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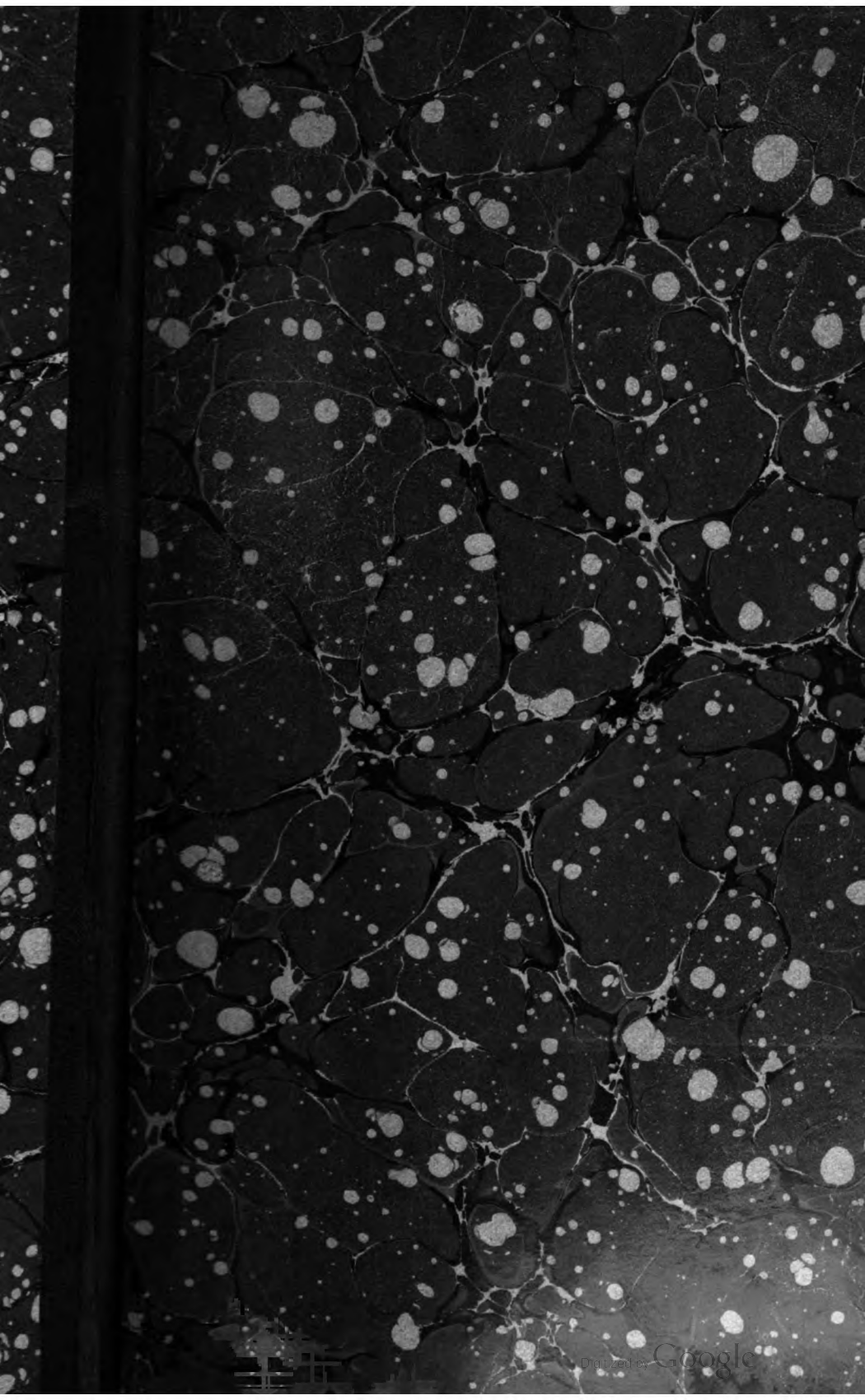

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THE BANKER'S MAGAZINE,

AND

Statistical Register.

ALBERT S. BOLLES, EDITOR.

"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."

"The Revenue of the State is THE STATE: in effect, all depends upon it, whether for support or for reformation."

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OR,

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FROM JULY, 1893, TO JUNE, 1894, INCLUSIVE.

NEW YORK:
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OF THE

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FROM

JULY, 1893, TO JUNE, 1894, BOTH INCLUSIVE.

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BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVIII. JULY, 1893. No. 1.

THE BANK FAILURES.

It is very easy after a disaster has happened to show how it could have been prevented. All the bankers throughout the country are much wiser concerning the lending of their funds than they were a few months ago; even the most experienced has learned something.

In looking over the long list of banks that have failed, the most noteworthy fact is that nearly all of them are new institutions. Of the entire number only two or three had been in existence only a short period. The Plankinton Bank of Milwaukee is perhaps the most marked exception. This bank had had a longer existence, it also had a large amount of deposits, and much strength. More recently, however, a large portion of its funds had been used in speculations, and it was known that some of these had proved disastrous, and that the bank was doubtless a loser by them. The run on the bank sprang from this fear. Had the bank pursued a conservative course like the other banks in that city doubtless it would be in existence to-day.

In the large cities especially a new bank, unless started in the newer portion of the city, or unless having a strong board of directors who can furnish business, must have a precarious existence. Why should the depositors of an old institution possessing

ample capital and a large surplus, and experienced officers, leave it for a new bank, the ability of whose officers must be proved? Naturally, therefore, new banks do not attract depositors, unless they are new ones, or perhaps have less regular and valuable accounts. As we have already said, in every growing city there is room for new banks in the newer portions, while banks may be established occasionally even in the very heart of the city itself for special purposes and conducting a special business and succeed. Several banks of this character have been established in New York and in other cities, whose success is assured. Their boards consist of influential men who will not only furnish deposits, but command business.

The newer banks, therefore, in order to get business have often been obliged to take risks which the older ones would decline. They have been too liberal to their depositors; have paid higher rates of interest than they could really afford to pay; have done a good deal of business for nothing expecting to draw other business in return. They have indulged in a variety of outside operations for the sake of adding something to their earnings, and have taken loans which were not safe at a higher rate of interest in order to increase their gains. That some of them should fail was to be expected.

In the smaller places new banks may be organized with a better chance of success. Every village of any considerable size needs a bank for facilitating the ordinary operations of business, and if they are properly managed, as most of them are, they serve a useful purpose and are successful. But a great many banks have been established of late in a different manner and for a different purpose. Many of the failed banks were organized by men who had different objects in view; they were to serve a secondary purpose for other operations. The directors were engaged in great land schemes, building operations, factories, or construction enterprises, and their banks were simply an agency for getting funds and credit. This has been the history of many of the newer banking institutions. The consequence is that the success of such a bank depends largely on the success of the outside enterprises in which its funds have been employed. If they prove unsuccessful then the bank is a loser and perhaps ruined. Many of the banks that have failed within the last two or three years have been of this subsidiary character, conducted by the same class of officers; and the failure of the outside scheme necessitated the failure of the bank which furnished the money and credit.

But the older banks have also learned something from these experiences; nor have they wholly escaped losses. There have been many failures in the business of production and exchange

with heavy losses to lenders, and also other losses on loans secured by stocks. It is often a question with bankers which of the two classes of investments are the safer—mercantile paper or paper secured by stock collaterals. Occasionally, when a bank has experienced heavy losses from the failures of merchants and producers it reaches the conclusion that after all the safest kind of investment is a man's note secured by a collateral which is listed on the stock exchange, the price of which is daily known, and which commands a ready sale. But, as banks have learned, such securities are by no means safe. For it frequently happens that when two or three securities which are thus listed on the exchange decline, the whole list also declines and the margin of security suddenly vanishes. It is said that a considerable number of the banks at the present time have loans secured by industrial stocks, the value of which has declined far below the loan margin.

When a bank has thus suffered, it not unfrequently turns to mercantile paper realizing that there is no such danger of losses as from stock collaterals. This merchant and that merchant may fail, but all of them will not, and thus it is a question not easily answered which class of securities, all things considered, is the safest to take.

The great lesson conveyed by these failures is that the lending of money is, at best, a risky operation and that losses cannot be avoided, but doubtless if greater prudence was exercised in making loans, losses would be much less then they are now. Bankers realize how their risks in money lending have been increased by the introduction of the bill broker, who separates the lender from the borrower. In olden times a bank had its customers and was not obliged to resort to other sources for lending money. Indeed, the difficulty was usually of the opposite character, to get money enough to lend to its customers, but in the larger cities especially the opposite condition of things now generally prevails; the banks do not have customers enough and so they must buy paper in order to lend their money. Another reason doubtless for this state of things is that borrowers find that they can negotiate for loans through bill brokers easily and with some well understood advantages to themselves. They escape making statements of their condition and are able to float much more paper in many cases than they could if they depended on one or two banks for funds. Herein is the risk of this new mode of lending money; a bank is utterly at sea concerning the ability of a borrower. Almost the only mode a bank has of judging of the worth of such paper now-a-days is to resort to the books which give the standing of borrowers. Then a bank will get in the way of buying the paper of certain

individuals and companies and which being paid regularly commands a confidence which grows with each additional purchase. So in time a bank comes to have a large degree of confidence in the paper of individuals and companies thus purchased, but, after all, it will be seen that this confidence is not based on any knowledge of the borrower's business. It is simply a blind confidence springing from regular payments and nothing more. When failures occur it is then often seen that a borrower has obtained money from one source to pay money borrowed from another, and has thus kept himself going for months and years perhaps when in an insolvent condition. Had he borrowed money in the old manner, through one or two banks, they doubtless would have known of his condition long before and would have ceased to furnish him money.

It is this blind method of lending money which has cost the banks so much in the way of loss of capital; and not only this, but as we remarked last month, they have been the means unwittingly of bringing many a merchant and producer to the edge of bankruptcy or have thrown him over it. For by supplying persons with money who ought not to have had it, they have kept their business alive long after their insolvency and enabled them to sell at ruinous prices; ruinous not only to themselves, but also to their competitors who were once in a much better condition. It is by doing these things that the entire business of the country has suffered so grievously during the last few years, and there seems to be no way of escape. Had the banks not thus assisted the good and bad alike, the solvent and insolvent, doubtless the weaker would have perished sooner, but there would have been fewer of them, while the better class would have not had so serious a time and would have made more money. This is a truthful analysis of the situation. All classes have been dragged down by the unwise lending by banking institutions, and the present condition of things will continue until the banks cease their present mode of lending money.

What then ought to be done? Obviously the banks ought to return to the old ways of knowing more about the responsibility and capacity to do business of those to whom they lend money. They should stop lending simply on the credit of names. In other words, they should cease to do business in the dark. If they are to lend to manufacturers they should take time enough to investigate into their affairs and learn what they are doing and whether the business is profitable and whether, if the money is lent, it is likely to be repaid. Nor is this such a difficult thing to do as some perhaps imagine. For if, instead of lending to so many, a bank should restrict its loans to fewer persons and then watch their affairs more carefully, making investigations

from time to time as to their standing, profits, etc., they would serve them in a far more effective manner than they are now doing and lose less money. This is plainly the reform which the banks should undertake and without delay. The banks may reply to all this, we have not the time nor the inclination to make such investigations; we prefer to take the risk. Of course, they are at liberty to do so, but if they continue in the old way they are likely to reap another crop of failures in due season. It would seem as though experience ought to teach men something, and if we are to be taught anything by these events it is that the banks must be more prudent in lending their resources if they expect to escape the disasters from which they are now suffering.

A REVIEW OF FINANCE AND BUSINESS.

THE FINANCIAL SITUATION

has been the one controlling influence in all branches of business, for another month, without material change in the commercial condition of the country at large, either for better or for worse; except as the nature of the disease that prostrated it has been developed, a diagnosis by our legislative doctors, and the consideration of a remedy; while we are one month nearer its application; and, possibly have passed the crisis. Meantime, the waves of commercial distrust and of confidence have alternately advanced and receded, as the tide of financial disaster has ebbed and flowed, leaving its wrecks sunken, or hopelessly stranded, along the beach; and dragging sounder craft, that had ridden the wave, down with its resistless undertow.

At the end of May, the storm center had reached the West, and was spreading over the Mississippi Valley. Since then it has extended to the North and Southwest; leaped the hitherto inaccessible financial barriers of the Rocky Mountains and struck the Gold Standard Pacific Coast with unabated fury. Like Chicago and all other Western trade and Free Silver centers, it has been compelled in its distress, to call upon New York for relief, nor has it called in vain. But the drain was so enormous, that it produced a return wave of depression and distrust in the East by raising the rates, increasing fourfold the stringency and difficulty in borrowing money, even on call; and finally compelling the banks of New York, Philadelphia, and Boston, to resort to the device invented in the last panic, of issuing Clearing House certificates for their own safety. This was followed by renewed failures in the East, until the rate of sterling exchange had broken to a gold importing basis, stopped its exports and brought foreign

capital here in sufficient amounts to check the increasing stringency, which was attracted by the high rates compared with the lower rates in London. Increased exports of wheat and cotton also have helped to bring about this change in the foreign exchange market, and to improve the prospects of an approaching end of gold exports. A return current of this tremendous outflow of nearly $10,000,000 a week for several weeks to the West also set in near the close of the month, due to the decreasing bank troubles in that section, and to the untying of large amounts of local capital. All these influences combined produced a better feeling East of the Rocky Mountains, at the end of the month, while the violence of the storm on the Pacific Coast was believed to indicate that its duration would be brief. This is the situation, at this writing, from the Atlantic to the Pacific, and from the Lakes to the Gulf; and the panic is believed to have spent its force, though the financial weather is by no means settled nor clear; but it gives signs of clearing, with a low financial barometer still, throughout the country, but less atmospheric disturbance in the Southern States, so far, than in any other section, owing to the good prices it received for its last cotton crop, which had been raised on the smallest amount of credit ever known, owing to the extreme low prices of the preceding crop; which accounts for the unexpectedly sound condition of business in that section.

ALL NOW DEPENDS ON THE REPEAL OF THE SILVER LAW.

But this calm after the storm or during its temporary cessation, whichever the result may prove it to be, has been due more largely than to all the above combined causes, to the almost assured prospect of the repeal of the disastrous Sherman Silver Law, as the press of this city has made a pretty complete telegraphic canvass of the members of Congress, and obtained the views of a safe majority in favor of such action. This has hitherto been in grave doubt; and, it is believed to be the chief, if not the only reason an extra session has not already been called. To have done this, and failed, would have precipitated a panic, which for violence, has not been seen since 1873; and whose extent has seldom, if ever been known. It is now the apparently well founded hope of the repeal of this cause of the country's business troubles, that has produced the slight improvement in the situation and the present partial calm. But no permanent and complete restoration of confidence and credit can be possible until this dangerous law, this financial dynamite, is absolutely and finally removed from our statute books. Hence business must remain in a state of extreme and anxious suspense, until this shall be accomplished, with little chance of any general improvement before. All that can be expected is to avert further disaster. The sooner therefore, Congress

is called together the better, so there is no doubt of its prompt and decisive action; and, the comfort of Congressmen, who are responsible for permitting this law to go unrepealed at the last session, either from fear or expectation of party advantage, should be the last thing to be considered. In fact, a little hot weather may facilitate the passage of the repeal; and, a short experience of the heated temperature into which their inaction has thrown the entire business of the country may be a wholesome penalty of their cowardice and partisanship. This much, at least, is due the country, to undo at the earliest possible moment the mischief for which its law makers are entirely responsible.

NO TIME NOR PLACE FOR POLITICS.

Any attempt, however, to make political capital out of the present distress of the country, by either party, would be simply suicidal and little less than treasonable; and would certainly bring its deserved retribution. This is the time and here the place for men to rise above party and party advantage. Those who are endeavoring to weaken the influence of the present administration, which has done all in its rightful power to alleviate the conditions that confronted it when it came into office, by charging this National disaster to its inaction, or its distrust by the country, are in the position of the man who had taken all there was in sight, and then rushed into the street and shouted, "Stop thief," to divert the attention of the plundered and enraged people from himself. It will not do. The country has too lately expressed its trust and distrust of parties, and has learned too well what is the cause of its troubles, and who is responsible for it. The duty of every one now is, without regard to party or even to who is to blame for the present deplorable conditions, to join hands as all patriots did in the Civil War, to save the business of the country, and remove forever the causes, of which the present evils are only the effect. This is what the country demands of an extra session of Congress, and either party that shall attempt to make capital by prolonging the present status will be held to a terrible account hereafter. Rather let party credit be sought in a generous rivalry between them, to show the people which will go furthest in self-abnegation and do the most to relieve their distress, and to bring back the prosperity which has been destroyed by bad legislation at a time and under conditions which would have given this country a most prosperous period. It is now already too late to save the belated spring trade which was unusually delayed by the lateness of the season; and mid-summer dullness is upon us with the recent hot weather. But fall trade can be saved by an early calling of an extra session of Congress. The latter part of July and early August are the months when this

trade begins, and to delay it until September would result in a loss of a good portion beside needlessly prolonging the financial strain.

THE MONEY MARKET.

Early in the month call loans went begging in the East at 2 to 4 per cent., while banks refused time loans at 6 to 8 for best names, of which plenty were offered, fearing what happened before the middle of the month when the urgent demand set in from the West and kept up till the last week, taxing the combined resources of the New York banks, and compelling the issuing of between five and ten million of Clearing House certificates, with Philadelphia and Boston banks following suit. Simultaneously the rates for call loans ran up daily by the aid of the Bear manipulators in the stock market to 15, 25 and even 40 per cent., although the bulk of the business was done at 6 to 8 and 10 per cent., while time loans were almost unobtainable and commercial paper practically unsalable, the banks having all they could do to take care of their regular customers and rediscount the paper of their Western bank correspondents that demanded help.

This brought in foreign capital, as the rates in London remained low, broke the sterling exchange market, aided by increased offerings of commercial bills against larger exports of wheat, corn, flour, oats and hay, as well as of cotton, to a gold importing basis, and ended for the time, if not for good, the drain of gold for export and the consequent drafts upon the Treasury, whose gold balance has since been increasing, enabling it to anticipate the July interest payments on Government bonds, thus adding some $6,000,000 to the currency in circulation, beside several millions more paid out by wealthy railroads in anticipation of their July dividend and interest obligations. Added to these sources of increased currency supply, the $8,000,000 to $10,000,000 weekly shipments of money to the West that had been going out since near the first of the month began to return, at about the time San Francisco called upon the New York banks heavily for telegraphic and Treasury transfers to meet the run on banks on the Pacific Coast caused by the bank failures there. The wisdom and conservatism, as well as the prompt action of the New York banks in husbanding their resources in May, to be able to help the banks of the rest of the country in June cannot be too highly commended; for their course has averted a violent panic so far in all sections of the country, and confined the disaster for the most part to unsound or too widely extended banks and firms.

At the close of the month the Treasury seems to be out of the woods with improved prospects of continued heavy exports of both food and feed breadstuffs, to make good a large and general

deficit in the crops of Western Europe, owing to drought for the past three months in England, France and Germany. The banks of the East and of the West alike seem to have passed the crisis if not those of the Pacific Coast. The probable repeal of the silver law and the break in sterling exchange is bringing idle foreign capital to our relief and some gold. Increased exports have stopped gold exports and promise to prevent their renewal; and there is a better feeling in both financial and commercial circles, all of which seems to indicate that the worst is over, unless some wholly unexpected and new calamity shall occur to some important interest and precipitate another fright and run upon the banks.

THE SILVER CRISIS AND GOLD MOVEMENT

seems to have reached its acute stage at the close of the month in the action of the Indian Government, suspending the coinage of silver for private parties at all the Indian mints. This was not wholly unexpected, but it was not anticipated at this time, and this sudden move in the direction of a gold standard by the largest silver consuming country in the world next to the United States caused a shock in financial circles that was felt on both sides of the Atlantic, and precipitated a sharp and heavy decline in silver in London and New York that reached the lowest point on record, and left our silver dollar worth but 57c. to 58c. in bullion, and the United States Treasury with a loss estimated at nearly $11,000,000 by Secretary Carlisle, on the price it has paid for the silver bullion now in the Treasury. This served at last to open the eyes of the yet unconverted silver or double standard advocates to the fact that the United States can look for no help in this direction either from Europe or its colonies and dependencies; and that she must be prepared to buy two-thirds of the silver product of the world annually, which was 152,000,000 ounces last year, or that part of it consumed by India, which was 45,000,000 ounces last year, in addition to 54,000,000 taken by our Government, which has now 124,292,532 ounces of silver bullion locked up in its Treasury vaults. Not only has India stopped the coinage of silver, but she has been accumulating gold for a long time and either hoarding it or using it in a manner that can be made available for money as would appear from the Washington correspondence of the *Evening Post* of June 27th, which says:

A rough estimate from trustworthy statistical sources shows that the excess of imports of gold into India over exports from 1835 to the present day would probably foot up not far from $800,000,000, while the proportion of that amount used for coinage has been a mere trifle. Banking is unpopular among the natives, but their gold has been used for ornaments or hoarded in chests and treasure vaults. It would not be surprising, therefore, to find three-quarters of a billion dollars worth of

gold in jewelry, bric-a-brac, and English and Australian coin among the wealthy natives of India who have collected it from time to time in such forms as would be readily merchantable whenever silver should pass out of the coinage and gold become the single standard.

It is worthy of note in view of the downward course of silver that on the total amount we have purchased since the Government became a regular buyer, we have, at to-day's prices, lost $109,500,000.

If these last figures are correct, it is but a question of time when our present policy will bankrupt the Government itself, and this enormous loss is sufficient for this country to stop in its efforts to convert the rest of the world to a double standard until its great commercial countries will co-operate, as the late Brussels Conference showed they are determined not to do.

In this connection the gold and silver exports of this country compared with a year ago, since January last, is instructive: Exports of gold from New York since January 1, $68,700,949; silver, $4,728,618; against $39,699,192 gold and $11,031,206 silver; for the same period in 1892. Imports of gold were $28,306, of silver $7,200 from South America. Since January 1: Gold, $6,155,150; silver, $1,251,570; against $6,262,133 gold and $790,821 for the same time last year.

THE STOCK MARKET

has been under the financial harrow, as a matter of course, when every other class of business is in distress and a Bear market has been the result, with steadily shrinking prices, as the distress continues and liquidation is forced. The only exceptions have been when the financial outlook improved for a moment, and the shorts covered. But no sooner did the sun go under the clouds again, as it has, after every temporary breaking away, than prices resumed their downward tendency accelerated by the uncovering, every now and then, of some new, weak and unsuspected spot. The Industrials have been the chief source of weakness, as they have, for months, and will continue to be, until the passage of National laws that shall put the management of these enormous and irresponsible corporations under check or control or, render them harmless by destroying their monopoly of the necessities of life. The Reading sore has also been reopened by the refusal of a large number of the bondholders to submit to the Reorganization plan, that leaves the property in the same slough of debt as before, which is so deep that assessments can never fill it up; and, the sooner a large portion of its enormous capitalization is wiped out the better: for this must come in the end to many of its securities that are only worth the price of old paper. Either this, or it can be left in the hands of receivers, where it should have been when it was last reorganized, and the present status be retained. But the sale of its coal pledged to banks is not likely to realize what is expected; if the talk in the coal

trade is by the facts. This is to the effect that it has no such amount of coal mined as has been pledged as collateral, namely 1,500,000 tons, nor even 1,000,000 tons, for the reason that it has not "pockets" nor terminal storage for any such amounts of coal, and that the banks will have to wait for their "collateral" to be mined before they can sell it at auction or otherwise. The Southwestern stocks have been the next weakest on the list led by the Atchison and the Missouri Pacific, both of which are believed to be on the road to receiverships, otherwise the railroads of the country seem to be in as good condition as usual, as their earnings are good on freight traffic though passenger earnings are falling off, except to the World's Fair, on account of the general financial distress of all classes the country over. But rates are generally well maintained and the outlook hopeful. London has been a fair buyer and may give still further support, if the silver repeal outlook continues to improve.

THE IRON AND COAL TRADES.

The condition of the iron trade of the North generally is shown by the following dispatch from Detroit, Mich., June 27—"A *Free Press* dispatch from Ishpeming, Mich., says that word has been received here from the owners of the Republican Iron Mine to close down for two months beginning July 1. The Bond and Cleveland Mine, employing 700 men, will be closed indefinitely. It is said that before long 75 per cent. of the iron mines in the Lake Superior region will close because of the dullness in the iron-ore market." Comment is unnecessary, except to say that accumulations of ore are heavy and sufficient to supply the demand, which, like that in every branch of business, is from hand-to-mouth. Yet, in the face of such a condition of the manufacturing industries of the country generally, and of the financial distress among commercial classes, and decreased employment among the industrial masses, the coal combination adopted the narrow and short-sighted policy of advancing prices at the last meeting of their coal agents instead of letting them down as usual in the summer months. This is bad management from the standpoint of self-interest even, and inexcusable from every other. Such exhibitions of utter disregard for the interests and rights of other industries and of the public, are not calculated in times like these to soften the natural antagonism of the community to great corporations; and should hostile legislation follow as the fruit of this indifference, the howls of its authors will fall on equally indifferent ears. Yet the very effort to hold prices at this unnatural level is likely to defeat it and furnish its own remedy in the forced sale of the enormous accumulations of the Reading, by which alone, prices could be maintained, and on which the

banks have loaned money that is wanted in legitimate channels and should be called in, as now seems probable, and forced sales at auction be compelled. Had it not been for the attempt in New York and Philadelphia to corner the coal market, and in Chicago to corner wheat, at least $20,000,000 more money would have been available for the accommodation of legitimate business, and the tiding over of solvent banks, manufacturers and merchants who have already been forced to the wall for want of usual bank accommodations.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Bankers' Panic.—The *Iron Age* in an editorial with the annexed caption accuses the banks of withdrawing their credits without reason and thus plunging individuals and companies of unquestioned soundness into bankruptcy. More than one well managed concern, and possessing abundant capital, has failed within the last two months in consequence of the withdrawal of the credits which have usually been promptly granted. They had never for a moment supposed that credits were to be denied to them, and had made no preparation for the unwelcome event. The only thing left for them to do, notwithstanding the possession of abundant assets, was to appoint a receiver and thus secure time and insure fair treatment to all their customers. The banks in too many cases of late have shown as much ignorance and groundless fear in withholding credits as in other cases they have been not less ignorant and hasty in granting them. As we have elsewhere shown, one of the worst faults in recent banking has been the granting of credits without making proper inquiry concerning the security or ability of borrowers to pay. Money lending has been too much a matter of faith instead of an exercise of reason. Now, the frightened banks are going to the other extreme, and are refusing credits to individuals and corporations which are just as worthy of them as they were months ago. This is not only a senseless, but most destructive way of doing business and must create much bitter feeling between banks and their customers. If this experience shall lead banks in the future to be more considerate in making loans this will be a great gain. Certainly this is the lesson of all lessons which should be impressed on them by these events.

Lending of a Bank's Resources to One Man.—In ascertaining the causes of some of the recent bank failures the unwelcome fact has appeared that a large portion of the resources of the bank was loaned to one or two individuals. So long as they were suc-

cessful the bank prospered, and their failure brought their bank to ruin. This was the case with the Plankinton Bank at Milwaukee. One man owes the bank $230,000, and the capital stock of the bank is only $200,000. This favored customer suddenly failed with debts amounting to $750,000, and, of course, the bank which had stuffed so much of its money into this one man's pocket had to go down. Such a method of conducting the business of a bank is reckless, and almost certain to end in disaster. A banking institution is not designed to be run for the benefit of any one customer, but for the accommodation and help of the business community. Besides this it is unfair to the other customers of a bank to give such a preference and such an enormous credit to any single individual or any business enterprise. The larger the number of solvent customers a bank has the better for its prosperity and safety. Its loans should be distributed, not concentrated in one place, or vested in a single security or business undertaking. This is not the only bank whose resources have been lent in this manner. Of course the practice is illegal, but the law in many cases has proved worthless in this regard. Again and again has this happened. It would seem as though directors ought to have learned by this time that this provision of the law ought to be respected. Generally, wherever a one-man's bank exists it is known by the community and the true corrective, or at least an efficient corrective, it would be to keep away from it. Depositors have a remedy in withdrawing their deposits, or of putting them in other banks. If this remedy was applied there would be fewer bank failures of this nature.

Bank Collections.—Judge Arnold, of the Court of Common Pleas of Philadelphia, has rendered a decision concerning the collection of a draft which is of considerable interest to bankers. Crane, Purvis & Co., of Washington, sent a draft for $1,990 to the Keystone Bank, of Philadelphia, for collection. The Fourth National Bank paid the draft through the Clearing House to the Keystone Bank on the day that bank failed. When settlement was made that day it was found that the Keystone was short over $47,000, including this draft. The firm of Crane, Purvis & Co. had sent the draft for collection in good faith, and argued in court that it should not be classed with the other creditors of the bank and made to take its chances with them. But the court says otherwise. The general rule is, if a draft or check is sent by a non-depositor to a bank for collection it is an agent for collecting the money, and which is held, after it has been collected, in trust until it is transmitted to the person from whom the draft came. If the person depositing the draft is a depositor then the law presumes that, after the collection is made and the money is retained, the

agency relation has been succeeded by that of debtor and creditor, in which case the rights of the depositor are the same as those of any other depositor. From the report published it appears that the owners of the draft were non-depositors; and, if so, we are unable to perceive why the money which had been collected should not be regarded as held in trust for the firm which sent the draft. Unless the facts show that they were depositors, or that the money was to be kept as a deposit after its collection by special agreement, the decision is contrary to the general rule.

