohrstadt, *Cas.*
		A. B. Perkins, *V. P.*	
"	Kansas City	Continental National B'k.	....
	$300,000	Elmer Williams, *P.*	C. E. Barnhart, *Cas.*
"	Suspension Bridge	Frontier Bank	....
	$25,000	Jacob Bingenheimer, *P.*	Henry C. Percy, *Cas.*
		John M. Hancock, *V. P.*	
NEB.	Ainsworth	Ainsworth State Bank	Hanover National Bank.
	$40,000	Fayette B. Tiffany, *P.*	Chas. G. Alton, *Cas.*
		J. B. Finney, *V. P.*	Frank Boyd, *Ass't Cas.*
N. Y.	Glen Cove	Glen Cove Bank	Market & Fulton National Bank.
	$30,000	C. B. Gruman, *P.*	D. N. Gay, *Cas.*
		Frederick E. Willitts, *V. P.*	
"	Pike	State Bank of Pike	....
	$25,000	Carlos Stebbins, *P.*	Earle S. White, *Cas.*
		Abner P. Adams, *V. P.*	
OHIO	Columbus	Franklin County Bank	Tradesmens National Bank.
	$10,000	Peter Ramlow, *P.*	Milton W. Strait, *Cas.*
"	New London	New London Nat. Bank	....
	$50,000	I. S. Townsend, *P.*	H. W. Townsend, *Cas.*
OKL. T.	Guthrie	Capitol National Bank	Chase National Bank.
	$50,000	Geo. A. Metcalf, *P.*	M. L. Turner, *Cas.*
PA.	Franklin	Franklin Savings Bank	....
	$50,000	I. N. Patterson, *P.*	Benj. W. Bredin, *Cas.*
		E. W. Echols, *V. P.*	G. S. White, *Ass't Cas.*
"	Harmony	Commercial Bank	Seaboard National Bank.
		S. E. Nieca, *P.*	J. W. Borough, *Cas.*
"	Pottstown	Citizens National Bank	....
	$100,000	Daniel R. Cofrode, *P.*	C. Frank Duden, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
TENN.	Jonesboro	First National Bank	Chase National Bank.
	$50,000	Edwd. H. West, *P.*	Tate L. Earnest, *Cas.*
		Newton Hacker, *V. P.*	A. N. Hacker, *Ass't Cas.*
"	Memphis	Central Loan & Trust Co.	....
	$89,000	Walter Goodman, *P.*	Thos. M. Galbreath, *Cas.*
		G. W. McGinnis, *V. P.*	
TEXAS.	Amarillo	Amarillo National Bank	United States National Bank.
	$50,000	James C. Paul, *P.*	Alpheus H. Wood, *Cas.*
		W. C. Mathews, *V. P.*	
"	Daingerfield	Nat. Bank of Daingerfield.	....
	$50,000	J. Y. Bradfield, *P.*	J. C. Jenkins, *Cas.*
"	Dallas	Mercantile National Bank.	Hanover National Bank.
	$150,000	J. Huey, *P.*	Paul Furst, *Cas.*
		A. V. Lane, *V. P.*	
"	Denton	Denton County Nat. Bank.	....
	$50,000	J. P. Blount, *P.*	I. B. Walker, *Cas.*
"	Marlin	First National Bank	Hanover National Bank.
	$100,000	A. E. Watson, *P.*	B. C. Clark, *Cas.*
		J. F. Davis, *V. P.*	
"	San Antonio	Smith, Devine & Co.	Eugene Kelly & Co.
WASH.	Pullman	First National Bank	Chase National Bank.
	$100,000	H. J. Webb, *P.*	H. G. De Pledge, *Cas.*
		B. Lombard, Jr., *V. P.*	
WIS.	Wausau	Nat. German-American B'k.	National Bank Republic.
	$100,000	Benj. Heinemann, *P.*	E. A. Gooding, *Cas.*
		B. E. Jones, *V. P.*	

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from March No., page 746.*)

	Bank and Place.	*Elected.*	*In place of.*
ALA.	First National Bank, Birmingham.	Tom O. Smith, *Cas.*	E. W. Linn.*
		T. H. Bradley, *Ass't Cas.*	Tom O. Smith.
"	Alabama National Bank, Mobile.	D. R. Burgess, *V. P.*	F. H. McLarney.
		H. W. Plummer, *Cas.*	W. B. Pope.
"	Bank of Roanoke, Roanoke	F. A. Vaughan, *P.*	T. P. Wimberly.
ARK.	Hot Springs Valley Bank, Hot Springs.	J. P. Durham, *Cas*	B. D. Rapley.
CAL.	San Gabriel Valley Bank, Pasadena.	Frank C. Bolt, *P.*	H. W. Magee.
		S. Washburn, *V. P.*	F. C. Bolt.
"	San Bernardino Nat. Bank, San Bernardino.	J. W. Roberts, *P.*	John W. Davis.
"	First Nat. Bank, Santa Ana	J. A. Turner, *Cas*	M. M. Crookshank.
COL.	Nat. State Bank, Boulder.	N. D. McKenzie, *V. P.*	Henry Neikirk.
		John F. Stewart, Jr., *Ass't.*	....
"	First Nat. Bank, Del Norte	Ralph Granger, *V. P.*	J. J. Crosswy.
"	German Nat. Bank, Denver	John J. Riethmann, Jr., *V. P.*	D. C. Dodge.
"	First Nat. Bank, Fort Collins	L. C. Moore, *Ass't Cas*	....
"	First National Bank, Salida.	J. B. Bowne, *P.*	E. B. Jones.
		E. R. Naylor, *V. P.*	J. B. Bowne.
CONN.	Pequonnock National Bank, Bridgeport.	I. De Ver Warner, *V. P.*	....
"	First Nat. Bank, Portland	F. Gildersleeve, *V. P.*	E. Brainerd.*
"	Thompson Nat. B'k, Thompson.	Jas. N. Kingsbury, *P.*	J. Olney.
DAK. N.	Citizens Nat. Bank, Fargo	Richard A. Shattuck, *Ass't.*	....
"	National Bank of Wahpeton, Wahpeton.	Jos. Patterson, *V. P.*	A. L. Hanson.
DAK. S.	First Nat. Bank, Canton	J. F. Ferguson, *V. P.*	T. J. Fosdick.
"	Nat. B'k of Dakota, Huron	Jas. F. Fay, *V. P.*	D. Stick.
"	Pierre National Bank, Pierre	J. J. Devereux, *Cas*	E. H. Andrews.
"	First National Bank, Redfield	F. W. Humphrey, *Ass't Cas.*	....
"	Sioux Falls National Bank, Sioux Falls.	D. L. McKinney, *V. P.*	John W. Tuthill.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
GA.	Gate City Nat. Bank, Atlanta	Lewis Redwine, *Ass't Cas.*	....
″	Merchants National Bank, Savannah.	Samuel P. Hamilton, *P.*	....
		S. Guckenheimer, *V. P.*	S'm'l P. Hamilton.
IDAHO	First Nat. Bank, Boise City	H. N. Coffiin, *Ass't Cas.*	....
ILL.	Aurora Nat. Bank, Aurora	C. E. Powell, *Ass't Cas.*	....
″	First State Bank, Beardstown	M. H. Wallace, *Cas.*	T. L. Mathews.
″	First Nat. Bank, Englewood	F. B. Warren, *Cas.*	W. H. Sharp.
″	First National Bank, Mason City.	J. H. Mathers, *P.*	A. A. Blunt.
		A. A. Blunt, *V. P.*	J. H. Mathers.
″	Second National Bank, Monmouth.	Fred E. Harding, *P.*	C. Hardin.*
		F. W. Harding, *Cas.*	Fred E. Harding.
		H. B. Webster, *Ass't Cas.*	F. W. Harding.
″	First National Bank, Paxton.	J. B. Shaw, *P.*	S. P. Bushnell.
		A. S. Bushnell, *Cas.*	J. B. Shaw.
		G. L. Shaw, *Ass't Cas.*	A S. Bushnell.
″	Peru National Bank, Peru	Henry Linnig, *V. P.*	W. C. Reeve.
″	First Nat. Bank, Pittsfield	D. D. Hicks, *2d V. P.*	....
		R. T. Hicks, *Cas.*	D. D. Hicks.
		L. A. Chamberlain, *Ass't.*	R. T. Hicks.
″	Union Nat. Bank, Streator	Edward A. Richards, *Cas.*	Geo. L. Richards.*
″	Sycamore Nat. B'k, Sycamore	P. M. Alden, *V. P.*	Geo. W. Dunton.
		C. E. Walker, *Cas.*	P. M. Alden.
		G. E. Dutton, *Ass't Cas.*	C. E. Walker.
″	First Nat. Bank, Urbana	Minnie Weber, *Ass't Cas.*	....
IND.	First Nat. Bank, Evansville	F. I. Reitz, *V. P.*	....
″	Citizens National Bank, Jefferson.	Jno. Adams, *P.*	G. W. Lewman.
		F. W. Poindexter, *Cas.*	Jno. Adams.
″	Howard Nat. Bank, Kokomo	Samuel Davis, *V. P.*	Richard Nixon.*
″	Union Co. Nat. Bank, Liberty	J. C. Ketchel, *V. P.*	H. Shriner.*
″	State National Bank, Logansport.	Jno. F. Johnson, *P.*	W. H. Johnson.*
		H. J. Heitbrink, *Cas*	Jno. F. Johnson.
IOWA	Charles City National Bank, Charles City.	Albert Despres, *Ass't Cas.*	....
″	Valley Nat. B'k, Des Moines.	Wm. D. Lucas, *V. P.*	W. W. Lyons.
		M. M. Crookshank, *Cas.*	Wm. D. Lucas.
		W. E. Barrett, *Ass't Cas.*	....
″	First Nat. B'k, Fort Dodge	Harry Jones, *2d Ass't Cas.*	....
″	Marion Co. Nat. B'k, Knoxville.	Lou Donley, *Ass't Cas.*	....
″	Le Mars Nat. Bank, Le Mars	A. R. T. Dent, *V. P.*	Jas. Tierney.*
″	First Nat. Bank, Marengo	Jas. H. Feenan, *V. P.*	S. Huston.
″	National State Bank, Mount Pleasant.	Robt. S. Gillis, *P.*	J. H. Whiting.
		Jas. T. Whiting, *Cas.*	R. S. Gillis.
		Jas. F. Gillis, *Ass't Cas.*	Jas. T. Whiting.
″	First Nat. Bank, Ottumwa	M. B. Hutchison, *Cas.*	....
″	Iowa Nat. Bank, Ottumwa	Calvin Manning, *V. P.*	Wm. Daggett.
KAN.	Exchange National Bank, Atchison.	S. C. King, *V. P.*	....
		Frank Brown, *Ass't Cas.*	....
″	First Nat. Bank, Cherry Vale	C. A. Paxon, *Ass't Cas.*	....
″	Farmers & Merchants Bank, Hill City.	H. W. Robinson, *Cas.*	F. R. Fuller.
″	Cottonwood Valley Nat. B'k, Marion.	J. B. Bryant, *Ass't Cas.*	R. G. Hannaford.
″	Citizens Bank, Newton	Clarence Spooner, *P.*	G. H. Haines.
		J. M. Lambert, *Cas.*	W. H. Ingerman.
		S. C. Haines, *Ass't Cas.*	....
″	First Nat. Bank, Ottawa	E. A. Skinner, *V. P.*	....
″	First National Bank, Pratt.	C. A. Hopper, *P.*	C. S. Calhoun.
		B. W. Hall, *V. P.*	C. A. Hopper.
″	Kansas Nat. Bank, Wichita	W. S. Corbett, *P.*	H. W. Lewis.
KY.	Clay City Nat. B'k, Clay City	Floyd Day, *P.*	Chas. Scott.
″	First National Bank, Covington.	Frank P. Helm, *P.*	Amos Shinkle.
		Amos Shinkle, *V. P.*	Frank P. Helm.
″	Covington City Nat. Bank, Covington.	Francis Ford, *V. P.*	....
″	Marion National Bank, Lebanon.	Sam Spalding, *P.*	R. H. Rowntree.
		W. W. Rubel, *Ass't Cas.*	....
″	Nat. Exchange Bank, Lexington.	W. H. May, *V. P.*	....
		J. E. McFarland, *Ass't Cas.*	Frank Gilmore.

* Deceased.

Bank and Place.	*Elected.*	*In place of*
KY. . ..Second Nat. B'k, Lexington...	J. P. Shaw, *Cas*..........	W. D. Nicholas.*
" ..First Nat. Bank, Mayfield......	D. B. Stanfield, *P*.........	Henry S. Hale.
" ..First Nat Bank, Newport......	G. W. Robson, Jr., *V. P*..	Robt. Waring.
" ..Farmers Nat. Bank, Richmond.	Robert R. Burnam, *Ass't*.	....
LA......Monroe Nat. Bank, Monroe. ..	T. E. Flournoy, *Cas*......	J. A. Conway.
" ..Ouachita Nat. Bank, Monroe ..	J. J. Jordan, *Cas*........	T. E. Flournoy.
" ..Germania Savings Bank, New Orleans.	J. Hassinger, *P*...........	H. Zuberbier.*
	J. E. Merilh, *V. P*........	J. Hassinger.
" ..Hibernia Nat. B'k, New Orleans.	A. Stewart, *V. P*.	John G. Devereux.
" ..Union National Bank, New Orleans.	S. Chalaron, *V. P*........	....
	A. Labarthe, *Cas*..........	S. Chalaron.
ME.....First National Bank, Fairfield..	Calvin G. Totman, *V. P*...	Daniel C. Hall.
" ..Peoples Nat. Bank, Waterville..	J. W. Philbrick, *V. P*.....	L. E. Thayer.
MD.....Nat. Howard Bank, Baltimore.	Wm. H. Roberts, Jr., *Cas*.	Thos. P. Amoss.
" ..National Union Bank, Baltimore.	J. S. Westerman, *Cas*... .	Wm. H. Wells.*
	H. Murray Tinges, *Ass't*..	....
" ..Easton Nat. Bank, Easton.....	E. L. F. Hardcastle, *V. P*.	M. M. Dawson.*
" ..Farmers & Mech's Nat. B'k, Frederick.	John U. Markell, *Ass't Cas*.	....
" ..First Nat. Bank, Frederick.....	Ira Tyler, *P*..............	Thos. M. Markell.
MASS...Nat. Union Bank, Boston......	Geo. H. Perkins, *Cas*......	Chas. W. Gulliver*
" ..City Nat. Bank, Gloucester....	Sylvester Cunningham, *P*.	....
" ..First Nat. Bank, Hancock......	Peter Ruppe, *V. P*........	Jas. N. Wright.
" ..Haverhill National Bank, Haverhill.	John E. Gale, *P*..........	A. W. Chase.*
	Amos W. Downing, *V. P*.	John E. Gale.
" ..First Nat. Bank, Lowell... ...	J. F. Sawyer, *Cas*.........	Walter M. Sawyer.
" ..Nat. Exchange Bank, Salem....	C. Odell, *P*...............	B. Shreeve.
" ..Agawam Nat. B'k, Springfield..	W. M. Willard, *Cas*......	F. S. Bailey.*
" ..John Hancock Nat. Bank, Springfield.	Gideon Wells, *V. P*.......	Edwin D. Metcalf.
" ..Hampden Nat. B'k, Westfield..	Fred H. Sackett, *Ass't Cas*.	....
MICH...First National Bank, Ann Arbor.	Philip Bach, *P*..........	C. H. Richmond.
	John M. Wheeler, *V. P*....	Philip Bach.
" ..First Nat. Bank, Charlotte	Chas. J. Hall, *Ass't Cas*.	....
" ..Coldwater Nat. B'k, Coldwater.	L. M. Wing, *V. P*.........	Sam'l P. Williams.
" ..Genesee County Nat. B'k, Flint.	Arthur G. Bishop, *Cas* ...	Ira H. Wilder.
" ..Fourth National Bank, Grand Rapids.	D. A. Blodgett, *P*.........	A. J. Bowne.
	S. F. Aspinwall, *V. P*......	D. A. Blodgett.
	Wm. H. Anderson, *Cas*...	H. W. Nash.
	Jno. A. Seymour, *Ass't Cas*.	....
" ..City Nat. Bank, Greenville.....	A. C. Phelps, *Cas*........	F. B. Warren.
" ..First National Bank, Ludington.	Thomas R. Lyon, *P*......	Geo. W. Roby.
	Amos Breinig, *V. P*.......	Thomas R. Lyon.
" ..First Nat. Bank, Marshall......	W. T. Phelps, *Ass't Cas*...	....
" ..First Nat. Bank, Niles.........	Geo. W. Jackson, *Ass't Cas*.	....
" ..First Nat. Bank, Paw Paw......	N. M. Pugsley, *V. P*......	E. R. Annable.
MINN...Marine Nat. Bank, Duluth.....	Thos. Cullyford, *P*.......	J. R. Myers.
" ..Citizens Nat. Bank, Faribault..	Lynne Peavey, *Ass't Cas*..	....
" ..First National Bank, Glencoe...	Chas. H. Sievers, *V. P*....	J. H. Dorsey.
" ..Farmers Nat. Bank, Owatonna.	E. A. Tyler, *Ass't Cas*.....	....
" ..First Nat. Bank, Winona	J. S. Pomeroy, *Ass't Cas*..	Wm. D. Chandler.
MISS....Merchants Nat. B'k, Vicksburg.	J. A. Conway, *Ass't Cas*...	W. H. Fitz Hugh.
" ..First Nat. Bank, West Point...	E. M. Howorth, Jr., *Ass't*.	J. W. Heard.
MO.....Bank of Joplin, Joplin.........	Wm. M. Carter, *Cas*......	Geo. A. Case.
" ..Citizens National Bank, Kansas City.	W. H. Seeger, *P*.........	Phil E. Chappell.
	S. W. Campbell, *Cas*.....	W. H. Seeger.
" ..First Nat. Bk, Macon City.. ..	Harry M. Robey, *Ass't Cas*.	C. A. Shortridge.
" ..Maryville Nat. B'k, Maryville...	John Lieber, *P*...........	Geo. S. Baker.
" ..Citizens Nat. Bank, Sedalia....	W. T. Hutchinson, *P*.....	Wm. H. Powell.
" ..American Nat. B'k, Springfield.	M. Holbrook, *P*..........	J. R. Owen.
" ..Nat. B'k Commerce, St. Louis..	B. F. Edwards, *Ass't Cas*..	J. E. Thomson.
" ..Grundy Co. Nat. B'k, Trenton..	W. E. Austin, *Cas*...	H. E. Hoffman.
MONT ..First Nat. Bank, Miles City....	C. L. Carter, *Ass't Cas*....	....
" ..First National Bank, Neihart...	C. U. Stuart, *Ass't Cas*...	....
NEB... Bank of Brock, Brock.	Peter Berlet, *P*...........	Emile Berlet.
	E. C. Yout, *Cas*..........	E. F. Good.
" ..First National Bank, Chadron..	Chas. C. Jameson, *Cas*....	A. L. Miller.
" ..First Nat. Bank, David City....	Emil Folda, *Ass't Cas*.....	....

* Deceased.

Bank and Place.	*Elected.*	*In place of.*
NEB....First National Bank, Fremont.	E. H. Barnard, *P.*........	Edw'd Blewett.
	S. B. Colson, *V. P.*........	E. H. Barnard.
" ..Dawson Co. Nat. B'k, Lexington.	Chr. W. Brix, *V. P.*.......	L. J. Dunn.
" ..Otoe Co. Nat. B'k, Nebraska City.	M. L. Hayward, *P.*........	W. E. Hill.
	Frank W. Lewis, *V. P.*....	....
	Geo. A. Tenney, *Cas.*.....	J. Metcalf.
" ..First Nat. Bank, Nelson.......	F. E. Bottenfield, *Ass't Cas.*	Geo. Lyon, Jr.
" ..First National Bank, Seward.	Edmund McIntyre, *V. P.*..	Isaac Holt.
	Silas Figard, *Ass't Cas.*...	H. W. Barkley.
" ..St. Paul Nat. Bank, St. Paul...	M. F. Paul, *V. P.*..........	A. U. Dann.
" ..First Nat. Bank, Sutton........	G. W. Clawson, *P.*........	H. Grosshans.
" ..Bank of Talmage, Talmage....	J. H. Damme, *P.*..........	Peter Berlet.
" ..First National Bank, York.	F. B. Daggy, *V. P.*.......	F. Baldwin.
	W. E. Bell, *Ass't Cas.*....	....
" ..Nebraska Nat. Bank, York.....	A. C. Ward, *Cas.*..........	N. M. Ferguson.
N. H...Dover National Bank, Dover.	Eli V. Brewster, *P.*........	....
	Joshua G. Hall, *V. P.*.....	Eli V. Brewster.
" ..Franklin National Bank, Franklin Falls.	Isaac N. Blodgett, *V. P.*...	Dan'l Barnard.*
" ..Souhegan National Bank, Milford.	John McLane, *P.*..........	....
	Henry H. Barber, *V. P.*....	John McLane.
" ..Second Nat. Bank, Nashua...	F. W. Estabrook, *P.*.......	J. W. White.
	S. D. Chandler, *V. P.*......	F. W. Estabrook.
	J. L. Clough, *Ass't Cas.*....	....
" ..New Market National Bank, New Market.	B. F. Haley, *V. P.*........	....
	A. C. Haines, *Act'g Cas.*...	S. A. Haley.*
N. J....First National Bank, Hoboken.	S. Bayard Dod, *P.*.........	....
	T. Butts, *V. P.*............	S. Bayard Dod.
" . Amwell Nat. B'k, Lambertville.	F. W. Van Hart, *Cas.*.....	W. V. Cooley.
" . Passaic National Bank, Passaic.	John A. Willett, *P.*........	Edo Kipp.
	Moses E. Worthen, *V. P.*..	J. A. Willett.
N. MEX. San Miguel National Bank, Las Vegas.	F. B. January, *Ass't Cas.*..	....
" ..Second Nat. Bank, Santa Fe....	Eugene A. Fiske, *V. P.*....	Geo. C. Preston.
N. Y...Farmers Nat. B'k, Amsterdam..	Jas. Voorhees, *V. P.*.......	John McFarlan.*
" ..National Bank of Auburn, Auburn.	Jas. Seymour, Jr., *V. P.*....	....
	G. B. Longstreet, *Cas.*.....	Jas. Seymour, Jr.
" ..Peoples Bank, Buffalo.........	Chas. T. Lathrop, *Ass't Cas.*	....
" ..Nat. Spraker B'k, Canajoharie..	Benj. F. Spraker, *V. P.*....	Joseph Spraker.*
" ..Dundee State Bank, Dundee....	H. J. Young, *Cas.*.........	L. J. Wilkin.
" ..Lake Shore Nat. B'k, Dunkirk..	A. J. Avery, *V. P.*.........	....
" ..Merchants Nat. Bank, Dunkirk.	H. H. Droege, *Ass't Cas.*..	H. C. Champlin.
" ..First National Bank, Fulton....	Francis E. Bacon, *V. P.*..	Abram Emerick.
" ..Peoples Nat. Bank, Greenport..	Geo. F. Tuthill, *P.*........	S. W. Phillips.
" ..Nat. Hamilton B'k, Hamilton..	Adon N. Smith, *V. P.*.....	J. D. F. Smith.*
" ..Jamestown Nat. B'k, Jamest'wn.	S. B. Broadhead, *V. P.*....	C. H. Gifford.
" ..Nat. Union Bank, Kinderhook.	Gerrit S. Collier, *P.*.......	James Bain.*
" ..First Nat. Bank, Middletown.	C. Macardell, *P.*............	Wm. B. Royce.
	H. H. Crane, *V. P.*........	C. Macardell.
	Chas. H. Hanford, *As. Cas.*	....
" ..City Nat. Bank, Poughkeepsie..	O. H. Booth, *V. P.*........	H. A. Nelson.*
" ..Farmers & Mfrs. Nat. Bank, Poughkeepsie.	G. H. Sherman, *Cas.*......	F. W. Davis.*
" ..Merchants National Bank, Poughkeepsie.	W. C. Arnold, *P.*..........	L. G. Dodge.*
	A. Edwd. Tower, *V. P.*....	W. C. Arnold.
" ..Poughkeepsie National Bank, Poughkeepsie.	Geo. Bartholomew, *V. P.*..	E. N. Howell.
	J. V. Deyo, *Cas.*..........	Geo. Cornwell.
" ..Farmers Nat. Bank, Rome.....	E. Comstock, *V. P.*........	R. M. Bingham.
" ..Citizens National Bank, Saratoga Springs.	John H. De Ridder, *Cas.*..	Chas. D. Thurber.
" ..Nat. Bank of Schuylerville.....	Chas. D. Thurber, *Cas.*....	J. H. DeRidder.
" ..Sidney Nat. Bank, Sidney......	Jas. L. Clark, *Cas.*........	H. W. Herrick.
" ..Jefferson County Nat. Bank, Watertown.	J. C. Knowlton, *V. P.*.....	A. M. Farwell.
	Geo. V. S. Camp, *Ass't Cas.*	....
" ..Nat. Union Bank, Watertown..	J. P. Powers, *V. P.*........	A. H. Sawyer.
" ..Nat. B'k of Westfield, Westfield.	J. A. Skinner, *V. P.*.......	....
	F. W. Crandall, *Cas.*......	J. A. Skinner.
	S. S. Flagler, *Ass't Cas.*...	F. W. Crandall.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
N. C.	Piedmont Bank, Greensboro.	J. M. Winstead, *P.*	A. M. Scales.*
		R. G. Vaughn, *Cas*	J. M. Winstead.
OHIO	Second Nat. Bank, Akron	Geo. D. Bates, *Ass't Cas*	....
"	Farmers National Bank, Ashtabula.	C. C. Booth, *Cas*	Amos F. Hubbard.
		Edwin Goddard, *Ass't Cas.*	C. C. Booth.
"	Farmers National Bank, Bryan.	E. A. Farnham, *V. P.*	Wm. H. Keck.
		E. Y. Morrow, *Ass't Cas*	F. L. Carter.
"	Second Nat. Bank, Bucyrus	F. S. Jones, *Ass't Cas*	....
"	Hayden Nat. Bank, Columbus	Cotton H. Allen, *V. P.*	....
"	Merchants National Bank, Dayton.	A. Gebhard, *P.*	D. E. Mead.
		E. A. Daniels, *V. P.*	A. Gebhard.
"	Delaware County Nat. Bank, Delaware.	V. T. Hills, *V. P.*	C. Hills.
"	First Nat. Bank, Fremont	John M. Sherman, *As. Cas.*	....
"	Citizens Nat. B'k, Hillsborough.	J. H. Reece, *Ass't Cas*	....
"	Malta Nat. Bank, Malta	Peter Miller, *V. P.*	Joshua Davis.*
"	First Nat. Bank, Massillon	Chas. Steese, *P.*	Salmon Hunt.*
"	First Nat. Bank, Plymouth	Philip Upp, *V. P.*	S. M. Robinson.
"	Northern Nat. Bank, Toledo	I. E. Knisely, *P.*	W. Cummings.
"	Third National Bank, Urbana.	Frank Chance, *P.*	John H. Young.
		W. R. Warnock, *V. P.*	I. C. Coulson.
"	Champaign Nat. B'k, Urbana	Geo. A Weaver, *V. P.*	Lemuel Weaver.
"	Second Nat. Bank, Warren	C. F. Clapp, *V. P.*	A. A. Drake.
"	First National Bank, Wellington.	R. A. Horr, *V. P.*	....
		W. Cushion, Jr., *Cas*	R. A. Horr.
"	First Nat. Bank, Wellsville	J. W. Hammond, *V. P.*	....
"	Wayne Co. Nat. B'k, Wooster	W. D. Tyler, *2d Ass't Cas.*	....
ORE.	Linn County National Bank, Albany.	W. H. Goltra, *V. P.*	J. M. Ralston.
		O. A. Archibald, *Cas*	G.E.Chamberlain.
"	First Nat. Bank, Island City.	J. M. Church, *V. P.*	Chas. Goodnough.
"	Farmers & Traders Nat. B'k, La Grande.	J. H. Rinehart, *P.*	W. J. Snodgrass.
"	La Grande National Bank, La Grande.	H. Owens, *Ass't Cas*	....
"	First Nat. Bank, McMinnville	John Evenden, *Ass't Cas*	E. N. Ford.
"	National Bank of Pendleton, Pendleton.	G. A. Hartman, *V. P.*	G. W. E. Griffith.
		C.W.Brownfield, *Ass't Cas.*	G. A. Hartman.
"	First Nat. Bank, Salem	W. H. Byrd, *V. P.*	J. Reynolds.
PA.	First Nat. Bank, Clarion	C. Leeper, *V. P.*	Ed. M. Wilson.
"	Greenville Nat. B'k, Greenville.	G. B. Chase, *Ass't Cas*	....
"	Harrisburg National Bank, Harrisburg.	Edward Bailey, *P.*	Geo. W. Reily.*
		William L. Gorgas, *Cas*	J. Uhler.
"	First Nat. B'k, Honey Brook	John S. Galt, *P.*	Sam'l Lemmon.*
"	First National Bank, Irwin	John F. Wolf, *V. P.*	....
"	Nat. Bank of Kennett Square	E. R. Green, *V. P.*	Thomas Marshall.
"	Nat. Bank of Lawrence Co., New Castle.	D. B. Kuntz, *V. P.*	R.W.Cunningham.*
"	First Nat. Bank, Pittsburgh	Chas. E. Speer, *V. P.*	John H. McKelvy.
"	Pennsylvania National Bank, Pottsville.	John C. Lee, *V. P.*	W. E. Boyer.
"	Somerset Co. Nat. Bank, Somerset.	W. H. Koontz, *V. P.*	Wm. B. Frease.*
"	Citizens Nat. Bank, Warren	F. E. Hertzel, *Ass't Cas*	....
"	Wyoming National Bank, Wilkes Barre.	Sheldon Reynolds, *P.*	C. Dorrance.*
		Chas. A. Miner, *V. P.*	S. Reynolds.
"	Yardley Nat. Bank, Yardley	Jesse E. Harper, *Cas*	Jacob H. Taylor.
R. I.	Nat. Landholders B'k, Kingston.	J. G. Peckham, *P.*	N. C. Peckham.*
"	Newport Nat. Bank, Newport	Wm. Gilpin, *P.*	Wm. Brownell.*
"	Blackstone Canal Nat. Bank, Providence.	Herbert F. Hinckley, *V. P.*	....
"	Nat. Eagle Bank, Providence	Robert E. Chambers, *P.*	....
"	Nat. Warren Bank, Warren	H. F. Drown, *V. P.*	Luther Cole.
"	Nat. Niantic B'k, Westerly	William Segar, *V. P.*	....
S. C.	Nat. Bank of Spartansburg	John B. Cleveland, *V. P.*	....
TENN	First Nat. Bank, Chattanooga	Jno. W. Faxon, *Ass't Cas.*	....
"	Bank of Commerce, Nashville.	J. H. Yarbrough, *P.*	J. N. Brooks.
		J. N. Brooks, *Cas*	W. A. Barry.
TEXAS	First Nat. Bank, Beaumont	Frank Alvey, *Ass't Cas*	H. Harring.

* Deceased.

Bank and Place.	*Elected.*	*In place of.*
TEXAS..First National Bank, Beeville.	J. C. Wood, *2d V. P.*......	JohnH.O'Connor.
	W. C. Bruff, *Ass't Cas*....	....
" ..First Nat. Bank, Brownwood.	Brooke Smith, *V. P.*.......	J. C. Weakley.
	J. A. Austin, *Cas*..........	B. Smith.
	F. Brandenburg, *Ass't Cas*	J. A. Moss.
" ..First National Bank, Dublin.	A. A. Chapman, *P.*........	H. A. Smith.
	C. L. Pendleton, *Cas*......	A. A. Chapman.
" ..First Nat. Bank, Haskell....	B. H. Dodson, *V. P.*.......	R. C. Lomax.
	J. V. W. Holmes, *Cas*....	H. E. Smith.
	J. J. Lomax, *Ass't Cas*....	....
" ..First Nat. Bank, Mason........	P. C. Baird, *P.*............	J. A. Hoerster.
" ..City National Bank, Quanah.	G. S. White, *P.*...........	J. W. Golston.
	J. W. Golston, *V. P.*.....	G. S. White.
" ..First National Bank, Rockwall.	R. E. Chandler, *P*	J. R. Williams.
	T. W. Bailey, *V. P.*......	R. E. Chandler.
" .. San Antonio Nat. Bank, San Antonio.	John. A. Fraser, *V. P.*....	J.T.Brackenridge.
	Ferd. Herff, Jr., *Cas*......	Jno. Withers.*
" ..First National Bank, Waco.	E. Rotan, *P.*..............	J. W. Mann.
	Tom Padgitt, *V. P.*........	E. Rotan.
	A. L. Brown, *Ass't Cas*...	F. W. Fort.
" ..Waco Savings Bank, Waco....	James B. Baker, *P.*........	John L. Dyer.
" . First Nat. Bank, Weatherford..	W. R. Turner, *V. P.*.....	Henry Warren.
" ..First National Bank, Whitewright.	R. M. Lively, *V. P.*........	....
	J. F Lilley, *Ass't Cas*....	....
VT.....Nat. Bank of Lyndon, Lyndon.	L. K. Quimby, *V. P.*.......	C. M. Chase.
" ..Clement Nat. Bank, Rutland...	John A. Mead, *V. P.*......	W. C. Clement.
VA......First Nat. Bank, Buchanan....	J. Z. Schultze, *V. P.*......	Jos. D. Weeks.
" ..Lynchburg National Bank, Lynchburg.	W. A. Carpenter, *P.*......	Jas. Clark.
	Jas. Clark, *V. P.*..........	Clinton De Witt.
W. VA..Second Nat. B'k, Morgantown..	W. Moorhead, *V. P.*.....	W. B. Long.
WASH..First Nat. Bank, Everett.......	A. J. Westland, *Cas*......	John F. Culver.
" ..Bellingham Bay Nat. Bank, New Whatcom.	Chas. D. Francis, *Ass't Cas.*	T. F. Robertson.
" ..First Nat. B'k, Port Townsend.	D. M. Slocum, *Cas*........	....
" ..First Nat. Bank, Puyallup.....	P. H. Wilkinson, *V. P.*....	C. W. Stewart.
" ..Old Nat. Bank, Spokane.......	G. W. James, *Cas*........	O. F. Hall.
WIS....First Nat. Bank, Appleton.....	F. C. Shattuck, *V. P.*......	Chas. B. Clark.
" ..Second Nat. Bank, Beloit......	B. A. Eldred, *Ass't Cas*....	....
" ..First National Bank, Berlin....	Geo. Fitch, *V. P.*..........	....
" ..Lumbermans National Bank, Chippewa Falls.	P. T. Favell, *Ass't Cas*....	....
" ..La Crosse National Bank, La Crosse.	S. S. Burton, *V. P.*........	G. R. Montague.
	Geo. W. Burton, *Cas*......	S. S. Burton.
	F. H. Hankerson, *As. Cas.*	Geo. W. Burton.
" .German Nat. Bank, Oshkosh...	R. B. Evans, *Cas*........	....
" ..Citizens National Bank, White Water.	E. M. Johnson, *P.*.........	J. S. Partridge.
	G. Anderson, *V. P.*........	L. G. Graham.
	E. F. Thayer, *Cas*........	E. M. Johnson.
WYO. ..Wyoming Nat. B'k, Laramie...	A. C. Jones, *Cas*..........	OttoGramm, *Actg.*
ONT....Toronto..Ontario Bank........	A. M. Smith, *V. P.*........	R. K. Burgess.

* Deceased.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Monthly List, continued from March No., page 748.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4699	First National Bank........... Pullman, Wash.	H. J. Webb,	H. G. De Pledge,	$100,000
4700	First National Bank........... Estherville, Ia.	F. E. Allen,	J. P. Kirby,	50,000
4701	National Bank of Daingerfield.. Daingerfield, Tex.	J. Y. Bradfield,	J. C. Jenkins,	50,000

No.	Name and Place.	President.	Cashier.	Capital.
4702	Albert Lea National Bank...... Albert Lea, Minn.	Horatio D. Brown,	C. B. Kellar,	$50,000
4703	Park National Bank............ Holyoke, Mass.	Edwin L. Munn,	Geo. W. Parker,	100,000
4704	First National Bank............. Vinita, Ind. Ter.	S. S. Cobb,	H. C. Cook,	50,000
4705	Capitol National Bank......... Guthrie, Okl. Ter.	Geo. A. Metcalf,	M. L. Turner,	50,000
4706	First National Bank........... Marlin, Tex.	A. E. Watson,	B. C. Clark,	100,000
4707	Mercantile National Bank...... Dallas, Tex.	J. Huey,	Paul Furst,	150,000
4708	Denton County National Bank. Denton, Tex.	J. P. Blount,	I. B. Walker,	50,000
4709	First National Bank........... Bushnell, Ill.	James Cole,	Jas. M. Gale,	50,000
4710	Amarillo National Bank.. ..... Amarillo, Tex.	James. C. Paul,	Alpheus H. Wood,	50,000
4711	Union National Bank......... Schenectady, N. Y.	Willis T. Hanson,	Jewett E. Van Eps,	100,000
4712	New London National Bank . New London, O.	I. S. Townsend,	H. W. Townsend,	50,000
4713	Moorhead National Bank...... Moorhead, Minn.	Andrew Holes,	F. W. Porritt,	60,000
4714	Citizens National Bank........ Pottstown, Pa.	Daniel R. Cofrode,	C. Frank Duden,	100,000

PROJECTED BANKING INSTITUTIONS.

ARIZ. ..Mesa ....Dr. Wilber will establish a bank at this place.

ARK....Little Rock.....Citizens Bank; capital, $100,000. E. G. Thompson, of Augusta, President; W. J. Thompson, Vice-President; J. E. England, Cashier.

CAL....Bakersfield......Mr. Frank Stewart, of Stockton, with others, will organize a loan and savings bank and a trust and loan company here.

COL....Aspen..........J. J. Hagerman, of Colorado Springs, will open a banking house here.

" ..Denver.........Western Bank to be opened.

DAK. S.Kimball........Kimball State Bank; capital, $5,000. Promoters: Ed. Brume, John Ponker, W. H. Wynant, S. J. Snyder, all of Kimball, S. D.

DEL....Hockessin......New bank to be established.

GA.....Flowery Branch.Stedman & Bro., bankers.

" ..La Grange......New savings bank.

" ..Savannah ......A bank to be started. Apply J. W. Searles, 26 Harris Street.

ILL.....Chicago........Security Safe Deposit Co.

" ..Bloomington....A savings bank will be established in connection with the Corn Belt Bank.

" ..Evanston.......State Bank of Evanston; capital, $100,000. Organizers: Charles F. Grey, Robert D. Shephard, John R. Lindgren.

" ..Lincoln........New bank to be opened. Apply W. H. Traner, John Dehner, Malcomb Hubley.

" ..Lockport.......State Bank of Lockport; capital, $75,000. Incorporators: William S. Myers, Allen G. Hawley, Orrin W. Moore, F. P. Stowe, George M. Lynd.

" ..Manito.........Farmers State Bank; capital, $25,000. Organizers: Joseph Daily, P. F. Rankin, L. F. Harbaugh, D. P. Black.

ILL.... Pullman........Bank of West Pullman; capital, $25,000. Organizers: T. H. Stevens, E. S. Frasher, H. S. Russell.

" ..Washington....The Savings Bank of Washington, started by A. G. Danforth & Co.

IOWA. Dows..........Farmers Exchange Bank recently organized.

" ..Dubuque.......Bankers National Bank.

" ..Grettenger......Grettenger Savings Bank.

" ..Mallard.........Mallard Savings Bank.

" ..Preston.........New National bank; capital, $50,000. G. D. Foster, President; S. D. Wells, Vice-President; Henry Bush, Eb. Osborne, E. Foster, H. Kruse, Samuel Albright, L. Schrader, Wm. Crawford, G. D. Foster, S. B. Wells, Directors.

" . Waterloo.......Waterloo State Bank; capital, $50,000. Judge C. F. Couch, President; J. D. Easton, Cashier.

KAN.... Kansas City....American Trust Co. incorporated.

ME..... Augusta........Cushnoc Safety Deposit and Trust Co. Hon. J. Manchester Haynes, President.

MD..... Greensborough. New bank established.

MASS... Boston.........Messrs. Pope, Merrill & Co. (Edwin H. Pope and W. Waldo Merrill) have opened a banking and brokerage house in State Street Exchange.

" ..Brockton.......Plymouth County Trust Co. Those interested are A. T. Jones, H. L. Bryant, R. O. Harris, Z. C. Keith, W. L. Douglas, W. E. Reed.

" ..Lowell.........Washington Savings Bank. Incorporators: William J. Coughlin, John J. Donovan, Stephen J. Johnson, L. W. Hall, Robert E. Crowley.

" ..Millis ....Millis Savings Bank. Henry L. Millis, President; Moses C. Adams, Vice-President.

" ..Roxbury........Roxbury Loan and Trust Co. Incorporators: Louis Prang, W. H. Carberry, George Ziegler, Otto Kramer.

" ..Salem..........Essex County Safe Deposit and Trust Co. Those interested are B. W. Russell, S. Endicott Peabody, Col. Thomas H. Johnson.

" ..Stoughton......New National bank to be started.

" ..Williamstown.. A savings bank to be started here.

MICH... Brooklyn.......New State bank to be organized.

" ..Crystal Falls ...State Bank of Crystal Falls; capital, $25,000.

" ..Grand Rapids .. New bank on West Side; capital, $100,000.

" ..Morenci....... Col. E. L. Barber and Hon. J. C. Rorick have started a new banking house.

" ..Perry ....Perry State Savings Bank has begun business.

MINN... Clara City......New bank to be opened soon. F. H. Wellcombe, McGregor Bros., Goodenow & Winter, Theo. Maybohm and Bert Winter, of Granite Falls, and T. F. Koch, of St. Paul, promoters of enterprise.

" ..Duluth.........Iron Exchange Bank; capital, $1,000,000. Apply Leonidas Merritt.

" ..Graceville......Big Stone County Bank; capital, $25,000.

" ..Moorhead......New bank. Apply F. E. Kenaston, of Breckenridge.

" ..St. Paul........Bankers Stock Company, Stock Investment Co., Equitable Land Co.; capital of each, $50,000. Incorporators: Kristian Kortgaard, Thorwald Gulbrandson, Louis Seaman.

MO..... Springfield.....Farmers and Mechanics Savings Co.; capital, $500,000. Apply C. E. Boyden, Secretary, 440 Commercial Street, Springfield, Mo.

" " .....National Loan and Investment Association.

NEB.... Gibbon.........New bank started. Dr. Hite, President.

" ..Hartington.....Security Trust Co.; capital, $50,000.

" ..Ulysses.........New bank here.

NEVADA. Austin.........New bank to be opened.
N. H...Claremont......New bank to be established.
" ..Manchester.....Manchester Trust Co.
N. J....Camden........Security Safe Deposit and Trust Co.
N. Y...Cohocton.......Cohocton Dime Savings and Loan Association. James M. Reynolds, President; Albert H. Wilcox, Vice-President; J. L. Bartholme, Treasurer; George P. Snyder, Secretary.
" ..Lancaster.......J. O. Garrettsee will establish a new bank; capital, $25,000.
" ..Middletown...Orange County Trust and Safe Deposit Co.
" . Oneida.........Utica capitalists will start a bank at Oneida.
" ..Warsaw........Geo. C. Otis and other Warsaw capitalists will start a new bank.
N. C. ..Tarboro........New bank to be started.
" ..Weldon........Mr. Hoffman, of Scotland Neck, will establish a bank at Weldon.
OHIO...Alliance........City Savings Bank Co.; capital, $100,000.
" ..Centreburg.....The banking house of D. Paul bought by a new banking firm from Mt. Gilead.
" ..Cleveland.....Western Reserve National Bank. Organizers: Samuel Mather, Col. John Hay, Col. James Pickands. Office, corner of Water and Superior Streets.
" ..Cortland......New National bank to be started; capital, $50,000.
" ..Eaton..........New bank organized. Apply J. M. Gale.
" ..Norwalk........Ohio Savings, Loan and Investment Co.; capital, $1,000,000.
" ..Perrysburg......Citizens Banking Co.; capital, $50,000.
" . Warren.........New National bank; capital, $50,000.
OKL. T. Kingfisher......Peoples Bank; capital, $40,000. Geo. Newer, President; Fred Warnicke, Vice-President; J. C. Smith, Cashier.
PA.....Bellwood.......A private bank to be established.
" ..Brookville......National Savings and Loan Association.
" ..Lancaster.......Peoples Trust, Savings and Deposit Co.; capital, $250,000.
" ..McKeesport....German National Bank. Organizers: William Hartman, George Leppig, Henry Snyder.
" ..Media..........Media Title and Trust Co.
" New Cumberland. New National bank established by Harrisburg capitalists; capital, $50,000.
" ..Reading........New National bank. Apply to Lewis Kremp.
" ..Royersford.....Industrial Savings Bank. A. Buckwalter, President; Adam Grander, Vice-President; Geo. W. Bowman, Cashier.
" ..South Chester...New bank to be started. Organizers: J. R. Nowland, C. G. Neal, E. O. Fassett, S. R. Crothers, W. S. McDowell, L. H. Zebley.
R. I....East Providence. New bank to be organized.
S. C....Westminster....Mason Banking Co.; capital, $50,000. Organizers: Robert E. Mason, William F. Parker, Walter C. Mason.
TENN...Columbia......The old Bank of Columbia to be reorganized into the Peoples Bank of Columbia.
TEXAS..Alvord..........Peoples Bank of Alvord. Apply to Mr. Elmer L. Williams, of Kansas City.
" ..Beaumont......New bank to be organized.
" ..Leonard........New bank to be organized.
" ..Pittsburg.......New National bank to be started.
" . San Antonio....San Antonio Loan and Trust Co.; capital, $1,000,000. George Brackenridge and others, Directors.
UTAH ..Farmington....Davis County Banking Co; capital, $25,000. Ezra L. Clark, President; L. S. Hillis, Vice-President; A. L. Clark, Cashier.
" ..Ogden.........Union Investment Co., composed of R. C. McKinney and W. D. Gulick, opened for business.

UTAH...Spanish Fork..New bank established here.

VA.....Norfolk........Bankers Loan and Investment Co. of New York has established a branch office at 62 Bank Street, Norfolk, with Frank Harrison, Special Agent, and Galen H. Coon, General Secretary.

" ..Richmond......Virginia Safe Deposit and Fidelity Co. Mr. J. B. Pace and others, organizers.

WASH..Colton.........New bank.

" ..Everett.... ....Everett National Bank to be opened. A State bank to be organized, called the Hewitt-Lombard.

" ..Everett ....Rucker Bank; capital, $100,000.

" ..Garfield........A new National bank here.

" ..Olympia........New savings bank organized.

" ..Pullman........New State bank; capital, $75,000.

" ..Seattle.........Investors Trust Co.; capital, $1,000,000. Incorporators: John H. Robertson, Roscoe Hilton, Daniel Jones.

" ..Wenatchee.....Columbia Valley Bank. Arthur Gunn, of Browne National Bank, Spokane, will be Cashier.

WIS....Oshkosh........South Side Bank; capital, $50,000. Organizers: Herman Eilers and Julius Martin.

" ..Watertown.....New bank; capital, $60,000.

P. Q....Montreal.......Mr. W. Garand, Cashier of La Banque Ville Marie, and Mr. J. Terroux, Teller, will form a partnership under firm name of Garand, Terroux & Co., as bankers and brokers.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during March, 1892.

ARIZ...Nogales....... Nogales National Bank, by J. M. Langsdorf, Ogden, Utah, and associates.

COL....Aspen..........Aspen National Bank, by W. W. Cooley and associates.

GA... ..Tallapoosa.....First National Bank, by C. S. Mathews and associates.

IDAHO..Wallace........First National Bank, by Charles E. Bender and associates.

ILL.....Danville........Palmer National Bank, by L. T. Palmer and associates.

" ..Duquoin.......First National Bank, by P. N. Pope and associates.

" ..Elgin..........Elgin National Bank, by L. L. Seaman, Belvidere, Ills., and associates.

" ..Evanston ......Evanston National Bank, by Henry Wells, Chicago, Ill., and associates.

" ..S'th Evanston..Peoples National Bank, by Henry Wills, Chicago, Ill., and associates.

IND.....Fort Wayne....White National Bank, by J. W. White and associates.

" ..South Bend....Citizens National Bank, by John Reynolds, Buchanan, Mich., and associates.

IOWA...Avoca..........First National Bank, by Chas. E. Palmer, Sioux City, Iowa, and associates.

" . Gladbrook......First National Bank, by Chas. A. Blossom and associates.

MASS...Melrose........Melrose National Bank, by John Larrabee and associates.

" ..Somerville......First National Bank, by Henry G. Buck and associates.

MINN...Minneapolis....Columbia National Bank, by Charles Kittleson and associates.

" ..West Duluth...Iron City National Bank, by Wallace M. Holbrook, St. Paul, Minn., and associates.

MONT..Hamilton ......First National Bank, by Frank G. Higgins, Missoula, Mont., and associates.

N. J....Westfield.......First National Bank, by John S. Irving and associates.
N. C....Wilmington....Atlantic National Bank, by O. W. Worth and associates.
OHIO...Cleveland......Western Reserve National Bank, by H. Hoyt and associates.
" ..Cortland.......First National Bank, by N. A. Cowdery and associates.
TEXAS..Mt. Pleasant....First National Bank, by C. C. Carr and associates.
" ..Rockwall.......Farmers and Merchants National Bank, by M. S. Austin and associates.
" ..San Antonio....Fifth National Bank, by George Dulling and associates.
WASH..Montesano......First National Bank, by F. L. Carr and associates.
W. VA.Buckhannon....Traders National Bank, by W. Brent Maxwell, Clarksburg, W. Va., and associates.
WIS....Sheboygan.....Sheboygan National Bank, by H. H. Beckwith, Sioux City, Iowa, and associates.
" ..Wausau........National German-American Bank, by E. A. Gooding and associates.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from March No., page 752.*)

N. Y. CITY............Hamilton Bank and Bank of Harlem will consolidate about May 1, under title of Hamilton Bank of Harlem.
" " ....Inter-State National Bank has gone into voluntary liquidation.
ALA....Birmingham....American National Bank reported in voluntary liquidation.
ARK....Stuttgart.......Arkansas County Banking Co. succeeded by Bank of Stuttgart, incorporated.
ILL.....Argenta........Brown & Gerber, now S. Gerber & Son.
" ..Atwood........Jas. Drew & Co. succeeded by Atwood Bank, same correspondents.
" ..Bushnell........J. Cole & Co. succeeded by First National Bank, same officers.
IOWA...Jewell..........Bank of W. H. Howard succeeded by Farmers and Traders Bank, private.
" ..Stratford.......Bank of Stratford succeeded by State Bank.
KAN....Latham........Bank of Latham closed.
MICH...Clio............May Bros., now Chas. H. May & Co.
" ..Lansing........Lansing National Bank expired by limitation, succeeded by Lansing State Savings Bank.
" ..Stockbridge ....Commercial Bank (Geo. P. Glazier & Son), now Geo. P. Glazier & Gay, proprietors.
MO.....Dexter..........Stoddard Co. Bank succeeded by Bank of Dexter.
MONT...Demersville.....Flathead Banking Co. merged into the Globe National Bank, Kalispel.
NEB....Ainsworth......First National Bank has gone into voluntary liquidation, succeeded by Ainsworth State Bank, same officers and correspondents.
N. Y....Painted Post....Bronson National Bank has gone into voluntary liquidation, succeeded by A. Weston & Co., same officers and correspondents.
" ..Pike ....Adams, Weed & Co. succeeded by State Bank of Pike, incorporated.
N. C....Oxford.........Bank of Oxford reported suspended.
OHIO...Columbus......P. Hayden & Co. succeeded by Hayden National Bank.
" ..Lima..........Lima National Bank has been placed in the hands of a receiver.
" ..New London...First National Bank has gone into voluntary liquidation, succeeded by New London National Bank, same officers.
" ..Painesville......Painesville Savings and Loan Association reported closed.

OKL. T. El Reno........Stock Exchange Bank has been incorporated.

PA.....Franklin.. .....Savings Bank of Franklin reorganized as Franklin Savings Bank.

TENN...Jonesboro......Merchants and Traders Bank reorganizing as First National Bank, same officers and correspondents.

TEXAS..Daingerfield....Bank of Daingerfield succeeded by National Bank of Daingerfield, same officers.

" ..Dallas..........Dallas Savings Bank and Safe Deposit succeeded by Mercantile National Bank.

" ..Quanah........First National Bank has gone into voluntary liquidation.

VA......Smithfield......Farmers & Merchants Savings Bank reported suspended.

WASH..Pullman........Bank of Pullman succeeded by First National Bank, same officers.

WIS....Wausau........German-American Savings Bank succeeded by National German-American Bank, same officers and correspondents.

DEATHS.

BAILEY.—On March 20, aged sixty-six years, FREDERICK S. BAILEY, Cashier of Agawam National Bank, Springfield, Mass.

BROWN.—On March 13, aged seventy-three years, J. W. BROWN, of the firm of Brown & Gerber, Argenta, Ill.

DAVIS.—On March 4, aged eighty-two years, FREDERICK W. DAVIS, Cashier of Farmers and Manufacturers National Bank, Poughkeepsie, N. Y.

HILL.—On February 27, JOHN DAVIDSON HILL, Vice-President of Third National Bank, Buffalo, N. Y.

HOLSCHER.—On March 6, B. HOLSCHER, President of German State Bank, Dyersville, Ia.

HUNT.—On March 12, aged seventy nine years, SALMON HUNT, President of First National Bank, Massillon, O.

JAY.—On March 20, aged seventy-one years, WILLIAM JAY, President of Citizens Bank, Emporia, Kan.

KENYON.—On March 23, aged fifty-eight years, THOMAS E. KENYON, Cashier of First National Bank, Salem, N. Y.

LEMMON.—On February 29, aged seventy-five years, SAMUEL LEMMON, President of First National Bank, Honey Brook, Pa.

NICHOLAS.—On March 11, aged fifty-six years, W. D. NICHOLAS, Cashier of Second National Bank, Lexington, Ky.

RICHARDS.—On March 16, aged fifty years, GEORGE L. RICHARDS, Cashier of Union National Bank, Streator, Ill.

ROLLINS.—On February 13, aged seventy-one years, SAMUEL ROLLINS, President of Springfield Savings Bank, Springfield, Vt.

SESSIONS.—On March 26, aged seventy-two years, F. C. SESSIONS, President of Commercial National Bank, Columbus, O.

ZUBERBIER.—On March 6, aged sixty-six years, HERMAN ZUBERBIER, President of Germania Savings Bank, New Orleans, La.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, MARCH, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in March.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
	Quarterly Mar.				
2s, 1907......reg.	Quarterly Jan.	100	100	100	100
4s, 1907.......reg.	Quarterly Jan.	116¼	116½	115¾	116
4s, 1907......coup.	Quarterly Feb.	116¼	117¼	115½	117¼
6s, cur'cy, 1895, reg.	Jan. & July.	109	109	109	109
6s, cur'cy, 1896, reg.	Jan. & July.	111	111	111	111
6s, cur'cy, 1897, reg.	Jan. & July.	113	113½	113	113
6s, cur'cy, 1898, reg.	Jan. & July.	116	116½	116	116
6s, cur'cy, 1899, reg.	Jan. & July.	118½	119¼	118	119

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	4⅝	4¾	4⅛	—
Canadian Pacific	—	90	86½	—
Canada Southern	62½	64⅛	60½	60⅞
Central of N. J	144	144	136½	138
Central Pacific	—	31¼	30½	—
Ches. & Ohio	25½	26¼	23¼	23¾
Do 1st pref.	—	62½	60	61
Chic. & Alton	—	146	146	—
Do pref.	—	—	—	—
Chic., B. & Q	105¾	108⅝	104¾	108⅜
Chic. & East'n	65	65	62½	—
Do pref.	—	101½	99¾	—
Chic., M. & St. P	79⅞	81⅜	75⅞	77
Do pref.	127¼	128⅞	122½	123
Chic. & N. W	117¾	121⅞	117¼	119⅝
Do pref.	—	145	144	—
Chic., R. I. & P	89⅜	90⅞	85	86⅛
Chic., St. P., M. & O	48⅜	50½	46	47
Do pref.	—	117½	115	—
C., C., C & St. L	72⅝	73½	69¾	—
Col. Coal & Iron	—	37¾	32½	33½
Col., H. Valley & Tol	31¼	31¾	29½	30¼
Del. & Hudson	145¾	145¾	137	141
Del., Lack. & W	166	166	156⅜	157½
Den. & Rio Grande	18½	19	17⅞	—
Do pref.	52⅛	54	51½	52¾
East Tenn. V & G	—	7⅜	5⅝	5⅝
Do 1st pref.	—	45	45	—
Do 2d pref.	20	20	15	—
Evansville & T. H	—	129¾	124	127½
Illinois Central	105¼	107½	104½	104⅞
Lake Erie and Western	26⅜	26⅞	25	—
Do pref.	76½	76½	74¾	75¾
Lake Shore	127¾	140½	125⅛	132½
Long Island	—	103	99	102
Louisville and Nashville	74⅜	75¾	71¾	72¾
Louisville, N. Alb & Chic	26¾	26¾	24⅜	24⅞
Manhattan Consol	115	121½	112½	121½
Mexican Central	—	19⅞	19⅛	—
Michigan Central	110¼	117	107¼	—
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	10¾	8½	—
Do pref.	19½	24	18	—
Mo., Kan. & Texas	17⅞	18¼	15¾	16⅛
Missouri Pacific	62⅜	63½	59½	59⅞
Nash., C. & St. L	—	87	85	—
N. Y. C. & Hudson	117⅛	119¼	113⅞	114½
N. Y., C. & St. L	19¼	21⅜	18½	18⅝
Do pref.	76½	80⅛	76	—
N. Y., L. E. & W	32⅝	33⅞	29⅞	30⅝
Do pref.	74¼	77½	73	—
N. Y. & New Eng	54	59	45½	47⅞
N. Y., Ont. & W	21	21¼	18½	19⅛
N. Y., Sus. & W	—	14¼	12½	12⅞
Do pref.	56½	60	54¾	—
Norfolk & Western	14¾	14¾	14⅛	—
Do pref.	—	51½	49	49⅛

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	23⅝	23⅞	21½	22⅛
Do pref.	68	68½	60⅛	61⅞
Ohio & Mississippi	—	22½	22½	—
Ohio Southern	—	37½	22¾	30½
Oregon Impt	—	24	24	—
Oregon R. & N	—	88½	85½	—
Oregon Short Line	—	29	25½	—
Pacific Mail	37½	37½	35	—
Peoria, Decatur & Evansville	—	20⅞	19	—
Philadelphia & Reading	59⅝	59⅝	52½	57⅞
Pullman Palace Car Co	—	195	189	193
Rich. & W. P. Term	16½	16½	10¼	11⅛
Rome, W. & Ogd	—	110½	110½	—
St. Louis, A. & T. H	—	38	33	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	—	44¼	42	—
Do pref.	—	104⅜	104¼	—
St. Paul, M. & M	—	113½	113	—
Southern Pacific Co	39⅛	40¼	37¼	37½
Sugar Refineries	86	101¼	84¾	98½
Texas & Pacific	10⅜	11½	10	10½
Union Pacific	47⅜	47¾	44	44⅝
Wabash, St. Louis & Pacific	—	13⅜	12⅛	—
Do pref.	30¼	30⅜	27⅛	27¾
Wisconsin Central	18⅝	18¾	16½	16¾
MISCELLANEOUS—				
Am. Cotton Oil Trust	36½	37⅝	35½	37¼
Nat. Lead Trust	—	33½	30⅝	—
Tenn. Coal & Iron	45½	50¼	43	45
Express—Adams	—	147	145	—
American	—	118½	117	117
United States	50	51	46½	47
Wells-Fargo	—	146½	144½	—
Western Union	88⅜	89⅝	87⅛	87⅞
Wheel. & Lake E	37½	37½	32¼	33⅛
Do pref.	77⅛	77⅜	74	74⅜

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THE ADOPTION OF THE GOLD STANDARD IN THE AUSTRO-HUNGARIAN EMPIRE.

Several months ago it was reported that the Austrian Government had determined to adopt a single gold standard, but the report was generally disbelieved, and especially by those who were well informed of the rickety condition of the Austrian finances, yet the Government is really determined to make the attempt. Some persons suppose that if this is done another quantity of silver will be thrown on the market, and thus the price, which has been falling so heavily for a considerable period, will suffer another decline. Those who think this way, however, have not looked very deeply into the subject, for even a slight glance into the monetary condition of that country must convince any one that the adoption of a single gold standard is not likely to have any such effect, for the simple reason that no silver will be sold. Of course, if any considerable sales took place, its price would be affected, as well as by the accumulation of gold. While no silver is likely to be sold, a considerable accumulation of gold must be made, and we do not see how this can be done without enhancing its value. The supply of gold is so small at present, in view of the world's needs, that a considerable demand from any quarter must seriously affect its value, bringing evils in its train, though these are not clearly perceived. It is unquestionably true that the depression from which the civilized world is to-day suffering is due to some extent to the small quantity of gold existing for the enormous requirements made of the metal. Other substitutes are found, and great economies in the use of it have been wrought; nevertheless, the demands are so great, and the annual additions are so slight, that the demand for it is really becoming more and more serious, though the evils, as above said, do not always clearly appear. Like certain forms of taxation, prices are affected, though it is not always easy to trace the changes to the tax imposed and collected. We are assured, however, that the evils will appear more and more clearly as the effects of using gold are more carefully studied and traced to their source.

Let us first inquire how much gold is supposed to be needed for this operation, and how much exists? The outside figure of the quantity needed is 400,000,000 florins, or 132,000,000 dollars. Some who have investigated the subject suppose that 350,000,000 florins will suffice. Hungary already has 40,000,000 florins; Austria 30,000,000, and the Austro-Hungarian Bank 80,000,000, leaving 200 or 250 million florins to be acquired. The plan proposed is to accumulate this sum during the next two or three years, and it is supposed that if time enough is given for this purpose, the necessary quantity can be collected without seriously deranging the money markets of the world. No doubt the success of the operation will depend quite largely on the mode of collecting it. If ample time is taken, if gold is purchased at opportune periods, when the markets are well supplied, then, indeed, the operation may be carried to a successful conclusion without seriously disturbing any interest. And it is quite probable that the Austrian Government will act deliberately in making the change. In the first place, the Government is not rich enough to attempt any great operation of this kind suddenly, nor will its credit permit this to be done. All reasons point to the same conclusion, that the experiment must be undertaken slowly, and if done in this manner it is quite probable that the Government may succeed in getting the gold desired, and without disturbing commerce and industry at home or the money markets outside.

In the next place let us inquire, if gold is substituted as the standard, what amount of silver, if any, will be withdrawn from circulation? It is quite difficult to learn how much silver is now in the possession of the Government, or is in circulation. The Austro-Hungarian Bank holds 165,000,000 of silver florins. The silver circulation in the German Empire at the end of 1891 was 455,000,000 marks in small silver coins, and 355,000,000 marks in silver thalers, or a total of 800,000,000, beside 59,000,000 marks of nickel and copper coins. The population of the Austro-Hungarian Empire is one-fifth larger than that of Germany, and probably as much money would be required for their wants as for those in the other country. It does not appear, therefore, that any silver will be withdrawn. On the other hand, if the gold standard is adopted, and specie payments are effected and maintained, will not more silver be required than is now in existence?

For it must be remembered that the kind of money that will be retired is paper, not silver. The present circulation of the Austro-Hungarian Bank averages 430,000,000 florins, while the circulation of the State averages 350,000,000 more. In returning, therefore, to specie payments, the principal change must be in the withdrawal of a portion of its paper money rather than in any portion of the silver now in existence. It is not proposed, in adopting a gold standard, to abolish silver; on the other hand, it will be used with gold in making payments, as has been done in the past. As we have just seen, while the German Empire has a gold standard, a large portion of the currency still consists of silver. This also will be the case if a gold standard is introduced in Austria. It seems, therefore, that the change from a paper standard to a gold one is not likely to cause the disuse of any silver, but rather to dispense with the use of a portion of the paper circulation, and to create a new demand for the yellow metal.