State Banks v. *National Banks.*—There is one comforting feature amid the gloom cast by the failures of so many National banks; namely, that the note holders will not lose a dollar. Suppose these institutions had been the old-fashioned State banks with several millions of currency in circulation, what a different state of things would have existed to-day! Everywhere the pockets of people would have been filled with their notes, the redemption of which would have been doubtful. This is one of the strong reasons for continuing the National bank system. Whatever imperfections there may be the holders of National bank notes are perfectly secured. Yet the opinion is growing, especially in the South and West, in favor of repealing the ten per cent. tax on the notes of State banks and thus preparing the way for a return to the old system. Yet there are journals and individuals in those sections who clearly perceive the evils that will follow the revival of the system. In a recent number of the Galveston *News*, one of the most influential and intelligent journals in the South, the editor says:

The importance of the indorsement given by the Australian premiers lies in the fact that they recommend the adoption of our system of banks as a remedial agency to meet the requirements of a situation dreadfully distorted and upset by the ill working of precisely that system of banking *some of our thoughtless political friends are anxious to force upon us.* Australia has had banks of issue—State banks—subject to no inspection or outside control, and it is needless to add that the finances of no other country on the globe are at present in such hopeless entanglement as are those of Australia. The time is drawing rapidly near when our finances and politics must be entirely separated, when the independent State-bank-of-issue man must take a back seat with the Greenbacker, and the Democrat cease from worrying over the fact that in order to have a great money center he must give up some of his prejudice against centralization. The *News* does not pretend to say just how all this will be brought about, but it knows that the National bank system has shown itself to be good and sound by the actual test of years of experience, and that the next step is only a short one toward the perfection of our monetary system. It is not forgotten that the National debt, upon which the present bank system is based, is being liquidated, and that some other basis must be provided. But that will adjust itself. It may be, indeed, that a system of banks, based upon

State bonds guaranteed and made uniform by National hypothecation, may be constructed to preserve the uniformity and stability of the present system.

An Excellent Re-appointment.—Governor Rich, of Michigan, has re-appointed Mr. Sherwood, the efficient head of the banking department of that State. He has been in the service a goodly number of years and his fitness has been well tried. The Detroit *News* thus remarks: The history of Mr. Sherwood's official career that is unwritten in reports, but that is still sufficiently known to people who endeavor to follow such things, reflects much credit upon the re-appointed commissioner for good judgment and honesty of purpose. The best that a banking commissioner will do will not make a banking system perfect so long as it has to reckon with dishonest men in the business. There is no discounting a liar or a thief. But an efficient commissioner can make it more and more difficult for both of them to operate, and this, we believe, Mr. Sherwood has been doing every day of his terms.

New Jersey Savings Banks.—The report of George S. Duryee, Commissioner of Banking and Insurance, shows twenty-five savings banks in the State. Their resources Jan. 1, 1893, were $39,776,787, while the amount due depositors on the same date was $36,488,246. The surplus was $3,155,339. The deposits have increased about $3,000,000 during the year 1892. The number of depositors on Jan. 1, 1893, was 140,772; number of accounts opened during the year 34,519; amount deposited $21,172,282; amount withdrawn $19,582,132; interest credited $1,031,367. The report contains a table giving the aggregate resources, deposits and surplus of the savings banks for each of the last twenty-five years, which shows that the amount of deposits has steadily increased. In 1869 it was $11,551,369. From that time the amount steadily increased until 1877, when it was $31,974,316. In 1878 it dropped to $15,851,490, about 50 per cent., and the next year there was a further decrease. Another change then took place and the deposits swelled to greater volumes each year, until at present it is $36,488,246.

Usury.—An interesting case of usury has arisen in Illinois. By the law of that State interest on loans is limited to seven per cent., except to corporations, which are permitted to pay whatever rates they please. It has been held, therefore, that an agreement by a corporation to pay eighteen per cent., or any other rate of interest, may be enforced. The law regulating the authority of National banks to reserve interest provides that a bank may charge seven per cent. when no rate is fixed by the State, but whenever a State rate does exist the bank may charge that rate, whatever

it be. It would seem that a corporation in Illinios has a right to agree to any rate with a National bank, as it clearly can do this with a State bank, but the Supreme Court of that State has just decided otherwise. If the decision is correct the National banks are in a curious plight. The State banks may make any agreement they please with corporations concerning the rate of interest while the National banks are restricted to seven per cent. Is there any reason why fish should be made of one class and fowls of the other? The case has been appealed to the Supreme Court of the United States and the decision of that tribunal will be awaited with interest.

The Currency Crisis in the United States.—Mr. Moreton Frewen has written an article for the June number of the *Fortnightly Review* describing the currency crisis in this country in which he ascribes the present condition of things to the Sherman act. He says:

The Act of 1890, which will be forever associated with the name of that distinguished financier, Senator Sherman, of Ohio, is doing the work predicted by its opponents, and is expelling gold with a celerity and thoroughness few of us expected. The purchases of silver under the Bland Act of 1878 were issued in the form either of legal-tender silver dollars or of notes which were not legal tender. These silver purchases then could only displace gold by first inflating the currency, by raising the entire level of prices in America, and, in this way, increasing her imports till gold flowed away; but it is far otherwise with the present purchase of 4½ million ounces of silver monthly under the conditions of the Sherman Act—this mass of silver is added to the volume of legal-tender money in the United States, not in the form of silver certificates, but as legal-tender bank notes, which notes the Treasury, albeit quite gratuitously, insists on paying on demand, not in coin, but in gold. The Sherman Act is accordingly being manipulated in the most open manner by Wall Street speculators, who, having collected these notes, are able to raid the Treasury gold reserves whenever their "short interest" is large enough to justify a "slump" in stocks generally. Terribly exposed as is the gold reserve of the Bank of England, in this case, at least, by raising bank rates, the "old lady of Threadneedle Street" can profitably transfer the entire peril and the entire loss from herself to her customers; but the United States Treasury has no such remedy, and the Sherman Act may fairly be described as an Act for the better security of the Wall Street "bears," who, since its passage, have made enormous profits notwithstanding the prevalence of good times in the United States! Ten million dollars of legal tenders, collected by private operators during a few days, are a demand draft on the Treasury for ten millions of gold; the mere announcement that this gold is about to be shipped is sufficient to create a money panic and those vast profits which a panic so safely secures.

This is a strong description of the evils from which the country is suffering in consequence of this piece of legislation. Mr. Frewen, while thus opposed to this act is also a profound believer in the world's necessity of using silver, and ascribes the shrinkage of prices to the demonetization of the white metal. After a long

period of unrestricted coinage of both silver and gold, in 1875 the free coinage of legal-tender silver money was stopped by the United States. Mr. Frewen asserts that only a very few persons were aware of the enormous scope of the changes contemplated by thus discontinuing the coinage of silver. The financial and industrial world has now tried this experiment for eighteen years. It was predicted by Seyd, Laveleye, Cernuschi, and Wolowski, that it would cause a depression of prices, and have not their predictions been fulfilled? Mr. Frewen asserts that the present crisis can certainly be best explained on the theory of a diminishing currency. This conclusion from the demonetization of silver is not so clear to all as it is to him, and for the reason that the place of silver has been supplied with other currency. There has been no real contraction. Had there been, then it may be admitted that the decline in prices might have been more easily explained in that manner, but the figures clearly show that, with respect to our own country especially, there has been a constant increase in the quantity of money, and while this increase has been perhaps greater here than in some others, there has also been an increase in nearly all of the European countries. It is not true, therefore, that whatever evils may have resulted from the demonetization of silver there has been a contraction of the currency and a consequent decline of prices. The decline must be ascribed to other causes. It is true that the world has not outgrown the use of silver, and serious evils have arisen in consequence of demonetizing it, and which will be felt more keenly in the future, but the decline in prices is not one of them. Nevertheless, why should not the use of silver be continued at its real valuation in preference to paper money which is based purely on faith or confidence?

Savings Banks Failures, East and West.—It is a noteworthy fact that while there have been some failures of savings banks in the West and many runs on others which happily have withstood them, not a single savings bank in the East has failed. There was a run a few days since on a savings bank in New York in consequence of the peculations of its officers, but happily they had not taken enough to impair its solvency, and so the run speedily ceased. But in the West failures and runs have occurred in many places. The reason is that the Western savings banks, though thus called, are really different institutions from the Eastern ones bearing the same name. The Eastern savings bank is purely a bank of deposit. Having no stockholders, it is managed solely in the interest of the depositors, and loans are carefully guarded by law. In the West, however, these banks are stock affairs and are run primarily in the interest of the stockholders, and greater risks are taken. The Western savings banks have made

more money, but the Eastern have been more conservative and have met with fewer losses. This is the reason why many of the Western savings banks have failed in these times.

Assessments on National Bank Shareholders.—Comptroller Eckels has established a new rule in assessing the shareholders of failed National banks. Instead of waiting until all the assets have been collected and applied to discharge the liabilities of the bank, he has adopted the rule of making the assessment for enough to cover the supposed deficiency as soon as this can be ascertained. If the assessment should prove too large, or more than enough to pay the liability of the shareholders, the excess will be returned to them, otherwise it will all be applied as the law prescribes. This rule has been enforced in the case of the Commercial National Bank of Nashville, which failed about the first of March, having a capital of half a million with liabilities exceeding a million. Of course this rule will excite strong opposition. The reason for adopting it is to prevent shareholders from disposing of their property in order to escape the payment of the assessment. As a year or two often passes after a bank has failed before an assessment is ordered, shareholders who are so inclined can get their property out of sight and thus evade the legal requirements. By pouncing on them speedily it is expected that they will not be able to evade their legal liability. The requirement, however, is very harsh, and it doubtless will be a serious strain on many a shareholder, as the loss sustained by him will doubtless be all that he can bear without immediately increasing the burden by an assessment of this character. In many cases doubtless if intending to pay, he could do so more easily if time was given to him. Regarding this rule solely from the creditors' point of view, they are likely to get more than they did before, for probably shareholders, on some occasions, have sold or transferred their property during the settlement of the affairs of a failed bank to escape further liability.

Reciprocity.—The report of the Bureau of Statistics shows that for a period of twenty months under reciprocity compared with twenty months before reciprocity there was an increase in our domestic exports to Cuba of $16,217,552, and an increase of our imports from Cuba of $17,557,470. In our trade with Brazil our domestic exports for twelve months show an increase compared with the last twelve months preceding reciprocity of $1,095,796. This, however, is relatively a large loss, for for three years before the reciprocity treaty went into operation the annual increase of our domestic exports to Brazil was over two million dollars. While our domestic exports to Brazil were increasing a little more

than a million dollars, our imports from Brazil show an increase of $39,255,024. Twenty months of reciprocity with Porto Rico shows an increase of our domestic exports of $622,936, and a decrease of our imports of $414,825. Twenty months of reciprocity with San Domingo shows an increase of $604,330 in our imports, and $262,555 in domestic exports. Our domestic exports have fallen off to all other countries with which we have reciprocity arrangements as follows: Germany, fifteen months, $12,409,607; Austria, eleven months, $930,347; Salvador, fifteen months, $258,077; Nicaragua, twelve months, $495,219; Guatemala, eleven months, $110,846; Honduras, eleven months, $58,997; British West Indies, fifteen months, $944,229; British Guiana, thirteen months, $58,227.

Product of Gold and Silver in 1892.—The effect of the precious metals produced during 1892 on the monetary policy of the world is discussed in an interesting manner in a recent French magazine by Arthur Raffalovich. The increase in the price of silver since 1861 is shown in the following table:

Years—	*Increase of Production. Ounces.*	*Annual Averages. Ounces.*	*Decline of price. Pence.*	*Annual Av'ages. Pence.*
1861-73	27,800,000	3,000,000	2.25	0.18
1873-76	5,500,000	1,800,000	6.50	2.18
1876-78	5,700,000	2,800,000	6.50	2.18
1878-83	15,700,000	3,100,000	6.25	0.44
1883-89	36,300,000	6,000,000	7.75	1.29
1889-91	18,100,000	9,000,000	5.00	2.50

The fall in the price of silver began in 1861, caused by the demonetization in Germany and the discontinuance of the coinage by the Latin Union. The operation of the Bland silver law has absorbed two-thirds of the increased production from 1878 to 1883, nevertheless the decline in price has continued.

"Whatever may be said to the contrary," says Mr. Raffalovich, "the fall of silver is due to an excess of production of the mines of the United States under the influence of laws which stimulate it by furnishing it a privileged market." Mr. Raffalovich thus seems to put our silver legislation in the position of depressing instead of elevating the price of silver. He is evidently of the opinion that bi-metallism is a doubtful experiment in view of the great fluctuations in the relative production of gold and silver in recent years. He says upon this subject:

"With respect to bi-metallism, it must not be forgotten that the annual production of silver during the last thirty years rose from £8,000,000 to £20,000,000 while that of gold fell from £27,000,000 to about £21,000,000. Hence, therefore, a decrease of gold while the production of silver more than doubled. If, therefore, the annual production of two important metals has been so variable, it is scarcely possible to establish a fixed ratio between them by artifical arrangements. Neither must it be lost sight of that gold and silver are used for other purposes

than coinage; their use for other purposes is enormous. Is it conceivable that a fixed ratio can be maintained between two metals in their use in the arts? If not, it seems evident that it cannot be done in their use in coinage. Sir John Lubbock, therefore, does not believe that England will become bi-metallist. The adoption of a gold standard for India would not produce the desired effect, unless the rupee, at present a standard coin, were reduced to a simple divisional coin, like the fractional coin of England.

"This would also necessitate the closing of the mints to the coinage of silver. This measure would be opposed by all those who believe in the appreciation of gold, because its tendency would be to create a new and considerable demand for gold which would increase its value. In other words, lower prices in gold. Moreover, this question of the closing of the Indian mints should be discussed solely from the Indian point of view. Without closing its mints, it is well to inquire whether the Government of India might not impose a coinage duty, although not so high a one as exists in England."

The production of gold in South Africa, from the districts of the Witwatersrandt, Mr. Raffalovich gives for the last six years as follows:

In—	*Ounces.*
1887	34,897
1888	230,917
1889	379,773
1890	494,783
1891	729,225
1892	1,210,865

Mr. Raffalovich quotes Mr. Hamilton Smith, the American mining engineer, regarding the South African deposits, and says that Mr. Smith calculates the auriferous basis at fifty miles in length and its subterranean depth at fifteen miles. He examined the mining operations over a length of 11 miles, which have rewarded the 36 companies with a yield of 1,910,000 ounces or £6,700,000. This, according to him, is an unprecedented result. A depth of 600 or 700 feet has been already reached, and the wealth of the mines has not diminished. He makes a conjectural calculation according to which the Randt may yield 215 millions of pounds sterling. We know that in 1849 the annual total production was only 6 million pounds sterling, in 1853, 30 millions, and from 1853 to 1883 an average of 19 millions a year.

Mortgage Indebtedness of the States.—The following from a census bulletin just issued shows the per-capita mortgage indebtedness of the States so far as the statistics have yet been tabulated:

Alabama	$ 26	Nebraska	$126
Connecticut	107	New Hampshire	50
Illinois	100	Oregon	73
Indiana	51	Pennsylvania	117
Iowa	104	Rhode Island	106
Kansas	170	Tennessee	23
Maine	49	Vermont	84
Massachusetts	144	Wisconsin	72
Missouri	80		

In the ratio between the debt and the estimated true value of all taxed real estate the following is the showing:

	Per cent.		*Per cent.*
Alabama	10.96	Nebraska	24.58
Connecticut	20.14	New Hampshire	11.68
Illinois	14.06	Oregon	8.11
Indiana	9.79	Pennsylvania	18.91
Iowa	17.61	Rhode Island	12.13
Kansas	28.13	Tennessee	8.67
Maine	13.28	Vermont	19.21
Massachusetts	19.42	Wisconsin	12.46
Missouri	16.15		

STATE BANK SYSTEMS.

[CONTINUED.]

The charter of the bank was to run twenty years, and would expire in 1836. It was well known that the President was opposed to its renewal. Although it was confidently believed that both branches of Congress were in favor of renewing it, a two-thirds vote would be required to pass it over the President's veto, and it was not expected that this number would be in favor of so doing. The fears of the bank were realized in due time; the bill for renewal passed both branches, but was killed by a veto. So the bank ceased to be a National institution at the end of the time limited in its charter; but it was re-incorporated as a State institution, and its history thereafter is to be traced in that of State banking institutions.

State Banks from 1816 *to* 1863.—When the second United States Bank was created, the various State banks continued to do business as before. The Government no longer kept its deposits with them; but it did not interfere in their affairs. Of course, the National bank, with its vast resources, overshadowed them; still, they flourished and multiplied somewhat in number. The first noteworthy change in the system of State banking occurred in New England in 1824. In February of that year an attempt was made to induce the banks of Boston to give the bills of country banks the same credit as the banks in the city gave to each other's notes. If they were thus taken, it would be necessary to send them home to be redeemed, unless the country banks should choose to make an arrangement for their redemption in Boston. It was finally agreed among the banks, though not all of them, that each should receive at par in all payments from its customers, the bills of all the banks in good credit in the New England States, thus making country money equal in value to Boston money, and saving to their customers the tax previously levied in the way of a premium for Boston money. The bills thus received were not to be kept for

a long time, nor to be paid out to supply the circulation of the city. Nor was it necessary for each bank to employ messengers to carry the bills home, for an agreement was made that the Suffolk Bank should do this business or procure their redemption in such manner as it saw fit. The country bills received by the other banks in Boston which were parties to the arrangement were paid over daily to the Suffolk Bank, and received, in lieu thereof at par, Boston money. The bills thus received by the Suffolk Bank absorbed a considerable amount of its capital. To indemnify it for exchanging or redeeming the bills of the country banks, the allied banks each lent to the Suffolk Bank, without interest, a sum of money which was considered equivalent to the service performed. This plan of redemption was known as the Suffolk Bank system, and was of vast benefit to the public in facilitating the transaction of business, and in protecting a portion of the community from a constant tax and almost every one from occasional heavy losses. The general tendency of the arrangement was to give to each bank the benefit of the principal circulation of its own neighborhood, and to direct its bills homeward when they had wandered away. The excellence of the system is shown by the fact that it continued for so many years, and became so widely accepted throughout New England. It operated as a check to excessive issues, for this could not be done without the Suffolk Bank's soon finding it out and demanding enhanced security as a condition of redeeming the bills of any bank which was inclined to engage in such business.

The next banking experiment to be mentioned was the Safety Fund system adopted in New York in 1829. This required from each bank an annual contribution of one-half per cent. of its capital to a common fund to be deposited with the State treasurer as a "bank fund" until it amounted to three per cent. of the capital of each bank. This fund was to be applied to the payment of the debts of any insolvent bank contributing to the same; and in case the fund was at any time diminished by payments from it, the banks were again required to make their annual contributions till each had in deposit the three per cent. on its capital stock. For several years the system was favorably regarded, but suddenly ten banks failed with a capital of $2,800,000, causing a loss of more than $2,500,000, besides the entire annihilation of their capital. The result was so unexpected and so serious that the system in that State was abandoned not very long afterward. Had the fund which was raised been appropriated solely to pay bank note holders, it would have been amply sufficient, for at the time of the bank failures mentioned the amount of the fund was $1,876,000. The Comptroller of the State very well said in one of his reports that "banks which enjoy the exclusive privilege of furnish-

ing a currency should be required to contribute something to a common fund to make that currency safe and secure, sums reasonable and proper; but what propriety or justice can there be in requiring the banks to contribute to a general fund to pay to depositors or other general creditors of the individual banks? It is no exclusive privilege of a bank to receive deposits or to contract general debts, and no reason, therefore, is seen why this fund should be applied to them." This criticism led to a modification of the system in harmony with the Comptroller's views.

In 1845 the State of Ohio adopted the Safety Fund system when it established the State bank. This was after New York had abandoned it. The bank had a capital exceeding $4,000,000. It had several branches, supervised by a board of control, which furnished to them all the notes required for circulation. The quantity was limited to double the amount of the capital on the first $100,000; 150 per cent. on the second $100,000, and 125 per cent. on the third $100,000, or part thereof. Each branch had more than $200,000, and therefore was entitled to the full benefit of the above provisions. Each branch was required to deliver to the board of control 10 per cent. of the amount required for circulation, either in stocks of the State or of the United States, or in money, which was to be applied in redeeming the notes of any branch that might fail to redeem them. The system was regarded with great favor in Ohio for many years, yet it was very defective. It created a fund sufficient to give credit to any banking association which might be established for speculative purposes, yet after its notes were fairly in circulation, its capital might be withdrawn, the bank declared insolvent, and the community defrauded. Besides, while the safety fund might be nominally large enough to cover the amount of insolvent bank notes, it was usually made up of bonds and mortgages which were not immediately convertible, and the delay in redeeming the circulation caused an immediate depreciation and occasioned a loss to those who could not wait for the ultimate redemption of their notes. Experience proved that the safety funds thus created in the several States where the system was tried, New York, Indiana, Ohio, Illinois, Arkansas, Michigan, and Alabama, realized only from 50 to 73 per cent. of their nominal value.

The Safety Fund system having proved a failure in New York, the next system was that of free banking, authorized by the Legislature in 1838. As the present National bank system is founded on this, modified and improved by later experience, its origin is worth tracing. It originated with the Rev. John McVickar, D. D., professor of political economy in Columbia College, and is clearly set forth in a letter addressed "to a gentleman in Albany," and published in 1827. The pamphlet is entitled *Hints on Banking*.

Very likely the author had seen a couple of pamphlets written about the close of the war of 1812 in which a somewhat similar plan was vaguely shadowed forth. Dr. McVickar, it will be remembered, wrote this even before the Safety Fund system was established. He ably set forth the evils attending banking at that time, and the true nature of the banking business and of credit. At the close he proposed a banking system the first three provisions of which are these: "I. Banking to be a free trade, in so far as that it may be freely entered into by individuals or associations under the provisions of a general statute. II. The amount of the banking capital of such individual or association to be freely fixed, but to be invested one-tenth at the discretion of the bank, the remaining nine-tenths in Government stock, whereof the bank is to receive the dividends, but the principal is to remain in pledge for the redemption of its promissory notes, under such securities as to place the safety of the public beyond doubt or risk, the stock being made untransferable except by the order of such court as shall be made cognizant of these subjects with a view to wind up the affairs of the bank. III. The promissory notes of such individual or association to bear upon their face the nature and amount of the stock thus pledged, together with the usual signatures, and in their amount never to exceed the amount of their pledged stock, under the penalty of the individual or firm being declared bankrupt and their affairs being wound up under a commission appointed by such court as shall have cognizance thereof; the refusal to redeem their notes being made in itself an act of bankruptcy and followed by the same results." Other provisions followed, but these need not be given.

The plan does not seem to have met with a favorable reception at Albany, but four years afterwards, in 1831, the first fruit appeared in Maryland. A bill was introduced into the Legislature providing for free banking, and that the license to carry it on should be obtained from the Chancellor of the State. The applicant was to exhibit a list of his property, which was to be vested in trust in a person selected or approved by the Chancellor. The deed of trust was to be drawn "in such terms and with such provisions as he may deem most proper for the security of the object of said trust." The Chancellor having approved the deed, the applicant was to receive a certificate from the clerk of the county court of the deposit of the same for record. The next step was for the Chancellor to determine the value of the property described in the instrument, and, having done so, he could authorize the applicant to issue notes not exceeding in amount more than one-fourth the value of such property. Subsequently, in 1834, at a local bank convention held in Baltimore, Charles F. Mayer of that city, who introduced the bill in question

into the Maryland Legislature, made an able report advocating the establishment of a bank having three-fourths of its capital permanently invested in mortgages. A copy of the Maryland bill was transmitted to a member of the New York Senate in 1837, and for several years previously some New York capitalists had possession of it. In 1835 the "Real Estate Bank of Baltimore" was incorporated with a capital of $5,000,000, one-fifth of which was to be paid in money and the remainder to consist of real estate. Thus it will be seen that the free-banking system, which has finally been brought to a high degree of perfection, was slowly formed in the beginning, and was chiefly the work of a college professor, and he a clergyman!

These were the chief banking systems tried in the United States during the period under review. There were various modifications of them, one of which was the establishment of State banks with numerous branches. These institutions were doubtless suggested by the United States Bank, which had branches located in various parts of the Union. One of them we have already mentioned—the State Bank of Ohio. Others existed in Alabama, Tennessee, and elsewhere; two of them deserve special mention—the State banks of Indiana and Illinois. The charter of the former bank provided that each branch should have $160,000, and be mutually liable for the debts of the other branches. No note under $5 could be issued, and the Legislature reserved the right to restrict the amount to $10 within ten years. The capital of any branch might be increased with the assent of the Legislature and directors of the State bank. The directors of the chief bank furnished the circulation, which was limited to twice the amount of the stock. One-half of the capital was owned by the State, for which bonds were issued bearing 5 per cent. interest. The other half was owned by individuals and corporations. Afterward notes for a smaller amount were authorized, and in 1837 it suspended specie payments. It attempted to resume them the next year, but failed; in 1841 it resumed permanently, effected a regular reduction of its debt, which had rapidly accumulated during the inflation of business in former years, and was very successfully managed until the expiration of its charter.

[TO BE CONTINUED.]

FINANCES OF GREECE.

A few days ago Mr. Tricoupis, who for many years has been a very prominent figure in Greek politics, abandoned his attempt to rescue the Government from its bankrupt condition. Eleven months ago he was entrusted with the power to restore, if possible, the Greek finances to a healthy condition. The foreign debt of Greece amounts to 564,000,000 francs. There is also a debt of 73,000,000 francs, which is due to France, England and Russia, which have guaranteed the independent constitutional Government of that country under King George. It is not expected that this sum will be paid, but 200,000 francs are paid annually to each of the three Powers mentioned. Besides the foreign debt there is an internal debt of 150,000,000 francs, of which 104,800,000 francs are in the form of a forced currency. The remainder is a perpetual loan bearing a 4 per cent. interest. The total debt, therefore, is 750,000,000 francs, and the annual charge for interest and sinking fund about 35,000,000 francs. One-third of this debt is held by the Greeks, and the remainder is held in England and France. For the payment of interest and the sinking fund customs, revenues and receipts from monopolies are pledged. Though the Government reports show an excess in receipts of nearly 30,000,000 drachmas over the amount required for these loans, nevertheless it is not able to meet them. As soon as Mr. Tricoupis came into power he explained his plan for restoring the financial condition of the country. Of the amount of the forced currency above-mentioned 16,800,000 francs are in gold, and 88,000,000 in bank notes. The gold was obtained from the banks, and Mr. Tricoupis proposed to negotiate a loan of 100,000,000 francs which should be employed in paying this gold and in withdrawing the bank note circulation during the next two years. Having a strong majority in the House his plan was adopted and the loan was authorized. An agent was sent to England to negotiate the loan, and those with whom he negotiated sent an expert to Greece to examine the condition of the revenue, and the ability of Greece to repay the loan if made. The English representative has just published his report, which represents an unfavorable condition of Greek finances, but which is due to mistakes in administration rather than to the prosperity of the country. He shows that if the revenues were properly applied the loan might be paid. The negotiations of the Greek agent continued, and lenders were found who, however, desired that some conditions should be attached to the loan of a somewhat novel character. Four directors were to be appointed, three of whom were to be chosen by the English

and French lenders, and the other by the Greeks, who were to sit at Athens to supervise the cashing and transmission to London of the taxes and revenues which were to be given as guaranties for the loan. As soon as these terms were known there was strong opposition to the loan by the Greeks, as this feature was regarded as a compromise or a sale to strangers of the independence of the Government. It was natural that the appointment of a supervisory committee of foreigners should be regarded with displeasure. Mr. Tricoupis was nevertheless desirous of making the loan on the conditions prescribed, but the King, who seems to have a strong regard for public sentiment, is unwilling to complete the negotiations on these terms. The consequence is that this brilliant minister has retired from office at the moment when his endeavors to rescue his country from bankruptcy seemed to be near fulfillment.

BANK COLLECTION.

COURT OF APPEALS OF MARYLAND.

Tyson et al. v. *Western National Bank of Baltimore.*

An indorsement of a draft to a bank "for collection," accompanied by a credit of the amount of the draft upon the indorser's account with the bank, does not transfer to the bank the legal title to such draft, and a correspondent of the bank, who collects the draft for it, is responsible therefor to the indorser.

BRYAN, J.—Tyson & Rawls brought suit against the Western Bank of Baltimore. The facts, so far as they are material, are as follows: The plaintiffs, who were bankers in Greenville, N. C., for two years before the transactions now in question, kept an account with Nicholson & Sons, bankers in the city of Baltimore. They from time to time forwarded by mail, to Nicholson & Sons, drafts, checks, and notes of different persons, and they were indorsed in this manner: "For collection for account of Tyson & Rawls, Greenville, N. C." Nicholson & Sons would at once pass to the credit of Tyson & Rawls upon their ledger account, as cash, all checks and sight drafts, and would promptly inform them by mail of the amount of such credit. Tyson & Rawls were entitled to check against such credits as soon as they were entered, and Nicholson & Sons treated and used as their own property the sight drafts and checks so credited, in the same manner as if they had been deposited over their counter in the ordinary way; but Tyson & Rawls did not know, and did not inquire, how Nicholson & Sons treated and dealt with such drafts and checks. If any of the sight drafts or checks which were credited as cash were dishonored by the parties on whom they were drawn, Nicholson & Sons would charge the account of Tyson & Rawls with them, and give them notice by mail. When promissory notes or time drafts were mailed to Nicholson & Sons they were not entered to the credit of Tyson & Rawls until they had been collected. There was no special agreement between these parties in regard to their relations with each other, except such as arose from their course of dealing. On the 9th of January, 1892, Tyson & Rawls forwarded to Nicholson & Sons a check of P. E. Braswell on the State Bank of Commerce, Hendersonville, N. C., for $400, payable to the order of Jarvis & Blow. They had discounted this check, and they indorsed it for collection for

their account. Nicholson & Sons credited it to them as cash, and so informed them by mail, and indorsed it for value to the Western National Bank of Baltimore. The bank collected the check on or about the 24th of February, 1892, and it retained the proceeds as its own property. On the 11th of January, 1892, Tyson & Rawls forwarded to Nicholson & Sons a sight draft of J. C. Cobb & Bros. on Cobb Bros. & Gillian, of Norfolk, Va., for $800. They had discounted this check, and they indorsed it to Nicholson & Sons for collection for their account. Nicholson & Sons credited it to them as cash, and so informed them by mail, and indorsed it for value to the Western National Bank of Baltimore. The bank collected the draft on the 14th of January, 1892, and it holds the proceeds as its own. Nicholson & Sons failed on the 14th of January, 1892, subsequent to their indorsement of the check and draft to the Western National Bank; but they were insolvent at the time they received the check and draft from Tyson & Rawls, and, upon a proper investigation of the business, this fact would have been apparent to the surviving partner, who had charge of the affairs of the firm, but it was not known to Tyson & Rawls nor to the Western Bank. Nicholson & Sons had an account with the Western Bank, in which the check and draft were credited as cash. They overdrew their account, and have never made it good. Tyson & Rawls never checked to the full extent of their credit with Nicholson & Sons, but always kept a balance in their favor, and, at the time of the failure, had a balance greater than the amount of the proceeds of the check and draft in question. It is admitted that both parties to this suit have acted in good faith in all of their dealings in the matters now in issue.

It is well settled that, when a customer of a bank deposits money to the credit of his account, the money becomes the property of the bank. The customer is creditor, and the bank is debtor, with all the ordinary incidents belonging to that legal relation. There is no fiduciary connection between them. The depositor parts with his money, and the bank contracts an obligation to pay such checks as he may draw, to an amount not exceeding the sum deposited. The consideration which the depositor receives for his money is the absolute and unconditional contract by the bank to pay his checks to the extent of his deposit, and the same rule obtains in the case of checks, drafts, and promissory notes, wherever, under the circumstances of the case, it is applicable, that is to say, wherever the bank becomes the owner of the commercial paper, and the customer acquires the unconditional right to draw for the proceeds. When a check, draft, or promissory note is indorsed in blank, or to the order of the bank, and the proceeds credited to the depositor as cash, the bank becomes the owner of the paper by virtue of the indorsement, and, in case it is not paid at maturity, it has the ordinary remedies which belong to the indorsee of instruments of this character which have been dishonored. In the present case the check and draft were deposited with Nicholson & Sons with an indorsement in these words: "For collection for account of Tyson & Rawls." This indorsement was not adequate to pass to Nicholson & Sons the title to these papers. It has been so held by this court, and the Supreme Court of the United States, and other courts. In *Sweeny* v. *Easter*, 1 Wall. 166, it was said: "The words 'for collection' evidently had a meaning. That meaning was intended to limit the effect which would have been given to the indorsement without them, and warned the party that, contrary to the purpose of a general or blank indorsement, this was not intended to transfer the ownership of the note or its proceeds." In *White* v. *Bank*, 102 U. S. 658, it was said: "The plain meaning of it [the indorsement] is that the acceptor of the draft is to pay it to the indorsee for the

use of the indorser. The indorsee is to receive it on account of the indorser. It does not purport to transfer the title of the paper or the ownership of the money when received. Both these remain, by the reasonable and almost necessary meaning of the language, in the indorser." The same meaning was attributed to such an indorsement in *Cecil Bank* v. *Farmers' Bank*, 22 Md. 148. It would be superfluous to make further citations on this point. The indorsement did not pass the title, and no other way has been shown in this case by which it could have been passed. Entering the amounts represented by these papers as cash, to the credit of Tyson & Rawls, is very far from having such an effect. It was the clear understanding that this was not an absolute and unconditional credit, but that it was to be charged back to the depositors in case the paper should not be paid at maturity. The paper was not sent to Nicholson & Sons to be discounted, or to be purchased by them, but it was intrusted to them as agents to collect it; and Nicholson & Sons could not treat it as a discount or a purchase, except by making an agreement to that effect with their correspondents. It probably suited their mutual interest and convenience to make these qualified entries. The depositaries probably had sufficient confidence in the pecuniary ability of these depositors to give them a credit for the short time that would intervene before the maturity of sight drafts. It is a very common practice with bankers to deal in this manner with their customers who are in good credit. In the argument, this entry was likened to a collection of the commercial paper by the depositary. It was not in point of fact a collection, nor was it similar in its effects and consequences. When a collection is made, the proceeds are placed absolutely and unconditionally to the credit of the depositor, and he is no longer under any responsibility on account of the paper deposited, as that question has been irrevocably settled by payment. In point of fact, when collected, the paper has lost its vitality by the settlement and satisfaction of all rights which can arise from it. It would have been perfectly competent for Nicholson & Sons to agree with Tyson & Rawls that they would consider this paper as collected, pay them the amount of it, and relieve them from all responsibility on account of it. But no such agreement was made. Their contract was entirely different. If the paper had not been paid at maturity, it would have been charged back to Tyson & Rawls. It would be very unjust to hold Tyson & Rawls responsible for the contingency of non-payment of these instruments, and at the same time to hold that they had lost all interest in them by a sort of constructive and metaphysical collection. It may be objected that, as the check and draft were actually paid at maturity, the contingent responsibility of the depositors has not accrued. But we must judge of legal rights by the state of the facts which exist at the time they arise, and not by events which occur afterwards. One circumstance existing at the time will show the value of the cash entry as a consideration for the transfer of the check and draft: Nicholson & Sons were insolvent when the deposit was made, and they knew or ought to have known their pecuniary condition, and, as a matter of course, that the credit entry of cash was a mere delusion.

Upon the whole, it appears to us that the title to these papers did not pass to Nicholson & Sons. There has been much apparent conflict between the authorities on the questions which we have discussed, but the conflict is more in appearance than in reality. In most, if not all, of the cases which have held that when checks, drafts, and promissory notes have been deposited with a bank, and credited as cash to the depositor, the title to the negotiable paper has passed, it will be found that it was either indorsed in blank or made payable to the banker. On the face of

the paper he was owner, and, in case it was dishonored, he had his remedy against the depositor as indorser. The opinion in *Bank* v. *Hubbell*, 117 N. Y. 384, 22 N. E. Rep. 1,031, contains a very clear and convincing exposition of the difference between the rights of the banker in case of such deposit and one where the paper is indorsed for collection; and even in case where a sight draft was deposited, payable to the order of the bank, and was credited as cash, it was held by the Supreme Court of the United States that the title to the draft did not pass, because the accompanying circumstances showed that it was not so intended; and the court said that "the property in notes or bills transmitted to a banker by his customer, to be credited to the latter, vests in the banker only when he has become absolutely responsible for the amount to the depositor," and that "such an obligation, previous to the collection of the bill, can only be established by a contract to be expressly proved, or inferred from an unequivocal course of dealing." (*Railway Co.* v. *Johnston*, 133 U. S. 566, 10 Sup. Ct. Rep. 390.) The terms of the indorsement of the check and draft in this case gave legal notice to all persons receiving them that Tyson and Rawls were owners of the papers, and that Nicholson & Sons were merely agents for collection. (*Cecil Bank* v. *Farmers' Bank*, 22 Md. 148.) The Western Bank could therefore acquire no title by the indorsement made to it, and is responsible to Tyson & Rawls for the proceeds collected.—*Atlantic Reporter.*

LOAN—COLLATERALS.

COURT OF APPEALS OF MARYLAND.

President and Directors of Franklin Bank of Baltimore v. *Harris et al.*

On borrowing money from a bank, the borrower deposited stock as collateral security, and gave a demand note providing that if he should come under any other liability, or enter into any other engagement, with said bank, the net proceeds of the sale of the pledged stock should be applied, either on this note, or any of his other liabilities. *Held*, that only future liabilities were contemplated by the parties, and that the stock could not be held as security for a responsibility which had accrued nearly five months before making the pledge.

Where a pledgee of stock refuses to surrender it on demand and tender of the debt it was pledged to secure, the pledgor's measure of damages is the value of the stock on the day that the tender and demand were made, less the amount tendered.

BRISCOE, J.—These are cross appeals. The action was one of trover, brought by the assignees of Thomas J. Wilson against the president and directors of the Franklin Bank of Baltimore, to recover the value of certain securities deposited by him as collateral with the defendant corporation. There was no dispute about the facts, and they are as follows: On May 14, 1890, Thomas J. Wilson borrowed of the bank $2,000, for which he executed and delivered to it a demand note, depositing at the same time, as collateral security for its payment, 80 shares of Bellaire, Zanesville & Cincinnati Railroad Company preferred stock, and $2,000 of Oskaloosa water bonds. The note contained this provision: "It is also agreed that if I shall come under any other liability, or enter into any other engagement, with said bank, while it is the holder of this obligation, that the net proceeds of sale of the above securities may be applied either on this note, or any other of my liabilities or engagements held by said bank, as its president or cashier may elect." Wilson afterwards became insolvent, and made an assignment to the plaintiffs for the benefit of his creditors, who qualified as trustees. These trustees

tendered the amount of the note, with interest to date of tender, and demanded the note, and the securities which had been deposited as collateral. The bank, however, refused to make a surrender of the securities, claiming to hold them as collateral for a note of one Charles D. Gaither, dated December 30, 1889, for $1,451, which was indorsed by their assignor, Thomas J. Wilson. The judgment of the court below being in favor of the plaintiffs, for the sum of $259.55—less than the plaintiffs claimed—both parties have appealed.

The first question, then, that presents itself for our consideration, is a construction of the provisions of the collateral note, which was raised by the plaintiffs' first and the defendants' second prayers. It was earnestly contended on the part of the bank that the effect of the contract of the 14th of May, 1890, was retroactive—that it not only covered future, but past, liabilities. The court below granted the plaintiffs' first prayer, which instructed the jury that by the true construction of the contract the defendant was not entitled to retain possession of the securities pledged, after a tender of the amount of the debt therein mentioned, with legal interest. In other words, that the defendant was not entitled to retain the securities mentioned in the declaration as a security for the note of Charles D. Gaither, dated December 30, 1889, and indorsed by Thomas J. Wilson. And in the granting of this prayer, and the rejection of the defendants' second prayer, which was the converse of the plaintiffs' first prayer, we think there was no error. The plain and obvious meaning of the contract, and that which was contemplated by the parties at the time of its execution, was, to cover future liabilities made after the execution of the note, and those entered into at the time of its delivery. "Any other liability he should come under or enter into, or any other engagement that he should make," is the language of the contract. A responsibility assumed by him nearly five months before the making of this note, and not mentioned at the time it was given, nor embraced in its provisions, cannot be considered as coming under other liabilities or engagements which should thereafter be entered into. Besides this, there were power and authority given the bank to sell these securities upon a default, but it was distinctly provided that this should not be done except on the non-performance of promises contained in the note itself. The Gaither note was payable on demand, dated December, 1889, and was due at the time of the execution of the collateral note.

The remaining question is upon the correctness of the court's rulings as to the measure of damages, and arises upon the plaintiffs' appeal. The court rejected the plaintiffs' fourth and fifth prayers, and gave the following instruction of its own: That the measure of damages is the value of the property mentioned in the declaration on November 18, 1890, less the amount tendered on that date, as shown by the evidence, with interest on the sum so ascertained, in their discretion. And in the correctness of this ruling we entirely concur. It follows, therefore, that the judgment must be affirmed.—*Atlantic Reporter*.

DISCOUNT BY BANK—BONA FIDE HOLDER.

SUPREME COURT OF MISSOURI.

Merchants' Nat. Bank of Kansas City v. *Lovitt.*

Defendant executed and delivered a negotiable note to D., in consideration of certain shares of stock in a corporation that was about to be formed. D., who was a vice-president of plaintiff bank, requested the president of the bank to discount the note, which was done, and the proceeds were placed to D.'s credit. None of plaintiff's officers but D. had any knowledge of the agreement between D. and defendant constituting the consideration of the note. *Held*, that plaintiff was not chargeable with D.'s knowledge of this agreement, as D., in procuring plaintiff to discount the note, represented his own personal interest.

In such case, the fact that D. designated the rate and figured the amount of the discount on the note will not make him such a representative of plaintiff as to impute to plaintiff his knowledge of the agreement constituting the consideration of the note.

BLACK, C. J.—This is an action on a negotiable promissory note for $2,900, executed by the defendant, Lovitt, and payable to O. P. Dickinson in four months after date, with interest from date at the rate of 8 per cent. per annum, and by Dickinson indorsed and delivered to the plaintiff bank. The defense set up by Lovitt, the maker of the note, is a failure of consideration. The history of the transaction is this: On the 27th January, 1888, Dickinson, the payee of the note in suit, by an agreement in writing sold to Lovitt 55 shares of stock in a corporation then about to be formed, for which Lovitt gave his note of that date for $2,900, due in six months. It was understood between Lovitt and Dickinson before this note became due that it was to be renewed. On the 11th July, 1888, Lovitt executed the note sued upon, dating it the 27th of that month, and gave it to Dickinson in renewal of the former one, and Dickinson indorsed it to the bank on the same day. Lovitt paid the interest accrued on the original note. For the purposes of the trial only it was agreed "that the note sued upon was given for a contract in which the payee of the note agreed to sell certain shares of stock which then had no existence, and deliver the same when the corporation was formed and stock certificates issued; that the corporation never was formed, and the stock certificates never issued, and that there was a complete failure of consideration of the note; that said Dickinson, the payee of the note, having made the contract set forth in defendant's answer, at all times from and after the making of the same up to the present time knew of its existence and terms." W. B. Clark was president, Mr. McKnight cashier, and Dickinson vice-president, of the plaintiff bank when the bank acquired the note sued upon. They were all active officers, and Dickinson was also a director. Dickinson had a conversation with Clark, the president, in which he said he had or expected to get the note of Lovitt. He then asked Clark whether the bank would take it, and Clark agreed to discount the note. The evidence leaves it in doubt whether this conversation occurred after or a day or two before the note in suit was executed, but it clearly appears that Clark, as president, agreed to take the note. The note was executed on the 11th July, and on that day Dickinson indorsed and delivered it to the bank. He at the same time figured up the discount on a deposit slip, and handed the slip to the discount clerk, or to the cashier, who passed it to the

clerk. The discount clerk made the proper entries, placing the amount of the note, less $10.30, to the credit of Dickinson, who checked out and used the money. Lovitt was a well-known customer of the bank, and had a line of credit thereat. Dickinson, in his evidence, says he did not accept the note for the bank, but that Clark did. Clark testified that he agreed with Dickinson to take the note for the bank, but that he left the details of the arrangement to Dickinson; that is to say, to make the entries, receive the paper, and deduct the proper amount of interest for the bank. The $10.30 deducted represented interest from the 11th July to the 27th, the latter being the post date of the note. The officers of the bank, except Dickinson, knew nothing about the contract between Dickinson and defendant, and the bank had nothing whatever to do with the original note.

The defendant asked the court to declare the law to be that the knowledge of the vice-president of the existence and nature of the agreement constituting the consideration of the note in suit, was the knowledge of the bank, which request the court refused, and this presents the only question for our consideration. It is a general rule that notice of fact acquired by an agent while transacting the business of his principal, is notice to the principal; and this rule applies to banking and other corporations as well as to individuals. It is the duty of the agent to communicate to the principal information thus acquired, which would affect the rights of the principal; and the presumption is that the agent has performed his duty in this behalf. If he has not, still the principal should be charged with notice of the existence of such facts thus coming to the knowledge of the agent, because he selects his own agent, and confides to him the particular business. (Story, Ag. § 140.) But the reason of the rule ceases when the agent acts for himself, and not his principal, and the rule itself ought not to apply in such a case. Accordingly it has been held by this court that knowledge of an unrecorded deed, acquired by officers of a corporation while acting for themselves and not for the corporation, will not be imputed to the corporation. (*Johnston* v. *Shortridge*, 93 Mo. 227, 6 S. W. Rep. 64.) An officer of a banking corporation has a perfect right to transact his own business at the bank of which he is an officer, and in such a transaction his interest is adverse to the bank, and he represents himself, and not the bank. The law is well settled that when an officer of a corporation is dealing with it in his individual interest the corporation is not chargeable with his uncommunicated knowledge of facts derogatory to his title to the property which is the subject of the transaction. (Tayl. Corp. (2d Ed.) § 210; 1 Wat. Corp. § 135; *Frenkel* v. *Hudson*, 82 Ala. 158, 2 South. Rep. 758; *Wickersham* v. *Zinc Co.*, 18 Kan. 481; *Barnes* v. *Gas Light Co.*, 27 N. J. Eq. 33; *Innerarity* v. *Bank*, 139 Mass. 332, 1 N. E. Rep. 282.) In the case last cited, the court, after speaking of the general rule that knowledge of the agent will be imputed to the principal, says: "But this principle can have no application where the director of a bank is the party himself contracting with it. In such a case the position he assumes conflicts entirely with the idea that he represents the interest of the bank. * * * A director offering a note of which he is the owner for discount, or proposing for a loan of money on collateral security alleged to be his own property, stands as a stranger to it." Now, the facts set up to defeat a recovery here are the facts constituting the transaction between Dickinson and the defendant, in which Dickinson did not represent or profess to represent the bank, and with which the bank had nothing whatever to do. Again, Dickinson, in offering the note to the bank for discount, represented his own personal interest, and Clark, the president, represented the bank. In this particular trans-

action Dickinson occupied the position of any other customer, and not that of an officer or agent of the bank; and it must follow from the principles of law before stated that the bank is not chargeable with his knowledge of uncommunicated facts affecting his title to the note. But it is said Dickinson fixed and figured out the discount, and hence he did, in point of fact, represent the bank. The note bore interest at the rate of 8 per cent. per annum from date, and it appears Dickinson calculated interest at that rate from the 11th July, the date of the transaction, to the 27th of that month, the date of the note, and deducted as discount $10.30; but it does not appear who designated the amount of discount to be paid. The broad fact remains that the president of the bank agreed to take the note, and that the bank accepted the discount as figured up by Dickinson; and the fact, if such it was, that he may have designated the rate of discount in the first instance, is wholly immaterial. He nevertheless represented his own interest in the entire transaction. The judgment is affirmed. All concur.—*Southwestern Reporter.*

AUTHORITY OF NATIONAL BANK RECEIVER.

DISTRICT COURT, S. D. CALIFORNIA.

In re Certain Stockholders of the California National Bank of San Diego.

A Federal court will not, even if it has the power under Rev. St. § 5,234, grant an order authorizing a receiver of a National bank to compound the statutory liability of certain stockholders by accepting payment of a gross sum, less than is due, in satisfaction and discharge thereof, although more money would thus be realized than by proceedings to collect the same in the usual way, when it appears probable that such stockholders have fraudulently conveyed their property to avoid their legal obligations as stockholders, or to shield themselves from injury and exposure by litigation.

ROSS, District Judge.—This is an application for an order of the court authorizing the Receiver of the California National Bank of San Diego to compound the statutory liability of certain of its stockholders. The petition for the order sets forth the insolvency of the bank, the appointment of the receiver by the Comptroller of the Currency, the qualification of the receiver, and his entry upon the duties of his office. It further sets forth that, at the time of the suspension of the bank, 781 shares of the capital stock of the association were owned by certain named persons, in certain stated shares, residing in the States of Maryland and Pennsylvania; that subsequently, it being made to appear to the Comptroller of the Currency that the assets of the bank were not sufficient to pay its liabilities, the Comptroller, on the 5th day of May, 1892, levied an assessment of $100 per share upon each and every share of the stock of the bank, and directed the petitioning receiver to take the necessary proceedings to enforce to that extent the individual liability of the shareholders. The petitioner states, upon information and belief, that many of the owners of the 781 shares are insolvent; that not more than 40 per cent. of the amount of the assessment against those shares could be collected by process of law, and that such collection would be at great cost and expense; that among other information furnished the petitioning receiver is that contained in the petition to the Comptroller, signed by H. H. Haines, David M. Taylor, and S. R. Dickey (holders of a portion of the 781 shares of stock), a copy of which

is attached to the petition of the receiver; that the holders of the 781 shares, being 41 persons in number, have proposed to the receiver to pay a gross sum of $30,000 in satisfaction and discharge of their liability as such shareholders; that the proposition to accept that sum of money, and compound and settle the liability of the stockholders, has been submitted to the Comptroller of the Currency, who has directed the receiver to petition the court for an order authorizing the settlement, a copy of which instructions is annexed to the petition; that the Comptroller, however, required that all claims which any of the holders of the 781 shares may have against the trust, whether proven or unproven, should be assigned to the receiver for the benefit of the trust. The petitioner further represents that, in his opinion, it is for the best interests of the trust that the offer of $30,000 in cash from the holders of the 781 shares of stock, in addition to the assignment and transfer of all their claims against the trust, be accepted in full of their statutory liability.

The petition of Haines, Taylor, and Dickey, addressed to the Comptroller of the Currency, represented, among other things, that the 781 shares of stock of the insolvent association are held by persons residing in the immediate vicinity of their residence; that of the 781 shares a large number are held by persons who are wholly insolvent, others by persons of very limited means, from whom nothing could be collected by execution, and others by persons who would resist the assessment by litigation and otherwise; that they (Haines, Taylor, and Dickey) have carefully computed the amount which could probably be realized by the trust through adverse proceedings from these 781 shares, the holders of all of which are personally known to them, as well as their responsibility, and in their judgment it would be less than 20 per cent.; that they (Haines, Taylor, and Dickey) have interviewed the holders of the 781 shares with a view of inducing them to join with the petitioners (Haines, Taylor, and Dickey) in making an offer of compromise, and through their efforts they have induced the insolvent stockholders to consent to make partial payment, which, added to the sum to be contributed by the remaining stockholders, will make a sum largely in excess of any sum that could be collected from them all by adverse proceedings; that the acceptance of the offer of compromise would result in immediate payment to the trust of a large sum of money, and would be a saving of time, trouble, and expense of litigation, which in some cases might be determined in favor of the stockholders; that this litigation would result in long delay, and, even if successful, in the meantime those who are now thought to be solvent may become insolvent, or otherwise unable to pay any judgment that ultimately may be recovered against them; that the petitioners (Haines, Taylor, and Dickey) are authorized on behalf of the 41 stockholders of the 781 shares whom they represent, to pay the sum of $30,000 in cash; and they ask that their proposition be accepted.

In his letter of instructions to the receiver, the Comptroller said:

"The three gentlemen who make the proposition were largely instrumental in placing the stock of the bank with the holders in their immediate vicinity, and for that reason have some interest in shielding them from unnecessary loss or vexations through litigation. It is perfectly apparent, however, that the men who make this proposition of settlement on behalf of the others, and who would at once advance the money if accepted, do so for the purpose of saving themselves from the payment of an assessment in full. These three men claim, however, that the assessment could not be collected from them by adverse proceedings. It is a question of the employment by the receiver of these three

men as a collection agency, and whether the trust would realize more funds thereby than in the regular course of litigation. It is reported to this office, on what seems to be good authority, that many of these stockholders have placed their property out of their hands with a view to successfully resisting any proceedings which may be commenced to enforce the collection of the amount assessed against them. It is claimed, also, that many of these stockholders are wholly insolvent; or at least execution proof; being married women, clerks, and so forth. The stockholders included in this offer reside only a few hours' distance from Washington, and have been here in person, many of them—and by representatives, all of them—first, with a view to restoring the bank; next, with a view to voluntary liquidation; and now, with a view to compromising their claims. This bureau has employed such means of investigation as are at its hands to ascertain the general character of these stockholders with respect to solvency. Some of them, notably the three who make this proposition, according to their reputation among their neighbors, are perfectly solvent, and the amount claimed against them could be collected by law. They have submitted, however, a statement of their financial condition and obligations, and insist that the claim against them cannot be collected. One of them is president of a bank, the others are in responsible positions, and they want to save themselves from the exposure which would follow litigation. These creditors being so much nearer to this office than to the receiver, I deemed it just to enter upon an investigation, somewhat with the view to advising you more explicitly as to your duty in the premises. It is impossible to reach any satisfactory conclusion as to the collectibility of these claims. That could probably only be determined by suits and execution. I am, however, satisfied that the acceptance of this $30,000 in cash at once will net more money to the trust than could be realized through the regular course of collection by means of suit and execution, and in that view of the case its acceptance may be wise. This proposition is made upon a basis of forty per cent. approximately; the parties making the offer (against whom the principal liability exists) making up for those who are unable to pay anything, and the deficiency of those who are unable to pay the full forty per cent., and by so doing hope to save themselves from paying one hundred per cent., or from injury and exposure by litigation. They insist, however, that any suits commenced for the purpose of enforcing the collections against them will be resisted, and I have no doubt they will. That is the situation of the matter, as fully as I can ascertain the same. I therefore authorize you to submit the proposition to the court for its consideration. It would seem to me that each individual claim should be treated on its merits; and yet I am of the opinion, as stated, the acceptance of this offer will yield the trust more money than would be realized by proceedings to collect the same in the usual way. These people have united to effect a compromise, and have also united to resist any adverse proceedings for collection. It seems to me, therefore, that the question is one which may be fairly presented to the court for its consideration and decision. You will therefore cause to be prepared a petition to the court for such purpose, accompanied by this letter, or a copy thereof.

"P. S. As a part of the proposition inclosed, it is understood that all amounts due shareholders, included in the list as creditors shall be forfeited; or, if claims have been proved, your certificate shall be assigned to you for the benefit of your trust."

Assuming that the court is authorized to grant the order asked for, it is unhesitatingly refused. To sanction proceedings by which a stockholder in a National banking association fraudulently puts away his

property for the purpose of avoiding his just and legal obligations as such stockholder, and is then permitted to compromise his liability by the payment of a less sum than is due, is to place a premium upon fraud. With such conduct there should be no compromise. Laws are made to be observed and enforced, and every one should be made to know that, in respect to every contract made pursuant to their provisions, the Government will accord and exact fair dealing and the utmost good faith. It is far better that the entire amount of the obligations of the stockholders in question should be lost to the trust fund than that the slightest judicial countenance should be given the proposed proceedings. The liability of the stockholders of the insolvent bank is several and not joint. (*Kennedy* v. *Gibson*, 8 Wall. 505.) And there is no reason why the property of every one who has conveyed or may convey it for the fraudulent purpose of avoiding his just and legal obligations arising under the law should not be followed, and every reason why it should be.

What has been said is sufficient to dispose of the petition. It is, however, to say the least, extremely doubtful whether the court has the power to authorize the compounding of the statutory liability of a stockholder in a National bank. The provision of the statute upon the subject is found in section 5,234 of the Revised Statutes. By that section it is declared:

"Such receiver, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such association, collect all debts due and claims belonging to it, and, upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, may sell all the real and personal property of such association on such terms as the court shall direct, and may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders."

It is by no means clear that the statutory liability of the stockholders is a debt, within the meaning of the clause authorizing the court to sanction the compounding of all bad or doubtful debts. In the view I have taken of the case, however, it is not necessary to decide this point. Petition denied.—*Federal Reporter*.

LEGAL MISCELLANY.

BANKS—DEPOSIT BY ADMINISTRATOR.—An administrator having reduced a deposit of intestate in a bank to his possession, by having it transferred to his credit as administrator, his personal representatives are, on his death, entitled to receive it from the bank; so that, it having been paid them, the bank cannot be held liable by intestate's administrator *de bonis non*.—[*Sibbs* v. *Philadelphia Sav. Fund Soc.*, Pa.]

NATIONAL BANKS—REPORTS TO COMPTROLLER—"FALSE ENTRIES."—A "false entry" in a report by a National bank officer or director to the Comptroller of the Treasury, within the meaning of Rev. St. § 5,209, is not merely an incorrect entry made through inadvertence, negligence, or mistake, but is an entry known to the maker to be untrue and incorrect, and by him intentionally entered while so knowing its false and untrue character. [*United States* v. *Graves*, U. S. D. C., Iowa.]

NEGOTIABLE INSTRUMENTS—ACTION BY ASSIGNEE.—Under Gen. St. ch. 9, § 103, providing that all notes or other instruments in writing whereby any person agrees to pay money or other personal property to another shall be taken to be due and payable to the person to whom

they are made, one cannot recover as assignee of such instrument without specific proof of an assignment. [*Reddicker* v. *Lavinsky*, Colo.]

NEGOTIABLE INSTRUMENTS—GAMBLING TRANSACTION—INTENT OF PARTIES.—In a suit by a stockbroker on a note which the testimony tended to prove was given for stock gambling transactions, the jury, in determining the intention of the parties to the transactions, may consider the acts of the parties themselves, the accounts kept of the transactions, and may go behind the mere form given of such transactions, and ascertain the actual character of the dealings; a note given to cover stock gambling losses being void. [*Gaw* v. *Bennett*, Penn.]

NEGOTIABLE INSTRUMENT—LIABILITY OF SURETY.—Where a person signs a note as surety, and leaves it in the hands of the principal, to be delivered only on condition that it is signed by other sureties, and the principal delivers the note, in violation of the agreement, to the obligee, who has no notice of the same, the surety will be bound. [*North Atchison Bank* v. *Gay*, Mo.]

NEGOTIABLE INSTRUMENT—CONSIDERATION.—Where a signer of a joint and several note assigned his property to defendant, and thereupon plaintiff, the payee of the note, to induce defendant to sign, said, "Unless you sign the note, we will contest the conveyance," whereupon defendant signed, a mere forbearance by plaintiff to attack the conveyance, without any agreement on his part to forbear, was not a sufficient consideration to support defendant's promise to pay. [*First Nat. Bank of Arlington* v. *Cecil*, Oreg.]

NEGOTIABLE INSTRUMENT—NOTES.—Where a note contains a stipulation that its maker and indorser waive demand and notice, a contention by defendant, against whom recovery is sought as the alleged guarantor of the note that he signed it as an indorser, and not as a guarantor, will not release him from liability; such waiver being an absolute agreement to pay at maturity if the maker does not. [*Hoover* v. *McCormick*, Wis.]

PRINCIPAL AND AGENT.—An agent who invests his principal's money in a corporation and which is largely indebted, without informing her either of his membership or of the debt, is guilty of fraud, though there may be no actual wrongful intent; and the principal may recover such sum from the agent in the absence of a ratification by her of such investment. [*Sterling* v. *Smith*, Cal.]