Corn and Land Banks.—A bill has been introduced in Congress by a Virginia representative to substitute for the National banks a system of United States corn and land banks. These corn and land banks are to pay into the United States Treasury sums from $25,000 to $250,000 as capital, and to receive for the same "corn notes" in equal amount. The banks are to lend the notes received to the farmers on land mortgages. They are then to deposit the mortgages in the Treasury, and for the amount receive additional notes, which are to be loaned out again on mortgages of land. This process is to be repeated until the banks have received and loaned on mortgages five times the original sum deposited in the Treasury. Of the 6 per cent. interest to be paid by the farmers on their mortgages, 3 per cent. is to go into a sinking fund for the ultimate redemption of the mortgages, 1 per cent. into the Treasury, and 2 per cent. into the pockets of the bank owners. Thus, while the bank is to draw 10 per cent. upon its original deposit of capital in the Treasury, the farmer is to redeem his mortgage in thirty-three years, out of the sinking fund investment. Of course, the underlying idea of those who hatch such schemes is, to find a way of paying debts with nothing; thus judged, this scheme seems to have considerable merit.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL BUSINESS SITUATION

in both commercial and financial circles has been one of stagnation throughout, and of depression in cases, such as the iron trade, during the past month. The only important exception is in cotton, which has advanced, at last, nearly a cent a pound, on reduced acreage for the new crop and late planting, while the decline in breadstuffs during March, has been checked in April by the less favorable crop prospects developed during the latter month. A backward season has aggravated the situation; and, added to the deeper causes of unfavorable business conditions, has resulted in a very unsatisfactory spring trade this year. Big crops and large export demand, last year, have failed to bring general prosperity, even to those sections most favored by these exceptionally improved conditions. The Western farmers have applied the proceeds of their crops largely to the payment of interest or principal on farm mortgages, which have been accumulating against them for the previous five years, and very little seems to have been left over to find its way into the channels of general trade. The investing classes of the East, who have received the most of this money, are those whose expenditures have been little if any increased by this increase of income, while the prices of our chief export staples have declined since the opening of the new year, to a materially lower level than a year ago, except in the case of cotton, and this, together with declining exports in the last half of the crop year, has seriously reduced the amount received for these exports, as compared with the first half. Wheat has been 34 cents a bushel lower for May, during the past month than for the same time last year. Corn nearly 30 cents a bushel lower, and oats over 20 cents a bushel lower in this market, while Chicago at this writing is nearly 30 cents a bushel lower on May wheat than a year ago; May corn, 25 cents a bushel lower, notwithstanding a corner in that month in that market, and oats over 20 cents a bushel lower. May lard in Chicago was a half a cent a pound lower; May pork, over $2.50 lower; May ribs, nearly ¼ of a cent lower per pound, notwithstanding the big crop deficit on the other side, and the expectation of famine prices here before the end of this crop year. We are now within three months of another crop of wheat, and Europe seems to have bought nearly enough on the first half of the crop year to supply her wants till another crop, as stocks, especially on the Continent, are larger than a year ago, while the world's shipments of breadstuffs to

Europe continue equal to the consumptive requirements, with the prospect of good stocks on the opening of another harvest, in Europe; and, larger reserves, in this country, to be carried over, than usual. This condition of affairs has caused dullness and depression in the whole breadstuffs trade, as the losses on the declining markets of the last six months have been enormous, and speculation in these staples is dead. It is now evident that a great mistake was made last year in calculating the deficit in the crops of Europe, which was over-estimated, while the world's supplies were under-estimated. When this is considered, in connection with the prohibition of exports of breadstuffs from Russia since last fall, the magnitude of this mistake is apparent; and there is little prospect of much improvement in the breadstuffs market, before another crop, unless damage of a serious and general nature shall occur to the growing crop. With normal harvests in this country and in Europe this year, the prospect is that we will return to the old level of prices of the past few years, with renewed depression in the agricultural industries and those dependent thereon. The next interest to be most affected by the realization of such prospects, would be the transportation, which has already entered upon another period of rate cutting and insufficiency of business to employ their capacities. This position of things is already reflected in decreased railroad earnings and in the stagnation and downward tendency in the stock market. Such conditions, at the end of the first four months of a year, in which we are to have a presidential election, and consequent interruption of business, for the next six months, leaves a pretty slim prospect for much improvement, during the balance of the year.

THE MONETARY SITUATION.

A glut in the money markets of the world is the surest evidence that the situation above described, is not only general in this country, but in Europe and in other commercial nations. Indeed, so great has the over-supply become in this financial center of the new world, that leading banks and trust companies have been compelled to reduce the interest allowed on deposits to one per cent., because their funds can neither be employed on time nor call loans, at rates hitherto allowed on deposits. This too, in the face of continued sales of American investments by English holders, on every firm, of advancing market, on this side for the past four months, until we are again exporting gold to pay for these returned investments in our railroad securities that have been held abroad for years. Not only has this been true of such issues as those of the Reading Railroad, but also of the higher class of investment stocks and bonds; and this has continued, even since the knell of the last silver bill was rung in Congress, at the end of March, showing that it is not fear of our currency that has caused this foreign selling of our securities, but either fear of the future of our railway properties or necessities, growing out of the bad crops and condition of trade on the other side, which has compelled this general selling movement. While there has not appeared to be a profit in gold exports, sterling exchange has been so near that point that the Bank of France has resumed the inducements it offered last fall to draw gold to Paris, until it has increased its reserves, during the past two months, from 274,000,000 dollars to 287,000,000 dollars, with the prospect of a further increase. The last statement of the New York banks seems to indicate a liquidation here also in the stock market, notwithstanding the low rates of money. Loans decreased nearly $2,000,000 during that week, while deposits increased over $2,000,000, with an increase in specie and legal tenders, of over $4,000,000, increasing the surplus reserve nearly that amount. The rates on time money have been running from 4 to 4½ per cent. and on call loans from 1½ to 2 per cent.

PROSPECTS OF THE INTERNATIONAL SILVER CONFERENCE.

Were it not that this is election year in Great Britain, as well as the United States, it would seem from the press reports, emanating apparently from official sources, that the prospects of an international Conference to consider ways and means for an extended use of silver, as currency, have been materially improved the past month, and that we are on the eve of the realization of our hopes of securing the co-operation of the great commercial powers of Europe, in the adoption of a system of international bimetalism, that would permanently solve the vexed silver problem in this country. But the statements from this side, made on the highest official authority, are discredited by the press of Great Britain, on apparently equal authority there, which accuses our administration of using the question for electioneering purposes. On the other hand, there are indications that the Tory Government of Great Britain is not willing to admit publicly the steps it has taken in this' direction, lest it shall be used against them by the Liberal Party in the approaching Parliamentary elections. It can scarcely be doubted, however, that action in favor of such a Conference has been promised our Government by the British Chancellor of the Exchequer. What the outcome of such a Conference will be, however, is in as much doubt as ever, while the position of France, in the matter, seems to be that of a spectator, and, without her co-operation, no practical scheme could well be adopted or carried out.

THE STOCK MARKET

has been in the hands of the professional traders during the entire month; except as investors, both foreign and American, have been sellers of our railroad securities. The public otherwise is entirely out of the market, and the cliques who have been supporting their different favorites, have come to the conclusion apparently, that it is useless to hold the market up longer, in expectation of outside buying. The decreased earnings of the railroads, owing to the lighter movement of grain to the seaboard for export, and the cutting of rates, on the reduced volume of business, have encouraged the professional Bear traders to sell the stocks most affected thereby, until there are few cliques left to support the market. General distrust of the future of railroad properties, seems now to be the rule on Wall Street; and, the tendency of the stock market seems to be towards a lower level of prices, on all but dividend-paying securities, that are believed to be honestly managed, and to be earning the dividends they pay. Hence the higher classes of stocks are relatively the stronger, and little affected by the weakness of the general list, although doubtful dividend payers are being dragged down or depressed by the speculative class of stocks and the selling of investors.

THE BREADSTUFFS MARKET.

As shown above, the unsatisfactory conditions of general trade, have also extended to the grain markets, in which the most unprecedented activity and strength were experienced, during the first half of the crop year. We are now exporting but a little more than a year ago, from the Atlantic seaboard, while shipments from other exporting countries are very heavy, stimulated by still lower prices than here. On April 10th, the Government crop report, giving the condition of winter wheat on the 1st of April, in this country, showed a 4 per cent. lower condition, than at the date of the last report in December. This gave our market an upward turn, until the short interest had gotten out, since when the development of the situation has improved sufficiently to prevent any further advance, while the weather in the West has been so wet and cold, that the seeding of the spring wheat has been delayed from two to three weeks later than usual. This has prevented the Bears from selling the market down, while Great Britain has taken enough of the first arrivals of grain by lake and rail from Buffalo, on old purchases, made to arrive, to prevent much break in the spot market, which has continued at a premium of nine cents a bushel on red wheat, and four to five cents on spring wheat, above the May delivery of the same grades. This has been the strong feature in the situation, as such a premium on spot wheat, over delivery a month hence, in the absence of any corner, could only be maintained by an urgent demand for immediate wants, either to fill old contracts, or supply actual consumption.

Flour has dragged along in the same rut as wheat, without speculation to rally it temporarily, until prices have gone to almost the lowest point known, during the last five years of extreme depression in the breadstuffs markets. Europe has been glutted with old purchases, made for forward delivery; and, has practically bought nothing here for the last three months, until the low grades of spring wheat flour have become almost unsalable either to the home or export trade. Corn has been held up by the wet weather in the West and poor grading, together with the light stocks at the seaboard and a short interest, aided by the manipulation of the clique in the May option, in Chicago. Otherwise there has been little of interest in these markets.

THE PROVISION MARKETS

have dragged along in a duller rut than breadstuffs even. Export demand, on new orders, being practically nothing, while the receipts of hogs at Western points have increased over those of March, and have run ahead of those for April a year ago, until speculation is driven almost wholly out of these staples and home consumption, as well as export demand, has been very disappointing to the trade, which had expected a better demand for both, owing to the short grain crops and food supplies of Europe. To account for this, the *National Provisioner*, the organ of the provision trade, has published a series of articles on the causes of the decline in both the stocks and consumption of American provisions at home and abroad. In these it is shown conclusively that there is a steady tendency on both sides of the water toward the substitution of fresh for salted meats, which has been made possible by the heavy imports into Great Britain of dressed beef and mutton from this country, Australia and New Zealand; while the supplying of the Eastern markets of this country with Chicago dressed beef has placed fresh meats within the reach of people who formerly consumed salt meats chiefly. It was also shown that the cost of production of these food products was being steadily reduced by improved methods of manufacture and utilization of what was formerly known as offal, and the changed methods of stock raising and cheaper transportation. The future of the provision trade, therefore, seems to be as discouraging to the producer as the breadstuffs, though the outlook for consumers of both, is in favor of permanently lower prices, the world over.

THE COTTON SITUATION.

The Cotton States are undergoing the same revolution, owing to the depression in their chief product, that the Western States have undergone, for similar reasons, in the past ten years; and, the

Cotton Belt is steadily moving west of the Mississippi River, as the Grain Belt has hitherto done, in search of cheaper lands, where it can be produced at the reduced prices, in the world's markets, without loss. The low prices of the past year have materially decreased the acreage planted in cotton in the South Atlantic States this spring; as there was a material loss, on the crop grown in these States, last year, as shown in previous articles, until cotton can be raised at a profit at present prices no longer, east of the Mississippi Valley. At the same time the Southern States are losing their supremacy in cotton raising, as the Western States lost their supremacy in the production of grain, by the stimulation of cotton growing by England, in her colonies and dependencies. This is especially true of Egypt, while the reclamation of extensive areas of rich cotton lands along the Nile, under the internal administration of the representative of the British Government in Egypt, is adding yearly largely to the production of cotton in that country. The South Atlantic States are therefore being forced to the cultivation of other crops—garden truck and vegetable farms, to supply the Northern markets, are rapidly taking the place of cotton plantations. This fact, together with the cold, wet season and late planting, have caused a sharp upturn in the cotton market, on the belief in a short crop .the coming year, which has induced good general buying for investment at the late low prices, followed by the advance of nearly a cent a pound, in which movement Liverpool has been a prominent factor, notwithstanding the decreased consumption of cotton by British mills owing to the late English strikes, though, at the close, that market broke and dragged ours down over twenty points.

DEPRESSION IN TRANSPORTATION INTERESTS

is not confined to railroads, but has extended to both water and land routes, until rates for grain from New York to Liverpool have fallen back to the old minimum price of one penny per bushel, against fivepence at the height of the export movement last fall; with rates on other commodities reduced in the same proportion. Not only is this true of the ocean carrying trade, but also of the inland water routes. The opening of navigation has been marked by very low rates of freight on grain from the lake ports, notwithstanding the large accumulations at Chicago and Duluth, due in part to the fact that the lake iron ore fleet, as well as lumber vessels, have joined in the competition for other freight, owing to the dullness in both those classes of traffic; and the trunk line railroads have been compelled to compete with these rates, in order to secure business. Hence, it will be seen that the outlook for these interests, both by land and water, inland and ocean, is about as discouraging as in other industries.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The American Bankers' Convention.—The executive committee are now perfecting their arrangements with the different lines for carrying members to the next convention of the American Bankers' Association, which is to be held in San Francisco. Had the time for the convention been fixed in the spring, doubtless a larger number would have attended, as the autumn is the season when bankers, especially in the larger cities, hesitate to leave their institutions. Experience shows that the association ought long ago to have changed the time from the autumn to the spring, when the members have the most leisure and can attend with the least inconvenience. One reason, probably, why they have not done so is because they have not cared to attend in any event; and, therefore, it was a matter of indifference to them when the conventions were held. Perhaps another reason is that in the spring some of them prepare for a summer trip abroad, and are, therefore, disinclined to preface it by attending a meeting of this kind. At all events, a smaller number will go, and especially from the larger cities, than would have gone had the convention been held in the spring. But it is no doubt true that a large number of bankers have been expecting sooner or later to visit the Pacific, and this is a rare opportunity, which should not be disregarded. Those who manage banks outside the large cities are not under the same pressure and can more easily leave them for a few weeks, and we confidently believe that many of them, if satisfactory arrangements are made with the railroads, will attend. Quite generally the members in the Eastern and Middle States who have attended bank conventions held in the West have gone over the lines of the Pennsylvania Railroad, for the very good reason that it had both the disposition and ability to transport them with the greatest comfort, and at as low cost as any other, and we are sure that the company is not less desirous of serving the bankers on the present occasion. It is confidently believed that those who patronize its lines will, all things considered, be treated with more consideration and travel with greater comfort than by any other.

Liability of Commercial Agencies.—A judgment has been rendered against Dun & Co. in favor of the City National Bank, of Birmingham, Ala., for an erroneous representation of the financial standing of a lumber merchant of Oswego, N. Y., whereby the bank discounted a draft that was accepted by him, but was not paid. This business is very peculiar, and is conducted with no little difficulty. It is not possible for any concern or person to obtain accurate information concerning the ability and honesty of all who are engaged in business. Errors must occur; nevertheless, these agencies furnish valuable information, otherwise their services would not be so generally employed. As all know, the reports furnished by mercantile agencies are in use everywhere; and while they are not regarded as wholly trustworthy, they give at least some idea of the standing of business men, and on the faith of which credit is often given. This information, of course, is obtained by these agencies through sub-agents or assistants. It is said that many of them are attorneys, bank officers, and the like. We know too often they form erroneous judgments, either from prejudice, friendship, or sometimes from pecuniary or other considerations. A mercantile agency is not responsible, and probably should not be, for errors resulting from an honest and painstaking endeavor to ascertain the truth; but if a rating is fraudulent or malicious, no reason is perceived why it should not be responsible. Generally, the principal is responsible for the wrongs done by his agent in the line of his agency, and when a person is employed by a mercantile agency to ascertain the standing of the merchants in a town, and he abuses the trust reposed in him, giving one man too low a rate, either through malice or prejudice or to favor other persons; in short, attempts to depress his credit without any real reason, or, on the other hand, rates him too highly, and thereby induces persons to trust him who would not if his correct condition was known, why should not the principal be responsible for the consequences? In the verdict rendered in the present case the jury found that the representation was fraudulent, and if so, the agency ought to respond to the bank for the injuries occasioned by its act. It may be, however, that the evidence of fraud was not sufficient; this we do not pretend to know; but, we repeat that, if the representation was fraudulent, it is only just to hold the agency responsible for the loss. This is truly a very peculiar business, and an agency should be careful either in giving excessive credit, or in injuring one's credit by wrong representations. To this end the most careful persons should be selected to perform the service, and the agency should be held strictly responsible for the manner in which the work is done. It may be added that if the agencies are thus held strictly responsible for their representations, we are by no means sure that they will lose in the end, for the nearer they approach to an insurance society, the more generally will persons resort to their reports for information, and follow them.

Examination of Savings Bank Books.—A law has been enacted in New Hampshire, providing for the examination and verification of the deposit books of savings bank depositors. The law reads thus:

In the year 1892, and every third year thereafter, the trustees of savings banks and institutions for savings shall call in the books of deposit of their depositors for examination and verification; and they shall cause the same to be examined and verified by some person or persons, aside from the treasurer or his clerk, to be employed for the purpose.

This is an excellent law, and should be enacted in every State where savings banks exist. It is the outgrowth of some irregularities which have come to light. Savings banks, especially, should be surrounded with every possible safeguard. While this remark applies to all banking institutions, it applies with special force to those in which deserving persons have invested their small means—the result of their self-denial and thrift. The first legislative attempt to have an examination made of the books of savings depositors was that of Massachusetts four years ago. A similar law to that mentioned was passed by the Legislature of that Commonwealth, and examination and verification were made under its provisions during the year 1889. There was no concert of action among the banks of Massachusetts, each institution acting upon its own responsibility, and selecting its own time for the examination of its books. Circular notices were sent out to the depositors, and in some instances newspaper notices of the proposed verification were given. The Massachusetts law did not undertake to prescribe who should make the verification, but left that as a matter for each bank to settle for itself; but in many cases a person wholly outside the bank, selected by the trustees, was chosen to do this work, and the books were turned over to him as they were presented at the counter or sent in by mail for inspection. Although no attempt was made in Massachusetts to have the examination made by all the banks at any one time, and although the law is not as comprehensive as the law above mentioned, yet the result attained by these examinations was most gratifying. One of the smallest banks of the State reported that all but three of its accounts had been verified; another, that 1,100 out of 1,800 books had been brought in for examination; and a third, that out of 14,000 depositors' books, 11,720 had been presented for verification; and that with a total of $2,500,000 of deposits, only $140,000 remained unverified. One of the largest institutions in Massachusetts reported to the commissioners that there had been presented for examination 14,467 depositors' books out of a total of 24,722. Out of these 14,467 books, nearly 3,000 were for accounts opened prior to 1876.

The Decline in the Price of Silver.—One of the causes affecting the price of silver is the increased production and the reduced expense of obtaining it. The last silver law undoubtedly had the effect of increasing the output, for it was confidently believed that the price of silver would advance, and it did for a time. Had that law never been enacted, it is quite evident that production would not have been as great, and the price, probably, would have been better sustained. There is another side, however, to the matter. The production of gold has been diminishing, especially in California. The hydraulic mines have been closed for several years, by a law enacted in the interest of the Grangers, which has deprived the world of perhaps ten millions of gold annually. This legislation is soon to be repealed or amended; if this is done, doubtless the supply of gold from that source will be considerably increased. The prospects are also hopeful of an increased production in Africa. Numerous mines have been opened and worked, enough to show that there is a large amount of gold in that country. One of the best things that the silver producers can do is to increase the gold supply. By diminishing its value, which would be the natural result of increasing the supply, the relative value of silver would be improved. Of course, the same result would be reached by diminishing the demand for gold.

Redemption of Stolen Notes.—The Committee on Currency and Banking of the House of Representatives has decided to report a bill amending the National bank laws with the following addition: "That the provisions of the Revised Statutes of the United States, providing for the redemption of National bank notes, shall apply to all National bank notes that have been or may be issued to, or received by, any National bank, notwithstanding such notes may have been lost by or stolen from the bank and put in circulation without the signature or upon the forged signature of the president or vice-president and cashier." This amendment does not apply to counterfeit notes, but to such notes only as are issued by the United States on the deposit of bonds by National banks. Should this bill with the above provision become a law, the innocent holders of National bank notes issued to the banks, but not properly put into circulation, would be fully protected. Under the present law such notes as have been stolen and fraudulently issued are rejected when presented by innocent holders at the banks or the United States Treasury. Innocent holders of such notes have therefore no redress, and the Treasury of the United States makes a profit out of the loss thus incurred by the banks and innocent holders. While by the above amendment the holders of such fraudulent notes would be protected from loss, it would not be at the expense of the banks, for, as the law stands now, they lose the value of such of their notes as are improperly issued. Under these circumstances, the above amendment seems to be wise and proper, and ought not to meet with opposition from any class.

Bank Examinations.—One of the results of the Nebraska banking law, providing for examinations, is the closing of forty banks that were not fit to continue business. In one case the receiver found only twenty dollars in cash, while the books showed that the bank held deposits to the amount of $54,000. In another case everything had been taken from the vaults. The Omaha *Bee* says that the reports of the receivers of the various banks which have been closed prove that the law was one of the wisest ever enacted by the Legislature. Every solvent and well-conducted bank is interested, or should be, in having bogus and unworthy concerns closed, for bank irregularities and failures produce an unfavorable effect on every one, increasing the general distrust, and lessening the value of all bank property. Except in the case of very old institutions, bank frauds have an unfavorable effect on all banking institutions. Conservative banks and bankers everywhere, therefore, should relax no efforts to have such laws enacted and enforced as will best tend to check frauds and close institutions that have no right to exist. By so doing, they will not only serve themselves, but also protect the people from losses.

The International Bank.—It is asserted that the establishment of an international bank among American republics would be of great benefit to business men engaged in trade with our southern neighbors. The outlook for the project is favorable, as the house banking committee has just agreed on a bill. A report accompanying the bill says that in the opinion of the committee the time has arrived when active steps should be taken to secure to this country control of at least such part of the exchanges connected with the commerce of the South American republics as is occasioned by transactions between their citizens and those of this country. The business of dealing in such exchanges is a profitable one. The profit now goes to the English banker, and is practically a tax or added charge upon us. "We believe also," continues the report, "that the commerce is certain in the near future to greatly increase, and with its increase will come either added profit to us if we shall conduct the business of making those exchanges ourselves, or added loss for the benefit of the English banker if we shall permit the business to continue in its present channel. The time is opportune for setting up the machinery necessary to do this business, both because the representatives of the South American republics have united in recommending such a project, and because our merchants are prepared to act upon the recommendation and to furnish the capital necessary to start the bank. No objection based upon any constitutional limitation of the power of Congress occurs to your committee against granting the charter provided. The bill expressly prohibits the issuing by the bank of any currency or of anything to be used as a circulating medium by the bank, and it also expressly provides that the Government of the United States shall not at any time assume or be held to be liable for any acts of the bank or of any of its officers."

The Financial Crisis in Australia.—A grave financial crisis in Australia is predicted by some, which may prove more serious in its effects than the collapse in the Argentine Republic, because the English holdings in Australia involve much larger amounts of capital. While English holdings in Argentina were speculative, Australian securities have ranked with English, and have been treated as sound investments. They have begun to fall, and are certain to fall heavily. For one thing, the drought last year swept off 12,000,000 sheep in Australia, one-tenth its flock, and worse is looked for this year. Every Australian colony is now passing through a terrible panic, banks and land mortgage companies are failing, Government railroads are losing money, and the colonial treasurers are forced at a time of great depression to increase taxation—doubling the rate for postage in Victoria, for instance—to meet the fall in revenues and railroad deficits. It is always easier to see that a storm is coming than to predict its hour or extent. All the Australian colonies are now passing through a financial crisis which has filled their cities with starving workmen, checked their development, and ruined a large number of land mortgage companies whose shares are held in England. At least two-thirds of the total Australian debt to England is, however, in colony bonds. These were borrowed at low rates, far lower than the loans raised in Argentina. The colonies can, at worst, readily raise the money to pay interest on their loans, and a default on Australian interest is not probable, though possible. But heavy losses on other forms of Australian debt held in England are certain. This is sure to lead to free sales in England of American securities. It will also, by checking Australian railroad building, deprive British iron and steel industries of their best customer, and add to the universal world depression in price and consumption in the iron trade. It is, in fact, hard to see how, for at least a year to come, the situation in Australia can fail to produce a depression in England which will be felt here, and which will continue the present reign of low price the world over.

Silver in India.—With the steady fall in silver, which in eighteen months has carried it from $1.17 an ounce to 85 cents, a fall of 27 per cent., it is not surprising that Sir David Barbour, the Financial Minister of the Anglo-Indian Government, in his budget for 1892-'93, published March 17, allows for a fall in Indian exchange, which will cost the Indian Treasury next year $5,465,600. The rupee, which was once reckoned as worth 2s., and which was placed at 1s. 5¼d. for 1891, is placed at 1s. 4d. for the next fiscal year of India. As the Indian Government remits $85,000,000 to London, the fall in silver and rise in exchange is a very serious matter in its expenditure.

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

[CONTINUED.]

A bank cannot legally take and hold checks when insolvent any more than it can money. And especially if they are for collection, or specially indorsed to that effect. And if it can get no title to them, neither can any other bank to which they may be sent. Thus P. sent a check to a bank indorsed for collection. The bank was insolvent, but received it, sent it to another bank for collection, which collected it and credited the other bank with the amount, which was a debtor. But as the first bank acquired no title, because it was insolvent at the time of receiving the check, the other bank had no better title thereto. Besides, the indorsement clearly showed to whom the proceeds belonged. (*Peck* v. *First Nat. Bank*, 43 Fed. Rep. 357; *St. Louis & San Francisco Railroad Co.* v. *Johnston*, 133 U. S. 566.)

In another case a bank sent a draft to another to collect and remit the proceeds to a third bank for credit to the first. The second bank was insolvent when it received the draft, but made the collection and retained the proceeds. The sending bank then sued the receiver for the amount. The conversion was declared to be fraudulent, nevertheless it failed to recover because it could not trace the fund which the collecting bank had misappropriated. It was therefore obliged to share as a general creditor. (*Illinois Trust & Savings Bank* v. *First Nat. Bank*, 15 Fed. Rep. 858.)

SEC. 87. **A legal violation by a bank is no defense to a debtor.**— In the Matthews case (98 U. S. 621) and in other cases (*Walden Nat. Bank* v. *Birch*, N. Y., 29 N. E. Rep. 126) it has been decided that a violation of the law in taking securities cannot be used as a shield by the debtor in proceedings to enforce their collection. For such a wrong the Government only can act in taking away the offending bank's charter. A recent application of this principle has been made by the United States Supreme Court. (*Logan Co. Nat. Bank* v. *Townsend*, 139 U. S. 67.) A bank bought some bonds agreeing to re-sell them at the same price, but refused to execute the agreement. It sought to escape behind its own unlawful act. But the court decided that even if the bank had no authority to make such an agreement it must be executed. (See § 100.)

SEC. 87a. **Authority to take personal property in payment of real estate.**—A National bank has power to enter into an agreement to accept personal property in payment of real estate. Says Reed, J.: "It may be conceded that banking associations organized under the National banking act have no power to engage generally in the business of buying and selling personal property. They have power, however, under certain circumstances, to acquire and dispose of real estate. No question is made but that plaintiff lawfully acquired the real estate which it sold. If so, it had the right to dispose of it, and we know of no provision in the statute under which it was organized which forbids it to receive property other than money in payment." (*First Nat. Bank* v. *Reno*, 73 Iowa 145, 148.)

SEC. 90. **A National bank can take and hold a mortgage** on real estate to secure a debt. (*First Nat. Bank* v. *Maxfield*, 83 Me. 576.) It may also take a chattel mortgage. (*Barker* v. *Livingston Co. Nat. Bank*, 30 Ill. App. 591, 607; *Spafford* v. *First Nat. Bank*, 37 Iowa 181.)

SEC. 90a. **When indorsement by a married woman is not a mortgage.**—If a married woman indorses a promissory note whereby her separate estate is charged with the payment of it, this is not a mortgage. It is a "personal security within the meaning of the banking act." (*Third Nat. Bank* v. *Blake*, 73 N. Y. 260.)

SEC. 99a. **Liability of directors for excessive loans.**—In *Clews* v. *Bardon* (36 Fed. Rep. 617) a cashier made loans in excess of the ten per cent. limit. This was done without informing the directors, and when they learned of what he had done advised him to require payment of the loan when it became due, and disapproved of making any more loans contrary to the law. Nevertheless, the cashier, without their knowledge, loaned in excess of the legal limit to the same borrowers. After the failure of one of them, the directors became the active managers of the bank. It was decided that they had not knowingly violated the law, and were not liable for its violation by the cashier.

When they make a loan exceeding the legal limit, and subsequently retire paper representing it by charging the same against an illegal dividend, declared where the bad paper formed an apparent surplus which more than exceeded the capital stock, the transaction is invalid, and for the amount of the paper thus retired the directors are personally liable. (*Witters* v. *Sowles*, 43 Fed. Rep. 405.)

SEC. 99b. **The statute is remedial.**—The statute is remedial, not penal, and therefore if a director dies the action survives against his estate. "The object of the statute," says Mr. Justice Miller, "does not seem to be to punish the wrong-doer for the wrongful act, but rather to render him liable to all parties to the extent of the injury they have sustained; and the right to sue is given to the bank or its receiver, and even to the stockholders, and perhaps to the creditors of the bank who have been damaged by the wrongful act in question." (*Stephens* v. *Overstolz*, 43 Fed. Rep. 465.)

SEC. 99c. **Effect of discovering director's wrong after his death.**—If a director has made an excessive loan of money causing loss to his bank, the non-discovery of the insolvency of the borrower until after the director's death and the appointment of a receiver will not prevent a recovery of the director's estate. (*Stephens* v. *Overstolz*, 43 Fed. Rep. 465.) Nor is the right to maintain such an action affected by a proceeding of the Comptroller of the Currency to revoke the charter of the bank. (*Id.* 771.) Furthermore, the action by the receiver against the director's estate may be at law, as there is no necessity for invoking the aid of a court of equity. (*Id.* 771; *Hornor* v. *Henning*, 93 U. S. 228; *Stone* v. *Chisolm*, 113 U. S. 302; *Crown* v. *Brainerd*, 57 Vt. 625.) In such an action the aggregate amount of the excessive loans to each party may be stated, and the damage resulting therefrom in each case, and each allegation may be accompanied with an exhibit showing the dates and amounts of the several loans that form the aggregate amount. It is not necessary to declare in a separate count for each loan that was made. (*Stephens* v. *Overstolz*, 43 Fed. Rep. 771.*)

SEC. 100. **The violation of this statute is no defense to the bor-**

* In this case Thayer, J., said: "Under statutes imposing a liability on directors or stockholders of corporations without prescribing the form of remedy, the question has frequently arisen whether the appropriate remedy was at law or in equity; and the decisions on that point have usually turned on the nature of the liability imposed, the difficulties standing in the way of the enforcement of the liability, in a strictly legal proceeding, and on other considerations of a similar character. . . .

Our conclusion is, that, for the purpose of determining whether an action at law will lie in the case at bar, consideration ought to be given chiefly to the question whether the remedy at law, as compared with the remedy in equity, is as convenient and adequate, and not more burdensome to the party proceeded against. The suit before us is to recover whatever damages the Fifth National Bank may have sustained in consequence of excessive loans knowingly made or assented to by the defendant's testator, while serving in the capacity of director. The suit is by a receiver duly appointed, in whom are now vested all claims of the bank; and, as whatever injury resulted from making the excessive loans in question was a damage primarily done to, and recoverable by the bank, it is not apparent that any stockholder or creditor of the institution can maintain a suit against the executrix for the alleged excessive loans, either during the pendency or after the termination of the present action. There is no necessity, therefore, to resort to equity to avoid a multiplicity of suits."

rower.—(*Corcoran* v. *Batchelder*, 147 Mass. 541.) The Government alone can act against a bank for a wrong which it has done. This has been decided on many occasions. "If a penalty is to be enforced against the bank it can be done only at the instance of the Government. A contract entered into by the bank in violation of this section is not void." (Strahan, Ch. J., *Portland Nat. Bank* v. *Scott*, 26 Pacific Rep. 276; *O'Hare* v. *Second National Bank*, 77 Pa. 96; *Vining* v. *Bricker*, 14 Ohio St. 331.)

SEC. 109. **Certification of checks.**—If an officer certifies contrary to the National law, the certification is none the less binding on the bank. Says Ruger, Ch. J.: "It will be seen that the statute affirms the legality of the contract of certification, and expressly prescribes the consequences which shall follow its violation. It therefore appears that, so far from making the contract of certification void and illegal, its validity is expressly affirmed, and the consequences which follow a violation are specially defined, and impliedly limit the penalty incurred to a forfeiture of the bank's charter and the winding up of its affairs. There is a clear implication from this provision that no other consequences are intended to follow a violation of the statute. It would indeed defeat the very policy of an act intended to promote the security and strength of the National banking system if its provisions should be so construed as to inflict a loss upon them, and a consequent impairment of their financial responsibility." (*Thompson* v. *St. Nicholas Nat. Bank*, 113 N. Y. 325; *National Bank* v. *Stewart*, 107 U. S. 676.) But a bank which violates the law runs the risk of forfeiting its charter. (See §§ 87, 109.)

SEC. 110a. **A State bank cannot use the word National.**—This prohibition is plainly expressed, yet a savings bank in Illinois attempted to use it in violation of law. (*People* v. *National Savings Bank*, 129 Ill. 618.)

DIRECTORS.

SECS. 111, 115. **Election of directors. When a shareholder cannot vote.**—We have already shown that a purchaser of the shares of a bank which is in liquidation is disqualified from voting. (§ 48.) So is a shareholder who has not paid for his stock. But his liability as surety or otherwise is no disqualification. (*United States* v. *Barry*, 36 Fed. Rep. 246.)

SEC. 111a. **The power of directors.**—In defining their power the courts have declared that they do not observe the strict principles of a special trust. They act in a fiduciary capacity, but are clothed by the statute with a power of management which implies a considerable element of discretion. This fully embraces a case in which cash needed for the legitimate business of a bank may be obtained for a debt by accepting payment in advance of its maturity. (*Keyser* v. *Hitz*, 2 Mackey 513.)

The duty of directors to exercise oversight is well illustrated in the case of the First National Bank of Superior. (*Clews* v. *Bardon*, 36 Fed. Rep. 617.) The bank was organized chiefly through the efforts of a promoter who took a large amount of the stock. He procured persons to serve as directors, who, as often happens because their lives have been devoted to other matters, were not acquainted with the banking business. He also procured a cashier, who was known to the directors by reputation, and was regarded by them as competent and trustworthy. He had had considerable experience. He practically managed the bank, the directors acting merely as advisers. It was decided that they were not liable for his acts which were unknown to them, especially for making loans in excess of the legal limit.

The remarks of Judge Bunn on this subject are worth adding: "Where the directors act in entire good faith and select a person to manage the affairs of the bank whom they have every reason to believe is competent and honest, they themselves having had no experience in banking, they have done just what the stockholders themselves would have done in the same circumstances. They have acted prudently, and with proper caution, as ordinarily prudent business men would act in reference to their own affairs. Under such circumstances, to hold them chargeable with knowledge of all the illegal acts of the persons selected to manage the bank would be a harsh rule." (*Clews* v. *Bardon*, 36 Fed. Rep. 617, 621.)

SEC. 128. **When directors are not liable until nature of their acts is legally determined.**—When directors have rendered themselves personally liable by making excessive loans, and by declaring dividends that have not been earned, and their bank also liable to a forfeiture of its charter, the Comptroller cannot authorize the receiver to enforce the personal liability of the directors until a proper court has determined that they have done such acts as authorize a forfeiture of their bank's charter. (*Welles* v. *Graves*, 41 Fed. Rep. 459.)

SEC. 128a. **Other methods excluded.**—The method of enforcing the liability of directors under sections 5,234 and 5,239 exclude other remedies, and a creditor therefore of an insolvent bank for which a receiver has been appointed cannot sue them for the purpose of making them personally liable for mismanagement. (*National Exchange Bank* v. *Peters*, 44 Fed. Rep. 13.)

SEC. 128b. **Forfeiture of charter. Pleading.**—In proceeding to obtain a forfeiture of a bank's charter, as the statute refers only to acts done by the directors, or by the executive officers with their knowledge, the information must charge the directors with doing unlawful acts, and not the association itself. Says Shiras, J.: "The violation of the statute must have been committed by the directors, or have been knowingly permitted by the directors, before it is deemed to be of that grave character demanding a forfeiture of the charter as the punishment thereof. . . . The averment in the information must charge either that the act was done by the directors, or that they knowingly permitted some one or more of the officers, agents, or servants of the association to do the act relied on as a violation of the statute." (*Trenholm* v. *Commercial National Bank*, 38 Fed. Rep. 323, 325.)

SEC. 128b. **Limitation of proceedings.**—The proceedings for forfeiting the charter must be brought within five years from the time of committing the offenses. (*Welles* v. *Graves*, 41 Fed. Rep. 459.) This limitation is imposed by section 1,047. But if the personal liability of the directors can be enforced without reference to the forfeiture of the charter, their liability is not a penalty within the meaning of this section. (*Welles* v *Graves*, 41 Fed. Rep. 459.)

SEC. 137. **Receiver must sue the directors.**—When they are liable for mismanagement, the receiver, and not the stockholders, must sue them, for the right of action is in him, and not in the individual stockholders. (*Howe* v. *Barney*, 45 Fed. Rep. 668.) There are occasions where they can sue, which have been mentioned.

SEC. 137a. **Their liability cannot be enforced in an action at law.**—Furthermore, their personal liability by declaring dividends in excess of net profits, and by loaning to any one an amount exceeding one-tenth of the capital stock, cannot be enforced in an action at law. The remedy is in equity. (*Welles* v. *Graves*, 41 Fed. Rep. 459.)

SHAREHOLDERS.

SEC. 142. **How stock is transferred. Effect of delivering a certificate.**—The mere transfer of stock on the books of a bank to the name of the transferee does not constitute him a shareholder and subject to the liabilities attaching to that relation. If, however, a transfer should be made to another, even without his knowledge, but of which he should subsequently be informed, or he should ratify the transfer by uniting in an application with other shareholders, or be receiving a dividend, or accepting any benefit from the stock, or by any act, his title and liability would be complete. (*Keyser* v. *Hitz*, 133 U. S. 138; *Stephens* v. *Follett*, 43 Fed. Rep. 842, 846.)

SEC. 142a. **In Moores' case** (*Moores* v. *Citizens National Bank*, 111 U. S. 156) he lent money to the cashier, taking stock of the bank for an equal amount. The cashier gave Moores a certificate in the usual form, which was duly signed by the president. It had, in truth, been signed by him and left with the cashier to be used in his absence. It stated that the cashier was the owner of the number of shares specified, and were "transferable only on the books of the bank on the surrender of this certificate," as the by-laws presented. The cashier did not deliver any certificate to the bank, or make any transfer to Moores on the books. He sought to recover the value of the certificate of the bank, but did not succeed, for no legal transfer had been made.

SEC. 142b. **Stephens v. Follett.**—On one occasion a person subscribed and paid for a specified number of shares of a "proposed increase" of the stock of a National bank, but they were never issued. The bank officials, however, transferred old stock to him without his knowledge or consent. He was declared to be not the owner of these shares, and therefore not liable for an assessment thereon. (*Stephens* v. *Follett*, 43 Fed. Rep. 842.) Nor did the receiving of a dividend on them estop him from denying ownership, as he supposed this was paid on the new shares for which he had subscribed. (*Id.*)

SEC. 142c. **In Brown v. Finn** (34 Fed. Rep. 124), a shareholder sought to escape from paying an assessment which had been levied on his share, on the ground that he was not a shareholder. His shares had been shares transferred to him by the president. The only knowledge he had of the transfer was the receiving of a twenty-five per cent. dividend. It did not appear that he had ever paid for them. He returned the money immediately to the president, but, though vice-president of the bank, he did nothing to correct the record of the ownership of the shares. He was declared to be the holder, but would not have been had he occupied no official relation. Said Hallett, J.: "The authorities are numerous, and stand upon the soundest reason, that if one be put upon the books as a stockholder without his consent, he shall not be held in respect to such stock; but when he concerns himself in the management of the corporation he vouches for its integrity, stands before the world as indorsing and maintaining it, and he must be liable for whatever the books show in respect to its condition." The distinction between an unknown transfer to an officer and to any other person is as just as it is important. (Affd. 12 U. S. Sup. Ct. Rep. 136.)

SEC. 142d. **Transfer. Whether from a bank or president.**—The president and manager of a National bank sold to P. fifty shares of its stock, representing that they were worth a premium of at least sixty dollars a share. P. received his certificate duly signed by the president and cashier. The bank having failed, P. sought to recover the amount paid as a preferred creditor, on the ground that he had purchased the shares of the bank through the fraudulent representations of the president. The court declared that, assuming the shares belonged to the bank, the action could be maintained; but they belonged to the president, and not to the bank, and therefore he could not recover. (*Prosser* v. *First Nat. Bank*, 106 N. Y. 677.)

SEC. 142e. **Indorsement and delivery of certificate.**—If a shareholder indorses his certificate and delivers it to the cashier with directions to make the transfer, he has fully discharged his duty and is not liable for an assessment if the cashier has failed to complete the transfer on the books. (*Hayes* v. *Shoemaker*, 39 Fed. Rep. 319; *Whitney* v. *Butler*, 118 U. S. 655.)

SEC. 150. **A bank cannot purchase its own stock.**—On one occasion, however, a bank did purchase its own shares, and divided them among some of the directors. One of them gave his note therefor, but the bank retained the certificate. The shares were transferred to him on the books and he received the dividends thereon. Becoming bankrupt, he transferred the stock to the bank's teller, and the bank retained his note. In an action by the assignee to set aside the transfer as a preference, it was decided that the bank had no power to purchase or convey the shares, and that no title passed. (*Meyers* v. *Valley Nat. Bank*, 18 Nat. Bank. Reg. 34.)

SEC. 150a. **When loan on its stock may be enforced, though prohibited.**—Though a bank is forbidden to make a loan on the security of its own stock, such a loan, nevertheless, may be enforced. Only the Government can deal with a bank for thus violating the law. (*Walden Nat. Bank* v. *Birch* N. Y. 29 N. E. Rep. 126. See *Hirsch* v. *Norton*, 115 Ind. 341.) To evade the law, a cashier once had the stock transferred to himself personally. Yet it was held that the stock belonged to the bank and that the cashier and his sureties were liable for his misappropriation of it. (*Id.*)

SEC. 152. **A bank can have no lien on its own stock.**—This has been decided on several occasions. (*Goodbar, White & Co.* v. *City Nat. Bank*, 78 Texas 461.)

SEC. 160. **Nature of liability of shareholders.**—Passing to the liability of shareholders for assessments, we may begin by inquiring into the nature of it. Judge Wheeler, of Vermont, has done this in a case by a receiver to enforce an assessment against a married woman. "It is true that the liability does rest upon contract, but not upon the contract of the stockholder. The contract is made by the bank when the liability of that for which the assessment is required is created. The stockholders have no part in that contract. The affairs of the bank are managed by the directors, and its contracts are made by them, or pursuant to their authority. When those contracts are made, the statute binds the stockholders to them to the extent of the par value of their stock. (*Richmond* v. *Irons*, 121 U. S. 27.) If the stockholder was present and objected, the liability would be no less. The shareholders generally become such by contract, but the liability does not accrue then. They place themselves where the law makes them liable when the bank makes contracts; and any one may do that who is capable of becoming a stockholder, and married women in Vermont have, and always have had, that capacity." (*Witters* v. *Sowles*, 32 Fed. Rep. 767, 769.)

SEC. 161. **Liable until transfer is made on books.**—Shiras, J., said in *Welles* v. *Larrabee* (36 Fed. Rep. 866, 868): "Parties dealing with a corporation have a right to assume that all persons shown by the books of the corporation to be stockholders are bound for the liabilities of the corporation in the manner provided by the statutes under which the corporation is organized. If, therefore, a person knowingly permits his name to appear upon the stock books as a shareholder in fact, he will be estopped in favor of creditors from denying liability." (Citing in matter of Reciprocity Bank, 22 N. Y. 1, 17.)

SEC. 171. **Married women are liable.**—When a married woman is a shareholder her separate estate is liable to assessment like the property of any other shareholder, nor will the mode of acquiring shares, whether by subscription, purchase or bequest, lessen her liability. (*Keyser* v. *Hitz*, 133 U. S. 138; *Bundy* v. *Cocke*, 128 *Id.* 185; *Witters* v. *Sowles*, 32 Fed. Rep. 767, 769; 35 *Id.* 463; 38 *Id.* 700. Said Harlan, J., in *Keyser* v. *Hitz* (151), of such a shareholder: "She became, by force of the statute, individually responsible to the extent of her stock, at the par value thereof, for the contracts, debts and engagements of the National bank equally and ratably with other shareholders. Section 5,151, which imposes such individual responsibility upon the shareholders of National banks, makes no exception in favor of married women." Nor does the National bank law forbid them becoming shareholders. Indeed, the laws of the United States do not regulate the capacity of persons to become shareholders. This question, therefore, must be determined by the laws of the States where corporate shares are held. (*Lorillard* v. *Standard Oil Co.*, 18 Blatchf. 199; *Fetter* v. *Newhall*, 21 *Id.* 445; *Witters* v. *Sowles*, 32 Fed. Rep. 767.) Doubtless the right is accorded to married women in most, if not all the States. (*Bundy* v. *Cocke*, 128 U. S. 185; *Keyser* v. *Hitz*, 133 *Id.* 138; *Witters* v. *Sowles*, 32 Fed. Rep. 767.)

SEC. 171a. **Enforcement of liability against a married woman.**—The courts have not clearly determined on the proper mode of proceeding in such cases. The proceeding first instituted in *Witters* v. *Sowles* (32 Fed. Rep. 767) was a bill in equity; but it was dismissed, Judge Wheeler declaring that the remedy was an action of law. (*Price* v. *Abbott*, 17 Fed. Rep. 506.) In *Bundy* v. *Cocke*, however (128 U. S. 185), the proceeding was a bill in equity against the woman's separate estate, and its appropriateness was not questioned. Its adequacy was indeed questioned on the ground that it contained no allegation of her capacity to become a shareholder, or whether she was one before or after her marriage, but these objections were regarded groundless. (*Keyser* v. *Hitz*, 2 Mackey 473, affd. 133 U. S. 138 was an action at law. See § 178.*)

SEC. 173. **Effect of liquidation on the liability of a shareholder.**—On this subject, Devens, J., has remarked: "When a bank is in liquidation the liability of the stockholder for the debts of the corporation has been fixed. If there is a debt due from the bank, he cannot transfer to any one else his liability to pay that debt, so as to affect the creditor or subject him, in seeking such remedies as he may have against the stockholders, to any examination beyond the list of those who were so when the liquidation commenced. No further debts can be contracted thereafter, nor any transaction made except such as result by implication from the duty of closing up its affairs. While the embarrassments that would arise from holding the stock of a bank transferable after it has once gone into liquidation are manifest, no reason incidental thereto exists why it should so continue transferable." (*Richards* v. *Attleborough Nat. Bank*, 148 Mass. 187.)

SEC. 174. **A shareholder's liability ceases after the statute of limitations** has run for the full period. Consequently, an action by the receiver begun after that time cannot be sustained. (*Butler* v. *Poole*, 44 Fed. Rep. 586.)

SEC. 175. **Liability is several and equal.**—"Stockholders are liable to be assessed equally and ratably to the extent of their statutory liability for all debts existing while they hold stock, and before they make a valid transfer of the same. The various provisions of the National Bank Act are a part of the contract of the charter of a National bank, and where a party becomes a stockholder therein he necessarily submits himself to the provisions of the law under which the bank is authorized to transact business." (Hawley, J., *Young* v. *Wempe*, 46 F. 354.)

SEC. 176. **Action by Comptroller is conclusive.**—The Comptroller's action in levying the assessment is conclusive on debtors and shareholders. (*Peters* v. *Foster*, 56 Hun 607; *Platt* v. *Crawford*, 8 Abb. N. S. 297, 308; *Cadle* v. *Baker*, 20 Wall. 650; *Casey* v. *Galli*, 94 U. S. 673; *Kennedy* v. *Gibson*, 8 Wall. 498.)

SEC. 176a. **Who must sue.**—The receiver is the proper person to sue for an assessment. (*Peters* v. *Foster*, 56 Hun 607; *Stanton* v. *Wilkeson*, 8 Ben. 357; *Bank* v. *Kennedy*, 17 Wall. 19, 21; *Kennedy* v. *Gibson*, 8 Wall. 498; *Bank of Bethel* v. *Pahquioque Bank*, 14 *Id.* 383; *Platt* v. *Crawford*, 8 Abb. N. S. 297.)

* *In re* First Nat. Bank, 49 Fed. Rep. 120, Judge Wheeler said that the Supreme Court of the United States had said that they were, in equity, when by the law of the place they could become such shareholders. (*Bundy* v. *Cocke*, 128 U. S. 138.) They may become such shareholders in Vermont, and the motion for a new trial was overruled by two judges. (*Witters* v. *Sowles*, 38 Fed. Rep. 700.) Since then the Supreme Court has fully decided, in a case quite similar, that they are liable at law. (*Keyser* v. *Hitz*, 133 U. S. 138.)

SEC. 177. **In what courts the receiver can sue.**—A receiver may sue in a State court in another State than that in which the bank was located to recover an assessment. (*Peters* v. *Foster*, 56 Hun 607; *Platt* v. *Beebe*, 57 N. Y. 339; *Bank of Bethel* v. *Pahquioque Bank*, 14 Wall. 383; *Brinckerhoff* v. *Bostwick*, 88 N. Y. 52, 61.)

SEC. 178. **Nature of remedy.**—The remedy for collecting an assessment is an action at law (*Welles* v. *Stout*, 38 Fed. Rep. 67. See § 160); nor can the legality of the appointment of the receiver be attacked in such a proceeding. (*Id.*) Nor does the collection of an assessment in this manner deprive the shareholders of their property "without due process of law." (*Id.*)

SEC. 190. **Delano v Butler.**—The failure of the Pacific National Bank, of Boston, gave rise to a goodly crop of lawsuits of great interest relating to the liability of shareholders for assessments on shares, in which the formalities relating to their issue had not been completed at the time of the bank's failure. No one denied his liability for the value of his original shares; the questions related to his liability for the increased capital. Among these cases was *Aspinwall* v. *Butler* (133 U. S., 595, affg. 33 Fed. Rep. 217), which involved essentially the same questions as *Delano* v. *Butler*. (§ 190.)

SEC. 191a. **Effect of judgment of higher court on proceedings of lower courts.**—One other question has been decided in the Pacific Bank litigation, which, perhaps, ought to be mentioned. The receiver brought a suit against Eaton to recover the assessment ordered by the Comptroller. Eaton admitted that he was liable for $4,000, the par value of his stock, but denied his liability for $4,000 more, because his subscription for the amount had not been completed. The Supreme Court of Massachusetts had decided this question in his favor, and he used that judgment as a bar in the other proceeding to collect more than $4,000, the par value of the original stock. The United States Supreme Court, however, reversed the decision of the Supreme Court of the State, maintaining that Eaton was holden for the par value of the new stock as well as the old. The question then arose concerning the judgment of the Circuit Court relating to the assessment. It was decided that the Supreme Court had judicial knowledge of all the proceedings, and therefore the action of the Circuit Court was reversed, with a direction to enter judgment for the par value of the whole amount of stock, $8,000 and interest. (*Butler* v. *Eaton*, 141 U. S. 240.)

SEC. 181. **Receiver must aver that the proceeding is necessary.**—In an action by the receiver to collect an assessment of the stockholders, the complaint need allege only that the Comptroller determined to enforce their liability and did levy the assessment. (*Young* v. *Wempe*, 46 Fed. Rep. 354.) If the receiver allege that on a day named, "the Comptroller of the Currency, in order to pay the liabilities" of the bank, "made an assessment upon all of the said shares of the capital stock of said bank of 100 per cent. on its par value," and ordered the stockholders to pay the same "on or before" a day named, this will be sufficient to show that the proper action was taken by the Comptroller to determine the necessity of an assessment, and also of collecting the same of the delinquent stockholders. (*Welles* v. *Stout*, 38 Fed. Rep. 67.) Furthermore, an allegation "that by virtue of the premises, and of the statutes in such case made and provided, the defendant became and is indebted to your petitioner," the receiver, "in the sum of, etc.," sufficiently shows his indebtedness, and is equivalent to an allegation of non-payment. (*Id.*)

SEC. 185a. **Assessment. Set-off.**—On one occasion a bank was in a critical condition, and A. lent funds on the assurance that if the bank survived, they should be returned; if it failed, the amount should be credited in his assessment. This, however, could not be done, and he was obliged to pay his assessment like others, and take his dividend on the sum thus advanced to save the bank from bankruptcy. (*Sowles* v. *Witters*, 39 Fed. Rep. 403; *Case* v. *Bank*, 100 U. S. 446. See § 448a.)

SEC. 205. **A naked trustee is free from liability.**—Thus, in *Welles* v. *Larrabee* (36 Fed. Rep. 866), shares had been assigned in trust as security for a debt due to a third person. On the stock book the word "trustee" appeared after the assignee's name. As his trust character thus clearly appeared, he could not be held liable for assessment.

INCREASE OF CAPITAL.

SEC. 219. **How increase must be made.**—The stock of a National bank can be increased only in the manner provided by law. To constitute a valid increase three things must be done, says Mr. Justice Matthews. (*Delano* v. *Butler*, 118 U. S. 634, 649.) (1) "The association, in the mode pointed out in its articles, and not in excess of the maximum provided for by them, shall assent to an increased amount; (2) the whole amount of the proposed increase shall be paid in as part of the capital of such association; (3) the Comptroller of the Currency, by his certificate, specifying the amount of such increase of capital stock, shall approve thereof, and certify to the fact of its payment." Therefore an attempted increase without obtaining the consent of two-thirds of the stock, the payment in full of the amount of the increase, and the certificate and approval of the Comptroller of the Currency is invalid, and preliminary subscriptions to the increase cannot be enforced. (*Winters* v. *Armstrong*, 37 Fed. Rep. 508.) Moreover, when a subscriber has paid the proposed increase, supposing the requirements of the law have been observed, he can recover, either the full amount paid, or share with the other creditors. The latter view is maintained by Judge

Jackson (*Winters* v. *Armstrong*, 37 Fed. Rep. 508), and the other view by a court in Missouri. (*Schierenberg* v. *Stephens*, 32 Mo. App. 314; *Nichols* v. *Stephens*, *Id.* 330.)

SEC. 219a. **Schierenberg v. Stephens.**—A National bank determined to increase its capital from $300,000 to $500,000, but only $130,000 was subscribed. The bank advertised an increase to $430,000, but this was never authorized by the shareholders nor approved by the Comptroller of the Currency. The bank became insolvent, and the plaintiff sued to recover the amount he had paid. It was decided that not having become a shareholder, the receiver must repay him. (*Schierenberg* v. *Stephens*, *Id.* 330.

SECS. 219, 191. **Pacific National Bank v. Eaton** (141 U. S. 227.)—This controversy relating to an increase of stock, and the liability of the owners for an assessment thereon, has been fully described. (§ 191.) The United States Supreme Court maintained that when a subscriber for a proposed increase of stock in a National bank pays for it and receives a receipt therefor, and his name is entered on the books as a stockholder, and his certificate has been properly prepared, and is ready for delivery, he is a stockholder, though the certificate was never delivered. (*Thayer* v. *Butler*, 141 U. S. 234), decided on the same grounds as the above case.

[TO BE CONTINUED.]

ASSIGNMENT FOR CREDITORS—VALIDITY—PREFERENCES.

NEW YORK COURT OF APPEALS.

Durant v. *Pierson.*

Where the surviving partner of an insolvent firm borrowed money of a bank to pay the firm debts, while its insolvency was unknown either to the bank or to the surviving partner, his assignment of the firm property for the benefit of its creditors is not void because it gives a preference to the bank for the money so borrowed and used.

HAIGHT, J.—This action was brought to set aside an assignment made by the defendant, Henry R. Pierson, as survivor of the late firm of Henry R. Pierson & Son, to the defendant Robert C. Pruyn, for the benefit of creditors, upon the ground that it was fraudulent and void as against the creditors of the firm, for the reason that it directed the payment to the National Commercial Bank of the sum of $15,000. The referee has found as facts that Henry R. Pierson, the elder, died on the 1st day of January, 1890, leaving the defendant Henry R. Pierson, his son, as the sole surviving member of the firm; that the firm kept an account with the National Commercial Bank of Albany, in the name of Henry R. Pierson & Son, which was open and unsettled upon the books of the bank on the 9th day of January, 1890, at which time the defendant Pierson made application to the bank for the loan of $15,000; that upon making such loan there was credited upon the books of the bank to the firm the sum so loaned, and a note was given therefor, payable on demand, signed in the name of the firm by Henry R. Pierson, survivor; that $10,150 thereof was subsequently drawn out of the bank by the checks of the defendant Henry R. Pierson, signed by him as survivor, and the same was applied and used in the payment of the debts of the firm. The referee further found as facts that the purpose of said defendant Henry R. Pierson in applying for and obtaining such loan was to procure money with which to pay the obligations of the firm which had matured, or were about to mature, and that the bank understood such to be the purpose of the loan at the time of making the same; that the firm was in fact insolvent on the 1st day of January, 1890, at the time of the decease of the elder Pierson, but that such fact was not known to either the defendant Pierson or the National Commercial Bank at the time the loan was made. He further found as a fact that in inserting in the assignment the direction to pay the National Commercial Bank of Albany from the firm property the amount of the note, the defendant Pierson acted with intent to hinder, delay and defraud the creditors of the firm, but that at the time of making such assignment the defendant Pierson believed that such note was a firm obligation, or an obligation which was legally enforceable against the property and assets of the firm, and that he therefore was not morally chargeable with wrong in directing its payment out of the property of the firm; that the appropriation by him of the money borrowed of the bank to the payment of the firm debts created a claim in his favor against the estate, which, before the assignment, could have been properly paid out of the firm's assets. As a conclusion of law he found that the debt created by the loan by the National Commercial Bank was the individual debt of the defendant Pierson, and not that of the firm; that the assignment was consequently fraudulent as to the plaintiff, and directed judgment accordingly. If the debt created by the loan be the individual liability of the survivor, and one that the firm ought not to pay, and the firm be insolvent, the survivor had no right in his assignment to direct its payment out of the firm's assets, and by so doing the assignment was rendered fraudulent as to the creditors of the firm. (*Wilson* v. *Robertson*, 21 N. Y. 587; *Menagh* v. *Whitwell*, 52 *id.* 146; *Bank* v. *Burt*, 93 *id.* 233-245; *Bulger* v. *Rosa*, 119 *id.* 459-465.)

It thus becomes important to determine whether the loan contracted by the survivor became a firm obligation for the payment of which its assets may justly be applied. As we have seen, the note given upon procuring such loan bore the name of the firm and that of Henry R. Pierson, as survivor, but at the time that this note was given it was known to all the parties concerned that the senior member of the firm had died. The death of a partner puts an end to the copartnership, and there is no longer any power or authority of the surviving partners to carry on for the future a partnership trade or business, or to engage in new transactions, contracts or liabilities on account thereof. (Story Partn. § § 342, 343: *Hall* v. *Lanning*, 91 U. S. 160-170; *Farr* v. *Morrill*, 5 N. Y. Supp. 720.) It is thus apparent that while the note in form would appear to create an obligation of the firm, it is at law unavailable as such, for the reason that there was no power in the survivor to make it; but it does not follow but that it is a claim which ought in justice and equity to be paid out of the firm's assets. If it is, the preference in the assignment would not be void, for the law will not declare fraudulent that which equity adjudges right and proper. (*Denton* v. *Morrill*, 43 Hun. 224-229.) We must therefore consider whether there are equities which will support the claim of the bank to be paid out of such assets

It is apparent that the money borrowed from the bank by the survivor was for the purpose of paying the creditors of the firm the claims then matured and pressing. The amount of the loan was credited upon the open account of the firm with the bank, and subsequently $10,000 thereof, or thereabouts, was drawn out by the survivor upon his check, and used in the payment of the liabilities of the firm. At the time this loan was made it was not supposed by the officers of the bank or the surviving partner that the firm was insolvent, and no question is made but that both parties acted in good faith. The question is therefore presented whether a surviving partner may in good faith borrow money for the express purpose of paying the debts of his firm, and, by so applying the money borrowed, create an equity for the satisfaction of which the assets of the firm may properly be devoted. As we have seen, the survivor became entitled to the assets, which he had the right to sell, mortgage and dispose of in order to pay the debts and close up the affairs of the copartnership. If he had the power to sell or mortgage, it would seem to follow that he had the power to borrow and pledge the assets for the repayment of the loan; and, the amount borrowed having been faithfully applied in liquidation of the debts of the copartnership, equity will recognize the justness of the claim of the party making the loan. Cases may arise where the exercise of such authority may be highly expedient, if not necessary, for the preservation of the rights of creditors and persons interested in the distribution of the assets of the firm ; as, for instance, creditors may by levy expose the assets to a forced public sale under circumstances which would work great sacrifice to the estate. In case a survivor should be insolvent, he might be able to raise money by a pledge to repay out of the partnership assets when he could not obtain it upon his own credit. We do not see that harm could result to the other creditors by permitting this to be done, for it would not increase the obligations of the firm nor lessen their share in the distribution of the assets in case the firm be insolvent. It is not questioned but that the survivor had the right to turn out as a security or pledge the assets of the firm in payment for the money received by him. He could have sold the assets and repaid the money loaned at any time before executing the assignment and without the taint of fraud. It is not apparent how the rights of the parties are changed and the act of the survivor made fraudulent by doing that in the assignment which he had the right to do immediately before executing it.