TAXATION—EQUALIZATION—NOTICE.—An order of the board of equalization finding that a bank has omitted property from the list of its taxable property, and should be assessed thereon, and directing the assessor to add such property to its assessment, is not an attempt by the board to add property to the list, and exercise assessorial powers, but is a direction that the assessor make such addition, though the order specifies the value of the property to be added, and is authorized by Pol. Code, § 3,681, requiring the assessor, at the request of the board, to list and assess property which he has failed to assess. [*Farmers & Merchants' Bank of Los Angeles* v. *Board of Equalization of Los Angeles*, Cal.]

USURY—FEES OF AGENT.—Where it appears that a loan bearing the highest rate of interest was negotiated by the agent of the borrower, the fact that such agent deducted from the amount of the loan certain charges for his fees, and the recording of the mortgage to secure the loan, will not impute usury to the transaction, even though the mortgage secured the payment of the whole sum loaned. [*Richardson* v. *Shattuck*, Ark.]

OUR CIRCULATING MEDIUM, ITS VOLUME AND CHARACTER.

The following address was delivered by the Hon. E. S. Lacey, president of the Bankers' National Bank of Chicago, and formerly Comptroller of the Currency, at the last convention of the Iowa Bankers' Association:

It has been aptly said that the circulating medium bears the same relation to the business of a country that blood does to the human body. It must be pure in character, ample in volume and untrammeled in its movements or disease immediately develops and ultimately death ensues unless a remedy is applied. Like many which afflict the physical body, the monetary disease is insidious in its attack and the patient may be fatally stricken before a correct diagnosis is attained. Even when the case is fully understood, radical differences often arise as to what treatment is necessary to complete recovery. The grave symptoms now apparent warn us that financial affairs in our own country are in anything but a healthful condition and it behooves us as patriotic citizens to promptly inquire as to the cause and extent of the dangers which threaten the country. To this end my present effort is directed.

The circulating medium of the United States is composed of gold and silver coin, Government notes and certificates and circulating notes issued by the National banks. The total of these issues outstanding April 1st, 1893, was $2,163,121,710. Of this total the sum of $560,600,904 was held by the United States Treasury and the remainder, aggregating $1,602,520,806, was actively employed and constituted our circulating medium. The amount and character of these issues on April 1st, 1893, as stated by the Treasury Department, are as follows:

	General Stock Coined or Iss'd.	*In Treasury.*	*Am't in Circulation April 1, '93.*
Gold coin	$546,673,424	$138,874,473	$407,799,951
Standard silver dollars	419,047,305	359,490,115	59,557,190
Subsidiary silver	77,197,330	11,165,155	66,032,175
Gold certificates	116,621,439	5,135,430	111,485,009
Silver certificates	328,226,504	5,267,551	322,958,953
Treasury notes, act July 14, 1890	135,490,148	5,533,367	128,956,781
United States notes	346,681,015	29,887,702	316,793,314
Currency certificates, act June 8, 1872	17,090,000	420,000	16,670,000
National bank notes	176,094,544	3,827,111	172,267,433
Totals	$2,163,121,710	$560,600,904	$1,602,520,806

COMPLEX CHARACTER OF OUR MONEY.

The complex character of our circulation will be more fully understood by considering the qualities imparted by law to each of its constituent parts.

1. The gold coins of the United States are a full legal tender to any amount when of standard weight; if below the standard weight they are legal tender at valuation in proportion to their actual weight.

2. Standard silver dollars are legal tender to any amount except where otherwise expressly stipulated in the contract.

3. The subsidiary silver coins are legal tender to the amount of ten dollars; they are redeemable in lawful money by the Treasurer or any Assistant Treasurer of the United States, when presented in the sum of twenty dollars or multiples thereof.

4. Minor coins are legal tender to the amount of twenty-five cents; they also are redeemable in lawful money if presented in sums of not less than twenty dollars.

5. United States notes were made a legal tender by the acts authorizing their issue, except for duties on imports and for payment of the interest on the public debt. Since the resumption of specie payments on January 1, 1879, they have been received for duties on imports. They are redeemable in gold or silver coin at the office of the Assistant Treasurer of the United States at New York, if presented in sums of not less than fifty dollars.

6. The Treasury notes issued in payment for silver bullion purchased under the act of July 14, 1890, are a full legal tender except where otherwise expressly stipulated in the contract; they are redeemable in gold or silver coin at the discretion of the Secretary of the Treasury. It has been the policy of the department to redeem them in gold coin if so demanded by the holder.

7. Gold and silver certificates are receivable for customs duties, taxes and all public dues; they represent the kind of coin deposited and reserved in the Treasury for their redemption; they are not made a legal tender by the acts of Congress authorizing their issue.

8. Currency certificates are issued upon the deposit of United States notes in sums of ten thousand dollars and are made payable to order of the depositors; they are redeemed in the kind of money deposited and are not a legal tender.

9. National bank notes are secured by the deposit of United States interest bearing bonds with the Treasurer of the United States; they are redeemable in lawful money, but are not a legal tender, though receivable for all public dues, except duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations and associations within the United States, except interest on the public debt and in redemption of National currency. They are also receivable at par for any debt or liability due to any National banking association.

All of the various forms of money above described excepting National bank notes are available as part of the lawful money reserve held by National banking associations.

It is thus apparent that we have ten varieties of coin and paper circulating as money, no two of which are subject to the same requirements as to redemption, nor clothed with the same legal tender and debt-paying qualities. It is a matter of sincere congratulation that the discretion conferred upon the Secretary of the Treasury has heretofore been wisely exercised, because to this fact are we mainly indebted for the maintenance of the parity of these widely dissimilar and unscientific issues.

It is safe to assume that no system characterized by such unsound conditions can long be tolerated by an intelligent and progressive people, destined to become in the realm of finance what it is to-day in point of wealth and power—the foremost of nations. It will be my purpose in this paper to first briefly state some of the objections urged as to the character and quality of these issues, and secondly, submit some observations as to the sufficiency of the supply. A careful review of the situation as a whole, warrants the assertion that our system is unnecessarily complex in character and fatally unsound in principle. No criticism lies against our old coinage, and the same may be said of subsidiary silver. The issue of gold certificates may also pass unchallenged on the score of convenience and economy, as it facilitates and cheapens transportation and reduces the loss from abrasion incident to constant hand-

ling of the coin. The issue of currency certificates can hardly be considered as the necessary exercise of a Governmental function, but it is beneficial in its effects and is a convenience which could be illy dispensed with in the larger cities.

The enormous coinage of standard silver dollars, the issue of certificates based thereon, and the imparting to the former a practically full legal tender quality, may properly be characterized as unsound in principle and fraught with grave peril to the interests of all classes of our people, as it may involve a change of standard with all its attendant evils.

The circulating notes of National banks more fully meet the proper requirements of representative currency or secondary money than any other of the issues mentioned, as they alone possess the quality of elasticity which is so essential and yet they are the object of malignant attack upon the part of well meaning but misguided people, whose interests would be in largest degree promoted by the maintenance of an ample, sound and flexible currency. It is a matter of regret that the increasing premium on Government bonds and the continued imposition of the war tax upon these notes, has rendered their issue unremunerative to the banks and thus caused a very great reduction in the volume outstanding.

UNITED STATES AND TREASURY NOTES.

Objections are also properly urged against the increased issue and permanent incorporation into our monetary system of the Governmental obligations known as United States and Treasury notes. These issues on April 1, 1893, aggregated $482,171,164, and are steadily increasing at the rate of about $50,000,000 per annum. The United States notes were a forced loan made necessary by the unprecedented expenditures incident to the conduct of a great war. As self defense may justify a man in taking the life of his fellow, so governments may be excused for making such issues as those now under consideration, provided the preservation of its institutions and the integrity of its territory make this course imperative. Unfortunately, however, the prolonged use of what are known as greenbacks, has served to propagate unsound theories as to the power of the Government to create money by its fiat, and upon the erroneous views thus developed, a powerful party was organized that for several years threatened with disaster the business interests of the entire nation. An enormous increase in the issue of these notes was narrowly averted, and the country with difficulty delivered from the evils incident to wild inflation and ultimate repudiation. The continued use of $346,000,000 of greenbacks is the result of a compromise between those who entertained widely diverging views upon monetary questions, and can only be tolerated upon the ground that a nation struggling under the incubus of a great debt, may be excused for violating sound principles of finance by temporarily floating its non-interest bearing obligations until its bonded debt is retired, or so reduced in amount as to render its ultimate payment no longer problematical or burdensome. The rapid reduction of the public debt has demonstrated our unexampled resources as a nation, and established a credit unexcelled by that of any of the great powers. As a matter of fact it may be safely asserted that long bonds of the United States, payable in gold coin of fixed weight and fineness, could be placed at a lower rate of interest than those of any other nation. Our present outstanding bonds are, however, in a certain degree discredited abroad on account of their being payable in either gold or silver coin, at the option of the Government. As the bullion value of our silver coin is about 36 per cent. less than its coin value, an

element of uncertainty is introduced which serves to impair confidence in our obligations and place us at a disadvantage. In any event it must be admitted that our public debt has long since ceased to be a burden, and that no adequate excuse now exists for the permanent use of Government legal tender notes. They should be gradually retired during years of peace and prosperity, in order that the power to make such an issue may be held in reserve, to be exercised only in cases of great National peril.

The Treasury notes of 1890 are subject to some of the objections urged against United States notes, popularly called greenbacks. The former are issued in the purchase of a silver bullion, a commodity for which the Government has no use, and which would otherwise find a market abroad, thus obviating in whole or in part the necessity for the large gold shipments which constitute the peril now most obvious and imminent.

Money for the sake of convenience has been divided by some writers into two classes, namely, primary and secondary.

Primary money is the designation given to money of ultimate payment or redemption and constitutes the standard and measure of value. The value of our entire circulation is therefore fixed by the character of our primary money, which is gold, the only metal whose coin and bullion values are the same in all parts of the world. Silver was formerly the equal of gold in this respect, but in recent years an increased supply and diminished demand has caused its depreciation to such an extent as to render its bullion value, when measured by gold, nearly 36 per cent. less than its coin value.

Secondary money in this country includes all forms of circulation other than gold. Our entire circulating medium will be maintained at a parity with gold only so long as the Government continues to redeem, directly or indirectly, all forms of secondary money in the yellow metal. This redemption in gold is not made obligatory upon the Government by law, but has been maintained thus far through the exercise of discretionary power conferred upon the Secretary of the Treasury. It is apparent, therefore, that the maintenance of the present standard of value depends upon:

1st. The will of whomsoever may occupy the position of Secretary of the Treasury, and

2d. Upon his having the ability as well as the disposition to maintain redemption in gold.

So we present the remarkable spectacle of a nation of the first rank in the point of manufactures, commerce and agriculture, possessing more wealth, greater average intelligence and freer institutions than any other, making itself dependent upon the integrity and sound judgment of the one man who may, for political reasons, be charged with the administration of the Department of the Treasury, in fixing the value of the circulating medium of the country, by which is determined the price of every commodity, the wage of every laborer and the value of every contract. How can we defend a policy which places in the hands of a single individual powers the unwise or corrupt use of which might result in such a change in prices as would be tantamount to confiscation?

But the situation is still further aggravated by the operation of laws enacted and preserved by our representatives in Congress, the effect of which is to steadily but surely bring us to a condition where it will become impossible for any Secretary of the Treasury, be he ever so wise and faithful, to preserve us from a change of standards and its resulting disasters. The volume of our secondary money is being steadily

increased by the issue of about $4,000,000 in Treasury notes monthly, and our supply of primary money is at the same time being relatively reduced by the exportation of gold. It is inevitable that this course, if persisted in, will render the volume of primary money inadequate for redemption purposes and result in a collapse of the present system and the descent of the entire monetary fabric to the level of the silver standard.

THE EXPORTATION OF GOLD.

It is a significant fact that our exportation of gold has substantially kept pace with the issue of Treasury notes caused by the purchase of silver bullion under the Sherman act.

Between July 1st, 1890, and March 1st, 1893, under the operations of this act, the issue of these notes has aggregated $131,867,853. During the same period our net exportations of gold reached $117,106,710.

If the silver bullion thus arbitrarily withdrawn and hoarded in the Treasury vaults had been permitted to seek its natural markets it would have gone abroad instead of gold, and thus our stock of the latter metal might have increased rather than diminished, and confidence, which is the basis of business prosperity, remained unimpaired.

AVERAGE PER CAPITA CIRCULATION.

France	$40.56	Italy	$9.91
United States	25.15	Austria-Hungary	9.75
Germany	18.54	Russia	7.16
United Kingdom	18.42	Turkey	2.88
Spain	16.56		
Canada	13.56	Average (10 countries)	$16.24

Of these, France alone exceeds the United States. This excess is due to the fact that the French people employ bank checks and drafts to a very limited extent, nearly all settlements being effected by the use of actual money.

On the other hand, our per capita circulation exceeds that of the

United Kingdom	37 per cent.
Germany	37 " "
Canada	89 " "
Average of ten principal nations	55 " "

The per capita test is at best a very imperfect one. but so far as its application is of value, it indicates no deficiency in the United States. On the other hand, it is shown that we have relatively almost double the supply used in Canada, where the existing conditions present the greatest similarity to our own.

If we apply the labor test, which is held to be the most reliable, it will be found that no facts are disclosed indicating that our circulation is insufficient, as it is confidently stated by the best authorities that a day's labor, skilled or unskilled, commands more dollars now than at any time since the resumption of specie payments.

As further bearing upon this point, it may be asserted as a general proposition, that no country will continue the exportation of money while it possesses an insufficient supply. Nevertheless the official records show that we have been steadily parting with our gold for the past five years, and that the net exports of the yellow metal from July 1, 1888, to March 1, 1893, aggregate $171,020,858.

And finally, attention is called to the fact that average interest rates have steadily declined during the same period. In view of these facts it may be safely asserted that the weight of evidence is against the theory of an insufficient supply of money, if indeed, a condition of redundancy is not shown to exist.

All advocates of free coinage of silver vehemently assert that a corrupt conspiracy exists, having for its object the demonetization of silver to the end that contradiction may ensue and the interest of bankers and money lenders be subserved. As a life-long bi-metallist, I have given this assertion careful consideration, but candor impels me to say that the evidence adduced falls far short of establishing its truth. Besides, I observe that banks of discount and deposit prosper most when the volume of circulation is redundant.

HOW SILVER BECAME MONEY.

Silver became a money metal because, in the opinion of mankind, it was adapted to use as a standard and measure of value. Changed conditions have greatly impaired its usefulness and the same power that made can properly unmake it. The universality and the long continuance of the movement to curtail its use and limit its legal tender quality, are the best evidence that it results from natural causes rather than from the artificial manipulations of selfish conspirators. Conspiracy is a cause utterly inadequate to the production of such a wide-spread and lasting effect. For more than twenty years civilized nations have exhibited a tendency to look upon gold monometallism as the system which must ultimately prevail; one by one they have joined the ranks of those who maintain a single gold standard. Every country making the attempt has succeeded in securing a sufficient quantity of the yellow metal, and in every case public opinion acquiesces in and supports the change. Can it be possible that we are wiser than our generation or that we are too weak, financially, to follow where the debt-ridden powers of Europe lead?

GOLD AS PRIMARY MONEY.

Let us continue to use gold as primary money; let it still be the standard and measure of value and the medium for adjusting international balances. Our silver coins now amounting to nearly $500,000,000, or their representative certificates, can be safely utilized for domestic purposes in ordinary daily transactions, provided we suspend the purchase and coinage of the white metal and retire all other forms of money of the lesser denominations.

We have now in circulation of gold coin, silver coin and paper money about $500,000,000, in denominations of five dollars and under. If we surrender this field entirely to silver coin and silver certificates, they will pass into the pockets of the people and the tills of the tradesman, and render it impracticable for importers to pay custom duties in this form of currency. The Treasury receipts of gold and its equivalent will thus be greatly increased and an important element of danger to the gold reserve removed.

SYSTEM NEEDS REMODELING.

It is apparent that our entire monetary system needs remodeling upon a plan more simple in form as well as more correct in principle. The limitations of such an address as this will not permit the elaboration of such a system, nor are the conditions favorable to the enactment of a measure necessarily so radical in its character and far reaching in its effects. It will come in due time, however, if we are faithful to the duties of enlightened citizenship.

BUT ONE ACTUAL STANDARD OF VALUE.

I have neither time nor inclination to now enter into a lengthy dis-

cussion of the subject of the free coinage of silver. In my judgment, the complete opening of our mints to the white metal at the present ratio would be suicidal. I therefore prefer to confine myself to stating some propositions bearing upon the subject which are either generally admitted, or supported by a decided preponderance of evidence.

1. There can be but one actual standard or measure of value at a given time and place and that should consist of either gold or silver, or possibly both, where the mint and bullion value of the two metals are at a parity.

2. Gold is now the actual standard or measure of value in this country.

3. Every contract entered into since the resumption of specie payments in 1879 (with unimportant exceptions) has been based on values measured by the gold standard, while absolutely none now in existence have been based on values measured by the silver standard.

4. The free coinage of silver at the present ratio would almost certainly eventuate in a change to a silver standard, in which case each dollar of our circulating medium would have a purchasing power no greater than the bullion value of the silver dollar, which is now 64.4 cents.

5. By a change to the silver standard employers of labor would primarily profit at the expense of wage earners, and the investments of the latter class in savings banks, trust companies, life insurance companies, building and loan associations and many other corporate and personal securities would greatly depreciate in value, the cost of living would be enhanced to the embarrassment of persons dependent upon wages, salaries and fixed incomes, while municipalities, corporations, trusts and persons of great wealth, who constitute the chief borrowing class, would be enabled to pay their debts in a depreciated medium.

6. Wage workers constitute the largest and most important class, and are entitled to the preference whenever their interests come in conflict with those of the debtor class, subject to such limitations as justice and equity may impose.

7. The maintenance of the gold standard will cause no contraction, while a change to the silver standard would tend to retire from circulation more than $500,000,000 of gold.

8. Experience has demonstrated that a violent contraction of the circulating medium is a serious evil; the same is true of a change to a depreciated standard. Either has proven sufficient in the past to prostrate business interests. As no nation has ever experienced the simultaneous infliction of both these evils, the effect of the combined visitation portends a disaster, the magnitude of which we have no data for correctly estimating.

The truth of these propositions will be very generally admitted by fair-minded people who have investigated the subject. If they are accepted as true, it will be found difficult to successfully defend the further purchase of silver bullion or its free and unlimited coinage at the present ratio. What we most admire in the individual man is that integrity and courage which leads him to the faithful and unflinching performance of every contract according to its spirit as well as its letter. He who takes advantage of legal technicalities to avoid an equitable claim, is looked upon as a trickster, lacking in the higher qualities of true manhood. The payment in silver of a debt contracted in gold might be legal, but it would not be honorable. A nation is but an aggregation of individuals. An aggregation of dishonorable units cannot make an honorable whole. No nation can afford to enact a law or adopt a policy which will suggest or permit any deviation from the most scrupulous integrity on the part of any of its citizens.

The larger part of our legislation upon questions affecting the currency has been the result of enforced concessions to the enemies of sound finance in order that some supposed peril might be averted or some governmental exigency met. The calm and intelligent application of well-established principles to the formation of a complete and symmetrical monetary system adapted to the necessities of a commercial people has found scant exemplification in the enactments which now afflict us. One of the most potent forces employed in the adoption of unwise measures is based upon the assumption that the country is suffering from an inadequate supply of the circulating medium. This theory is widely entertained and strenuously asserted, but it is not capable of demonstration, and in fact the weight of evidence seems to establish its fallacy.

The Hon. R. O. Leech, Director of the Mint, submitted to the recent international monetary conference an approximate estimate of the total and per capita stocks of money in the principal countries, from which it appears that the world's supply is made up as follows:

Gold	$3,632,605,000
Silver	4,002,700,000
Uncovered paper	2,629,663,000
Total	$10,264,968,000
Total population	12,180,000,000
Average per capita	84 cents

SOME SUGGESTIONS.

Some relief should nevertheless be demanded from the present Congress, and I may be permitted to suggest that

1. The act of July 14, 1890, should be repealed.

2. All gold coin, United States Treasury and National bank notes of the denomination of $5 and under should be retired and reissued in larger denominations, utilizing in place thereof silver coin and silver certificates, the denominations of the latter being restricted to one, two and five dollars.

3. The legal tender quality of silver coin should be limited to one hundred dollars.

4. The tax should be removed from National bank notes and the issue thereof be increased to the par of bonds pledged for their redemption.

Unfortunately the vital questions affecting our currency have been dragged into the domain of partisan politics. So far as their settlement is concerned it is to be feared that the dissimulations of the demagogue and the greed of the spoilsman may be found more potent than the sound arguments and the mature judgment of the financier, the statesman and the patriot. While the political pot hunter is able to mislead thriftless, unscrupulous and illy-informed voters, the interests of a people conspicuous for its industry, frugality and integrity, are placed in the deadliest peril. In the presence of such an emergency it is the duty of every good citizen to continue in season and out of season to reiterate the time honored principles that have been evolved from and established by the uniform experience of the entire civilized world.

To many of us these statements may seem trite and stale, but in persistent discussion and unceasing agitation lie the only hope of a people who are forced to submit to the arbitrament of the political arena questions which tend to array selfishness and cupidity against scrupulous and unyielding integrity.

If we would successfully issue from the struggle we must make unceasing appeals to the conscience and intelligence of the American people, and thus incite to vigilance and activity a constituency which is occasionally misled, but always wise and just in its ultimate conclusions.

EARLY IOWA BANKING.

Hon. W. H. M. Pusey, of Council Bluffs, one of the oldest bankers in Iowa, gave some account of early banking in that State at the recent convention of the Iowa Bankers' Association.

The period immediately subsequent to the discovery of gold in California is known as the "golden era" of American finance. Within less than a decade the native product in gold was in excess of six hundred million dollars ($600,000,000), a sum equal to the estimated volume now in the entire country. The sudden craze to be rich stimulated emigration from all lands to the new Eldorado of the West. Civilization under this impulse, in one gigantic struggle with natural obstacles, in its marvelous achievements of a few years, did what would have taken half a century to accomplish without these incentives.

From the Orient to the Occident they came by land and sea, representing the best energies and enterprise of the aggressive Anglo-Saxon race. They were the chosen instruments in the hand of an inscrutable Providence to blaze the continental highway from the Missouri to the Pacific. Unexplored and arid deserts, unbridged streams and hostile Indians, were no barriers to these Avant Couriers of a modern civilization. The white-covered wagons and long lines of eager gold hunters stretching across a continent, were but the forerunners of the rushing railroad trains, Pullman sleeping cars and fast mail with "news from all nations lumbering at its back."

Contemporaneous with this immigration came a religious sect, journeying, they knew not where. Hound-hunted, persecuted and driven from Nauvoo with their wives and little ones. "What sought they thus afar? Bright jewels of the mine?" No! They sought a faith's pure shrine, and midway to the ocean they founded their "happy Zion"; builded their temple; planted our flag over the city of the plain; and for forty years have held the fort, surrounded by semi-barbarous tribes of people; a city of refuge in the mountain fastnesses of our Republic. And to-day, in their decadence, conspicuously illustrating the law of the survival of the fittest. "God moves in a mysterious way His wonders to perform."

The people of Council Bluffs stood in one of the gateways of this wondrous exodus. Its reflex influence did very much to give to our Western States and territories a healthful and permanent population.

The Mexican soldier had tarried long enough with us to place his pension, in the form of a military land warrant, upon our virgin prairies, the commencement of the happy homes and rich farms of our now beloved and prosperous commonwealth. It was amid these surroundings many of us commenced our business life in the undeveloped West. It was in the age of wild and hazardous speculation. The plethora of gold had stimulated every branch of industry, ran real estate up to fabulous prices, increased the cost of living and decreased the purchasing power of the gold dollar.

The volume of our circulating medium was swelled far beyond the demands of commerce and trade by an alien and irredeemable paper currency. The value of a metallic dollar depends upon its purchasing power, its stability, its universal acceptability, and its convertibility into the money of commerce and the money of the world. The value of paper money, which has been in use for over five hundred years among

civilized nations of the earth, depends wholly on the ability of the authority issuing it to give value for it when payment is demanded.

The people of Iowa were then living under our old constitution, which inhibited the creation of banks of issue, but surrounded by States and Territories, which, by legislative enactments and general incorporation laws, fostered and encouraged systems of free banking, whose circulations were founded on non-interest paying stocks and bonds of almost every conceivable corporation and association of men, devised and clothed with power to issue money, much of which never knew that its redeemer lived. Iowa was the favorite dumping ground for this currency, and when the financial crash came, was, possibly, one of the greatest sufferers.

The scarcity of bank bills under the denomination of five dollars, and the want of subsidiary coin, almost forced us to tolerate the small bills of these foreign banks. The dearth of silver for change among retail dealers, induced the proprietor of one of our flouring mills to resort to a plan (within the law) to supply the long-felt want. He issued his checks in denominations less than one dollar upon his bank on circular pasteboard chips, had them certified payable on presentation in sums of five dollars and upwards. They proved so convenient and popular that the miller had orders for them from Sioux City to St. Joseph.

This was also an era of successful counterfeiting, and the receiving teller of a bank became an expert in his knowledge of the genuineness of bank currency. It was not enough that he should know a genuine from a spurious bill. Every bank issue had a different current value in the community; there was the bill which the steamboat would take for passage and freight; the bill the Western Stage Company received for fare; the bill which would buy the necessities of life and pay the laborer for his toil. Every package of bills presented at the bank counter had to be properly classified and discounted into either par funds (which would buy exchange), current funds and special funds to be returned to the depositor in like funds, and the pass-book, and the bank account of the depositor was so specified, no bank being willing to assume the possibilities of disastrous and sudden depreciation to which this money was constantly subjected. Wide-spread distrust and want of confidence had seized upon the public mind.

One morning an Iowa banker dropped into the office of his St. Louis correspondent; the cashier of the big bank carelessly handed him a draft drawn on Duncan, Sherman & Co., of New York, which he had just signed, calling for one million dollars. Facetiously remarking, "Do you Iowa bankers often draw drafts for such a large sum of money as that?" "No," was the reply, "and I doubt if there is a man in Iowa who ever saw as large a draft." "What is it issued for?" "Oh, don't you know we are building the Ohio & Mississippi Railroad? that draft is the first payment on the iron rails." The country banker soon after withdrew, and what may possibly have been a surprise to the big bank, also withdrew his balance, not wishing to become an involuntary stockholder in the Ohio & Mississippi railroad.

The laws for the speedy collection of debts were suspended by substituting appearance terms and stay laws in the interest of debtors.

One day a merchant in good credit and standing hurried into his bank and asked for the loan of one thousand dollars, but was refused the accommodation. He excitedly exclaimed, "If you don't let me have the money I am a ruined man." "How's that," asked the banker. "I will go to protest," was the reply. "Oh, is that all? You simply mean you will join the great army of delinquents." "But you must let me have it, my dear sir, and I will pay it back to you Monday morning at 9

o'clock on the opening of your bank, if I am a living man." Nine o'clock Monday morning came, 10 o'clock, 12 o'clock, but Jones had not put in an appearance.

The banker, on his way to dinner, called at the undertaker's and ordered the hearse to be sent to Jones' residence, and there remain until he, the banker, should order it away. On his return to the bank Jones was on hand; greatly disturbed at the presence of the hearse at his residence. The banker greeted him very cordially, "Is it possible, Jones, this is you; alive and well? I supposed you were certainly dead; I have always known you to be a man of your word; you said you would pay that note at 9 o'clock this morning 'if you were a living man,' it is now nearly 2, and I was determined to do my part in giving you a Christian burial." Both these gentlemen have passed away, steadfast friends through life and leaving as a heritage to their children large fortunes and the reputation of blameless lives.

As early as 1855 the gold product of this country had reached its maximum annual product of $67,000,000, and silver, which had been debased 8 per cent. by the legislation of 1853, in a vain effort on the part of our doctrinaries and law makers to sustain the parity of the precious metals, suddenly poured its silver flood upon the markets of the world, until its annual output exceeded that of gold by more than twenty millions per annum, causing a reversion in the natural ratio of these metals, causing an entire change of legislative policy to sustain their equilibrium. The conservative financiers of the country, then, and ever since, have advocated the doctrine of the framers of our Constitution on the fiscal policy of the nation; that the standard money of the country should be gold and silver, to go hand in hand at a ratio which will maintain their parity, and that no fiat legislation can provide for the oscillations caused by the variableness of their product, and the ceaseless ebb and flow of commerce which changes their convertible value as the tidal waves of the ocean troubles its surface.

No nation on earth has any trouble about the money question which sells more than it buys. But this country and continental Europe, debtor nations in the absence of international concurrence, will ever be subjected to difficulties constantly arising. During the period referred to British India and the Latin Union threw open their mints to free coinage, causing the drainage of our gold reserve, and precipitating the National revulsion of 1857.

Prosperous Iowa, now rejoicing in conscious strength and an assured future, was prostrated and utterly helpless under its exhausting effect. Far removed from the sea board with no railroad communications with the markets of the country, agriculture paralyzed, labor unremunerative, our people simply existing under forced frugality; the banking business was neither remunerative nor ornamental. Securities and collaterals were unconvertible, and our circulating medium was practically worthless.

ON GRANTING DISCOUNTS.

The banks are the most indispensable factors of the modern business life, and because they are recognized as such by the intelligent business element, and because they are conscious of possessing power, their attitude and policy, in times of monetary stringency, are more influential than those of other business factors which are intrinsically of more real importance.

Banks collect the idle money of the community and put it to work. Contrary to the Populist idea—and their idea represents the notions of many people who are not Populists and who do not sympathize with Populist notions—the mass of the idle money of the community does not belong to rich people, but to the comparatively poor. We are not writing a disquisition on banking, and, therefore, need not dwell in detail on what those engaged in commerce know very well, that men in one line of trade are borrowers at certain seasons, while at others their money accumulates from collections, and that banks dealing with different classes of customers, having different seasons for paying and collecting, set off the idle season of one against the active season of the other and keep the money of all actively at work. But besides what money they handle for the convenience of the commercial classes the banks are the great depositories of the savings of those who get their living by salaries and wages. The rich man who has a few thousand dollars idle in a bank hastens to invest it in stocks or bonds. The wage-earner lets his money lie, accumulating by weekly savings and interest, till he has enough to buy a home or a lot. He knows little about stocks or bonds. He puts money in the bank and when he wants to take it out he wants money and nothing else.

The funds which bankers can lend with most confidence in times when business is in a normal condition are these savings of industrious and frugal people of moderate means. They are intelligent enough to know that their money is safer and more productive in reputable banks than anywhere else, and as long as their distrust is not aroused they are content to leave it there. The true policy of banks is to conduct their business so that this large class shall not become distrustful. Many of them are employed in large manufacturing establishments, which sell on time and have to pay their hands in cash weekly, are often dependent on banks to take their time drafts on their customers in order to raise money to pay their weekly bills for wages and other cash items. Their employes soon get to know this, and they know that when money is easy and banks have plenty of it they are glad to make money by extending this sort of accommodation. If in times of stringency banks shut down on such customers and refuse to extend usual and necessary accommodations, and the employing establishments have to curtail production and drop some of their hands or shut down altogether, the employes understand that it is because the banks are short of money or are distrustful of the condition of business. Some of them have always money in bank laid by for a rainy day when they are out of work, or laid by to buy a home. Some one of them is sure to conceive the idea that if the bank is getting too short of money to loan any to his employer, the best thing for him to do is to get his money out of that bank while he can, and as soon as he has got his money he tells others and they follow his example, and there is a run on the bank or a general withdrawal of the money which has furnished the most loanable fund it

has. It is very short-sighted policy in bank managers to cut down too sharply or rapidly the accommodations which the business of their customers requires. It is short-sighted policy to refuse renewals when harsh refusals will precipitate assignments. A wise banker knows that greedy attempts to save himself by pressing some particular debtor who is solvent, but embarrassed by slow collections on sales, means always the locking up of more money than he has honestly involved and a general loss that will offset any particular gain. He will tide customers over who can show that they have any claim to be tided over, rather than enforce narrow and rigid rules that may give a narrow temporary gain at the expense of a wider but permanent loss.

In general, wise bankers will hold that the time for bankers to be most liberal to the commercial community is when the commercial community is in most need of money to carry on its legitimate operations, and the time for wise bankers to be calmest and most cool-headed is when the unwise are affected with untimely and unreasonable alarm. We believe these things all the more because one of the wisest and most cool-headed of our bankers holds substantially the same ideas.—*Louisville Commercial.*

MANAGEMENT OF BANK CLERKS.

In a receipt given in an old cook book for the best way to cook a hare, it starts out with the wise proviso, "First catch the hare," and in this paper on the "Management of Bank Clerks," I name as a necessary condition—first secure the clerk. As "the proper study of mankind is man," bank officers and directors should scrutinize carefully the characters of young men before they admit them into prominent positions in their banking houses. Honor should be the predominant feature in their character, for no man without it in its strictest sense is qualified to be the custodian of funds belonging to the people or to corporations. But some will argue that it is almost an impossibility to judge of the true instincts of a young man while the world is so full of the Dr. Jekyls and Mr. Hydes. It has been wisely said that "the child is father to the man," and we can readily discover a young man's character by making inquiry of those who have watched him during his childhood, for at that time in life traits of character are formed which cling to him during the entire period of his existence. A boy who passes his time in school lazily catching flies or throwing paper wads at his companions, or who during the recess hour takes delight in snatching the luncheon from younger pupils, or acts a baser part while engaged in the amusement of childhood by "fudging" at marbles or taking undue advantages at the game of base ball, does not possess the esssential elements to make a faithful bank officer. As he grows older, if he burns the midnight oil over the gaming table or in riotous living; if he visits beer gardens or the demi-monde; if he has no frugal habits, but squanders his means and all that he can acquire in gratifying his tastes for such low pleasures, he will, no doubt, keep up this folly after he becomes a bank clerk, and will not hesitate to "tap a till" to secure the necessary means to carry on his vicious practices.

Do bankers use all necessary precautions and investigate fully the habits of young men whom they place in responsible positions? I do not believe they are as strict in their selection of employes as were our forefathers. It has grown to be almost a universal custom for bankers to be influenced in the selection of clerks by the larger stockholders or directors of the bank, and many a fault has been overlooked in a young

man's character when he has been given a responsible position merely to gratify the wishes of his immediate friends. It is very often the case that some poor young man without influence, who is a born banker, has been driven from the proper channel his character and brains have destined him to follow, by being defeated in his aspirations by some weak, immoral and wholly unreliable boy, because that boy was the son or personal friend of some influential stockholder or director of the bank. May this not be one of the principal causes of the frequent defalcations in banks at the present day? May not a lack of honor culminate in false entries or in robbing a cash drawer—a continuation of which has brought upon the banking fraternity unjust censure, which usually ends in that threadbare joke always associating the name of bank cashiers with a Canadian tour?

In securing a clerk for a bank it should be the sole aim of the officers to see that the applicant is possessed of all the sterling characteristics of a good business man. He should be polite in all his intercourse with others; not a frequenter of saloons, whereby his brain may become addled. He should have a keen sense of honor and probity; not given to extravagant living, but possessed of sound ideas of frugality; no gambler, either at cards or the bucket shop; one who shuns the society of harlots; who is not too much given to club life; no habitue of the race course, nor a brawler or sport or an admirer of the prize-ring, but blessed with an ambition to be "a hero in the strife" by living up to all the attributes of a true gentleman, and husbanding his mental resources for the purpose of aspiring to something higher than the minor position he has just been chosen to fill.

By way of a parenthesis: Did you ever take the time from your multitudinous cares as a bank officer to watch the antics of some newly-elected bank clerk? If you have not, you have surely lost a great deal of the humorous side of life. He is almost full enough of himself to pop open. His walk is majestic; his head is carried almost high enough to escape the poll-tax by being out of the corporation. He seems to say by every wink of his eyes, every movement of his lips, the swing of his arms and the step he takes, "Ah, ha! I am a bank clerk." The set of his hat has even a collateral significance—it is the proudest moment of his life. He will be the first man at the bank and the last to leave at closing time, when he promptly starts for the constitutional walk, making it convenient to pass the window of the girl he likes best. If he should have the opportunity in a few months after he has been inducted into the mysteries of banking and has read several copies of some financial paper or magazine, he would not hesitate to discuss the silver question or some other abstruse financial issue of the day with President Cleveland or Secretary Carlisle. Without any compunction of conscience he would declare Alexander Hamilton a monetary humbug and Salmon P. Chase and John Sherman financial fogies. In his own opinion he is as infallible as the Pope of Rome and cannot make an error; he can detect a counterfeit around the corner, and one would suppose from his proud bearing that all of the financial pabulum of the nation was contained in his small head. He will even go so far as to speak disparagingly of the paper taken by your bill committee and will say to some of the clerks, "I most surely would not have permitted that paper to pass." But there comes a time when these innocent fancies of the young banker are scattered like the chaff before the wind. He makes a mistake. Deep gloom sets upon his features, and he awakes to the reality that he does not know it all. This abundance of vanity, however, is a favorable symptom in the make-up of the young financier. That man who is proud of his position is always possessed of more of

the elements of a successful man than he who is ashamed of his calling.

Neatness and order are two essentials in banking; a slovenly, careless man is out of his element when he accepts a place in a bank. Those who have control of the cash should be clear-headed, painstaking, rapid in calculating and all other movements, neat in the arrangement of their money and courteous when they are dealing with the public. The two most prominent places where friends can be made for the bank are the paying and receiving tellers' windows. A cross-grained, surly, unaccommodating man should never be appointed teller. The teller should be an affable, agreeable, pleasant fellow who could remove the sting of a counterfeit note or worthless check by a bland smile and pleasing remark as he passed it back over the counter. The teller should be thoroughly posted on the law governing bank checks, their estoppel certification, identification and indorsement. He should promptly become familiar with the signatures of the customers of the bank; he should be an expert detector of counterfeits and be possessed of a strong memory of names and faces. He should be exceedingly cautious in allowing overdrafts, and when such a violation of the rules is permitted by him he should be earnestly informed of the fact by the cashier, in no uncertain tones, that he is assuming the prerogatives of the officers and bill committees and is loaning the funds of the bank without security. The bank tellers have it in their power to improve the condition of the currency in circulation and a good teller takes advantage of the opportunity. He should always endeavor to pay out good clean money and keep in separate packages the ragged and mutilated bills, to be forwarded for redemption at Washington. The note or collection teller should familiarize himself with all laws relating to protesting a note, when it is and when it is not necessary to protest paper. He should systematize the handling and keeping of all collections, notes and discounts; he should be a ready reckoner of time, familiar with the rules of interest and discount, look carefully after maturities, take proper care of all vouchers, be thoroughly acquainted with the "ticklers," look well to his collaterals and see that all checks on other banks offered in payment of collections, notes or discounts are properly certified. Foreign collections should be carefully assorted and consecutively numbered, and all time paper should be entered upon the "tickler" in order to keep it constantly under the eye of the foreign collection clerk.

All bookkeepers should be selected on account of efficiency. A dullard or stupid boy can upset the whole system of bookkeeping by filling his books with erroneous entries. Those of the longest experience should have charge of the general books. Enough men should be employed, and the mistake should be avoided of taxing one man's energies with too much work. The general bookkeeper should be a trusted man, of forethought, rapidity of penmanship and accurate in figures. Upon him devolves the preparation of statements, balance sheets and accounts current covering the whole business of the bank. He should be well versed in geography, for it is now the custom to forward individual checks for collection all over the nation, and he should know at once to what point to forward an item where it can be collected at the least cost to the bank. With the general bookkeeper eternal vigilance is the price of accuracy. The individual bookkeeper should be required to keep in touch with the paying teller and managers of the bank. His place is one of great responsibility, for an error in passing an item to the wrong account might cause the mispayment of funds with loss to the bank and, at the same time, be the means of a good customer leaving the bank for being wrongfully accused of having overdrawn his account. In small banks it is better for the individual bookkeeper to

secure his depositors' books a few days before the close of the month and enter up the checks and credits so as to facilitate the work and thus be enabled to give his customers their books balanced on the last day of the month. In large banks this is an impossibility, and the usual rule is to require the entire clerical force to remain at the bank the last night of the month and write up the pass-books of their customers. On such occasions it is customary for one of the officers of the bank to be in attendance and see that the work is done. All clerks should be at their posts at least an hour before the opening of the bank. There are numerous duties to be performed. Letters must be opened and their contents distributed in their proper channels; vacancies caused by temporary illness must be supplied by dividing the work among the clerks present; collections must be entered and ticketed, ready for the runners to start at the opening hour. Every clerk in the bank should confine himself to his particular line of duty, and when he has finished his work he should be willing to assist others. Clerks are in a position to make either friends or enemies to the bank. They should soon be impressed with this fact and govern themselves accordingly.

The first idea to be introduced into the head of the new bank clerk is that the entire business of the bank is private and confidential, and he who talks of bank affairs outside of the bank should be summarily discharged. The clerk should never forget that he is a gentleman. Loud talking, whistling or engaging in argument on any question, either religious, social or political, should not be permitted during banking hours. Noise or confusion disturbs other clerks and disgusts the customers of the bank. In calling off or checking accounts, clerks should not speak above a whisper, especially when calling off the balances of depositors. No business man desires to have his bank balance made public.

The position of a bank clerk is an honorable one. If he performs his work well it is a strong recommendation for him for future preferment, either in or out of the bank. He should never permit himself to be turned into a machine or drudge, but should use his best efforts to learn the bank work well in every department. There are many reliable old Tom Linkenwalters who have grown gray in banks as bookkeepers. It is impossible for every bank man to be an officer, but every clerk should be ambitious enough to make an effort for promotion. Only those who labor and study hard to learn the intricacies of banking rise to a higher position, while those who are too well contented and have no higher aspirations stick to the bottom round of the ladder. Bank clerks should be managed by kindness. Officers should not hold themselves aloof and view them from a pompous standpoint. A little sociability and kindness shown the clerks by an officer does no harm, but on the contrary has a tendency to elevate the clerk and relieve him from the impression that he is a mere hired man to work hard all the time and draw his salary when pay-day comes. An overbearing, dictatorial, tyrannical, bank officer is a nuisance not indictable by law. He is out of his place and should be relieved of his position at once. Such a man destroys the *esprit du corps* of the bank and makes a clerk's life almost unendurable. On the other hand, a good-natured, affable yet dignified officer always creates a deeper interest in the bank and its success among the clerical force. A vacation of at least two weeks each year should be allotted to each employe. The duties of bank men are very confining, and these vacations are not only necessary to health but give a rest to the body and relieve the mental wear and tear, which is much more damaging to business men than hard physical labor.—*A paper read by John W. Faxon, Assistant Cashier of the First National Bank, of Chattanooga, at the Tennessee Bankers' Convention.*

BOOK NOTICES.

The History, Organization and Influence of the Independent Treasury of the United States. By DAVID KINLEY. A. B., Fellow and Assistant in Political Economy in the University of Wisconsin. New York: Thomas Y. Crowell & Co.

This is the initial book of a library of economics and politics, which is edited by Dr. Ely, of the University of Wisconsin, who has a widely known and merited reputation as an economic writer. The works that he has planned will be desirable additions to our economic literature if they are as valuable as the one before us. Much has been said in the way of defense and criticism of the independent Treasury system. The present work describes the method adopted in the beginning for managing the Government deposits; the use of State banks for that purpose, and then the organizing and maintenance of the independent Treasury system. The heart of the book is the chapter in which is described the influence of the independent Treasury on business. The author has well described the good and weak features of the system, which is now regarded with less favor than it was formerly; though since the deposits have run down to a much lower figure than they were two or three years ago criticisms on the system are less frequent. Briefly, the main criticism is that the system extracts so much money from business that it suffers from the withdrawal. To answer this question properly a preliminary inquiry is necessary. Should a reserve be kept somewhere in the form of money to respond to the wants of the Government? If there should be, then we fail to perceive why it should not be kept by the Government itself. For, if loaned to the banks and used by them then there is no reserve, and the Government might become bankrupt as it did in 1837. On the other hand, if the system was abolished, and the money was deposited with the banks and they really kept it, then it would be of no use to them, and they would not care to have it. In truth, the problem with those opposed to the system is to keep a reserve and not to keep one at the same time. They seem to think that if the Government money is put in banks and used by them it is nevertheless a reserve; and it is on paper, but not in fact. If the present crisis teaches us anything it is that a great fault of our banks is in lending too much of their resources. In other words, they do not keep enough money for contingencies. The tendency is to lend everything. This has been the evil of our monetary system from the beginning, springing partly from our limited capital, and partly from the desire to make as much money as possible. As long as this desire exists of lending every dollar, of paying no heed for the future, of taking no thought for panics, depressions and the like, we shall always be visited by them, and they will surely be more frequent and more severe if no precautions are regarded. The independent Treasury system, as a whole, has been a conservative system and has done much, in our judgment, to keep the finances of the country steadier than they would have been had the Government deposits been

confided to the banks. For if the Government deposits had been put in them and lent then there would have been no reserve, and there would have been a far more sensitive feeling than is now experienced. At the present time, when so many banks and great industrial concerns are failing there is no thought of failure by the Government. And why? Because its funds are in its own keeping. If they had been deposited with the banks, as the enemies of the present system contend they ought to have been, besides the existing troubles the Government also probably would have been on the edge of bankruptcy, for its deposits would have been beyond its control.

We commend this book to our readers. It contains the most intelligent description of the Treasury system that has been published.

People's Banks. A Record of Social and Economic Success. By HENRY W. WOLFF. London: Longman's, Green & Co. New York. 1893.

This book contains a clear description of the various kinds of banks which have been organized in the leading countries of Europe for the especial purpose of providing means for the non-capital class who desire money to conduct their business. As every one knows, banks in all countries are generally organized for the purpose of lending their resources to persons or companies that have considerable means or credit. The less favored classes have never been regarded in creating these institutions, for they are not supposed to be engaged in enterprises requiring capital. It is true that in this country especially savings banks have been provided as places for them to deposit their money, which, in turn, has been chiefly employed in purchasing land and building homes for themselves. This is a worthy purpose surely, and the record of these institutions has been very excellent, but the People's Banks of Europe have had a very different origin. It has been seen that if many who are engaged in a small business had some money or credit they could accomplish much more. The small farmer, for example, if having funds to buy more animals, or to improve his land, or to pay for his seed or labor, could gain a larger profit. The small shopkeeper also needs some capital to carry on his business successfully. The People's Banks were organized to furnish such assistance. The money is drawn from the classes themselves, and also from other sources. Mr. Wolff's book contains an exceedingly interesting record of these institutions. After describing in the first chapter the general plan of co-operation, the author proceeds to describe the credit associations of Schulze-Delitzsch, who was the first German to originate a scheme of co-operative banking. Schulze had a peculiar genius for this work, and the book contains an excellent description of his labors, his persecutions, and the success of his system. Next the Raiffeisen Loan Banks are described. The founder of these was distressed over the high rates of interest paid by those who tilled the land, and he determined to organize a system whereby money could be obtained and employed by them at lower rates. The third system of co-operative banks is the Italian, or Banche Popolari. This chapter is one of the most interesting in the book and a considerable portion of it will be put before our readers in an early number of the MAGAZINE. Next the Casse Rurali of Dr. Wollemborg

are described. These banks were organized more especially for the purpose of lending money to the Italian cultivators of the soil. This chapter is followed by three others on popular banking in Belgium, co operative credit in Switzerland and co-operative credit in France.

The book is the most systematic and intelligent account of these institutions which has been published. On the whole their record is most hopeful. Some mistakes and losses have occurred, but they have been trifling compared with the large number of banks and the peculiar risks incurred. It may be also justly said of them that they will bear a very favorable comparison with the better known and more pretentious banking institutions for honesty, prudence and ability, especially when banks are quaking all around us, and the whole system of Australian banks has gone under owing depositors over four hundred millions of dollars. Indeed, some of the great banks of the world might well turn to these humbler institutions and learn a lesson in honesty and prudence, which they so much need.

BANKING AND FINANCIAL ITEMS.

General.

Logan C. Murray on the Financial Situation.—One of the large rooms of the Art Palace was crowded with the delegates in attendance on the International Congress of Banking and Financiering, in response to a call for a special meeting to exchange views regarding the present financial situation in this country. The representatives of the local banks had also been invited to attend, and the response from officers of these institutions was large. The opening address was delivered by Logan C. Murray, of New York. He said that such a storm and wave of liquidation had passed over the country, beginning in New York and now extending itself to the Pacific Coast, as would indicate that the present low tide was a most appropriate time for the bankers and financiers of the country to discover the root of the trouble. It could not be denied that the banking institutions of the country had met the crisis with a wonderful show of strength. The determination of the President to convene Congress for the purpose of grappling with the root of the evil—the continued purchase of silver—was to be commended. The congress should give no uncertain sound to the sentiment that this evil must be eradicated from the commercial system. The results of the resumption of gold payments in 1879 should not and must not be disturbed, and the hands of the President should be upheld. It would seem opportune at this time to assure the investors of Europe, who have been returning our securities and taking our gold for them, that we have both the ability and the intention to maintain the gold standard. This idea could not be too strongly impressed upon the visiting financiers, and the congress should emphasize with no uncertain sound this patriotic intention, and thus quiet Europe on our intention of paying our debts in gold and not on a silver basis. The idea of putting out an interest-bearing debt in time of peace and prosperity simply for the purpose of forging a silver chain about the necks of the commercial world was suicidal and unpatriotic and a wrong to the people. The country had barely escaped a day of reckoning, and further delay in meeting this question might mean greater disaster. The speaker impressed upon the congress the necessity of reassuring foreign investors, so that they would not turn back the great avalanche of securities now held across the Atlantic, for fear that the United States will reckon their value in silver instead of in gold.

The World's Congress of Bankers.—Mr. Lyman J. Gage, president of the First National Bank of Chicago, called the congress of bankers and financiers to order and immediately surrendered the gavel to the permanent chairman, Mr. Charles Parsons, of St. Louis. After a few pleasantries between the Chicago banker

and the St. Louis chairman, Mr. Gage delivered the opening address, in which he said: "We find ourselves in a world of duties and responsibilities, of blessings and of penalties. We act and react upon society, and society reacts upon each and every one of us. In every department, however obscure, where a group of men find themselves, there exists, whether discovered or not, a true, an ideal system of relationships. Nature will not suffer herself to be coerced, but she willingly yields her most valuable secrets to the patient solicitation of those who diligently inquire. It is with supreme faith in this proposition that the world's congresses of 1893 have been inaugurated. Covering nearly every phase of human thought and interest, it may be hoped that these will take their place in history as the most honorable and useful features of the great Exposition, which gratefully celebrates the triumphs of the world finder in his noble effort to wrest from nature the then untold story of her mighty possessions beyond the seas. In the section of banking and finance, to which your convocation the more immediately relates, we enter a department of the highest importance. Perhaps in the whole field of human relationships to which I have alluded none are more delicate than those which we occupy. We have met at a time when a peculiar interest attaches to all forms of inquiry. There has lately swept over the land—nay, over the whole world—one of those reactionary waves which bring painful anxiety to all, loss and ruin to many. This phenomena may be regarded as nature's all-powerful protest against methods based, not on her imperial wisdom, but on fallacious and vain imaginings. Under the rod of discipline we do well to inquire as to the manner and extent of our transgressions, and to seek for the future ways of safety and peace." In assuming the chair Mr. Parsons said: "We are assemb'ed here in this imperial city of Chicago, the astonishment and the wonder of the world for its vastness, for the rapidity of its growth, the grandeur of its business achievements, and still more by the marvelous Exposition now open to inspection to excite the admiration and intelligent praise of the civilized world. In 1830 Chicago did not exist. Only then was the surveyor at work laying out lots for the settler of the new town. And now comes forward this city of sixty-three years' growth, this exhalation from the borders of Lake Michigan, to do honor to the discoverer of a new world. The vastness of the scene, the variety of the subjects, are beyond description. It is safe to say no such display has ever been made, nor is it likely that within the next fifty years will there again such an inspiring panorama be spread before the nations." Mr. Parsons briefly touched upon the financial transactions of the world and upon the discussion of the money problems to be anticipated. J. J. P. Odell, president of the Union National Bank, gave the delegates to the congress a hearty welcome on behalf of the bankers of Chicago. Mr. Horace White read a paper on the financial situation. He began by saying that the most impressive fact in the world of finance was the dominance of the gold standard. It began in England nearly a century ago, and had conquered one country after another until all civilized nations were brought under its sway. Three international conferences have been called to stay its march, and none have been held to assist, but the movement has been as little impeded as an ocean steamer would be by the action of a debating society in its own cabin. Was all this due to human perversion or had it a rational cause founded in the needs of mankind? Beginning with the experience of England, a sketch was given of the coinage ratios established between gold and silver, showing how the Government and society had strenuously sought to keep both metals in circulation, but had failed in every instance, and never succeeded in having a staple currency, until they adopted the single gold standard. The experiences of the United States, France, Germany, Holland and Austria were next given. "Now," Mr. White continued, "if we find a movement of civilized mankind going on steady for a hundred years, working out, in different countries, uniform results, which commend themselves to successive generations, the presumptions are all in favor of that movement being beneficial." The speaker was so well convinced of this that if all power were placed in his hands he would not do anything different from it. He would consider it presumptuous to interfere with an obviously natural evolution in human affairs. Such an attempt would be futile, because it would be necessary to alter the preferences and likings of individual men. The secret thought which paralyzed the Brussels conference, and all other conferences, was, "what would happen the day after international bimetallism if individual men should continue to prefer one ounce of gold to sixteen ounces of silver?" The speaker thought that the scramble for gold would be more

pronounced the day after a bimetallic treaty than the day before, because everybody would suspect somebody else of gratifying his secret liking for gold at the expense of his neighbors. He considered the gold standard beneficial to all classes, and he examined and answered the various arguments advanced to show that it was detrimental to some. The present silver law, commonly called the Sherman law, was not bimetallism. It was based on the idea that the purchase of silver, and the issuance of Treasury notes against it, increases the supply of money in the country, whereas it diminishes it.

PANAMA AND SUEZ CANAL ACCOUNTS.—The *Annales Industrielles* estimates the total loss incurred at the Panama Canal at £38,000,000. Against this loss—considered from a National point of view—it argues, may be set the gain accruing from the Suez undertaking, which is put at £57,560,000, thus leaving a credit balance of £19,560,000.

MERCHANTS' BANK OF CANADA.—The annual statement of the Merchants' Bank of Canada has been issued. The statement shows the result of the business of the bank for the year ending May 31st last. The net profits of the year, after the payment of interest and checks and deducting appropriations for bad and doubtful debts, amounted to $604 395.38, as against $530,247.17. There was carried forward to profit and loss account $13,961.79, as against $3 733.28. The profits this year amount to about 10 1-16 per cent. on the capital. The total liabilities to the public amount to $14,530,657.03, against $13,948,188.34 last year, the deposits not bearing interest being about $226,000 greater than last year, the deposits bearing interest about $40,000 greater, balances due to Canadian banks about $11,000 greater, and balances due to agents in Britain $375,000 greater The liabilities to the stockholders have been increased by about $200,000. The liabilities show an increase of over $1,000,000. On the assets side the gold and silver coin held show a slight decrease, while the Dominion notes on hand amount to over $230,000. The holding of Dominion Government bonds has been increased by about $300,000, and of railway and municipal debentures by $135,000, while call and short loans on bonds and stocks have been reduced by over $871,010, or more than one-half, Time loans on these securities show a slight increase of about $20,000. Loans and discounts show an increase of $1,200,000, while those overdue have been reduced $20,000.

EASTERN STATES.

BRIDGEPORT, CONN.—The Hon. Daniel N. Morgan, for many years president of the City National Bank, has resigned to accept the appointment as United States Treasurer, by President Cleveland, as the holding of both positions would be somewhat inconsistent. The resignation of Mr. Morgan was presented at a meeting of the Board of Directors, which was held at the bank recently. The directors expressed deep regret at the loss of so valued an officer, but knowing that his action meant increased honor for Mr. Morgan, it was readily accepted. The election of a successor resulted in the choice of Mr. Edwin G. Sanford, who for the past 17 years has been a director of the bank. The choice is an excellent one. Mr. Morgan has been president of the bank for the past 15 years, and during that time the business of the bank has increased yearly. He has been a faithful officer and his loss will be deeply felt. Mr. Morgan is also president of the Farmers and Mechanics' Savings Bank and the Bridgeport Hospital Corporation.

PORTLAND, ME.—At a meeting of the executive council of the Savings Bank Association, of Maine, Charles Rowell, treasurer of the Fairfield Savings Bank, was chosen treasurer of the association. A careful examination and discussion was had on the subject of the tax last assessed, and it was unanimously voted that in the opinion of the council the increase of the state tax resulting from the new law for the half year lately expired is not sufficient in amount to make it expedient for the banks to resist payment of the tax last assessed.

PEABODY, MASS.—The South Danvers National Bank of Peabody was established in 1825, and after a prosperous business career of sixty-eight years on one spot, the change of the business center of the town and the need of modern conveniences made it apparent to the directors of the institution, that a change of location was not only desirable but necessary in order to attract a share of the new busi-

ness of the town. Therefore a new site was bought near the square and a building started in May, 1892, which has just been completed. The new quarters have all the best features of the modern banking establishment. the counters are of solid quartered oak. the top finished with the beautiful brass grill work, the furniture and desks are of the latest and most approved pattern, with every convenience, and are also of quartered oak. Entrance to the area behind the desk is guarded with grill doors upon which are electric fastenings which can only be operated by those upon the inside, the room devoted to the use of the patrons of the safe deposit boxes being similarly protected. The bank has a money vault with all the latest fire and burglar proof attachments and safety deposit boxes. The need of safety deposit boxes having long been felt in town, a special provision has been made for this by furnishing a room entirely shut off from other portions of the building, where the boxes can be opened and contents examined by the owners without interruption. The book vault is separated from the money vault, thus allowing the money and all pertaining thereto to be securely locked up with time locks at the hour appointed for the close of business. A large vault is also provided for the storage of silverware and valuables of a similar nature.

TURNER'S FALLS, MASS.—The stockholders of the Crocker National Bank, of Turner's Falls, have reduced its capital from $300,000 to $200,000 There were 2,400 shares represented at the meeting This is regarded as a strengthening move. The bank is prosperous, but $300,000 capital is more than can be employed in the village of Turner's Falls and the immediate vicinity. In order to pay dividends the directors would have to seek outside and less desirable business. The bank has a surplus of $50,000, and the undivided profits. according to the report March 6, amounted to $13,317. The Palmer National Bank recently reduced its capital stock, paying back the proportion at par. By this action it was able to increase its dividends. It has been customary with banks in this State to keep the surplus intact when the capital is reduced.

WORCESTER, MASS.—June 9th was the 40th anniversary of Mayor Marsh's first engagement with the Central National Bank, of which he is now president. This makes him the senior bank official of Worcester. Mr. Marsh entered the service of the bank as a clerk on June 8, 1853. He was elected cashier on Oct. 6, 1862, and was chosen president by the directors Jan. 12, 1892.