The precise question involved in this case does not appear to have been passed upon in any reported case, so far as we have been able to discover, except in *Haynes* v. *Brooks*, 8 Civ. Proc. R. 106-113, where an assignment was made for the benefit of creditors by a surviving partner. In that case, as in this, the creditors had loaned money to the surviving partner to pay a note of the firm. Van Vorst, J., in commenting upon the transaction, said : "If a firm obligation was retired by the use of the money loaned or advanced by Brown & Co., the surviving partner would have been entitled to be repaid out of the firm property. As the moneys of Brown & Co. in fact paid a firm obligation, I see no objection in the subrogation of them in equity to the rights of the surviving partner or to the regarding of them as entitled to be repaid out of the firm assets. That works injustice to no one." The learned judge concluded by ordering the complaint dismissed, thereby sustaining the validity of the assignment. This case was affirmed in the General Term (42 Hun. 528) and in this court in 116 N. Y. 487. This question, however, was not considered in either of the appellate courts. In *Re Estate of Davis*, 5 Whart. 529, it was held that after the dissolution of a copartnership the partner authorized to settle the estate may borrow money on the credit of the firm for the purpose of paying its debts, and, if the credit be given in good faith, though with a knowledge of the dissolution, and the money borrowed be faithfully applied in liquidation of the debts of the partnership, the creditor has a claim against the firm assets, and is not to be considered as a creditor merely of the partner borrowing. In the case of *Prudhomme* v. *Henry*, 5 La. Ann. 700, it was held that, where a liquidating partner after dissolution has borrowed money to pay the debts of the firm, the partnership is liable so far as the evidence shows that the money was used for the benefit of the firm. In the last two cases the partnerships were not insolvent, and the question arose as between the partners. The courts, however, recognized the claim of the lender as one which ought to be paid by the partnership. In the case under consideration it is true that the partnership is insolvent, and the question arises as between the bank and creditors of the partnership, but the creditors have not been harmed or prejudiced by the action of the bank in loaning the money to the survivor, for the assets were increased in value to the amount of the loan, and the money drawn out of the bank was applied in extinguishment of the claims of the creditors, thus reducing to that extent the liabilities of the firm. When a partnership is dissolved by the death of a partner the survivor is entitled to the possession and control of the joint property for the purpose of closing its business, and to that end and for that purpose he may, according to the settled principles of the law of partnership, administer the affairs of the firm, and by sale, mortgage or other reasonable disposition of the property, make provision for meeting its obligations. He may for that purpose borrow money, and give a valid pledge of the copartnership property for its repayment. (*Williams* v. *Whedon*, 109 N. Y. 333; *Emerson* v. *Senter*, 118 U. S. 3-8; *Fitzpatrick* v. *Flannagan*, 106 *id.* 648; *Butchart* v. *Dresser*, 4 De Gex, M. & G. 542; 10 Hare, 453; *Banking Co.* v. *Cure*, 31 Ch. Div. 326.) In *Case* v. *Beauregard*, 99 U. S. 119-124, Mr. Justice Strong, in commenting upon the rights of partners in a suit involving the marshaling of the assets, says: "The right of each partner extends only to the share of what may remain after payment of the debts of the firm and a settlement of its accounts. Growing out of this right, or, rather, included in it, is the right to have the partnership property applied to the payment of the partnership debts in preference to those of any individual partner This is an equity that partners have as between themselves, and in certain circumstances it inures to the benefit of the creditors of the firm. The latter are said to have the privilege or preference, sometimes loosely denominated a 'lien,' to have the debts due to them paid out of the assets of a firm in course of liquidation to the exclusion of the creditors of its several members. This equity is a derivative one. It is not held or enforceable in their own right. It is practically a subrogation to the equity of the individual partner, to be made effective only through him. Hence, if he is not in a condition to enforce it, the creditors of the firm cannot be. (*Rice* v. *Barnard*, 20 Vt. 479; *Appeal of York Co. Bank*, 32 Penn. St. 446.) But so long as the equity of the partner remains in him—so long as he retains an interest in the firm assets as a partner—a court of equity will allow the creditors of the firm to avail themselves of his equity, and enforce through it the application of those assets primarily to the payment of the debts due them whenever the property comes under its administration." In the case of *Saunders* v. *Reilly*, 105 N. Y. 12, it was held that a mere general creditor of a firm, having no execution or attachment, has no lien whatever upon its personal assets. That, while firm creditors are entitled to a preference over creditors of the individual members of the firm, in the payment of their debts out of the assets in the course of liquidation, their equity is not held or enforceable in their own right, but is a derivative one, practically a subrogation of the equity of each individual partner to have the firm assets applied primarily to the payment of its debts; and where no such equity exists in favor of any member of the firm the firm creditors have none; and therefore where a judgment is recovered against all the members of a firm upon a joint obligation, but not an indebtedness of the firm, the firm property may be levied upon and sold on execution issued on the judgment. (See also *Dimon* v. *Hazard*, 32 N. Y. 64; *Stanton* v. *Westover*, 101 *id.* 265; *Kirby* v. *Schoonmaker*, 4 Barb. Ch. 46; *Brown* v. *Higginbotham*, 27 Am. Dec. 618; *Peyton* v. *Stratton*, 7 Gratt. 380; *Stebbins* v. *Willard*, 53 Vt. 665.) It appears to us that the conclusion is warranted from the authorities referred to that where a person in good faith loans money to a surviving partner, and where the money is faithfully applied by such partner in satisfaction of the liabilities of the firm, the claim becomes one which in equity should be paid out of the assets of the firm; and in an accounting between the survivor with the personal representatives of the deceased partner, equity will recognize the right of the surviving partner to have the money so borrowed and applied by him repaid out of the assets of the firm, and an assignment so directing is not fraudulent. Attention is called to the fact that the deceased partner left a will making the survivor his sole devisee and legatee, and it is claimed that he left no individual debts. If this were so, it is not apparent that it would affect the equities of the bank; but the evidence is silent upon the question as to whether or not the deceased left individual debts. The referee refused to so find, and we cannot assume that there were none. It may also be claimed that, the firm being insolvent, the survivor has no equities to which the bank can be subrogated, for the reason that he is liable individually for the payment of the firm debts. But the bank is not asking for any relief by way of subrogation; it is only defending the provision already made for it in the assignment from the claim of fraud. Even though both the firm and the survivor were insolvent, the survivor still had the right to have his contract recognized, and to say which of the creditors should be paid first, and to so provide in his assignment. (*Williams* v. *Whedon*, *supra*.) It follows that the judgment should be reversed and a new trial granted with costs to abide the final award of costs. All concur, except Vann, J., dissenting, and Potter, J., not voting.

Vann, J., dissents upon the ground that the note preferred in the assignment as a firm debt was simply the individual debt of the surviving partner, who, as he did not bind the firm in creating the debt, could bind neither it nor its property by directing payment out of the firm assets.

DEPOSITOR'S DUTY TO EXAMINE HIS PASS-BOOK AFTER ITS RETURN BY THE BANK.

SUPREME COURT OF CALIFORNIA.

Janin v. *London & San Francisco Bank.*

Where a bank allowed over three months to elapse before it returned to a depositor a forged check drawn on his account and payable to "currency or bearer," that it had paid without requiring the bearer's indorsement or identification, and there was no evidence that the bank could have retrieved its loss if notified of the forgery, the depositor's neglect within a reasonable time after the return of his canceled checks to examine them, and give notice of the forgery, was not a defense to recover the money paid on such check; and hence the bank was not prejudiced by an erroneous instruction to the effect that the depositor was not guilty of negligence in failing to examine the checks and bank-book, and that he became bound to give notice of the forgery only after he had discovered it. Paterson, J., dissenting.

The jury were properly instructed to find for plaintiff unless defendant was deprived of an opportunity to save itself from loss by his failure to examine the checks and bank-book, and to give notice of the forgery.

DE HAVEN, J.—The plaintiff was a depositor in the bank of defendant, and the controversy in this action grows out of the payment by defendant of a check for $16,700, purporting to have been signed by plaintiff, and for which amount defendant claims that it is entitled to debit the account of plaintiff. The complaint alleges that this check was a forgery. This is denied in the answer; and as another and separate defense is averred, in substance, that the plaintiff is estopped to deny the genuineness of said check, because of his negligence in not examining his balanced pass-book and returned checks, including the one in dispute, within a reasonable time, and giving notice that such check was forged, "by reason of which laches defendant was prevented from tracing out the forger of said check or said signature, if it was a forgery, and proceeding against him, for a period of nearly five months, and until all trace of said forger was lost." The defendant also avers that the account between itself and plaintiff had become a stated one. The check was paid on May 29, 1878, and on September 4, 1878, the defendant returned to plaintiff his pass-book showing the statement of his account at that date, and that he was charged with the amount of this check, which was also returned to him as one of the vouchers. On December 11, 1878, another statement of plaintiff's account was rendered by defendant, in which appeared the balance shown by the previous account. The evidence also tended to show that plaintiff did not at once examine the check in dispute when it was returned to him with his balanced pass-book on September 4, 1878, nor until some time in the month of December, 1878, and that he first intimated to defendant a doubt of its genuineness about December 28, 1878, but did not give notice that he actually claimed it to be a forgery until February 1, 1879. The verdict of the jury in favor of plaintiff must be deemed, on this appeal, to have conclusively established the fact that the check was a forgery, as there was evidence sufficient to establish such a finding, and it is not claimed that there was any error in the instructions of the court, so far as they relate to that particular point. It is well settled that a bank in receiving ordinary deposits becomes the debtor of the depositor, and its implied contract with him is to discharge this indebtedness by honoring such checks as he may draw upon it, and it is not entitled to debit his account with any payments except such as are made by his order or direction. (*Crawford* v. *Bank*, 100 N. Y. 50, 2 N. E. Rep. 881; *Bank* v. *Risley*, 111 U. S. 125, 4 Sup. Ct. Rep. 322.) All unauthorized payments, such as upon forged checks, are therefore made at the peril of the bank, and it is not justified in charging them against the depositor's account unless some negligent act of his in some way contributed to induce such payment in the first instance, or unless by his subsequent conduct in relation to the matter he is upon equitable principles estopped to deny the correctness of such payments. This view of the law cannot be well questioned, and finds abundant support in the decisions of courts. (*Shipman* v. *Bank*, 126 N. Y. 318, 27 N. E. Rep. 371; *Hardy* v. *Bank*, 51 Md. 562; *Weinstein* v. *Bank*, 69 Tex. 38, 6 S. W. Rep. 171; *Bank* v. *Morgan*, 117 U. S. 96, 6 Sup. Ct. Rep. 657.)

It is not claimed in this case that plaintiff was guilty of any prior negligence which induced the defendant to pay the check in dispute, and we are therefore to consider only the one general question, whether, upon the evidence before it, the court committed any error to the prejudice of the defendant in giving or refusing instructions relating to the defense of estoppel, and this we proceed to do. The plaintiff was in no manner responsible for the action of the defendant in paying the check. In making such payment it parted with its own money, and not that of plaintiff; and the loss consequent thereon was its own, and should not be transferred to the plaintiff, unless, from all the circumstances in the case, it appears reaaonably probable that, but for his alleged negligence, the defendant could have protected itself. The defendant has not in fact discharged its indebtedness to plaintiff, and should not be permitted to debit him with any amount as an offset thereto, unless it appears that, by reason of the negligent conduct of plaintiff, it has omitted to take proceedings which it otherwise would and could have taken to indemnify itself from loss. This seems to us clear upon the plainest principles of justice. The balancing of the pass-book in September, and charging the plaintiff therein with the amount of this check, and its return to him at the same time, constituted a statement of the account between himself and the defendant; and it thereupon became the duty of the plaintiff to examine the same within a reasonable time, and give to defendant, without unreasonable delay, notice of any objection which he had to it; and, unless such objection was made within a reasonable time, it became an account stated, and there was imposed upon the plaintiff the burden of showing that the check with which he was debited was a forgery; and, in addition to this, if the circumstances attending the entire transaction were such as to make it reasonably probable that the bank had suffered prejudice by plaintiff's unreasonable acquiescence in the account as stated, he would not be permitted to open the account by proof of its incorrectness.

Upon the trial the court instructed the jury, in substance, that, if they found that the check in dispute was a forged one, they must find for the plaintiff, unless it was shown that plaintiff's failure to examine his checks deprived the defendant of an opportunity to save itself from loss on account of the money paid thereon; and they were further instructed that, if "the plaintiff was guilty of negligence in respect to his treatment of his checks, including the disputed check, after he received them at the September balancing and the December balancing, or by reason of his making the discovery of the forgery, or of the facts which put him on inquiry respecting it some months before he gave any notice to the bank of such discovery, whereby the bank was or may have been injured, they may find for the defendant." So far, this was a correct statement of the law, and, with other instructions given, conveyed to the jury with sufficient clearness the law as we have declared it. But the court also gave the following: "In considering the fact that Mr. Janin's bank-book was balanced, and that the bank's statement of the balance was apparently acquiesced in for a considerable length of time, I instruct you that the plaintiff was under no contract to the bank to examine with diligence his returned checks and bank-book. In contemplation of law, the book was balanced and the checks returned for the protection of the depositor, not for the protection of the bank; and when Mr. Janin failed to examine it, the only consequence was that the burden of proof was shifted. Mr. Janin then became bound to show that the account was wrongly stated. This right he has preserved so long as the claim was not barred by the statute of limitations." This instruction, although supported by the authority of *Weisser* v. *Denison*, 10 N. Y. 68, is not, in our opinion, entirely correct, and is in conflict with other instructions referred to. When considered in connection with a portion of another instruction given, to the effect that it "was sufficient to give notice when the forgery was discovered," this clearly implied that plaintiff could not be charged with negligence in not examining his checks within a reasonable time, and that the jury were only to consider whether he was guilty of unreasonable delay in giving notice after he made the examination and discovered the forgery. This is not the true rule. This error, however, will not, in view of the undisputed evidence, justify a reversal of the judgment. Conceding that the plaintiff was guilty of negligence in not earlier examining his checks, discovering the forgery, and giving notice thereof, there is nothing in the evidence from which it can be reasonably inferred that the defendant sustained any loss thereby, or that its position with reference to the check, because of not having earlier notice, was in any manner changed to its disadvantage, and the court would have been justified in so charging the jury. The check was paid on May 29, 1878; and it was not until September 4, 1878, that it was returned to plaintiff. The check was payable to "currency or bearer," and when paid the person who presented it was not identified, or required to indorse it. This case was tried in 1885, and there is nothing in the evidence pointing to the fact that, if notice had been given on the very day the check was returned, the defendant would have been in any better position to discover the forger, or the person who uttered it, or to avail itself of any of the coercive measures known to the law by which to retrieve its loss, than it was at the time it received notice. If plaintiff was negligent, it was not shown that the defendant suffered any damage thereby, and for that reason such negligence cannot be allowed as a defense to plaintiff's right to recover in this action.

There may be some general language in the case of *Bank* v. *Morgan*, 117 U. S. 115, 6 Sup. Ct. Rep. 657, which would seem to imply that it is not necessary that the evidence should tend to show that any pecuniary benefit would have accrued to the defendant if reasonable notice had been given it; but this general language is limited by the facts of that case, and the more specific rule which the court announced, viz.: "Still further, if the depositor was guilty of negligence in not discovering and giving notice of the fraud of his clerk, then the bank was thereby prejudiced, because it was thereby prevented from taking steps, by the arrest of the criminal, or by an attachment of his property, or other form of proceeding, to compel restitution." In the case of *Continental Nat. Bank* v. *National Bank*, 50 N. Y. 576, cited by appellant, it is said that the arrest and detention of a swindler are powerful means of coercing restoration of property, and that the loss of this means in relying upon the declaration of another would estop such person from denying the truth of the statement upon which reliance was made. But this language is to be considered in connection with the particular facts then before the court, from which it appears that the declaration held to be an estoppel was the direct admission of the genuineness of the check afterwards claimed to be forged, and that, "had the teller of the certifying bank disclaimed the forged certificate and pronounced it a forgery when presented, the holder of the check would have had ample time to arrest the swindler at the Bank of the State of New York before he had received the money on the gold checks, and before he went to the Sub-Treasury with his gold certificates." (*White* v. *Bank*, 64 N. Y. 322.) The distinction between such a case as that and one like this, in which there is nothing in the evidence to indicate that all trace of the forger was not lost before the check in controversy was returned to plaintiff, months after its payment, is a marked one; and in *White* v. *Bank*, just cited, what we conceive to be the rule applicable to the facts in this record is thus stated: "In the case at bar it is the merest conjecture, with scarcely a possibility to support it, that the defendant, or those from whom it received the bill, could at any time after the transmission of the foreign bill of exchange to Baltimore have taken any effectual measures either for arresting the swindler or reclaiming the bill bought and paid for upon the credit of the bill. Estoppels cannot be based upon mere conjectures, even if a proper foundation is laid for them in other respects." There is nothing in *Bank* v. *Keene*, 53 Me. 103, in conflict with this. In that case, and upon its peculiar facts, it was held proper to instruct the jury "that, if the plaintiffs, relying on the defendant's admission, were induced to refrain from obtaining security from Judson by his arrest or by an attachment of his property, and they thereby sustained an injury, then the defendant would be estopped from denying his signature." But, of course, to justify such an instruction, there must be some evidence tending to show the facts upon which it is predicated. In this case the burden of proof to show that it sustained damage or injury by the negligence of plaintiff was upon the defendant, and this it was required to show by evidence having some reasonable tendency to establish such fact. In order to justify the submission of any question of fact to the jury the proof must be sufficient to raise more than a mere conjecture or surmise that the fact is as alleged. It must be such that a rational, well-constructed mind can reasonably draw from it the conclusion that the fact exists, and when the evidence is not sufficient to justify such an inference the court may properly refuse to submit the question to the jury, and in our opinion the evidence in this case was not such as would have warranted the jury in finding as a fact that the delay of plaintiff in giving it notice that the check in question was a forgery, lost to it any rights or remedies which otherwise it might have resorted to, in order to save itself from the loss incurred by its own mistake or negligence in the first instance, and which it now asks the plaintiff to bear, and therefore the error we have pointed out in the instruction of the court was without prejudice to the defendant. Judgment and order affirmed.

THE LIABILITY OF A DRAWER AFTER THE CERTIFYING OF HIS CHECK.

SUPREME COURT OF ILLINOIS.

Metropolitan National Bank v. *Jones, et al.*

Where the payee of a bank check has it certified by the bank, he thereby releases the drawer from liability thereon.

BAILEY, J.—This was a suit in *assumpsit*, brought by the Metropolitan National Bank of Chicago against Noble Jones, Edward S. Jones, and Walter Metcalf, co-partners doing business under the firm name of Noble Jones, to recover the amount of a bank check for $1,540, drawn by the defendants on the Traders' Bank of Chicago, payable to the order of the plaintiff. The defendants pleaded *non assumpsit*, and on trial before the court, a jury being waived, the issues were found for the defendants, and the court, after denying the plaintiff's motion for a new trial, gave judgment in favor of the defendants for costs.

The facts appear by stipulation, and are, in substance, as follows: On the 1st day of October, 1888, after the commencement of banking hours in the morning of that day, the defendants, being indebted to the plaintiff in the sum of $1,540, gave to the plaintiff their check on the Traders' Bank of Chicago, as follows:

"Edw. S. Jones, $1,540.00. Walter Metcalf.
" Noble Jones.
"Chicago, Cook Co., Ill., Oct. 1, 1888.

"Pay to the order of Metropolitan National Bank fifteen hundred and forty dollars.

"To Traders' Bank,
"Chicago, Ill.
"No. 18,128. NOBLE JONES."

On the same day, and during banking hours, the plaintiff sent said check by one of its collectors to the Traders' Bank, and asked said bank to certify it, which was done by writing across the face of it as follows: "Certified. 10, 1, 1888. Traders' Bank of Chicago. CHARLES G. FOX." The next morning during banking hours, but before Clearing House hours, the plaintiff sent said check by its collector to the Traders' Bank, and presented it for and demanded payment, which was refused. Thereupon, on the same day, and during banking hours, the plaintiff protested said check for non-payment, and sent notice of dishonor to the defendants. On the morning said check was presented for payment, and before it was presented, and before Clearing House hours, the Traders' Bank became insolvent, and suspended payment, and its assets were subsequently placed in the hands of a receiver, who has since had possession thereof. Said receiver has paid the creditors of said bank dividends at different times, those paid to the plaintiff amounting to $693, leaving a balance, principal and interest, due on said check at the time of the trial of $961.70. At the time said check was drawn, at the time it was certified, and at the time payment was demanded, the defendants had sufficient funds in the Traders' Bank to their credit to pay the check, and, if payment had been demanded instead of certification, said bank would have paid it. Upon these facts the counsel for the plaintiff submitted to the court the following proposition, to be held as the law in the decision of the case, which was refused: "The court holds, as a proposition of law, that when the holder of a check drawn upon a bank, situated in the same city as the holder, on the day of its issue takes said check to said bank and asks said bank to certify said check, which said bank certifies by marking 'Certified' on the face thereof, and the day following, during bank hours, presents said check to said bank for payment, and the bank refuses payment thereof, having become insolvent and passed into the hands of a receiver before banking hours of said day, and the holder of said check at once, and during banking hours of said day, gives notice of such dishonor to the drawer of said check, said certification does not release the drawer of said check, although at the time of the making and certification of said check the drawer had sufficient funds to his credit in said bank to pay the same, and, if payment had been demanded by the holder instead of certification, such bank could not have refused to pay the same."

The only question presented by this appeal is the one raised by the foregoing proposition, viz., whether the plaintiff, by obtaining certification of said check, released the drawers. A check being payable immediately and on demand, the holder can only present it for payment, and the bank can fulfill its duty to its depositor only by paying the amount demanded. In other words, the holder has no right to demand from the bank anything but payment of the check, and the bank has no right, as against the drawer, to do anything else but pay it. It follows that there is no such thing as "acceptance" of checks, in the ordinary sense of the term, for "acceptance" ordinarily implies that the drawer requests the drawee to pay the amount at a future day, and the drawer "accepts" to do so, thereby becoming the principal debtor, and the drawer becoming his surety. (Daniel, Neg. Inst., § 1, 601.) If, then, the holder on making presentment of the check, instead of demanding and receiving payment, has the check certified and retains it in his possession, he enters into a new and express contract with the bank not within the scope of the legal relations of the parties, nor within the presumed intention of the drawer. By certification, the bank enters into an absolute undertaking to pay the check when presented at any time within the period prescribed by the statute of limitations. The transaction, as between the holder and the bank, is substantially the same, in legal effect, as though the holder had received payment, and had deposited the money with the bank, and received a certificate of deposit therefor. The liability of the bank, after certification, is independent of the question of its possession of the requisite amount of funds of the drawer; it being, by the act of certification, estopped to deny the possession of sufficient funds. Another result of the transaction is that the bank thereby becomes entitled to, and if its business is properly conducted actually does, charge the amount of the check to the account of the drawer at the time of the certification; thus in reality appropriating to the payment of the check the necessary amount of the money on deposit to the credit of the drawer, precisely the same as though the check were paid. As between the bank and drawer, certification has the same effect as payment, the funds representing the amount of the check being just as effectually withdrawn from the control of the drawer, and the indebtedness from the bank to the depositor created by the deposit being just as effectually satisfied to that amount in one case as in the other. The question whether this change in the rights and relations of the parties should be held to discharge the drawer from further liability on the check has not, so far as we are aware, ever been before this court for decision, but the great weight of authority, as found in the decisions of courts of other jurisdictions and in the treatises of law writers of the greatest learning and ability, is in favor of the conclusion that the drawer is discharged. Mr. Daniel, in the section of his treatise above cited, lays it down as the rule that the bank, by certifying the check, becomes the principal and only debtor; that the holder, by taking a certificate of the check from the bank, instead of requiring payment, discharges the drawer; and that the check then circulates as the representative of so much cash in bank payable on demand to the holder. The question is very elaborately and learnedly discussed in 1 Morse, Bank. (3d Ed.) § 414 *et seq.*, and the same conclusion reached, the following being a portion of the reasoning there adopted: "The drawer can no longer sue, though the bank should finally refuse to pay the check, for he has originally only a right to demand that the check shall be duly paid on presentment, and his action lies for the damage resulting to him or to his credit from not having his debt duly discharged in the manner he has led his creditor to suppose would be sufficient. But if the holder waives his right to immediate payment, by expressly asking for or even by accepting the offer of a certification by the bank, it follows that, since his act acquits the debt due him from the drawer, the drawer can thereafter have no cause or basis whatsoever on which to sue. The matter is voluntarily taken out of his hands by the other parties, who make their arrangements to suit their own convenience. Even if the drawer has suggested or requested the arrangement, the assent of the payee and holder must be regarded as at his sole risk. He is not obliged to take the bank's promise in place of the drawer's indebtedness. The promise of the bank on the drawer's account, accepted as satisfactory by the creditor, discharges the debtor, and at the same time deprives him of all further concern or possible right of action in the premises." (See, also, Tied. Com. Paper, § 436.) This question was before the Court of Appeals of New York in *Bank* v. *Leach*, 52 N.Y. 350, and it was there held that, where a holder of a check presents it and procures it to be certified by the bank instead of being paid, such certification is, as between the holder and the drawer, a payment, and discharges the drawer from liability. In discussing the grounds upon which their decision is based, the court say: "When the drawee accepts, it is an appropriation of the funds, *pro tanto*, to the service and use of the payee or other person holding the bill, so that the amount ceases henceforth to be the money of the drawer, and becomes that of the payee or other holder in the hands of the acceptor. It is entirely clear that the acceptance of a time draft, before due, does not operate as a payment as respects the drawer. Its only effect is to make the acceptor the primary party to pay the draft. But the parties to a certified check, due when certified, occupy a different position. There the money is due and payable when the check is certified. The bank virtually says that the check is good. 'We have the money of the drawer here ready to pay it. We will pay it now, if you will receive it.' The holder says, 'No; I will not take the money. You may certify the check, and retain the money for me until this check is presented.' The law will not permit a check when due to be thus presented, and the money to be left with the bank for the accommodation of the holder, without discharging the drawer. The money being due, and the check presented, it is his own fault if the holder declines to receive the pay, and for his own convenience has the money appropriated to that check, subject to its future presentment at any time within the statute of limitations." (See, also, *Essex County Nat. Bank* v. *Bank of Montreal*, 7 Biss. 193.) It seems to us very clear, both upon principle and authority, that the plaintiff in this case, by obtaining certification of their check, discharged the defendants from all liability thereon as drawers, and that the subsequent presentment of the check for payment, though on the next business day after the check was issued, did not revive or in any manner affect the defendants' liability.

But it is said that a different rule was laid down by this court in *Bickford* v. *Bank*, 42 Ill. 238; *Rounds* v. *Smith*, *Id.* 245; and *Brown* v. *Leckie*, 43 Ill. 497. It will be found, on examination, that in each of those cases certification of the check was obtained by the drawer before delivery to the payee, and that no presentment was made by the holder until made in due course for payment. It is easy to see that an essentially different rule should apply in a case of that kind. The fact that the drawer, before delivering the check, gets the bank to certify it, in no way changes its essential nature as a check, or affects the drawer's liability in case, on due presentation for payment, the paper is dishonored. The reasoning of the opinion in the above-mentioned cases should be restricted in its application to the facts appearing in those cases, and, as applied to those facts, it is doubtless correct, and should be followed. But it cannot, and, as we may assume, was not intended, to apply to cases like the present, where the holder has himself made presentment of the check, and, instead of receiving payment, as he might and should have done, has chosen rather to accept, in lieu of payment, an express executory agreement by the bank to pay the check to the holder when presented for payment at any time thereafter.

Much effort is made by counsel to show that, to be consistent with the doctrine established by the case of *Munn* v. *Burch*, 25 Ill. 35, and in the numerous cases in which that decision has been followed, we must hold that the defendants were not released from liability by the certification of the check. In *Munn* v. *Burch* we held, contrary to the rule recognized in many of the States, that a depositor, by delivering to another his check on his banker for value, transfers to the payee of the check and his assigns so much of the deposit as the check calls for, and that on presentation of the check for payment the banker becomes liable to the holder for that amount, provided the drawer has on deposit at the time a sufficient sum applicable to that purpose to pay the check. Accordingly, if the banker refuses to pay the check on presentment, he becomes liable to an action by the holder to recover its amount. It follows that the giving of the check becomes, at least after presentment, an assignment to the holder of a sufficient amount of the deposit to pay the check, and therefore a definite appropriation of that sum to its payment binding upon all the parties to the check. The argument sought to be made, if we understand it, is that the certification of the check is a no more effectual appropriation of the fund on deposit to the payment of the check than was already made by the act of the drawer in giving the check, and therefore that one of the chief grounds upon which the rule adopted in other States, that certification releases the drawer, is based, fails or is inapplicable here. If the mere fact of such appropriation, however made, is the test by which to determine whether the drawer has been released or not, there may be force in the argument. We do not understand, however, that such is the case. Some of the authorities, it is true, allude to and dwell upon that circumstance as possessing very considerable significance, but we do not understand that any of them make it the test or basis of the rule. The rule laid down in *Munn* v. *Burch* is based upon the implied agreement on the part of the banker to pay out the money deposited to the holders of the depositor's checks, at such times and in such sums as the depositor sees fit, by his checks, to order, and such agreement is held to be so far available to the holder of the depositor's check, as to enable him, after the check has been duly presented for payment and payment refused, to bring suit against the banker in his own name, and recover the amount of the check. The banker, as the result of his implied agreement, becomes the principal debtor, but the drawer is still liable, at least as surety, and is at liberty at any time, by paying and taking up the check, to reinvest himself with the legal title to the money on deposit. The appropriation of the fund, then, so far as any definite appropriation of it can, under the circumstances, be said to be made, is only conditional, and follows in strict accordance with the terms of the contract between the parties, and must be regarded as one of the consequences contemplated by them at the time the check was drawn. But where the holder of the check, on presenting it to the banker, instead of demanding and receiving payment, as the parties contemplated and as is his legal duty, requests and obtains certification, and retains the check in his own hands, wholly different rights are obtained, and consequently different rules of law are applicable. The appropriation of the deposit to the payment of the check then becomes absolute, and the holder enters into new contractual relations with the banker, not contemplated or authorized by the drawer, and which place the fund appropriated wholly beyond his control and out of his reach. Even viewing the drawer as surety, the new contract between the creditor and the principal debtor, affecting as it does the character of the debt and the time and manner of payment, should of itself be held, upon well-settled principles of law, to be sufficient to discharge his liability as surety. But, whether the decision of the case should be placed upon this ground or not, the presentment of the check for payment and its dishonor on the one hand, and its presentment and certification on the other, involve legal rights, and invoke the application of legal rules, so essentially different that the doctrine of the case of *Munn* v. *Burch*, which is controlling where payment is demanded and refused, can have no relevancy to or controlling effect, even by analogy, in a case where the holder gets the check certified. We are of the opinion that no error was committed in refusing to hold the proposition submitted by the plaintiff as the law in the decision of the case, and that the Appellate Court properly affirmed the judgment. The judgment of the Appellate Court will accordingly be affirmed.—*Northeastern Reporter.*

RIGHTS OF PLEDGEE OF COLLATERALS.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Hallowell v. *Blackstone Nat. Bank.*

A borrower at a bank gave his note and certain stock as collateral security. The note authorized the bank to sell the stock ' on the non-performance of this promise, said bank applying the net proceeds to the payment of said note, and accounting to me for the surplus, if any"; and that "such surplus, or any excess of collaterals upon this note, shall be applicable to any other note or claim against me held by said bank." It did not appear that the borrower had had any other transactions individually with the bank. *Held*, that the bank was authorized to hold any excess of collaterals as security for bills accepted by a firm of which the borrower was a member.

Part payment only of the note at maturity constituted non-performance, and an agreement not to press the demand without notice was not a waiver of the bank's right to sell the stock after notice was given.

HOLMES, J.—This is a bill to redeem certain stock given by one Smith, the plaintiff's insolvent, to the defendant as collateral security for a loan to Smith. The main question is whether the defendant can hold the stock as security, not only for the loan mentioned, but also for two acceptances of a firm of which Smith was a member, which acceptances the defendant had discounted before the date of the loan in question. The note given by Smith for the loan authorizes the defendant to sell the stock "on the non-performance of this promise, said bank applying the net proceeds to the payment of this note, and accounting to me for the surplus, if any." It then goes on, and these are the important words, "and it is hereby agreed that such surplus, or any excess of collaterals upon this note, shall be applicable to any other note or claim against me held by said bank."

The counsel for the plaintiff based his argument on the proposition that the right to apply the excess of collaterals to any other note or claim was conditional upon Smith's non-performance of his promise. We think it doubtful at least whether that is the true construction of the words which we have quoted. We are disposed to read the agreement as an absolute pledge or mortgage of the securities for other notes and claims. But if this be not so, we are of opinion that Smith did not perform his promise within the meaning of the note. The bank demanded payment of Smith on January 3, 1889, and he made partial payments, but failed to pay the residue, and requested the bank to make the balance a time loan, which the bank refused. This was a non-performance of his promise by Smith. It is true that the report states that it was understood that the demand should not be pressed without further notice. But this did not take away the effect of the breach. It merely called on the bank to give notice before taking further steps, such as selling the security, and this it did. We neither construe the report as meaning, nor do we infer from it, that the breach of Smith's promise by his failure to pay on demand was waived by the bank. On January 3d, if not before, the bank's right vested to apply any excess of collaterals upon other claims.

The question remains whether the bank is entitled to hold the security for the bills, which were accepted by Smith's firm and not by him individually. It cannot be denied that the acceptances were "claims against him," and that the words used in his note were broad enough to embrace firm acceptances, unless there is some reason in the contract, the circumstances, or mercantile practice, to give them a narrower meaning. (*Manufacturing Co.* v. *Allen*, 122 Mass. 467; *Chuck* v. *Freen*, Moody & M. 259.) If Smith had had private dealings and a private account with the bank as a depositor, and his firm also had had dealings and an account there, and Smith had given security in the terms of his note in order to be allowed to overdraw or to obtain a discount, it may be that the generality of the language would be restrained to the line of dealings in the course of which it is used. Ex parte McKenna (City Bank Case) 3 De Gex, F. & J. 629. See Lindl. Partn. (5th Ed.) 119, and note. But we are called on to construe a printed form used by the bank, and presented by it for those who borrow from it to sign. The question is, what is the reasonable interpretation of such words? When insisted on as a general formula to be used by would-be borrowers, irrespective of any special course of business of the particular person who signs it, which, for the matter of that, there does not appear to have been in this case. For all that appears, the note mentioned may have been the only transaction that ever took place between the defendant and the plaintiff alone. The printed form, it may be assumed, would have been used by the bank equally in a case where the borrower was the principal man in his firm, and the only one known to the bank, was borrowing for his firm daily, and had never borrowed for himself but in this instance, and in a case where the borrower's membership in a firm whose notes the bank held was unknown.

This being so, in the opinion of a majority of the court there is no sufficient reason for not giving the words their full legal effect. The clause pledging the property for any other claim against the debtor is not inserted with a view to certain specific debts, but as a drag-net to make sure that whatever comes to the creditor's hands shall be held by the latter until its claims are satisfied. Corey on Accounts and Lindley on Partnership have made it popular to refer to a mercantile distinction between the firm and its members, But we have no doubt that our merchants are perfectly aware that claims against their firms are claims against them, and when a merchant gives security for any claim against him, and there is nothing to cut down the literal meaning of the words, he must be taken to include claims against him as partner.

Decree accordingly. Bill dismissed.—*Northeastern Reporter.*

LEGAL MISCELLANY.

USURY—LIMITATION OF ACTIONS.—Where the maker of a note drawing interest at 10 per cent. until maturity paid after maturity, on a final settlement, interest at the same rate, which he claimed was by mutual mistake, an action for the recovery of the usury paid must be brought within one year from the payment, under the laws of Kentucky. [*Spencer* v. *Mathews*, Ky.]

CONVERSION OF STATE INTO NATIONAL BANK.—The conversion of a State bank into a National bank is not a "closing of its business," within the meaning of the New York statute of 1859 providing for the redemption of a State bank's circulation, and releasing it from liability on such notes as are not presented within six years after the giving of the prescribed notice; and any notes not so presented constitute a valid claim against the National bank. [*Metropolitan Nat. Bank* v. *Claggett*, U. S. S. C.]

NEGOTIABLE INSTRUMENT—PAYMENT.—In an action to recover upon a note which the plaintiff claimed had been canceled by mistake without being paid and delivered to the defendant, and the defendant claimed that he had paid the same, two of the instructions given were inconsistent with each other as to the burden of proof, and therefore erroneous. [*Farmers' Bank* v. *Harshman*, Neb.]

PLEDGE—COLLATERAL.—Where one of two obligors, who are jointly indebted as principals, pledges certain choses in action as collateral security for the joint debt, the pledgee may, with the consent of the pledgeor, accept less than the face value of such collaterals in settlement of the same, without making himself liable to account to the other obligor for more than the sum actually received by him. [*Foltz* v. *Hardin*, Ill.]

BANK CHECK—ACCEPTANCE BY TELEGRAM.—One T., having purchased certain cattle for $22,000, offered his check in payment. The seller refused to accept it or part with the cattle until assured it would be paid, and therefore telegraphed the drawee, asking if it would pay T.'s check for $22,000. The drawee answered: "T. is good. Send on your paper." *Held*, that this was an acceptance in writing, within the meaning of Rev. St. Mo., § 533, providing that no person shall be charged as an acceptor of a bill of exchange unless his acceptance shall be in writing. [*Garrettson* v. *North Atchison Bank*, U. S. C. C. Mo.]

NEGOTIABLE INSTRUMENT—EXTENSION.—Under the provision of a note that, at its maturity, the maker should have the privilege of extending the time of its payment, by giving the holder written notice of his intention, the giving of the notice at time is essential to the right of extension. [*Houston* v. *Newsome*, Tex.]

NEGOTIABLE INSTRUMENT—INTEREST.—An agreement in a note to pay interest on arrears of interest is iniquitous and invalid. [*Levens* v. *Briggs*, Oreg.]

NEGOTIABLE INSTRUMENT—LIABILITIES OF INDORSER.—In an action against an indorser of a note, where demand of payment was not made at its maturity, the plaintiff must show that defendant, having knowledge that she was discharged of all liability, had renewed her liability by payments or subsequent promises to pay. [*Parks* v. *Smith*, Mass.]

BANKS—REPRESENTATIONS OF PRESIDENT.—A correspondent told a bank president that he had deposits in the bank, and wanted to know its financial condition. The president replied that there was no question of the ability of the bank to meet all liabilities, and the correspondent was thereby induced to continue his deposits, which were lost by reason of the insolvency of the bank: *Held*, that though the representation was not made with intent to deceive, the president was personally liable, if, by the exercise of ordinary diligence, he could have known that his statement was not true. [*Giddings* v. *Baker*, Tex.]

CONFLICT OF LAWS--RATE OF INTEREST.—Pursuant to an arrangement made in Washington, D. C., between plaintiff, a resident of that city, and defendant, a citizen of New York, for the renewal of a note payable in Washington for a loan made by plaintiff to defendant, and bearing interest at 7 per cent., a new note bearing the same rate of interest was executed in New York by defendant, payable at a bank in that State to the order of a party also a resident of New York, who indorsed and mailed the note to plaintiff, whereupon plaintiff delivered up the old note: *Held*, that the question of usury was to be determined according to the law at Washington. [*Staples* v. *Nott*, N. Y.]

NEGOTIABLE INSTRUMENT—INDORSEMENT BY THIRD PERSON.—Gen. St. Conn. § 1860 provides that "the blank indorsement of a negotiable or non-negotiable note, by a person who is neither its maker nor its payee, before or after its indorsement by the payee, shall import the contract of an ordinary indorsement as between such indorser and the payee or subsequent holders": *Held*, that while such an indorsement is given the effect of an ordinary indorsement, yet if it be made before and above that of the payee, the indorser is, nevertheless, as to him and subsequent holders, impliedly an indorser in the order in which he stands upon the note. [*Spencer* v. *Allerton*, Conn.]

NEGOTIABLE INSTRUMENT—LOST NOTES.—In an action on a note made by defendant to the order of two others and by them indorsed to plaintiff, plaintiff proved that when the note fell due one of the indorsers took it up, giving plaintiff in lieu of it a note made by one L., with the same indorsers; that this note proved to be a forgery, though plaintiff had believed it genuine, and that said indorser had fled the country, and plaintiff was ignorant of his whereabouts: *Held*, that this was sufficient to excuse non-production of the note, and to justify secondary evidence of its contents. [*West Philadelphia Nat. Bank* v. *Field*, Penn.]

NEGOTIABLE INSTRUMENT—NOTE—ASSIGNMENT.—The transfer of a promissory note by indorsement operates as an assignment or transfer of a bill of sale given to secure its payment, and the owner of the note, in a proper case, may bring replevin in his own name to recover possession of the property covered by the bill of sale. [*Gamble* v. *Wilson*, Neb.]

THE IDEAL BANK CLERK.

The following excellent address was delivered before the students and teachers of the Capital City Commercial College, by Mr. V. F. Newell, Cashier of the Des Moines National Bank:

An ideal bank clerk is a queer person. I do not know whether I know just what an ideal bank clerk is myself. I know, when I first commenced clerking in a bank, I worked until one or two o'clock in the morning to get the book to balance, and it took all the ideality out of it. Well, I kept up that kind of practice for about two months, until finally my ideas commenced to flow easier, the balance book proved, and I got home to supper. But the ideal bank clerk should be, perhaps, a person qualified to do any kind of clerical work, yet I think a very good bank clerk might make a very poor salesman, for a salesman would have but little to do with accountantship.

I believe we have four thousand National banks in the United States, perhaps as many more private and State banks, and they employ each from two to two hundred clerks. The First National Bank of Chicago had one hundred and twenty, two years ago, and the number has increased since to about one hundred and fifty clerks in that one bank. The ideal clerk in that bank would be a pretty hard one to find, because, there, each clerk is a perfect machine. Each one has his department, and it is years, perhaps, before he gets into any other department. The ideal bank clerk in the Bank of England is not allowed to be married until he has a certain salary, and the Bank of Venice will not hire a clerk until he is married; so there is another difference as to what the ideal bank clerk is. I suppose in the one case they think a man would be dishonest unless he is married, and in the other case he would not be honest if he married without the means necessary.

I think if our "messenger" should try to prove that his work was a little under-valued, because he did not show that he was fit for higher duties, he would, perhaps, not be as acceptable a messenger as he would prove to be by doing what he has to do at the right time, and in the best way he can. This is a very valuable point, not only for bank clerks, but for all. Do the best you can, even if you are fit for something better; what you are doing at the present time is always worthy of your best attention. The ideal bank clerk is the person who does what he has to do at the right time, and in the best way he knows. There are very few bank clerks who get out of the messenger's position into any other position above it unless they learn their business there very thoroughly. I think there are a good many qualifications that I have had in mind for the bank clerk that are not very applicable to the audience before me this morning.

In thinking of the different qualifications of the bank clerk, and in saying bank clerk here, I am talking on the text that was given me—I mean people that are engaged in any kind of clerical work: the bank is not different from the store, so far as qualifications for success are concerned; acceptably performing the duties presented is one of the factors of commercial life and commercial work, as much in dry goods stores, insurance offices, etc., as in banks. They all vary a little, one from the other, in the character of the business, but, I imagine, not so much in the character of the service. In personal qualifications, I think the bank clerk should have, first, hereditary honesty. There are some kinds of business in which you do not have to exercise this so much, but a person to whom money is a temptation has no business in a bank; and the more you think of this, the more you see the statement to be true. You leave your money in the bank because you have confidence that it will be more securely taken care of than if you kept it in your own house. Well, the bank clerk or the bank officers, with all the restrictions and all the safeguards that may be placed around the system by careful methods, must still be honest, and I do not think that honesty is altogether a cultivated thing; I think it has to be born in a person. The more one becomes acquainted with the business world, the more he realizes that there is great honor in business. There is no tearing down of each other's interests to build up self, an idea that some newspapers and all demagogues strive to convey. In fact, in commercial exchanges in the large cities disputes are settled by arbitration, rather than litigation; and they are settled in an honorable way; and men take great pride in their honor in some of these large commercial exchanges. They are supposed to scalp each other, and yet, their word is prized more than that of many men who are doing business in a smaller way.

I hardly know what to say as to the personal qualifications of those who work in banks, as regards their tastes. I do not think that a young man who has a taste for buying steers, who is a good judge of an animal, ought ever to waste his days in a bank when he can make ten times as much money dealing in stock. I do not think that a young man who has a decided taste for architecture, and feels most at home when in that line, has any business clerking in any kind of a commercial institution. Some people have a taste for mathematics, others for music, others for art; and yet in every branch—in every activity of life, I think the person would be better for knowing something about business.

Now, as to the qualifications of a clerk, I think the first thing is to be tidy; but that does not apply here. When I taught school, it did apply to about one-third in the school. I sometimes had to send a boy home and present him with a cake of soap. But that first qualification does not apply to those before me. I think another qualification is order. Another quality is to be methodical. If you have not noticed it, you will, as you go through life. You step into an office or a business house, you are in a hurry and you know that the business you have to transact will not take more than ten minutes. Say it is a bank, and you have business with the cashier; for instance, myself. You come in and want to pay your note. The desk is all covered over with papers, and I hunt, and hunt, and hunt; finally I say, "I must have laid that in the safe with the insurance policies," and I go there and hunt, and it is not there; and I come back and you say, "I will have to come in to-morrow, as I have to catch the train now." Now, I have wasted ten times the time it would have taken to put the paper in its proper place. That is not the worst part of it. I have wasted my customer's time. From this illustration, I think you will see why a person should be orderly and methodical. I do not know whether you can separate the two terms, and yet there is a wide difference. A person may be orderly and put everything in its place mechanically—put it there because somebody left it there; but if you are in charge—the manager of the enterprise—you must have the power to create order, to analyze and systematize the different parts of the work. Then you see where the word "methodical" comes in; to be methodical—to have the power to create order. Perhaps that distinction would not be upheld by scholars, but from my standpoint, a person who is orderly may be mechanical; but to be methodical means to be logical.

Well, there is another way of wasting your own time and your customer's, and that is by being inaccurate in figures, and this is something I cannot see on the desks here, and therefore cannot judge of. I do not know how it is. It may be that you are accurate, as you are orderly and tidy. It is very hard to be accurate unless you give close attention to what you are doing; and I think the discipline in continuity, gained in taking a commercial course, is one of the greatest benefits, and one, perhaps, you least think of, and yet it is one of the benefits you carry through life.

Another way to waste your time and, perhaps, your customer's, is that of being late. In business it is not different from what it is in your school.

There is another qualification which I will illustrate in this way: I open the mail this morning, and perhaps out of a hundred letters I get twenty-five or thirty notes on merchants in town. Say one of these is a two hundred dollar ($200) note, due the first of November. There are certain instructions in that letter that lead me to think that I should file it three days before it becomes due, so that it will come to my attention; I tell the collector about this, and give him the exact date. He sees that it is not the maturity of the note, and says to himself, "He doesn't know what he means," and so files it when it is due, instead of the date I gave him; thinking, instead of obeying instructions, that he is taking the right course. Now, the day before that note falls due the maker makes an assignment, and we have to remit the note East and stand our chances with a large number of others. Now you see in a case of that kind that the slightest disobedience causes great loss. What is true in this case is true in every case in life; it is true in the school room to this extent: if you do not have good government and respect for order in a school room, you will not have respect for order in business, and the clerk is not of very much use in business who does not have respect for the orders of his superior. My experience is that the superior officer never gives an order that there is not some reason for, and it is not always reasonable to explain that reason.

Well, there is another qualification—we have accidentally found a man that will make an ideal bank clerk. He presents his application to the president of the bank and he refers it to the board of directors; he has all of these qualifications, but he never knows how to speak to anybody. It is always "uhm" and "eh," no courtesy at all. He does not know what courtesy is. We cannot have a man of that kind to drive customers away. It is again proof of the homely old saying every one knows to be true, "Vinegar never catches flies." You have often been in a store, and while you did not find what you wanted, have been so nicely treated by a certain clerk that you wanted to go back again. You go to some other store and are treated roughly—you buy there because you could not find what you wanted anywhere else; but the next time you will go to the clerk that treated you well and try again; so you see how important courtesy is. If we do not cultivate this in our dispositions when young, it is very hard for us when we are twenty-five or thirty years old to adopt it. Now, there are two ways of looking at it. It is not selfish; there is an old saying that the world treats you as you treat it. If you meet a person on the street and smile at him, he will not meet you with a frown; if he does, I want a kodak picture of that person.

There is still another important thing in the banking business. I do not know that it is so important in school; in fact, I do not like the quality myself anywhere; and yet it is necessary in certain places, it is secretiveness. If you are keeping the books in a bank and a very dear friend comes in and says, "Now, confidentially, will you tell me how much money a certain man has to his credit, and it will not go any further?" I don't believe there is one but will realize the unfairness of such a question. That clerk must have judgment enough to reply in this way: "Now, look here, my dear friend, if you had money in our bank, would you want me to tell that party how much you had here to your credit?"

There are a great many clerks that like to talk about the business of their proprietors and those they are working for. They take an interest in the business, and it is with pride, perhaps, that they recite what they are doing in their offices, but it is dangerous talk. This is the secretiveness I want to impress upon you; it is necessary in all kinds of business, and yet it does not imply that if you are secretive in this way, that you cannot be cordial and communicative where you ought to be.

It seems to me that, if a clerk had all of these qualifications, he could not help having a pretty fair address. It is not the countenance alone that makes the address. It does not depend on whether a person is handsome or homely; that has nothing to do with the address. One of the most entertaining men and fascinating conversationalists I ever met, was a person who, if you were to see his face, without seeing his eyes, would produce a most unfavorable impression upon you. You would hardly believe how his eyes would transform his whole face; that man had an address. He was a State officer in Wisconsin when I was a boy. He had an address of sympathy and cordiality that impressed me as a boy, and that has never left me; and yet, at the same time, excepting his eyes, the ugliness of his features has made as distinct an impression upon my mind as his agreeableness. If a person would have a good address in an office, he must stand straight on his feet. That is, perhaps, difficult for some, but for your health and appearance you should do so. And those of you who may become accountants and clerks in offices, I presume have had plenty of instruction in that line. When I was twelve years old, my father said, "I think your bent is at the desk. I believe you are to be an office man." I was always writing or figuring when I was a little fellow, and he became very much worried, as he thought I was going to be more round-shouldered than I am. He told me to put my arms back over the top of the chair every day and take a long breath. I believe I would have had to give up the office long ago if it had not been for that habit.

What should a bank clerk do in the office? We have dealt with the personal qualifications of a clerk. How should he conduct himself in the office? For the first few weeks after the clerk comes into the office, he is very careful and quiet; then he becomes acquainted with his work, and then with his associates; some morning he begins to whistle about his work. Now, that is very nice; I like whistling in its place, and it indicates a good disposition; but, imagine, would you like to go into a bank and leave your money where you found two or three clerks whistling, and, perhaps, one taking up the alto and the other the soprano? Would your impression of the business qualifications of these clerks, and of the managers themselves, be very good?

Another bad habit in the office is the use of tobacco. If a person is constrained to smoke, if he feels that his life will be half lost unless he spends part of it in that way, it should be done outside of the office, for two good reasons. In the first place, there are a great many customers coming into the office to whom it will be offensive; and, second, but one thing can be done well at a time. There is another habit, a kind of humming about your work, singing in an undertone; I speak of this because I have met with it at different times, but I do not encourage it where I am.

There is another thing a person should not do in the office. When a customer steps up and asks a question, the clerk should not go on figuring, and after he has done the work quietly look around to see if any one is present. There are a great many clerks who do that. It never makes me feel badly myself, because I know how hard it is to balance a column of figures; but the majority of customers do not know this, and they take it as an insult. The first thing a clerk should learn is to put the customer first, and his work second, because if you have no customers you will have no work. While I am talking on this subject, perhaps some little time could be spent in giving some personal experiences, but I do not think it would be profitable and I will go on.

What the clerks do outside the office is a big question. I have heard clerks say that if they, while in the office, have performed their duties it was nobody's business what they did outside. Well, I can answer the whole question; it seems to me just this way: There is not one in the room who, when he performs an action outside of his business relations, cannot discriminate whether that action is tending upward or downward. Some very wealthy business men have not very much character, and if they had no money in the bank they would not have anything left to bank with. The faculty of acquiring money and riches seems to be a faculty born in some men, as faculties in other directions are born in others. Some men almost accidentally become rich, but there is something more precious in life, and that is character, and the very rich man himself, while he may indulge in all the forbidden fruits, does not want that kind of clerk in his employ. They all want their clerks and employes to be doing, outside of their clerical hours, that which tends upward and not downward.

There is another thing that I would like to mention—I hardly know how to present it to you. You all have your ideals. You have seen a clerk, a business man, a minister, an orator, or a singer who has impressed you very much, and you feel that it would be the height of your ambition to do as he does. I know I had that feeling, when I was a boy, with reference to two or three men. But I would like to have you think of it in this way: that you are to acquire a thorough appreciation of the great principles of life and of business, government, and society; get acquainted with these fundamental principles, and you can establish a basis for an ideal that you would better and more safely follow than to imitate any one individual; because the more intimately you become acquainted with men, no matter how high they may have stood as ideals in your mind, you will find them imperfect, but, if action can be based upon first principles, you have an ideal that, if followed, will make of you an *individual*, and tend to cultivate your individuality; but if you simply imitate some one else you are only a machine.

MOVEMENT OF THE PRECIOUS METALS.

Of all the questions of Political Economy there is none in which so much progress has been made, since the time of Adam Smith, as in that relating to international trade, and the conditions of international exchange. These subjects, which in the writings of the earlier economists had been obscured by the errors and prejudices of the mercantile theory, were discussed in a somewhat vague and indefinite manner, after the refutation of that theory had caused most of its deductions to be abandoned, and Ricardo was the first (or among the first) to explain the true principles which govern the commercial intercourse of nations, and to point out the true nature of the benefit which results from foreign trade. By later writers, this inquiry was pursued, and its results traced in their remoter applications, notably by J. S. Mill, whose elaborate exposition of the theory of international values is considered by many to be the most valuable of his contributions to economic science. The main principle established in these investigations is that the prices of commodities which are exchanged between different countries will adjust themselves through the play of reciprocal demand, in such a way that, in any country, the whole of the exports will exactly pay for the whole of the imports. This law, as it indicates an equality existing between the two classes of commodities, is called by Mill the equation of international demand.

Now among the commodities imported and exported are the precious metals, and a consideration of the causes and influences which determine their movement between the countries within the sphere of commercial intercourse will resolve itself into an inquiry directed to the discovery of the proportion which the precious metals bear in different cases to the whole bulk of the exports and imports, and of the circumstances by which this proportion is determined. Before proceeding with this inquiry, however, it will be desirable to devote a few words in explanation of the exceptional position occupied by the precious metals among objects of international exchange. It is conceivable that commodities should be exchanged between a nation and all others with which it is in commercial relationship, in such a manner, and in such quantities, that, without the intervention of the precious metals, the exports and imports should balance one another, and the necessary equilibrium be established; and, indeed, that this may be regarded as the normal and natural state of those exchanges is apparent from the consideration enforced by every modern economist, that all trade is conducted really, although indirectly, by barter. The question then arises, what is the property possessed by the precious metals which causes them to be used so universally by nations in their mutual dealings, that they almost invariably form part of their exports and imports? This property is undoubtedly their adaptability in the eyes of all civilized peoples for use as money. I apprehend that it is not necessary, for the purpose of the present inquiry, to enter into any detailed explanations of the use and nature of a monetary standard, the essential fact here is that the precious metals, being thus universally employed, are in universal demand, and are therefore utilized as a means of settling the differences which result from disturbance of the international equation, from causes that I shall endeavor hereafter to indicate.

The circumstance of the existence of two metals which are used for standards of value may seem to demand consideration, particularly on account of their unequal values, and the different positions they occupy in the currencies of the world; and this circumstance, doubtless, is of influence in determining the direction of the movements of each metal, but, as I believe it will appear that the general laws of those movements are unaffected by it, any remarks that may seem necessary upon this head may be conveniently postponed until after the discussion of the main question.

In order to complete the foregoing statement of the functions of the precious metals in international trade, it is necessary to notice their character as a commodity. It is estimated by Dr. Soetbeer,* as the result of laborious inquiries, that while the total production of the precious metals in 1884 was, of gold, 143,381 kilogrammes, and of silver, 2, 770,610 kilos., the average consumption in the arts in civilized countries during recent years has been of gold, 90,000 kilos., and of silver, 515,000 kilos. This evidence of the great extent to which the precious metals are utilized for purposes other than coinage, makes it apparent that a large portion of the imports of the metals, especially by the more wealthy countries, is designed to meet the demand from this quarter, but it is obvious that this case calls for no special notice, being governed by precisely the same laws of demand and supply as hold in the case of other commodities.

It has been stated above that the principal use of the precious metals in international trade is in settling differences which result from a disturbance of the equation of international demand, that is to say, they are employed to settle the balance when there is an inequality in the values of the imports and exports which form the sum of the transactions between a nation and all others with which it is in commercial relationship. It is now time to inquire whence these disturbances arise, and in what manner they are corrected by the instrumentality of the precious metals. It will be apparent, without much consideration, that the causes which regulate the play of demand and supply are infinitely varied, comprehending in their number, besides the variation in demand for the rude products of the earth which the changeability of seasons renders inevitable, the ever-changing tastes and fashions of men, by the dictates of which demands for various commodities are suddenly created and as rapidly decline; and on the other hand, the many accidents by which fresh markets and fresh sources of supply are brought into communication, or old sources of supply are rendered available to an increased number of consumers. Any classification of the former class of causes is plainly impossible, and it would be futile to attempt an exhaustive enumeration of the members of the second, but it is not necessary for the formation of a correct notion of their mode of action that this should be done, since the selection of some typical examples will exhibit the mechanism by which they work, and which is only modified in its details in its diverse applications. With these reservations, then, I imagine that the causes which influence demand and supply in such a way as to create sudden expansion or contraction in imports or exports may be comprehended mainly in two classes, namely, those affecting commodities themselves, and those which are brought into action by the interference of Governments with the freedom of trade. In the first category will be included improvements in production, and in the second, export and import duties and bounties. These I proceed to examine in turn, and for simplicity and clearness I shall, in doing so, follow the economists in assuming at first a less complexity in the conditions than are found in actual experience, and trust to the citation

* Materials for the Illustration, etc., of the Currency Question, Part III, 2, translated in Appendix to Final Report of the Gold and Silver Commission.

hereafter of specific instances for the correction of any deviation from the observed order of events which such assumption may occasion.

Let us suppose, in the first place, that an improvement is made in the production of a commodity in England, which had not previously been exported, and which has the effect of cheapening it to such an extent that a demand for it arises in foreign countries. Assuming that before this event the balance of exports and imports had been maintained, it follows that the export of this new article in addition will cause the value of the former to exceed that of the latter. Consequently, the bills drawn in England on foreign merchants will exceed in amount those drawn abroad on English merchants, and the balance of the exchange will turn in favor of this country, causing money to be sent hither, and so increasing the amount of the circulating medium in England. The effect of this is obvious; a greater quantity of money doing the work which was previously performed by a smaller can only have one result, namely, to raise general prices. This increase in the prices of English commodities will have the effect of diminishing the foreign demand for English goods, while the English consumer, having more money, will have an increased power of purchasing from abroad, and, consequently, our exports will be diminished, and our imports increase, until the equilibrium is at length restored. Supposing that, in the second place, the cheapening is of one of our staple articles of export, this will, according to the law of demand and supply, cause a greater demand for that commodity in foreign markets, and this demand may be greater in any one of three ways. It may be greater in exact proportion to the smaller price, or more, or less than this. In the first case, the same amount of money as before being expended upon this commodity, the balance will not be disturbed, but if the demand be in greater proportion than the cheapness, a greater sum being spent on our goods than we spend on foreign ones, will cause a flow of money into this country with precisely the same results as were noticed before. If, on the other hand, the demand be increased in less proportion than the cheapness, a smaller sum will be spent on English goods, and a balance will become due from this country to foreign nations, causing a flow of money abroad. Our circulation then being diminished, general prices will fall, and continue to do so until a greater demand being excited abroad for our exports, combined with a less power of purchasing foreign goods on our part, brings about a renewed state of equilibrium.

So much as regards the most important case of a cause affecting commodities themselves. It is also by far the most common case, inasmuch as the tendency with manufactures has been uniformly in the direction of greater cheapness through improved methods of production. With the materials of production, however, the case is, or might be, somewhat different, by reason of the tendency of the produce of the land and mines to become dearer, on account of the greater proportionate cost at which it is raised in increasing quantities. Since, however, this tendency has happily been hitherto more than counteracted by a greater proportionate improvement in culture and working, this case may be regarded as of ideal rather than practical interest, and I therefore pass at once to the consideration of the items in the second class of causes, namely, those which are the creation of Governments, and firstly, of export duties.

The first effect of a duty on the export of any commodity is to augment its price in the foreign market, and would have the same effect as the costlier production which has been mentioned above as a second possible case of causes affecting commodities themselves; and its consideration will afford another ground for passing the former by without detailed examination. The price then being raised, the foreign demand will be lessened, and this in any one of three ways. It may become less either in exact proportion to the greater price, or less, or more than this. In the first case, exactly the same money value of the commodity being purchased as before, the balance of trade will be undisturbed, and, consequently, there will be no movement of the precious metals. But the diminution in demand may be less in proportion than the increase in price, in which case a greater money value being purchased, there will be a balance falling due to the exporting country (let it be England), which will be liquidated by a transfer of bullion thither from the countries which have taken the commodity. This, as in the former cases, will cause a rise in general prices in England, accompanied by a fall of general prices abroad, which will continue until (as explained in the first case) the aggregate of English imports has increased and of exports diminished to a sufficient extent to have again established an equality in value. Should the diminution in demand be greater in proportion than the increase in price, the reverse of the above will result. In this case England's exports will be insufficient to pay for her imports, and a balance falling due, exchanges will become unfavorable, with the result that bullion will be sent out of the country, causing, as before, the readjustment of prices necessary to bring about again a condition of equilibrium.

Looking back at the three cases, we observe that rather curious consequences may follow the imposition of a single duty, since it may have no effect at all upon the balance of trade, or may cause a flow of the precious metals either in one direction or the other; giving ground for the belief that, since the course of events cannot with any approach to certainty be foreseen, the legislator who imposes such a tax may be sowing seed that will bear very different fruit from what he expected and intended, and may be deceived wholly in his estimate of the direction in which the burden will fall; indeed, history furnishes abundant instances of legislation which undoubtedly answers to this description.

It is, perhaps, scarcely necessary to point out that in the foregoing argument it is assumed that the duty imposed is not of so great amount as to be in excess of the whole advantage of the trade in the commodity taxed, for, in any case in which this were so, it is plain that the export trade in that commodity would cease altogether. To explain what is meant by the expression "advantage of the trade," I will make use of a supposititious case. Suppose that in France a given quantity of silk brocade costs in the manufacture 15 times as much as the same quantity of calico, while in England it costs 20 times as much. These are the rates at which they would exchange for one another in the two countries respectively, if each were to manufacture both fabrics; but since, with respect to these two manufactures, England has a greater relative advantage in calico, and France in silk, it would be for the benefit of the two countries that each should engage only in the production of the one commodity, and obtain what it wanted of the other by exchanging a portion of its produce with that of its neighbor. When this change had taken place, the two commodities would not exchange in the same ratios as formerly, namely 15 to 1 in France, and 20 to 1 in England, but at the same rate in each country, which rate would be intermediate between the two former ones, say 18 to 1.* The advantage

* I do not state any grounds for this assertion, as the subject is only indirectly connected with the matter of the present essay, but the inquiry may be followed up in any treatise on Political Economy, especially J. S. Mill's "Principles of Political Economy," Book 3, Chapters 17 and 18; and "Essays on some Unsettled Questions of Political Economy," No. 1.

of the trade would then be, to France three yards of calico for every yard of silk she exchanged, and to England $\frac{1}{6}$ yard of silk for every 20 yards of calico she exchanged. Now no restriction on this trade must be so great as to take away this advantage, as in that case each country would resume the manufacture of both commodities, and the trade would be destroyed.

With regard to the two remaining members of the second class, namely, import duties and bounties, it may be expected that their cases will require a separate consideration and a different treatment to that of the export duties, but I think that it will be apparent on reflection that, so far as relates to the present inquiry, there is no such difference as to repay any detailed examination. An import duty levied at Calais on English goods would have the same effect on the price and demand in France, and, consequently, on any resulting movement of the precious metals, as an export duty on the same goods levied at Dover; the only difference being one (perhaps) of incidence, a matter of importance politically, but of no interest here. The case of a bounty may be assimilated to that of cheapened production. If a French sugar manufacturer receives a bounty of 1*s.* per cwt. on sugar sent to England, he is in the same position as if by improved methods of production he were able to manufacture it at 1*s.* per cwt. cheaper, and the effect on the price and demand in England, and, consequently, on any resulting movement of the precious metals, is in no wise different. These two cases may therefore be dismissed without further notice.

Contrary examples to all the above cases of taxation may be found, that is where an export or import, that had previously been taxed, is relieved from the burden, but these cases present no fresh difficulty, as the same arguments being, *mutatis mutandis*, employed will lead to the same class of results, but working in a contrary direction.

It may be objected to the above statement of the effect of cheapened production and of taxation that the results there assumed are not found to follow, but the answer to this is, that they would do so if the cases were presented in the simple form supposed. That this is not always so is true, because these influences are never at work singly, but improvements are generally effected in the production of many commodities contemporaneously, and duties are met by duties in all directions. Moreover, other disturbing causes may operate at the same time, and this is especially the case with a class directly influencing money itself, which will engage our attention later on. But the *tendencies* are as stated, and each cause produces its proper effect, although the causes are in actual affairs infinitely compounded, and the effects so intermixed that they counteract one another; yet, as gravity is not robbed of its force because the balloon, driven upward by a greater counteracting force, moves in a direction contrary to that which would take place if gravity acted on it alone, so, even if, in a case similar to any one of those supposed, there should be a movement of the metals in a direction the reverse of that which should seem to be required by the theory, it will be less in quantity by just so much as the quantity which this case has a tendency to produce in an opposite direction.

Having thus far stated in general terms those deductions from the principles of international exchange which have a direct bearing upon the question of the movements of the precious metals, it now behooves us to consider whether they are capable of the verification which is essential to give to *à priori* conclusions the standing which entitles them to be regarded as laws having objective validity. To accomplish this, it will be necessary to show that the observed facts of experience may be explained in accordance with those conclusions, but the considerations just advanced show that in ordinary cases this is difficult, and perhaps even impossible. It is necessary then to seek for occasions in which the causes whose operations we wish to observe are present in such force, that their effects will be sufficiently obvious to render them capable of discrimination and estimation among the total aggregate of resulting phenomena. Of these, there are certain examples at which I glanced in the review of the more important cases, of a disturbance of the equilibrium of international trade, with which I prefaced the general discussion of the effects of such disturbance.

It will be proper, before proceeding to the examination of particular cases, to dispose of a difficulty which presents itself on the threshold of the inquiry, and which, if not satisfactorily explained, would be sufficient in itself to invalidate any conclusions from the theory of international exchange, since it seems to throw doubt on the reliability of the theory itself. The part of this theory with which we have been concerned, is that which finds expression in the statement of the equation of international demand, to the effect that the imports and exports of a country must be of such value as to pay for one another; and from the basis of this theory we have been able to arrive at the position that, if at any time the ordinary exports and imports should not be of such volume as to be in this relation of equality, money to the value of the difference must be assumed to have been either exported or imported, according to the direction of the smaller quantity. If it be demanded that this test be applied to the case of the exports and imports of the United Kingdom, one willing to give an adherence to the above-mentioned views will find himself called upon to explain, or admit, some conclusions which his judgment would compel him to disclaim.

Taking the official statistics of the total trade of the United Kingdom, we find that the values for the ten years from 1875 to 1884 were as under:

	Imports.	*Exports.*	*Excess of Imports.*
1875	£373,940,000	£281,612,000	£92,328,000
1876	375,155,000	256,777,000	118,378,000
1877	394,420,000	252,346,000	142,074,000
1878	368,771,000	245,484,000	123,287,000
1879	362,992,090	248,783,000	114,209,000
1880	411,230,000	286,414,000	124,816,000
1881	397,022,000	297,083,000	99,939,000
1882	413,020,000	306,661,000	106,359,000
1883	426,892,000	305,437,000	121,455,000
1884	390,019,000	295,968,000	94,051,000
Totals	£3,913,461,000	£2,776,565,000	£1,136,896,000

From these figures it appears that in this period of ten years there was in each year an excess of imports over exports, amounting in the aggregate to over eleven hundred and thirty-six millions, and showing an average value of £113,689,600. Now it may be asked, are we to conclude that money to this amount has been leaving this country? An affirmative answer to this question would never be risked, even by one of those opponents of the policy of free trade, who, appealing to the mercantile prejudices which still strongly infect the minds of the multitude, make use of this very fact of the excess of our imports as an argument for protection, and as a means of creating apprehensions of the rapid exhaustion of our national wealth. A negative answer would, however, seem to contradict our theory in two particulars, since, in the first place, it postulates the necessity of a movement of the precious metals to redress the balance, and in the second, it affirms that such a movement, by its effect on the circulation, and hence on general prices, will eventually cause the balance of trade to turn; whereas the above table shows a continuation of the same unfavorable balance of scarcely any diminished extent. Moreover, the actual returns of the import and export of gold and silver coin and specie show the following results:

	Excess of Imports.	*Excess of Exports.*
1875	£5,324,007	......
1876	6,015,202	......
1877	......	£1,445,259
1878	8,724,164	......
1879	.... .	7,480,342
1880	......	4,051,301
1881	......	6,041,669
1882	3,108,640	......
1883	539,080	......
1884	......	5,298,846

These statistics, far from showing an excess of exports in amount corresponding in any way with the excess of imports in the other table, actually exhibit, in five years of the ten, an excess of imports, and curiously enough, in some of these years (as, for instance, 1878 and 1883), such excess of imports in the precious metals corresponded to unusually large excesses in the imports of all commodities, while, even where there was an excess of exports, it bears in each case but a trifling proportion to the value of the whole excess in the other direction.

From these considerations we must be convinced that an explanation of the excess of imports into this country must be given on other lines than that of a movement of the precious metals redressing the unfavorable balance of trade, and the problem is to arrive at one that will be conformable to our theory of the international equation of demand. This explanation will be found, I think, in the consideration of two sets of influences, which both operate in swelling the returns of our imports. The first is simply a question of the manner of making up the estimates themselves; the second a question of the existence of a large class of imports for which there is no commercial equivalent, that is, a corresponding export of equal value; and a brief discussion of these two questions may enable us to clear up any difficulties with which this subject is beset.

To commence with the returns themselves. In making these, it is the custom of the authorities to value the exports at the price of the goods only, whereas the imports are valued at the price of the goods plus the freight and carriage, thereby increasing the latter by an amount which I have seen valued at as much as ten per cent. of the whole value of the imports. As to the imports for which there is no commercial equivalent, it is known that there is a large amount of British capital invested abroad, occasioning the payment annually of such sums as are assigned by way of interest on this capital. Now our theory requires that this interest be assumed to be paid in goods, for even if it were originally paid in money, the influx into the United Kingdom of such large sums (as we shall see presently that they are) would cause such an enormous raising of general prices, accompanied by a corresponding decrease in the general prices of the debtor countries, on account of the expansion of our currency and the contraction of theirs, that this could only go on for a short time before the system of payment by money must be succeeded by that of payment by goods, according to the principles and in the manner already fully explained. It remains now to exhibit an estimate of the value of these importations, and it is fortunate that one has been made by an investigator so well qualified as Mr. Robert Giffen, since the results obtained by him on such a point may be quoted with more confidence than those of perhaps any other authority.*—*Prize essay by* JOSHUA SHILLCOCK, *and published in the Journal of the London Institute of Bankers.*

* "Essays in Finance." Second Edition. No. VII, page 170.

[TO BE CONTINUED.]

GOLD AND SILVER.

Mr. E. O. Leech, the Director of the Mint, has transmitted to Congress a report on the production of the precious metals, covering the calendar year 1891.

PRODUCT OF THE UNITED STATES.

The product of gold from the mines of the United States aggregated 1,604,840 fine ounces, of the value of $33,175,000. This is an increase of $330,000 over the product of the previous calendar year. The increased product is due largely to improved processes of treatment, and to the increased amount of gold extracted from lead and copper ores. The product of silver from our own mines was 58,330,000 fine ounces, of the commercial value of $57,630,040, or of the coining value in silver dollars of $75,416,565. This is an increase of 3,830,000 ounces over the prior year. The increased silver product was due principally to new finds in Colorado and Idaho, and to the cheapening of the processes of smelting lead and copper ores bearing silver.

The Director of the Mint has made a special effort to distribute for the first time the silver product of the United States as to the sources of production. He estimates that of the total product for the last calendar year, 28,497,000 fine ounces were produced from quartz and milling ores, 23,707,000 from lead ores, and 6,126,000 from copper ores; total silver, 58,330,000 fine ounces.

PRODUCT OF SMELTERS AND REFINERS.

The total product of private and Government refineries in the United States, including foreign material smelted and refined, was: gold, 2,169,863 fine ounces; silver, 69,336,415 fine ounces.

DEPOSITS AND PURCHASES OF GOLD AND SILVER.

The total value of the gold deposited at the mints during the year was $70,915,632, of which $24,853,180 was foreign coin and bullion. The deposits and purchases of silver aggregated 73,088,626 standard ounces, of the coining value of $85,048,584. The amount of silver purchased by the Government during the year was 54,393,912 fine ounces, costing $53,796,833. The average cost of the silver purchased during the year was $0.989 per fine ounce. The average cost of the total amount purchased under the act of July 14, 1890, has been $1.02 per fine ounce.

PRICE OF SILVER.

The price of silver at the commencement of the calendar year 1891 was $1.058 per fine ounce, and at the close, December 31, was $0.955 per fine ounce. The average price for the calendar year was $0.99 per fine ounce. At the date of the passage of the act of July 14, 1890, the price of silver was $1.07¼ per fine ounce; at the date the law went into effect it had advanced to $1.13. The highest point touched was on August 19, 1890, $1.21 per fine ounce. The lowest point touched was on March 28, 1892, $0.85½ per fine ounce. At the lowest price of silver during the year, the commercial value of the pure silver contained in the silver dollar was $0.73¼; at the highest price, $0.826, and at the average price, $0.764. At the price of silver March 28, 1892, the commercial value of the pure silver in the dollar was $0.66.

Coinage.

The coinage of the mints was as follows:

Coinage Calendar Year 1891.

Description.	*Pieces.*	*Value.*
Gold	1,770,620	$29,222,005.00
Silver dollars	23,562,735	23,562,735.00
Subsidiary silver coins	20,451,916	3,956,121.60
Minor coins	63,906,700	1,312,441.00
Total	118,691,971	$58,053,302.60

Gold and Silver Bars Manufactured.

In addition to the coinage, gold and silver bars were manufactured as follows:

Gold	$37,865,473
Silver	6,979,510
Total	$44,844,983

Gold bars were exchanged for gold coin, for use in the industrial arts, of the value of $12,495,094.

Imports and Exports.

The imports of gold aggregated	$45,298,928
The exports " "	79,187,499
Net loss of gold	$33,888,571
The imports of silver aggregated	$27,910,193
The exports " "	28,783,393
Excess of exports over imports	$873,200

Gold and Silver used in the Industrial Arts.

The value of the precious metals used in the industrial arts in the United States during the year was:

Gold	$19,700,000
Silver	9,630,000
Total	$29,330,000

of which $10,697,679 gold, and $7,289,073 silver, consisted of new bullion.

Stock of Money in the United States.

The total metallic stock of the United States on January 1, 1892, was:

Gold	$688,665,211
Silver	547,131,670
Total	$1,235,796,881

against a metallic stock on January 1, 1891, of:

Gold	$704,597,128
Silver	486,545,076
Total	$1,191,142,204

The total amount of paper and metallic money in circulation on January 1, 1892 (exclusive of the amount in the Treasury and its branches), was $1,592,393,629, against $1,528,594,627 on January 1, 1891, an increase of $63,799,002. The amount of paper and metallic money in actual circulation on April 1, 1891, was $1,608,641,520.

World's Product of Gold and Silver.

The product of gold and silver in the world for the calendar years 1889, 1890, and 1891, was as follows:

Years.	Gold.	Silver.		
	Value.	Fine Ounces.	Com'l Value.	Coining Value.
1889............	$123,398,000	123,205,000	$115,197,000	$159,295,000
1890.......	119,464,000	132,833,000	139,475,000	171,744,000
1891............	124,229,000	140,865,000	139,175,000	182,129,000

The product of gold increased in 1891 over the prior year nearly $5,000,000, the increase being principally in South Africa. The product of silver increased in 1891 over the prior year about 8,000,000 fine ounces. The increase in the silver product was principally in the United States, Australia, and Bolivia. The report is replete with valuable statistics covering the production, coinage, and movement of the precious metals in the world, and contains a review of the product of the mines of each of the gold and silver producing countries of the world.

A NEW BANK BILL.

(1.) That the Comptroller of the Currency is hereby authorized to issue to National banks National currency to the par of United States bonds deposited by them to secure circulation.

(2.) That the tax on currency issued to National banks shall be reduced from one per cent. to one-quarter of one per cent. per annum.

(3.) That an income tax of — per cent. per annum on the net profits of all National banks be levied and collected annually as a fund to be used in instantly paying all liabilities of National banks hereafter failing, said fund to be left on deposit with the contributing banks, and called as needed for payments by the Comptroller of the Currency.

(4.) That all National banks paying interest on deposits shall post their rules and rates publicly in their banking rooms, which rules and rates must be recommended by the vote of Clearing House in the nearest redemption city, and approved by the Comptroller of the Currency; any exceeding such rates and rules shall work a forfeiture of charter or be punished as a misdemeanor on the part of the officers of the bank, or both.

(5.) That the restrictions not permitting the use of real estate as security for bank loans by National banks be hereby repealed.

THE STATE BANKS OF MINNESOTA.

Abstract of reports made to the Hon. M. D. Kenyon, Superintendent of Banks, showing the condition of the State Banks of Minnesota at the close of business on March 1st, 1892:

RESOURCES.	*Mar.* 1, 1892.	*Oct.* 15, 1891.	*Changes.*	
Loans and discounts	$26,865,600 00	$27,312,677 87	Dec.,	$447,077 25
Overdrafts	137,995 96	130,967 25	Inc.,	7,028 71
United States bonds on hand	1,500 00	....	"	1,500 00
Other stocks and bonds	490,153 89	559,937 25	Dec.,	69,783 36
Due from other banks	5,175,196 83	5,260,309 89	"	85,113 06
Banking house, furniture and fixtures	1,274,171 92	1,240,282 91	Inc.,	33,889 01
Other real estate	470,014 06	393,698 36	"	76,315 70
Expenses paid	148,980 11	198,528 98	Dec.,	49,548 87
Taxes paid	75,146 66	15,813 81	Inc.,	59,332 85
Checks and cash items	190,499 49	164,993 59	"	25,505 90
Exchanges for Clearing House	552,020 14	583,213 10	Dec.,	31,192 96
Cash on hand	2,801,639 79	2,596,385 87	Inc.,	205,252 92
Other resources	11,020 68	16,473 72	Dec.,	5,453 04
Total resources	$38,193,940 15	$38,473,282 60	Dec.,	$279,342 45
LIABILITIES.	*Mar.* 1, 1892.	*Oct.* 15, 1891.	*Changes.*	
Capital stock paid in	$8,471,000 00	$8,311,000 00	Inc.,	$160,000 00
Surplus fund	920,923 94	877,181 31	"	43,742 63
Other undivided profits	1,655,380 71	1,645,928 28	"	9,452 43
Dividends unpaid	4,647 50	7,372 60	Dec.,	2,725 10
Due to depositors	24,436,289 41	24,489,983 66	"	53,694 25
Due to other banks	1,915,297 09	2,138,947 38	"	223,650 29
Notes and bills rediscounted	383,525 77	640,089 04	"	256,563 27
Bills payable	410,125 37	259,836 99	Inc.,	150,288 38
Other liabilities	6,750 33	102,943 34	Dec.,	96,193 01
Total liabilities	$38,193,940 15	$38,473,282 60	Dec.,	$279,342 45
Number of banks	102	96		....

BRITISH LOCAL INDEBTEDNESS.

The local indebtedness of England and Wales is calculated by *Herepath's Journal* at $999,000,000, showing an increase of 42.7 per cent. in the last ten years. Of this sum, about $445,000,000 are invested in water, gas and tramway companies, and harbor improvements, and are productive; $265,000,000 are invested in general improvements, and $165,000,000 in public buildings. About 200 municipalities now manufacture their own gas, and cities like Birmingham and Manchester reap a profit therefrom of $200,000 to $250,000 per annum. Public water supplies yield a surplus of $7,500,000 per annum above expenses. About $165,000,000 are yet invested in private gas undertakings; but the tendency is for the towns to buy up these works. *Herepath's* regards this "municipalization" of water, gas, and tramway plants as a dangerous symptom, as shown in the rapid advance of the local debt. It is all well enough for times of peace and commercial prosperity, "but it would be a dangerous millstone in case of war or prolonged commercial depression."

INQUIRIES OF CORRESPONDENTS.

Addressed to the Editor of the Banker's Magazine.

Liability of Converted Bank for Circulation.

Allow me to inquire if a converted bank is liable in Ohio for the outstanding bank notes whenever they may be presented? Is there any limit of time after which they would not be liable? And supposing the circulation had been sold to an officer of the old and new bank, and that for twenty-three years he had taken up all notes presented, would the obligation be incumbent on his estate at death, and be passed on and on through future generations indefinitely?

Reply.—The courts have held that a converted bank is liable for the obligations of the old bank in the same manner, and to the same extent, as though conversion had not taken place. In other words, no obligation is canceled or lessened by the conversion. If, therefore, a State bank would be liable for its outstanding issues the converted bank would also be liable for them. The following decisions illustrate in several ways the liability of the converted bank for the obligations of its predecessors. These clearly show that in effect the institution is, in contemplation of law, the same thing. (*Coffey* v. *National Bank*, 46 Mo. 140; *Atlantic National Bank* v. *Harris*, 118 Mass. 151; *Thorp* v. *Wegefarth*, 56 Pa. 82. See Bolles' National Bank Act, §§ 23–25, for other authorities.)

In *City National Bank* v. *Phelps* (97 N. Y. 50) Mr. Justice Rapallo said: "The general scheme of the National Banking Act is that State banks may avail themselves of its privileges and subject themselves to its liabilities without abandoning their corporate existence, without any change in the organization, officers, stockholders or property, and without interruption of their pending business or contracts. All property and rights which they held before organizing as National banks are continued to be vested in them under their new status. Great inconveniences might result if this saving of their assets did not include pending executory contracts and pending guarantees, as well as vested rights of property. Although, in form, their property and rights as State banks purport to be transferred to them in their new status of National banks, yet in substance there is no actual transfer from one body to another, but a continuation of the same body under a changed jurisdiction. As between it and those who have contracted with it, it retains its identity, notwithstanding its acceptance of the privilege of organizing under the National Banking Act."

The second inquiry, concerning the liability of an officer to whom the circulation had been sold, depends entirely on the nature of the agreement between himself and the bank. This would not in the least affect the liability of the bank to the public for the circulation.

BANKING AND FINANCIAL ITEMS.

GENERAL.

REMOVAL.—As the premises so long occupied (twenty years) by The Homans Publishing Company are to be torn down, the company has removed to 233 Broadway. Not among the least regrets is to part company with the Herring Safe Company, which has been in the same building thirty-five years, and the *Independent* nineteen years. Time flies, buildings become old and must be replaced, but the BANKER'S MAGAZINE pursues the even tenor of its way, undisturbed by the noise of pretended rivals, realizing that there are very many persons in the world who know a good thing when they see it, and by whom we are constantly assured that the MAGAZINE is rendering a service not less valuable than at any former period.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CAL.	Sebastopol	Bank of Sebastopol.
IDAHO.	Lewiston	Lewiston Nat. Bank.
″	Kendrick	Bank of Kendrick.
MD.	Baltimore	Dro.&Merch. Nat. B'k.
MASS.	Boston	International Tr. Co.
MONT.	Great Falls	First National Bank.
N. J.	Westfield	First National Bank.
N. Y.	Geneva	Geneva Nat. Bank.
PA.	Lock Haven	Tr.& Safe Deposit Co.
″	Wilkes Barre	Peoples Bank.
R. I.	Newport	Aquidneck Nat. B'k.
TEXAS.	Pilot Point	Pilot Point Bank.
WASH.	Everett	Commercial Nat. B'k.
″	″	First National Bank.
WIS.	Manitowoc	State Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

CAL.	Santa Rosa.	Savings Bank of Santa Rosa.
CONN.	Meriden	Meriden Sav. Bank.
KY.	Danville	Boyle Nat. Bank.
ME.	Rockland	Rockland Trust Co.
MASS.	Boston	Union Inst. for Sav.
N. Y.	Cooperstown.	Second National Bank.
″	Elmira	Second Nat. Bank.
″	Palmyra	First National Bank.
N. Y.	Rochester	Mechanics Sav. Bank.
TEXAS.	Denison	First National Bank.
VT.	Rutland	Marble Savings Bank.
″	White River Junction.	White River Savings Bank.
WIS.	West Superior.	State Bank of Wisconsin.
″	White Water.	Citizens National Bank.

BANKS WHICH ARE INCREASING THEIR CAPITAL.—

COL.	Durango	Colorado State Bank, from $30,000 to $75,000.
N. H.	Concord	Union Guaranty Savings Bank, Guaranty Fund; to $100,000.
TEXAS.	Wichita Falls	City National Bank, from $50,000 to $100,000.

A BANKING HOUSE REORGANIZED.—The well-known banking-house of John Paton & Co., No. 52 William Street, was reorganized on May 1. The co-partnership expires by limitation, and the new firm will be known as Cuyler, Morgan & Co. The firm of John Paton & Co. was formed on May 1, 1884, with John Paton, Cornelius C. Cuyler, and Benjamin Graham as general partners, and Morris K. Jesup as special partner. It succeeded to the business of the old banking house of Jesup, Paton & Co. On May 1, 1890, Francis J. Paton was admitted to the firm as general partner. The general partners of Cuyler, Morgan & Co. are Cornelius C. Cuyler, Benjamin Graham, Junius Spencer Morgan, and Francis J. Paton. Morris K. Jesup and John Paton are special partners. The new partner, Junius Spencer Morgan, is a nephew of J. Pierpont Morgan. Francis J. Paton is a son of John Paton.

MESSENGERS.—A well-known cashier in a down-town bank in Cincinnati said: "We always try to conceal the identity of our messengers, and if one gets familiarly known to the public we are compelled to discharge him for the good of the bank as well as for his own personal safety. The ages of messengers range all the way up from fifteen years. They are trusty fellows who attend strictly to their own business. Each bank has from two to five, and their duties are so shifted that out of five messengers at one bank probably four do not know what errand the fifth has been sent on. Charles Tinkler, the forger, was led astray by becoming known to outside parties as a messenger."

A BARREL FOR A SAFE.—The following banking incident is extracted from the Sandusky (O.) *Journal*. It was related by Mr. Hackerdorn, attorney for the N. Y., Lake Erie & W. Railroad. In former days gold was in demand, and it was a hard matter to have script redeemed in this coin, for, if the banks went to dealing in script, it meant their ruin, and it was a hard matter to find a bank willing to redeem the paper, if it could be avoided in any possible manner. In fact, when there was any script offered for redemption, the banks never could be found. It appears that an express company had $10,000 worth of script in its possession, which it wanted redeemed. The company's officials learned that there was a bank at Jonesville, Ind., and immediately dispatched a messenger for that place on horseback, to secure gold for paper. The messenger drove around through the country for several days, searching for the town of Jonesville. No one appeared to know where it was, neither had any one ever heard of the Jonesville Bank. Finally the messenger came up to a man whom he met along the road, and made further inquiry as to the town of Jonesville and the Jonesville bank. The man told him that that place was Jonesville, and that the bank was at the corner, pointing out a dingy looking little blacksmith shop at the intersection of two country roadways. The messenger approached the shop with a look of astonishment, and on entering inquired of the smithy: "Is this the Jonesville Bank?" "Yes, sir," was the reply; "got some of that 'ere script, I suppose." "Yes; can you redeem it?" "How much is it?" "$10,000." "Yes, I guess I can; I've got the money in the safe." "Well, where's the safe?" "Over there in the corner," said the blacksmith banker, and he at once proceeded to dump out a barrel of potatoes. In the bottom of the barrel was $30,000 in gold, and he redeemed the $10,000 worth of script.

COUNTERFEIT MONEY.—A Savannah banker says that the banks get more counterfeit money than people imagine. When asked what becomes of this money he said: "Well, we keep it usually. A law was recently passed by Congress making it a crime for a person to have in his possession spurious money, but none of us have been arrested yet. A circular of some length has just been issued which fully explains the object of the law. There is a provision in the law which allows the banks to keep as much as $500 in spurious money, as a means of identification of counterfeits, provided a certificate of authority has been issued from the Treasury Department. The secret service bureau is sending out agents through the country inspecting the banks and collecting all the spurious money in their possession. The Savannah banks have not yet been relieved of their surplus of counterfeits, but they probably will be before long."

A SAFE TRUST.—It is reported that a safe trust has been formed. For months the three leading safemaking firms in the country—the Hall, Herring and Marvin companies—have had under consideration a combination that will control the safe trade of this country. The safe trust will, it is said, have a capital of $3,500,000 Of this, $1,800,000 is to be issued in preferred stock, and the remainder, $1,700,000, in common stock. In order of strength, the companies are Hall, Herring and Marvin. The Hall controls the trade in the West, the Marvin in the East, and the Herring in the South. It is likely that the combination will go into effect in a short time.

EASTERN STATES.

WILMINGTON, DEL.—John Peoples, cashier of the Central National Bank, who died on the 26th of April, was born in Ireland 72 years ago, but came to Wilmington when about 20 years old. He worked for some years for E. I. DuPont de Nemours & Co., and left their employ to engage in the milling business for himself. In this business he thrived and saved considerable money, a large portion of which he invested in farm land. After retiring from the milling business he entered the Union National Bank and succeeded Joseph Day as cashier. After about eighteen years' service in the Union National Bank Mr. Peoples resigned in 1885 to become cashier of the new Central National Bank. Mr. Peoples was one of the incorporators of the Central National Bank and of the Security, Trust and Safe Deposit Company, and was a director in both institutions at the time of his death.

LOWELL, MASS.—The committee on finance has awarded the contract for caring for the city balances to the Lowell Trust Company. The bid of the company, 3½ per cent. per annum; First National Bank, 3¼ per cent.; Appleton National Bank, 3 per cent. The successful bid of the Lowell Trust Company last year was 4 1-20 per cent.

BOSTON.—The National City Bank's directors have decided to accumulate undivided profits rather than to pay a dividend at present.

MELROSE, MASS.—The organization of the new Melrose National Bank has been completed. Decius Beebe is president, and John Larrabee, town clerk and a well-known Melrose business man, is cashier. The capital of the new bank is $100,000. Over half the stock has already been taken, and the bank will probably soon commence business.

NEW YORK CITY.—The firm of W. J. Hayes & Sons, Bankers, Cleveland, O., and Boston, Mass., have opened an office at No. 10 Wall street, in the Astor Building, New York. Among the details of the bond business emphasized by this firm is the legal investigations of all investments they buy. We say "buy" advisedly, as they *buy* their bonds outright, and do not simply handle them on a commission.

NEW YORK CITY.—Of all the banks in the Clearing House, the American Exchange and the National Bank of Commerce have the largest capital—five millions each—or both together a twelfth of the total. The Chemical carries the largest surplus, more than twenty-two times its capital and more than one-tenth of the total. The First National leads in the matter of loans, with $29,000,000, or about one-sixteenth of the total. The Chemical again leads in specie, but is closely followed by Importers and Traders' and the First National. In legal tenders, the National Bank of the Republic is first, being the only bank that carries over three millions. The National Park, with $33,418,000 deposits, takes the lead and has almost 16 per cent. of the total. Many banks have no circulation at all, and the Hanover is far in the lead, with a total of $884,700, which is more than one-seventh of the total of all the National banks.

PHILADELPHIA.—While it is charged that State Superintendent of Banking Krumbhaar has been hasty in his treatment of some banking companies, his efforts to protect the public from loss are to be applauded. Constant supervision of those institutions that handle the money of the public is the only way to protect that public from loss. No reputable or sound institution should fear the strictest investigation, nor will it do anything that is contrary to law once it is informed that its business is not done in a strictly legal manner.

WESTERN STATES.

DENVER, COLO.—The Western Bank, incorporated under the new State law, has opened its doors. The bank was organized last December, and since that time the officers have been busily engaged in outfitting their quarters. Among the stockholders and directors are a number of prominent business men, among them being Charles Hallack, of the Hallack & Howard Lumber Company; W. A. Hover, W. J. Barker, R. D. Thompson, Charles H. Graham, of Philadelphia, one of the largest mine owners in this State; E. S. Kassler, Charles H. Toll, W. G. Brown, F. G. King, H. F. Furman, Fred C. Kilham, George W. Collins and others. The officers are Fred C. Kilham, president; Charles Hallack, vice-president, and George W. Collins, cashier.

CREEDE, COLO.—The officers of the First National Bank of Creede have had a "housewarming." They threw open the front doors of their handsomely appointed institution to the general public and entertained their guests with cold lunch, wines, liquors and cigars. The entertainment was participated in by Mayor Morton, the councilmen, leading business men, and every man in Creede, whether prospective depositors or not. The executive staff of the bank is composed of J. McDonough, president; J. F. Benedict, vice-president; J. B. Merritt, cashier.—*Denver Times.*

PIERRE, S. D.—The South Dakota Supreme Court have decided that private parties may do a banking business in the State without incorporation.

GARRETTSVILLE, O.—F. J. Daniels, Garrettsville, was born in Portage County, in 1835. His early educational advantages were such only as the country village schools of that day afforded. On the day he was 21 years of age he started for Omaha in the then territory of Nebraska. He had $12 in his pockets only, but he had great powers of endurance and lots of pluck. There were a few inhabitants at Omaha, mostly living in tents and covered wagons. Here he remained about three years and took part in the opening up of that territory. In 1859 he crossed the plains on foot. He has lived in every State and territory on the Pacific coast. He was present when the first ground was broken for the Central Pacific Railway. He was also present when the last spike was driven at its completion. He was among the first to settle in eastern Nevada, and was one of a commission of twenty-four chosen by the Governor to draft and submit to the Legislature of that new State its constitution. He is one of the stockholders in and managers of the First National Bank of Garrettsville, and is a prominent and influential citizen.—*Cleveland World.*

NEW LISBON, O.—Daniel and Nancy Firestone were among the pioneer settlers of Columbiana County, O., and they located on a farm in Knox Township, that county. There Daniel W. Firestone was born, March 31, 1837. He grew to manhood on the farm, and when the war broke out he enlisted as a private. At the close of the war he returned to agricultural pursuits, and in 1874 was elected county treasurer, which office he filled for two terms. At the close of his second term of office he engaged in the banking business in New Lisbon, which business he is still in. Mr. Firestone occupies a leading position in the community as a financier, politician and socially. He has done much toward building up the town of New Lisbon.—*Cleveland World.*

SPRINGFIELD, O.—Hon. Oliver S. Kelly is regarded as one of the "fathers" of Springfield. He is president of the O. S Kelly Engine & Thresher Company, and vice-president of the Second National Bank of Springfield He owns the Arcade, Springfield's finest block, and has always been prominently identified with all that concerned the city's welfare, and while now one of the wealthiest men in the city, he was a poor farmer's boy and his vast accumulations are the result of his own industry. He has been prominent in local affairs; has served several terms as member of the city council and one term as mayor, filling the position acceptably and with the good judgment which has characterized all his actions. Mr. Kelly, among his other beneficences, erected in 1889 a large fountain at a cost of $6,000, donating it to the city of Springfield. It is a beautiful structure and one of the attractions of the city.—*Cleveland World.*

DEFIANCE, O.—The First National Bank of Defiance has succeeded that old-time financial institution, the Defiance National Bank, whose charter, granted by the United States twenty years ago, has expired. The First National commences with capital $150,000; surplus, $75,000; both paid up. With the increased capital is added some new names to the list of stockholders, although the stockholders of the new bank are mostly the same as were those of the old. At the head of this new bank, as president, has been placed Mr. Edward Squire, who has been cashier of the old bank since it has been in business, and since 1874 its managing officer. Charles E. Slocum, well and favorably known as a skillful physician and successful business man, has been elected vice-president, while Mr. Elbert E. Carter is cashier. In the directory of the new bank, in addition to the president and vice-president are found the names of the following well-known business and professional men: Joseph Ralston, Peter Kettenring, B. W. Slagle and Milton E. Orcutt, of our city, and Francis Jarvis, of Piqua. The system of banking in Defiance, of which the First National is the outgrowth, was commenced by Mr. Virgil Squire in 1856; his son, the new president, then a young lad, entered the office of his father as errand boy in 1862, and the management of these institutions has been with these two, father and son, continuously, since first organized. But two banking institutions in Northwestern Ohio have been so long under one management, viz., the First and Second National Banks of Toledo, which institutions, under the wise and able care and direction of the late V. H. Ketcham and of Geo. W. Davis, have grown to be among the largest and strongest banks in our State, and either would be a pride and honor to any city in our broad land. The business relations between these Toledo banks and the Defiance one has been of the most intimate character, and for thirty years hardly a business day has passed without communications passing between them.—*Defiance Crescent.*

WISCONSIN.—At the recent banquet of the Wisconsin bankers in Milwaukee, Mr. John Johnston, who presided, thus remarked on the growth of banking in the State: "It is some thirty years since there was a general convention of the bankers of Wisconsin. Then the individual deposits of the State were between $3,000,000 and $4,000,000, and to-day they are $70,000,000. While the population of Wisconsin has increased two and a half times, the bank deposits have increased twenty times. This is the increase of wealth in only one item, and when we consider the increase in farms, live stock, buildings, both in city and country, and in manufacturing plants, we can hardly grasp the wonderful progress made by Wisconsin since her bankers last met in a State convention. The wealth of the West is manifest in the difference of eastern exchange in thirty years. The rate of New York exchange nine months in the year shows that the West no longer owes the East, but that the East owes the West. The establishment of great money centers outside of New York renders us less liable to a universal panic. In many ways, too numerous to mention, banking of to-day is superior to that of thirty years ago. I suspect that the strong and relentless competition which is gradually invading the arena of banking, as well as all other fields, tends to make it less profitable and less agreeable than it was a generation ago. It is gratifying to think that our State is growing, not only in material, but also in intellectual wealth, which is more important."

SOUTHERN STATES.

MONTGOMERY, ALA.—Messrs. J. H. Fitts and Frank S. Moody, of Tuskaloosa, W. R. Rison, of Huntsville, and W. J. Cameron, of Birmingham, constituting a majority of the executive committee of the Bankers' Association of Alabama, have decided to hold the next annual convention of the association at Montgomery, June 14. A number of questions of great importance to bankers will come up for consideration, and it is expected to be one of the most interesting meetings yet held.

WASHINGTON, D. C.—On March 25, 1890, the Lincoln National Bank, of this city, opened its doors to the public. In accordance with their custom the employes celebrated the second anniversary of the event by a banquet, which was spread in the directors' room at the close of the day's business. The cashier, Mr. F. A. Stier, presided. The bank is fortunate in the selection of its corps of employes, which is as follows: Mr. Henry F. Bauer, Mr. Paul H. Cromelien, Mr. Scuyler C. Stokes, Mr. S. Oden Scott, Mr. Henry Ralph, Jr., Mr. Wallace McK. Stowell, Mr. Albert S. Gatley, Mr. J. Merrill Chamberlin, and Mr. Frank S. Browne.—*Washington Post.*

CHARLOTTE, N. C.—"It is a fact," says the Charlotte *News*, "that Charlotte does the biggest banking business of any town in the State. Winston comes next. Then probably Raleigh, and after Raleigh, Asheville. Charlotte's banks alone have a capital stock of $775,000, and a surplus and undivided profits of $429,000. There are four banks in Charlotte, three National and one private. The capital stock of the First National Bank is $300,000; surplus and undivided profits, $180,000. The capital stock of the Merchants & Farmers' National Bank is $200,000; surplus and undivided profits, $100,000. The capital stock of the Commercial National Bank is $175,000; surplus and undivided profits, $127,000. The capital stock of the Bank of Heath Brothers is $100,000; surplus and undivided profits, $22,000. These figures show that the banking facilities of Charlotte are not only very superior, but that the banks are in excellent shape. They are as sound as money can make them, they are exceedingly well officered, safe, reliable, accommodating, and a wonderful benefit to Charlotte and this section of the State.

RICHMOND, VA.—At a late meeting of the Board of Directors of the Planters' National Bank, Mr. Mann S. Quarles tendered his resignation as cashier of that institution, to accept the position of vice-president of the Virginia Safe Deposit and Fidelity Company. The board, in accepting Mr. Quarles' resignation, passed unanimously a series of resolutions drawn up by the president of the bank, Mr. J. B. Pace, and Mr. T. William Pemberton, in which unqualified testimony is borne to Mr. Quarles' splendid capacity and the untiring energy and unremitting zeal he has always manifested, and the acknowledgment is gracefully made that these qualities and his equanimity of manner, his patient forbearance under trying circumstances, and his uniform courtesy have materially aided in the attainment of the success the bank enjoys. Mr. Pace also individually expressed his high appreciation of the satisfactory manner in which Mr. Quarles had discharged his duties, and in his informal remarks on this subject voiced the sentiment of the entire board. The board elected Mr. Richard H. Smith to succeed Mr. Quarles, and he will enter upon his duties at once. Mr. Quarles has served the banks of this city through a period of thirty-one years, eleven of which he was at the Planters' as cashier. He entered the old Traders' Bank when he was 15 years old, and at the age of 18 was appointed a teller in the Confederate Treasury. He remained in the latter position until the evacuation of the city and went south with the Treasury Department. In May, 1865, he was elected teller of the Exchange National, afterwards the First National Bank, and from there went to the Planters'. In his new position he will be in the same building with the Planters' Bank, and that institution will, it is understood, have the benefit of his long experience both in an advisory and a supervisory capacity. Mr. Richard H. Smith, Mr. Quarles' successor, was formerly discount clerk at the Planters' Bank, and more recently cashier of the Security Savings Bank. He is a son of the late S. B. Smith, cashier of the First National Bank, and a grandson of the late W. P. Strother, of the old Exchange Bank. Mr. John Morton, who has been elected secretary and treasurer of the Virginia Safe Deposit and Fidelity Company, and who resigned from the Merchants' National Bank to take that position, is a son of the late John B. Morton, cashier of the Bank of the Commonwealth, and later of the Merchants' National Bank. He brings large experience to his new post. Mr. A. Beirne Blair, who succeeds Mr. Smith in the Security Savings Bank, is a son of Mr. Adolphus Blair, and has been in the insurance department of the company to which he is now elected cashier.

PACIFIC STATES.

SAN FRANCISCO, CAL.—President McKee, of the San Francisco Clearing House Association, has appointed the following committee to prepare a suitable reception for the National Bankers' Association, which will meet here next September: James A. Thompson, cashier of the Mutual Savings Bank, chairman; A. Gerberding, Bank Commissioner; Lovell White, cashier of the San Francisco Savings Union; George H. Stewart, cashier of the Bank of America at Los Angeles, and A. H. R. Schmidt, cashier of the German Savings and Loan Society.

SEATTLE, WASH.—The National banks of the city have brought suits against the city and Adolph Krug, city treasurer, to enjoin the collection of taxes assessed on their capital stock. The suits are exactly similar to those brought by the same banks last month to enjoin the collection of county taxes. Each of the complaints sets out that the stock of the banks has been assessed at the rate of 4½ mills on the dollar. It is claimed that by the Revised Statutes of the United States banking capital can be taxed only by shares. By the State charter and an act of the Legislature the shares held by the different shareholders are not taxable. As still further ground of complaint it is alleged that by concerted action on the part of the different assessors of the State all taxable money capital of the county (except the capital stock of National banks), amounting to $6,000,000, has been exempted from the assessment. This greatly increased the rate on the $1,500,000 of National bank capital, and it is maintained that this discrimination is illegal. The prayer of the plaintiffs is that the assessments be declared illegal, and the tax void, and that a permanent injunction issue to prevent its collection. The amounts of the assessments against the different banks, with the added penalty for non-payment when due, are as follows: Washington National Bank of Seattle, $519.75; National Bank of Commerce, $486.44; First National Bank of Seattle, $1,346.62; Boston National

Bank of Seattle, $1,346.62; National Bank of Commerce, $486.44; Puget Sound National Bank, $1,181.25; Commercial National Bank of Seattle, $472 50. James Howe and Preston, Carr & Preston appeared for the plaintiffs.

TACOMA, WASHINGTON.—The National Bank Examiner's district for the Northwest, which includes Washington, Oregon, Montana and Idaho, may be cut in two, it is said, Washington and Oregon being made one district and the other States the other. Should this division be made, Assistant Cashier R. J. Davis, of the Merchants' National Bank of this city, and Auditor G. W. Bird, of the Tacoma Railway & Motor Company, will be candidates for the new district. The reason assigned for the division is that there are 150 National banks in the Northwest district, which pay the examiner from $100 to $150 annually, making a total salary of nearly $10,000. Again, it is rumored that Congressman Wilson has been prevailed upon to object to the present examiner, W. H. Heald, for the part he took in the closing of the Spokane National Bank, and that by securing a new district, Mr. Heald might be removed. Mr. Heald is here, but will not talk freely, saying the Controller of the Currency may make a new district if he sees fit. Mr. Bird nor Mr. Davis have filed applications for the proposed new district.

The reports of the New York Clearing-house returns compare as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
April 2...	$489,725,100	$101,894,500	$48,235,300	$528,447,400	$5,569,000	$18,017,950
" 9...	490,875,700	101,897,900	45,955,500	528,056,800	5,707,700	15,839,200
" 16...	493,629,400	102,969,800	45,789,200	531,882,000	5,613,400	15,788,500
" 23...	491,926,600	106,082,600	46,949,300	533,995,700	5,676,800	19,532,970

The Boston bank statement is as follows:

1892.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
April 2.......	161,050,500	10,305,200	4,941,600	147,924,900	4,267,000
" 9.......	161,328,700	10,753,600	4,838,500	148,201,500	4,361,900
" 16......	161,526,100	11,018,900	5,340,500	151,874,300	4,349,400
" 23	161,356,300	11,419,000	6,165,800	153,299,100	4,360,400

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1892.	*Loans*	*Reserves*	*Deposits.*	*Circulation.*
April 2..............	$100,056,000	$34,404,000	$108,270,000	$3,369,000
" 9.................	100,277,000	34,783,000	108,414,000	3,371,000
" 16.................	99,855,000	37,047,000	111,930,000	3,376,000
" 23.................	99,982,000	38,961,000	113,824,000	3,365,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

QUOTATIONS:	April 4.	April 11.	April 18.	April 25.
Discounts..........................	4½ @ 5½	4½ @ 5	4½ @ 5	4½ @ 5
Call Loans.........................	2 @ 1½	2 @ 1½	2 @ 1½	2 @ 1½
Treas. balances, coin..............	$109,855,906	$110,111,236	$110,383,524	$108,238,572
Do. do currency.............	19,310,318	18 821,231	18,387,216	18,944,830

Sterling exchange has ranged during April at from 4.87¼ @ 4.88½ for bankers' sight, and 4.84 @ 4.87½ for 60 days. Paris—Francs, 5.16⅞ @ 5.15 for sight, and 5.18¾ @ 5.16⅞ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.87 @ 4.87¼; bankers' sterling, sight, 4.88 @ 4.88¼; cable transfers, 4.88¼ @ 4.88½. Paris—Bankers', 60 days, 5.17½ @ 5.16⅞; sight, 5.15⅝ @ 5.15. Antwerp—Commercial, 60 days, 5.20 @ 5.19⅜. Reichmarks (4)—bankers', 60 days, 95¼ @ 95⅜; sight, 95½ @ 95⅝. Guilders—bankers', 60 days, 40⅛ @ 40 3-16; sight, 40⅜ @ 40 7-16.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from April No., page 822.*)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ARIZ.	Phœnix	Phœnix National Bank	....
	$100,000	Jas. A. Fleming, *P.*	Ephraim J. Bennitt, *Cas.*
ARK.	Little Rock	Citizens Bank	First National Bank.
	$89,750	Edward G. Thompson, *P.*	Joseph E. England, *Cas.*
		William J. Thompson, *V. P.*	
CAL.	Monterey	Bank of Monterey	....
	$100,000	Jesse D. Carr, *P.*	Chas. D. Henry, *Cas.*
		T. J. Field, *V. P.*	
"	Santa Cruz	Peoples Bank	....
		Henry Willey, *P.*	A. A. Morey, *Cas.*
		A. Diaz Pena, *V. P.*	
COL.	Aspen	Aspen National Bank	....
	$100,000	Jas. J. Hagerman, *P.*	A. A. Denman, *Cas.*
"	Berthoud	Bank of Berthoud	Kountze Bros.
		T. C. Bunyan, *P.*	John Y. Munson, *Cas.*
"	Highlands	North Side Savings Bank	Fourth National Bank.
	$25,000	John A. Clough, *P.*	Willis M. Marshall, *Cas.*
		Henri R. Foster, *V. P.*	
ILL.	Danville	Palmer National Bank	Chase National Bank.
	$100,000	Chas. J. Palmer, *P.*	Milton J. Wolford, *Cas.*
		B. E. Bandy, *V. P.*	Geo. L. Wicks, *Ass't Cas.*
"	Du Quoin	First National Bank	....
	$50,000	P. N. Pope, *P.*	Robt. O. Lehn, *Cas.*
		Jos. Slawson, *V. P.*	
"	Farmersville	Farmersville Bank	....
	$20,000	(John Ball & Co.)	Clarence H. Ball, *Cas.*
IND.	Fort Wayne	White National Bank	Hanover National Bank.
	$200,000	John W. White, *P.*	Harry A. Keplinger, *Cas.*
		Thos. B. Hedekin, *V. P.*	G. G. Detzer, *Ass't Cas.*
"	Galveston	Farmers Bank	....
		(Baldwin, Forgy & Forgy.)	Chas. E. Forgy, *Cas.*
"	Lynn	Lynn Deposit Bank	Hanover National Bank.
	$5,000	(Hecker Bros.)	Samuel Hecker, *Cas.*
IND. T.	Ardmore	City National Bank	....
		F. M. Dougherty, *P.*	H. F. Potts, *Cas.*
IOWA	Graettinger	Graettinger Savings Bank	....
	$10,000	E. S. Ormsby, *P.*	C. W. Hodgkinson, *Cas.*
		J. J. Watson, *V. P.*	
KAN.	Hope	Bank of Hope	National Bank Commerce.
	$20,000	(T. C. Sawyer & Co.)	Thos. C. Sawyer, *Cas.*
"	Munden	First State Bank	....
	$5,000	John Washichek, *V. P.*	David H. Ferguson, *Cas.*
MASS.	Boston	Wildey Savings Bank	....
		John J. Whipple, *P.*	Geo. F. Taft, *Treas.*
		Henry Denver, *V. P.*	Geo. E. Tober, *Ass't Treas.*
"	Millis	Millis Savings Bank	....
		Henry L. Millis, *P.*	Chas. G. Brackett, *Treas.*
		Moses C. Adams, *V. P.*	
MICH.	Crystal Falls	State Bank	Chase National Bank.
	$25,000	J. H. Parks, *P.*	Cyrus T. Crandall, *Cas.*
		P. C. Butts, *V. P.*	H. S. Brooks, *Ass't Cas.*
MINN.	Mankato	National Citizens Bank	....
	$100,000	Jos. F. Meagher, *P.*	W. G. Hoerr, *Cas.*
"	Slayton	Slayton Bank	....
	$100,000	(Slayton, Miller & Co.)	
"	Warren	State Bank	Hanover National Bank.
	$25,000	Hans L. Melgaard, *P.*	John E. Ostrom, *Cas.*
		K. J. Taralseth, *V. P.*	A. Melgaard, *Ass't Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent*
MONT	Forsyth	Merchants Bank	Chatham National Bank.
	$20,000	Thos. Alexander, *P.*	E. S. Becker, *Cas.*
		Jas. S. Hopkins, *V. P.*	
NEB	Humboldt	State Bank	National Park Bank.
	$25,000	Silas P. Gist, *P.*	Sam'l W. Grinstead, *Cas.*
		Wm. A. Greenwold, *V. P.*	J. F. Walsh, *Ass't Cas.*
″	Oxford	Commercial State Bank	Kountze Bros.
	$5,000	N. A. Pettygrove, *P.*	Dan K. Camp, *Cas.*
		J. W. Trammell, *V. P.*	
″	Steele City	Pickering Banking Co.	Kountze Bros.
			B. E. Pickering, *Cas.*
N. J.	Orange	Second National Bank	....
	$100,000	A. M. Matthews, *P.*	Chas. H. Ely, *Cas.*
		E. A. Everitt, *V. P.*	
″	Westfield	First National Bank	....
	$50,000	Alfred D. Cook, *P.*	Robert H. Cook, *Cas.*
N. Y.	Binghamton	Strong & Strong	Kountze Bros.
N. C.	Wilmington	Atlantic National Bank	....
	$125,000	J. W. Norwood, *P.*	
OHIO	Alliance	City Savings Bank	Chase National Bank.
	$50,000	C. C. Davidson, *P.*	Wm. W. Gilson, *Cas.*
		T. R. Morgan, Sr., *V. P.*	
″	Williamsburgh	Bank of Williamsburgh	....
	$30,000	James M. Starbuck, *P.*	Cyrus H. Lochard, *Cas.*
		S. S. Puckett, *V. P.*	
ORE	Junction City	United States Banking Co.	Chase National Bank.
	$50,000	Walter Evenden, *P.*	Chas. W. Lamson, *Treas.*
		E. M. Baldridge, *V. P.*	
PA	Duquesne	First National Bank	....
	$50,000	John W. Crawford, *P.*	W. H. Beatty, *Cas.*
″	Wilkinsburgh	First National Bank	....
	$50,000	Alfred W. Duff, *P.*	
TENN	Carthage	Smith Co. B'k & Tr. Co.	Hanover National Bank.
	$10,000	Jno. A. Fite, *P.*	Geo. A. Howard, *Cas.*
		J. H. Young, *V. P.*	
″	Nashville	German-American Bank	Hanover National Bank.
	$25,000	Julius Sax, *P.*	Max Sax, *Cas.*
TEXAS	Gatesville	City National Bank	Hanover National Bank.
	$50,000	Jas. R. Saunders, *P.*	John S. Corley, Cas.
		J. W. Saunders, *V. P.*	
″	Jefferson	State National Bank	....
	$50,000	T. J. Rogers, *P.*	J. W. Rainey, *Cas.*
″	Llano	Kellogg, White & Co.	Kountze Bros.
	$30,000		T. W. Kellogg, *M'g'r.*
″	Mount Pleasant	First National Bank	....
	$50,000	C. C. Carr, *P.*	W. C. Hargrove, Jr., *Cas.*
″	Rockwall	Farmers & Merch. Nat. B'k.	....
	$50,000	M. S. Austin, *P.*	John R. Williams, *Cas.*
″	St. Jo	St. Jo Bank	Bank of New York, N. B. A.
	$20,000		Henry T. Douglas, *Cas.*
UTAH	Farmington	Davis County Bank	Kountze Bros.
	$6,250	Ezra T. Clark, *P.*	Amasa L. Clark, *Cas.*
WASH	Wilbur	State Bank of Wilbur	Hanover National Bank.
	$25,000	Daniel K. McPherson, *P.*	Edw'd L. Farnsworth, *Cas.*
		Hans C. Anderson, *V. P.*	
W. VA	Elkins	Elkins National Bank	....
	$50,000	S. B. Elkins, *P.*	W. J. Armstrong, *Cas.*
WIS	Merrill	National Bank of Merrill	....
	$100,000	S. Heineman, *P.*	Geo. A. Foster, *Cas.*
		F. P. Hixon, *V. P.*	
″	Oshkosh	Southside Exchange Bank.	....
	$50,000	Franklin Leach, *P.*	Herman Eilers, *Cas.*
		Jos. Kloeckner, *V. P.*	
WYO	Lander	First National Bank	Chemical National Bank.
	$50,000	Eugene Amoretti, *P.*	Sam'l C. Parks, Jr., *Cas.*
		S. Conant Parks, *V. P.*	
MAN	Carman	Blanchard & Co.	....
ONT	Woodstock	B'k of British N. America.	....
			H. M. J. McMichael, *M'g'r.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from April No., page 827.)

Bank and Place.	Elected.	In place of.
N. Y. CITY. American Exchange National Bank.	J. S. Carr, *Ass't Cas.*	....
ALA.... Berney Nat. B'k, Birmingham..	R. H. Pearson, *V. P.*	H. F. De Bardeleben.
" .. First Nat. Bank, Eutaw........	B. B. Barnes, *Cas.*	James Murphy.
ARK.... Camden Nat. Bank, Camden...	A. P. Puryear, *Cas.*	....
CAL.... First Nat. Bank, Fresno	W. H. Chance, *V. P.*	....
" .. First Nat. B'k, San Diego......	Geo. Hannahs, *V. P.*	Jerry Toles.
" .. Carver Nat. B'k, St. Helena....	F. L. Alexander, *Ass't Cas.*	....
COL.... City National Bank, Denver.	John R. Hanna, *P.*	Wm. Barth.
	B. N. Freeman, *Cas.*	John R. Hanna.
" .. Commercial Nat. B'k, Denver..	J. E. Sibley, *Ass't Cas.*	....
" .. Colorado State B'k, Durango.	B. N. Freeman, *P.*	F. L. Kimball.
	F. W. Strater, *V. P.*	D. L. Sheets.
	C. B. Denny, *Cas.*	B. N. Freeman.
DAK. N. Nat. B'k North Dakota, Fargo.	Wm. B. Mears, *Cas.*	John C. Buckbee.
" .. First Nat. Bank, Lakota.......	M. W. Buck, *Cas.*	H. G. Merritt.
DAK. S. First Nat. Bank, Brookings....	D. H. Campbell, *Ass't Cas.*	....
" .. First Nat. Bank, Clark	S. N. Brown, *V. P.*	Frank Clendenin.
" .. First Nat. Bank, Madison......	G. L. McCallister, *As. Cas.*	....
" .. Mitchell Nat. Bank, Mitchell.	E. J. Quigley, *V. P.*	L. N. Seaman.
DEL.... Sussex Nat. Bank, Seaford.....	W. H. Stevens, *V. P.*	Wm. E. Wolfe.
" . Central Nat. B'k, Wilmington..	Henry P. Rumford, *Cas.*	John Peoples.*
D. C.... Ohio Nat. Bank, Washington..	C. A. Baker, *Ass't Cas.*	....
" .. West End Nat. B'k, Washington.	A. P. Fardon, *V. P.*	Geo. A. McIlhenny.
FLA.... Gulf National Bank, Tampa...	L. L. Spafford, *Cas.*	Frank Bentley.
GA..... First Nat. Bank, Brunswick....	W. E. Kay, *V. P.*	M. Ullman.
" .. Oglethorpe National Bank, Brunswick.	W. B. Burroughs, *V. P.*	W. E. Burbage.
	L. A. Fleming, *Ass't Cas.*	....
" .. Newnan Nat. Bank, Newnan...	J. S. Hollinshead, *Cas.*	Jos. T. Kirby.
ILL..... First Nat. Bank, Arcola........	J. R. Beggs, *Ass't Cas.*	....
" .. First Nat. Bank, Beardstown ..	Jas. P. Harris, *Ass't Cas.*	....
" .. Alexander Co. Nat. B'k, Cairo.	Chas. O. Patier, *V. P.*	Peter Neff.
" Alexander Co. Sav. B'k, Cairo..	Peter Neff, *V. P.*	Chas. O. Patier.
" .. Nat. Bank Republic, Chicago..	J. H. Cameron, *Ass't Cas.*	....
" .. Tazewell Co. Nat. B'k, Delavan.	Gilman G. Waltmire, *Ass't.*	....
IND .... First National Bank, Connersville.	F. T. Roots, *P.*	Chas. Mount.
	J. M. McIntosh, *Cas.*	J. C. Mount.
IOWA.. First National Bank, Algona ..	W. K. Ferguson, *Cas.*	J. C. Blackford.
" .. First National Bank, Carroll....	C. D. Boynton, *V. P.*	F. M. Guthrie.
" .. First National Bank, Corning.	F. M. Widner, *P.*	L. E. Darrow.
	O. S. Heizer, *Ass't Cas.*	....
" .. First Nat. Bank, Emmetsburg..	A. H. Keller, *Ass't Cas.*	....
" . First Nat. B'k, Fort Madison...	Chas. Brewster, *V. P.*	Jos. A. Smith.
" .. First Nat. Bank, Griswold. ...	E. H. Vanschoiack, *V. P.*	....
" .. First Nat. B'k, Grundy Center.	Eugene A. Crouse, *V. P.*	Aaron Wolf.
" .. First Nat. Bank, Ida Grove....	A. C. Johnson, *Ass't Cas.*	....
" .. First National Bank, Missouri Valley.	E. W. Hibbard, *V. P.*	Matthew Blenkison.
	F. J. Arthur, *Ass't Cas.*	....
" .. First Nat. Bank, Sheldon......	Fred E. Frisbee, *Ass't Cas.*	....
" .. Iowa State Nat. B'k, Sioux City.	H. H. Clark, *Cas.*	R. S. Van Keuren.
" .. Security Nat. B'k, Sioux City...	Craig L. Wright, *V. P.*	M. C. Davis.
" .. First National Bank, Tipton...	W. J. Moore, *Cas.*	C. W. Hawley.
" .. Commercial National Bank, Waterloo.	A. J. Edwards, *Cas.*	F. L. Gilbert.
	H. C. Schultz, *Ass't Cas.*	....
KAN.... First Nat. Bank, Caldwell......	M. H. Barnard, *V. P.*	Wm. Corzine.
" .. First Nat. Bank, Centralia.....	A. S. King, *Ass't Cas.*	....
" .. First Nat. B'k, Coffeyville..	Thos. Scurr, Jr., *P.*	Thos. G. Ayres.
	H. McEniry, *V. P.*	Geo. Slosson.*
	Thos. G. Ayres, *Cas.*	Thos. Scurr, Jr.
" .. Central Nat. B'k, Ellsworth..	J. B. Handy, *Ass't Cas.*	....
" .. Anderson Co. Nat. B'k, Garnett.	Geo. W. Hunley, *Cas.*	J. F. McKinney.

* Deceased

	Bank and Place.	Elected.	In place of.
KAN.	First Nat. Bank, Hays City	E. F. Madden, *P.*	A. P. West.
"	National Bank of Commerce, Hutchinson.	L. C. Welton, *P.*	John Hall.
		J. W. Wilkinson, *V. P.*	W. T. Atkinson.
"	First Nat. Bank, Kingman	J. L. Mecorney, *V. P.*	A. C. Tredick.
"	First National Bank, Marion.	Geo. T. Donaldson, *V. P.*	H. M. Thorp.
		Herbert M. Thorp, *As. Cas.*	M. S. Bryan.
"	First Nat. B'k, Minneapolis	T. E. Hurley, *P.*	A. W. Gilbert.
		S. T. Stull, *V. P.*	F. L. Flint.
		Jas. Ketner, *Cas.*	W. S. Merryfield.
"	First Nat. Bank, Osborne	W. H. Bryning, *V. P.*	J. K. Mitchell.
"	Manufacturers Nat. Bank, Pittsburg.	J. A. Nuttman, *P.*	B. F. Hobart.
		A. E. Nau, *V. P.*	J. A. Nuttman.
"	Farmers State Bank, Quenemo.	F. E. Bodley, *P.*	F. G. Blair.
		J. R. Copple, *Cas.*	F. E. Bodley.
"	First Nat. Bank, St. Johns	F. C. Shaler, *V. P.*	Henry Rohr.
"	Fourth Nat. Bank, Wichita	J. M. Moore, *Cas.*	....
"	Woodson National Bank, Yates Center.	Henry Ashley, *P.*	N. F. Follett.
		Wm. Cooper, *V. P.*	J. W. Turner.
KY.	Second National Bank, Ashland.	J. D. Williams, *2d V. P.*	....
		John M. Hutton, *Cas.*	A. F. McCown.
"	Frankfort Nat. B'k, Frankfort	John Meagher, *P.*	J. S. McKendrick.
"	Marion Bank, Marion	R. W. Wilson, *P.*	W. C. Carnahan.*
MD.	Pocomoke City Nat. Bank, Pocomoke City.	Clayton J. Purnell, *V. P.*	....
MASS.	Traders Nat. Bank, Boston	C. C. Domett, *Cas.*	T. W. Andrew.
"	SafetyFund Nat. B'k, Fitchburg.	E. J. Torrey, *Cas.*	R. R. Conn, *Act'g.*
"	First Nat. Bank, Hyannis	F. G. Kelley, *P.*	Jos. R. Hall.*
"	Rockport Nat. Bank, Rockport.	Loring Grimes, *P.*	Chas. Tarr.*
MICH.	Merchants National Bank, Battle Creek.	Fred Wells, *Ass't Cas.*	....
"	First Nat. Bank, Buchanan	James Reynolds, *P.*	E. W. Sanders.
"	First Nat. B'k, Iron Mountain	M. A. Northrop, *Cas.*	Oliver Evans.
"	First Nat. Bank, Ironwood	E. D. Nelson, *V. P.*	J. A. McLeod.
"	Farmers & Merchants Bank, Nashville.	W. H. Kleinhaus, *P.*	C. D. Beebe.
"	First Nat. Bank, St. Ignace	C. E. Wells, *V. P.*	Wm. Saulson.
"	First Nat. Bank, St. Louis	John Tuger, *V. P.*	James Henry.
"	National Bank of Sturgis, Sturgis.	Levant E. White, *P.*	William Allman.
		Jas. Thornton, *V. P.*	Levant E. White.
MINN.	First National Bank, Albert Lea.	Gilbert Gulbrandson, *P.*	A. C. Wedge.
		W. W. Johnson, *V. P.*	Jas. F. Jones.
"	Nat. Bank Commerce, Duluth	Chas. P. Craig, *V. P.*	Chas. E. Shannon.
"	St. Paul & Minneapolis Trust Co., Minneapolis.	F. L. Gilbert, *Sec. & Tr.*	Chas. Kittelson.
"	Moorhead Nat. B'k, Moorhead	E. E. Hazen, *V. P.*	....
"	First Nat. Bank, Tower	D. H. Bacon, *V. P.*	....
MISS.	First Nat. Bank, Columbus	J. D. Morgan, *V. P.*	Wm. N. Snell.*
"	First Nat. Bank, Jackson	A. C. Jones, *Ass't Cas.*	....
"	First Nat. Bank, Yazoo City	W. C. Craig, *V. P.*	W. D. Lawson.
MO.	First Nat. Bank, Harrisonville	T. D. Evans, *P.*	H. Clay Daniel.
"	First Nat. Bank, Hopkins	R. H. Wilfley, *V. P.*	J. H. Lindsay.
"	First National Bank, Liberty.	John T. Chandler, *V. P.*	....
		Geo. S. Ritchey, *Ass't Cas.*	....
"	Schuster Hax Nat. Bank, St. Joseph.	Edw. C. Smith, *2d V. P.*	G. W. Clawson.
"	Continental National Bank, St. Louis.	Geo. W. Parker, *2d V. P.*	....
		W. H. Graham, *Ass't Cas.*	....
"	First Nat. B'k, Stewartsville	Boone D. Hite, *Ass't Cas.*	A. B. Chrisman.
"	First Nat. Bank, Trenton	Herbert Peery, *Ass't Cas.*	Stephen Harvey.
"	Marshall Nat. B'k, Unionville	E. N. Monroe, *V. P.*	E. J. Geisinger.
"	National Bank of Unionville	G. E. McCutchen, *As. Cas.*	....
NEB.	First Bank, Anselmo.	Mac Johnson, *P.*	Dorr Heffleman.
		W. E. Warren, *Cas.*	....
"	Nat. Bank of Ashland, Ashland.	Geo. D. Lawson, *Cas.*	D. D. Cooley.
		Duncan M. Forgan, *Ass't.*	Geo. D. Lawson.
"	Carson Nat. Bank, Auburn	J. L. Carson, Jr., *V. P.*	F. E. Johnson.
"	Farmers State Bank, Eustis.	F. B. Gilmore, *P.*	W. R. Kinnaird.
		E. P. Dunlap, *Cas.*	B. Curley.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
NEB.	First National Bank, Geneva.	Walt Huston, *V. P.*	A. G. McGrew.
		J. M. Fisher, *Cas*	F. J. Miller.
″	First Nat. Bank, Greenwood	Wm. M. Clark, *V. P.*	J.W.Quackenbush.
″	First National Bank, Harvard.	C. Rockhill, *P.*	T. H. Matters.
		C. Eller, *V. P.*	C. Rockhill.
″	Kearney National Bank, Kearney.	W. A. Downing, *P.*	J. J. Bartlett.
		F. M. Hallowell, *V. P.*	W. A. Downing.
″	First Nat. Bank, Madison	C. E. Plass, *V. P.*	F. W. Barnes.
″	First Nat. Bank, McCook	E. C. Ballew, *Ass't Cas*	....
″	First Nat. Bank, North Bend	M. C. Cusack, *Ass't Cas*	....
″	Union National Bank, Omaha	David Bennison, *V. P.*	E. S. Rowley.
″	First National Bank, O'Neill	Fred H. Sunigley, *As. Cas.*	....
″	First National Bank, Orleans	Chas. P. Dewey, *V. P.*	A. E. Harvey.
″	First National Bank, Shelton	M. C. Lee, *Cas*	A. H. Sterrett.
″	Packers Nat. B'k, South Omaha.	Samuel Coltner, *V. P.*	John L. Miles.
″	First Nat. B'k, South Sioux City.	J. P. Twohig, *V. P.*	A. L. Baker.
″	First Nat. Bank, Sterling	Frank Rothell, *Cas*	J. P. Renshaw.
N. H.	Mechanicks Nat. Bank, Concord.	Benj. A. Kimball, *P.*	E. H. Woodman.*
N. J.	Atlantic Highlands Nat. B'k, Atlantic Highlands.	Chas. Van Mater, *Cas*	C. H. Ely.
″	Haddonfield Nat. Bank, Haddonfield.	G. H. Moore, *Ass't Cas*	....
″	Peoples National Bank, New Brunswick.	Frank M. Dohohue, *V. P.*	....
N. MEX.	Socorro Nat. Bank, Socorro	John Bain, *Cas*	R. A. Jones.
N. Y.	Third Nat. Bank, Buffalo	J. Satterfield, *V. P.*	John D. Hill.*
″	National Central Bank, Cherry Valley.	H. L. Olcott, *Cas*	L. Dakin, *Act'g.*
		Leonard Dakin, *Ass't Cas.*	....
″	First National Bank, Mechanicsville.	Ben B. Smith, *P.*	Edgar Holmes.
		David Akin, *V. P.*	Ben B. Smith.
″	Chenango Nat. B'k, Norwich	Geo. T. Dunham, *Cas.*	Henry T. Dunham.*
″	Wilber Nat. Bank, Oneonta	Samuel H. Potter, *As. Cas.*	....
″	Pawling Sav. Bank, Pawling	H. A. Holmes, *Sec. & Tr.*	W. J. Merwin.*
″	Central Nat. Bank, Rome	S. S. T. Smith, *V. P.*	A. Ethridge.
N. C.	National Bank of Asheville, Asheville.	W. W. Barnard, *P.*	D. C. Waddell.
		Geo. A. Shuford, *V. P.*	W. W. Barnard.
″	First National Bank, Hickory	O. M. Royster, *V. P.*	Wm. H. Ellis.
″	Nat. Bank of High Point	J. A. Lindsay, *V. P.*	A. J. Sapp.*
OHIO	Second Nat. B'k, Cincinnati	G.W.Williams, *Ass't Cas.*	B. W. Rowe.
″	Commercial National Bank, Columbus.	Benj. S. Brown, *P.*	F. C. Sessions.*
		T. Ewing Miller, *V. P.*	Benj. S. Brown.
″	Deshler National Bank, Columbus.	John G. Deshler, *V. P.*	....
		C. J. Hardy, *Cas*	John G. Deshler.
″	Galion Nat. Bank, Galion	David Mackey, *V. P.*	Jos. Kesselmeier.
″	Citizens National Bank, Marietta.	A. T. Nye, *P.*	....
		D. B. Terpy, *V. P.*	Theo. F. Davis.
″	Third National Bank, Piqua	J. A. Schafer, *Ass't Cas*	....
ORE.	Arlington Nat. B'k, Arlington	J. A. Thomas, *Cas*	H. C. Condon.
″	First Nat. Bank, Corvallis	W. T. Peet, *Ass't Cas*	....
″	McMinnville National Bank, McMinnville.	E. C. Apperson, *Cas*	J. L. Stratton.
″	National Bank of Pendleton, Pendleton.	G. A. Hartman, *P.*	Jacob Frazer.
		Frank Frazier, *V. P.*	G. A. Hartman.
″	First Nat. Bank, The Dalles	John S. Schenck, *P.*	David P. Thompson.
PA.	First Nat. Bank, Beaver Falls	W. F. Bell, *Ass't Cas*	....
″	First Nat. Bank, Bedford	Edward S. Doty, *Cas*	Latimer B. Doty.
″	First Nat. Bank, Berwick	B. F. Crispin, Jr., *V. P.*	....
″	Second National Bank, Clarion.	Porter Haskell, *P.*	A. Cook.*
		J. T. Maffett, *V. P.*	P. Haskell.
″	Valley Nat. Bank, Lebanon	L. E. Weimer, *P.*	T. T. Worth.
″	Union Nat. B'k, Mahanoy City.	Chas. D. Kaier, *V. P.*	H. K. Smith.
″	Keystone National Bank, Manheim.	John B. Reist, *P.*	W. Litzenberger.
		C. J. Reiff, *V. P.*	J. B. Reist.
″	First National Bank, Mifflintown.	J. Banks Wilson, *P.*	Jeremiah Lyons.
		John G. Haldeman, *V. P.*	J. Banks Wilson.
″	Quaker City Nat. B'k, Philadelphia.	Jacob E. Ridgway, *P.*	S. Davis Page.