NEW YORK CITY.—The Bowery Savings Bank's new building is to cost half a million dollars when finished. Work has been commenced upon the Grand street wing. It will take about a year to complete it, and then the bank will move from its present quarters on the Bowery side to allow of the old structure being torn down and a handsome new front being raised. The design was made by McKim, Meade & White, who were in competition with a number of other architects. The ground embraces six city lots—two lots on the Bowery and 100 feet on Grand and Elizabeth streets. The principal feature of the structural arrangement will be a dome, supported by marble columns. The main entrance will be in a corridor 50 feet wide, 100 feet long and 22 feet high. This corridor will be floored in mosaic and the walls will be of enameled brick. Above, on the second floor, will be the directors' room. The ceiling of the dome room will be over 60 feet in height. The marble columns and pilasters will have gilded capitals. The cashier's counter, inclosing the central area of the room, will be 8 feet high and will be of Sienna marble and bronze grilled mahogany. The restaurant, electric and steam-heating plants will be in the basement, which will be of granite. The superstructure will be of Indiana limestone. The entrance on the Bowery will be flanked by two fluted columns, and on the Grand street side there will be four of these columns.

BUFFALO, N. Y.—The contest between the city and the banks over the payment of interest on the deposits has ended by an agreement to pay 2½ per cent.

FONDA, N. Y.—One of the most interesting personages in Central New York, and perhaps in the State, is Daniel Spraker, of Fonda. Mr. Spraker is prominent because of his advanced age, and because he is the head of the Spraker family, which for over a century has been conspicuous in the Mohawk Valley on account of its wealth, enterprise, and social and political influence. George Spraker, the earliest ancestor of the family, was a native of Saxony, and settled at Palatine Bridge, N. Y., about the year 1775. Daniel Spraker was one of six sons of Jost Spraker, all of whom were reared at the old homestead on the Mohawk turnpike at Sprakers,

N. Y., and is now the only survivor. He was born August 26, 1798. The paternal homestead is well known not only in the State but beyond the limits. Before the time of railroads travelers through the Mohawk Valley were entertained there. It was also a point at which relay horses for stage coaches were supplied. At the age of 21 years Daniel Spraker began business for himself at Spraker's Basin. He was engaged in the mercantile, storage and forwarding business on the Erie canal and was the leading merchant of the Mohawk Valley. In 1853 the Spraker Brothers established the Spraker Bank at Canajoharie, and in 1856 the Mohawk River Bank at Fonda, which is now a National bank. Mr. Spraker moved to Fonda and became its president, which position he still fills. Notwithstanding his advanced age of 95 years, he is a daily visitor at the banking house and consults the cashier, J. Ledlie Hees, and other officials concerning the business of the institution.

ROCHESTER, N. Y.—The finance committee of the common council has selected the depositories for city moneys. The same banks as were designated last year were again chosen. They are the Traders, German-American, Central and Commercial. The banks will allow 4 per cent. on bond deposits, as heretofore.

RIVERHEAD, L. I.—A striking illustration of the growth of Long Island and at the same time of the rapidity with which a little capital carefully and judiciously invested will increase and assume great proportions, is furnished by the facts regarding the Riverhead Savings Bank elicited at the time of the celebration of its twenty-first anniversary. The bank started twenty-one years ago in the smallest sort of a way and the growth of this section of the Island in which it is located is indicated by the fact that it now has over 5,000 accounts aggregating nearly $2,000,000. Fully as remarkable are the figures showing the accumulation of the bank's surplus. On July 1st, 1872, when it was one month old, the surplus amounted to $5.37. Now after twenty-one years of prudent financial management this surplus has grown to the great sum of $188,000. The officers of this institution have cause to be proud of the excellent record which it has made under their careful management.

PHILADELPHIA.—President Michener, of the Bank of North America, has perfected the plan for the erection of the bank's new home. The main building will be one story in height, with a facade of highly polished light granite. The roof of this building will be on a level with the four-story structure to be erected in the rear, which will contain the directors' room and dining rooms for the officers and clerks of the institution. The main banking room will be 50 by 100 feet, with splendid vault facilities. The building complete will cost over $300,000.

VERMONT.—Ex-Gov. E. J. Ormsbee has been appointed assignee of the Vermont Investment Company, of Orwell. The company, it appears, did precisely the same business as the Northwestern Guaranty Loan Company. It took Western mortgages, on which it issued debenture bonds at a lower rate of interest. The mortgage usually paid 7 per cent. interest, while the debenture bonds were issued at 5 and 6 per cent. These bonds are perfectly good, as they are secured by the mortgages held by the company. However, it is likely to be several years, perhaps four or five, before they can be paid. Besides the farm mortgages the company dealt in short time commercial paper, and this is what swamped it. The company guaranteed the payment of these notes and, on account of the panicky feeling over Western paper, have been unable to negotiate any of this paper recently. Neither was the company able to secure the payment of the notes in the West.

ST. JOHNSBURY, VT.—Comptroller Eckels has appointed Elisha May, of St. Johnsbury, Vt., examiner of National banks. Mr. May is an attorney and an expert accountant, about 40 years of age, and was indorsed by Col. Bradley Smalley and other prominent Vermont Democrats. His appointment will not drive the present Republican examiner from the service, for Comptroller Eckels expects to find plenty of work for both of them for the present. Mr. May has already been here learning something of the duties of the office, and made a very pleasant impression upon the Comptroller.—*St. Johnsbury Republican.*

WESTERN STATES.

LITTLE ROCK, ARK.—Col. Roots, one of the best known men in Arkansas and formerly president of the First National Bank of Little Rock, died on the last day of May. He was the youngest son of Prof. B. G. Roots, the famous educator of

Illinois, and was born on a farm in Perry Co., Ill., March 26, 1841. He was early taught that thoroughness and industry were the keys to success. During his school days he managed to earn a very considerable portion of the amount necessary to his maintenance, and graduated at the Illinois State Normal University with the first honors of the class of 1862. He was with Gen. Sherman on the march to the sea, and after participating as an officer on Gen. Sherman's staff in the grand review at Washington in May, 1865, he came West with Gen. Sherman and was ordered on duty in Arkansas. He formed an attachment for the State and bought a cotton plantation before the acceptance of his resignation as an officer of the army He was a member of the Fortieth and Forty-first United States Congresses, and though at the time the youngest member of Congress, he did not fail to accomplish practical beneficial results. He induced liberal grants and aids to his section of country. He introduced the first bill for the creation of the Texas Pacific Railway Company. He introduced the bill which resulted in the establishment of the United States water gauges upon our rivers, which system has been so beneficial during the recent floods. He had been the president of the Lumbermen's Association of the State of Arkansas. He was president of the Arkansas Loan and Trust Company, which has been an efficient agency in the introduction of capital for developing enterprises. He was a director and for many years president of the First National Bank of Little Rock, which has always been notably liberal in the encouragement of manufactories and corresponding enterprises. He was the first president of the Arkansas State Bankers' Association.

IDAHO —Col. H. E. Linsley, a capitalist well known in the Northwest, has applied for a charter for a National bank to be established aboard a barge, which he proposes moving among the mining towns of Lake Kootenai, Idaho, none of which can support a bank, though in need of the facilities of one. This scheme may float a large indebtedness.

CLAY CITY, IND.—The capital stock of the Clay County Bank at Clay City will be increased to $35,000.

IOWA.—State Bank Examiner McCarthy, who was Deputy State Auditor under Mr. Lyons, has returned from a five weeks' tour among the banks of Iowa. He visited nearly all the towns in the Northwestern counties and also visited the Southern part of the State. He has found affairs at all the banks in a first-class condition. Indeed, he says the banks of the State are in a better condition now, in fact, than they have been for years. Col McCarthy says he has not found any evidence of a lack of confidence in the banks anywhere he has been. He visited a large number of cities and found enormous quantities of money on hand. There is little or no nervousness anywhere in the State so far as he has traveled, on the part of the depositors. The bankers, however, are prepared for every emergency. In truth, the bank examiner says that they are all loaded and groaning with the money they have on hand. Generally, they have stopped making loans except to customers, of course and are waiting for the turn of the tide toward a loosened money market, which seems already to have begun.

COUNCIL BLUFFS, IOWA.—The second annual convention of the Iowa Bankers' Association was held at Council Bluffs. Two of the addresses are published in the present number of the MAGAZINE. M. B. Hutchinson, cashier of the First National Bank, of Ottumwa, read a short paper upon the topic, "Iowa Bankers, Their Duty to the Business Interests of the State and to Each Other." The speaker suggested several duties owed by bankers as suggested by the subject, but the chief point he urged was that Iowa banks should retain more of their reserve fund within the State instead of being sent to the great money centers, as is now the case. The great part of the funds of the State should be kept here for the development of Iowa The result would be the development of domestic industry, and that great financial panics would become things of the past. Hon. E. H. Thayer, president Iowa State Road Improvement Association read a paper on "Good Roads and How They Affect Our Financial Condition." The speaker favored the voting of bonds by townships for the construction of roads. Iowa contributed annually $8,000,000 to the road fund and the whole country $250,000,000. In anticipation of a short afternoon session F. E. Wettstein, cashier of the First National Bank, of Laporte City, read before dinner the paper which was to have been delivered first this afternoon upon the subject, "The Young Man in

Banking." In the afternoon C. G. McCarthy, Auditor of State, addressed the convention upon the subject, "State and Savings Banks in Iowa." He was followed by Hon. W. H. M. Pusey, of this city, who spoke in a most interesting manner upon "Risks and Reminiscences of Pioneer Banking." The election of officers resulted as follows: secretary, J. M. Dinwiddie, Cedar Rapids; treasurer, J. F. Latimer, Hampton; president, W. A. McHenry, Denison; first vice-president, Simon Casady, Des Moines; district vice-presidents, J. W. Garner, Columbus Junction; F. Heinz, Davenport; W. W. Donnan, Independence; S. B. Zeigler, West Union; Dr. George Glick, Marshalltown; M. B. Hutchinson, Ottumwa; O. L. Wright, Knoxville; C. T. Cole, Corning; A. S. Riley, Defiance; A. C. Brown, West Bend; H. N. Smith, Spencer. The place for holding the meeting of the association next year will be Des Moines. Several cities and towns, through delegates present, invited the convention, but Des Moines was preferred.

MICHIGAN.—"Financial matters in Lansing are quieting down a little," says Bank Examiner T. C. Sherwood. "The Ingham County Bank will be reorganized and $50,000 added to the capital making $100,000 in all. The other bank is in the hands of the receiver, George W. Stone, ex-auditor-general, having been named by the courts for the place. The failure of the bank is due entirely to the failure of the Lansing Lumber Company, in which there is a grain of comfort for me. It is a bad thing for Lansing, a very bad thing. This is the second failure of a State bank since my incumbency of the office, four years and four months. The other one was the Milford Bank, and it occurred really before my administration began. The banks in this State are in a generally prosperous condition and seem to have a good year before them."

MICHIGAN.—Bank Commissioner Sherwood has issued a statement showing the condition of the 194 State banks and three trust companies doing business in Michigan. It shows the total resources of these institutions to be $34,276,584.34. Their total liability represented by deposits is $67,431,250. If every depositor, therefore, should withdraw his money from the 194 State banks and three trust companies, there would yet remain a surplus of $16,845,334.34.

LANSING.—The stockholders of Ingham County Savings Bank which closed its doors a few weeks ago, and which has since been in the hands of the bank commissioner, have agreed upon a plan which will enable the bank to reopen. Additional stock to the amount of $50,000 has been subscribed. Gen. D. B. Ainger, late National Bank Examiner for Michigan, and at present Deputy Auditor General, was elected general manager.

MINNEAPOLIS, MINN.—Minnesota has been made a special bank examination district, and Col. Brush, the present bank examiner for this State and Wisconsin, is to retain his position. In speaking of his retention, Comptroller Eckels said that he had known Col. Brush for many years, and he regarded him as a very capable man. Hereafter there will be two examinations of National banks each year instead of one, as at present, and the law regarding penalties where banks are found to be doing business in a loose manner will be rigidly enforced.

NORTH MINNEAPOLIS, MINN.—The Standard Bank of North Minneapolis has increased its capital from $35,000 to $50,000.

RED WING, MINN.—A city of 7,000 people which can boast of bank deposits amounting to over $1,050,000, or about $150 to every man, woman and child, ought to be pretty substantial financially to say the least. Such a city is Red Wing. The statements just made by the three banks, two State and one National, which are required to make statements, show deposits at the close of business on May 4, amounting to $976,904.08, of which nearly $750,000 are in the form of time and demand certificates. Now, the Goodhue County Savings Bank is not included in this. Add its deposits to the total given here and we have a grand total of deposits well on to $1,050,000. In other respects the three banks also make a fine showing. The total of their loans and discounts at that time was $112,990.91, and they had cash on hand amounting to $95,221. The combined capital invested in the business is $211,000; the surplus and undivided profits, $77,027.14. Include the other State banks of the county, Pine Island, Zumbrota and Kenyon, and we find a total of deposits in all amounting to $1,391,149.95. Now, besides these there are private banks at Kenyon, Pine Island and Cannon Falls; banks at Hastings, Northfield,

Mazeppa and Lake City have deposits belonging to Goodhue County. So an estimate that the deposits of Goodhue County people in banks aggregate over $1,500,000 is too low if anything. Goodhue County's State and National banks have a combined capital of $291,000, of surplus and undivided profits amounting to $142,459.94, and loans and discounts aggregating $1,373,400.39.—*Zumbrota Independent.*

ST. CLOUD, MINN.—At a meeting of the directors of the German National Bank it has been decided to increase its present paid up capital from $50,000 to $100.000.

ST. LOUIS, MO.—At the annual election of the Bank Clerks' Association, of Missouri, the following directors were chosen: John Clemens, Jr., of the Boatmen's Bank; A. G. La Barge, Boatmen's; F. Diehm, Fourth National; C. E. Kircher, German-American; John C. Russell, National Bank of the Republic; F. Falkenhainer, St. Louis National; H. Miller, State Bank; E. S. Pepper, Third National; C. S. Warner, Chemical National; Walter Hill, American Exchange; B. F. Edwards, Bank of Commerce. The trustees chosen were C. W. Bullen, of the National Bank of the Republic; F. W. Biebinger, Fourth National; J. H. McCluney, State Bank; T. A. Stoddard, Third National, and J. Nickerson, Merchants' National.

SPRINGFIELD, MO.—The Exchange Bank, of Springfield, has filed notice of decrease of capital from $250,000 to $150,000.

COLUMBUS, OHIO.—At a meeting of the stockholders of the Iowa Savings Bank, held recently, it was decided to increase the capital stock from $100,000 to $150,000.

RACINE, WIS.—The directors of three National banks at Racine have signed a joint guarantee for all deposits in their banks or for all money that may be deposited therein during the present year. They are the wealthiest men in the city.

SOUTHERN STATES.

GEORGIA.—The Georgia Bankers' Association convened at Savannah on the 8th of June. There were about 100 delegates and guests present. President M. B. Lane, of Savannah, called the convention to order and, after prayer by Rev. S. A. Goodwin, the roll call showed a large attendance of delegates, nearly every banking house belonging to the association being represented. Colonel C. H. Olmstead welcomed the delegates to Savannah, and Mr. James T. Davis rendered the thanks of the convention for the warm hospitality with which they had been received. The report of the secretary, L. P. Hillyer, of Macon, showed that the association, organized at Macon, had fifty members. This number had since been increased to ninety six, but afterwards decreased to ninety-one by five failures, three of which were in Brunswick. Four interesting papers were read by delegates on current financial and banking topics. "Security of Savings," by William Slade, of Columbus, presented some excellent ideas on sound money. F. S. Etheridge in his paper, "Country Banks and Bankers," hit par point fallacy a heavy blow. James H. Hunter, of Savannah, presented some good ideas on credits. Captain R. J. Lowry told about gold in Georgia from the time of the De Soto invasion up to date. Mr. T. B. Neal, representing the Clearing House of Atlanta, offered a resolution passed by that body a few days ago, asking the repeal of the Sherman Silver Law. The motion brought on much discussion until finally Mr. Neal made a motion that his resolution and one introduced by R. F. Burdel, of the Savannah Clearing House, be referred to a committee of one from each Congressional district. The committee considered the resolutions and brought in one to the effect that Georgia's Senators and representatives in Congress be requested to use every effort to urge the repeal of the Sherman Silver Law, which, the resolution held, was of great injury to the financial and commercial interests of our country. The resolution also favored free coinage of all the silver the people can use provided each dollar shall contain enough silver to purchase 100 cents worth of gold anywhere in the world. A copy of the resolution will be sent to President Cleveland. A resolution was introduced by R. F. Burdell that the Administration be memorialized by the Georgia bankers to establish a sub-treasury in Savannah. This brought considerable discussion from the Atlanta bankers. Captain Lowry thought it all right except as to the locality. It was finally amended to read "for Georgia," so that it could be located at the option of the President. On the next day the first matter taken up was the plan to get

a sub-treasury for Georgia on which a committee was appointed to prepare a memorial. Colonel C. H. Olmstead, chairman, presented a report signed by himself, Captain Lowry and Mr. G. Gumby Jordan, recommending the adoption of the memorial they had prepared, petitioning the President and Secretary of the Treasury, Comptroller of the Currency and all members of Congress to do all in their power to get a sub-treasury for Georgia. Copies of the memorial will be sent to each of the above with a personal letter. The officers elected for the ensuing year were: R. H. Plant, Macon, president; T. B. Neal, G. G. Jordan, C. H. Olmstead, J. S. Davis and L. C. Haynes, vice presidents; L. P. Hillyer, secretary, and J. N. Cabaniss, treasurer; executive committee—Captain John A. Davis, Albany, chairman, and Messrs. J. T. Culpepper, Frank Sheffield, M. B. Lane, R. J. Lowry, B. T. Hughes, W. A. Wilkins, C. C. Saunders and J. G. Rhea. Mr. Jacob Haas offered a resolution favoring the extension of the National bank system on the plan suggested by Horace White, of New York, and as second choice, the repeal of the 10 per cent. tax on State circulation. The resolution was referred to the executive committee, and the resolutions they formulate will be mailed to every bank and their vote recorded. An invitation was presented by Captain R. J. Lowry in behalf of the Clearing House Association of Atlanta to hold the next meeting of the convention there. It was unanimously accepted and the thanks of the convention were extended.

GEORGIA.—A paper read at the meeting of the State Bankers' Association in Savannah, by Capt. Lowry, of Atlanta, showed that the value of gold mined in Georgia up to 1832 was $532,000. while the total value up to 1892 was $8,935,853, not including that obtained during the Civil War, and other gold unaccounted for. The total will probably reach $10,000,000.

LOUISVILLE, KY.—The stockholders of the Second National Bank, on Main street, are at present considering a suspension of their 6 per cent. annual dividends with a view of accumulating a larger surplus and strengthening the institution just that much more. The plan is to increase the surplus from $60,000 to $100,000 or $150,000. So far as ascertained, it is considered very favorably by the stockholders. The Second National Bank is simply following in the footsteps of the Bank of Commerce, the Louisville Banking Company, the Farmers and Drovers', the Kentucky National, and possibly one or two others in this respect.

PACIFIC STATES.

WASHINGTON.—The Comptroller of the Currency has appointed Thos. F. Jennings, formerly of Nashville, to the office of National Bank Examiner for the Pacific Coast States. It is understood the office will pay something like $5,000 per annum. His younger brother, Robt. W. Jennings, it will be remembered, was elected last November to the office of Attorney-General for the Port Townsend, Wash., district.

FOREIGN.

CANADA.—The second annual meeting of the Bankers' Association, of Canada, opened in the council chamber of the Board of Trade, of Toronto. Mr. George Hague, of the Merchants' Bank, Montreal, presided, and there were about forty present from all parts of the Dominion. The visiting members were welcomed by Mr. Brodie and responded for by Mr. Bousquet, Montreal, after which Mr. Hague delivered his annual address and reports were received from the executive and the secretary-treasurer. In the evening an elaborate banquet was tendered the members by the Toronto bankers in the Rotunda, which was specially prepared for the occasion.

MONTREAL.—On the 6th of June the officials of the Bank of Montreal laid the record of their year's work before their shareholders. The Bank of Montreal's preeminence among the banking institutions of the Continent gives to its annual statement a peculiar significance; it is a veritable barometer of the condition of the country. It is therefore satisfactory to note that during the past twelve months the bank's business was of the satisfactory nature revealed in the report of the president, Sir Donald Smith. To have distributed $1,200,000 in dividends and added $125,000 to the already fat balance of profit and loss account is at once an indication of the bank's capable management and of a not unsatisfactory condition of the country.

It is not to be wondered at that Sir Donald Smith in his address should say that "at no time during the last seventy-five years was the Bank of Montreal in a better position in every way for the purposes for which it is intended—that of giving the best dividend possible to the shareholders, while properly safeguarding their capital, and promoting the development of the material interests of Canada, than it is at this time."

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

1893.	*Loans*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation*	*Surplus.*
June 3	$416,690,200	$70,156,400	$58,683,900	$431,411,200	$5,570,500	$20,987,500
" 10..	414,400,200	69,529,300	49 623,000	418,925,600	5,613,500	14,420,900
" 17..	410,700,400	68,218,400	48,192,500	405,536,400	5,650,500	8,776,800
" 24..	405,986,100	65,923,200	39,074,800	398,664,100	5,553,400	5,481,975
July 1	413,650,400	62,988,300	37,758,200	397,979,100	5,618,400	1,251,725

The Boston bank statement is as follows:

1893.	*Loans.*	*Specie.*	*Legal Tenders.*	*Deposits.*	*Circulation.*
June 3	$149,776,500	$6,383,300	$5,871,000	$127,807,300	$6,104,500
" 10	149 744,400	6,309,600	5,938,300	126,987,800	6,120,400
" 17	148,576,900	6,405,200	6,085,200	127,045,900	6,099,400
" 24	148,576,900	6,577,400	6,223,500	124,072,600	6,151,000

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

1893.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
June 3	$102,696,000	$27,984,000	$102,047.000	$3,574,000
" 10	102,634,000	27,031,000	100,210,000	3,560,000
" 17	22,894,000	23,495,000	99.554,000	3,591,000
" 24	22,944,000	24,806,000	98,016,000	3,566,000

DEATHS.

COCHRAN.—On May 19, aged eighty-three years, JOSEPH COCHRAN, President of First National Bank, Georgetown, O.

DREXEL.—On June 30, aged sixty-seven years, A. J. DREXEL, of the firm Drexel, Morgan & Co., Philadelphia and New York.

ELLIOT.—On June 10, aged seventy-four years, LEWIS R. ELLIOT, President of Guilford Savings Bank, Guilford, Conn.

MARSHALL.—On May 24, aged thirty-five years, O. A. MARSHALL, Cashier of Peoples National Bank, Brattleboro, Vt.

MARTIN.—On June 2, aged sixty-three years, HUGH MARTIN, President of Sussex National Bank, Seaford, Del.

MCMILLAN.—On June 7, aged fifty-one years, GEORGE MCMILLAN, Cashier of Mechanics Bank, Brooklyn, N. Y.

MERRIAM.—On May 22, aged seventy-one years, E. N. MERRIAM, Cashier of National Bank of Ogdensburg, N. Y.

ROOTS.—On May 30, aged fifty-two years, LOGAN H. ROOTS, President of Arkansas Loan & Trust Co., Little Rock, Ark.

TUTTLE.—On May 27, aged seventy-six years, JOHN P. TUTTLE, Treasurer of New Haven Savings Bank, New Haven, Conn.

WOOLWORTH.—On June 10, R. C. WOOLWORTH, President of Crocker-Woolworth National Bank, San Francisco, Cal.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from June No., page 949.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
ARK.	Hot Springs.... $25,000	State Exchange Bank..... Henry W. Myar, *P.* Jno. B. Varnadore, *V. P.*	National Park Bank. Simeon B. Smith, *Cas.*
CAL.	San Leandro... $25,000	Bank of San Leandro.... S. Huff, *P.* R. S. Farrelly, *V. P.*	J. & W. Seligman & Co. Chas. H. Hale, *Cas.*
"	..Santa Clara.... $200,000	Santa Clara Valley Bank.. David Henderson, *P.*..... A. Block, *V. P.*	Chemical National Bank. Wm. M. Burnop, *Cas.*
"	. Visalia..... $60,000	Producers Bank..... W. F. Thomas, *P.* J. S. Berry, *V. P.*	Western National Bank. S. Mitchell, *Cas.* Geo. W. Small, *Asst.*
COL.	Littleton.....	Bank of Littleton..... R. W. English, *P.*	..... A. H. Crawford, *Cas.*
DAK.	N. Towner..... $10,000	Towner Merchants Bank. Andrew Gilbertson, *P.* O. Gilbertson, *V. P.*	..... John Lohn, *Cas.*
DAK.	S. Elkton..... $30,000	First State Bank ..... Andrew P. Bertelsen, *P.* John S. Tucker, *V. P.*	Chemical National Bank. Grant Matthews, *Cas.*
"	..St. Lawrence... $6,750	Poor Man's Bank	Western National Bank. Alfred E. Bills, *Cas.*
"	..Wakonda..... $15,000	Bank of Wakonda ..... L. T. Swezey, *P.* C. H. Barrett, *V. P.*	..... M. J. Chaney, *Cas.*
"	..Wilmot..... $5,000	Bank of Wilmot..... ... Wm. McKusick, *P.* C. C. Draves, *V. P.*	Bank of New York N. B. A. W. J. Speer, *Cas.*
D. C.	Washington....	Whitford & Co ..... E. L. Whitford, *Mgr.*	Chemical National Bank. J. Eliot Wright, *Cas.*
FLA.	Eau Gallie..... $16,000	State Bank ..... John Aspinwall, *P.* Wm. Trentler, *V. P.*	Importers & Traders Nat. B'k. E. G. Vivell, *Cas.*
"	..St. Petersburg.. $9,000	St. Petersburg State B'k.. John A. Bishop, *P.* Lyndon Y. Jenness, *V. P.*	United States National Bank. Herbert A. Bishop, *Cas.*
ILL.	..Bluffs..... $10,000	Bank of Bluffs..... John Knoeppel, *P.* William McCaleb, *V. P.*	..... Francis Linkins, *Cas.*
"	..Camp Point.... $20,000	Peoples Bank..... M. W. Callahan, *P.* Chris. S. Booth, *V. P.*	..... Hez. C. Henry, *Cas.* Mattie C. Farlow, *Asst.*
"	..Chicago $50,000	Haymarket Produce Bank. (Arnold Bros., Baker & Co.)	National Bank of N. America.
"	..Decatur..... $100,000	National B'k of Decatur.. Kilburn H. Roby, *P.* D. S. Shellabarger, *V. P.*	..... B. O. McReynolds, *Cas.* Geo. W. Bright, *Asst.*
"	..Ellsworth.....	Bank of Ellsworth..... Chas. A. Shinkle, *P.*	.....
"	..Jonesboro.....	Bank of Jonesboro..... David W. Karraker, *P.* P. T. Chapman, *V. P.*	..... Henry W. Karraker, *Cas.*
"	..Kewanee..... $50,000	Kewanee National Bank... Geo. A. Anthony, *P.* D. K. Fell, *V. P.*	Chase National Bank. Robert E. Taylor, *Cas.*
"	..Stonington.....	Housley & Drake.....	.....
IND.	Hartford City.. $50,000	First National Bank. .... Wm. B. Cooley, *P.* Daniel W. Riddia, *V. P.*	National Park Bank. Chas. W. Cole, *Cas.* Michael Schmidt, *Asst.*
"	..Lowell $25,000	State Bank.....	..... F. E. Nelson, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
IND.	Summitville.. .	Citizens Bank.....	United States National Bank.
	$25,000	Thomas W. Sullivan, *P.*	W. H. Dobson, *Cas.*
			A. B. Hardgrave, *Asst.*
"	..Walkerton.	Farmers Bank.....	.....
	$15,000	John E. Johnson, *P.*	Thompson Turner, *Cas.*
		Morgan Johnson, *V. P.*	
"	..Williamsport ..	Williamsport State Bank..	.....
	$50,000	Fremont Goodwine, *P.*	Isaiah P. Smith, *Cas.*
		John Ridenour, *V. P.*	Julia V. Nichol, *Asst.*
IND. T.	..Marlow.....	Bank of Marlow....	Central National Bank.
	$20,000	Wm. H. Payne, *P.*	Harry L. Jarboe, Jr., *Cas.*
		A. B. Smythe, *V. P.*	
IOWA.	..Cedar Rapids ..	Iowa Savings Bank.....	.....
	$50,000	James H. Douglas, *P.*	J. W. Bowdish, *Cas.*
		W. F. Severa, *V. P.*	V. A. Jung, *Asst.*
"	..Janesville.... .	Savings Bank of Janesville.	.....
	$10,600	G. L. Davis, *P.*	F. H. Schlutsmeyer, *Cas.*
		E. F. Shaw, *V. P.*	
"	..Larchwood.....	Savings B'k of Larchwood	.....
	$45,000	B. L. Richards, *P.*	Chas. Shade, *Cas.*
"	..Sioux City.....	Woodbury Co. Sav. B'k..	.....
	$50,000	Wm. Milchrist, *P.*	F. B. Goss, *Cas.*
		J. P. Martin, *V. P.*	
"	..Whittemore ...	Whittemore State Bank.	.....
	$35,000	G. E. Boyle, *P.*	Corry Ridgway, *Cas.*
		J. M. Farley, *V. P.*	
KAN.	...Atwood.....	Bank of Atwood.....	.....
	$5,294	Frank S. Howard, *P.*	Chas. F. Howard, *Cas.*
		R. J. Howard, *V. P.*	
"	..Goodland	Farmers & Merch. B'k...	Hanover National Bank.
	$25,000	Chas. W. Smith, *P.*	Robert H. Northcott, *Cas.*
"	..Hope	Hope State Bank.....	Chase National Bank.
	$15,000	William Koch, *P.*	Thos. C. Sawyer, *Cas.*
		J. N. Ketchersid, *V. P.*	
KY.	....Crittenden	Tobacco Grow'rs Dep. B'k	.....
	$15,000	Wm. J. Zinn, *P.*	John T. McClure, *Cas.*
		Littleton Fenley, *V. P.*	
LA.	.....New Orleans...	N. O. Co-Op. B'k'g Ass'n.	National Bank of Commerce.
	$100,000	Adolphe F. Himel, *P.*	Wm. Preston Wall, *Cas.*
		Emile Vergnes, *V. P.*	
MD.	.... Frostburg	Citizens National Bank..	.....
	$50,000	Davisson Armstrong, *P.*	
"	..Hagerstown	Peoples National Bank. ..	Hanover National Bank.
	$100,000	John L. Nicodemus, *P.*	Abram B. Barnhart, *Cas.*
		Elias Emmert, *V. P.*	Edward Hoffman, *Asst.*
MICH.	..Adrian.....	Adrian State Sav. B'k....	Chase National Bank.
	$100,000	Wm. S. Wilcox, *P.*	Channing Whitney, *Cas.*
		Richard A. Watts, *V. P.*	
"	..Belding.....	Peoples Saving Bank.....	Fourth National Bank.
	$35,000	Edwin R. Spencer, *P.*	Maurice A. Reed, *Cas.*
		Frank R. Chase, *V. P.*	
"	..Dexter.....	Dexter Savings Bank.....	Hanover National Bank.
	$20,000	Thomas Birkett, *P.*	H. Wirt Newkirk, *Cas.*
		E. T. Chase, *V. P.*	
"	..Edwardsburg...	Citizens Bank	United States National Bank.
	$10,000	John A. Parsons, *P.*	John L. Kleckner, *Cas.*
"	..Flint.....	Union Trust & Sav. B'k..	First National Bank.
	$200,000	Chas. T. Bridgman, *P.*.	Ira H. Wilder, *Cas.*
		Mathew Davison, *V. P.*	
"	..Ironwood	Peoples Savings Bank. ..	Imp. & Trad. National B'k.
	$50,000	Solomon S. Curry, *P.*	Aubrey D. Garner, *Cas.*
		John H. Taylor, *V. P.*	
"	. Mount Clemens.	Ullrich Savings Bank....	Chemical National Bank.
	$100,000	Paul Ullrich, *P.*	Paul J. Ullrich, *Cas.*
		Geo. M Crocker, *V. P.*	
"	..Richland	Union Bank.....	Chase National Bank.
	$10,000	Wm. F. Doolittle, *P.*	Wm. A. Watts, *Cas.*
"	..St. Joseph.....	Commercial State Bank...	National Park Bank.
	$25,000	Montgomery Shepard, *P.*	W. T. Bradford, *Cas.*
		Newton Vandeveer, *V. P.*	