* Deceased.

Bank and Place.	*Elected.*	*In place of.*
PA.....Southwestern Nat. Bank, Philadelphia.	H. B. Rosengarten, *V. P.*	John A. Stevenson.
	John T. Scott, Jr., *Cas.*	H. B. Langworthy.
" ..South Bethlehem Nat. Bank, South Bethlehem.	J. B. Meixell, *Cas.*	J. B. McCamant.
" ..Farmers Nat. B'k, Watsontown.	Isaac Vincent, *V. P.*	Chas. Heilman.
" ..Wellsborough Nat. Bank, Wellsborough.	E. R. Backer, *V. P.*	....
S. C....Simonds National Bank, Sumter.	R. M. Wallace, *P.*	Andrew Simonds.
	A. J. Chinn, *V. P.*	R. M. Wallace.
TENN...Fourth Nat. B'k, Chattanooga..	L. S. Colyar, *V. P.*	C. D. Clark.
" ..First National Bank, Greeneville.	Newton Hacker, *P.*	J. M. Brabson.
	J. W. Willis, *V. P.*	Newton Hacker.
" ..First Nat. B'k, Johnson City.	F. K. Mountcastle, *V. P.*	....
	J. P. Hopple, *Cas.*	....
	Paul Shortridge, *Ass't Cas.*	J. P. Hopple.
" ..State National Bank, Knoxville.	Jno. L. Boyd, *Cas.*	D. S. McIntyre.
	Hal S. Harris, *Ass't Cas.*	Jno. L. Boyd.
" ..Memphis National Bank, Memphis.	H. M. Neely, *P.*	D. T. Porter.
	D. T. Porter, *V. P.*	H. M. Neely.
" ..Rogersville National Bank, Rogersville.	W. R. Neill, *P.*	Samuel Neill.
	Geo. A. Smith, *V. P.*	W. R. Neill.
TEXAS..Abilene National Bank, Abilene.	J. G. Lowdon, *P.*	Theo. Heyck.
	E. O. Price, *Cas.*	J. G. Lowdon.
" ..First Nat. Bank, Amarillo......	Chas. J. E. Lowndes, *As't.*	A. H. Wood.
" ..First National Bank, Beaumont.	John N. Gilbert, *P.*	W. A. Fletcher.
	John L. Keith, *V. P.*	John N. Gilbert.
" ..First Nat. Bank, Bryan........	J. W. Howell, *P.*	J. S. Fowlkes.
" ..City National Bank, Corsicana.	S. D. Curtis, *V. P.*	A. S. Underhill.
	J. T. Sullivan, *Cas.*	J. H. Martin.
" ..Central Nat. Bank, Dallas.....	T. J. Oliver, *P.*	Maurice E. Locke.
" ..Wise County National Bank, Decatur.	H. H. Halsell, *P.*	H. Sewell.
	H. Sewell, *V. P.*	J. F. Johnston.
" ..Farmers & Merch. Nat. B'k, Fort Worth.	J. I. Talbert, *2d V. P.*	....
" ..Greenville Nat. B'k, Greenville.	H. W. Williams, *Ass't Cas.*	....
" ..Farmers National Bank, Hillsboro.	Ed. Rodgers, *P.*	J. D. Warren.
	E. B. Stroud, *V. P.*	Ed. Rodgers.
" ..Planters Nat. B'k, Honey Grove.	J. M. Petty, *V. P.*	J. B. Ryan.
" ..National Bank of Jefferson.....	S. A. Spellings, *V. P.*	T. J. Rogers.
" ..State Nat. Bank, Jefferson.....	G. A. Rogers, *Ass't Cas.*	....
" ..First National Bank, Longview.	J. R. Clemmons, *P.*	J. W. Rainey.
	W. H. Scogill, *Ass't Cas.*	....
" ..First Nat. Bank, Mexia......	J. M. Long, *Ass't Cas.*	....
" ..San Angelo Nat. B'k, San Angelo.	M. L. Mertz, *P.*	M. B. Pulliam.
" ..Glover Nat. B'k, San Marcos...	W. D. Wood, *P.*	D. A. Glover.
" ..First Nat. Bank, Stephenville...	J. H. Cage, *V. P.*	N. C. Baldwin.
" ..City National Bank, Sulphur Springs.	W. B. Womack, *P.*	J. J. Dabbs.
	W. C. Hargrove, Jr., *V. P.*	W. B. Womack.
" . Temple Nat. Bank, Temple....	W. S. Rowland, *Cas.*	W. A. Barclay.
" ..Texarkana Nat. B'k, Texarkana.	Wm. Buchanan, *V. P.*	....
" ..City National Bank, Wichita Falls.	Jos. A. Kemp, *P.*	John G. James.
	C. A. Brown, *V. P.*	D. J. Calkins.
VA.....Planters Nat. Bank, Richmond.	Richard H. Smith, *Cas.*	Mann S. Quarles.
W. VA. Merch. & Mech's Sav. B'k, Grafton.	C. H. Rector, *P.*	Wm. Watkins.*
	H. Evans, *V. P.*	....
" ..Nat. Exchange Bank, Weston..	Frank E. Waterman, *Cas.*	F. M. Durbin.
WASH..First National Bank, New Whatcom.	Eugene Canfield, *P.*	C. M. Atkins.
	J. R. McKinley, *V. P.*	Will D. Jenkins.
	C. M. Atkins, *Cas.*	J. R. McKinley.
	T. P. Lloyd, *Ass't Cas.*	F. S. Hadley.
" ..First Nat. B'k, Port Townsend.	R. C. Hill, *Cas.*	D. M. Slocum.
" ..Merchants Nat. Bank, Seattle..	Wm. T. Wickware, *Cas.*	Vincent Wallace.
" ..Washington Nat. B'k, Seattle..	J. A. Park, *Ass't Cas.*	....
" ..First Nat. Bank, Slaughter.	John P. White, *V. P.*	L. W. Ballard.
	Geo. S. Fitch, *Cas.*	E. M. Gordon.
WIS....First Nat. Bank, Baraboo......	R. A. Cowan, *V. P.*	Carlos Bacon.
" . First Nat. Bank, Marinette.....	R. H. Hackett, *Ass't Cas.*	....
" ..First Nat. Bank, Menasha......	Geo. H. Utz, *Cas.*	Silas Bullard.

* Deceased.

PROJECTED BANKING INSTITUTIONS.

ARIZ.. Nogales........R. W. Wood, Cashier of Bank of Tombstone, will establish the International Bank at Nogales.

ARK....El Dorado......New bank to be started.

CAL....Hollister........Hollister Savings Bank; authorized capital, $50,000; paid-up capital, $5,000. A. P. Boyd, President; A. Tonn, Secretary and Treasurer.

" . Sebastopol......Bank of Sebastopol; capital, $5,000. C. Wightman, President; Geo. P. Baxter, Cashier.

COL....Denver.........Hibernia National Bank. Promoters: Dennis Sheedy, Dennis Sullivan, C. D. McPhee, J. J. McGinnity, J. K. Mullen, Judge O'Bryan.

" " ... .Denver Trust and Safe Deposit Co.

" " ....D. G. Peabody, President of the Peabody Investment, will establish a bank at Denver.

" ..Fremont........Bimetallic Bank; capital, $50,000. William Barth, of Denver, President; H. W. Bennett, Vice-President; Geo. A. Tragier, Cashier.

" ..Silverton.......Bank of Silverton; capital, $30,000. Incorporators: Gustavus H. Stoiber, of New York, James H. Robin, of Silverton, John M. Gundry, of Cleveland.

DAK. N.Minot..........Citizens Bank of Minot; capital, $10,000. Promoters: H. L. Lewis, Edwin N. Lewis, Ervin H. Finch.

GA.....Macon..........Macon Abstract and Loan Co.; capital, $100,000. J. J. Cobb, President; W. H. Burden, R. E. Park, J. W. Cabaniss, Vice-Presidents; T. B. West, Secretary; F. O. Schofield, Treasurer.

ILL.....Arrowsmith....Bank of McClure & Taylor.

" ..Hartsburg......Hartsburg State Bank; capital, $25,000. Organizers: C. Wendell, J. W. Musgrove, C. Van Gerpen, J. C. Skinner, H. Kromminga, Philip Seville, E. Musgrove, Jas. N. Logan.

" ..Seneca.........State Bank of Seneca; capital, $2,500. Organizers: N. J. Reellson, T. D. Catlin, A. F. Schock, A. H. Taylor and Chas. P. Taylor.

IND.....Eaton..........Mr. J. H. Musselman will be cashier of a new bank here.

" ..Parkersburg....Parkersburg will have a new savings bank.

" ..Vevay...........Vevay Deposit Bank; capital, $50,000. R. A. Knox, President; Chas. C. Shaw, Cashier.

IOWA. .Calliope........Bank of Calliope reorganized and incorporated; capital, $5,000. G. B. West, Cashier.

" ..Cedar Rapids...C. Butler Weeks, of St. Johnsbury, Vt., has been elected a director of a new bank in Cedar Rapids.

" ..Ireton..........Citizens Savings Bank takes place of Citizens Bank of Ireton.

KAN....Marion.........Peoples State Bank. S. C. Varner, President.

" .Topeka.........W. H. Holmes, with his brother, will engage in mortgage loan business, under firm name of Holmes Bros. Office in Knox Building.

KY.....Butler...........National bank to be established by Mr. George Noel, of Hallam, Owen County, and others.

" " ....Butler Bank. James Thomasson, President; R. F. Shaw, Vice-President.

LA......Arcadia........Crowley State Bank; capital, $75,000. Mr. P. S. Lovell, President.

MD.....Cumberland....An industrial bank to be started; capital, $150,000. George L. Wellington, J. Henry Holzshu interested.

MASS...Boston.........Mattapan Trust Co., Broadway and E Street.

" ..Cambridgeport.Columbian Co-operative Bank. Hon. A. B. Alger, President; A. L. Barbour, Vice-President; W. W. Dallinger, Treasurer; O. G. Berry, Secretary.

MASS...Lowell.........Traders National Bank; capital, $200,000. Incorporators: Chas. J. Glidden, Eugene S. Hylan, Asa C. Russell and others.

MICH...Greenville......First National Bank will be succeeded by a State savings bank.

" ..Lawton........New bank to be started.

" ..Marshall........Commercial Savings Bank; capital, $50,000.

MINN...Albert Lea......A third National bank to be established with a capital of $50,000.

" ..Duluth.........Duluth Loan, Deposit and Trust Co.; capital, $500,000. F. J. Pulford, of Cazenovia, N. Y., will be Treasurer.

" ..Minneapolis....New England Dime Savings Bank. Incorporators: Geo. A. Brackett, S. E. Olsen, Frank A. Morgan, B. F. Nelson, Alden J. Blethen and others.

" ..St. Cloud......New National bank; capital, $100,000. C. M. Hertig, of Minneapolis, principal stockholder. H. D. Havill, of Royalton, will be in charge.

MONT...Philipsburg.....Miners and Merchants Bank; capital, $50,000. Angus A. McDonald, President; Frank J. Wilson, Vice-President; Chas. H. Eshbaugh, Cashier.

NEB....Monroe .... New bank to be established.

" ..Osborne........New bank. Apply Banks M. Smith.

N. J....Bordentown....New savings bank to be established.

" ..Camden........Security Trust and Safe Deposit Co.; capital, $50,000. Directors: John F. Betz, Edward Burrough, Wm. S. Casselman, Howard M. Cooper, Martin P. Grey, F. C. Lippincott and others.

N. Y...Brooklyn.......Brevoort Savings Bank.

" " ....Commonwealth Home and Savings Association. Walter L. Durock, President; F. R. Tichenor, Vice-President; Joseph T. Noghtingale, Secretary; Joseph H. Delaney, Treasurer.

" ..East Buffalo. ..Siberian Dime Savings Association, 1400 Broadway.

" ..Elmira.........George E. Backer will establish bank on West Side.

" ..Holland........New bank to be started here by Gowanda parties.

" ..Poughkeepsie...Dutchess County Savings Bank. Incorporators: John C. Otis, Chas. Kirchner, John Donald, Wm. J. Lane, Lewis H. Vail, George H. Sherman.

" ..Wyoming......Banking institution to be established.

OHIO...Scott...........New bank to be started.

PA. ....Bellwood.......New bank. Stockholders: James Lowther, Rev. J. M. Mathers, Dr. W. G. Levergood, Ira Wentzell, James Cullen, H. C. Kinsloe.

" ..Royersford.....Home National Bank to be established with $50,000 capital.

" ..Union ....Wm. C. Culbertson, of Girard, with others, will establish a National bank at Union.

TEXAS..Galveston ......Citizens Loan Company. Directors: Albert Weis, Gus Lewy, M. Lasker, Jul. Weber, H. J. Runge, Chas. Fowler, M. Marx, R. Bornefeld, W. F. Beers.

" ..Marquez........Bank of Marquez. G. T. White, President; S. C. Vauleer, Vice-President; H. Matthewson, Cashier.

UTAH...Spanish Fork...Bank of Spanish Fork; capital, $25,000. George D. Snell, President; G. O. Gilbert, Vice-President; D. S. Morey, Cashier.

" ..Springville......New bank.

VT.....Chester ....Chester Savings Bank. F. W. Pierce, President; Wm. Rounds, Vice-President; F. W. Adams, Treas.

" ..Fair Haven.....New National bank to be established.

VA. ....Roanoke........Roanoke Banking and Investment Co. W. E. Maguire, General Manager.

WIS....Baldwin........New bank to be established here by Mr. Carr, of Sioux Falls, S. Dak.

WIS....River Falls......River Falls is to have a new bank.

" ..West Superior..State Trust and Savings Bank; capital, $25,000. Ex-City Clerk Ronning is Cashier.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from April No., page 833.*)

NEW YORK CITY.......John Paton & Co. succeeded by Cuyler, Morgan & Co.

ALA....Birmingham....Birmingham National Bank reported in voluntary liquidation.

" ..Fort Payne.....Bank of Fort Payne reported suspended.

FLA.....Tampa........Tampa National Bank has transferred its business to Gulf National Bank.

DAK. S.Parkston.......Bank of Parkston succeeded by Parkston State Bank, incorporated.

IOWA...Bancroft.......Farmers and Traders Bank succeeded by Farmers and Traders Savings Bank, same officers and correspondents.

" ..Oakland. ......Citizens Bank succeeded by Citizens State Bank, incorporated, same officers and correspondents.

" ..Winthrop......Farmers and Traders Bank succeeded by Winthrop State Bank, incorporated, same officers and correspondents.

KAN....Agra...........Bank of Agra succeeded by Agra State Bank, incorporated.

" ..Courtland......Exchange Bank succeeded by State Exchange Bank, incorporated.

MICH...Greenville......First National Bank has gone into voluntary liquidation.

" ..North Adams. .North Adams Bank closed.

MINN...Heron Lake....Bank of Heron Lake will be incorporated.

" ..Le Sueur.......Bank of Le Sueur (Doran & Smith), now E. R. Smith & Co., proprietors.

" ..St. Paul........Commercial Bank reported closed.

NEB....Ord............Farmers and Merchants Bank sold out to Ord State Bank.

" ..Oxford.........Farmers State Bank succeeded by Commercial State Bank, incorporated.

" ..Ruskin.........Ruskin Bank, now H. J. Reed & Co.

" ..Silver Creek....Bank of Silver Creek succeeded by Silver Creek State Bank.

" ..Venango.......Exchange Bank closed.

" ..Wilber.........First National Bank has gone into liquidation, succeeded by State Bank, same officers and correspondents.

N. Y....Brockport..... John H. Kingsbury reported assigned.

OHIO...Columbus......National Exchange Bank has gone into voluntary liquidation.

" ..Perrysburg......Citizens Bank succeeded by Citizens Banking Co., incorporated, same officers and correspondents.

ORE....Junction City...Bank of Commerce succeeded by United States Banking Co., incorporated, same correspondents.

TEXAS..Marlin.........Bank of Marlin succeeded by First National Bank.

" ..Stephenville....Erath County National Bank has gone into voluntary liquidation.

VT.....Castleton.......Castleton National Bank has gone into voluntary liquidation.

VA......Roanoke.......Citizens National Bank has gone into voluntary liquidation.

WASH..Wilbur.........Bank of Wilbur (E. L. Farnsworth) succeeded by State Bank, incorporated, same correspondents.

WIS....Montfort.......Stevens Bank (P. T. Stevens) succeeded by Montfort State Bank.

WYOM..Casper.........American Exchange Bank closed.

" ..Lander.........First Lander Bank succeeded by First National Bank.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from April No., page 828.)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4715	First National Bank........... Jonesboro, Tenn.	E. N. West,	Tate L. Earnist,	$50,000
4716	First National Bank........... Creede, Col.	John McDonough,	Jay B. Merritt,	50,000
4717	Farmers and Merch. Nat. Bank. Rockwall, Tex.	M. S. Austin,	John R. Williams,	50,000
4718	Elkins National Bank.......... Elkins, W. Va.	S. B. Elkins,	W. J. Armstrong,	50,000
4719	First National Bank........... Westfield, N. J.	Alfred D. Cook,	Robert H. Cook,	50,000
4720	First National Bank........... Lander, Wyom.	Eugene Amoretti,	Sam'l C. Parks, Jr.,	50,000
4721	State National Bank........... Jefferson, Tex.	T. L. Rogers,	J. W. Rainey,	50,000
4722	First National Bank........... Mt. Pleasant, Tex.	C. C. Carr,	W. C. Hargrove, Jr.,	50,000
4723	City National Bank............ Ardmore, Ind. Terr.	F. M. Dougherty,	H. F. Potts,	50,000
4724	Second National Bank......... Orange, N. J.	A. M. Matthews,	Chas. H. Ely,	100,000
4725	White National Bank.......... Fort Wayne, Ind.	John W. White,	Harry A. Keplinger,	200,000
4726	Atlantic National Bank........ Wilmington, N. C.	J. W. Norwood,		125,000
4727	National Citizens Bank. ...... Mankato, Minn.	Jos. F. Meagher,	W. G. Hoerr,	100,000
4728	First National Bank........... Wilkinsburgh, Pa.	Alfred W. Duff,		50,000
4729	Phœnix National Bank........ Phœnix, Ariz.	Jas. A. Fleming,	Ephraim J. Bennitt,	100,000
4730	First National Bank........... Duquesne, Pa.	John W. Crawford,	W. H. Beatty,	50,000
4731	Palmer National Bank......... Danville, Ill.	Chas. J. Palmer,	M. J. Wolford,	100,000
4732	City National Bank............ Gatesville, Tex.	J. R. Saunders,	J. S. Corley,	50,000
4733	Aspen National Bank.......... Aspen, Col.	Jas. J. Hagerman,	A. A. Denman,	100,000

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during April, 1892.

NEW YORK CITY.......Washington Market National Bank, by Charles F. James and associates.

COL....Fremont........First National Bank, by C. L. McIntosh, Denver, Col., and associates.

DEL....Hockessin......National Bank of Hockessin, by M. B. Kent and associates.

ILL.....Waukegan......Waukegan National Bank, by Henry Wells, Chicago, Ill., and associates.

IOWA...Waukon.. .. First National Bank, by W. E. Beddow, Guttenberg, Ia., and associates.

ME. .... Fort Fairfield... Fort Fairfield National Bank, by Morrill N. Drew and associates.

MASS... Lowell......... Traders National Bank, by John C. Burke, Chas. J. Glidden and associates.

" .. Somerville...... Somerville National Bank, by L. Rogers Wentworth and associates.

MINN... St. Cloud....... Merchants National Bank, by C. M. Hertig, Minneapolis, Minn., and associates.

MONT .. Chinook........ Chinook National Bank, by N. H. Wethey, Butte, Mont., and associates.

" .. " .... First National Bank, by A. C. Johnson, Helena, Mont., and associates.

N. H... Lakeport....... National Bank of Lakeport, by H. J. Odell and associates.

N. MEX. Deming........ National Bank of Deming, by C. Wormser and associates.

PA..... Chartiers....... First National Bank, by William Pickersgill, Jr., Pittsburgh, Pa., and associates.

TEXAS.. Blooming Grove. First National Bank, by M. G. Young and associates.

" .. Pilot Point..... Pilot Point National Bank, by A. H. Gee and associates.

W. VA.. Buckhannon.... Buckhannon National Bank, by G. A. Newton and associates.

" .. Martinsburg.... Citizens National Bank, by John B. Wilson and associates.

WIS.... Merrill.......... National Bank of Merrill, by S. Heinman and associates.

DEATHS.

CARNAHAN.—On April 2, aged seventy-four years, W. C. CARNAHAN, President of Marion Bank, Marion, Ky.

DELANO.—On April 7, aged fifty years, FRANCIS R. DELANO, President of Cataract Bank, Niagara Falls, N. Y.

EIDLITZ.—On April 15, aged sixty-six years, MARC EIDLITZ, President of Germania Bank, New York City.

GIBBS.—On March 10, aged ninety-one years, RUFUS GIBBS, President of Bridgton Savings Bank, Bridgton, Me.

HALL.—On April 9, aged seventy years, JOSEPH R. HALL, President of First National Bank, Hyannis, Mass.

KOUNTZE.—On April 30, aged sixty-six years, AUGUSTUS KOUNTZE, firm of Kountze Bros., New York City.

LEAK.—On March 26, aged sixty-nine years, JAS. A. LEAK, President of Bank of New Hanover, Wadesboro, N. C.

MERWIN.—On March 23, aged fifty-nine years, W. J. MERWIN, Secretary and Treasurer of Pawling Savings Bank, Pawling, N. Y.

PEOPLES.—On March 28, aged seventy three years, JOHN PEOPLES, Cashier of Central National Bank, Wilmington, Del.

SNYDACKER.—On April 12, aged sixty-six years, GODFREY SNYDACKER, of the firm of Snydacker & Co., Chicago, Ill.

SYMONDS.—On March 26, aged fifty-two years, HENRY R. SYMONDS, Vice-President of First National Bank, Chicago, Ill.

WOODMAN.—On March 21, aged forty-four years, EDGAR H. WOODMAN, President of Mechanicks National Bank, Concord, N. H.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, APRIL, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in April.

Governments.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907... ...reg.	Quarterly Mar.	100	100	100	100
4s, 1907.......reg.	Jan.	116	116	115½	115¾
4s, 1907......coup.	Feb.	116	116	115½	115¾
6s, cur'cy, 1895, reg.		109	109	109	109
6s, cur'cy, 1896, reg.	Jan.	111	111	111	111
6s, cur'cy, 1897, reg.	&	113	113	113	113
6s, cur'cy, 1898, reg.	July.	116	116	116	116
6s, cur'cy, 1899, reg.		119	119	119	119

Railroad Stocks.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	4¼	4	—
Canadian Pacific	—	89¼	88	—
Canada Southern	60¾	62	59⅞	60⅞
Central of N. J	136¾	143	135	140¾
Central Pacific	—	31¼	31⅛	—
Ches. & Ohio	23½	24⅞	23	24¼
Do 1st pref.	—	62⅜	60½	62¼
Chic. & Alton	—	150	150	—
Do pref.	—	—	—	—
Chic., B. & Q	108⅛	110	106½	107⅞
Chic. & East'n	—	63	63	—
Do pref.	—	99¾	98	—
Chic., M. & St. P	76⅝	80⅝	75⅝	78⅜
Do pref.	122½	124	122	123⅛
Chic. & N. W	119⅛	121½	118⅜	120½
Do pref.	—	144½	144	—
Chic., R. I. & P	85⅝	88¼	83¼	84¾
Chic., St. P., M. & O	46¾	49⅜	46	—
Do pref.	—	116¼	114	—
C., C., C & St. L	69⅞	71⅜	68¾	70¼
Col. Coal & Iron	32½	33⅛	30⅛	32
Col., H. Valley & Tol	29⅜	34¼	29⅝	33⅞
Del. & Hudson	140	149½	138⅛	146½
Del., Lack. & W	156¾	165	154	160½
Den. & Rio Grande	—	18½	17⅛	17½
Do pref.	52⅛	53	49¾	51¼
East Tenn. V & G	5¾	6½	4¾	5
Do 1st pref.	—	40	40	—
Do 2d pref.	—	16	13	—
Evansville & T. H	—	138	124	138
Illinois Central	104	105	103½	103½
Lake Erie and Western	25½	27¾	24⅞	—
Do pref.	75⅝	80	74½	—
Lake Shore	132⅜	136⅛	130¼	135¼
Long Island	—	104	101½	—
Louisville and Nashville	72⅜	76	71⅝	75⅜
Louisville, N. Alb & Chic	24⅞	27⅝	23⅞	27¼
Manhattan Consol	120½	125½	118	124½
Mexican Central	18½	18½	18⅜	—
Michigan Central	110	111½	109	110
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	10⅛	14	10	13⅜
Do pref.	—	30	21½	30
Mo., Kan. & Texas	—	17¼	16	—
Missouri Pacific	59⅝	61⅞	57¾	59⅝
Nash., C. & St. L	—	—	—	—
N. Y. C. & Hudson	114	115⅞	113½	115¼
N. Y., C. & St. L	18⅛	19	18	—
Do pref.	—	75½	74¼	—
N. Y., L. E. & W	30½	32½	29⅜	30¼
Do pref.	73½	75⅜	71	72¾
N. Y. & New Eng	45⅞	45⅞	36¾	39⅞
N. Y., Ont. & W	19	21	18½	19⅝
N. Y., Sus. & W	12⅝	13¼	11½	11¾
Do pref.	57½	58½	55	55
Norfolk & Western	—	14⅝	14	—
Do pref.	—	50½	47¾	—

Miscellaneous.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	22	23	21¼	—
Do pref.	61⅞	62⅞	58½	59⅝
Ohio & Mississippi	—	21	21	—
Ohio Southern	—	35	26	—
Oregon Impt	—	22½	22½	—
Oregon R. & N	—	87	86	—
Oregon Short Line	—	28	25¼	—
Pacific Mail	35¼	37¼	35	35¾
Peoria, Decatur & Evansville	18¼	20⅛	18¼	—
Philadelphia & Reading	56⅞	62⅜	53⅝	61¼
Pullman Palace Car Co	—	195	192¾	194
Rich. & W. P. Term	11	11⅛	8⅜	—
Rome, W. & Ogd	—	112	110¼	110¼
St. Louis, A. & T. H	—	40	39¾	40
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	—	45¾	42¼	—
Do pref.	—	105	104½	—
St. Paul, M. & M	—	113⅜	112	—
Southern Pacific Co	37¾	37¾	37	37⅝
Sugar Refineries	95¾	97⅝	91½	96
Texas & Pacific	10¼	10½	10⅛	—
Union Pacific	44⅜	46¾	42⅜	44½
Wabash, St. Louis & Pacific	12	13¼	11⅞	—
Do pref.	27½	29⅛	26¼	27⅜
Wisconsin Central	16¾	17⅜	16½	—
Miscellaneous—				
Am. Cotton Oil Trust	37⅜	41½	36⅝	40
Nat. Lead Trust	—	35⅜	31¾	34
Tenn. Coal & Iron	44⅞	47¾	44	47⅛
Express—Adams	—	146½	143½	146⅜
American	117	119½	117	—
United States	—	48	44	—
Wells-Fargo	142½	145	142½	—
Western Union	87⅜	93¾	87	93½
Wheel. & Lake E	33⅛	34½	32½	34
Do pref.	74⅜	77¼	73½	76⅜

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NATIONAL BANK LEGISLATION.

It is a noteworthy fact that, for several years, notwithstanding the large number of bills that have been introduced at every session of Congress relating to the National banks, only a few have received much consideration. Nearly a hundred bills have been introduced at every session, and usually not one of them is passed by both bodies, and only a very few have even emerged from the committee room. Perhaps there is no great subject of legislation, which in a general way has been more frequently discussed, and on which less legislation has been enacted. Some of the bills have been of great merit, and would have been useful both to the public and to the banks; but good and bad alike seem to have shared the same fate. Those who are opposed to the National banks are always numerous enough to defeat all legislation which is likely in any respect to improve their condition; while the banks seem to have enough influence to prevent the enactment of any law which would seriously injure them. Thus, for twenty-five years, a great system of banking has been continued with no important change, save in the method of redeeming its circulation, and a few other minor matters.

Nor is there any probability that this Congress will break the record of its predecessors. Though a large number of bills have been introduced, some of which are worthy of serious consideration, only a few have been reported, and of these, at the present time, not a single one has passed both houses. The bank failures of the last two years have excited discussion all over the country, especially concerning the nature of bank examinations, the desirability of improving them, and the necessity of holding directors and managers of these institutions to stricter lines of duty. These have been the prominent questions in the public mind, while the perennial subject of National bank circulation has also received its due share of attention from bank managers. Of the various bills introduced, many of them relate to these subjects, and doubtless if some of them were passed, the liability of directors and managers would be more clearly defined, and thus something would be accomplished in the way of improving public confidence in these institutions. But even the bills containing the best intent, and which are judiciously framed, seem to be regarded with no more favor than the others, and all alike will probably be consigned to the limbo. Possibly one reason for this state of things is that private banks and State bankers do not care to have the National bank system improved, as there is competition between them, and each interest is desirous of securing the largest share of business. Whatever the reasons may be, it is certain that the National banks cannot hope for anything from Congress; but we utterly fail to perceive any reason why Congress should not seek to define more clearly the duties of directors, and to secure, in every possible way, depositors and shareholders from mismanagement and loss. Of course, the law cannot do everything. The most important element in sound and successful banking must ever remain the selection of honest and efficient men to conduct the business; and no laws, however wise and far reaching, can ever supplant them. But the law can do something toward rendering the business conservative, and whatever it can do ought to be done, nor ought any antagonism or jealousy to prevent the enactment of such measures.

One of the glories of the National bank system is the circulation which it has afforded to the people. Its superiority to any other has come to be understood, but, perhaps, it is not always remembered how the people would have probably suffered, during these twenty-five years, had numerous systems of State bank circulation been in operation. There are various plans for returning to the old method, modified, it is true, in many respects, but containing the same essential vice, of leaving to the States the regulation of the volume and quality of the currency. This must be done by the National Government, unless the people once more desire unsoundness and general demoralization to return. To defeat these plans, or to keep them at bay, is, after all, a good deal, and if nothing has been done in the way of perfecting the National bank system, we have much reason to rejoice that at least the bank circulation remains as sound as ever, and that there is no immediate prospect of deterioration. Notwithstanding the numerous plans for returning to a State circulation, the people are coming to understand more and more clearly the manifold evils from which they suffered when State systems existed, and the danger of the re-appearing of many or all of these evils, if the old systems, however modified, are revived. It must be quite evident to every thoughtful person that the National Government is the only power that can ever regulate wisely the nature, quality, and volume of the circulation for the whole country.

PROFITS FROM DIVIDENDS OR FROM STOCK, WHICH?

There are two widely differing theories concerning the management of railroads in this country; one theory is that profits should be acquired from fluctuations in the stock, and the other is that the profits should be acquired in the old-fashioned way, by performing a useful service and receiving a reward therefor, to be divided among the stockholders in the way of a dividend. These two theories are so different in their practical operation, that they give rise to the most diverse consequences. Of course, many railroads are not dividend-earning, and with these the profits to the managers and those who are allied with them, must come from stock fluctuations, and from whatever sucking arrangements can be devised whereby their vitality or sustenance can be acquired by the favored few who are in control. Unfortunately, there are many railroads in this condition, the history of which are too well known to require description. Once in control, the way is easy to retain it and to make money by a thousand devices which ingenious and unscrupulous managers are constantly planning and putting into operation.

The consequences of the other theory are as different, both to the corporate property and to the public, as can be imagined. When a railroad is properly managed and earning dividends a policy of development is adopted, having for its end the natural expansion of the property in harmony with the growth of the country, the needs of business, and the desires of the people. The fruits of such a policy may not be apparent at once, but they inevitably come, and when they are reaped are enjoyed and appreciated by all. Only by such a policy can our roads ever become great, commanding the confidence of the people, and fulfilling their highest uses; in short, only by such a policy can a railroad be brought to a high degree of perfection.

The difference is clearly seen by contrasting a road of this character with one that is run by the Wall Street method for stock-jobbing purposes. By this method dividends are not regarded as of so much consequence to investors as an instrument or argument for affecting the value of the stock. In other words, if a dividend is earned and paid at all it is chiefly as an instrument or agency for stock-jobbing purposes, and not because the road is managed primarily for this purpose. Furthermore, dividends, too often, are disregarded altogether, as well as any policy of permanent improvement or of general development. The cardinal idea always is how can the road be maintained and manipulated so as to cause the largest variations in the stock and the most money for the managers.

Two or three illustrations may be given to enforce what we are saying. The Pennsylvania Railroad may be taken as one of them. Years ago, as is well known, a policy of general development was adopted whereby roads were bought or leased, and thus became parts of a great system. Then their improvement was undertaken, and has been continued ever since, until it has become unquestionably the finest railroad in the world. The Chicago & Alton is another illustration. It has been brought to a very high degree of efficiency; able and honest management has marked its history; and it is the only eight per cent. paying railroad west of the Alleghenies; indeed, one of the very few in this country. Every now and then some one complains that the management is old-fogy; but so long as it makes larger dividends than any competitor, is able to defy successfully all competition, can make lower rates than any rival and earn money, neither the managers nor the stockholders are likely to be troubled much by such criticism.

How different would be the history of these two railroads if Wall Street had managed them. Not very long ago we were talking with a prominent Wall Street broker, and contrasting the condition of the Chicago & Alton with some other Chicago railroads. Some of them were on the edge of bankruptcy, making no dividends, or very small ones, while the Chicago & Alton was easily paying its eight per cent. and adding something to its surplus. It was remarked that this was because the road was managed with a view of earning dividends and of earning them permanently, and not of making the largest amount at present regardless of the future, as some of its competitors had done. Too many managers, as is well known, have made great sums for themselves and built additions long in advance of their needs, and have seriously crippled their corporations by so doing. But they have made fortunes for themselves. What the great majority of mankind consider is the immediate present, and not the future. Thus, our forests have been destroyed to the infinite loss of the country for a generation at least, if not a century to come. In many ways, which need not be mentioned, a short-sighted policy, which insists on doing everything to-day, regardless of the future, has been adopted in many enterprises, the ill results of which are very apparent. But, this broker replied, if we only dared sell the stock short, we would put the Chicago & Alton in the same boat with the rest of its competitors. On asking him why he did not sell it short, he replied that the stock was all held by investors. Thus his answer revealed at once his antagonism to the existence of an honest and well-managed railroad, and his desire of having it suffer like its rivals.

It is undoubtedly a hard thing for those who are conducting their corporations in an honest and able manner, for the benefit of their owners, to keep still while their enemies are pounding them and glorifying those who are managing their corporations for personal and corrupt ends; but all cheap and false practices must finally lead to disaster. We hear a great deal of this kind of thing now-a-days. One of the evil effects of speculation and newspaper reading is, that people have got in the way of not thinking much for themselves; of regarding as truth whatever is printed, and of not opening their eyes wide enough to discover the shallowness of the reasonings and falsehoods that are put forth at the behests of speculators, or of those who are managing corporations for speculative purposes. The American people have had an amazing experience in losses from following advice thus plentifully and freely given; nevertheless, there seem to be persons left who are willing to listen and fall into the old ways and be trapped as so many others have been in the past. There is a considerable class, having means and nothing to do, who perhaps might just as well lose their money in poker, railroad, or grain speculation, as in any other way, for this furnishes about the only source of amusement to them; but, after all, there is no reason why railroads should be managed so exclusively for the amusement of this class. The time is coming, and probably is not far off, when they will get enough of it; and railroad investors will conclude that dividends for themselves are better than profits for speculators; and when they do, all stock-jobbing managers will be consigned to the limbo, which is their proper destination.

A REVIEW OF FINANCE AND BUSINESS.

THE GENERAL SITUATION.

The last month of Spring has brought little if any improvement in the general business situation at home or abroad. The most unfavorable seeding time for years has been experienced in this country, while damage by one of the worst floods on record, has not only injured the growing crops and endangered those not planted, but has also greatly reduced the earnings of our railroads, as well as caused them direct losses by the destruction of their road beds and property. This state of things has existed for the greater part of the month throughout the agricultural regions of the West, the entire valleys of the Mississippi and Missouri, with their tributaries east and west having been inundated for the last two weeks of the month, so as to stop all agricultural work and the movement of the old crops, as well as caused the destruction of a vast amount of farm property and improved real estate. Even should the crops turn out to be fair. as they may, with climatic conditions favorable from now till harvest, the enormous losses in our greatest agricultural sections will be felt on general trade for a long time. These have been the moving causes in both financial and commercial markets for the month. Stocks and railway securities of all kinds have been sold down on this damage, and on the prospect of light crops, reduced tonnage and decreased earnings for the coming year; while our produce markets have been advanced by the same causes. Speculation has been decidedly bearish in the former, notwithstanding an abnormally easy money market, both here and in Europe, while breadstuffs, cotton and provisions have been bullish, in the face of large supplies at home and abroad, from the old crops, which are still pressing heavily upon the markets of both this country and Europe, excepting only corn. Europe, however, has generally had favorable weather for good crops, notwithstanding some reports of damage by drought in certain sections of France and Russia. With these improved prospects for the coming crop, and the cessation of financial troubles on the other side, the financial situation there has been growing a little brighter, contrary to the conditions here, which are reversed, as between this country and Europe, compared with those of a year ago. This has led to some buying of American securities for the London market, notwithstanding the bearish feeling here, and in face of the general industrial depression in Europe. The cause of this no doubt is that the liquidation of the past two years is nearly completed, and that financial affairs, on the other side are getting into sounder shape again; although losses to English banks, with colonial branches have been heavy and general the past year, as shown by their statements, in which most of them have been compelled to take money from their reserves, to offset these losses, instead of adding profits for the year thereto. The president of one of our leading foreign exchange banks gives this as one of the principal reasons for commercial stagnation on the other side, and says that this is especially true of the English banks doing business in China and Australia, owing to the decline in the tea trade and production of that staple in the Chinese Empire, and to the collapse of real estate and other booms in Australia. England, said he, has wanted the earth; and in her attempt to grasp and develop it, has been badly caught, though able to stand the loss; yet, she has undoubtedly cast bread upon the water, in the shape of these present unproductive investments, that will hereafter bring additional trade to the mother country from her yet infant and undeveloped colonies, from which she may reap an hundred fold in the future. We may look, therefore, for an improving condition of things on the other side, from now on, in case of the fulfillment of present promises of good crops in Europe the coming year.

THE COMING BI-METALLIC CONFERENCE.

There has been no end of opinions published in the press of this country and of England, during the month, on the coming Bi-metallic Conference of the great commercial powers of Europe with the United States, and no end of the diversity of those opinions as to the outcome of the same. The majority, however, favors the belief that no immediate result will be reached at this meeting; that the silver or bi-metallic countries will not consent to materially lower the existing standard of value for silver compared with gold, and that the single standard countries will refuse to accept a ratio fixing the price of silver, much if any, above its present bullion value. This is regarded as the stumbling block in the way of immediate practical results from the conference. On the other hand, the increasing interest taken by the manufacturing, industrial and commercial classes of Great Britain, in favor of the adoption of silver as a part of the circulating medium of that country, as shown by the increasing number, and influential character of the deputations that have waited on the British officials in charge of this conference, shows a rapidly growing sentiment in favor of the double standard in that hitherto strongest hold of the single standard theory; and, it is not expecting too much, that the commissioners appointed by that Government will be empowered to make concessions that would hitherto have been impossible, on the part of any administration, either Liberal or Tory. As the question is undoubtedly one that will be finally settled by the action of Great Britain and the United States, it certainly seems as if everything was favoring the final adoption of the double standard by the great commercial nations of Europe. Such action, even though delayed by radical differences of opinion and interests at first, will no doubt eventually dispose of the vexed silver problem that has threatened the finances, as well as the commercial interests of this country. With the removal of this silver millstone from the neck of trade, the outlook for both financial and commercial interests in this country, would decidedly improve, by establishing a future basis of value that is not liable to be interfered with by new legislation at Washington, whenever there is a change in the party controlling Congress or the administration of our Government. Could the other great stumbling block to our industries and their permanent prosperity, also be removed, in the shape of constantly changing tariff legislation, and some settled and permanent policy fixed upon, that should not be upset with every change in the administration of our Government, the chief causes of the present depression in all branches of trade and industry would be permanently removed, and this country would enter upon a period of general prosperity, such as has never been experienced. Happily, both these problems seem to be approaching a solution that shall be just to all interests, and one which will take them out of party politics, as has been done in England years ago and removed from the political arena, where business interests are subject to party necessities.

THE STOCK MARKET

has been like a handle on a jug, throughout the month, all on one side, and that the Bear side. There has not been a Bull feature in the whole time, and not a rally from the general decline, except what has been caused by the enormous short interest, that has been created in all the active stocks. The Granger stocks have been the principal point of attack, together with the Northern and Union Pacific securities, the latter on reduced income and fear of financial difficulties owing to decreased earnings, and the passing of dividends by the former; while Atchison and Santa Fé securities have again been under the hammer, for the same reasons, and a new bond issue has been made necessary to relieve it from its floating indebtedness and financial embarrassment. The weakness in the Grangers has been principally caused by the flood damage, reduced traffic and poor crop prospects, while the Bear crowd, led by Cammack and Keene, have assailed them all with a boldness and persistency, against which no pool has seemed able to stand. Long stocks have come out of investors' hands, as well as from the Bull pools, while London seems to have been about the only buyer except the shorts. The only exceptions to this rule, have been stocks like the Manhattan Elevated and some of the industrials which are not affected by the same causes as railroad properties. Neither have the Trunk lines escaped, as rate cutting has been renewed on a scale, scarcely, if ever equaled, until they have been compelled, in order to get business, to enter the lists as competitors for the grain traffic from Chicago to the seaboard, at the same prices as by the water route. This is something that has neither been attempted nor thought possible before, in all our railroad wars. The experiment was started by the Pennsylvania Company, with full trains of large cars, built especially for the purpose, and run through on schedule time, from Chicago to Philadelphia, to test, under the most favorable conditions, the possibility of carrying grain at water rates, without loss to the railroad companies. This has been followed by the Erie and Vanderbilt roads, as well as the other trunk lines, until the proportion of grain coming by water is smaller than ever before, and that by rail larger. If this experiment should prove successful, freight can be carried at prices in this country by rail with which our great water routes will hereafter be scarcely able to compete, as their vessels can be used only six to eight months in the year, while railroad rolling stock can be utilized the year around; and capital invested in lake shipping, as well as in canal craft, would become unproductive. Such a possibility as this has never been dreamed of, and shows what railroading, when, reduced to a scientific basis, can do for this country.

THE MONETARY SITUATION.

The money market has ceased to be a factor in commercial or financial affairs, as well as that for sterling exchange, as the glut of money, on both sides of the Atlantic, and nominal rates of interest, both on call and time loans, amply demonstrates, while the purchase of our securities by Europe again, instead of selling from that source, has stopped the outflow of gold and sent sterling exchange back to a point from which it is not likely to recover, so long as present conditions of finance and trade exist. Banks continue to increase their reserves, and yet neither speculation nor legitimate business are stimulated by these conditions. The banks of England and France have also steadily increased their gold reserves, until neither has any interest longer to offer the inducements lately extended, to attract shipments to those countries. There is, therefore, little of interest in the money markets of this country or of Europe. The advance report of Mr. Leech, the Director of the United States Mint, on the production of the precious metals in the United States for 1891, gives the product of gold at $33,000,000, of silver at $75,-000,000, or a total of $108,591,000 for the year. Of this amount, California produced $12,600,000 of gold; Colorado, $4,600,000; Dakota, $3,550,000; Montana, $2,800,000; Nevada, $2,000,000; Oregon, $1,608,000; while Alaska produced $900,000; Arizona, $975,000; New Mexico, $900,000, and Utah, $650,000. In silver production, Colorado led, with $27,000,000, Montana followed, with $21,000,000, and Utah next, with $11,000,000, while Idaho produced $5,000,000; Nevada, $4,500,000; Arizona, $1,900,000; New Mexico, $1,700,000, and California, $900,000. The amount of gold as shown above is not far from the average of former years, while silver shows a large increase and accounts for the decline in that metal.

THE IRON AND COAL TRADE.

The former remains in the same state of depression that has existed for over a year, with a steady tendency to lower prices, under accumulating stocks of pig and manufactured iron, until a general shutting down of the blast furnaces in the older regions has become necessary; as none but improved plants can now be operated in the North, without serious loss, in the face of continued inroads made by Southern iron. Not even the reduced rates of freight on iron by the Trunk line roads, has been able to offset the advantage Southern furnaces have over Northern in the markets of the country. On the other hand, the coal trade is in a much more satisfactory condition than it has been for some time, owing to the restricted output of anthracite, and to cessation of cutting in prices, without regard to cost of production, that existed a year ago. Not only has the supply been adjusted to the demand, but prices have been advanced to a point that is expected to make more money for anthracite roads than they have hitherto been able to do in recent years. This is true, notwithstanding the steady inroads of bituminous coal, in all the manufacturing sections of the country, and for use by transportation companies.

THE PRODUCE MARKETS

have been controlled by the weather, more absolutely than perhaps was ever known even during this weather market month of the year, the floods West being the one controlling feature, turning our American markets to the Bull side, notwithstanding Foreign markets, which have hitherto been the strongest, on our old crop, refused to follow ours, having nearly supplied the deficit of last crop, by purchases to arrive, which are now being landed in the markets of Europe, which are glutted with these heavy importations, except of corn, as the latter market has been affected more than any other by the wet weather, which has not only stopped the movement beyond the flooded districts, but has reduced the grading on shipments from other sections, until both the Chicago and New York markets cornered themselves, by the absolute lack of the contract grade. Wheat has been but little affected, however, as the supplies have been ample, coming from lake ports, at which there were large accumulations on the opening of navigation, which was not true of corn. Neither has flour advanced, notwithstanding all this damage, present and prospective, as the supplies of that were equally large both here and abroad, and prices have been barely maintained by these Bull influences. Oats have sympathized with corn but partially, as that crop was sown before the floods, while the corn crop was but partially planted and plowing has been rendered impossible by the constant downfall of rain in the great bottom lands of the corn belt. Only the most favorable weather from now on to the middle of September will secure an average corn crop. This fact has influenced provisions, which have advanced quite materially in anticipation of a short corn crop; though Europe has refused to come in, either before or since the advance. Yet the receipts of hogs at Western points have continued large, except while transportation was interrupted by the floods. Beef products, however, have not been affected, as the over-supply of cattle and the over-production of all beef products, both for home use and export, have kept prices down, or forced them lower than ever before, until it is doubtful if the great packers and shippers of beef or live cattle are making any money at all, only the big dressed beef men of the West having profitable markets at home for their products, as fully one-half of the beef consumed in Eastern cities is now said to be supplied by these Chicago houses. The cotton market has also been advanced by the floods in the Mississippi valley and its tributaries and the prospect of a short crop even in the face of larger stocks than a year ago. The total movement since September first is rapidly approaching 9,000,000 bales and is nearly 450,000 bales greater than for the same time last year. The visible supply in this country is over 700,000 bales at the ports and nearly 250,000 at the interior towns, against about 400,000 and 150,000 respectively last year; or an excess of over 360,000 bales.

The total supply of all kinds in this country and in Europe is 1,100,000 bales greater than a year ago. Ocean freights are suffering from the decreased movement of grain into export, as seriously as our rail and water routes to the West, and rates are down to about the lowest figures of last crop, notwithstanding our big crops and the estimated enormous deficit of Europe for the crop year ending on the first of July.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Payment of Interest on Deposits.—The banks are having so much difficulty in using their deposits that some of them either have reduced the rate of interest which they have been paying on accounts or will soon do so. It is reported that the trust companies especially, in many cases, have reduced the rate. The danger is, if interest is paid, which is not earned, the banks will be inclined to lend when they ought not. This is the chief argument that has always been used against the payment of interest on deposits. The banks should reduce the rate, or cease to pay altogether until they can earn it. Probably this state of things will not last long, but while it does, the banks should use the utmost circumspection in lending their money. Let no bank be tempted, in continuing to pay interest, to take unnecessary risks in lending its money. It is better even to endure a loss in paying what it cannot earn than to incur the risk of making unwise loans.

Prospects of the Silver Conference.—The willingness of Great Britain to take part in a silver conference is proof that the Government has undergone some change concerning the larger use of silver. To what extent the English delegates are likely to go is, of course, unknown; but the attitude of the Chancellor of the Exchequer, and it must be supposed he represents the opinion of the ministry in this matter, is proof of the need of some modification of the present gold policy of England. The Chancellor is vehemently opposed by the London press, which doubtless voices the sentiment of many bankers and investors, but the Chancellor no doubt more correctly represents the opinion of the manufacturing interests of Great Britain. The prosperity of England depends largely on its capacity to furnish products to other countries, which must receive in return whatever these countries have to furnish in the way of other products or metals. No matter what may be the English view concerning the desirability of using gold exclusively, if it proposes to trade with other countries it must be governed in some degree by their condition. If a country has nothing but silver to export, it is folly to suppose that England can get anything in the way of return except silver; if it cannot, therefore, accept the silver and use it advantageously, its trade must cease. The most of the world to-day is an open market, and each market understands pretty well what can be obtained from all the others, and also what will be taken in exchange. If silver should be universally demonetized, two-thirds of the population of the globe would be shorn, to a considerable degree, of their power to trade, for silver is the basis of the currency of China, with 400,000,000 inhabitants, of British India with 290,000,000, of Latin America with 50,000,000, and of Japan and other countries with fully 200,000,000 more people. The vast majority of mankind know little of gold as a basis of currency, and in China the common people, especially in the interior, employ copper. Of course, in trading with these countries they pay for their imports with their characteristic products, nevertheless, the demonetization of silver would work great harm to the world's commerce, of which England has so great a share. England is quite free to persist in her present policy if she desires, but whether she can persist in it and maintain her trade with other countries is quite another thing. The great manufacturers see clearly enough that if the present policy is to be rigidly maintained, this must be done at a serious sacrifice to them. The issue, therefore, is becoming more distinctly drawn between the manufacturers and exporters of products on the one hand, and the London bankers and investors on the other. The decline in silver renders the issue better defined, for the losses arising from exchange and diminution in trade in consequence of the decline in silver is an effect which is readily discovered by those who are engaged in the business of producing and exporting to other countries.

The Taxation of Mortgages.—The mortgage tax law recently passed by the Legislature of Michigan provides that mortgageors shall pay taxes only on the value of their property in excess of incumbrances, and that the tax on that portion represented by mortgages shall be paid by the mortgagee. The object of the law is to relieve real estate by taxing the securities. The Supreme Court of the State, by a vote of three out of five judges, has sustained the law; but the majority also declared that it will be lawful in future loans for the mortgageor and the money lender to agree who shall pay the tax on the mortgage interest in the property, even though the amount of the tax the borrower agrees to pay and the interest on the money exceeds 8 per cent. In other words, no Michigan property owner will be able to borrow money on his land unless he agrees to pay the interest and all the taxes. He must either agree to pay all the taxes personally, in which case he would be doing just what he formerly did, or he will have to put into the hands of the lender a sufficient amount of money in advance to pay them. So the judges have taken all the life out of the law so far as future loans are concerned, but borrowing will be more difficult and more costly.

State Examination of Banks.—The establishing of bank examinations in several States during the last two years has caused a somewhat unexpected revelation of things by some banks that were hardly prepared for making them. The utmost prudence has been required on the part of examiners in beginning their work to ascertain the correct condition of the institutions requiring examination, the closing of those that were unworthy of public confidence, and the prevention of unnecessary alarm on the part of the public. Furthermore, the law in some cases did not sufficiently define the power of the examiner to enable him to act intelligently in all cases. The examiner of Pennsylvania has experienced some difficulties in administering the law in that State. Mr. Krumbhaar has shown excellent judgment in exercising the duties of his office, but several institutions were found to be unworthy of confidence and it was needful to take some action in order to protect the public from loss. His closing of the Mutual Surety Trust & Deposit Company was unjustly criticised by inconsiderate parties in interest, because he executed the plain letter of the law in obedience to his official oath. In the case of the Mutual Company its entire capital of $166,000 was lost, or, at least, not available for the protection of creditors. The offer was made to pay in $170,000 to make the capital good, but all information was denied concerning the source of the payment, and the condition was imposed that all official interference on the part of the examiner must end. While it would be a harsh assumption that $170,000 might have been loaned to be repaid with the same money as soon as the examiner retired, it was a contingency that called for the utmost caution on his part alike for his own protection and for the protection of the public. The only safe course for both Examiner Krumbhaar and the public was to have the question settled judicially, and that required the intervention of the Attorney-General to apply for a receiver. The Attorney-General did not seek to embarrass the institution, but the application for a receiver was a legal necessity to develop before the court the facts on which the court could act intelligently. The court sustained the bank examiner by making judicious conditions for the restoration of the capital, which the examiner was not empowered to do, and he was instructed to remain in charge of the assets until the conditions were fully observed. The powers possessed by the bank examiner are necessarily latitudinous, but an officer of Examiner Krumbhaar's intelligence and integrity is the best guarantee of safety to all solvent State banking institutions.

Taxation of Personal Property.—The annual report of the State Assessors of New York for 1892 says that the laws for the assessment of personal property have failed to do their work, and that the failure becomes more complete and more unjust with each succeeding year. They propose to raise all taxation for State purposes from personal property alone, and to this end they advocate the enactment of laws relieving real estate from taxation for State purposes, and also other stringent measures that would reach all forms of local personal property for local taxation, and that would compel all property to pay its just share of local expenses. They advise the abolition of the right to deduct just debts from the value of personal property, as a remedy for a great part of the errors of our tax system. This opinion is quite contrary to the opinion of those who profess to know most about the correct methods of taxation, but it must be admitted that it fits into the more popular opinion prevailing on the subject. The old-fashioned argument against the taxation of personal property is, that in many cases it is successfully evaded, and the only residuum left is a large amount of deception and lying and general deterioration of character. These considerations have been quite sufficient with many economists to lead them to conclude that the best kind of property to tax was that which could be seen and handled, and concerning which lies and false returns were of no avail. The persistence of the movement to tax personal property no doubt springs from the fact that the profits derived from the land are diminishing, while those from the various forms of personal property, so-called, are much greater. The item of taxation, therefore, has become a much more important one than it was formerly, in view of the diminished income from capital, and especially from investments in real estate. It is certain, therefore, that the agitation is likely to continue until either the expenditures for governing are lessened, and in that way the burden of the taxpayer is somewhat relieved, or else experiments will be continued in the way of imposing a larger tax on personal property. Clearly the popular sentiment, whatever the economists may think, is strongly in favor of imposing a larger burden in some way on those who have the most wealth, and who, therefore, are the best able to bear it.

Identification of Depositors.—Occasionally a savings bank pays a depositor, supposing he is the person entitled to the deposit, and afterward it is shown that a mistake was made, and payment is demanded by the rightful owner. The regular rule perhaps is as definite as can be established, namely, that the bank must exercise due diligence in paying depositors, and in the event of not exercising it, must pay again. Whenever a second payment is thus made, the loss must be borne by the other depositors, and not by the bank officers Considering the enormous sums now in savings institutions, the mistakes of this kind are, on the whole, insignificant; nevertheless, they seem to be multiplying, and therefore the rule of diligence which officers ought to exercise should be carefully regarded. So many depositors are foreigners and visit banks infrequently, that it is a difficult matter often to determine whether payment was made to the proper person or not. In some of the New England States, depositors are required to present their books at regular periods for the purpose of examination; this is a good law, not only for the purpose for which it was primarily intended, but also to find out whether depositors are living. In short, by the observance of such a rule, savings banks will have a better knowledge of their depositors, and every requirement of that sort lessens the danger of fraud and forgeries, mistakes, etc.

Bank Debentures.—The Australian banks that have offices in London, several years ago adopted the system of getting deposits for a long period, for which obligations were issued. It was supposed that such issues would prove advantageous, because the money thus obtained at a comparatively low rate of interest would not be liable to fluctuation, as in the case of ordinary deposits. The principal objection was that banks, not knowing their customers, could not judge of the probability of the continuance of the deposits. Consequently a mass of liabilities might be incurred which would all mature on a single day, though perhaps far distant. It appears that this very thing has happened with respect to one of the investment and mortgage companies. In a circular, addressed to the shareholders, it is stated:

> They are confronted by the fact that a large amount of terminable debentures mature during the next two years, and that, in spite of the intrinsic merits of the security offered from various causes, it is not safe to calculate on more than a moderate portion of these being renewed, and they have therefore decided that it will not be prudent for them to rely on outside sources entirely for meeting the maturing obligations of the company.

Nevertheless, this plan, modified, finds favor in some quarters. In 1885 the Union Bank of Australia made an issue of inscribed stock deposits in amounts of fifty pounds and more, which bore interest at the rate of four per cent. annually. These stock deposits were inscribed at the London office of the bank and were transferable in sums of ten pounds or larger by ordinary transfer, for which stock certificates were issued. The deposits were repayable at the option of the bank only, and on giving twelve months previous notice to the holders at their registered addresses. In the event of repayment after the first of January, 1905, this was to be at par, but if at an earlier date the bank was to pay a premium of one per cent. These inscribed stock deposits were secured on the general assets of the bank. The first issue was £500,000, and subsequently there was a second issue on the same terms. The deposits are quoted on the London Stock Exchange and at a varying premium of two to four per cent. The Australasian *Insurance and Banking Record* says:

There has been of late some disposition on the part of the banks to favor deposits fixed for five years, but this is the maximum term, and no attempt has yet been made to emulate the example of the Union Bank of Australia by taking deposits for longer periods. This might not, of course, be possible except by banks of very strong position and repute. The increasing bulk of British deposits must, however, lead in time to some modification of the existing practice of procuring money, and it will probably be found in the system of stock deposits, either redeemable at the option of the borrowing bank or for long terms, repayable at or after a fixed date, or within a specified decade, on the bank giving such notice as may be arranged. A plan of this kind has been adopted by the Canadian Government in connection with some of its recent loans, and it would enable the bank to take advantage of a period of monetary ease to repay the debentures, or to renew them on more favorable terms. The stock deposits would not entirely supersede the ordinary deposits, but they might influence the rate of interest offered, as the possession of a large sum of money, free from the anxiety of repayment, would place the bank in a position to refuse deposits except at moderate rates of interest. Supposing, therefore, that it were necessary to offer a higher rate for the stock deposits, the balance of cost could be redressed in this manner. The time is not at present opportune for action of this kind on the part of any borrowing institution, but when the financial horizon is clearer, the question will force itself on the notice of the banks. An attempt is, therefore, made here to concentrate the leading features of the case, and to place side by side the arguments for and against the issue of debentures as a means of procuring deposits in Great Britain.

Mexican Gold and Silver.—The following statement indicates the production of gold and silver in Mexico for fiscal years:

	Gold.	*Silver.*	*Total.*
1877–78..........	$747,000	$24,837,000	$25,584,000
1878–79..........	881,000	25,125,000	26,006,000
1879–80..........	942,000	26,800,000	27,742,000
1880–81..........	1,013,000	29,234,000	30,247,000
1881–82..........	937,000	29,329,000	30,266,000
1882–83..........	956,000	29,569,000	30,525,000
1883–84..........	1,055,000	31,695,000	32,750,000
1884–85..........	914,000	33,226,000	34,140,000
1885–86..........	1,026,000	34,112,000	35,138,000
1886–87..........	1,047,000	34,600,000	35,647,000
1887–88..........	1,031,000	34,912,000	35,943,000
1888–89..........	1,040,000	40,706,000	41,746,000
1889–90..........	1,100,000	41,500,000	42,600,000
1890–91..........	1,150,000	43,000,000	44,150,000
Total....	$13,839,000	$458,645,000	$472,484,000

Trust Companies in Boston.—The opposition against the formation of trust companies under existing conditions comes both from the savings banks and the National banks. Both of these two classes seriously object to the formation in this State of financial institutions which have extended to them all of the privileges that either a savings bank or a National bank possesses, with exemption from the obligations and responsibilities which both of these two classes of institutions are called upon to bear. If it is necessary that savings banks should be surrounded by a great variety of safeguards, there is no reason that an institution that does the savings bank business under the name of a trust company should be exempted from these restrictions. And, in the same way, if a National bank is compelled by law to keep a large reserve in proportion to its deposits, there is no reason why a trust company should be allowed to take all the deposits it pleases and be relieved from this burden.

THE JUDICIAL MEANING OF THE NATIONAL BANK ACT.*

[CONTINUED.]

INTEREST.

SEC. 305. **Interest analysis of statutes.**—"The rate of interest which a National bank in any State may take is determined and fixed by the statute of the United States, although it is measured in such State by reference to the local law concerning interest, if there be one. And when a bank takes interest in excess of the legal rate, it violates the law of the United States, and not the law of the State; and the consequences are those provided by the law of the United States, and not those provided by the State law." (Soule, J., *First National Bank* v. *Childs*, 130 Mass. 519, citing *Davis* v. *Randall*, 115 *Id.* 547; *Central National Bank* v. *Pratt*, *Id.* 539; *Farmers and Mechanics' National Bank* v. *Dearing*, 91 U. S. 29.)

SEC. 305a. **What is payment of interest.**—There are two modes of paying interest. One is with money, and the other with notes. But the law distinguishes between the kinds of notes which may be thus used as payment. If a borrower wishes to borrow $1,000 at six per cent. for four months, and gives his note for that sum and receives $980, he has not paid interest, though if he had received $1,000, and then repaid the bank $20, this must be considered payment, for surely payment in cash of the interest has been made. If, however, he borrows on the note of another, which he indorses, and interest is deducted in this manner and the balance is paid to him, the courts regard the transaction as a payment. Thus in *National Bank* v. *Carpenter* (52 N. J. Law 165) H. made a note payable to the order of C. who indorsed it, and the bank then discounted it, reserving the interest and passing the balance to C.'s credit. C. also made a note which was discounted by the bank, which reserved the interest and credited his account with the balance. With respect to the first note, C. "parted with his whole title to the paper and his right to enforce it against H., and the bank acquired that title and right. By the transfer, C. paid the amount charged for discount, not in money, but in the negotiable obligation of another. (*Nash* v. *White's Bank*, 68 N. Y. 396; *Danforth* v. *State National Bank*, 48 Fed. Rep. 271.) The borrower's paper has not had its inception, and hence is a mere promise to pay the illegal interest, made at the time that that interest is taken. The second transaction of C. is of this latter character. Our conclusion is, that the illegal interest had upon the discount of the first note was paid at the time of the discount of that note, and that the illegal interest reserved upon the discount of the second note was paid when that note was paid. (*Danforth* v. *National State Bank*, 48 Fed. Rep. 271.) This distinction has been somewhat strengthened by the courts in cases for a recovery on renewal notes in which usurious interest forms part of the principal. Such interest may be recovered in a proper action, though in fact it has been paid only in the form of notes, though not in money.

SEC. 305b. **What is discount. Purchases.**—The purchase of commercial paper by a National bank from the payee or other holder at a deduction exceeding the lawful rate of interest is a discount within the meaning of this statute. And this is so, even though the note is not indorsed by the holder, but only transferred by delivery. (*Danforth* v. *National State Bank*, 48 Fed. Rep. 271, overruling *Traders and Importers' Bank* v. *Littell*, 47 N. J. Law 233. *National State Bank* v. *Brainard*, 16 N. Y. Supp. 123. See *Nicholson* v. *National Bank*, 17 S. W. Rep. 627.)

SEC. 305c. **Rate of interest does not affect negotiability.**—The negotiability of a note is not affected by the rate of discount, whether it be usurious or not. (*Nicholson* v. *National Bank*, 17 S. W. Rep. Ky. 627.)

SEC. 308. **Amount that may be charged.**—A National bank can charge the same rate as any State bank is authorized to charge. (*First National Bank* v. *Tinstman*, 36 Leg. Int. 228.)

SEC. 315a. **Amount recoverable.**—The amount that may be recovered is twice the amount paid, and not twice the amount paid in excess of the legal rate. (*Hill* v. *National Bank*, 15 Fed. Rep. 432; *Ellis* v. *First National Bank*, 11 Brad. 275; *Barnet* v. *National Bank*, 98 U. S. 555; *National Bank* v. *Carpenter*, 52 N. J. Law 165; *First National Bank* v. *Childs*, 133 Mass. 248.)

SEC. 317. **Forfeiture of interest.**—Forfeiture of interest occurs when the rate is usurious, and it has not been paid in an action to recover the principal. And when such an obligation has been given the interest accruing after its maturity is forfeited as well as that for the period specified. (*Alves* v. *Henderson National*

Bank, 89 Ky. 126; *Danforth* v. *State National Bank,* 48 Fed. Rep. 271; *National State Bank* v. *Brainard,* 16 N. Y. Supp. 123.)

SEC. 317a. **As the interest-bearing quality of an instrument** is destroyed by making the rate usurious, a bank cannot appropriate a general payment made by the acceptors of a draft having an illegal rate, and which is thereby forfeited, to the payment of it. The interest is forfeited and cannot thus be collected. (*Danforth* v. *State National Bank,* 48 Fed. Rep. 271; *Adams* v. *Mahnken,* 41 N. J. Eq. 332; *Gill* v. *Rice,* 13 Wis. 549; *Greene* v. *Tyler & Co.,* 39 Pa. 361; *National State Bank* v. *Brainard,* 16 N. Y. Supp. 123.)

SEC. 321. **How forfeiture is enforced.**—A forfeiture can be enforced only in an action to recover the principal. The two years limitation, therefore, for recovery twice the amount of illegal interest paid does not apply to cases of forfeiture. This can, and must be done, only when recovery is sought on the note itself. (*First National Bank* v. *Childs,* 130 Mass. 519.)

SEC. 322. **And in a State court.**—Furthermore, the forfeiture may be enforced in a State court. (*First National Bank* v. *Childs,* 130 Mass. 519; S. C. 133 *Id.* 248.) And the suit may be maintained in the courts of a different State from that in which the note was discounted. Says Soule, J. (*First National Bank* v. *Childs,* 130 Mass. 519): "The forfeiture of interest may be availed of in an action on the note by way of defense." In the Dearing case (91 U. S. 29) the suit was in the State "where the usurious interest was taken. But there is no reason for holding that when the suit is in another State the same defense is not open. That would be saying . . . that a usurious contract by a National bank is void *pro tanto* in the State where it was made, and good without abatement elsewhere. This cannot be."

SEC. 324. **And so can actions to recover usury.**—We may add that actions for recovering usury can also be brought in the State courts. (*First National Bank* v. *Childs,* 130 Mass. 519; *Farmers and Mechanics' National Bank* v. *Dearing,* 91 U. S. 29; *Schuyler National Bank* v. *Bollong,* 24 Neb. 821, 825; *First National Bank* v. *Overman,* 22 Neb. 116; *Lebanon National Bank* v. *Karmany,* 98 Pa. 65.)

And in such an action it is necessary to allege in the petition that the act was "knowingly" done. (*Schuyler National Bank* v. *Bollong,* 24 Neb. 821, 825.)

SEC. 324a. **Appeals.**—Of course, to be appealable to the highest court the amount in controversy must be at least the minimum limit, otherwise the court will be without jurisdiction. (*Williamsport National Bank* v. *Knapp,* 119 U. S. 357, affg. 15 Fed. Rep. 333.)

SEC. 324b. **Non-payment of principal no defense.**—Furthermore, a failure to pay the principal is no defense to an action to recover twice the amount illegally paid. The sole question is, was the money paid? if it was, it can be recovered. (*Monongahela National Bank* v. *Overholt*, 96 Pa. 327; *Lebanon National Bank* v. *Karmany*, 98 Pa. 65.)

SEC. 326a. **When the double amount cannot be recovered.**—When the note on which usurious interest has been paid has been sold in good faith by the bank which received it. the penalty of paying double the amount may be evaded. But the mere assignment of such a note does not create the presumption of an absolute sale. (*First National Bank* v. *Miltonberger*, 51 N. W. Rep. 232.)

SEC. 327. **Action by representative.**—If a person has paid illegal interest and afterward has become a bankrupt and obtained a discharge from his debts, he cannot recover twice the amount of illegal interest paid, but his assignee can. (*Monongahela National Bank* v. *Overholt*, 96 Pa. 327.)

In *Getman* v. *Second National Bank* (89 N. Y. 136) the plaintiff as assignee sued the bank to recover the penalty imposed for receiving usurious interest. The bank proved a discharge executed by the bankrupt for whom the assignee was acting, which was executed before the beginning of the bankruptcy proceedings. The assignee put in evidence the record of a judgment in an action against the bank rendered in his favor in that capacity to recover the payment of a debt contracted by the bankrupt about a month prior to the execution of the release, as having been made when the bankrupt was insolvent and when the bank had reasonable cause to believe that he was in that condition. It was decided that the bank was not affected by the judgment.

SEC. 328. **Limit for bringing actions.**—The action to recover usurious interest must be brought within two years from the time of paying it. (*National Bank* v. *Carpenter*, 52 N. J. Law, 165. the court citing *Brown* v. *Second National Bank*, 72 Pa. 209; *Hintermister* v. *First National Bank*, 64 N. Y. 212; *Lynch* v. *Merchants' National Bank*, 22 W. Va. 554; *Pritchard* v. *Meekins*, 98 N. C. 244; *First National. Bank* v. *Childs*, 130 Mass. 519, S. C. 133 *Id.* 248. Other cases, *Ellis* v. *First National Bank*, 11 Brad. 275; *Barnet* v. *National Bank*, 98 U. S. 555; *Peterborough National Bank* v. *Childs*, 133 Mass. 248.) In *First National Bank* v. *Childs* (130 Mass. 519) Soule, J., said: "As the reserving or taking of unlawful interest avoids the note so far as interest is concerned, the defense is open to the defendant in any action brought to recover the amount of the note, though it be more than two years after the unlawful taking of interest. The statute does not fix a limit of two years within which such defense must be availed of. It limits the time within which an action may be maintained to recover twice the amount of unlawful interest paid in two years. But that is an entirely different matter from the defense of usury in an action on the note."

SEC. 328a. **Usury cannot be set off by borrower.**—The party who has paid usurious interest cannot have it set off in an action against him for the principal, but he must sue for double the amount. He has no other remedy. The lender, on the other hand, can recover only the face of his note, less the interest. (*Ellis* v. *First National Bank*, 11 Brad. 275; *First National Bank* v. *Childs*, 133 Mass. 248.) In the last cited case the court, speaking through Devens, J., said: "It is sought to impose upon the plaintiff a penalty different from any prescribed by the statute of the United States. That nowhere provides for a forfeiture of the illegal interest actually paid by a deduction from the note or other security when sued. It does not even provide for a recovery of the same by action; although it exposes the party receiving the same to a penal action, the penalty in case of recovery being double the amount of illegal interest paid.* Its effect, so far as the note in suit is concerned, is only to destroy its interest-bearing capacity." Says Paxon, J.: "Where a National bank takes, receives or charges more than the legal rate of interest in the discount of a note, the interest-bearing power of the note is destroyed. The limit of usury clings to it until paid. It is a dead note thereafter so far as interest is concerned." (*Guthrie* v. *Reid*, 107 Pa. 251.) In the case in which the justice thus stated the law, R. gave G. a judgment note which was discounted for him by a National bank at a usurious rate of interest. G. having sued R. for the use of the bank, the court, speaking through Paxon, J., said: "It was urged, however, that R., the maker of the note, cannot avail himself of this defense because the illegal interest was paid by G., for whom the note appears to have been discounted. The answer to this is that the bank, by its act, has destroyed the interest-bearing power of the note, and can recover no interest upon it from anybody. If this suit had been by R. to recover back interest paid by G., we would have had a different question." (See section 337.)

SEC. 328b. **Nor can a judgment be set off by lender.**—As the borrower cannot set off usurious interest in an action to recover the principal, so in an action by the borrower to recover the usurious interest he has paid, the lender cannot set off a judgment against him. (*Lebanon National Bank* v. *Karmany*, 98 Pa. 65.)

SEC. 330. **Nor can a borrower set off illegal interest on former notes in an action to recover the principal.**—He must bring his separate action to recover twice the amount paid, as in other cases. (*Oldham* v. *Bank*, 85 N. C. 240; *National Bank* v. *Dushane*, 96 Pa. 340; *Shinkle* v. *First National Bank*, 22 Ohio St. 516.)

Suppose a note has drawn illegal interest, and in renewing it the illegal interest has been put into the principal of the second, which,

* The action is penal. *First National Bank* v. *Morgan*, 132 U. S. 141.

however, is for a legal rate. In *Shinkle* v. *First National Bank* (22 Ohio St. 516) such a transaction occurred and the second note was paid. Said the court: "We regard the transaction of settlement between these parties as an absolute *payment* of the old notes, and in no sense a renewal or continuance of the indebtedness which they were given to secure. In legal effect the transaction was equivalent to an actual payment of the old debts in money, and the borrowing anew, by each party, of the amount for which he so executed his new note and mortgage. Viewed in this light, it is undeniable that the new note in suit, not being in itself usurious, would bear interest. It would follow, also, that the Shinkles would have the right to recover back from the bank double the amount of the usurious interest so paid. But this right to recover double the amount of interest is limited by the act to two years from the time the interest was paid, and unless it is exercised within that period, it is gone."

SEC. 331. **Payments. Their application to principal or interest.**—When payments are made on a promissory note which includes unlawful interest, the law applies them to the principal. (*Hall* v. *First National Bank*, 46 N. W. Rep. 150.)

In *Morehouse* v. *Second National Bank* (30 Hun. 628) a bank was not permitted to set off the principal of a note in an action to recover twice the amount of illegal interest paid. The decision of the Supreme Court was reversed, on the ground that the borrower had made an agreement which operated as an immediate discharge and satisfaction of his claim against the bank. (98 N. Y. 503.)

SEC. 331a. **Set off against penalty.**—Though the principal of a note cannot be set off against a usurious penalty, it has been decided that the expenses of exchange may be set off against the penalty. (*Barrett* v. *National Bank*, 85 Tenn. 426.)

SEC. 332. **Any party to contract can avail of forfeiture.**—The right to defend against the payment of usurious interest applies to any party who is liable for the principal; for example, the acceptor of a draft. Says Judge Acheson in a recent case (*Danforth* v. *National State Bank*, 48 Fed. Rep. 271): "The forfeiture denounced [by the act] attaches to the instrument itself, and the consequence inheres in it. As it carries no interest how can any interest thereon be recoverable? The clause operates directly upon the bank and affects its power. The statutory franchise to recover interest is lost by the commission of the illegal act. Being without right to demand interest, the offending bank cannot recover interest from any one. The right to defend is not made a personal one." (*Guthrie* v. *Reid*, 107 Pa. 251. Contrary authorities, *Smith* v. *Exchange Bank*, 26 Ohio St. 141; *Importers and Traders' National Bank* v. *Littell*, 47 N. J. Law 233.)

SUITS.

SECS. 339-342. **Suits. Acts of 1882 and 1887.**—Before the statutes of 1882 and 1887 were passed relating to the bringing of suits by or against National banks the act of 1875 was in operation. By that act a Federal court had jurisdiction of a bill in equity filed by a National bank. (*Fifth National Bank* v. *Pittsburgh & Castle Shannon R. Co.*, 1 Fed. Rep. 190.)

Passing to the act of 1882, it has been declared that it applies only to suits brought after its enactment. (*First National Bank* v. *Morgan*, 132 U. S. 141.) And in another case the Supreme Court of the United States has decided that if all the parties to a suit are citizens of the district in which the bank is located, and it is not a criminal proceeding under section 5,209, or for annulling the charter of the bank under section 5,239, a Federal court has no jurisdiction. And if it should take jurisdiction and dismiss the suit on other grounds its decision would be reversed and the cause would be remanded with the direction to dismiss the suit for want of jurisdiction. (*Whittemore* v. *Amoskeag National Bank*, 134 U. S. 527.)

SEC. 342b. **Suits. Act of 1888.** — In 1888 Congress enacted another law on this subject (Aug. 13, 1888, 50 Cong., 1 Sess., ch. 866, Sec. 4). This law provides "that all National banking associations established under the laws of the United States shall, for the purposes of all actions by or against them, real, personal, or mixed, and all suits in equity, be deemed citizens of the States in which they are respectively located; and in such cases the circuit and district courts shall not have jurisdiction other than such as they would have in cases between individual citizens of the same State.

"The provisions of this section shall not be held to affect the jurisdiction of the courts of the United States in cases commenced by the United States or by direction of any officer thereof, or cases for winding up the affairs of any such bank."

By this law a Federal court has jurisdiction of an action between a National bank located in one State and a citizen of another. (*First National Bank* v. *Forest*, 40 Fed. Rep. 705.) In other words, this act puts National banks in the same category as individuals in suits by and against them. Whenever an individual can sue in a State or Federal court a National bank can do the same thing; and whenever the Federal courts are not open to individuals neither are they to National banks. (*Petri* v. *Commercial National Bank*, 14 U. S. Sup. Ct. Rep. 325.) But a Federal district court has no jurisdiction of an action on a promissory note brought by a bank in a district outside its location. (*Farmers' National Bank* v. *McElhinney*, 42 Fed. Rep. 801.) And an action for money against a National bank whose corporate existence is admitted, is not a suit arising under the laws of the United

States. (*Ulster Co. Savings Institution* v. *Fourth National Bank*, 8 N. Y. Supp. 162.)

SEC. 342b. **Suits by or against receivers.**—To secure money collected by an insolvent bank, the suit must be against the receiver as he is accountable for the disposition of all funds coming into his possession. (*Grant* v. *Spokane National Bank*, 47 Fed. Rep. 673.) And the action is within the jurisdiction of the Federal circuit court. (*Id.*, the court citing *Armstrong* v. *Ettlesohn*, 36 *Id.* 209; *Armstrong* v. *Trautman*, *Id.* 275; *McConville* v. *Gilmour*, *Id.* 277; *Sowles* v. *Witters*, 43 *Id.* 700; *Tennessee* v. *Davis*, 100 U. S. 257, 264; *Railroad Co.* v. *Mississippi*, 102 *Id.* 135, 141; *Feibelman* v. *Packard*, 109 *Id.* 421, 423; Pacific Railroad Removal Cases, 115 *Id.*, 11; *Bachrack* v. *Norton*, 132 *Id.* 337; *Reagan* v. *Aiken*, 138 *Id.* 109; *Bock* v. *Perkins*, 139 *Id.* 628, 630.)

SEC. 342c. **Persons cannot unite claims to form jurisdictional amount.**—By the act of 1888 no circuit court has jurisdiction unless the amount involved, excluding interest and costs, exceeds $2,000. To form the requisite amount, persons cannot unite their claims; for example, the shareholders of a bank who seek to recover taxes. Says Judge Shiras: "The 'matter in dispute,' within the meaning of the statute, is not the principle or rule of decision which is involved in the controversy, and which may be common to the interests of all the parties to the litigation, but it is the money value which is at stake, and the claims of the several parties cannot be added together to form the matter in dispute, unless each party has an undivided interest in a claim to the property that is the subject of the litigation." (*Sioux Falls National Bank* v. *Swenson*, 48 Fed. Rep. 621, 625.)

SEC. 342d. **Service of process against an ex-official.**—When a State bank is duly converted into a National banking association, and the period of its corporate life as such a National banking association terminates, its corporate existence both as a State and National bank is ended, and the cashier or other officer having no authority thereafter, service of legal process cannot be made on him. Says Kennedy, J.: "The cashier or other officer of a banking association is simply its agent, and if continued down to the time of expiration of the corporate existence of the principal, upon the happening of that event such agency terminates, and they are no longer representatives of the defunct concern." (*Hayden* v. *Bank of Syracuse*, 15 N. Y. Supp. 48.)

SEC. 348. **Suits under the act of 1875.**—As already remarked, this act furnished the authority for proceedings by and against National banks. It was composed in part of sections 5,198 and 5,242 of the Revised Statutes. To complete the summary of decisions relating to National banks, those which contain an interpretation of the law of 1875 are also given.

By this law it has been held that a National bank can sue and be sued in any court of law or equity as fully as natural persons. And a State court may acquire jurisdiction of a bank outside the county or city in which it is located, regardless of the character of the action, whether it be transitory or local. (*Fresno National Bank* v. *Superior Court*, 83 Cal. 491.)

It has been questioned whether a National bank could maintain a suit in a circuit court outside the district of its location. (*First National Bank* v. *Smith*, 6 Fed. Rep. 215.)

Again, when service on a National bank located and doing business in another State was made under an order of court, in a suit to relieve a bankrupt's real estate situated in the district from the lien of some judgments, and to remove a cloud on the title, the bank was regarded as an "absent defendant" within the meaning of the act and jurisdiction attached. (*Duff* v. *First National Bank*, 13 Fed. Rep. 65.)

The exemption, however, of National banks from suits in State courts under this statute was a personal privilege which can be waived. (*First National Bank* v. *Morgan*, 132 U. S. 141.)

SEC. 361. **Removal of cases from State court.**—A suit by or against a corporation created by an act of Congress can be removed by the act of 1875 from a State to a Federal court. (*Cruikshank* v. *Fourth National Bank*, 16 Fed. Rep. 888; *Union Pacific R. Co.* v. *McComb*, *Id.* 799; *contra*, *Pettilon* v. *Noble*, 7 Bis. 449; *Wilder* v. *Union National Bank*, 12 Chicago Legal News 84. See *Merchants' National Bank* v. *Thompson*, 4 Fed. Rep. 876.)

Again, as all transfers by an insolvent bank which are made with the object of granting a preference are void by section 5,242, and all attachments, injunctions and executions issued by a State court before final judgment are forbidden, it has been contended in an action between a receiver and a depositor, though involving only the right of set-off of deposits against his notes, that it presented a Federal question under the section mentioned. But Judge Coxe did not sustain this view. "The object of the suit is to have a balance struck, and the legal status of the account declared as of the date when the bank suspended payment. The fact that the bank in question was a National bank does not at all affect the jurisdiction. (Act, March 3, 1887, section 4.) The nature of the action is the same as if the defendant were the receiver of a State bank, or of an individual. The action involves a simple question of set-off, and is not one arising under the laws of the United States." (*Tehan* v. *First National Bank*, 39 Fed. Rep. 577.) In framing the petition, it must contain an averment that the parties are citizens, and not simply residents of another State (*Merchants' National Bank* v. *Brown*, 17 Fed. Rep. 161. See *Traders' Bank* v. *Tallmadge*, 9 *Id.* 363, and *Glover* v. *Shepperd*, 15 *Id.* 833.)

SEC. 376. **How bank's existence may be proved.**—A copy of the organization and certificate of a National bank, duly certified by the Comptroller of the Currency and authenticated by his official seal and the deposition of the cashier of the bank, is sufficient evidence of its corporate existence. (*Hanover National Bank* v. *Johnson*, Ala. 8 So. Rep. 42.)

[TO BE CONTINUED.]

THE CONVENTION OF THE ARKANSAS BANKERS' ASSOCIATION.

The second annual convention of the Arkansas Bankers' Association was held at Little Rock, Hon. Logan H. Roots presiding. Nearly every bank was represented. The Rev. Dr. M. D. Curl, who was present, invoked divine blessings, after which President Roots read his address as follows:

The hour has arrived for the convention to be called to order, and it is with extreme pleasure that I greet here at this first meeting of our association since its recent organization such a goodly number of our fellow-laborers. Our infant association exhibits a vitality and healthfulness truly gratifying. I am sure it is well to be here, to come together for counsel and association. How much direct business benefit each will gather will never be fully appreciated. I hazard nothing in prophesying that every attentive attendant will recognize an increase of his useful knowledge, and will know that he has here gained ideas of absolute income-yielding value; but mankind is so constituted that many useful ideas absorbed in association or otherwise gathered from others seem to the gainer to be his own original thoughts, so that the fountains from which benefits flow are not always recognized.

None will go home without having received some brightening effects, some keener realization of financial truths and some inspiration to improve daily practices; but were there no such direct practical results measurable in dollars and cents, still the assembling would be amply compensatory in the pleasure resultant from bringing into personal acquaintanceship those who are in frequent correspondence, and in substituting for "cold ink the kindly grasp of the hand and the magnetic influence of personal intercourse." Every whole-souled man will appreciate such benefits, and every phlegmatic, sordid individual who does not appreciate the same is the very most in need of such leavening, elevating, expanding influences.

It is a wonderful thing to live in the age we do! Why, people are yet living who were living while the spot upon which is now this beautiful city was a part of a wilderness, practically untrodden by white people, which a national administration bought from France, paying only about $11,000,000 for 1,100,090 square miles, a price less than two cents per acre. And now the real estate men can convince us that much of it is worth that much per square inch. Millions of people are living who were living when steam was harnessed and lightning was chained. And now we are not content to ride by steam and simply talk by electricity. We ride in sumptuous cars propelled by electricity and transmit autograph letters by lightning. I think we should be thankful indeed that we live in such an age of mighty progress, and that it should be to each of us an inspiration to be up and doing, utilizing the talents that the liberal Creator has given us, in such way as to achieve the greatest accomplishments possible for our country, our communities, our patrons, and thereby for ourselves.

The great growth of banks and banking institutions throughout the country is hardly appreciated. We have not such accurate statistics concerning other banking institutions as we have of National banks. But with the diminution of Government bonds it is not likely that National banks have increased with greater rapidity than banking institutions in general. And in ten years National banks have increased from 2,187 to 3,711, and their deposits have increased from $1,036,000,000 to $1,720,000,000. In these phenomenal increases the banking institutions of the Southern States have fully maintained their full proportion.

Bankers are not apt to linger in hunting causes while they strive to ascertain the facts. But in seeking knowledge as to whether or no this great growth and financial prosperity of the nation is to continue, our patriotic pride imbibes increased impetus and our confidence in the future receives reassurance when we learn that under the beneficial influence of wise national legislation and the bountiful bestowals of generous providence that the surplus exported from our nation of breadstuffs, provisions and cotton alone, to bring us money from other nations, has averaged for the past nine months about $60,000,000 per month. And it is not without significance to us in the South that more than one-third of this vast income has come from cotton, and vast as is this sum received from our cotton, had the recent cotton crop sold as high as last year this income would have been much greater.

From lack of saving habits, lack of food-raising practices, lack of capital-inviting legislation, lack of sufficient manufactures, lack of development of our wonderful resources, and other impending causes, surplus capital for investment purposes is not plentiful in the South. And bankers, who of all persons must necessarily forcibly realize the facts, cannot avoid the responsibility resting upon them to earnestly exercise their influence for the encouragement of such practices and legislation as will increase our surplus and most add to the allurements that will bring money from where it has been accumulated and where there are not opportunities for as liberal returns upon investments as exists with our undeveloped resources. Such methods as cause mortgaging of crops before they are raised for more than they can be sold for, and buying provisions and paying freights on them from localities where they cannot be as cheaply produced as here, legislation attempting to annoy, regulate and overtax capital invested in railroads and other developing enterprises, either National or State legislation that tries to render doubtful the value of payments or to render difficult or doubtful the enforcement of promised payments, are delusive and most hurtful to those who erroneously suppose that they are to be benefited thereby. That our State enjoys as much prosperity as it does under some of the existing handicaps is conclusive evidence that under sensible practices and wise legislation our possibilities are immense.

Money is proverbially timid. And with all the unprecedented millions of surplus in the North there seems a less amount of courageous money than for decades past. I fully believe that wise practices, sensible legislation, and making known our wonderful resources will inspire a well-placed confidence, sufficient to give surplus capital enough courage to venture hither sooner than elsewhere.

I am glad to know that the committee has been intelligently at work, which was selected by our inaugural convention to consider and formulate resolutions upon the various matters of benefit and interest to report to this meeting of the association, for there is much indeed that is entitled to careful, intelligent consideration. Some of the subjects I had intended to call to your attention, and while, as the business proceeds, I may at appropriate times make suggestions concerning recommendations of the American Bankers' Association, and concerning some matters of local interest, I have concluded it unnecessary to make specific enumerations. For I appreciate that there are here assembled such broad, comprehensive thinkers, imbued with some appreciation of the possibilities of our State, and impelled with such a patriotic desire for its advancement, that each will on this occasion, as on all others, both suggest and do the full requirements of the situation.

Hon. W. H. Gee read the report of the executive council.

In submitting this our report of the progress of the association since our convention adjourned in October last, we cannot avoid at the outset calling your attention to the wonderful growth in membership, and the general interest manifested toward the success of the association by all Arkansas bankers.

We present a list of members numbering sixty-two, and when we consider that there are only a little over eighty banking institutions in the State, the result seems all we could wish or expect.

The secretary has sent communications to every bank in the State concerning crooks and robbers. One on December 31, 1891, containing an account of the robbery of the Bank of Fordyce, and giving a description of the stolen securities, and one on January 8, 1892, concerning fraudulent certified checks being circulated at Birmingham, Ala.

The council met in Little Rock on March 16, and made the necessary arrangements for this convention, a report of which was transmitted to all banks and bankers in the State under date of March 17. At that meeting the secretary was directed to compile data on the banking capital and deposits of Arkansas. We find the figures very satisfactory, and to be as follows: Number of banks, 83; total banking capital and surplus and profits, $6,359,046; loans and discounts, $8,386,870; deposits, $8,188,283.

We mention with much regret the sudden death of one of our members, Judge Lafayette Gregg, of Fayetteville, who so ably filled the office of temporary chairman at our last meeting. He died at his home on November 1, 1891, aged 66 years, 8 months and 25 days. Appropriate dispatches were sent by this association to the bereaved family.

After the proper disposition of the report of the executive council and treasurer, President Roots read a paper on "State Banks and the Currency Tax," by Hon. W. H. Cate, who was unable to attend on account of his congressional duties:

State Banks and the Currency Tax.

In this paper, for sake of brevity, all banking institutions other than National banks will be designated as State banks.

These issue no currency or notes to circulate as money, for the reason, probably, that the tax of ten per cent. levied on the use of such currency, under sections 3,412 and 3,413 of the Revised Statutes, United States, is absolutely prohibitive, as it was intended to be.

There are now pending before Congress several bills looking to a repeal of these sections, thus in effect remitting to the States the privilege of authorizing State banks to issue currency under such conditions and restrictions as may be deemed proper by the Legislature; and these bills are now under consideration in the committee on banking and currency of the House, and differing opinions prevail.

It is not likely any of them will pass at this session, but their discussion will disclose a sentiment in that direction.

There seems to be no decided hostility to such a measure, but rather a question as to its propriety. There are pointed suggestions of an unstable currency, and ominous reminiscences of the "Wild Cat" institutions of ante-bellum days.

The National banking contingent seems to be indifferent, believing perhaps that no action will be taken in the matter, or that in any event the resulting competition will not be serious. And there is really no reason, now discernible, why such legislation shall affect the circulation of National bank notes; for with all that is popularly alleged against these institutions, no question is ever made as to the safety of their circulation.

The question then is, should the sections of the law sustaining this tax be repealed? Would it benefit the people?

Pursuing this inquiry we are impressed with the demand, coming mainly from the South and West, for more money. In these sections it is truthfully claimed that there is not a sufficient volume of money to permit the profitable transaction of business. No such complaint comes from the North and East.

Looking over the whole country it seems the trouble is not so much the inadequate supply of money as its unequal distribution. In Little Rock it is often difficult to borrow money on good security at from 8 to 10 per cent. interest, while in Boston it is often as difficult to loan it at from 3 to 5 per cent.

This condition is well known and many plans have been suggested to remedy it, but none have been found and adopted adequate to accomplish the purpose.

That there is a scarcity of money in our own State is a lamentable fact, only too well known to the gentlemen composing this association.

For the want of it our business is embarrassed, our industries languish, our enterprises are dormant, our resources undeveloped, our taxes burdensome to pay, and our people are discontented.

. . . .

In no event would the State be expected to assume any responsibility for currency issued on municipal or corporation obligations, except to regulate and control it; as to any based upon its own bonds it might be otherwise.

In this connection numerous propositions are suggested, but will not be discussed herein. Is it desirable that the experiment be made? Like most other questions, there may be argument on both sides.

We could not give such an issue of money a legal tender quality. Business men and bankers might not be disposed to take it indiscriminately for merchandise, for debts, or on deposit; and when a discrimination should be once made the whole fabric would be endangered. If not on a par under all circumstances with other circulating money it would produce inconvenience and complication. It might not be readily current outside State lines.

Have the skill and science and ingenuity which have made so brilliant the achievements of our race in the last quarter of a century kindled no lights to show us the rock on which our fathers stranded? Let us hope so.

It is improbable that any prudent person will ever consent to have banking institutions issue currency except under the most rigid control of the law, and as the law in free States is the reflection and embodiment of popular opinion, the question to be determined is this:

Has the time come, or will it come in the near future, when our State, corporation and municipal securities will have sufficient permanent value, our notions of public faith and credit so exactly just and honest, and our State and local governments so stable and fixed in their financial policy, and popular confidence so assured that we may be able to give the people a safe and sufficient currency outside the jurisdiction of the National Government? That is to say, are our resources, our intelligence and our integrity equal to the emergency? If so, then as a matter of expediency, as well as of natural right, the inhibition of the Government should be removed.

The Needs of Banking.

Mr. S. H. Horner, cashier of the Bank of Helena, next read the following paper:

As oratory is not an essential qualification to good banking, I will not try to indulge in it, but will endeavor to show by a few remarks upon early banking in Arkansas, the great necessity for prudent and careful management of our institutions.

The very first act passed by the Legislature of this State upon its assembling in 1836, was the act to establish the Real Estate Bank, and the second was the act to establish the State Bank. When the first Legislature assembled the total indebtedness of the State was less than $9,000. Before it adjourned it passed acts to involve the State in debt to the amount of $3,000,000, through the issue of bonds, to provide a capital for the two banks mentioned above, one thousand bonds of $1,000 each for the State Bank; two thousand bonds of $1,000 each for Real Estate Bank. Thus began in 1837 and 1838 banking in Arkansas, with $3,000,000 capital, backed by the power and influence of the whole State; principal offices in Little Rock and branches at all important towns in the State; but as their officers had not studied the principles of banking as we see them to-day, and realized that success depended upon a well-guarded circulation and a carefully selected list of collateral securities, nor read the frontispiece upon the BANKER'S MAGAZINE, "No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

They launched into banking with two ideas. First, of issuing all the money they possibly could, and second, persuading the people to borrow all the bank could get. Result, a great portion of their money was soon scattered among men who gave the bank no deposit; security unproductive and almost without value to any one except the persons living on the land.

Just one year and six months finds them a solvent institution suspending specie payment in order to increase their ability to lend more money.

As long as the bank paid specie it was found impossible to keep out as much money as the public wants and the business of the country rendered proper. Again, it cannot but be proper that a prudent expansion of the currency of the State should be produced—an expansion which should, and it is hoped will be so gradual as to avert a too stunted accommodation to the public on the one hand, and an unduly depreciated currency on the other. But further extracts show the gradual and guarded part was little heeded, for six months from the date of the banks suspending specie payment the circulation and loans then increased fivefold. This free emission of paper money not redeemable in specie of course diminished its value, and it soon was selling at thirty-five cents on the dollar, thus depreciating circulation and loans of the banks to market price of money issued—thirty-five cents—whilst the interest on money borrowed by both banks was accumulating and payable only in gold. Result, extinction of the bank, with very poor assets, and their customers with their homes mortgaged beyond their capacity to pay, and no available means to do anything else with; all the result of a depreciated currency and over-loans upon unproductive real estate. . . . .

But little banking was done in this State from 1842 to the civil war; a few private bankers, dispersed throughout the State, supplied the wants of the people.

The Merchants' National Bank was established and then others followed, until to-day our State has eighty-five banks, with a capital, surplus and undivided profits of $6,000,000, well officered, and with as fine credit as banks of any State in the Union, because they are ready to pay every dollar they owe in gold. But, are we free from danger to-day? Will not the passage of the act authorizing free coinage of silver by Congress bring greater troubles than we can manage? It was my good fortune at the meeting of the American Bankers' Association, in New Orleans, to hear an able speech by Wm. St. John upon the silver question, and a reply by the late John Jay Knox, both proving to themselves and their friends that they were right. Since then our great men have discussed both sides of the question in the halls of Congress, and left it an open question, which, in my mind, will only be settled by the bankers and business men of this country.

I can see no reason why a man who digs a dollar's worth of gold or silver out of the earth should be more favored by our Government than a man who digs same amount of potatoes.

Let us do away with the free coinage of gold and modify the present silver law. Authorize the Treasurer of the United States to go into the markets of the world, buy gold and silver bullion in such amounts as our wisest statesmen in Congress deem best for the good of this Government and its people. Issue certificates payable in gold and silver for their purchases, as they do to-day in purchase of silver.

Coin such amounts as commerce demands; build vaults in the interior towns of the United States, so that in case of foreign war it cannot be accidentally captured.

Our bullion would cost us but little, as we would issue certificates that would pass current throughout the civilized world, because they would be secured by gold and silver, the commodities that to-day regulate the values of the world, purchased at their commercial value, thus giving the miners of gold and silver a market for their product—placing both metals upon an equal footing; our country a circulating medium that could not be expanded beyond rules of safety, as every dollar issued would be backed by its commercial value in gold or silver coin, and we would soon accumulate more coin in our treasury vaults than any nation in the world, give safety to our Government and prosperity to her people.

Hon. Thomas H. Simms, cashier of the Hempstead County Bank, read the following paper:

BANK TAXATION.

Taxation in any shape is burdensome to the people, whether collected directly or indirectly; but the expense incident to the support and maintenance of government requires, and our duty as good citizens demands, that they be paid by all who enjoy its benefits.

Our State constitution says: "All property subject to taxation shall be taxed according to its value, that value to be ascertained in such a manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than other species of property of equal value, etc."

How do we find this provision of our constitution enforced through the laws enacted under it? Do we find that the taxation of all property of equal value is equally uniform and just, or do we find what would seem to be injustice and inequality? The farmer can pay $10 per acre cash for his land and assess it for taxation at $5; a horse or mule for $150 and assess it at $75; a lawyer can pay $1,000 cash for his library and assess it for $500; a physician pay $800 for his library and instruments and assess them at $400; and a merchant cannot only assess his book accounts, notes and credits at his own price, but is allowed to deduct therefrom the amount of his entire indebtedness, the latter, of course, always being counted at full face and interest, while the value of the former is so uncertain at assessing time that a large discount is frequently, if not most generally, made, thus relatively magnifying his indebtedness and minifying his assessment.

It is indeed singular how the law permits the value of a dollar to depreciate so much when invested in some kinds of property and not in others, for we find that while our friends of other lines and avocations can place their own value, for purposes of taxation, upon a hundred dollars in any kind of property, the banker is required to pay upon every dollar of his money invested in bank stock. Nor is this all, but he is further required to assess all surplus undivided profits, time deposits and re-discounts that he may happen to owe on assessing day, thus requiring him to pay tax on what he may happen to owe, while others are permitted to deduct what they owe from their taxable credits. Is this equal and uniform? It is not my purpose, however, by these comparisons to complain specially of the law governing the taxation of banks, unless it be as to the taxation of time deposits and re-discounts, because I am a firm believer in and advocate of the idea that all property owned or held in trust should be taxed at its true or full value. But to show that money, when invested in other species of property than banking, seemingly loses much of its taxable value, thus discriminating unjustly and unequally in favor of other classes as against banks. . . . .

The executive council, through its chairman, Judge B. J. Brown, presented the following report on

Rates of Collection.

"*Resolved*, That a uniform rate of exchange charges between Little Rock banks and the other banks in the State shall be as follows:

"On all items originating in Little Rock, $1.50 per thousand, and no item less than 15 cents; on all foreign items, $2 per thousand, and no item less than 15 cents; on all depositor's checks or drafts, individual or otherwise, drawn on banks in this State, $2.50 per thousand, and no item less than 20 cents, and on all other items from whatever source, one-quarter of one per cent., no item less than 15 cents. That in listing items for charges, the aggregate amount of checks contained in each letter of transmittal on the same bank to be taken in the aggregate, and not on each item separately.

"*Resolved*, That it is the sense of this convention that members hereof should send their collections and business to such banks only as are members of the association.

"*Resolved*, That we deprecate the habit of banks in sending their collections by such circuitous routes to reach their destination, and earnestly request that items be sent direct to place of payment.

"Your committee respectfully calls the attention of the assembled bankers to the growing practice of bank depositors in sending their checks on their local banks to pay their bills in markets where they purchase goods, thus depriving the bank of its legitimate exchange and reasonable profit, as being a practice that is dangerous and unbusiness-like, contrary to the true principles and theories of banking, and that we, the bankers of Arkansas in convention assembled, do hereby deprecate this vicious practice, and call upon each member thereof to use every reasonable and honorable effort to cause a discontinuance of the same."

Upon motion of Mr. R. S. Hynes, of Van Buren, action on the first clause of the resolution was postponed till the next day.

Upon motion of Mr. Chas. N. Rix, the second clause was adopted.

Upon motion of Mr. R. M. Johnson, of Newport, the third clause was unanimously adopted.

Action on the last paragraph of the report was, upon motion of Maj. W. H. Gee, postponed till the next day, and the paragraph ordered printed with the first paragraph of the resolution.

Mr. Charles N. Rix then read a very interesting paper on the Responsibility of Bank Officers which will be given in full in a subsequent number.

Hon. John W. Blackwood next read a very able and interesting paper on "What Regulates Interest Rates." We regret that we have space for only the concluding portion.

It was perhaps unfortunate for us that we made the experiment of free interest at the time we did. By the terms of the constitution of 1868 there were no usury laws. It was tried during the period of reconstruction, when the country was just starting to recover from the effects of the late war. The country was flooded with a depreciated National currency. States, counties and municipalities issued bonds and scripts without limit. There was an unnatural and unusual state of affairs; things were out of joint; the crisis came and by the constitution of 1874 we drifted to the opposite extreme in more things than one, and there we remain to-day. If I were not afraid that I would shock the nervous system of your president, I would say that the day will come, and is not far distant, when every civilized country will be allowed to sell in the markets where they can get the best prices, and buy in those where they can buy the cheapest, and there will be no law on the statute books to say him nay. That this free trade idea will apply to money, and, in the language of Jeremy Bentham on this same subject, "The proposition I have been accustomed to lay down to myself on this subject is the following one, viz.: That no man of ripe years and of sound mind, acting freely, and with his eyes open, ought to be hindered, with a view to his advantage, from making such bargain, in the way of obtaining money, as he thinks fit; nor (what is a necessary consequence) anybody hindered from supplying him, upon any terms he thinks proper to accede to."

Election of Officers.

On the second day of the convention officers were elected.

The Committee on Nominations, through Mr W. Y. Foster, chairman, reported the following officers for the ensuing year:

President, S. H. Horner, of Helena.
Vice-President, First District, L. Lucy, of Helena.
Vice-President, Second District, Geo. T. Sparks, of Fort Smith.
Vice-President, Third District, W. H. Terry, of Prescott.
Vice-President, Fourth District, J. S. Pollock, of Little Rock.
Vice-President, Fifth District, Mac Devin, of Fayetteville.
Vice-President, Sixth District, J. P. Coffin, of Batesville.

Executive Committee—H. Riley, of Pine Bluff; C. N. Rix, of Hot Springs; R. S. Hynes, of Van Buren.

For Delegate to American Bankers' Association, B. J. Brown, of Fayetteville. For Alternate, Logan H. Roots, of Little Rock.

Mr. C. T. Walker moved the adoption of the report.

The report was adopted, and the officers named in the report were duly declared the officers of the convention.

RATES OF EXCHANGE.

The consideration of the first clause of the resolution regarding uniform rates of exchange charges was then taken up.

Mr. Hawthorne moved to amend the resolution as follows:

That this resolution shall not be construed to apply to items received from correspondents.

Mr. Neely, of Arkadelphia, then moved the following substitute to Mr. Hawthorne's amendment, as follows:

Resolved, That it is the sense of this convention that we withdraw all resolutions adopted by this convention regarding exchange between banks, either in the State or out of it, believing that each bank can make more suitable arrangements with its correspondents and friends than this body.

Mr. Ramsey moved as a substitute that the whole matter be referred to a committee to be appointed by the chair, to report at next meeting.

The subject matter was so referred.

"Banks and Banks' Customers," a paper by James E. Battenfield, cashier of the First National Bank, Russellville, was presented to the convention in the absence of the writer.

Mr. Rix, from the Committee on Resolutions, presented the following on

"DAYS OF GRACE."

Resolved, That, in view of the custom practiced largely in this State, of using notes drawn without grace, that, in our judgment, it is desirable to have a uniform custom or law, and from our experience in business, we believe that it is desirable in all respects to abolish days of grace entirely, and eliminate that provision from our statutes, and to that end we do hereby petition, and by our prayer ask, the incoming Legislature of this State to repeal the statutes now governing this question, in the following terms:

That the secretary of this association cause a copy of this resolution to be presented to the presiding officers of the next Legislature, and also send a copy of the same to each bank or banker in the several counties of this State, with the request that they urge their several members of the Legislature to use their influence in the passage of such amendment, if to them it seems wise.

That we also recommend that an amendment be submitted that shall make the deposit in the post-office at a place where a protest is made, of a notice of protest, a legal delivery and notice, in place of the existing law, and that the secretary take the same course as indicated in the resolution regarding days of grace.

A BILL TO ABOLISH DAYS OF GRACE.

Section 1. All notes, drafts, checks, acceptances, bills of exchange, bonds or other evidences of indebtedness, whereby he, they or it shall promise to pay any person, corporation or order, or bearer, any sum of money, as therein mentioned, in which there is no expressed stipulation to the contrary, no grace, according to the custom of merchants, shall be allowed, but the same shall be due and payable, as therein expressed. on the day and date named, without grace.

Section 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

Section 3. This act shall take effect and be in force one year from and after its passage.

The resolution was adopted.

A very interesting paper on "Banks and Banking in England" was then read by H. G. King, cashier of the Bank of Mammoth Spring, Ark.

Mr. Creed T. Walker then read a very interesting paper on "Stock Certificates as Collaterals."

Mr. J. E. Russell, secretary of the Missouri Bankers' Association, and cashier of the National Bank of the Republic, St. Louis, then offered some brief but pertinent remarks on the "Educational Value of Bankers' Associations."

Mr. C. S. Warner, cashier of the Chemical National Bank, St. Louis, was then introduced, and extended greetings to the convention.

Mr. Fred Fowler, secretary of the Tennessee Bankers' Association, and cashier of the Memphis City Bank, was called on and extended greetings to the convention.

The convention then adjourned. In the evening they were entertained at a banquet at the Hotel Richelieu given by the associated banks of Little Rock, the First National Bank, German National Bank, Exchange National Bank, Bank of Little Rock, W. B. Worthen & Co., Bank of Commerce, and Parker & Cates.

EARLY BANKING IN MAINE.

The following facts relating to early banking in Eastern Maine were first published in the Eastport *Sentinel:*

In early times, there being no banks or other provisions for safe deposit, money was stored away in strange places, and a family story may be repeated here. Samuel Tuttle, who was one of the original proprietors of Moose Island, afterwards moved to Plantation Number One, now the town of Perry, and lived at the farther end of the ferry which bore his name. The house is not now standing. He was a man of means, and when the war of 1812 broke out, he thought it would be well to remove a portion of nis treasures to some less exposed situation farther away from the frontier, so he loaded up his saddle bags with about as much silver coin as his stout horse could carry besides its rider, and started for Dennysville. He decided to intrust his property to the care of Deacon William Kilby, who was also the postmaster and blacksmith of the village. After consultation about a safe hiding place, a portion of the kitchen hearth was taken up and an excavation scooped sufficient to hold the money bags, which were carefully covered up, and the owner went his way homeward. There were some pretty hard times during the continuation of the war, and when the family got in a tight place the covering would be lifted and a few dollars borrowed out of the deposit, to be returned as soon as circumstances would permit, and when peace came the owner called for his treasure and found it all there.

The Passamaquoddy Bank was established in 1820, after the revival of business which followed the resumption of the authority of the United States on the departure of the British troops. It had but a short career, and its failure a few years later entailed serious losses upon the community. The outstanding bills were never redeemed, and some of them are still held by people here as curiosities. The banking rooms were on the second floor of the three-story brick building which stood where Bucknam & Colwell now are. I have forgotten who kept there in the days when Ingolls & Chase's dry goods store stood where E. E. Shead & Co. and Rumery Bros. now are (the lots have been deepened since then), with the Commercial Coffee House up-stairs, and J. & J. Hinkley's stove and tin ware establishment occupied the present site of Bradford & Co., but I remember the old disused bank vault in that building. When the Hinkleys dissolved, Joshua kept the old stand and John started in the bank building. As the vault occupied so much space it was taken down and the granite slabs of which it was built, after lying some time outside in the rear, were used in the foundation of the new Wheeler houses then being built on Washington street, and which are now occupied by Mrs. McLarren and Mr. W. J. Fisher. The Frontier Bank was established in 1836, but until then I do not remember that there was such a piece of office furniture in town as an iron safe. Connected with some of the stores were bedrooms where the clerks slept and kept guard at night, but the common practice was to keep the valuables of store and counting room in small hand trunks which the youngest clerk of the establishment usually carried at night to the house of the proprietor, to be hidden under the bed. The account books were kept in wooden chests which ran on trucks, and before closing at night the chest was hauled close to the front entrance of the store, so that in case of fire it could easily be taken out. General Leavitt has in his office one of these old counting room chests, bearing inscriptions showing the fires it has escaped, and there is another in the town clerk's office.

Those who are accustomed to the easy working of our present National bank system, can hardly understand the way in which the currency was mixed up in those days. The notes of the Provincial banks furnished a much larger proportion of the general circulation than they now do, and since the decimal system has been adopted on that side of the line, the contrast to our own bills is less marked. Their dollar notes were five shilling bills, pound notes represented four dollars, and five and ten pound notes the larger denominations. A St. John broker who once lived in Eastport issued ten shilling bills of his own, which were known as "Ben Smith" money, and the corporation of the city of St. John had four shilling bills, which passed for eighty cents, but were not popular. The bills of the St. Andrews Bank, which was afterwards discontinued, had considerable circulation. The difference between New Brunswick and American, or, as it was usually called, western money, was about one per cent. The discount on Nova Scotia money was greater, as that was redeemed in sovereigns at five dollars each.

Before the days of expresses, it sometimes required considerable management to transfer funds, and a great deal was carried by private hands, business men, on their trips westward to purchase goods, doing good turns for each other. People used to hold on to the western money which came into their hands for remittance. One out-of-town trader who had been for several months collecting specie for this purpose, put it in a canvas bag and stowed it in the bottom of his trunk to take along with him to Boston, which in stage coach days, before there were any railroad connections, took four full days to make the trip. He had not gone far on the way before he began to regret the step. Stage drivers in putting the trunk in and off noticed the heavy weight and began to look knowing and make significant remarks. The tossing and swaying of the vehicles over the long and rough way, up hill and down, across the entire length of the State of Maine and a bit of New Hampshire, began to tell upon the bag which held the coin, and nearing the journey's end ominous sounds showed that the contents were adrift. After reaching the city hotel and watching the transfer to a private room, he found on opening his trunk the thin bottom so badly worn, that a few miles more of travel would probably have spilled some of the treasure into the highway.

BANKING IN NEW HAMPSHIRE.

Amoskeag National Bank.

The following facts are derived from a lengthy article in the Manchester (N. H.) *Daily Mirror:* Previous to the rebellion, and succeeding the abolition of the United States Bank in 1832, there had been a system of State banks, which gave to the country a remarkable currency —remarkable not for its stability and worth, but for its uncertainty and distrust.

In New England, where the banks knew each other, money was comparatively safe; but the wild cat and "red dog" currency of the West was either viewed with suspicion or refused altogether. The banks of the State of Michigan were a fair sample of the frisky character of many of these fiscal institutions. Within a year forty-nine banks were organized and forty went into operation with the professed capital of $1,745,000. Over $2,000,000 of irredeemable paper was distributed throughout the State, of which probably not a dollar was based on *bona fide* capital paid in for legitimate banking purposes. At the end of 1839 there were no fewer than forty-two of these banks in the hands of receivers, and only four still doing business. Nearly all the currency of the State was worthless, business was prostrated, and only the bare necessities of life were able to command a market.

This scheme of "going it alone" had serious drawbacks, even in the great financial centers of the East. It was impossible for the country banks to keep their money in circulation. In order to help them out, what was known as the Suffolk bank plan was adopted in New England. This was an arrangement whereby that bank was made the channel through which all notes of New England banks that found their way to Boston, as most of them naturally did, were at once forwarded to the issuers for redemption. Hon. G. Byron Chandler, the able and energetic cashier of the Amoskeag National Bank, states that the old Amoskeag Bank gave the Suffolk Bank $3,000 for acting as its Clearing House in Boston. This was about the sum paid by most of the State banks in the deal. Major Chandler stated that even with this arrangement, and the high favor in which the Amoskeag Bank stood, it was hard work to keep its currency afloat.

The bills of those old days look strange enough to the present generation. Each bank followed its own sweet will as to the design and finish of its notes, and while some of them were quite artistic, others would put the continental currency to blush. Mr. Chandler has a fine collection of this old money, and the newspaper man noticed that $3 bills were not at all unfrequent amongst it.

With the breaking out of the war, and the consequent necessity for money on the part of the Government, it became necessary to use extraordinary means to secure large quantities of the "filthy lucre." When the war began the paper in circulation in the country was $200,000,000, of which about three-fourths was the issue of non-seceding States. Specie available for circulation was about $275,000,000. A tax of 10 per cent. was soon levied on State banks, and then followed the present National bank law, which went into effect Feb. 25, 1863. As the tax on State banks was virtually a prohibitory tariff on their issue, both the patriotic and unpatriotic financiers of the North grasped at the new system.

The first local banking business in Manchester was done by the Amoskeag Manufacturing Company, which received money on deposit from its operatives from 1842 to 1856, at which time it had $200,000 of such funds on hand. That year the receiving of deposits ceased, and as the Manchester and other banks had come into existence by that time, there was no longer need of the Amoskeag keeping up the dual capacity of master and servant as regards its employes' finances.

The Manchester Bank began operations Sept. 2, 1845, with a capital of $50,000, which was later increased to $125,000. This was, of course, a State bank. James U. Parker was the first president, and the Hon. Nathan Parker the first cashier.

The Amoskeag (State) Bank followed, having been incorporated in June and commencing business in October, 1848, with a capital stock of $100,000, which was doubled later. Richard H. Ayer was the first president, and ex-Gov. Moody Currier cashier.

The City Bank, as it was known during the ante-bellum period, and in fact up to 1880, when its name was changed to the Merchants' National Bank, was the next State bank organized. It was chartered in 1853, and commenced business that year with a capital of $100,000, which was increased to $150,000 the next year. Isaac C. Flanders was its first president, and the late Edward W. Harrington its first cashier.

The First National Bank was incorporated under the name of the Merrimack River Bank, July 14, 1855, Ralph Metcalf being Governor at the time. The charter was granted for a term of twenty years. A capital stock of $150,000 was decided upon, the Boston Bank of Commerce was selected as a place of deposit, the discount of loans was authorized Nov. 1, 1855, and the first loan was made to the agent of the Manchester mills. William G. Means was elected the first president, and Frederick Smyth the first cashier.

The remaining National bank, the Second, did not come into existence until 1877, and hence had no previous career as a State institution before coming under the Government's care and protection. This bank's capital is $100,000, and its officers, Aretas Blood, president, and Josiah Carpenter, cashier, have not changed from the start.

When it became necessary to change the State banks into National banks, or go out of business on account of the 10 per cent. tax, there was an immense amount of kicking. Roscoe Conkling, who was then in the House of Representatives, asked if it was expedient to make war upon the 1,200 banks in the free States, and whether it was right, even if the stock and assets of those banks were not largely owned by orphans and widows. However, the exigencies of war demanded it, the Government must have the money, and it was done.

Singularly enough, the Amoskeag Bank was the first of the State banks to accept the new order of things. Only 573 banks in the country had gone into the new movement when the Amoskeag signified its willingness, and its official number, 574, now affords its officers much patriotic pride.

The precise date that the Amoskeag National Bank came into existence was Nov. 1, 1864. It started in with a capital of $100,000, which was increased June 12, 1865, to $200,000. The Manchester National Bank early followed in 1865, being the 1,059th National bank organized. Its capital stock was $100,000, and this was increased April 2, 1872, to $150,000. The First National was a close third, being organized at almost the same time as the Manchester, and receiving the number 1,153. Its capital stock continued under the new regime as the old, $150,000. The Merchants', at that time the City National, was also chartered in 1865, its number being 1,520. Its original capital of $100,000 has been increased since to $150,000. The limit of State banks had practically been reached by this time, and the growth of these institutions during the next dozen years was slow, as the number of the Second National Bank, organized in 1877, is only 2,362. Its capital stock is $100,000. The business prosperity since that period in all parts of the country has been phenomenal, and the demand for National banks has been so great that the number has almost doubled in the past fourteen years, the official number of the National bank at Colebrook, one of the last organized in New Hampshire, being 4,041.

Major Chandler is of the opinion, which the newspaper man found was shared by other local financiers, that the National bank system has seen its best days. The banks in New York City, with $60,000,000 of capital, have only $7,000,000 of money in circulation, whereas they would be entitled to circulate $54,000,000, and this is the case all over the country. The prestige of a National bank is of some value, but aside from that there is no special advantage in doing a financial business under such a system, especially to those engaged in it. The depositors, however, have in the National banking system a system that protects them to the utmost. All the National banks in the country are visited by a United States examiner twice a year, and they also have to publish a sworn statement of their condition five times a year. This statement must be both accurate and detailed. No such item as "other assets" or "incidental account" will be allowed. The statement must set forth fully and explicitly what the assets and liabilities are.

The last and crowning feature of the National banking system is the stability it gives the currency. Nobody now-a-days thinks of questioning a National bank note. There is an infinitesimal possibility that it may be a counterfeit, but the possibility is so infinitesimal that nobody except an expert stops to think of it. Yet no longer ago than 1862 the notes of all but 253 banks out of 1,500 had been counterfeited. Further than that, the money issued by the State banks rested on local credit, and its value always depreciated the further it got from home. Under the present system a $5 bill issued on the First National Bank of San Francisco is just as good in this city as is that of the First National Bank of Manchester itself.

MOVEMENT OF THE PRECIOUS METALS.

[CONTINUED.]

In the Income tax returns for 1875, there was entered as the income from foreign investments—

Under Schedule C	£20,767,000
" " D	6,836,000
Railways out of the United Kingdom	1,330,000
	£28,933,000

Now it is, says Mr. Giffen, impossible to believe that these twenty-nine millions represent the whole of the income of this country from foreign investments, since a consideration of the Stock Exchange lists of foreign loans negotiated here, and of other sources of information, necessitates the conclusion that a large part of this income does not come under the notice of the Income Tax Commissioners. This may be accounted for by the fact that a large amount of British capital is invested abroad privately, through mercantile houses having corresponding houses in foreign countries, through insurance companies doing business abroad, and through Anglo-Colonial banks receiving deposits and investing them abroad. After estimating the several sums that may be put down under each of these heads, Mr. Giffen arrives at the conclusion that about forty millions of income from foreign sources are omitted from the income tax returns. Putting together the different items estimated above, we may get the following approximate result for 1875:

Income from Foreign Investments	£70,000,000	Excess of Ordinary Imports,	£92,328,000
Proportion of Imports due to Freights, &c	37,000,000	Excess of Imports of Money,	5,324,000
			£97,652,000
		Balance	9,348,000
	£107,000,000		£107,000,000

This reduces the inequality between exports and imports from ninety-two millions to nine millions,* and turns the excess of imports into an excess of exports. This comparatively small sum can be accounted for by the known fact that the capital sum invested abroad is constantly varying with the varying exigencies of the situation of the investors and the various directions in which fields for investment are discovered; for, according to circumstances, capital is sent from home abroad, and from abroad called back again. These changes, being balanced, form an export or import of a certain value to which there is no commercial equivalent, and account for the variations in the excess of imports which are shown in the first table, and which are seen to amount, in some cases (as in 1876–7 and 8), to an increase followed by a decrease of as much as twenty millions.

This initial difficulty having been examined, and, I trust, satisfactorily explained, we may pass on to the consideration of some particular instances, where the phenomena with which we have been dealing are plainly manifested, and since the present design is to show that movements of the precious metals ensue on any disturbance of the equation of international demand, it will be the most proper course to select for

* The inequality might be still further reduced by adopting Mr. Giffen's approximation in Essay VI, where he says that the lowest estimate of interest on foreign investments is thirty millions, but that the true figure is probably twice that, *i. e.*, sixty millions.

discussion the events of certain epochs in which such disturbance is known to have taken place to an unusual degree, on account of extraordinary causes having operated in producing a great and sudden expansion of imports or exports. Now in a country which, like our own, produces but a part of the food consumed by its inhabitants, and of which the climate is extremely variable, it must happen that the imports of food show considerable fluctuations in quantity, and since these may occur at intervals of only a season, a gradual adjustment of foreign trade cannot take place; and consequently, if the theory stated in this essay be true, the balance must be liquidated in money. Our advanced state of commercial prosperity also occasions a disturbance of a different sort. The capital accumulated by our countrymen being greater than can be profitably employed in our own ordinary trade, a portion is employed in the way we have lately noticed, in foreign investments, and also in foreign trade of a speculative character. The seasons of over-confidence and panic, which seem destined to alternate almost according to a regular sequence, will have as their concomitants, it may be supposed, forced deviations from the regular course of trade, attended by the same series of consequences.

A recital of the events preceding and accompanying the great commercial crisis of 1825 will exhibit in operation both the disturbing elements above mentioned, the last more particularly, and, I think, will afford evidence of the truth of some of the leading principles here expounded. I propose, therefore, to recall briefly the commercial circumstances of England at that epoch. Towards the close of 1822 the Government 5 per cent. debt had been reduced to 4 per cent., and this measure was followed in the early part of 1824 by a reduction of the old 4 per cent. to 3½ per cent. These reductions were doubtless partly a cause and partly a symptom of a general fall in the rate of interest, the rapidity and extent of which may be seen from the following comparative table of the prices of 3 per cent. consols*:

Date.	*Price.*
April, 1823	73½
July, 1823	80¾
October, 1823	82½
January, 1824	86
April, 1824	94½
November, 1824	96¼
January, 1825	94½

This rise in the price of home securities caused capitalists to turn their attention to foreign investments which promised a greater return, and it happening that at this time loans were being negotiated in London by various South American States, a considerable stimulus was given to speculative activity, which was intensified by the flattering estimates formed of the future of these States, several of which had just obtained recognition from the English Government. Mining projects in Mexico and South America were also formed, and largely supported, and the apparent prosperity which is manifested in times of commercial excitement, caused a like speculative spirit to prevail in the markets for commodities. Imports of several kinds of foreign produce were largely increased, and prices in the home market being raised, by reason of the great activity here, exports were diminished. This condition of affairs lasted through 1824, and, the symptoms increasing in severity, reached the greatest height during the spring of 1825, when corn

* Tooke "History of Prices," Vol. II, Sec. iv. This work is also my authority for many of the figures referring to 1825 and 1839, which will be found in the chapters relating to those years.

was added to the number of commodities imported in increased quantities, by reason of a general impression of the progressive reduction of the old stock of grain, and consequent dependence on the product of the forthcoming harvest. This importation, however, did not last long, because the promise of an unusually early and good harvest had the effect of allaying fears of a scarcity in the food supply, and the promise was in fact afterwards amply verified.