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N Y. Correspondent.*
MINN.	Boyd.....	Bank of Boyd..... (Iverson & Hobe.)	.....
"	..Fairfax $50,000	Security Bank..... Albert E. Clark, *P.* Jos. Gaskell, *V. P.*	Hanover National Bank. Albert E. Carver, *Cas.*
"	..Lester Prairie.. $10,000	State Bank..... George A. DuToit, *P.* H. J. Heneman, *V. P.*	Tradesmens National Bank. O. W. Lundsten, *Cas.*
"	..Minneapolis.... $50,000	St. Anthony Falls Bank... Hiram A. Scriver, *P.* A. C. Haugan, *V. P.*	..... Joseph E. Ware, *Cas.*
"	..Owatonna..... $80,000	National Farmers Bank... L. L. Bennett, *P.*	..... Carl K. Bennett, *Cas.*
"	..Wadena..... $50,000	Merchants National Bank. Jacob J. Meyer, *P.*	.... A. L. Irwin, *Cas.*
MONT	..Havre	State Bank..... Timothy E. Collins, *P.* Simon Pepin, *V. P.*	Chase National Bank. Emil B. Norell, *Cas.*
NEB.	...Plymouth..... $7,500	Bank of Plymouth..... Chas. B. Anderson, *P.* Chas. W. Rieger, *V. P.*	Hanover National Bank. Cyrus W. Harvey, *Cas.*
"	..Strang	Union State Bank..... A. O. Taylor, *P.* J. Sheppard, *V. P.*	National Bank Republic. E. J. Dempster, *Cas.*
N. Y.	...Liberty $50,000	Sullivan Co. National B'k. Arnold J. D. Wedemeyer, *P.* James C. Young, *V. P.*	Hide & Leather National B'k. Van B. Pruyn, *Cas.*
N. C.	...Lenoir.....	Lenoir Bank..... Geo. W. F. Harper, *P.*	.....
OHIO	...Elmore $25,000	Bank of Elmore..... John H. Magee, *P.*	Third National Bank. John N. Magee, *Cas.*
"	..Montpelier.... $25,000	Montpelier Bkg. & State Sav. Co. James Draggoo, *P.* George Yesbera, *V. P.*	Chase National Bank. Jos. S. Bailey, *Cas.* O. M. Burns, *Asst.*
"	..Spring Valley..	Farmers Bank..... S. C. Puckett, *P.*	..... S. S. Puckett, *Cas.*
PA.	...Avonmore. $10,000	Avonmore Bank.....	..... Chas. A. Hill, *Cas.*
"	..Pittsburgh..... $300,000	Nat. B'k of Western Pa.. James Hemphill, *P.* Frank Semple, *V. P.*	..... Chas. McKnight, *Cas.*
S. C.	... Conway.....	Bank of Conway..... B. G. Collins, *P.*	..... D. A. Spivey, *Cas.*
TEXAS.	.Rockwall..... $50,000	Rockwall Co. Nat. B'k... T. W. Bailey, *P.*	..... Frank Jones, *Cas.*
W. VA.	Jackson C. H...	Valley Bank..... J. L. Starcher, *P.* E. H. Rader, *V. P.*	United States National Bank. W. W. Riley, *Cas.*
WIS.	...Madison..... $50,000	Bank of Wisconsin..... William F. Vilas, *P.* Frank W. Hoyt, *V. P.*	..... Joseph M. Boyd, *Cas.*
"	..Palmyra $25,000	Bank of Palmyra ..... E. M. Johnson, *P.*	..... Christie Carlin, *Cas.*
ONT.	...Toronto Junct'n	Canadian B'k of Comm'ce	Canadian Bank of Commerce. R. C. Jennings, *Mgr.*
"	..Windsor.....	Traders B'k of Canada..	American Ex. Nat. Bank. George Mair, *Mgr.*
NOVA S.	Little Glace Bay	Union Bank of Halifax...	National Bank of Commerce. W. C. Harvey, *Mgr.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from June No., page 954.)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY. Mechanics National Bank	G. W. Garth, *Cas.*	Wm. Sharp, Jr.*
" .....Twelfth Ward Savings B'k	Isaac A. Hopper, *P.*	Antonio Rasines.
ALA.... Alabama Trust & Savings Co. Birmingham.	E. L. Simonds, *P.*	E. N. Cullom.
	J. K. Brockman, *Sec.*	.....
" ..Bank of Piedmont	E. W. Ledbetter, *Cas.*	R. D. Crusoe.
ARK.... Washington Co. B., Fayetteville.	A. L. Trent, *Cas.*	J. L. Dickson.
" ..First Nat. Bank, Helena	Jacob Trieber, *V. P.*	John P. Moore.
" . Arkansas Loan & Trust Co., Little Rock.	L. W. Coy, *P.*	Logan H. Roots.*
CAL.... Los Angeles S. D. & Trust Co. Los Angeles.	A. P. West, *Sec. & Treas.*	Jesse H. Burks.
" ..Savings B'k of Southern Cal., Los Angeles.	J. H. Braly, *P.*	J. M. Elliott.
	John A. Hunt, *Cas.*	.....
	A. H. Braly, *Asst.*	.....
" ..Security Savings Bank, Los Angeles.	T. L. Duque, *P.*	Frank N. Myers.
" ..Bank of Yolo, Woodland.	W. W. Brownell, *P.*	H. P. Merritt.*
	Benj. Peart, *V. P.*	W. W. Brownell.
COL.... American National Bank, Leadville.	F. O. Stead, *Asst.*	.....
CONN... New Haven Savings Bank, New Haven.	Robert A. Brown, *Tr.*	John P. Tuttle.*
" ..Union Bank, New London	Robert Coit, *P.*	Wm. H. Chapman.
DAK. N. .State Bank, Caledonia	H. D. Hurley, *P.*	A. O. Anderson.
" ..Dawson State Bank, Dawson.	E. G. Bailey, *P.*	Chas. O. Barnes.
	V. R. Olmstead, *Cas.*	Hugh Neill.
" Bank of Thompson	F. B. Chapman, *Cas.*	W. A. Currie.
DAK. S. Bank of Artesian, Artesian.	W. A. Loveland, *P.*	W. G. Williams.
	W. A. Meyers, *Cas.*	E. H. May.
" ..Merchants Exch. Bank, Lake Preston.	H. I. Olston, *Cas.*	J. B. Sullivan.
" ..Parkston State Bank, Parkston.	H. E. Casteel, *Cas.*	D. W. King.
" . Security Bank, Tyndall	Jas. D. Elliott, *P.*	F. G. Hale.
DEL.... Sussex Nat. Bank, Seaford	J. J. Ross, *P.*	H. Martin.*
FLA.... Dade Co. State Bank, Palm Beach.	E. N. Dimick, *P.*	John H. Brelsford.
	W. H. Parkin, *V. P.*	E. N. Dimick.
GA..... Atlanta T. & Bkg Co., Atlanta.	Jos. A. McCord, *Cas*	A. Richardson.
" ..Brunswick Sav. & Tr. Co., Brunswick.	W. G. Brantley, *P.*	Wm. E. Kay.
" ..J. W. Wooten's B'k, Dawson	F. W. Clark, *Cas.*	E. C. Ellington.
IDAHO... Idaho Nat. B'k, Pocatello	C. H. Jenkinson, *Cas.*	A. L. Kempland.
" ..Idaho Com'l Co.'s B'k, Weiser.	B. W. Walker, *Cas.*	P. A. Devers.
ILL..... Bradford Ex. Bank, Bradford.	R. D. Jones, *Cas.*	H. J. Baldwin.
" ..Nat. Bank of Illinois, Chicago.	Walter Peck, *V. P.*	.....
	Wm. A. Hammond *2d V. P.*	.....
	Carl Moll, *Cas.*	Wm. A. Hammond
	Henry D. Field, *Asst.*	Carl Moll.
" ..First Nat. B'k, Harrisburg	F. T. Joyner, *Cas.*	T. W. Hall.
" ..Bank of Harvey	Wm. Lee, *P*	J. M. Wanzer.
" ..Lemont State B'k, Lemont	J. G. Bodenschatz, *P.*	T. J. Huston.
" ..Orchard City Bank, Xenia	Geo. W. Cox, *Cas.*	Asher R. Cox.
" ..Peoples Bank, Yates City	J. W. Dixon, *Cas.*	R. A. Fulton.
IND .... Citizens Bank, Albany	David J. Manor, *P.*	Frank J. Sears.
" ..Citizens N. B'k, Jeffersonville	C. E. Poindexter, *Cas.*	Geo. Pfau, Jr.
" ..Citizens Bank, Morocco	L. S. Recher, *Cas.*	Ralph Paxton.
" ..Commercial Bank, Oxford	Richard Odle, *P.*	Z. Dwiggins.
IOWA... Commercial Bank, Audubon	F. M. Leet, *Cas.*	L. D. Phelps.
" . State Bank, Bancroft.	R. N. Bruer, *P.*	S. T. Meservey.
	J. B. Johnson, *V. P.*	R. N. Bruer.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
IOWA..	First Nat. Bank, Blanchard.	Isaac Monk, *V. P.*.....	.....
		S. C. Henn, *Asst*.....	.....
"	..Farmers & Merchants Bank, Corydon.	W. S. Sproatt, *P*.....A. Walden.	
		A. Walden, *V. P*.....	.....
"	..Doon Bank, Doon.....Fred Becker, *P*.....H. C. Curtis.		
"	..State Bank, Ellsworth.....O. A. Cragwick, *Cas*.....Simon Sogard.		
"	..Bank of Emmetsburgh.....Frank B. Gregg, *Cas*.....P. O. Refsell.		
"	..Commercial Bank, Essex.....J. P. Nye, *P*.....B. M. Webster.		
"	..Citizens State Bank, Glidden..J. H. Dickey, *P*.....W. E. Potter.		
"	..Bank of Goldfield .....J. N. Sprole, *Cas*. .....A. M. Bridge.		
"	..Bank of Lansing, Lansing.	J. W. Thomas, *P*.....M. Kerndt.	
		S. H. Hazleton, *Cas*.....J. W. Thomas.	
"	..First Nat. Bank, Malvern.....M. L. Evans, *V. P*..... L. Bentley.		
"	..North English Savings Bank, North English.	J. W. Erwin, *P*.....C. P. Schell.	
		W. F. Hill, *V. P*.....	.....
"	..Farmers Nat. Bank, Osage....A. G. Case, *V. P*.....		.....
"	..First Nat. Bank, Shenandoah..T. C. Beard, *Cas*.....Frank Hooker.		
"	..Sloan State Bank, Sloan.	A. W. Chapin, *P*.....J. W. Whitten.	
		L. B. Chapin, *Cas*.....C. J. Irish.	
"	..Cedar Co. Bank, Tipton.....Wm. Dean, *P*.....John W. Casad.		
"	..First Nat. Bank, Waukon.	J. M. Barthell, *V. P*.	.....
		W. J. Mitchell, *Asst*.....	.....
KAN....	Finney Co. Farmers Bank, Garden City.	Thos. P. Miller, *V. P*.....	.....
"	..Northrup Bk'g Co., Kansas City..J. S. Chick, *P*.....H. M. Northrup.*		
"	..Smith Co. Nat. Bank, Smith Centre.	R. A. Chandler, *Cas*.....A. U. Sheldon.	
		L. C. Waite, *Asst*.....R. A. Chandler.	
KY.....	Bank of Pikeville.....Jos. Hatcher, *P*.....R. M. Ferrell.*		
LA.....	Merchants and Farm. Bank, Shreveport.	E. B. Rand, *Cas*.....	.....
ME.....	Belfast Nat. Bank, Belfast.....C. W. Wescott, *Cas*.....A. H. Bradbury.		
MD.....	Farm. & Mech. N. B., Frederick..John U. Markell, *Cas*. .. ..Samuel Nixdorf.		
"	..Nat. B'k of Rising Sun .....Charles S. Pyle, *Cas*.....John D. Haines.		
MASS...	South Adams Savings Bank, Adams.	James C. Chalmers, *P*.....H. J. Bliss.	
		Wm. S. Jenks, *Sec*.	.....
"	.Traders Nat. Bank, Boston....R. S. Wentworth, *Cas*.....C. C. Domett.		
"	..Charles River Nat. Bank, Cambridge.	E. H. Morris, *Asst*. .....Wm. M. Snow.	
"	..East Bridgewater Savings B'k, East Bridgewater.	C. F. Mann, *Tr*.....I. N. Nutter.	
"	..Monson Savings Bank, Monson.	Edward F. Morris, *P*.....S. F. Cushman.	
		Frank E. Morris, *Tr*.....E. F. Morris.	
MINN.	Brown's Valley State B'k, Brown's Valley.	Geo. S. Smith, *P*.....Halvor Nelson.	
"	..First Nat. Bank, Detroit City...John H. Smith, *V. P*.....A. Brooks.		
"	. Bank of Heron Lake.....J. N. McGregor, *P*.....T. A. Dieson.		
"	..State Bank, Madelia.....W. S. Hammond, *P*. ....H. B. Wadsworth.		
"	..Citizens Bank, New Ulm.....W. F. Seiter, *Cas*. .....John C. Rudolph.		
"	..State Bank, Springfield.....H. C. Warnke, *P*.....W. Schmid.		
"	..Citizens Bank, Wheaton.	M. B. Davidson, *Cas*...Chas. H. Davidson, Jr.	
		W. J. Hellikson, *Asst*.....	.....
MISS....	Bank of Winona, Winona.	J. T. Lay, *P*.....W. Trotter.	
		O. J. Moore, *V. P*.....	.....
		H. M. Romberger, *Cas*.....C. H. Campbell.	
MO.....	Bethany Savings Bank, Bethany.	Jas. P. Hamilton, *Cas*.....M. McCollum.	
		M. A. Higgins, *Asst*.....	.....
"	..Bank of Blairstown.....J. C. McCalmon, *P*.....Geo. R. Hindman.		
"	..Bank of Blue Springs, Blue Springs.	J. H. Moore, *V. P*.... ...	....
		E. E. Montgomery, *Cas*.. .J. H. Moore.	
"	..Central Nat. Bank, Boonville..Chas. E. Leonard, *P*.....H. Bunce.*		
"	. Farmers & Traders Bank, Braymer.	J. A. Rathbun, *Cas*.....Robt. J. Murphy.	
"	..Bank of Chamois, Chamois.	A. A. Spear, *V. P*.....A. E. Shobe.	
		C. R. Marquand, *Cas*.....Henry Marquand.	
"	. Bank of Deepwater.....J. C. Smith, *Cas*.... .....R. G Denham.		
"	..Farmers & Merchants Bank, Green Ridge.	Geo. E. Hollenbeck, *P*....M. Doherty.	

* Deceased.

	Bank and Place.	*Elected*	*In place of*
Mo.	Peoples Bank, Hale.	H. J. Berghofer, *P.*	F. A. Billow.
		John Smith, *V. P.*	.....
"	Bank of Holden, Holden.	F. McMullen, *Cas.*	J. D. Parks.
		J. W. Pierce, *Asst.*	.....
"	Citizens Bank, Jamesport	G. S. Price, *Cas.*	J. F. Jordin.
"	Lombard Investment Co., Kansas City.	M. B. Whitney, *P.*	J. L. Lombard.
"	Kingston Savs. Bk., Kingston.	J. H. Botthoff, *Cas.*	J. A. Rathbun.
"	Commercial Bank, Lexington.	J. R. Moorehead, *Cas.*	B. R. Ireland.
"	Bank of Macon, Macon City.	R. S. Matthews, *P.*	T. F. Owen.
"	Bank of Mansfield, Mansfield.	J. J. McMullin, *P.*	J. B. Adams.
		L. D. Marr, *Cas.*	D. Z. Adams.
"	Bank of Mayview, Mayview.	J. S. Vickars, *Cas.*	Thos. D. Hammonds.
		Thos. T. Puckett, *Asst.*	.....
"	Bank of Meadville	W. L. Botts, *P.*	A. Lippitt.
"	Bank of Oak Grove, Oak Grove.	W. A. Jackson, *P.*	J. M. Harding.
		Geo. W. Osborne, *V. P.*	J. W. Locke.
"	Bank of Perryville, Perryville.	Thos. L. Phillips, *Cas.*	R. M. Wilson.
		R. M. Wilson, *Asst.*	.....
"	Rea Banking Co., Rea.	G. W. Walrath, *P.*	Joseph Rea.
"	Slater Savings Bank, Slater.	P. M. Thompson, Sr., *P.*	Wm. H. Holliday.
"	Smithton Bank, Smithton.	David White, *P.*	H. A. Collier.
"	Bank of Stanberry, Stanberry.	A. L. Tomblin, *P.*	E. Sager.
		W. T. Stockton, *Cas.*	A. L. Tomblin.
"	German-American Bank, St. Joseph.	Henry Krug, Sr., *P.*	Jno. Donovan, Jr.
		Henry Krug, Jr, *V. P.*	.....
		J. G. Schneider, *V. P.*	.....
		O. J. Albrecht, *Asst.*	.....
"	Jefferson Bank, St. Louis	W. E. Berger, *Cas.*	R. E. Gardner.
"	Bank of Tipton, Tipton.	J. M. Nelson, *P.*	C. C. Maclay.
		Ray F. Bane, *Asst.*	.....
"	Bank of Morgan Co., Versailles.	J. D. Hubbard, *P.*	W. T. Jackson.
"	Bank of Warsaw	A. J. Wisdom, *P.*	Jas. H. Lay.
"	Wellington Bank, Wellington.	J. A. Mann, *P.*	H. B. Corse.
		H. B. Corse, *Cas.*	O. Mindrup.
Neb.	Allen State Bank, Allen.	D. I. Gilman, *P.*	F. M. Dorsey.
"	State Bank, Arcadia	S. H. Burnham, *P.*	A. P. Culley.
"	Bradshaw Bank, Bradshaw.	Geo. W. Kirby, *P.*	Wm. Kerr.
		J. E. Englehardt, *V. P.*	.....
"	Commercial Bank, Chappell.	E. D. Hamilton, *P.*	B. F. Clayton.
		B. F. Clayton, *V. P.*	.....
		H. I. Babcock, *Cas.*	E. D. Hamilton.
"	State Bank, Cordova.	O. P. Shallenbarger, *P.*	C. A. Pierson.
		C. A. Pierson, *Cas.*	H. F. D. Chase.
"	International B'k, Dannebrog.	P. S. Peterson, *Cas.*	Peter Jepson.
"	Farm. & Merch. B'k, Elm C'k.	E. L. Sutton, *Cas.*	G. H. Messick.
"	Fairbury Sav. B'k, Fairbury.	E. E. Goodrich, *P.*	G. J. Carpenter.
"	Harbine Bank, Fairbury.	H. F. Hole, *Cas.*	M. Zweifel.
"	Farmers & Merch. Nat. B'k, Fremont.	Otto Huette, *P.*	Geo. W. E. Dorsey.
		Francis I. Ellick, *V. P.*	Otto Huette.
"	Union State Bank, Harvard.	P. H. Updike, *Cas*	L. J. Titus.
		N. D. Blackwell, *V. P.*	G. W. Updike.
"	Bank of Hay Springs, Hay Springs.	E. Williams, *P.*	Wm. Waterman.
		H. A. Chamberlin, *V. P.*	.....
		Frank Tulloss, *Asst.*	.....
"	Northwestern State Bank, Hay Springs.	Charles Weston, *P.*	Donald Brown.
"	First Nat. B'k, Humboldt.	F. R. Butterfield, *Asst.*	F. Snethen.
"	State Bank, O'Neill.	G. W. Wattles, *P.*	J. W. Thomas.
"	Bank of Orleans, Orleans.	B. R. Claypool, *P.*	E. L. Means.
		E. L. Means, *Cas.*	Walter H. Green.
"	Commercial State B'k, Oxford.	W. G. Springer, *Cas.*	Dan. K. Camp.
"	First National Bank, Pender.	J. H. Henry, *P.*	H. N. Moore.
		John P. Burke, *V. P.*	.....
"	Farm. & Merch. B'k, Prague.	F. J. Kirchman, *P.*	Josef Kaspar.
"	Randolph State Bank, Randolph.	Jas. F. Toy, *P.*	G. N. Sweetser.
		C. H. Randall, *Cas.*	S. H. Lamar.

	Bank and Place.	*Elected*	*In place of.*
NEB	State Bank, Republican City	O. J. Vallicott, *Cas*	G. A. Gage.
"	Citizens State Bank, South Sioux City.	W. H. Ryan, *P* J. P. Twohig, *Cas* O. W. March, *Asst*	J. P. Twohig. O. W. March. .....
"	Farmers & Merchants Bank, Stromsburg.	A. B. Hedbloom, *Cas*	J. W. Wilson.
"	Farmers & Merchants Bank, Valley.	J. M. Williams, *P* J. J. Miller, *V. P*	Geo. W. E. Dorsey W. G. Whitmore.
"	Saunders Co. Nat. Bank, Wahoo.	Frank Koudele, *P* J. J. Johnson, *Cas* F. J. Kirchman, *Asst*	Geo. W. E. Dorsey. H. H. Dorsey. .....
"	Farmers & Merchants Bank, York.	John R. Pierson, *Cas* A. S. Raymond, *V. P*	M. Burns. C. E. Waite.
N. J.	Nat. Union B'k, Dover	E. H. Baldwin, *Cas*	Geo. D. Meeker.
"	Summit Bank, Summit	J. Franklin Haas, *Cas*	E. A. Chapman.
N. Y.	Farmers National Bank, Adams.	Isaac P. Wodell, *P* Harrison Fuller, *V. P*	C. D. Potter. Isaac P. Wodell.
"	State Bank, Bolivar	Geo. A. Root, *Cas*	F. L. Newton.
"	Kings Co. Trust Co., B'klyn	Julian D. Fairchild, *P*	J. C. Hendrix.
"	Mechanics Bank, Brooklyn	Chas. E. Wheeler, *Cas*	Geo. McMillan.*
"	Metropolitan Bank, Buffalo	Henry Weill, *P*	Wm. Meadows.
"	Delaware National Bank, Delhi.	Geo. H. Millard, *P* Geo. A. Sturgis, Jr., *Asst*	Geo. E. Marvine. .....
"	Peoples Bank, Hamburg.	Amos H. Baker, *P* Simon Sutter, *V. P*	Burton M. Fish. Amos H. Baker.
"	Farm. & Merch. B'k, Jamest'n	M. M. Skiff, *Cas*	G. S. Gifford.
"	Frontier Bank, Niagara Falls	D. D. McKoon, *V. P*	John M. Hancock.
"	Powers Bank, Rochester	John Craig Powers, *Cas*	Wm. C. Powers.
"	First Nat. B'k, Ticonderoga	H. G. Burleigh, *P*	C. E. Bush.
"	Manufacturers Nat. B'k, Troy	Frank E. Howe, *Asst*	.....
OHIO	Ashville Bank, Ashville	D. H. Squire, *P*	Wm. A. Henry.
"	Euclid Av. Nat. B'k, Cl'veland	E. G. Tillotson, *Cas*	.....
"	Mechanics Savings Bank Co., Cleveland.	John M. Gundry, *P* J. H. Jones, *Sec*	Zenas King.* John M. Gundry.
"	Commercial Bank, Delphos	C. L. Hartwell, *Cas*	Jno. T. Hartwell.
"	First National Bank, Girard	John J. Sullivan, *V. P*	.....
"	Greenwich Bkg. Co., Greenwich	Wm. A. Knapp, *P*	A. Frayer.
"	Loudonville Banking Co., Loudonville.	J. W. Stacher, *P* J. C. Hissem, *Cas*	G. Schauweker. J. L. Quick.
"	Central Bank, Mechanicsburg.	C. R. Hunter, *P* J. H. Burnham, *V. P*	..... C. R. Hunter.
"	Bank of Nelsonville	R. A. Doan, *Cas*	Chas. B. Todd.
"	Citizens Bkg. Co., Perrysburg	Jacob Davis, *P*	Jas. Dunipace.
OKL. T.	Bank of Edmond	M. Walker, *Cas*	John L. Mitch.
ORE	Arlington National Bank, Arlington.	J. A. Thomas, *P* F. T. Hurlburt, *Cas*	VanB. DeLashmutt. J. A. Thomas.
PA	Easton Trust Co., Easton	R. E. James, *P*	John T. Knight.*
"	Ephrata Nat. B'k, Ephrata	H. B. Bitzer, *Cas*	M. L. Weidman.
"	Exchange Bank, Franklin	C. Heydrick, *P*	John L. Mitchell.
"	Greensburgh Bkg. Co., Gr'nsbg	Richard Coulter, *P*	Jas. C. Clarke.
"	Commonwealth Guar. Tr. & S. D. Co., Harrisburg.	John H. Weiss, *V. P* W. H. Metzger, *Sec. & Tr*	....
"	Farmers Bank, Hummelstown	J. H. Backentoe, *P*	C. Hoffer.
"	Office Nat. State B'k Camden, Philadelphia.	Wm. Bradway, *Agt*	Goldson Test.
"	City Deposit B'k, Pittsburgh	J. W. Finn, *P*	Thomas Brown.
"	Columbia Nat. B'k, Pittsb'gh	H. W. Bishop, *V. P*	.....
"	Manufacturers B'k, Pittsb'gh	John C. Stevenson, *P*	Edward Hogan.
"	Odd Fellows Sav. B'k, Pittsburgh.	Geo. W. Rankin, *P* Sam'l Shauer, *V. P*	Andrew Miller. .....
"	First Nat. B'k, Reynoldsville	Scott McClelland, *V. P. & Asst.*	.....
"	First Nat. B'k, Verona	Andrew B. Ledwith, *Cas*	Geo. S. Macrum.
R. I.	Com'l Nat. B'k, Providence	Andrew Comstock, *P*	Daniel E. Day.*
S. C.	Farm. & Mech. B'k, Columbia	E. M. Brayton, *Cas*	I. L. Withers.
"	Peoples B'k of Grahams, Denm'k	L. S. Trotti, *Cas*	C. L. Wroton.
TENN.	Bank of Alexandria	Wm. Vick, *P*	Ed. Reece.
"	Bank of Huntington	J. M. Wright, *Cas*	Benj. F. Ross.*

* Deceased.