Now, arguing from the basis of the theory which has been here laid down, it would be assumed that this extraordinary increase of foreign liabilities would necessitate a transmission of the precious metals abroad, causing a contraction of our currency, with its concomitant fall of prices stimulating exports, checking imports, and finally restoring the equilibrium of trade, and even causing a temporary change in our favor. Unfortunately for the theorist, he can never see principles working with unmixed purity and simplicity, and is often obliged to content himself with the discovery of a tendency, where the prospect of an actual movement is denied him. In this case, however, the first theoretical necessity was realized, and money was drained away from this country. This demand fell, of course, most heavily upon the stock of bullion in the Bank of England, which had amounted on the average during the year ending 28th February, 1823, to £10,254,698, and that ending 28th February, 1824, to £12,606,963, and had in January, 1824, reached £14,-200,000, but was at the commencement of October, 1824, reduced to £11,600,000. The drain then became more marked, falls in the exchanges continued, and by the end of February, 1825, the stock was reduced by nearly three millions below the amount at which it stood in the previous October. Now had the currency at this time been a purely metallic one, this withdrawal of the precious metals would have been a reduction *pro tanto* of its bulk, and the phenomenon of a fall of prices, carrying in its train the other consequences mentioned above. might be looked for. But the Bank of England, which then possessed a far greater power in the regulation of the currency than it has been able to exercise since the passing of the Bank Charter Act of 1844, instead of contracting the circulation of its notes, as its stock of bullion decreased, was expanding its issues in almost the same proportion. Thus, in October, 1824, when, as above stated, the stock of bullion began to rapidly diminish, the note circulation was about nineteen millions, and this was increased as the drain went on, until in February, 1825, it was about twenty millions, and was still further increased in a later part of the spring to twenty-one millions. The drain of bullion was thus prevented from showing its proper effect upon the currency, and, consequently, prices did not exhibit the premonitory symptoms of an unhealthy condition of our foreign trade, which, in a less artificial state of the circulation, might have suggested the means of escape from some of its consequences, by bringing on sooner the inevitable collapse. This, of course, came eventually, but the fall in prices which ensued was due to the sudden cessation of demand, and forced sales, which take place in all times of panic, and was not connected with the volume of the currency. With the later phases of the crisis it is unnecessary to deal in detail here, as they do not present examples of the phenomena which it is our purpose at present to study. Thus, although after the summer the bullion was drained away even more rapidly than at the beginning of the year, and, indeed, gave rise to a fear of the complete exhaustion of the bank treasure, which was in December, 1824, only £1,027,000, yet, since the exchanges progressively improved, it is probable that this withdrawal was for internal purposes, and particularly for supplying the country bankers with means to meet the demand for gold in exchange for their notes which were being returned upon them.

In 1839 there was another great drain of money from this country, of which the circumstances differed sufficiently from those of 1825 to make it worth while to give them some consideration. The wheat crop of 1838 was the most deficient which had been experienced since 1816, and the harvest of 1839 also yielding less than the average, a large quantity of corn was imported from abroad, the value being computed at about £10,000,000. At the same period there was a great extension of paper issues in America, and in a greater degree in France and Belgium, where numerous commercial failures engendered a feeling of insecurity, which resulted, as it invariably must result, in a loss of credit. These two causes combined to produce the same effect of a drain of money from England, the first to liquidate the balance of our indebtedness on an excess of imports, the second to meet a demand in the countries above named for the precious metals to take the place of discredited paper. The following table will show how this acted upon the bank stock of bullion, and for the purpose of comparison, the amount of the note circulation at the different dates is also appended:

	Bullion.	*Circulation.*
June 26th, 1838	£9,722,000	£19,047,000
September 18th, 1838	9,615,000	19,665,000
December 13th, 1838	9,362,000	18,469,000
April 2d, 1839	7,073,000	18,371,000
June 25th, 1839	4,344,000	18,101,000
September 17th, 1839	2,816,000	17,960,000
December 12th, 1839	2,887,000	16,732,000

From these statistics it appears that, during the period of eighteen months, the stock of bullion suffered a steady drain, amounting, in the aggregate, to nearly seven millions, while the issue, although not increased, as in 1825, was not contracted in the same proportion, being reduced by only about £2,300,000. The loss of bullion, therefore, did not exert its full effect on the volume of the currency, but such part as the regulation of the circulation allowed to make itself felt, doubtless brought about proportionate results by its proper action. This proportion, however, was too small to check the drain, and, as the bank was becoming seriously embarrassed by its continuance, measures were taken for the creation of credits in foreign countries, by causing bills to be drawn upon the bank, which should influence the exchanges in such a way as to cause bullion to return thither.*

It will be at once observed that this last statement apparently introduces a new principle in the calculation of influencing circumstances on the movement of the precious metals. Hitherto, money has been described only as a redresser of differences between exports and imports. Here, however, it is seen that a flow may be started in any direction by means of money market expedients. Does this involve then the assumption of a different set of causes? and is money made to flow by the working of two distinct principles? That it may be set moving in a way different from that previously described has just been asserted, and a case in point adduced, but I think it will be conceded, after examination of this latter case, that it is really only a modified and dependent form of the former. It has been pointed out above, that the circumstances described as attending a loss of bullion were present, but to an extent too limited to stop the drain. Now this means no more than that they were inadequate to stop it as soon as the interests of the bank required, but they must have been adequate to stop it at some time, for the drain could not always continue, and every sovereign lost was an

* Described by Macleod, "Theory and Practice of Banking," 4th edition. Vol. II, page 145.

addition to the force of the causes for a turning of the tide. It is of course conceivable that, by a large enough issue of inconvertible paper, the volume of the currency might have been prevented from suffering any diminution, and then the end of the drain would have been the end of the metallic money in the country; but that this would have been the limit of the time of an unfavorable balance is manifest, since, having no money, we could only pay for our imports in goods, and it will be allowed that our foreign creditors would take care that our exports were at any rate not less in value than these imports. This state of affairs is, I say, conceivable, but only by pushing the assumption to its logical limit, and, to ourselves, with our familiar experience of an universally convertible bank note, the presumption seems a purely ideal one, although there are nations to whose affairs the application would be by no means inappropriate. In the first place, then, it would appear that the means under discussion only effected earlier what would have resulted without their interposition later. But in the second place, the very fact of England being able by any means to create credits abroad, proves that she was deemed to be in possession of wealth sufficient to repay the advances of bullion which she obtained, and which would have actually been transferred to the lenders in the shape of commodities, if the requisite adjustment of the international exchanges had not been brought about by the medium of the advance, so that, money flowing hither, the debt could be repaid in the form in which it was lent; thus being a simple case of barter in the precious metals. These arguments are, I think, sufficient to show that the case here dealt with is only apparently new, and the consideration of the events of 1839 will then reveal no principle antagonistic to those laid down as the influencing causes of the movements of the precious metals, and will be an aid to the investigation of that part of the subject to which we now proceed.

In the mind of an Englishman, whose interest in financial matters is not so keen as to induce him to seek for more information than can be obtained from the newspaper accounts of money market fluctuations, there will probably be established an idea that the movements of the precious metals to and from this country are invariably connected with, if not entirely dependent on, the Bank of England rate of discount. Such a person will have observed that when at a given rate bullion is withdrawn for export, in such quantities as to reduce, or give rise to apprehensions of the reduction of the bank reserve below the sum that the directors deem a safe minimum, the rate is put up until the drain ceases, and the tide turns in the other direction, causing money to flow again to this country from abroad. Now the same process of ebb and flow has been throughout this essay described as consequent on all cases of a disturbance of the equation of international demand, but it has been asserted that the turning of the tide is accomplished through the instrumentality of prices; the question then suggests itself, whether there is a causal connection between the determining factors in the two cases, in which event they would really be only one process viewed from two different standpoints; or whether the two sets of circumstances are really different, taking place independently of one another.

The former alternative presents to our view the question of the connection between prices and the rate of discount, a *quæstio vexata* of political economy, and one on which any opinion can only be ventured with great diffidence. I shall not, however, attempt any elucidation of this difficult point directly, but shall endeavor merely to show that there may be a correspondence between the variations of both, without the existence of any causal connection between them. This view will be best exhibited by means of an imaginary example. Suppose then, that with a given range of prices and rate of discount, there is a flow of the precious metals out of England, with the effect on the bank reserve just alluded to; the rate of discount will be raised, perhaps by successive increments, until the drain ceases, and eventually money returns hither. But it has been repeatedly asserted that this outward flow will have had the effect of lowering prices in England, and stimulating exports; with the result that, first the equation will be caused to regain the equilibrium, and then exchanges to turn in our favor, because our exports will eventually have become greater than our imports, and a balance will have become due to us, which will have to be liquidated in money. We find that on both assumptions of a rise in the rate of discount and of a fall of prices, the same consequences will follow, and it is therefore conceivable that these two phenomena should be manifested concurrently as effects of the same set of causes, one of which, if not the only one, is the variation of the volume of the circulating medium. It is in this case unnecessary to assume that a rise in the rate of discount is either the cause or the effect of a fall of prices, but it may be regarded as possible that there is a kind of pre-established harmony existing between their fluctuations. That the above argument may not be construed into an attempt to establish a correspondence between high discounts and low prices absolutely, I will state explicitly that the foregoing remarks are applied only to the fluctuations of the rates, and are equally relevant, whether those rates be high or low.

If the examples just supposed were to be regarded as molded on the form of a general type, the rate of discount must be considered impotent to produce any movement of the precious metals which could not be effected without it, through the medium of prices; but, as it has been remarked, there is an alternative possibility of independent action, and the question consequently arises, Is the raising of the rate of discount sufficient by itself to stop a drain of bullion, and cause the flow of the precious metals to set towards this country? The answer to this question is that it undoubtedly is so in certain circumstances, and within certain limits, and some examination of this aspect of the matter must be now undertaken, with a view to the discovery of the nature of those circumstances, and the determination of those limits.

Let us suppose that bullion is being drained away from London when the rate of discount there is the same as at another place, for example, Paris. If the drain resulted from the working of one or more of the causes that have been described, it would continue, if those causes only operated, until checked by a readjustment of imports and exports through prices, or, what is less likely, the coming into operation of some of those causes in an opposite direction. But it might very probably happen that for the credit of our chief banking establishment, and through it of the commercial community of this country, a stoppage of the drain before the consummation of either of these events should become expedient. Suppose, then, that the discount rate were raised to a point above that of Paris. This would mean, in plain language, that money could be obtained in Paris at one rate and sold in London at a higher one, and, if this margin were sufficient to pay the cost of transport and insurance to London,* it would be a profitable operation to send money thither from Paris. Now, there is a class of merchants in all highly organized trading communities whose business it is to deal in money, and these persons would send it to any safe quarter where it could be most profitably employed; and consequently, such a difference

*In practice it is found that this margin must give enough profit to pay for the journey there and back, and Mr. Goschen says that the difference in the rates must be 2 per cent. before the movement from Paris to London actually takes place.

in rates would cause money to travel from Paris to London. This money would probably be taken in the first instance from the reserves of bankers, and have no effect on the volume of the currency, but if the movement should continue so long as to diminish that volume, the causes that have been previously dealt with would come into operation, and produce the results that have been mentioned as proper to them. This, then, is the limit to the sole operation of this cause to which I alluded, and this limit having been reached, the two causes, jointly, would contribute to the production of the further results. But it is apparent that their effects separately would tend in an exactly opposite direction; for the contraction of the currency, lowering prices and therefore increasing exports, would tend to produce a flow of money into France, whereas we have assumed that that very contraction was caused by the outward flow which had been the consequence of the inequality in the rates of discount at the two places. The ultimate result would depend upon the strength of these opposing tendencies respectively; if unequal, a movement of the precious metals would take place in the direction of the greater; if equal, no such movement would ensue.—*Prize essay by* JOSHUA SHILLCOCK, *and published in the Journal of the London Institute of Bankers.*

[TO BE CONTINUED.]

NEGOTIABLE INSTRUMENTS.

SUPREME COURT OF PENNSYLVANIA.

West Philadelphia National Bank v. *Field.*

In an action on a note made by defendant to the order of two others and by them indorsed to plaintiff, plaintiff proved that when the note fell due one of the indorsers took it up, giving plaintiff in lieu of it a note made by one L., with the same indorsers; that this note proved to be a forgery, though plaintiff had believed it genuine, and that said indorser had fled the country, and plaintiff was ignorant of his whereabouts. *Held*, that this was sufficient to excuse non-production of the note, and to justify secondary evidence of its contents.

When plaintiff's president and cashier have testified that the indorser thus fraudulently procured the note sued on, and that before its maturity defendant had admitted to them that his signature thereto was genuine, it is error to direct a non-suit.

Plaintiff does not lose its right to recover on the note in suit because it exchanged it in such manner for a note that afterwards proved to be forged.

STERRETT, J.—In the language of plaintiff's amended statement of claim, this suit was brought against the defendant John Field "to recover the sum of $5,000, being the amount of a certain promissory note drawn by the defendant to the order of John and James Hunter, dated June 25, 1886, and payable four months after date at Fifty-fifth and Paschall streets, and indorsed by said John and James Hunter to the plaintiff." As an excuse for non-possession of said note and inability to file a copy of it, the plaintiff added the following averment, viz.: "The said note is not now in the possession of the plaintiff, because at its maturity James Hunter, as agent for and on behalf of the defendant and of John and James Hunter, offered to plaintiff in payment thereof a note for $5,200, purporting to be drawn by James Long to the order of and indorsed by John and James Hunter. Believing the signature of James Long to said note, the plaintiff accepted said note in payment, and delivered to James Hunter, as agent for defendant, the said promissory note of defendant. Plaintiff afterwards discovered, and now avers, that the signature purporting to be that of James Long to the note so offered and received in payment was a forgery, and consequently the said note was void, and the plaintiff has not received from said defendant, or from any other person, payment of the whole or any part of the aforesaid promissory note of defendant." On the trial, evidence was introduced by the plaintiff, tending to prove, *inter alia*, the following facts: (*a*) That the note in suit was made by defendant for the accommodation of the payees, indorsed in their names, presented to plaintiff by James Hunter, discounted by it, and the proceeds paid to said James Hunter. (*b*) When the note in suit matured it was taken up by James Hunter, who, in lieu of it, gave plaintiff a note for $5,200, at four months from October 28, 1886, purporting to be made by James Long to the order of and indorsed by John and James Hunter; and when that note matured it was in like manner taken up by James Hunter, who, in lieu of it, gave another note for $5,200, at four months from March 2, 1887, purporting to be made by said Long to the order of and indorsed by said John and James Hunter. (*c*) The notes aforesaid, purporting to be made by James Long, were forgeries, but at the time they were respectively taken by plaintiff it believed they were genuine. (*d*) The note in suit and the first-mentioned Long note passed, in the manner and under the circumstances above stated, from the plaintiff into the possession of James Hunter, who, having been accused of having committed other forgeries at or about the same dates, fled the country, and up to and at the time of trial his whereabouts were unknown to the plaintiff, and no part of either of the above-mentioned notes has ever been paid. We think sufficient ground was laid to excuse the non-production of the note in suit, and justify the admission of secondary evidence of its contents, etc.

The evidence tending to prove that defendant made the note consisted of his own admissions, made to the president and cashier of the plaintiff on several occasions. The latter testified, in substance, that ten days or two weeks before the note matured defendant came into the bank, handed him notice, which had been addressed to place of payment, etc., and asked to see the note. It was handed to him. After looking at it and turning it over he said, "That is all right." A few days afterwards defendant and Mr. Lucas called in relation to forming a syndicate to buy up the indebtedness of John and James Hunter, etc. During the conversation, as they were about leaving, "I asked Mr. Field the question—I said: 'By the way, Mr. Field, that note that you came here and inspected—was the signature of that forged or good?' Mr. Field replied that that signature was all right, and that the note was all right." Dr. Hughes, president of the bank, testified that a week or two after James Hunter fled, Mr. Lucas and defendant "came to the bank, wanting us to join in a plan to pay the debts of Mr. Hunter; and before going out Mr. Park asked him if that note of his was all right—genuine. He replied that it was, after some hesitation." In short, the testimony was ample to have warranted the jury in finding that the signature of the maker of the note in suit was genuine, and also that possession of it was fraudulently obtained by James Hunter, in the manner above stated; but the learned judge, being of opinion that the evidence was insufficient to justify a verdict in favor of plaintiff, ordered a judgment of nonsuit, and afterwards refused to take it off. In that, we think, there was error. It is well settled that a peremptory nonsuit is in the nature of a demurrer to the plaintiff's evidence. If there is any evidence (beyond a mere *scintilla*) which alone would justify an inference of the disputed facts on which his right to recover depends, it must be submitted to the jury. (*Hill* v. *Trust Co.*, 108 Pa. St. 1; *Abraham* v. *Mitchell*, 112 Pa. St. 230, 3 Atl. Rep. 830.) Upon a motion to nonsuit, the defendant is considered as admitting every fact which the evidence tends to prove, including such inferences of fact as a jury may lawfully draw from it. (*Miller* v. *Bealer*, 100 Pa. St. 585; *McGrann* v. *Railroad Co.*, 111 Pa. St. 171, 2 Atl. Rep. 872; *Jones* v. *Bland*, 116 Pa. St. 190, 9 Atl. Rep. 275.) Conceding, what under the evidence can scarcely be doubted, that James Hunter procured the discounting of a genuine note, and, when it matured, deceitfully and fraudulently paid, or rather pretended to pay it with a forged note, and, when that matured, undertook to pay it also with a similar forged note, and then fled the country, the fair inference would be that the evidence of his criminality would not be left within plaintiff's reach: but it is only necessary to say in regard to this and other questions of fact that the evidence was quite sufficient to require its submission to the jury. As an innocent party to the transaction the defendant is, of course, entitled to protection against the possibility of the note turning up in the hands of an innocent holder for value; but, as was held in *Bisbing* v. *Graham*, 14 Pa. St. 16, the court has ample power to restrain execution until such indemnity is given. In that case it was said: "That the defendant is entitled to indemnity before he can be compelled to pay, I have no doubt, or it may be that the note was indorsed in blank by Graham, and is now in the hands of a holder for value. . . . . The maker ought not to encounter any risk, as he is in no default. The inconvenience, if any, is one to which the holder has exposed himself, arising, perhaps, from his own carelessness. . . . . In this all the authorities to which I refer generally agree. But the question recurs, is the failure to indemnify in bar of the action, or is it a prerequisite merely to the execution to enforce payment of the judgment? In the absence of all direct authority, in this State at least, I incline to the latter view of the case. However the law may be as to suit brought to recover on a lost note (and I see no reason why there should be any difference), we are of opinion that where the note is lost after commencement of the action it is no objection to the rendition of judgment. Justice may be effectually administered by restraining the plaintiff from issuing his execution without proper indemnity be given. This is an equitable power, vested in the courts, which will take care to do equity, having a proper regard to the circumstances of each case." To the same effect is *Bigler* v. *Keller*, 8 Wkly. Notes Cas. 323. It is unnecessary to discuss so plain a proposition as that the plaintiff bank did not lose its right to recover on the note in suit because it was surrendered in exchange for a forged note. If authority for that be needed, it will be found in *Ritter* v. *Singmaster*, 73 Pa. St. 400; *Mount* v. *Scholes*, 120 Ill. 394, 11 N. E. Rep. 401; *Clift* v. *Moses*, 112 N. Y. 426, 20 N. E. Rep. 392. In the first cited case it was held that the trial judge correctly instructed the jury that "the receiving of notes whose indorsements were forged will not amount to a payment of a genuine note, or extinguish the right of action against the defendants as indorsers upon the first note if the first note, drawn by Burkholder, and indorsed by defendants, bears their genuine signatures." Further elaboration is unnecessary. For reasons suggested, we think the learned court erred in not taking off the judgment of nonsuit. Judgment reversed, and *procedendo* awarded.—*Atlantic Reporter*.

MALICIOUS PROTEST OF NOTE—LIABILITY OF BANK.

SUPREME COURT OF GEORGIA.

May v. *Jones et al.*

It is libelous, and therefore actionable, for a notary public falsely and maliciously to protest for non-payment the acceptance of a person engaged in manufactures, and then send the draft, together with such protest, "to the source from whence it came." That the protest shows on its face that no proper legal demand was made for payment will not render the libel harmless to the credit and business of the acceptor, since to be published as one who has dishonored his commercial paper tends naturally to produce injury.

As a general rule, a bank is not responsible for a malicious protest made and published by a notary public rightly employed by it, such notarial act being that of a public officer; and it makes no difference that such notary is also an employe and agent of the bank.

In order to render the bank liable, it would at least have to be alleged that it shared maliciously in the production or publication of the libel. An allegation "that the action of the notary in the matter, he acting under the authority of the bank, is the action of said bank," is not sufficient to charge the bank as a joint tort-feasor with the notary.

A joint demurrer by two defendants to a declaration for want of a cause of action should be overruled if the declaration sets forth a cause of action as to either of the defendants.

LUMPKIN, J.—May brought his action of libel against Jones and the Merchants' Bank of Atlanta for damages to his credit and standing as a business man by reason of a certain draft being protested for non-payment by said Jones, who was a notary public, and also an employe and agent of the bank. The defendants joined in a demurrer to the declaration, on the grounds that there was no cause of action set out as for a libel; that there was no cause of action set out as for a wrongful protest; and that the bank was not liable for the acts of Jones under the allegations in the declaration. The judgment on this demurrer recites that the plaintiff's attorney disclaimed in open court any claim for damages for a wrongful protest, but advised the court that the declaration was intended to be a claim for damages as for a libel only; whereupon the court sustained the demurrer, and dismissed the case, because the declaration contained no legal cause of action. This is the error complained of.

1. The declaration shows that the draft was accepted by the plaintiff, payable at the Atlanta National Bank. In the course of business, after several indorsements, it came to the Merchants' Bank of Atlanta for collection. It was protested by Jones without due presentment for payment at the Atlanta National Bank. The plaintiff avers that he had no notice, before the protest, that the draft was at the Merchants' Bank, and as soon as he learned this fact he went there and tendered the amount of the draft—that amount being $45.22—which was refused because it had been protested; that at the time of the protest he had several hundred dollars to his credit at the Atlanta National Bank, and the draft, if presented, would have been promptly paid by this bank; that the protest and draft were sent to the source from whence it came; and that the charges in the protest "are false, fraudulent, and malicious, and were made in reference to plaintiff's trade, and calculated to injure him in his trade or business." No doubt, as against Jones, a cause of

action is sufficiently set out. The declaration distinctly alleges that the charges in the protest were false, fraudulent, and malicious, and made in reference to the plaintiff's trade. Without a due presentment for payment at the place designated in the acceptance there was no legal basis for the protest. The object of the protest being to bind the indorsers, due diligence required a presentment at the place where funds were probably lodged to meet the acceptance. (1 Daniel Neg. Inst. § 644; 2 Daniel Neg. Inst. §§ 952, 955; Woods' Byles, Bills, 216, and notes.) The protest being without proper foundation, false, malicious, and calculated to injure a business man's credit, its promulgation and publication constitutes a libel, for which the plaintiff may maintain an action. (Townsh. Sland. & L. p. 2, note; Newell, Defam. p. 74; Odger, Sland. & L. 13; 13 Amer. & Eng. Enc. Law 314.) (See *Williams* v. *Smith*, 22 Q. B. Div. 134.) It matters not that the protest carries on its face evidence of its own invalidity. Its validity would probably pass unquestioned, even by those who saw the writing, on the presumption in favor of the official act. As to this presumption, see *McAndrew* v. *Radway*, 34 N. Y. 511. Moreover, the hurtful consequences to the acceptor's credit would not be confined to those parties immediately interested to inquire into the regularity of the protest. The news of the protest would be quickly spread to each indorser, and become a matter of common knowledge in his business circle. It would run through the complex avenues of trade beyond pursuit and correction by the true character of the protest. The case of *Van Epps* v. *Jones*, 50 Ga. 238, does not conflict with this ruling, but rather sustains it. That was an action in the nature of libel against a notary for a false protest, and this court held that the declaration was demurrable because it did not allege that the false statement was made in reference to the plaintiff's profession as an attorney at law. Here the declaration expressly charges that the statements were "made in reference to plaintiff's trade, and calculated to injure him in his trade or business."

2. But, as against the Merchants' Bank, no cause of action is set out. The plaintiff's theory is that, as Jones, the notary public, was also an employe and agent of the bank, "the action of defendant Jones in the matter, he acting under the authority of defendant bank, is the action of said bank." This is all the allegation touching the bank's liability. Although there is conflict in the cases, the prevailing and better holding seems to be that a bank is not liable for the negligence or misconduct of a notary employed by it to protest negotiable paper. The reason is that the notary is not a mere agent or servant of the bank, but is a public officer, sworn to discharge his duties properly. He is under a higher control than that of a private principal. He owes duties to the public which must be the supreme law of his conduct. Consequently, when he acts in his official capacity, the bank no longer has control over him, and cannot direct how his duties shall be done. If he is guilty of misfeasance in the performance of an official act, the bank is not liable. (1 Morse, Banks, §§ 102*d*. 265; Bolles, Banks, § 465; 2 Amer. & Eng. Enc. Law 113; 16 Amer. & Eng. Enc. Law 763; notes to *Allen* v. *Bank*, 34 Amer. Dec. 313; *Hyde* v. *Bank*, 17 La. 560, 36 Amer. Dec. 621; *Tiernan* v. *Bank*, 7 How. (Miss.) 648, 40 Amer. Dec. 83; *Agricultural Bank* v. *Commercial Bank*, 7 Smedes & M. 592; *Britton* v. *Niccolls*, 104 U. S. 757; *Bank* v. *Butler*, 41 Ohio St. 519.) That the notary is also an employe and agent of the bank does not alter the case. There is still a sharp dividing line between his duties as agent and his duties as a public officer. When his public service comes into play, his private service is, for the time, suspended. (See *Allen* v. *Bank*, 22 Wend. 215, 34 Amer. Dec. 289.) In some cases, it seems, the bank would be liable for negli-

gence in the selection of a notary, but no such question arises in this case.

3. There is no allegation that the bank participated in the libelous protest, except the one above quoted. Doubtless the bank could render itself by maliciously procuring a false protest to be made. But there is no allegation of this import, the supposed liability of the bank being rested entirely on the general authority given to the notary. According to the plaintiff's own interpretation, the action is not brought for a wrongful protest. It may be that the bank authorized the notary to act, but it cannot be inferred from this that it contemplated the perpetration of a libel. On the contrary, the bank would have a right to rely upon the faithfulness of the notary as a public officer. As it could not command him to do its bidding in his official action, it cannot be presumed that it directed him to violate the law. This is matter for distinct allegation, in which the declaration utterly fails.

4. The case stands thus: The declaration, which is good as to one defendant and bad as to the other, is jointly demurred to by both, What ought to have been the judgment on this demurrer? The general rule is, a pleading which is demurred to as a whole, if good in part. will stand, and the demurrer be overruled. (*McLaren* v. *Steapp*, 1 Ga. 376; *Hazelhurst* v. *Railroad*, 43 Ga. 13; *Finney* v. *Cadwalleder*, 55 Ga. 75; *Town Co.* v. *Nagle*, 58 Ga. 474; *Lowe* v. *Burke*, 79 Ga. 164, 3 S. E. Rep. 449.) While this rule applies chiefly to the contents or subject-matter of the pleading. it extends also to parties who unite in a demurrer. Where joint defendants unite in a general demurrer to the declaration, if a cause of action is set out as to either, the demurrer must be overruled. This applies to actions *ex contractu*. (*Woodbury* v. *Sackrider*, 2 Abb. Pr. 402; *Phillips* v. *Hagadon*, 12 How. Pr. 17; *Estep* v. *Burke*, 19 Ind. 87; *Shore* v. *Taylor*, 46 Ind. 345; *Wilkerson* v. *Rust*, 57 Ind. 172; *Webster* v. *Tibbits*, 19 Wis. 461; *Willard* v. *Reas*, 26 Wis. 540; *McGonigal* v. *Colter*, 32 Wis. 614; *Walker* v. *Popper*, 2 Utah 96); to complaint for land (*People* v. *Mayor*, *etc.*, 28 Barb. 240, 17 How. Pr. 56); to an action in tort (*Dunn* v. *Gibson*, 9 Neb. 513, 4 N. W. Rep. 244.) There is some authority for a different rule in equity, namely, that the demurrer may be sustained as to one defendant and overruled as to another. (*Wooden* v. *Morris*, 3 N. J. Eq. 65; *Barstow* v. *Smith*, Walk. Ch. Mich. 394; 1 Daniell, Ch. Pr. 584; Story, Eq. Pl. 445). These authorities rest upon the opinion of Lord Eldon in *Mayor* v. *Levy*, 8 Ves. 403, which does not decide the point, as he held the demurrer good as to all the defendants. Lord Eldon's view is followed in a well-written opinion in *Wood* v. *Olney*, 7 Nev. 109, which was an action on contract. Under the code system the rule first stated is applied also to proceedings of an equitable nature. (*Eldridge* v. *Bell*, 12 How. Pr. 547; *Teter* v. *Hinders*, 19 Ind. 93; *Morback* v. *State*, 34 Ind. 308; *Owen* v. *Cooper*, 46 Ind. 524; *Eichbredt* v. *Angerman*, 80 Ind. 208; *Sanders* v. *Farrell*, 83 Ind. 28; Pom. Rem. 577.) But there is no authority for sustaining such a demurrer as a whole. The court, it seems, will not, without an application for that purpose, amend or split up a joint demurrer so as to make it the separate demurrer of each defendant, and then search the declaration in turn to find whether a cause of action is set out against each. But, in order to prevail, the demurrer must be good as to all joining in it.

The court need not, of its own motion, render two judgments upon it. It follows that the court erred in sustaining the demurrer to the entire declaration, the same setting out a cause of action as to one defendant. In reversing the judgment it is directed that the court below sustain the demurrer, and dismiss the case so far as the Merchants' Bank of Atlanta is concerned, since against it no cause of action appears. Judgment reversed, with direction.—*Southeastern Reporter*.

CHECK—DAYS OF GRACE.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Way v. *Towle.*

An instrument in form of a check, which read: "100 Franklin street. $200. Boston, Aug. 31, 1889. The National Revere Bank of Boston, pay to the order of Geo. H. Towle, Oct. 1, 1889, two hundred dollars. No. 9,288. [Signed] SAMUEL W. CREECH, Jr.,"—was a check, and was not entitled to grace.

The instrument declared on read: "100 Franklin street. $200. Boston, Aug. 31, 1889. The National Revere Bank of Boston, pay to the order of Geo. H. Towle, Oct. 1, 1889, two hundred dollars. No. 9,288. SAM'L W. CREECH, Jr. [Indorsed:] GEO. H. TOWLE." It was an ordinary printed form of bank check, and made by one Creech, and defendant indorsed the same to the plaintiff before its maturity.

MORTON, J.—The question in this case is whether the instrument declared on is a check or a bill. If the former, it had no days of grace; if the latter, it had, and demand was prematurely made, and the indorser is not liable. The question whether a check made payable on a day subsequent to its date should be regarded as a check or as a bill has been decided differently in different jurisdictions. (*In re* Brown, 2 Story 502; *Champion* v. *Gordon*, 70 Pa. St. 474; *Bank* v. *Wheaton*, 4 R. I. 30; *Ivory* v. *Bank*, 36 Mo. 475; *Henderson* v. *Pope*, 39 Ga. 361; *Morrison* v. *Bailey*, 5 Ohio St. 13; *Minturn* v. *Fisher*, 4 Cal. 36; *Bowen* v. *Newell*, 13 N. Y. 290.) In the present case the check appears to be upon one of the ordinary printed blanks of the bank on which it is drawn. It is dated August 31, 1889, and the only difference that is suggested between it and an ordinary check is that it is made payable October 1, 1889. If it had been post-dated as of that date, it would not have been payable till then, and yet would in that case have been a check. It has all the other characteristics of a check; and we cannot believe that it was intended by the parties, or would have been taken by the bank on which it was drawn, as anything else than a check. It is often convenient to make a check payable at a future day, and we see no valid distinction between post-dating it and making it payable at a subsequent date. In the latter case, as in the former, it is expected that it will be presented on the day when payable, which, in the one instance, would be the day of its date, and in the other the day fixed for its payment, and that there will be funds to meet it, and that it will then be paid. And neither in the latter case, any more than in the former, would it be expected that the holder would present the check for acceptance before payable to the bank on which it was drawn, and, on its refusal to accept it, protest it, and bring suit forthwith against the drawer for non-acceptance. We think it better accords with the intent and understanding of the parties and of bankers and business men generally to treat the instrument in suit as a check than as a bill of exchange, and we see no valid objection to doing so. Exceptions overruled.—*Northeastern Reporter.*

TAXATION OF NATIONAL BANK SHARES.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

National Bank of Commerce v. *City of New Bedford.*

Where a National bank has complied with the provisions of Pub. St. c. 13, § 11, which requires a list to be furnished the assessors showing the names of each shareholder, with his residence, and the number of shares belonging to him, this satisfies the requirements of chapter 11, § 72, which provides that no person shall have an abatement of his taxes unless he has filed a list sworn to contain all his taxable property; and the bank, not its shareholders, is the one to petition for an abatement of taxes on such shares.

The objection that a bank cannot recover an abatement of taxes because it paid the tax in full after having filed a protest against the assessment, is answered by St. 1890, c. 127, which makes such payment a condition precedent to the right to claim an abatement.

For the purposes of taxation, bank shares of stock are worth what their market value is at the time the assessment is made, and not what their value may be on the consummation of a contemplated closing of the bank's business, and division made among the shareholders.

Proceedings by the National Bank of Commerce against the City of New Bedford to recover an abatement of taxes, and by one Adams against the same city for the same purpose.

HOLMES, J.—The petitioner appealed to the Supreme Court under St. 1890, c. 127, § 1, from the decision of the assessors of New Bedford refusing to abate any part of a tax upon its shares at a valuation of $120 per share of the par value of $100. The Superior Court sent the case to a commissioner to report the facts, and afterwards heard the case on the report without other evidence. It found as a fact from the report that for the purposes of taxation in this case the fair cash value of the shares at which they are required to be assessed by Pub. St. c. 13, § 8, was their market value as found by the commissioner, and ruled that upon the facts the assessors had no right to assess the stock upon the basis of the value as shown by the capital stock, the surplus fund, and the undivided profits, irrespective of the other evidence in the case, and that such assessment should be abated as to the excess above the fair cash value found to be the market value as first stated. This ruling was excepted to. Substantially the same point is presented another way by an exception to a refusal to rule that the assessors had a right to assess the stock upon the real worth of the property of the bank, all things considered.

The difference between the parties arises from findings by the commissioner that, assuming that the bank was to continue its business, the fair market value of the shares on May 1, 1890, was $102 per share, but that, assuming that it was to close its business, convert its assets into cash, and divide the cash among the shareholders, the fair value of each shareholder's interest was $126 per share, from which $6 is to be deducted for real estate. The discrepancy is accounted for by a loss of confidence in the management, and the fact that for some years the bank had paid low dividends.

The main question argued before us was whether the foregoing ruling and refusal were right. There is a strong argument that the respondent was not entitled to any ruling as to what the assessors had or had not a right to do, but that the only business of the Superior Court was to determine afresh on the facts and within the limits of its appellate action what a fair assessment would be, and what, if any, abatement is reasonable. Pub. St. c. 11, §§ 69, 71.

If, however, we are called on to go further, in order to see that the Superior Court did not adopt a false standard, we must notice that the court did not rule that under no circumstances would the assessors have had a right to assess on the basis mentioned, but only that it was wrong upon the facts found. One of the facts found is that in this case the fair cash value of the shares was their market value. Of course, the cash value of stock may be its market value, so that, putting the respondent's case at the highest, the petitioner must prevail upon the merits unless the court was not justified in its finding of fact by the commissioner's report.

The thing of which the fair cash value is to be found is the stock or shares of the corporation. Value refers to exchange. The cash value of an article is the amount of cash for which it will exchange in fact. That amount depends on the opinion of the public or of possible buyers, or of that part of it which will pay the most. If, in their opinion, the stock is worth only $102 per share—if that is all that the stock will sell for—it is vain to show that the net value of the property of the corporation—that is to say, the opinion of the public about a chief component element of the value of the stock, if uncontrolled—logically leads to a different value for the stock. It has been recognized judicially that the value of the property and the value of the stock might differ for reasons which have been found to exist in this case. (*Com.* v. *Manufacturing Co.*, 12 Allen 298, 302, 303; *Com.* v. *Improvement Co.*, 98 Mass. 19, 22.)

Moreover, if there seems to be a difference in the value of the stock, when arrived at in the two ways under consideration, generally speaking, the effect of the value of the property of a corporation upon the value of its stock will be estimated more accurately by the interested and trained judgment of the market than it can be by a court. As a rule, the fair cash value of shares having a market is best ascertained by finding the price at which they sell in the market.

But in truth the commissioner's report discloses no difference in the value of the stock according as it is got at, one way or the other. The difference in the value found by him depends upon whether it is assumed that the corporation was to continue its business or was to be wound up. If it was to continue its business, $102 was the fair market value for a share—that is to say, $102 was the full amount of cash that could be got or ought to be got for a share in that bank, its property and prospects being what they were. The bank actually was to continue its business; therefore that was the actual fair cash value of its shares. What they would have been worth in a different state of facts, if the bank had come to a stop, does not matter. Actual values are based upon existing states of fact, not upon hypothesis. And the actual value of shares in a going concern depends not only upon its property, but also upon its prospects, since shares both represent property and prospects.

The second proposition argued by the respondents is that the petitioner cannot recover, because on October 15, 1890, after filing a written protest in due form, it paid the full tax assessed, less the discount allowed upon payments made on or before that date. A sufficient answer to this argument is that payment of the taxes for which he has been assessed is made an expressed condition of the granting of an abatement and the rendering of a judgment for the amount of it by St. 1890, c. 127, § 3.

The last point for the respondent is that the statutory conditions of an abatement have not been complied with. The right of the bank to maintain a petition and to appeal is not denied. If it did not have that right under Pub. St. c. 11, §§ 69, 71, and St. 1890, c. 127, probably it would have no means of revising an overvaluation of shares by the assessors. The word "person," in those statutes, extends to corporations. (Pub. St. c. 3, § 3, cl. 16. See *Otis Co.* v. *War*, 8 Gray, 509; *Palmer* v. *McMahon*, 133 U. S. 660, 669, 10 Sup. Ct. Rep. 324; *Hills* v. *Bank*, 105 U. S. 319.)

But it is said that, in order to have an abatement, a list must have been filed under Pub. St. c. 11, § 72, and it is argued that the tax is assessed upon the shareholders; that the bank is only a statutory agent for payment; and that, therefore, a list must be shown to have been brought in by the shareholders. But we are of opinion that the substitution of the bank for the shareholders is more thoroughgoing than is recognized by this argument. The bank is the person to file the list, as it is the person to pay the tax, to petition for abatement, and to take an appeal. This being so, the only list which could be required would be a list distinct from the general list of property required of the shareholders, and such as lay within the power of the bank to furnish, viz., a list of its shares—the only property of its shareholders on which the bank was to pay a tax. Again, the bank is not bound to include its own property along with that which it returns in its representative capacity. The tax is on the shares, not on the assets of the bank. (Rev. St. U. S. § 5,219: Pub. St. c. 13, § 8; *Van Allen* v. *Assessors*, 3 Wall. 573, 583, 584; *Palmer* v. *McMahon*, 133 U. S. 660, 666, 667, 10 Sup. Ct. Rep. 324; *Com.* v. *Manufacturing Co.*, *ubi supra*.) A list of this sort, showing the name of each shareholder, with his residence and the number of shares belonging to him, is required by Pub. St. c. 13, § 11, to be furnished to the assessors of the city or town where the bank is located, and where by section 8 all the shares are to be assessed. This list was furnished by the petitioner. We are of opinion that in the case of National banks this list satisfies the requirements of chapter 11, § 72. A valuation of the property is not required by section 72 (see section 40; *Newburyport* v. *Commissioners*, 12 Metc. [Mass.] 211); and the assessors to whom by section 72 the list is to be furnished obviously are those who are to assess the tax.

Judgment for the petitioner.—*Northeastern Reporter*.

PROMISSORY NOTE—WAIVER OF PROTEST.

SUPREME COURT OF PENNSYLVANIA.

Jenkins v. *White et al.*

The offer by indorsers, prior to the maturity of the note, of a new note in renewal, is a waiver of notice of protest, as it shows that the indorsers did not expect the note to be paid at maturity, and were not injured by failure to give notice of dishonor.

PER CURIAM.—The defendants were sued in the court below as joint indorsers of a promissory note. Their defense was that notice of non-payment, as required by law, had not been given. Defendant Davis resides in Doylestown, Bucks County; defendant White resides in Tennessee. The residence of the latter does not appear to have been known to the bank officers at the time the note matured. The notary made inquiry of the officers of the bank, and, being unable to obtain her address, he sent notice of non-payment, with copy of protest, to defendant Davis, at Doylestown, and mailed a like notice to defendant White, in care of Mr. Davis, to the same post-office. It also appears that, some days prior to the maturity of the note, defendant Davis sent to the bank another note intended as a renewal, with the same maker and indorsers. The renewal note was not accepted by the bank, for the reason that the discount was not paid. This we regard as a waiver of protest. It shows that the indorsers did not expect the original note to be paid at maturity, and they could not have been injured by the failure to give notice of its non-payment. Under these circumstances, a discussion of the sufficiency of the notice becomes unnecessary. The specifications of error are numerous, but what has been said covers them sufficiently. Judgment affirmed.—*Atlantic Reporter.*

BANK DEPOSIT—CONVERSION BY TRUSTEE.

SUPREME COURT OF GEORGIA.

Munnderlyn et al. v. *Augusta Savings Bank.*

Trust money deposited in bank by a trustee to his credit as agent may be sued for by him as trustee, and it will not vitiate the action that he joins with himself in the suit the beneficiaries of the trust.

A check in favor of a third person, signed by the trustee as agent, and presented by the payee, is a sufficient demand for the repayment of the deposit, and upon refusal to pay, the trustee's right of action becomes complete.

The deposit being general, and not evidenced by any regular certificate of deposit, or other writing fixing the time of payment, the statute of limitations does not commence to run in favor of the bank until demand and refusal, such demand not being delayed until the right has become stale.

It is not a conversion for the trustee to deposit trust money in bank to his credit as agent, though the bank may have knowledge of the trust.

Payment by the bank to the trustee on his checks will discharge it, whether such checks be signed with or without the designation of trustee.

LUMPKIN, J.—1. When money is deposited in a bank it is immaterial, so far as the bank is concerned, in what capacity the depositor holds or owns it. The obligation of the bank is simply to keep it safely, and return it to the proper person. Therefore, when a trustee deposits money in a bank to his credit as agent, the bank would be discharged by paying it back to the individual who made the deposit, and, in the absence of knowledge or notice to the contrary, would have the right to assume that he would appropriate the money to its proper uses and trusts. If this individual should go in person to the bank and demand the money, it cannot be doubted that the latter could and ought to hand it to him. This being true, he could recover the money from the bank by suit; and it will make no difference that, in the action brought, he designates himself as trustee, nor is it of any consequence that he joins with himself therein the alleged beneficiaries of the trust. Although the latter are not necessary parties, no injury can ensue to defendant by making them actual parties to the case.

2, 3. It appearing from what has already been said that the person who actually puts money in bank is entitled to have it back upon demand, and that it is immaterial how he describes himself, there can be no doubt that a check drawn by such person as agent, and presented by the payee, is a sufficient demand for the amount of money called for by the check, especially when the money was credited to the depositor as agent. If payment of such check be refused, the depositor may bring suit, and, as already shown, the suit may be maintained by him described as trustee. It appears from the declaration in this case that the deposit made was a general one, and that the bank did not issue to the depositor any certificate of deposit promising a repayment of the money, or fixing any time or terms for repayment. It simply gave to the depositor written statements to the effect that his account as agent had been credited with so much money. Under these circumstances, the bank did not become liable for a repayment of the money until after demand for it by check or otherwise; and hence the statute of limitations would not commence to run in favor of the bank until after such demand and refusal to pay. We do not mean to hold that such demand could be indefinitely delayed, for, under the rule laid down in the books, this might be done for such a length of time that the right to the money would become stale. The propositions above announced are sustained, we think, by the following authorities: 2 Amer. & Eng. Enc. Law 101; 1 Morse, Banks, 322; Bolles, Banks, § 360, and cases cited in each. The court below dismissed the declaration, on the ground that, on its face, it appeared that plaintiffs' right of action was barred by the statute of limitations. This ruling, for the reasons above stated, was erroneous.

4. That a trustee deposits money in bank to his credit as agent is not a conversion of the fund, even though the bank knew of the existence of the trust. It has the right, as already stated, to presume that the trustee will apply the money to its proper purposes under the trust. Of course, if the bank actually knew the trustee was misapplying the trust money, and aided him in so doing—as, for instance, by endeavoring to appropriate such money to the payment of a debt incurred for his private benefit, and due by him individually to the bank—an entirely different question would be presented. (*National Bank* v. *Insurance Co.*, 104 U. S. 54; *Bank* v. *Gillespie*, 137 U. S. 411, 11 Sup. Ct. Rep. 118.)

5. Error was assigned in the bill of exceptions upon the refusal of the court to strike defendant's pleas. The pleas are numerous, but they really set up only three defenses: *First*, the general issue; *second*, payment; and, *third*, the statute of limitations. It was not insisted that the plea of the general issue should be stricken. The other pleas allege that all the money deposited by Munnderlyn had been paid out upon his checks, and by his order and direction; and a list of the checks is given. In connection with the allegations that the money had been thus paid out, it is further asserted in the pleas that all these payments had been made more than four years before the filing of the suit, and therefore the action was barred by the statute of limitations. The pleas thus intermingled these two defenses, and the motion to strike was made against them as a whole. To have granted this motion would have resulted in striking the plea of payment, which was set forth with sufficient distinctness, and constituted a complete answer to the action. We have already shown that the plea of the statute of limitations, tested in the light of the plaintiffs' allegations, was not good; but the plea of payment by the bank on Munnderlyn's checks was a valid defense. If the payment alleged therein to the person who actually made the deposit or on his checks is established by proof, the bank should be discharged. (*Bank of Macon* v. *Kent*, 57 Ga. 283.) This plea of payment is not vitiated because it is thus associated with the invalid plea of the statute of limitations. A bad part in pleading does not make the whole bad, but a good part makes the whole good enough to withstand a general demurrer. The court therefore did not err in overruling the motion to strike the defendant's pleas. See *May* v. *Jones*, 14 S. E. Rep.

552 (this term), and cases cited. Every one of the pleas objected to contains an averment of payment to the depositor or his order, which suffices to save each one from destruction by a general motion to strike. But, even if some only of the pleas are sound defenses, the others, not being singled out or selected by the movant as specific objects of attack, would stand, because found in good company. The judgment is reversed because the court erred in dismissing the petition on the ground that the cause of action alleged therein was barred by the statutes of limitations. Judgment reversed.—*Southeastern Reporter.*

LEGAL MISCELLANY

ALTERATION OF NOTE.—Where a note was signed with the space for interest left blank, an insertion of a rate of interest after delivery vitiates the note. [*First Nat. Bank* v. *Hall*, Iowa.]

NEGOTIABLE INSTRUMENT—PAYMENT.—Where the creditor, at the time of taking a joint promissory note, said to one of the makers that he would take in payment thereof a tract of land belonging to another one of the makers, the meaning was that he would take the land if it was offered to him ; and, unless it be so offered, the agreement will be no discharge of the note as to any of the makers. [*Chamblee* v. *Davie*, Ga.]

BANKS — INSOLVENCY — COUNTY DEPOSITS. — A treasurer, being authorized by the supervisors, deposited county money in a private bank, which soon afterwards made an assignment. Plaintiffs, who were sureties on the bond given by the bank, paid the amount deposited, and brought an action against the assignee to recover the money, on the ground that it was a trust fund : *Held*, that the statute did not limit the treasurer to "special" deposits, and that the money lost its trust character when deposited. [*Cadwell* v. *King*, Iowa.]

BANKS AND BANKING—DRAFTS—COLLECTIONS.—Where time drafts were left with a bank for collection, with bills of lading attached, the burden is on the drawer to show that the bank was instructed to hold the bills of lading until the drafts should be paid. [*Second Nat. Bank of Columbia* v. *Cummings*, Tenn.]

NEGOTIABLE INSTRUMENT—PLEADING.—Though each paragraph of a complaint must be independent, yet an allegation in one paragraph, that a note sued on was signed as stated in prior paragraph, is immaterial, and will be treated as surplusage, where a copy of the note is filed with the complaint. [*Jaqua* v. *Woodbury*, Ind.]

NEGOTIABLE INSTRUMENT—PROTEST.—Under the provision of section 8, ch. 41, Comp. St., legal holidays and Sundays are grouped together, so far "as regards the presenting for payment or acceptance, and the protesting and giving notice of the dishonor, of bills of exchange, bank checks, or promissory notes," and, where the third day of grace falls on Sunday, presentment or demand on the following Monday will be sufficient. [*First Nat. Bank of Hastings* v. *McAllister*, Neb.]

CORPORATIONS—POWERS OF DIRECTORS.—When the board of directors sells the property of the corporation to one of the members of the board to pay debts, it must appear that there was a necessity for the sale; that the property was bought by the director in open market, at a fair price, without any undue advantage over the corporation, in good faith, and without the slightest unfairness. [*Crescent City Brewing Co.* v. *Flanner*, La.]

NEGOTIABLE INSTRUMENTS—BONA FIDE PURCHASER.—Where a complaint on a negotiable note alleges that plaintiff in good faith purchased the same for a valuable consideration, it is no defense to set up a failure of the original consideration of the note without averring notice thereof on the part of plaintiff, and such defense may be stricken from the answer. [*Rand* v. *Pantagraph Stationery Co.*, Colo.]

NEGOTIABLE INSTRUMENT—INDORSEMENT.—Where C., a stranger to a promissory note, takes the same from H., one of two makers, with an indorsement plainly written thereon: "Paid by H. this September 5, 1882 [which is the date of maturity], and transferred to C." "Without recourse. H.,"—and there is no mistake or fraud in the transaction, H. is relieved from liability on the note to C. or to his assignee. [*Cross* v. *Hollister*, Kan.]

TAXATION OF NATIONAL BANKS—FEDERAL QUESTION.—A bill to enjoin the collection of taxes assessed against a National bank and against the stockholders on their shares, on the grounds that the taxation was double, that the stockholders were not allowed to set off debts against the valuation of their shares, and that the board of equalization illegally increased the assessment, raises the federal question of the validity of the tax, under Rev. St. U. S., § 5,219, prescribing the method in which National bank shares may be taxed. [*Sioux Falls Nat. Bank* v. *Swenson*, U. S. C. C., S. Dak.]

ACCOMMODATION INDORSERS.—A note given to plaintiff bank was signed by a corporation and defendants, and discounted at another bank by plaintiff, and paid by it at maturity by delivery of a certificate of deposit. A new note was then given to plaintiff, signed by the corporation and defendants. The defendants were not primarily liable on the debt, but were accommodation indorsers of the corporation, whose agents they were: *Held*, that they were liable to plaintiff on the renewal note. [*Capital City State Bank* v. *Des Moines Cotton Mill Co.*, Iowa.]

ALTERATION OF NOTE—DISCHARGE OF SURETY—RATIFICATION.—The surety of a promissory note, having a right to insist upon his discharge because of a material alteration of the note by the addition, without his consent, of the signature of a new surety, may renew his liability without any new consideration by consenting to the alteration with full knowledge of all the facts. [*Owens* v. *Tague*, Ind.]

BANKS—COLLECTIONS—ACCEPTANCE OF DRAFT.—In the absence of instructions, the collecting agent was authorized to infer that the warehouse receipts were annexed to the draft to secure its acceptance, and were to be surrendered on acceptance. [*Moore* v. *Louisiana Nat. Bank*, La.]

CORPORATIONS — LIABILITIES OF DIRECTORS — LIMITATIONS. — An action by a creditor of an insolvent corporation against its directors to enforce the liability created by section 142, ch. 34, Gen. St. 1878, is governed by that clause of the statute of limitations which prescribes three years as the period of limitation in respect to actions upon "a statute for a penalty or forfeiture, where the action is given to the party aggrieved," etc. [*Merchants' Nat. Bank of Chicago* v. *Northwestern Manuf'g & Car Co.*, Minn.]

CORPORATIONS—OFFICERS—SALARY.—An officer of a corporation, in order to recover compensation for his services, must show that he is an officer *de jure*. [*Waterman* v. *Chicago & I. R. Co.*, Ill.]

ECONOMIC NOTES.

REDEEMING BANK NOTES—CURIOUS ANECDOTES OF THEIR DESTRUCTION.

Many an interesting story might be told of the manner in which bank notes are sometimes redeemed. They are sent to the Treasury Department in every conceivable form. Sometimes men will hide their money in chimneys, and the good housewife, ignorant of the whereabouts of the treasure, will build up a fire that heats the chimney and sets fire to the valuable contents. Mice and rats, particularly in stores and banks, steal the precious paper out of tills and carry it away to make nests. Dogs destroy and swallow it; and goats, which are said to exist at times on tin cans and back-lot deposits, are on record at the Treasury as having tried to live on rolls of money which came in their way. In cases of this kind the animals are killed, unless thought to be more valuable than the money lost, and the little wads of pellets found in the stomachs of the offending quadrupeds rescued and forwarded for redemption. Babies have also been known to swallow valuable bank notes, but there is no record of one having been killed to make it disgorge what it had eaten. It is a rule that no bank note can be redeemed unless at least three-fifths of it are presented at the Treasury or the loser makes affidavit that his money was lost under circumstances such as to preclude its recovery. The strongest kind of evidence is necessary to make the Government officials redeem lost or destroyed money when the notes in question are not forthcoming.

CREDIT SYSTEM IN ENGLAND.

The American dealer in men's wear may well consider the cash trade which comes over his counter as a blessing nine sizes too large for a man who has not learned to appreciate it. Here in England everything is credit, and the length of a credit is too often gauged by the length of one's ancestry, rather than of one's purse. No more deadly insult can be offered to a gentleman than the request for a cash or even early payment. A bill is rendered at the end of the month, if not, as is often the case, the year, and should that not be settled, it is proper form to merely repeat the bill in another thirty days. Be it said to the honor of the English gentleman that he values his good credit immensely, but he requires its demonstration by a patience on the part of his elected furnisher which were a little short of martyrdom if that individual did not get back on his jobber, and so on *ad infinitum*. Social usages are paramount, and to a man with a capital embarked in business, mean little short of genteel slavery till the end of his days. One of the best reasons why London business houses become so ancient is because it is so hard to wind up their affairs. Hundreds of pounds must go out in credit before the first shilling can be said to be earned. As long as the business lasts, new credits take the place of old ones, and the importance of a concern is determined by the number of people able to pay when they get good and ready, whose names appear on its credit books. A British tradesman will fail with triple the assets in outstanding accounts required to liberate his indebtedness, because he considers it little short of a crime to bother Sir Clarence or to dun Lord Charles. Accounts of this kind are sought after and encouraged, while those who run them up know full well that the fact of their patronage is being laid great stress on in dazzling plebeian patrons with the importance of their co-customers. The one saving feature of the system is that the aristocratic patron never deserts his appointed tradesman except for good cause, and never fails to recommend him on every occasion. The British merchant has a little item in the shape of carriage to calculate into his expenses. It is worse form to carry home a collar or necktie than to pay one's bill, and in the face of very bad local express service, absolutely no district messenger delivery (Townsend Percy, of New York, is just opening the first district messenger office in London), a slow and cumbersome "parcel post" is pressed into service, and postage stamps must be used by the gross in sending purchases to their destination.

THE GROWTH OF CITIES.

The growth of cities in the present century is without parallel or precedent in any previous age of the world. An examination of the facts and figures, which, in this matter do not lie, shows that the cities of ancient and mediæval times were few and insignificant in comparison with those of our own age. When Rome was at its height of grandeur and prosperity its population is estimated to have been from 500,000 to 2,250,000; the "Encyclopædia Britannica" is probably not far wrong in putting it at about 1,000,000; and in all the rest of Europe there was not one other city which would now be above the third or fourth rank in respect of population. The only city of the first rank in Africa was Alexandria, with a population somewhere between 500,000 and 1,000,000. In Asia, so far as known to the European world, Jerusalem alone had a vast population, and a glance at the area of that city in the time of Herod the Great shows that it could never have contained such a population as it is sometimes said to have had. In the Middle Ages no city anywhere attained to great size. For example, London, which was called an illustrious city by the Venerable Bede, had a population in Shakespeare's time no larger than Boston has now. A hundred years later it had a population equal to the present population of Chicago. It was not for another hundred years—that is to say, not before the American revolution—that London had come to have as many inhabitants as Philadelphia now has. Since then the growth has been incredibly rapid. Fifty years ago London had a population equal to that of New York, Brooklyn, and Jersey City put together, and in 1880 it had no less than 5,500,000—that is to say, as large a population as New York, Brooklyn, Philadelphia, Chicago, St. Louis, Baltimore, Cincinnati, and San Francisco had in the same year; or, to put it in another way, the population of London alone in 1880 was as large as the population of all England and Wales at the time of Shakespeare's death. No other city in the world has grown as London has grown, but through the whole of Europe there has been a marvelous growth of city populations during the present century. In England alone there are now seventy-five cities, the smallest of which has 75,000 inhabitants, and if suburbs could be counted the figures would be still higher. A circle, for example, drawn with a radius of fifty miles from Manchester as a center, would include as large a population as a circle of the same radius, and having its center at Charing Cross. Hundreds of square miles of land in Scotland have been cruelly depopulated, and yet the population of Scotland continues to grow, but the increase is in the cities. Glasgow, which had 150,000 inhabitants fifty years ago, has now as many as Chicago, and is growing faster than Chicago. In Ireland, too, in spite of its enormous emigration, the city population does not fall off, for the statistics of emigration show that for every two emigrants from Irish cities there have been ninety-eight from country places. On the Continent the same law holds. While the population of Belgium has increased 11 per cent., that of Brussels has gained 20, and that to Antwerp has gained 30 In Denmark the increase of city populations of the increase of the whole country is as 2 to 1; in Sweden it is as 4 to 1; in Norway it is as 10 to 1. In Prussia, while the population of the country is stationary, the increase in cities is 25 per cent.; and Berlin alone, which in 1850 had 400,000, has now 1,400,000. In Russia the four chief cities have doubled their population in twenty years. Since the war with Germany, Paris adds 50,000 to her population every year. Compared with the changes going on and hardly observed in this country, even the enormous facts just stated are almost insignificant. It is startling to be told that in 1800 there were in this whole country only six cities of over 6,000 inhabitants! There are now, or rather there were in 1880, 286. The shift of population is well shown by the following figures of M. Loomis: In 1780, only one-thirtieth of the people of the United States lived in cities of 8,000 inhabitants or over; in 1800, one-twenty-fifth; in 1830, one-sixteenth; in 1840, one-twelfth; in 1850, one-eighth; in 1860, one-sixth; in 1870, one-fifth; in 1880, nearly one-fourth. These facts require no comment; they speak for themselves. They show a change in the habits of the people of the present age, and especially in this country, which must bring with it a radical change in all the social conditions of life.—*The Churchman.*

BANKING AND FINANCIAL ITEMS.

GENERAL.

NEW BANK BUILDINGS AND OTHER IMPROVEMENTS.—One of the evidences of the prosperity of a bank is the construction of larger and handsomer offices. So many banks have just done, or are now doing this, that we have only space to mention the names of those known to us.

CONN..	Birm'gham.	Birm'gham Nat. B'k.
FLA....	Quincy.....	Quincy State Bank..
IND.....	Muncie.....	Farmers Nat. Bank.
LA.....	Lake Chas..	Calcasieu Bank.
MASS...	Holyoke....	Park Nat. Bank.
〃	Monson.....	Monson Nat. Bank.
〃	Winchester.	Winchester Sav. B'k.
MICH...	Lawton.....	American Bank.
MO.....	Springfield..	Bank of Commerce.
NEB....	Table Rock.	State Bank.
N. H...	Bristol.....	Bristol Sav. Bank.
N. Y....	Albany.....	South End Bank.
〃	Brooklyn...	Hamilton Bank.
N. C....	Wilm'gton.	Atlantic Nat. Bank.
OKL. T.	Norman....	Norman State Bank.
PA.....	Brookville..	Nat. B'k of Br'kville.
R. I....	W'nsocket..	First Nat. Bank.
TENN..	Chat'nooga.	Fourth Nat. Bank.
TEX....	Min'l Wells.	B'k of Mineral Wells.
〃	Wichita F'ls.	City Nat. Bank.
UTAH..	Ogden......	Citizens Bank.
VT.....	Morris-ville.	Union Sav. Bank & Trust Co.
WASH..	Everett.....	Everett Nat. Bank.
WIS....	W. S'perior.	State Bank.

Other banks which have made minor improvements, put in new vaults, etc., are the following:

CONN..	Ansonia.....	Ansonia Nat. Bank.
MASS...	Lowell.....	Wamesit Nat. Bank.
MICH...	Lansing....	Lansing St. Sav. B'k.
N. Y...	Newburgh..	Highland Nat. Bank.
PA......	Franklin...	International Bank.
〃	Lock H'v'n.	State Bank.
R. I....	Newport..	Nat. Exchange Bank.

BANKS WHICH ARE INCREASING THEIR CAPITAL.—

N. DAK.	G'd Forks..	Union National Bank, to $100,000.
IA.....	Marathon...	Marathon Bank, from $50,000 to $65,000.
〃	Sheldon....	Sheldon Bank, to $100,000.
MICH...	Holland....	First State Bank, from $35,000 to $50,000.
MINN...	Minneap'lis.	Bank of New England, from $100,000 to $150,000.
PA......	Phil'd'lphia.	Tradesmens National Bank, from $400,000 to $600,000.
〃	Harrisburg..	Dauphin Deposit Bank, from $100,000 to $300,000.
S. C....	Pendleton..	Bank of Pendleton, from $15,000 to $30,000.
WIS....	Sheboygan..	German Bank, from $50,000 to $250,000.

Eastern States.

Boston, Mass.—The Maine Trust and Banking Company has instituted in the United States Circuit Court a suit against Receiver Beal, of the Maverick Bank, in which they seek to recover some $40,000 worth of bonds deposited with the Maverick Bank as security for any balances which in its dealings with that bank might be due from it. The trust company alleges that an accounting of its dealings with the Maverick Bank will show that it is indebted to the Maverick Bank in the sum of about $100, and that upon a payment of this sum it is entitled to receive its bonds back.

Mr. J. J. Eddy, cashier of the National Exchange Bank, has returned to his desk after a two months' vacation, fully restored in health.

President A. L. Newman, of the National Bank of the Commonwealth, will take a four months' rest, and will probably go abroad. His position as Chairman of the Clearing House committee need not necessarily be filled during his absence, as it is not expected that there will be any particular business for that committee during the summer.

The petition for the closing of the National banks at 12 o'clock on Saturdays during July and August is being freely signed, and the plan is practically an assured success. The Clearing House committee will probably act upon it in the near future.

Mr. F. S. Mosley has been elected a director of the National Bank of the Commonwealth, *vice* S. A. Denio, deceased.

Boston.—The former banking rooms of the Washington Bank are blossoming with new oak furniture of a substantial and solid nature, typical of the business which is to begin there shortly under flattering auspices. A new savings institution, the Wildey Savings Bank, is to open its doors to the public in a few days. The new Wildey Bank will cater to no particular class and will try for general public patronage. The president, Col. J. J. Whipple, of Brockton, is well known in financial, business, social and political circles. Ex-Mayor Whipple was ten years president of the Brockton Savings Bank, one of the most prosperous institutions in the State. He brings to the bank wide experience and a most valuable acquaintance which he has acquired in long years of usefulness in various business capacities. G. F. Taft, the treasurer, comes from the Allston Co operative Bank, where he has served for five years as treasurer. The Allston institution is one which the savings bank commissioners rate second to none in the business. The board of trustees takes in a wide range of representative men in various sections of the State. Henry Denver, manager of the Western Union office at Springfield, a man with a large acquaintance in the western part of the State; A. T. Newhall, of Lynn, well known among the business men of the North Shore; A. S. Pinkerton, of Worcester, president of the State Senate; Commissioner E. C. Pillsbury and H. A. Thomas, Superintendent of Mails at the Boston post-office, are a few of the well-known names on the list, the others being almost equally well known and all carrying to the board of trustees live business methods, and keen though conservative ideas of the scope of a savings institution.

Greenfield, Mass.—The First National Bank is soon to lose another member of its efficient working force. Edwin F. Stratton, who, as assistant bookkeeper, has been depended upon for general usefulness in the institution, and is highly valued, resigns, to take a position with Frank J. Holman, of Brattleboro, the eastern representative of the Vermont Loan and Trust Co. He carries to his new position a thorough financial training and a natural ability, and his connection with the large and growing interests of the investment company will be agreeable to his taste and suitable to his talents.—*Greenfield Courier.*

Lakeport, N. H.—The stock of fifty thousand dollars, for the establishment of a new National bank at this place, has been taken, and the proper papers for the completion of the matter in regular form have already been forwarded to Washington. It will be known as the Lakeport National Bank, with, no doubt, H. J. Odell as president, and S. B. Cole as cashier. For the institution of the first National bank in Lakeport much credit is due to H. J. Odell for his untiring efforts to bring it about.

New York City.—Augustus Kountze died at his home, in Madison avenue, after an illness of three weeks. Mr. Kountze was the senior member of the banking house of Kountze Brothers, and had lived many years in New York. He was a native of Osnaburg, Ohio. In 1856 he established the banking house of Kountze Brothers at Omaha, Neb. The houses at Denver and other points were established a few years later. The business at Omaha was subsequently merged in the First National Bank, and that at Denver in the Colorado National Bank, both of which institutions have been eminently successful, and continue to be controlled by the members of the firm. They have always enjoyed the highest credit throughout the country. Mr. Kountze, in connection with his brother, also had large interests in other business enterprises, and had extensive real estate, railroad and other properties in many of the States. He came to this city in 1872. He was a director in the Fitchburg Railroad and in the New York Security and Trust Company, and was a member of the Chamber of Commerce and of the Union League Club. His wife survives him. Mr. Kountze took great delight in the erection of a fine memorial church to his father and mother at the old home at Osnaburg, Ohio. He also erected a memorial church to them at Omaha. His devotion and liberality to the Lutheran Church continued to the end.

NEW YORK CITY.—A large and handsome gold claret jug and rose water dish have been given by the directors of the London and Lancashire Insurance Company, of Liverpool, to Arthur B. Graves, the president of the St. Nicholas Bank, and American trustee of the insurance company. Mr. Graves, in conjunction with Messrs. W. H. Slocum, president of the East River Savings Institution, and Henry A. Oakley, president of the Continental Trust Company, who are also American trustees of the insurance company, as a committee, secured the site and superintended the erection of the company's building in this city, which has recently been completed. Similar vases and accompanying dishes were also given to the other two members of the committee.

NEW YORK CITY.—Mr. William A. Camp, manager of the New York Clearing House Association, has been retired on half pay, $7,500, and has been succeeded by William Sherer, the assistant manager. He was employed in the Sub-Treasury until appointed assistant manager of the Clearing House.

NEW YORK CITY.—The State and City Supplement of the *Commercial and Financial Chronicle* of this city contains an article on the growing popularity of municipal bonds, which will be read with interest by investors. It deduces a number of reasons accounting for the growth referred to, chief among which is the marvelous development of the country in the last generation. The 226 cities reported in 1870 as having 8,000 inhabitants have become 448 cities. The *Chronicle* has a department giving every week the current and freshest facts relating to municipal securities. In connection with this department it issues periodically the Supplement, of some 175 pages, which is a most complete exhibit of State and city debts and finances, and is indispensable to all interested in this growing field of investment.

BUFFALO, N. Y.—The board of trustees of the Western Savings Bank have adopted the following tribute to the memory of the president of the institution, Mr. Joel Wheeler: "The 60 years of Mr. Wheeler's active business life in Buffalo constitute a singularly successful record, never sullied by an unworthy act. He was free from all ostentation, false pride and affectation of manner; ever kind and gentle, and, while loyal to his own convictions, gave a respectful consideration to the views of others. Mr. Wheeler's connection with this board demonstrated his sound conservative business principles, and his charming courtesy of manner, displayed to rich and poor alike. We rejoice that while he was with us our mutual association was of the most cordial manner and unmarred by any lack of appreciation and respect due to a character so exceptionally noble and praiseworthy. We shall always cherish his memory with the deepest respect and affection. A Christian gentleman, with a heart full of sympathy, his benefactions and helpfulness were known to few outside of his beneficiaries. His was a remarkable character, symmetrical and manly, in a marked degree free from the foibles which mar and disfigure those of our kind who boast that they are the architects of their own fortunes. *Resolved*, That we attend the funeral of our deceased brother in a body, and that the foregoing tribute and this resolution be spread on our minutes and a copy be transmitted to the family of the deceased." The Merchants' Exchange has also adopted the following, Mr. George W. Wolcott being chairman of the meeting: "It is with deep regret that the Merchants' Exchange has learned of the death of Joel Wheeler, a valuable member of this board, and we meet at this time to give expression of our sorrow at his sudden demise. Mr. Wheeler was a man of sterling qualities; he was a good and useful citizen; an enterprising and successful business man and one whom it was a pleasure to know."

KINDERHOOK, N. Y.—The National Bank of Kinderhook, which went into liquidation more than a year ago, will shortly receive $150,000 in satisfaction of judgment from the heirs of the late Samuel J. Tilden, which sum will be distributed *pro rata* among the shareholders.

POUGHKEEPSIE, N. Y.—Mr. John F. Hull resigned from Fallkill National Bank on account of sickness, having been connected with this bank as cashier forty years.

NIAGARA FALLS.—Resolutions have been passed by the trustees of the Niagara County Savings Bank, of which Mr. Francis R. Delano was vice-president, and also by the board of directors of the Cataract Bank, of which he was president. From these we extract the following, passed by the board of the latter institution. Mr. Delano was the founder of this bank, and since its organzation, for a period of nearly fifteen years, successively as cashier and president, he labored unremittingly for its welfare and progress. He discharged the duties of the important trust committed to him with ability and fidelity, and with a conscientious devotion rarely equaled. He watched its daily growth with the greatest interest, and bestowed vigilant care upon everything connected with its advancement until the bank has grown from a comparatively small beginning to the largest and most successful financial institution in Niagara County. The power and stability of his name have lent influence and given character and standing to the bank. He fostered and encouraged every worthy enterprise in this community, while at the same time carefully and jealously safe-guarding the welfare of this bank, which was the object of his constant solicitude. He was a man of sound and conservative judgment; prudent and careful in all matters; a wise counselor, a true friend, and an esteemed fellow-citizen. Kind and generous, progressive and enterprising, he has taken an honorable and useful part in the social and business life of this place, and in his death this community has lost one who has labored with signal ability and success for its general welfare and advancement. In all his relations with his associate officers he was ever gentle, courteous and obliging, and our long acquaintance with him has endeared him to us by the strongest ties of confidence and friendship.

MIDDLETOWN, N. Y.—An entirely new departure in the banking business is to be made by the Orange County Trust and Safe Company. It has a paid-up capital of $100,000 and a surplus of $25,000. It will exercise the functions of trust companies in addition to the letting of boxes for securities in its safe deposit vault. It also is authorized by law to act as executor, administrator, committee, trustee, receiver or fiscal agent, and is a legal depository for trust funds and for moneys paid into court. This institution will also do a general banking business, in which it will receive deposits subject to check at sight; issue drafts and certificates of deposit, and collections will be made. Interest-bearing certificates will be issued for time deposits on which special rates of interest will be allowed, the interest beginning with the date of deposit. Loans will be made on approved real or personal securities and on collaterals. It will be a particularly valuable banking concern for small depositors, for interest will be given on all sums not less than one dollar, the interest beginning on the day of deposit.

PENNSYLVANIA.—An important decision has been made by the Supreme Court, which affects every banking institution in the State and may require large payments from them to the Commonwealth. The question involved is whether a bank that elects to pay a tax of eight mills upon its capital stock is also liable for a tax upon its investments. It seems that under the old law there was no question, but in 1889 a change in the phraseology of this statute made the banks liable not only to the eight mill tax if they paid that, but also to the special tax on securities. If this tax is collected back to 1889 every bank in the State would be required to pay a large sum of money.

PHILADELPHIA.—Though only two years old, the Equitable Trust Company has already earned for itself a reputation among Philadelphia's banking institutions as a well-managed and successful corporation. This success is due to the ability and energy of its officers, foremost among whom is William F. Harrity, the president of the company, whose reputation as a lawyer and long and faithful career in offices of public trust have aided largely in placing the company in its present enviable position among the business community. The Equitable Trust Company transacts a general banking, title insurance and trust business. It acts as administrator, assignee, executor, etc., takes charge of real estate and becomes surety for the faithful performance of duties. The company's statement for 1892 shows a net surplus of $68,458.99, and that the board of directors appreciated this evidence of success at the close of but two years of business is shown by the fact of a dividend of one dollar per share being declared.

PHILADELPHIA.—The Mutual Banking, Surety and Trust Company has resumed business, after being closed two weeks by order of Superintendent of Banking Krumbhaar. Everything had been turned over to the bank's officers by 2 o'clock by Mr. Krumbhaar and he gave them a clean bill of health. The $170,000 which the directors agreed to pay in to remedy the impairment of stock was handed over, after which the Superintendent left the premises. The cashier said that they were all ready for business, which would be transacted the same as before the bank was closed.

PHILADELPHIA.—At a meeting of the Clearing House Association the ordinance requiring the payment of interest on deposits of city money was again discussed, but no action was taken. A bank official in speaking of the matter said: "The public have been misled in this matter. The association cannot decide the question as an association; it can simply suggest, but it remains with the banks to say whether they shall or shall not pay interest on deposits. Fully two-thirds of the banks have decided to accept the deposits on the terms named in the ordinance. There are a few, however, that will not." A large part of the deliberations was consumed in the discussion as to how the vote showing how the banks stood at the last meeting became public. A number of the presidents made personal disavowals of having had anything to do with the publicity of the details. Before the meeting adjourned those present were strictly pledged to secrecy. Whatever action is finally determined upon by the banks, either individually or as a body, will be communicated first to the City Treasurer.

PHILADELPHIA.—Mr. Daniel B. Cummins, president of the Girard National Bank, who died on the 9th of May, was one of the foremost of Philadelphia bankers. Mr. Cummins was in his eighty-third year, yet up to the day of his death retained the clear use of all his faculties, and his brain was as active as that of a man in the prime of life. Mr. Cummins came to Philadelphia when eighteen years old, from Smyrna, Del., and entered a dry goods house, being taken into partnership after ten years. Turning his attention to banking, he acted for many years as a director in the old State Bank of Camden. He succeeded Charles L. Bowker to the presidency of the Girard Bank in 1858, and during the years in which he served in that capacity the bank was carried forward to the very front rank, mainly through his efforts. At the time of his death he was a director of the Pennsylvania Railroad, a member of the Clearing House Association, a trustee of the Jefferson Medical College, a director of the Philadelphia Trust Company and the Western Savings Fund Association, a member of the Union League from its organization, and a vestryman of the Holy Trinity Protestant Episcopal Church. He leaves a large fortune.

The recent death of Daniel B. Cummins, the late president of the Girard National Bank, leaves but five of our bank presidents connected with the Philadelphia Clearing House Association who have been continuously in office for the past twenty-five years, namely: James V. Watson, president of the Consolidation National Bank and president of the Association; David Faust, president of the Union National Bank; Jacob Naylor, president of the Eighth National Bank; George M. Troutman, president of the Central National Bank, and William H. Rhawn, president of the National Bank of the Republic and secretary of the Association.

WILLIAMSPORT, PA.—The Muncey Bank depositors have received their money at last. Receiver Emerson Collins has received from Washington and paid out checks to the extent of $70,000, the depositors whose claims were fully established receiving dollar for dollar. As might be expected, happiness reigns supreme in the village.

PROVIDENCE, R. I.—No such gathering of the banking men of this city, of either officials or clerks or both, was ever held, as at the twenty-second annual meeting of the Bank Clerks' Mutual Benefit Association, at the Trocadero, 395 of them sitting down at the tables. It was a meeting fully as remarkable in the speeches delivered. The speakers were Hon. Edward Atkinson, of Boston; Hon. Thomas L. James, ex-Postmaster-General, and president of the Lincoln National Bank of New York; Senator Aldrich, and Gov. Ladd. At 5 o'clock the association held its annual meeting and re-elected the old officers: President, George C. Noyes, cashier of the Globe National Bank; vice-president, William W. Paine, cashier of the Second National Bank; secretary, George L. Barnes, of the First National Bank; and treasurer, Eben McGregor, of the Roger Williams National Bank.

WESTERN STATES.

DENVER, COLO.—The resolution passed at a meeting of the Denver Clearing House Association, providing for submission to the Comptroller of the Currency a petition asking that Denver be constituted a reserve city, has caused much comment among Denver and Colorado bankers. A large majority of the capitalists and financiers favor the action, as they would any other move that would increase the prestige of the capital of this great State; however, opinions differ, and some opposition is found among local bankers who doubt the expediency of the proposition. It must be understood that the law regulating the National banking business provides that a city having a population of 50,000 is eligible as a "reserve city," or one wherein the National banks shall keep on hand an amount equal to 25 per cent. of its deposits. This reserve is required to be in legal tender, and is intended as a safeguard for depositors. Every National bank, no matter where situated, is required to carry a surplus on call of at least 15 per cent. of its deposits, and this increase of 10 per cent. in the reserve will enable the National banks of smaller towns to use their balances in Denver banks as their reserve. One of the first effects of the constitution of Denver as a reserve city will be an increase of the surplus carried by Denver banks, and a constant increment of importance to Denver as a financial center.—*Denver Times.*

CHICAGO, ILL.—A movement has been begun by the bank employes, looking to the closing of all banking houses at noon on Saturday, as is now the custom in New York, Boston and Philadelphia. The Clearing House banks represented were the First National, National Bank of America, Merchants' National, Northwestern National, Union National, Merchants' Loan and Trust Company, Corn Exchange, Metropolitan National, Home National, Chicago National, Atlas National, and the Globe National.

CHICAGO.—Judge McConnell has rendered a decision indicating the limit of a National bank's power to charge interest. The case before him grew out of a $150,000 loan advanced to the Louisville, New Albany & Chicago Railway Company by the Union National Bank. Interest at 6 per cent. was charged, but an additional 2½ per cent. was agreed upon. The bank sued for this additional interest, amounting to $3.500. Judge McConnell decided in favor of the railway, holding that the law forbidding a plea of usury could not be construed as enlarging the powers allotted to the bank by the National banking law.

FORT WAYNE, IND.—Fort Wayne claims that the White National Bank building, which has just been finished, is the most complete banking house in Indiana, and one of the finest in the West. In describing it the Fort Wayne *Gazette* says: Its style of architecture within and without is a pure Romanesque. Even the bricks that are used in facing are recognized as of the Roman style by their peculiar size and proportions. The interior of the building conforms admirably, even in its metal work and furniture, to the exterior. It is somewhat remarkable that the length, breadth and height of the building are the same. It stands sixty feet square on the ground and is sixty feet high. Passing in by the Clinton street entrance, we enter a vestibule from which we pass into a spacious lobby about 20x40 feet. On the right next the entrance is a very neat ladies' reception room. Next to that a general reception room, and beyond that the safety vaults provided with time lock and every modern device for security against fire or burglars. In these vaults there are about 600 boxes which are for rent for the accommodation of the patrons of the bank. These boxes are of different sizes, but even the smallest are sufficient for the storage of the private papers of the average citizen. The rental of the boxes is placed at $5 per year for the smallest size. Beyond this is the treasure vaults, and in the northwest corner is the vault for the bank books. Returning to the entrance again, we find on the left hand the president's room surrounded by a neat railing, with a private room just back of it. Then comes the passage-way into the lobby from the Wayne street entrance. Next to that the cashier's apartment. The tellers' cages are at the extreme west, and are very complete in their appointments. The woodwork of the interior is of pumiced quartered oak, and constitutes a beautiful finish. The list of officers and stockholders embraces the names of many of our leading capitalists and business men.

South Bend, Ind.—The First National and Citizens' Banks of Michigan City and the First National Bank of Laporte have refused to pay their increased taxes under the new assessment law. Application has been made for an injunction to restrain the county treasurer from enforcing collection. The Baltimore & Ohio and the Chicago & Eastern Illinois Railroads have also refused to pay their increased taxes. These corporations claim that the levy according to the Indiana tax law enacted by the last Legislature is too high.

Council Bluffs, Ia.—The banks of Council Bluffs have entered into an agreement to cut down the rates of interest on time deposits, on account of the large increase in the amount of money deposited recently without any corresponding increase in the demand for loans. Hereafter the rate will be 4 per cent. on six months' certificates of deposit, and 5 per cent. for twelve months, instead of 5 and 6 per cent. as heretofore.

Leavenworth, Kan.—The Union Savings Bank has purchased a number of safes or money banks for its depositors. The banks are made of nickel and are very ornamental. They will receive money of any size, and after the money has been once placed in the bank it cannot be removed until taken to the bank where the key is kept. This makes the bank an absolute savings bank.

Kalamazoo, Mich.—The several banks in Kalamazoo have been testing a Clearing House system which was suggested by F. N. Rowley, cashier at the First National Bank, and the system is already resulting in great saving of time and inconvenience, and will probably be a permanent arrangement in banking circles hereafter. The Clearing House is located at the First National Bank, and is in charge of Mr. Heber Coddington. The clearances are made each day at 1 P. M., and the entire operation requires but a few minutes, while the old system of messengers visiting each bank and conducting the business over the counter often occupied hours. The clearances in the five days have amounted to over $50,000. In each bank the checks received are made up in four packages, one for each of the other four banks. These are taken to the Clearing House, where they become the credits of that bank in the Clearing House. Those received by the Clearing House from other banks than the first named become debits of the first named bank, and so on through the list. The debits to the Clearing House from the banks are paid first, and the credits to the banks from the Clearing House are paid by the Clearing House. This is the system in use in all parts of the country.—*Kalamazoo Telegraph.*

Kansas City, Mo.—Mayor Cowherd, Comptroller Holmes, Counselor Rozzelle and Treasurer Eveland have decided to solicit new bids from the banks for the custody of the city funds. Several bids have already been presented, but it is declared to be to the best interest of the city not to accept any of them.

Cincinnati, O.—While in the city John B. Cornell, cashier of the First National Bank of Hamilton, deposited $75,000 in par value of four-and-a-half per cent. bonds with the Comptroller of the Currency, and took out the full limit of circulation for his bank. Bankers say there is now a fraction over 1 60-100 per cent. of profit in bank circulation based upon four-and-a-half per cent. bonds.

Southern States.

Washington, D. C.—The depositors of Woods & Co., the bankers, have been entertained at luncheon at their banking house. In this pleasant way the firm celebrated the first anniversary of their removal to their new building. The invitations issued by the firm were framed in such a generous way that the depositors were able to bring their friends with them. The result was that not only the large number of business men and citizens who do business with this firm were present, but also a good contingent of others. The members of the firm dispensed a pleasing hospitality and made every one welcome. During the hours named it was estimated that at least 1,500 people partook of lunch. Mr. Howard T. Woods, of the firm, in speaking of this anniversary celebration, said that a review of their business for the past year was most gratifying. It was not too much to say, he remarked, that the increase in their business had exceeded his most sanguine expectations. He believed that this was due mainly to the public appreciation of the liberal plan upon which their business operations were based, and the thorough financial principles which enter into their daily business life. He thought that business men realized that their business could be transacted with them at a saving of much valuable time. The increase in this class of depositors, as well as the ratio of increase in the entire volume of their business, was, he thought, a striking proof of this.

Baltimore, Md.—The bank clerks have presented Mr. Charles T. Crane, cashier of the Farmers and Merchants' Bank, a handsome gold watch, chain and locket, as a testimonial of his efforts in securing the passage of the Saturday half-holiday bill. The idea originated with Mr. G. Clem Goodrich, of the Sub-Treasury, and was seconded by every bank clerk in town.

Abbeville, S. C.—The Farmers' Bank of Abbeville, a majority of whose stockholders are Alliance men, made over 10 per cent. during the year just ended.

Chattanooga, Tenn.—The bankers of Chattanooga have organized a general committee who will have the direction of the entertainment to be tendered the Tennessee Bankers' Association, which is to meet in that city on Wednesday and Thursday, June 8 and 9. The following, under the chairmanship of J. W. Faxon, were appointed a Committee on Entertainment: C. E. Stivers, J. L. Davies, C. R. Gaskill, John B. Nicklin, G. N. Henson. C. A. Lyerly, C. D. Beebe, H. S. Probasco, N. E. Barker, T. R. Preston, Fillmore Gibson and F. M. Stafford. G. N. Henson was appointed chairman of a sub-committee on finance, with power to appoint his committee. It is expected that the association will meet on Lookout Mountain, and that 150 delegates will be present. The first regular meeting of the association was held in Memphis, October, 1890, and the second in Nashville last May. The objects of the association are to look after the general banking interests of the State, to secure such legislation as may be required from time to time, and to endeavor by co-operation to attain a degree of perfection in general routine that will facilitate business generally.

Pacific States.

Butte, Montana.—After an existence of two years, the State Savings Bank has paid its first dividend. The amount distributed was $10,000, but this does not represent all the profits, as a reserve fund of $2,500 is on hand. In addition to the dividend and surplus, the bank has paid $8,000 taxes on its capital stock of $100,000. The bank is in a prosperous condition and its business is constantly increasing. As the bank receives for deposit amounts as low as $1 and pays interest on savings deposited at the rate of 5 per cent. on all sums left on deposit three months or more, it is decidedly popular with wage earners, who can deposit their savings there, where they know the money will be safe and beyond temptation to spend it, while at the same time it is constantly earning a little and adding to the principal.

Foreign.

Canada.—The Bank of British North America is about to erect an elegant banking house in Winnipeg, worthy the Prairie City, and this old, reliable, as well as progressive bank, which is now adopting a somewhat aggressive policy in all sections of the Dominion.

Canada.—Mr. James Hogg, late manager of the Bank of Montreal at Winnipeg, who has been transferred to the London, Ont., branch, received tangible testimony of the high esteem in which he was held by the business men of the city previous to his departure. A number of the customers of the bank gathered there at an early hour and presented Mr. Hogg with the following address, accompanied by a handsome solid silver plate service:

"James Hogg, Esq., Dear Sir:—We, the undersigned patrons of the Bank of Montreal in Winnipeg, have heard with sincere regret of your removal from our city to London, Eastern Canada.

"Before you go, we desire, in a few plain words of sincerity and truth, to give expression to some thoughts very naturally suggested by your departure from amongst us.

"It is now eight years since you were appointed the manager of the Winnipeg branch, and during this long and eventful period you have proved yourself to be a wise, sagacious and capable administrator of the largest monetary institution in this city and province. Under your administration the world-wide reputation of the bank for just and business-like treatment of its customers, under all conditions, in adversity as well as in prosperity, has been amply sustained. These eight years of our commercial history have not been without their 'anxious times' in commercial circles, and during all such periods we have been well assured of the practical wisdom which characterized your guardianship of the large interests of your bank in the city.

"It is very gratifying to know that the bank has shown from time to time, in a substantial manner, its appreciation of your exceptionally successful administration of its business in this city—a business which has grown to vast proportions. And it is a solace to us to know that your transfer to London is in accord with your own wishes in this respect, seeking, as you so well deserve, a somewhat less arduous position after a brilliant and honorable service of over a quarter of a century.

"And, sir, if we who know something of your worth—of the high order of your attainments as a business man and financier—thus record our humble testimony, we no less sincerely allude to your example as a private citizen. And here we declare, and without doubt, our confidence in you as a truly good, Christian gentleman, proved by your consistent daily walk and conversation.

"We now ask your acceptance of this silver service as a token of the esteem and appreciation of your fellow citizens who present it, and trust it may often furnish you in your eastern home with pleasing reminiscences of your many friends remaining here, and may also serve as a remembrance of many associations in connection with the bank in Winnipeg, of which you have been so long the respected manager.

"We hope the time of your residence in London and throughout your lives may be that of health, happiness and prosperity to yourself, Mrs. Hogg and family."

Mr. Hogg replied in feeling terms, recalling the pleasant relations which had always existed between himself and the customers of the institution, and thanked the gentlemen present with all his heart for their kindness. He would ever remember his friends in Winnipeg.

ST. JOHN, N. B.—Beginning on the 2d of May the banking establishments of the city lowered the rate of interest on deposit receipts from 4 to 3½ per cent. Some time ago the rate was lowered on amounts over $5,000, but it was stated that money had been found so cheap that recently the change took effect on all amounts.

MEXICO—LONDON BANK OF MEXICO AND SOUTH AMERICA.—This institution, the parent of the Bank of London and Mexico, shows a good result for its operations in the year 1891. A second dividend of 4 per cent., on account of profits for that year, is recommended by the board, thus making a total distribution of 8 per cent. The surplus of the year's profits was £21,334, of which £5,000 will be placed to reserve and the remainder carried forward. In the annual report it is said: The directors of the Banco de Londres y Mexico have given effect to their intention of doubling the capital of that bank, raising it to $3,000,000, and have allotted to this bank its proportion of the new issue. With regard to the question of unlimited liability on bank notes issued outside the United Kingdom, which has lately occupied public attention, the directors have to announce that their note issue at Lima was called in and paid off some years ago, while that at Mexico was taken over and absolutely guaranteed by the Banco de Londres y Mexico to be exchanged against new notes of their own, issued under their own charter. Eighty-five per cent. have been so far canceled, and the balance is being rapidly reduced. It may therefore be considered that, so far as his bank is concerned, all liability in respect of outstanding notes has been extinguished. In Mexico business has been extremely profitable, and seems likely to continue so with the present stable and satisfactory government and the rapid development of trade through the extension of railways.

The reports of the New York Clearing-house returns compare as follows:

1902	*Loans*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*	*Surplus.*
April 30	$493,078,200	$105,486,000	$48,494,800	$535,778,000	$5,705,900	$20,036,300
May 7	493,886,700	100,295,400	47,469,100	531,824,000	5,739,200	14,808,500
" 14	492,053,800	99,103,700	49,350,000	530,736,700	5,702,200	15,772,125
" 21	490,946,700	101,171,700	52,008,200	534,495,700	5,751,300	19,555,975
" 28	488,813,600	103,742,400	54,895,500	536,100,300	5,794,100	24,612,825

The Boston bank statement is as follows:

1902.	*Loans*	*Specie.*	*Legal Tenders*	*Deposits.*	*Circulation.*
April 30	$162,405,000	$11,544,300	$6,278,300	$151,539,100	$4,354,500
May 7	164,333,300	11,713,900	5,797,800	152,470,300	4,358,400
" 14	166,476,500	12,119,300	6,033,000	156,139,400	4,371,100
" 21	168,520,800	11,907,100	6,113,900	158,861,100	4,357,500

The Clearing-house exhibit of the Philadelphia banks is as annexed:

1902	*Loans*	*Reserves*	*Deposits.*	*Circulation.*
April 30	$100,181,000	$40,687,000	$115,694,000	$3,371,000
May 7	101,141,000	40,959,000	116,084,000	3,372,000
" 14	100,763,000	40,569,000	116,333,000	3,358,000
" 21	101,026,000	40,805,000	116,004,000	3,361,000
" 28	101,315,000	43,007,000	119,032,000	3,498,000

Our usual quotations for stocks and bonds will be found elsewhere. The rates for money have been as follows:

Quotations:	May 2.	May 9.	May 16.	May 23.	May 31.
Discounts	4½ @ 5	4½ @ 5	4 @ 5	4 @ 5	4 @ 5
Call Loans	2 @ 1½	2 @ 1½	2 @ 1½	1½ @ 1	1½ @ 1
Treas. balances, coin.	$103,784,431	$101,292,109	$102,887,946	$102,656,084	$102,655,576
Do. do currency.	19,470,307	19,666,851	20,505,456	21,628,887	21,440,462

Sterling exchange has ranged during May at from 4.87¼ @ 4.88¼ for bankers' sight, and 4.86¼ @ 4.87¼ for 60 days. Paris—Francs, 5.16¼ @ 5.15 for sight, and 5.17½ @ 5.16¼ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.87 @ 4.87¼; bankers' sterling, sight, 4.88 @ 4.88¼: cable transfers, 4.88¼ @ 4.88½. Paris—Bankers', 60 days, 5.16⅞ @ 5.16¼; sight, 5.15⅝ @ 5.15. Antwerp—Commercial, 60 days, 5.19⅜ @ 5.18¾ Reichmarks (4)—bankers', 60 days, 95¼ @ 95⅜; sight, 95⅝ @ 95¾. Guilders—bankers', 60 days, 40⅛ @ 40 3-16; sight, 40⅜ @ 40 7-16.

DEATHS.

CUMMINS.—On May 6, aged eighty-two years, D. B. CUMMINS, President of Girard National Bank, Philadelphia, Pa.

SKILLIN.—On May 19, aged fifty-five years, EDWARD SKILLIN, Cashier of Central National Bank, New York City.

THAYER.—On May 15, aged seventy-eight years, ERASTUS D. THAYER, President of Brandon National Bank, Brandon, Vt.

UPHAM.—On May 10, aged seventy-three years, S. B. UPHAM, Cashier of National Union Bank, Watertown, N. Y.

WRIGHT.—On April 25, aged sixty-nine years, JOHN B. WRIGHT, President of Clinton National Bank, Clinton, Conn.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(*Monthly List, continued from May No., page 904.*)

State.	*Place and Capital*	*Bank or Banker*	*Cashier and N. Y. Correspondent.*
ILL.	Abingdon	Abingdon Safety Bank	Chase National Bank.
	$25,000	Madison Reece, *P.*	Jesse E. Barlow, *Cas.*
		John R. Snapp, *V. P.*	
"	Charleston	Charleston State Bank	Kountze Bros.
	$50,000	A. N. Bain, *P.*	Lucien Wheatly, *Cas.*
		Thos. Messick, *V. P.*	
"	Elgin	Elgin National Bank	Hanover National Bank.
	$100,000	M. H. Thompson, *P.*	L. N. Seaman, *Cas.*
		Wm. Andrews, *V. P.*	
"	Evanston.	State Bank	First National Bank.
	$100,000	John R. Lindgren, *P.*	Wm. G. Hoag, *Cas.*
		Wm. Blanchard, *V. P.*	Chas. H. Betts, *Ass't Cas.*
IND.	Cloverdale	Cloverdale Bank	....
		E. T. Pritchard, *P.*	G. L. Cooper, *Cas.*
IOWA	Riverside	Citizens Savings Bank	....
	$15,000	John Mentzer, *P.*	Sylvester F. Critz, *Cas.*
		John Lohberger, *V. P.*	John Mentzer, *Ass't Cas.*
KAN.	Kiowa	Commercial Bank	Kountze Bros.
		(A. J. Bentley.)	
"	Salina	Farmers Nat. Bank	....
	$100,000	H. D. Lee, *P.*	Thos. H. Davis, *Cas.*
"	Wichita	Sedgwick Co. Bank	Hanover National Bank.
	$50,000	W. N. Coler, Jr., *P.*	Chas. H. Pool, *Cas.*
		Coler L. Sim, *V. P.*	
MD.	Baltimore	R. B. Sperry.	....
MINN.	Graceville	Big Stone Co. Bank	National Bank Republic.
	$25,000	Dennis O'Brien, *P.*	Jas. A. McRae, *Cas.*
		John McRae, *V. P.*	
"	Minneapolis	Columbia National Bank	....
	$200,000	Chas. Kittelson, *P.*	H. M. Knapp, *Cas.*
		H. Thorson, *V. P.*	
MO.	Piedmont	Farmers & Merch. Bank	Chase National Bank.
	$10,000	Wm. H. Blaine, *P.*	Wm. C. Shields, *Cas.*
		D. J. Allen, *V. P.*	
NEB.	Burr	German-American Bank	Chase National Bank.
	$10,000	Henry Klaus, *P.*	Wm. B. Ward, *Cas.*
		Hiram Woodford, *V. P.*	D. K. Ward, *Ass't Cas.*
N. H.	Lakeport	Nat. Bank of Lakeport	....
	$50,000	Henry J. Odell, *P.*	Stephen B. Cole, *Cas.*
N. MEX.	Raton.	First National Bank	Hanover National Bank.
	$50,000	Wm. M. Eads, *P.*	C. N. Blackwell, *Cas.*
		Chas. Springer, *V. P.*	
N. Y.	Buffalo	Columbia Nat. Bank	....
	$200,000	Josiah Jewett, *P.*	
OHIO	New Holland	Union Banking Co	....
	$25,000	Scott Beatty, *P.*	J. K. Brown, *Cas.*
		W. H. Slaback, *V. P.*	
ORE.	Gervais	United States B'k'g Co	Chase National Bank.
	$100,000	Walter Evenden, *P.*	Jas. L. Dickinson, *Cas.*
TEXAS	Mangum	Bank of Mangum	Southern National Bank.
	$3,000	G. S. White, *P.*	N. Mathewson, *Cas.*
		S. C. Vanleer, *V. P.*	
VA.	Norfolk	City National Bank	....
	$200,000	A. E. Krise, *P.*	B. W. Leigh, *Cas.*
WASH.	Everett.	Everett National Bank	Chase National Bank.
	$100,000	Henry Hewitt, Jr., *P.*	S. S. King, *Cas.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from May No., page 908.)

	Bank and Place.	*Elected.*	*In place of.*
N.Y. City	Central Nat. Bank	C. S. Young, *Act'g Cas*	Edwd. Skillin.*
"	Germania Bank	Edw'd C. Schaefer, *P.*	Marc Eidlitz.*
		Henry W. Schmidt, *V. P.*	Edw'd C. Schaefer.
"	Phenix National Bank	W. H. Male, *V. P.*	Geo. L. Nichols.*
"	Seaboard National Bank	C. C. Thompson, *Ass't*	....
"	State Trust Co	Andrew Mills, *P. pro tem.*	Willis S. Paine.
Ala.	First Nat. Bank, Bessemer	H. L. Cobbs, *Ass't Cas*	....
"	Alabama National Bank, Birmingham.	R. D. Johnston, *V. P.*	E. W. Rucker.
		W. A. Porter, *Cas*	H. B. Urquhart.
		W. W. Crawford, *2d Ass't*	....
Cal.	Bank of Orange, Orange	G. J. Mosbaugh, *Cas*	B. G. Balcom.
"	Union Bank, Redlands	K. C. Wells, *Cas*	....
"	Commercial B'k, Santa Ana	B. G. Balcom, *Cas*	W. K. James.
"	First Nat. Bank, Santa Ana	R. F. Chilton, *Ass't Cas*	A. J. Crookshank.
Col.	Aspen National Bank, Aspen	Richard J. Bolles, *V. P.*	....
"	Nat. B'k Commerce, Denver	Henry R. Wolcott, *V. P.*	Wm. R. Mygatt.
Conn.	Clinton National B'k, Clinton	L. L. Hull, *P.*	John B. Wright.*
"	Middlesex Co. Nat. Bank, Middletown.	James K. Guy, *P.*	Geo. W. Burr.
Dak. S.	Chamberlain Nat. Bank. Chamberlain.	L. G. Thrall, *Ass't Cas*	....
"	First National Bank, Huron	Thos. H. Campbell, *P.*	J. W. Campbell.
Fla.	Polk Co. National Bank, Bartow.	Chas. H. Robinson, *P.*	A. A. Parker.
		E. W. Codington, *V. P.*	....
Ill.	First National Bank, Abingdon.	Orion Latimer, *Cas*	H. B. Scheitlin.
		C. C. Bliss, *Ass't Cas*	C. A. Murdoch.
"	Old Second Nat. B'k, Aurora	J. B. Arnold, *V. P.*	Wm. F. Dickinson.
"	Citizens National Bank, Decatur.	L. B. Casner, *P.*	J. R. Gorin.
		Milton Johnson, *V. P.*	L. B. Casner.
		S. T. Nesbitt, *Ass't Cas*	....
"	Nat. B'k of El Paso, El Paso.	D. Evans, *V. P.*	J. Q. Adams.
		L. K. Evans, *Ass't Cas*	....
"	Joliet National Bank, Joliet	Geo. M. Campbell, *V. P.*	J. O. Curry.
"	First National Bank, Mt. Sterling.	F. D. Crane, *P.*	Elias F. Crane.*
		C. H. Turner, *Cas*	F. D. Crane.
		F. W. Crane, *Ass't Cas*	....
"	City National Bank, Streator	Elmer E. Ames, *Cas*	E. H. Bailey.
"	Union Nat. Bank, Streator	W. H. Ryon, *Ass't Cas*	....
Iowa	First National Bank, Corning	R. Newcomb, *V. P.*	F. M. Widner.
"	First Nat. Bank, Manchester.	M. Beehler, *V. P.*	Lewis Atwater.
		A. H. Blake, *2d V. P*	M. Beehler.
Kan.	Abilene Nat. Bank, Abilene	J. S. Hollinger, *P.*	C. H. Barker.
		A. K. Perry, *Cas*	E. D. Humphrey.
"	First Nat. Bank, Kingman	W. E. Maynard, *P.*	D. B. Cook.
"	Cottonwood Valley Nat. B., Marion.	Wm. Austin, *P.*	C. S. Winslow.
		M. L. Mansfield, *V. P.*	Wm. Austin.
"	Manufacturers Nat. Bank, Pittsburgh.	Robert Robyn, *V. P.*	A. E. Nau.
"	American Nat. Bank, Salina	M. E. Stevenson, *Ass't Cas.*	....
"	Cowley Co. N. B., Winfield	Ed. Pate, *V. P.*	....
Ky.	Merchants N. B'k, Ashland	Frank Coles, *V. P.*	....
"	Big Sandy N. B., Catlettsburg	J. B. Hatton, *Ass't Cas*	....
"	First Nat. Bank, Fulton.	W. W. Morris, *P.*	W. W. Robertson.
		L. B. Blalock, *V. P.*	....
"	First Nat. Bank, Greenville	Edgar D. Martin, *Ass't Cas.*	....
"	First N. B., Middlesborough	C. M. Woodbury, *V. P.*	W. J. Kinnaird.
La.	Southern National Bank, New Orleans.	J. W. Castles, *P.*	N. B. Sligh.
		N. B. Sligh, *V. P.*	J. W. Castles.
Me.	Camden Nat. B'k, Camden	D. H. Bisbee, *P.*	G. L. Follansbee.
"	Union Nat. Bank, Phillips	H. H. Field, *Cas*	J. E. Thompson.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
MASS.	First Nat. Bank, Hyannis	A. D. Makepeace, *P.*	F. G. Kelley.
"	Arlington Nat. Bank, Lawrence.	Wm. S. Knox, *P.*	J. W. Higgins.
		Wm. W. Spaulding, *V. P.*	Wm. S. Knox.
"	Nat. Mt. Wollaston Bank, Quincy.	Chas. A. Howland, *V. P.*	....
MICH.	First Nat. Bank, Albion	C. W. Dalrymple, *V. P.*	H. Gale.
"	First Nat. Bank, Monroe	Geo. Spaulding, *P.*	F. Walldorf.
		H. A. Conant, *V. P.*	....
		Geo. L. Little, *Cas.*	Geo. Spaulding.
"	Hackley Nat. B'k, Muskegon	C. T. Hills, *V. P.*	L. G. Mason.
MINN.	First Nat. B'k, Faribault	C. M. Whitney, *Cas.*	Thos. Mee.*
		Thos. C. Gardner, *Ass't*	C. M. Whitney.
MISS.	First National Bank, Starkville.	E. L. Tarry, *V. P.*	L. D. McDowell.
		W. H. Bardwell, *Cas*	E. L. Tarry.
"	First Nat. Bank, Tupelo	F. Johnson, *Ass't Cas*	....
MO.	Aetna Nat. B'k, Kansas City	R. E. Talpey, *V. P.*	M. H. Crawford.
"	American Nat. Bank, Kansas City.	G. F. Putnam, *P.*	A. Drumm.
		T. R. Hazard, *V. P*	T. K. Hanna.
"	Missouri Nat. Bank, Kansas City.	R. D. Covington, *Cas*	C. E. Barnhart.
		S. B. Wood, *Ass't Cas*	R. D. Covington.
"	Nat. Bank Commerce, Kansas City.	F. E. Marshall, *V. P.*	....
"	Pierce City N. B., Pierce City	A. L. White, *V. P.*	Geo. A. Purdy.
"	Chemical Nat. B'k, St. Louis	W. D. Harrison, *Ass't Cas.*	....
"	Nat. B'k Republic, St. Louis	Chas. W. Bullen, *P.*	H. C. Hieatt.
MONT.	First National Bank, Boulder Valley.	A. Belcher, *P.*	W. B. Gaffney.
		Jesse Patterson, *V. P.*	D. McNeill.
NEB.	First National Bank, Arlington.	J. T. May, *V. P.*	....
		Wm. D. Badger, *Ass't Cas.*	....
"	Geneva National Bank, Geneva.	A. G. McGrew, *P.*	John A. Dempster.
		W. L. Weed, *V. P.*	T. S. Francis.
"	Wayne Nat. B'k, Wayne	P. L. Miller, *V. P.*	....
"	Bank of Wilcox, Wilcox	E. L. Hopkins, *Cas*	Henry Wilcox.
"	First Nat. Bank, Wymore	T. P. Hargrave, *V. P.*	O. P. Newbranch.
N. H.	Amoskeag Nat. Bank, Manchester.	G. B. Chandler, *P.*	Moody Currier.
		J. M. Chandler, *Cas*	G. B. Chandler.
N. J.	Union Nat. B'k, Atlantic City	J. M. Aikman, *Cas*	J. G. Hammer.
"	Hopewell Nat. B'k, Hopewell	J. M. Dalrymple, *Ass't Cas.*	....
"	Broad St. Nat. B'k, Trenton	Robert J. Brace, *Ass't Cas.*	....
N. Y.	Putnam Co. Nat. B'k, Carmel	Clayton Ryder, *P.*	Ambrose Ryder.*
"	First Nat. Bank, Earlville	Geo. E. Nash, *V. P.*	Geo. B. Whitmore.
"	Nat. Bank of Hobart	O. J. Bennett, *V. P.*	J. M. Olmstead.
"	Fallkill N. B'k, Poughkeepsie	Wm. Shickle, *Cas*	John F. Hull.
"	N. Y. State B'k'g Co., Syracuse.	Geo. L. Bonta, *Ass't Cas.*	....
"	City Nat. Bank, Watertown	Geo. B. Kemp, *Ass't Cas.*	....
N. C.	Commercial N. B., High Point	John H. Ferree, *V. P.*	....
OHIO.	Merchants N. B., Cincinnati	Lowe Emerson, *V. P.*	....
"	Madison National Bank, London.	S. W. Durflinger, *V. P.*	Wyatt Minshall.
		Wyatt Minshall, *Cas*	B. F. Clark.
"	First Nat. Bank, N. Baltimore	A. Emerine, *P*	S. E. Niece.
"	First Nat. Bank, Oxford	F. S. Heath, *2d V. P.*	....
"	Holcomb Nat. B'k, Toledo	J. V. Shoemaker, *Cas*	....
ORE.	First Nat. Bank, Athena	E. L. Barnett, *Ass't Cas*	....
"	Baker City Nat. Bank, Baker City.	J. E. Frick, *P.*	B. Lombard, Jr.
		C. W. James, *V. P.*	J. E. Frick.
		E. H. Blake, *Cas*	C. W. James.
PA.	First National Bank, Altoona.	John Lloyd, *P.*	A. M. Lloyd.*
		Henry Cryder, *Cas*	John Lloyd.
"	Nat. Bank of Avondale	Mahlon B. Kent, *V. P.*	....
"	First Nat. B'k, Bloomsburgh	E. B. Tustin, *Cas*	J. P. Tustin.*
"	First Nat. Bank, Catawissa	S. D. Rinard, *V. P.*	Luther Eyer.
"	First Nat. Bank, Dushore	F. B. Pomeroy, *V. P.*	....
"	First National Bank, Homestead.	Geo. Gladden, *P.*	Wm. H. Watt.
		Jacob Trautman, *V. P.*	Geo. Gladden.
"	First Nat. Bank, Oil City	Henry I. Beers, *V. P*	Geo. Cornwall.
"	Girard N. B., Philadelphia	Seth Caldwell, Jr., *P.*	D. B. Cummins.*
"	Liberty Nat. B'k, Pittsburgh	E. H. Myers, *P.*	John H. McKelvy.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
PA.	First National Bank, Wilkinsburg.	Thos. D. Turner, *V. P.*	....
		P. J. Pierce, *Cas.*	....
TEXAS.	First Nat. Bank, Athens	J. B. Wofford, *V. P.*	B. W. J. Wofford.*
"	First National Bank, Big Springs.	S. H. Cowan, *P.*	F. W. James.
		R. C. Sanderson, *V. P.*	Jos. Fisher.
"	City Nat. B'k, Brownwood	G. I. Goodwin, *P.*	S. R. Coggin.
		R. Cross, *V. P.*	G. I. Goodwin.
		D. W. Wooten, *2d V. P.*	....
"	Nat. Bank of Denison	R. S. Legate, *Ass't Cas.*	....
"	First Nat. B'k, Eagle Pass	L. De Bond, *V. P.*	....
"	Farmers & Mechanics N. B., Fort Worth.	J. T. Talbert, *Cas.*	S. D. Rainey, Jr.
"	First Nat. Bank, Giddings	I. J. Fariss, *Cas.*	P. M. Cuny.
"	First Nat. Bank, Graham	W. T. Stewart, *Cas.*	S. R. Crawford.
		John M. Wyatt, *Ass't Cas.*	A. B. Marston.
"	Nat. Bank of Jefferson	Leo Sherrill, *Ass't Cas.*	....
"	First Nat. Bank, Ladonia	H. T. Douglas, Jr., *Ass't.*	....
"	First Nat. Bank, Marble Falls	A. Davis, *V. P.*	J. P. Smith.
"	First Nat. B'k, Midland	John Scharbauer, *V. P.*	G. W. Elliott.
		A. F. Crowley, *Ass't Cas.*	....
"	Farmers & Merch. Nat. B'k, Rockwell.	J. J. Lowe, *V. P.*	....
"	First Nat. B'k, Van Alstyne	John Umphress, *Ass't Cas.*	....
UTAH	Utah N. B., Salt Lake City	C. W. Lyman, *V. P.*	....
WASH	First Nat. B'k, Anacortes	Geo. F. Kyle, *V. P.*	....
"	First Nat. Bank, Chehalis	John Dobson, *V. P.*	W. M. Urquhart.
"	Citizens Nat. Bank, Dayton	H. H. Wolfe, *V. P.*	C. A. Parks.
"	First Nat. Bank, Puyallup	Frank H. Gloyd, *P.*	Harry M. Ball.
		Wm. H. Spinning, *V. P.*	R. H. Wilkinson.
W. VA.	Merchants N. B., Clarksburg	R. T. Lowndes, *P.*	Nathan Goff.
WIS.	First Nat. Bank, Hurley	Geo. H. Abeel, *V. P.*	John Q. Adams.
"	First Nat. B'k, Rhinelander	W. E. Ashton, *Cas.*	S. M. Hutchinson.
"	Keystone National Bank, West Superior.	Chas. C. Tennis, *P.*	John W. Scott.
		Wm. Luby, *V. P.*	Chas. C. Tennis.
ONT.	Bank of Montreal, London	Jas. Hogg, *M'g'r*	W. J. Anderson.
MAN'BA.	Bank of Montreal, Winnipeg	Angus Kirkland, *M'g'r*	Jas. Hogg.

* Deceased.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from May No., page 912.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4734	First National Bank, Raton, N. Mex.	Wm. M. Eads,	C. N. Blackwell,	$50,000
4735	Elgin National Bank, Elgin, Ill.	M. H. Thompson,	L. N. Seaman,	100,000
4736	National Bank of Merrill, Merrill, Wis.	S. Heineman,	Geo. A. Foster,	100,000
4737	First National Bank, Du Quoin, Ill.	P. N. Pope,	Robert O. Lehn,	50,000
4738	Everett National Bank, Everett, Wash.	Henry Hewitt, Jr.,	S. S. King,	100,000
4739	Columbia National Bank, Minneapolis, Minn.	Chas. Kittelson,	H. M. Knapp,	200,000
4740	National Bank of Lakeport, Lakeport, N. H.	Henry J. Odell,	Stephen B. Cole,	50,000
4741	Columbia National Bank, Buffalo, N. Y.	Josiah Jewett,		200,000
4742	Farmers National Bank, Salina, Kan.	H. D. Lee,	Thos. H. Davis,	100,000
4743	City National Bank, Norfolk, Va.	A. E. Krise,	B. W. Leigh,	200,000
4744	Nat. German American Bank, Wausau, Wis.	B. Heinemann,	E. A. Gooding,	100,000

PROJECTED BANKING INSTITUTIONS.

ALA....Birmingham...Anniston County Bank; capital, $50,000.

" ..Tuscaloosa.....Farmers Savings Bank; capital, $30,000. J. R. Hanly, President.

CAL....San Francisco..Bank of Sisson, Crocker & Co.; capital, $400,000. Directors: W. W. Van Arsdale, G. W. Scott, J. H. Sisson, F. H. Green, D. W. Earl, J. H. Strobridge, James H. Haven.

" ..Paso Robles....Citizens Bank of Paso Robles; capital, $50,000.

" . Santa Cruz.....Peoples Savings Bank; capital, $100,000. Directors: A. P. Hotaling, Henry Willey, Wm. Rennie, Duncan McPherson, F. W. Bliss, J. S. Green and A. Diaz Pena.

COL....Denver.........Citizens Savings Bank; capital, $50,000. Incorporators: Geo. C. Reed, of Akron; R. T. McGrew, of Holdredge, Neb.; J. E. Yerkes, and W. C. Donichy, of Yuma; Fred W. Graves, Charlton Ellis, of Denver.

IDAHO..Rathdrum......New bank opened; capital, $15,000.

ILL.....Chicago..... Bankers National Bank to be started. Philip Stanley, Willis P. Dickinson, Harvey Weeks and Peter Studabaker interested.

" " ....Columbus Safe Deposit Co.; capital, $1,000,000. Incorporated by Messrs. Higgins and Furber.

" ..Elgin..........Home Savings Bank; capital, $100,000. E. D. Baldron, President; A. P. Church, Vice-President; Wilson H. Doe, Cashier.

" . Farmersville...Farmersville Bank. John Ball, President.

IND.....Goshen........State Bank of Goshen; capital, $50,000.

" ..Logansport....Mutual Loan & Saving Association; capital, $500,000. Apply Mortimer Nye.

IOWA.. Afton..........Citizens Bank of Afton. George R. Voss and L. W. McLennan, of Omaha, proprietors; B. T. Nix, Cashier.

" ..Calliope.......State Savings Bank; capital, $50,000.

" ..Davenport.....Citizens State Bank.

" ..Hawarden.....Northwestern State Bank; capital, $80,000. Incorporators: G. W. Pitts, C. H. Scott Durbin, D. Brunskill, Chas. Blaeser, C. J. Miller, J. W. Brunskill, M. D. Gibbs and M. Kessey.

" ..Kalona........Kalona Savings Bank; capital, $10,000. Incorporators: B. F. Allen, Chas. Seibig, A. Wellinger, Wm. C. S. E. Parker, Phil. C. Shorer, H. W. Smith.

" ..Sioux City......Mutual Trust & Deposit Co.; capital, $100,000. J. M. B. Floyd, President; Edw. P. Stone, Secretary and Treasurer.

KY.....Covington......National bank to be established on Walnut Hills.

" ..Perryville...... Mr. James Slaughter, of Danville, and Mr. Brannan, of Georgetown, will start a bank here.

ME.....Augusta........Safety Deposit Co.

MICH...Gaylord........Otsego County Bank.

" ..Grand Rapids...State Bank of Michigan; capital, $200,000. Daniel McCoy, President; Gen. Smith, Vice-President; Chas. F. Pike, Cashier.

MINN...Breckinridge....New bank started.

" ..Brown's Valley.Brown's Valley State Bank.

" ..Canby..........State Bank of Canby; capital, $5,000. E. Weaver, President; George Fitzsimmons, Cashier.

" ..Eagle Bend.....New bank opened by W. E. Lee, of Long Prairie.

" ..Echo...........Bank of Echo has been opened by Griffith, Smith & Co., of Sleepy Eye; capital, $10,000. J. B. Lorge, Cashier.

MINN...Minneapolis....Washington State Bank; capital, $100,000. Incorporators: A. E. Johnson, Marcus Johnson, and Olaf O. Searle, of St. Paul.

" Winona........German-American Bank. H. L. Smith, of Durand, Wis., and John Ludwig, of Winona, interested.

MISS...McComb.......New bank, with capital of $25,000.

MO.....St. Louis.......St. Louis Deposit Bank; capital, $100,000. James M. Carpenter, President; J. F. Conrad, Vice-President; R. E. Gardner, Cashier.

" ..Silex... ....Silex Savings Bank; capital, $10,000.

NEB....Fremont.......Home Savings Bank; capital, $100,000.

" ..Grant..........Citizens Exchange Bank; capital, $50,000. Incorporators: H. H. Dorsey, August Jemberg, Ernest Bihl, D. E. Gray, B. F. Hastings.

N. H...Claremont .....Peoples National Bank; capital, $100,000.

N. Y....Angola.........New bank established.

" ..Dunkirk........State Bank; capital, $25,000. Will be organized here soon.

" ..Oneida.........Farmers & Merchants State Bank; capital, $50,000. Directors: Loring Munroe, E. E. Coe, E. E. Coon, S. C. Waterman, A. S. Whitman, Ira L. Snell, H. W. Coley, A. B. Monroe, C. W. Dexter, Alex. Johnson, C. Rich, F. Stafford and W. E. Witter.

" ..Tonawanda....Banking house of Evans, McLaren & Co. started.

N. C. ..Weldon........Bank of Weldon. W. E. Daniel, President; S. P. Arrington, Vice-President; W. R. Smith, Cashier.

OHIO...East Cleveland.Garfield Savings Bank; capital, $50,000.

" ..Niles ....Niles is to have a savings bank.

" ..Painesville.....New savings bank.

PA......Chester ....Delaware County Trust Co. Henry C. Howard, President; Jas. A. G. Campbell, Vice-President and Treasurer; John D. Goff, Secretary.

" ..Lansdale.......Lansdale Trust Co. Directors: John N. Jacobs, B. S. Frederick, J. M. Hartzel, J. G. Clemens.

" ..Lebanon.......Farmers Bank of Lebanon; capital, $50,000. Incorporators: Adolphus Reinoehl, C. G. Gerhart, John L. Saylor, John H. Seltzer, John B. Rauch, J. B. Miller, Henry L. Long, H. H. Light, H. P. Moyer.

" ..Riegelsville ....National bank to be established.

" ..Washington ...A savings bank will be started here; James K. Mitchell interested.

TEXAS..Austin.........Mutual Loan & Investment Co. of Louisiana. Manager; Thos. B. Chase, Shreveport, La.

" ..Navasota ......A new National bank will shortly be opened here.

UTAH..Salt Lake City .Salt Lake Commercial & Savings Bank; capital, $200,000.

VT.....Castleton ......A new National bank will be established here; capital, $50,000.

VA. ....Burkeville......Bank of Burkeville; capital, $10,000. H. F. Bardswell, President; Judge F. R. Farrar, Gen. G. J. Hundley, R. W. Cridlin, Directors.

WASH..Pullman........Pullman State Bank. Trustees: H. V. Windus, L. C. Staley, C. H. Latterman, John Squiers, J. J. Staley and D. F. Staley.

" . Spokane ....Northern Investment & Trust Co.; capital, $40,000. Trustees: G. P. Dart, Dr. J. E. Gandy and Clair Hunt.

" ..Wenatchee.....First National Bank. Mr. Arthur Gunn will take charge.

WIS....Brandon........New bank.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during May, 1892.

IDAHO..Kendrick.......First National Bank, by F. N. Gilbert, Salem, Oregon, and associates.

IND.....Claremont......People's National Bank, by F. P. Maynard and associates.

" ..Sheridan.......First National Bank, by John H. Cox and associates.

IOWA.. Sioux Rapids...First National Bank, by F. H. Helzell and associates.

" ..Spirit Lake.....First National Bank, by B. B. Van Steenberg and associates.

KAN... Cherryvale.....Montgomery County National Bank, by Revilo Newton and associates.

" ..Salina..........City National Bank, by J. F. Merrill and associates.

KY.....Newport.......Newport National Bank, by R. W. Nelson and associates.

LA......Alexandria.....First National Bank, by Oscar M. Wilson, Little Rock, Ark., and associates.

MO.....Gallatin........First National Bank, by Boyd Dudley and associates.

N. J....East Orange....East Orange National Bank, by John Franklin Fort and associates.

N. Y...New York......National Clearing Bank, by Waldo G. Morse and associates.

OHIO...Wash'n C. H ..Midland National Bank, by J. H. Patton and associates.

OKL. T.Oklahoma City.Oklahoma City National Bank, by D. F. Stiles and associates.

TENN...Elizabethtown..First National Bank, by Henry T. Cook and associates.

WASH..Wenatchee.....First National Bank, by O. Salhinger, Tacoma, Wash., and associates.

WYOM..Rock Springs...Rock Springs National Bank, by Timothy D. Ryan and associates.

CHANGES, DISSOLUTIONS, ETC.

(*Monthly List, continued from May No., page 911.*)

N. Y. CITY............De Jonge & Co. succeeded by Russak & Herzog.

GA.....Tallapoosa.....Merchants and Miners Bank reported closed.

ILL.....Evanston......Evanston Bank succeeded by State Bank of Evanston, incorporated.

KAN....Jetmore........First National Bank has gone into voluntary liquidation.

" ..Macksville......First Bank of Macksville reported closed.

MINN...Mankato.......Citizens National Bank, now National Citizens Bank.

MO.... Platte City.....First National Bank has gone into voluntary liquidation.

N. J....Sea Isle City ...Peoples Bank reported suspended.

OHIO...New Holland...Union Bank succeeded by Union Banking Co., incorporated, same correspondents.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, MAY, 1892.

Opening, Highest, Lowest and Closing Prices of Stocks and Bonds in May.

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ......reg.	Quarterly Mar.	100	100	100	100
4s, 1907 ......reg.	Quarterly Jan.	115¼	117⅜	115¾	116
4s, 1907 .....coup.	Quarterly Feb.	115¾	117⅜	115¾	117
6s, cur'cy, 1895, reg.	Jan. & July.	109	109½	106	106
6s, cur'cy, 1896, reg.	Jan. & July.	111	112½	111	111½
6s, cur'cy, 1897, reg.	Jan. & July.	113	115	113	114
6s, cur'cy, 1898, reg.	Jan. & July.	116	117½	116	116½
6s, cur'cy, 1899, reg.	Jan. & July.	118	120	118	119

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	4½	4	—
Canadian Pacific	—	90½	88	—
Canada Southern	60½	61	58⅝	59⅞
Central of N. J.	139	142	137⅝	140⅞
Central Pacific	—	31¼	30¾	—
Ches. & Ohio	24	24½	22	23⅞
Do 1st pref.	62½	63½	61	—
Chic. & Alton	—	152	149	—
Do pref.	—	—	—	—
Chic., B. & Q.	107⅝	107⅞	102⅝	104
Chic. & East'n	—	64	63	—
Do pref.	—	101¼	99⅜	101⅛
Chic., M. & St. P.	78	79⅝	76⅝	78¼
Do pref.	123	124⅞	123	124⅜
Chic. & N. W.	120⅜	121⅜	118½	119⅝
Do pref.	—	147½	144	—
Chic., R. I. & P.	84⅜	85⅜	77⅜	78¾
Chic., St. P., M. & O.	47⅜	52⅜	47⅜	50⅛
Do pref.	—	123	116	121
C., C., C & St. L.	70	70	66¾	68
Col. Coal & Iron	31½	36	28¼	36
Col., H. Valley & Tol.	33⅝	40	33¼	39
Del. & Hudson	146	147½	141¼	142⅞
Del., Lack. & W.	159¾	159⅞	156¼	159⅞
Den. & Rio Grande	—	17⅛	17	—
Do pref.	50¼	52⅝	50	50¾
East Tenn. V & G.	4¾	5	4⅛	—
Do 1st pref.	—	37	37	—
Do 2d pref.	—	13⅞	12	—
Evansville & T. H.	137½	140¾	136½	136½
Illinois Central	103½	104½	102½	—
Lake Erie and Western	—	26	23¼	24¾
Do pref.	77	78	76	77⅛
Lake Shore	134½	135½	130⅞	133⅝
Long Island	—	102	101	102
Louisville and Nashville	75½	77¼	74⅝	75
Louisville, N. Alb & Chic.	27⅛	27⅛	24¼	24½
Manhattan Consol	124½	134⅜	122	134
Mexican Central	16¾	18	16⅝	—
Michigan Central	—	110⅜	108	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	12½	12¾	11¾	—
Do pref.	28½	30	26½	—
Mo., Kan. & Texas	—	16¾	15½	—
Missouri Pacific	59¼	60¾	54⅞	56½
Nash., C. & St. L.	—	85¼	85¼	—
N. Y. C. & Hudson	114¾	115½	113¾	114
N. Y., C. & St. L.	18	18	16¾	17¼
Do pref.	—	75	72	—
N. Y., L. E. & W.	30¼	31¼	27⅜	28⅛
Do pref.	72½	73	65	67
N. Y. & New Eng	39	40	37	39
N. Y., Ont. & W.	19½	19¾	18⅝	19
N. Y., Sus. & W.	—	15⅞	11⅝	14⅝
Do pref.	55	66	55	64
Norfolk & Western	—	13	12¾	12¾
Do pref.	—	48	46¼	46½

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	21½	21½	18½	—
Do pref.	59⅝	59¾	51¾	53⅛
Ohio & Mississippi	—	20½	20½	—
Ohio Southern	26½	26½	22	—
Oregon Impt.	—	—	—	—
Oregon R. & N.	—	80	79⅞	—
Oregon Short Line	—	26	22½	—
Pacific Mail	35¼	36	34	35
Peoria, Decatur & Evansville	—	19¼	17½	—
Philadelphia & Reading	60½	62	58¾	62
Pullman Palace Car Co.	192	200½	189½	—
Rich. & W. P. Term.	9½	10⅝	7	10
Rome, W. & Ogd.	110½	111	109¾	111
St. Louis, A. & T. H.	—	38½	37	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
Do pref.	—	—	—	—
Do 1st pref.	—	—	—	—
St. Paul & Duluth	—	48⅜	44½	—
Do pref.	—	107½	105	—
St. Paul, M. & M.	—	113¾	113	—
Southern Pacific Co.	37⅜	37¾	37	37¾
Sugar Refineries	95⅞	98½	88⅜	98½
Texas & Pacific	—	10¼	8¾	9¼
Union Pacific	44¼	45	38⅝	40¾
Wabash, St. Louis & Pacific	12	12	11	11¼
Do pref.	27¼	27⅝	24½	25½
Wisconsin Central	—	17⅛	15⅜	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	40½	40½	30½	40
Nat. Lead Trust	33⅞	37⅛	32¼	37⅛
Tenn. Coal & Iron	47	47	40⅛	42
Express—Adams	—	148	145	—
American	118	120⅜	118	120⅜
United States	—	55	45¼	55
Wells-Fargo	145	147	145	—
Western Union	93½	95⅛	92⅜	95
Wheel. & Lake E.	34	34	30⅞	31⅜
Do pref.	75¼	75½	74⅛	74⅝