Bank and Place.	Elected.	In place of.
TENN...Citizens Bank, Jellico.	C. W. Alexander, *P.*.....	A. J. Smith.
	U. S. Jones, *Cas*.....	C. W. Alexander.
" ..Peoples National Bank, Pulaski.	N. A. Crockett, *Cas*	E. B. Craig.
	John M. Harwood, *Asst*...	N. A. Crockett.
TEXAS..First National Bank, Atlanta.	John G. James, *V. P*.....	.....
	W. A. Howe, *Asst*.....	.....
" . First National Bank, Baird.....	Fred Lane, *Asst*.....	.....
" ..Bonham National Bank, Bonham.	Geo. A. Preston, *2d V. P.*.	.....
	D. W. Sweeney, *Cas*.....	George W. Blair.
" ..Colorado Nat. B'k, Colorado ..	G. H. Colvin, *Cas*.....	E. H. Cooke.
" ..Amer. Nat. B'k, Ft. Worth....	W. J. Boaz, *V. P.*.	.....
" ..Citizens Nat. B'k, Hillsboro....	A. T. Rose, *V. P.*.....	.....
" . Sturgis Nat. B'k, Hillsboro.....	F. E. Carter, *Asst*.....	L. L. Works.
" ..Bank of Mangum.....	S. C. Van Leer, *P*.....	G. S. White.
" ..Camp Co. Bank, Pittsburg.....	R. A. Morris, *Cas*.....	C. H. Morris.
" ..S. Angelo N. B'k, San Angelo..	John Carragher, *Cas*.....	Albert Raas.
UTAH...Payson Ex. Sav. B'k, Payson...	R. S. Wimmer, *Cas*.....	Eli Good.
" ..Springville B'k'g Co., Sp'gville..	H. L. Cummings, *Cas*.....	Jas. Caffrey.
VT.....Chester Sav. B'k, Chester.....	C. O. Fullam, *Tr*.....	F. W. Adams.
" ..First National Bank, Orwell.	S. N. Warren, *P*.....	C. E. Bush.
	Wm. N. Platt, *V. P*.....	Wm. B. Wright.
VA.....Savings Bank of Norfolk.....	Wm. A. Thom, Jr., *P*.....	W. Taylor.
" .National Bank of Virginia, Richmond.	Geo. L. Christian. *P*.....	Emil O. Nolting.
	James T. Gray, *V. P*.....	Geo. L. Christian.
" . Farmers Bank of S. W. Va., Wytheville.	H. G. Wadley, *P*.....	I. J. Leftwich.
W. VA..Tygart's Valley B'k, Philippi...	J. F. Manown, *Cas*.....	Geo. W. Gall, Jr.
WASH. Oakesdale Sav. B'k, Oakesdale..	C. F. Huling, *P*.....	F. M. Kendall.
" ..Seattle Nat. Bank, Seattle.....	Edward Blewett, *V. P*.....	.....
WIS. . Baraboo Sav. B'k, Baraboo.....	Thos. Baker, *Cas*.....	R. B. Griggs.
" ..Beloit Savings Bank, Beloit....	E. F. Hansen, *Tr*.....	J. A. Holmes.
" ..Jackson Co. Bank, Black River Falls.	Abel Cheney, *P*	T. B. Mills.
	J. B. Miller, *V. P*.....	.....
" ..Citizens Bank, Delavan.....	John Dewolf, *P*.....	S. Rees La Bar.
" ..Sawyer Co. Bank, Haywood....	A. A. McCormick, *Cas*....	James H. Cole.
" ..Bank of Milton, Milton.	Paul M. Green, *P*.....	Ezra Crandall.
	E. Crandall, *V. P*.....	.....
" ..Peoples Bank, Milton Junc.....	D. E. Thorpe, *Cas*.....	F. R. Morris.
" ..S. Milwaukee Nat. Bank, South Milwaukee.	T. W. Spence, *V. P*.....	.....
ONT....B'k of Hamilton, Orangeville...	H. H. O'Reilly, *Agt*.....	H. M. Watson.
" ..La Banque Nationale, Ottawa..	A. A. Taillon, *Mgr*.....	P. I. Bazin.
" ..Bank of Hamilton, Owen S'nd..	Ewing Buchan, *Agt*.....	H. H. O'Reilly.
" ..Molsons Bank, Owen Sound....	E. W. Waud, *Mgr*.....	L. E. Tate.
" ..Bank of Hamilton, Toronto....	F. G. Gosling, *Mgr*.....	Ewing Buchan.
N. B...Bank of Nova Scotia, Campbellton.	C. A. Kennedy, *Act. Agt*..	F. W. Daniel.
" ..Bank of Nova S., Chatham....	R. H. Anderson, *Agt*.....	F. R. Morrison.*
" ..Merch. B'k Halifax, Fredericton.	W. F. Mitchell, *Agt*.....	W. R. Racey.
" ..Merch. B'k Halifax, Moncton...	John Trainor, *Act. Mgr*...	C. J. Butcher.
" ..Peoples B'k Halifax, Shediac...	E. J. Cochran, *Agt*	H. A. Bailey.
N. S. ..Merch. B'k Halifax, Bridgewater.	W. S. Tupper, *Agt*.....	W. F. Mitchell.
" ..Merch. B'k Halifax, Maitland...	Duncan Cameron, *Mgr* ...	G. H. Dalziel.
" ..Peoples B'k Halifax, Windsor.	J. C. Lithgow, *Agt*.....	E. J. Cochran.

* Deceased

PROJECTED BANKING INSTITUTIONS.

ARK....Hot Springs....State Exchange Bank. Henry W. Myar, President; John B. Varnadore, Vice-President and Treasurer; S. B. Smith, Cashier and Secretary.

CAL.....Santa Clara....Santa Clara Valley Bank; capital, $250,000. Directors: Abram Block, John Fatjo, J. B. O'Brien, Samuel S. Haines, David Henderson, D. H. Blake and A. H. Wood.

" ..Visalia.....Producers Bank incorporated.

COL....Littleton.....Bank of Littleton started business under management of R. W. English Lumber Company.

DAK. N.Sykeston.....Wells County Bank; capital, $10,000. T. L. Beiscker, President.

DAK. S..Miller.....A. E. Bills has opened a bank known as the Poor Man's Bank.

IND ....Greenwood.....J. L. Polk, Chas. B. Cook, John A. Polk, Grafton Johnson and Henry Brewer are starting a bank at Greenwood with a capital of $25,000.

" ..Indianapolis....Manufacturers Bank to be established.

" ..Indianapolis....Union Trust Co.; capital, $600,000. Directors: J. H. Holliday, V. T. Malott, Sterling R. Holt, A. C. Harris, H. C. Long and others.

IA.....Harper.....State Savings Bank incorporated; capital, $25,000.

KAN... Goodland .....Merchants and Farmers Bank; capital, $25,000.

" .Ness City .....Merrill Trust Co.

LA. ....New Orleans ...First National Bank; capital, $250,000. T. R. Roach, President.

MICH...Albion.....Commercial and Savings Bank; capital, $35,000.

" ..Blissfield.....State Bank of Blissfield incorporated.

" ..St. Joseph.....Commercial Bank organized; capital, $25,000.

MINN...Lester Prairie ..State Bank of Lester Prairie; capital, $10,000.

" ..Morgan .....State Bank of Morgan; capital, $10,000.

" ..Wells.....German-American Bank; capital, $25,000.

MO.....Vandalia.....New banking company organized.

NEB....Box Butte.....Box Butte Banking Co.; capital, $15,000. Incorporators: F. M. Phelps, H. W. Axtell, J. S. Neary, R. B. Hamilton, Robt. Maler

" ..Plymouth .....Bank of Plymouth; capital, $50,000. Incorporators: Cyrus W. Harvey, Chas. B. Anderson, George W. Collman, Chas W. Rieger.

N. Y...Brooklyn.....S. G. Fox & Co., bankers and brokers, have opened an office at 198 Montague St. Firm consists of Samuel G. Fox and Edward J. McKeever.

" .Poughkeepsie ..Dutchess County Trust Co.; capital, $100,000. F. R. Bain, President.

OHIO...Williamsburg ..Lochard Banking Co. Directors: J. T. Knight, T. G. Foster, E. J. Hutchinson, E. S. Moorhead and C. H. Lochard.

" ..Zanesville.....Ohio Safe Deposit and Trust Co. Dr. T. J. Barton, President; W. M. Shinnick, Jr., Vice-President; Henry R. Stanberry, Cashier.

PA.....Muncy .....New bank organized. James Coulter, President; L. Clark Smith, Cashier.

WIS....Glenwood .....New bank established.

CHANGES, DISSOLUTIONS, ETC.

(*Monthly List, continued from June No., page 959.*)

N. Y. City.....Canal Street Bank has gone into liquidation.
Ala....Tuscumbia.....Tuscumbia Banking Co. reported closed.
Ark....Arkadelphia....Elk Horn Bank (McNutt & Young), now McNutt & Cooper, proprietors.
" ..Beebe.....White Co. Bank reported assigned.
Cal....Fresno.....Fresno Loan and Savings Bank reported closed.
" ..Los Angeles...Broadway Bank reported closed.
" ..Los Angeles...City Bank reported suspended.
" ..Los Angeles...East Side Bank reported closed.
" ..Los Angeles...First National Bank reported closed.
" ..Los Angeles...Southern California National Bank reported closed.
" ..Los Angeles...University Bank reported suspended, will resume.
" ..Ontario.....Citizens Bank reported closed.
" ..Pomona.....Peoples Bank reported closed.
" ..Riverside.....Riverside Banking Co. reported closed.
" ..San Bernardino.Farmers Exchange Bank reported closed.
" ..San Bernardino.First National Bank reported closed.
" ..San Diego.....Bank of Commerce reported closed.
" ..San Diego.....Consolidated National Bank reported closed.
" ..San Diego.....First National Bank reported closed.
" ..San Francisco..Pacific Bank reported closed.
" ..San Francisco..Peoples Home Savings Bank reported closed.
" ..Santa Ana.. ..Commercial Bank reported closed.
" ..Santa Ana.....First National Bank reported closed.
Col....Georgetown....Bank of Clear Creek Co. reported assigned.
" ..Holyoke.. ....Holyoke State Bank retired from business.
" ..Ouray.....First National Bank reported closed.
" ..Rico .....First National Bank reported closed.
" ..Salida.....Chaffee County Bank reported assigned.
Dak.N..Edgeley.....Bank of Edgeley closed.
Dak. S.Armour.....Douglas Co. Bank reported closed.
" ..Chamberlain...Brule Co. Bank closed.
Ga.....Albany.....Hobbs & Tucker reported suspended.
" ..Americus.....Bank of Sumter reported suspended.
" ..Cartersville....Howard Bank reported suspended.
Ill....Bradford.....Bradford Exchange Bank (Leet & Baldwin), now Wm. Leet, proprietor.
" ..Chicago.....Meadowcroft Bros. reported closed.
" ..Chicago.....Herman Schaffner & Co. reported assigned.
" ..Decatur.. .....Decatur National Bank, now National Bank of Decatur.
" ..Divernon.....Divernon Bank (C. G. & R. S. Brown), now Chas. G. Brown & Co., proprietors.
" ..Edinburgh.....George P. Harrington discontinued.
" ..Gillespie.....Citizens Bank (J. N. Hagins & Co.) reported assigned.
" ..Huntley.....W. G. Sawyer & Co., now Sawyer & Kelley.
" . Macomb.....Bank of Macomb (Q. C. Ward & Co.), now C. V. Chandler & Co., proprietors.
" ..Mascoutah.....Bank of Mascoutah (J. N. Hagins) reported assigned.
" ..Rockford.....American Exchange Bank discontinued.

ILL....St. Anne.....Bank of St. Anne (J. N. Hagins) assigned.
IND.....Albany.....Bank of Albany, now Citizens Bank, private.
" ..Bedford.....Bedford Bank reported closed.
" ..Hartford City..Merchants Bank succeeded by First National Bank.
" ..Indianapolis....Capital National Bank resumed business.
" ..Kendallville....First National Bank reported closed.
" ..Lowell.....Commercial Bank closed, succeeded by State Bank.
" ..Morristown....Commercial Bank resumed business.
" ..New Albany...New Albany Banking Co. reported closed.
IOWA...Birmingham...Pitkin & Skinner, now E. H. Skinner & Co.
" ..Blanchard.....Blanchard Bank (Monk & Anderson) succeeded by First National Bank.
" ..Carroll.....Rochester Loan and Banking Co. removed to Omaha, Neb.
" ..Goldfield.....Bank of Goldfield (Sprole & Bridge), now Henderson & Sprole, proprietors.
" ..Grundy Centre.First National Bank reported closed.
" ..Larchwood ...Bank of Larchwood succeeded by Savings Bank of Larchwood.
" ..Miles..... Exchange Bank (Miles & Emerson), now T. B. Emerson, proprietor.
" ..Neola.....Bank of Neola, now State Bank of Neola, incorporated, same officers.
" ..Sioux City.....Union Stock Yards State Bank reported assigned.
" ..Waukon.....Bank of Waukon succeeded by First National Bank.
" ..Whittemore...Whittemore Exchange Bank succeeded by Whittemore State Bank.
KAN....Arkansas City..First National Bank is in hands of receiver.
" ..Burr Oak.....Bank of Burr Oak reported closed.
" ..Hope.....Bank of Hope (T. C. Sawyer & Co.) succeeded by Hope State Bank.
" ..Ingalls.....Bank of Ingalls discontinued.
" ..Mount Hope...G. C. Robbins & Co., now Farmers & Drovers Bank.
" ..Munden.....First State Bank discontinued.
" ..Ness City.... Bank of Ness City reported closed.
KY.. . Ashland.....Second National Bank reported closed.
" ..Stamp'g Gr'und.Reynolds, Lewis & Co. succeeded by Citizens Bank, incorporated, same officers and correspondents.
MD.....Hagerstown....Hoffman, Connor, Smith & Co. succeeded by Peoples National Bank.
MICH...Adrian.....Commercial Exchange Bank succeeded by Adrian State Savings Bank.
" ..Crystal Falls...State Bank reported suspended.
" ..Dexter.....C. S. Gregory & Son succeeded by Dexter Savings Bank.
" ..Gladstone.....Exchange Bank reported assigned.
" ..Mount Clemens.Ullrich & Crocker succeeded by Ullrich Savings Bank.
MINN...Chatfield.....Chatfield Bank (Jones, Ober & Co), now Lombard, Underbeek & Ober, proprietors.
" ..Kerkhoven.....Bank of Kerkhoven (Allen Weatherby), now J. E. Pulver, proprietor.
" ..Lakefield... ..Jackson Co. Bank, now Jackson Co. State Bank, incorporated, same officers.
" ..Minneapolis....Bank of New England reported suspended.
" ..Minneapolis....Peoples Bank reported suspended.
" ..Minneapolis....State Bank reported suspended.
" ..Minneapolis... St. Paul & Minneapolis Trust Co. reported suspended.
" ..Waverly Mills..Bank of Waverly, now State Bank, incorporated, same officers and correspondents.
" ..Worthington...Bank of Worthington incorporated, same officers and correspondents.

MISS ...Wesson.....Mississippi Mills discontinued banking business.
MO.....Kansas City....Peoples Guaranty Savings Bank reported assigned.
" ..Springfield.....First National Bank has gone into voluntary liquidation, American National Bank having absorbed all its business.
" ..Webb City.....Exchange Bank reported closed.
MONT ..Missoula.....Western Bank reported suspended.
NEB....Beatrice.....American Bank reported closed.
" ..Beatrice. ... .Nebraska National Bank reported closed.
" ..Cortland.....State Bank reported closed.
" ..Harvard.....Nebraska Mortgage Co. moved to Holdrege.
" ..Omaha.....American National Bank reported closed.
" . Omaha.....McCague Savings Bank reported closed.
" ..Red Cloud.....Farmers and Merchants Banking Co. reported closed.
" ..S. Sioux City...Citizens Bank now Citizens State Bank.
" ..Strang.....Fillmore Co. Bank succeeded by Union State Bank.
N. Y... Buffalo.....H. C. Tucker & Co.'s Bank reported closed.
" ..Buffalo.....Queen City Bank reported closed.
" ..Niagara Falls..Cataract Bank reported closed.
N. C....Greenville.....Young & Priddy discontinued exchange and collection business.
" ..Wilmington....Bank of New Hanover reported assigned.
OHIO...Carrollton.....J. P. Cummings succeeded by Cummings & Saltsman.
" ..Defiance.....Defiance Savings Bank reported closed.
" ..Hillsboro.....Citizens National Bank in hands of receiver.
" ..Jeffersonville . Jeffersonville Bank reported closed.
" ..Marion.....Fahey's Bank, now Fahey Banking Co., incorporated.
" ..Montpelier. ...Montpelier Banking Co., now Montpelier Banking & State Savings Co.
" ..New Bremen...Boesel Bros. & Co., now Boesel's Bank, same officers and correspondents.
" ..N. Baltimore...Peoples Banking Co. suspended, will resume.
" ..Painesville.....Lake Co. Bank (Aaron Wilcox & Co.) reported suspended.
" ..Paulding.....Potter's Bank reported closed.
" ..Sabina.....Sabina Bank reported closed.
" ..Sandusky.....Sandusky Savings Bank reported closed.
" ..Spring Valley..Valley Bank succeeded by Farmers Bank.
" ..Utica.....Farmers Bank (Dunlap & Sperry) now Sperry Bros. & Co., proprietors.
" ..Weston.....Exchange Banking Co. reported closed.
ORE....Albany .....Linn Co. National Bank reported suspended.
" ..Corvallis.....Hamilton, Job & Co. reported suspended.
" ..Eugene.....Lane Co. Bank (Hovey Humphrey & Co.), reported suspended.
" ..Lebanon.....Bank of Lebanon reported suspended.
" ..Summerville....Farmers Mortgage & Savings Bank closed.
" ..Yaquina.....Hamilton, Job & Co. reported suspended.
PENN...Lock Haven...State Bank reported closed.
" .Ridgway.....Ridgway Bank reported closed.
TENN...Chattanooga...City Savings Bank reported assigned.
" ..Nashville.....Nashville Savings Co. reported closed.
TEXAS..Alvin.....Alvin Bank (Samuel & Wilbanks) reported closed.
" ..Atlanta.....Citizens Bank succeeded by First National Bank.
" ..Brownwood ...City National Bank in hands of receiver.
" ..Burnet.....First National Bank succeeded by W. H. Westfall & Co.
UTAH ..Park City.....Park City Bank reported closed.
" ..Provo .....First National Bank reported closed.
VT. ...Chelsea.....First National Bank expired by limitation.

WASH..Ellensburgh....Ben E. Snipes & Co. reported suspended.
" ..Everett.....Bank of Everett reported assigned.
" ..New Whatcom.Columbia National Bank reported closed.
" ..New Whatcom.First National Bank reported closed.
" ..Palouse.....First National Bank suspended, has since resumed.
" ..Roslyn. .....Roslyn Bank (Ben E. Snipes & Co.) reported suspended.
" ..Spokane.....Bank of Spokane Falls reported closed.
" ..Spokane.....Citizens National Bank reported closed.
" ..Spokane.....Washington National Bank reported closed.
" ..Spokane.....Washington Savings Bank reported closed.
" ..Tacoma.....Oakland Loan & Trust Co. placed in hands of receiver.
" ..Tacoma.....Merchants National Bank in hands of receiver.
WIS....Lake Mills.....Greenwood Bros. Bank, now Greenwood's State Bank, same officers and correspondents.
" ..Manitowoc.....State Bank reported closed.
" ..Shell Lake.....Shell Lake Savings Bank reported suspended.
" ..Two Rivers....Bank of Two Rivers reported closed.
" . Washburn.....Bank of Washburn reported closed.
WYO...Sheridan.....Frank Bros. & Co. succeeded by Bank of Commerce.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during June, 1893.

ILL.....Carbondale ....Metropolitan National Bank by William Wykes and associates.
PA. ...Patton .....First National Bank by A. E. Patton, Curwensville, Pa., and associates.
S. C.....Beaufort.....First National Bank by F. W. Scheper and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from June No., page 957.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital*
4854	Kewanee National Bank..... Kewanee, Ill.	George A. Anthony,	R. E. Taylor,	$50,000
4856	Peoples National Bank.. ..... Hagerstown, Md.	John L. Nicodemus,	Abram B. Barnhart,	100,000
4911	Rockwall Co. National Bank... Rockwall, Tex.	T. W. Bailey,	Frank Jones,	50,000
4916	Merchants National Bank..... Wadena, Minn.	Jacob J. Meyer,	A. L. Irwin,	50,000
4918	Nat. Bank of Western Penn.... Pittsburgh, Pa.	James Hemphill,	Chas. McKnight,	300,000
4920	Nat. Bank of Decatur..... Decatur, Ill.	Kilburn H. Roby,	B. O. McReynolds,	100,000
4925	Sullivan Co. Nat. Bank..... Liberty, N. Y.	Arnold J. D. Wedemeyer,	Van B. Pruyn,	50,000
4926	Citizens National Bank..... Frostburg, Md.	Davisson Armstrong,		50,000
4928	National Farmers Bank..... Owatonna, Minn.	L. L. Bennett,	Carl K. Bennett,	80,000

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JUNE, 1893.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ..... reg.	Quarterly — Mar.	99	99	96	96
4s, 1907 ..... reg.	Quarterly — Jan.	111¼	111¼	109	109
4s, 1907 ..... coup.	Quarterly — Feb.	112¼	112¾	110	110
6s, cur'cy, 1895, reg.		102½	103	102	103
6s, cur'cy, 1896, reg.		105	105	104½	105
6s, cur'cy, 1897, reg.	Jan. & July.	108	108	107	107
6s, cur'cy, 1898, reg.		111½	111½	109	109
6s, cur'cy, 1899, reg.		113½	113½	111	111

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	3	2	2
Canadian Pacific	77½	78¼	75¼	—
Canada Southern	50½	51⅜	48¼	49
Central of N. J.	—	111	99⅞	103½
Central Pacific	—	22	22	22
Ches. & Ohio	19¼	20⅛	15½	17⅛
Do 1st pref.	—	—	—	—
Chic. & Alton	—	—	—	—
Do pref.	—	—	—	—
Chic., B. & Q.	86¼	88⅝	82¼	85¾
Chic. & East'n Ill.	61½	62	60	—
Do pref.	95	96½	92	—
Chic., M. & St. P.	69¼	70¾	65	68¼
Do pref.	—	117¾	113	113⅞
Chic. & N. W.	108¼	108¼	100½	103¼
Do pref.	—	138	137	—
Chic., R. I. & P.	73	74	66	70¼
Chic., St. P., M. & O.	41¼	41½	35	38½
Do pref.	115	116	105½	105½
C., C., C. & St. L.	42½	42½	39	40½
Do pref.	—	—	—	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Coal & Iron	46	46	36⅛	37
Col., H. Valley & Tol.	22	22	19	20¼
Del. & Hudson	122⅜	123¼	119	119⅞
Del., Lack. & W.	140⅝	149⅞	137¼	147⅝
Den. & Rio Grande	13½	14½	10⅝	10¾
Do pref.	48¼	49¾	35	39
East Tenn. V & G.	½	⅝	¼	—
Do 1st pref.	—	15	12	—
Do 2d pref.	4	4	2¼	—
Evansville & T. H.	136	137	134	—
Illinois Central	92	93¼	87½	—
Lake Erie and Western	—	18½	16	—
Do pref.	71½	71⅞	69	—
Lake Shore	122	125	119⅞	120
Long Island	—	100½	94	96
Louisville and Nashville	66¼	68⅜	61¾	65⅞
Louisville, N. Alb & Chic.	19	19	14½	—
Manhattan Consol.	130	133⅛	119¼	125½
Mexican Central	—	8	7	—
Michigan Central	—	98	94	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	12½	10	10
Do pref.	—	31½	29	—
Mo., Kan. & Texas	—	12⅛	11	11
Do pref.	21	21½	18⅛	19
Missouri Pacific	37¼	37¾	30	33¼
Nash., C. & St. L.	—	85	83	—
N. Y. C. & Hudson	102	104¾	99¾	101
N. Y., C. & St. L.	15	15⅞	12½	12⅝
Do pref.	—	58½	57	—
N. Y., L. E. & W.	17⅝	18⅜	15⅜	16½
Do pref.	36½	38¼	33	—
N. Y. & New Eng.	24¼	24¼	19⅜	21½
N. Y., Ont. & W.	15	15⅛	13¼	14¼
N. Y., Sus. & W.	—	14¼	12	12¼
Do pref.	55	56	53	—
Norfolk & Western	—	6¼	6¼	—
Do pref.	28	28	20	22

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	14	14	12⅛	12½
Do pref.	36	36¼	31½	33¾
Ohio & Mississippi	—	15	14¾	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	57½	57	—
Oregon Short Line	—	12½	12	—
Pacific Mail	20½	20¾	17½	18¼
Peoria, Decatur & Evansville	—	12	8¾	10
Philadelphia & Reading	17¼	18⅜	12⅞	14¾
Pullman Palace Car Co.	174¼	174¾	164	165
Rich. & W. P. Term.	3⅛	3⅛	⅞	—
Rio Gr. Western	—	—	—	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	108½	108½	106	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	—	35	30	—
Do pref.	102¼	102¼	100	100
St. Paul, M. & M.	—	110	104¾	104¾
Southern Pacific Co.	28¼	28¾	26½	27½
Texas & Pacific	7	7½	5½	6¼
Union Pacific	29½	30⅜	23⅜	25¾
Wabash, St. Louis & Pacific	8	8¾	7¾	8
Do pref.	16⅜	17⅞	15½	16⅛
Wisconsin Central	9	9	7	8
MISCELLANEOUS—				
Am. Cotton Oil Trust.	37	38	33	35
Nat. Lead Trust	31	33	27	30
Tenn. Coal & Iron	17¼	18	12	16¼
Express—Adams	—	146½	140	145⅝
American	114½	115	105	—
United States	—	58	51	—
Wells-Fargo	147	147	142	143
Sugar Refineries	89⅛	93	77½	84¼
Do pref.	87¾		77	—
Western Union	83⅜	88¼	79⅛	80¼
Wheel. & Lake E.	16	84¼	12	13¾
Do pref.	—	163¼ 52¼	44½	—

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVIII. AUGUST, 1893. No. 2.

WHAT WILL CONGRESS DO WITH THE SILVER LAW?

The Sherman silver law has failed, so its defenders contend, because the Government has not executed it in a proper manner. Instead of redeeming the certificates in silver, as should have been done, the Government has redeemed them in gold. The Government could have redeemed them in the white metal, but it chose the alternative. In paying them in gold the Government has observed the general wish of the country. But why was this alternative chosen? For the well-known reason that if they were redeemed in silver it would be worth less than its legal gold equivalent in the markets of the world, and consequently the yellow metal would disappear from circulation. Of course, so long as the Government had any gold, specie payments in that metal might have been continued in redemption of legal tenders; but every dollar would soon have been demanded and then the Government would have had only silver in its possession. In thus hoarding the gold received the receivers would have followed the most ordinary rule relating to money, that of paying the poorer and keeping the better so long as the poorer operated just as effectively in law to discharge indebtedness. Silver would have become the standard of value; not by public or governmental action, but by the action of the people in withdrawing gold from circulation, and thus leaving the other to perform

the ordinary functions of money. Every person receiving gold would have kept it, knowing that it would command a premium over silver, and therefore that a profit would be made by retaining it. In this way gold would rapidly have disappeared from circulation, leaving the other metal master of the field. Every one remembers that, during the civil war, when silver and gold both commanded a premium over their representative paper issues, how quickly even the minor silver coinage disappeared, leaving only paper, even for small sums, in circulation.

As the Government determined to redeem the silver certificates in gold so that the gold standard might be retained, the storing of silver behind the silver certificates as a security has had no effect whatever on their value, and they are practically so much additional paper money. There is consequently in circulation over seven hundred millions of paper money, consisting of legal tender notes and silver certificates. To redeem them there is less than one hundred millions of gold in the possession of the Government. Is there no cause for fear, therefore, that the Government will not be able to maintain its promises—in other words, that the Government cannot redeem this huge sum of paper money with the small amount of metal which has been reserved for that purpose? Had no silver ever been purchased, and three or four millions had been added monthly to the paper circulation, with no increase in the amount of gold to redeem it, but rather a decrease, the same fear would have arisen. The people would have feared a suspension of specie payments and the return to paper as a standard of money. This is the danger, and which will not disappear until a policy has been adopted of providing a larger metallic basis for the mountain of paper money now existing.

Had the Government adopted the policy of promising to pay silver in redemption of the silver certificates at a gold valuation, the situation would have been very different. People would then have been assured of getting the value represented by the certificates, and never would have asked for their redemption. It is true that under such a policy silver might have declined somewhat in value, but the Government could easily have borne the loss. This was essentially the plan recommended by Secretary Windom, and though there might have been some difficulties in executing it, they would not have been insurmountable.

Before considering the future action of Congress, it may be remarked that many who have favored the silver policy have done so, not because they were the especial friends of the silver producer, but because they favored the largest possible increase in the volume of currency. The debtor class, for example, which is always a large one, are desirous of stimulating prices, clearly

seeing that it is easier for them to pay their indebtedness if they can get a dollar a bushel for wheat than if only sixty cents can be obtained in the market. Any policy, therefore, looking to an increase of currency has been favored by them. They have, therefore, advocated the coinage of two millions a month, or four millions, or whatever sum might be mentioned, the larger the better. In other words, the so-called greenback party, or paper money party, has favored the free coinage of silver, or if that policy could not be adopted, the coinage of as much silver as possible, solely as a means of increasing the circulation.

Keeping this fact in sight, we think it is not very difficult to predict what will happen with respect to our circulating medium. The silver law can easily enough be repealed if a policy is adopted of issuing as much or more money in some other manner. The paper money folks will be quite willing to repeal the Sherman law if another is adopted for the issuing of more paper money as a substitute for silver. And this, we think, is likely to be done. If the issue was the repeal of the silver law and the stopping of an increase to our circulation, except by the slow process of the production or importation of gold, nothing is more certain than the continuance of the law on the statute book. Its repeal cannot be effected except by adopting a substitute of some kind; what, therefore, must this be? The increased production of the gold mines certainly will not be great enough to satisfy those who believe in increasing the volume of the currency. If, then, the use of silver is to be stopped the increase must come in the form of paper money; and this may be done in one of three ways. Either the National bank system may be so modified that the issues of bank notes can be largely increased, or the Government may issue more legal tender notes, or the tax on State bank issues may be repealed, leaving the way open for the revival of State bank circulation. Only a few favor the adoption of the second plan of issuing more paper money by the Government. The day has passed for increasing the greenback issues; indeed, an influential class has all along been in favor of retiring the existing issue. While this is not likely to be done, the maximum has been reached.

But there is another class who do strongly favor the use of other bonds besides the Government bonds as a basis of National bank note issues. Senator Henderson, in a recent valuable letter on the subject, referred to this plan. Ex-Senator Farwell, of Illinois, introduced a bill into the Senate several years ago of this character. It included municipal obligations and other classes of bonds of a high grade character. The reason he gave for thus widening the basis was the high price of Government bonds and their rapid decline in quantity. He contended, and rightly

too, that if the basis of issues was thus widened far more banks would be established and the quantity of circulation would be increased. And doubtless it would be. Of course every one perceives the dangers of thus widening the basis of issues. Nevertheless, many believe in this plan, and if it was adopted banks everywhere would rapidly avail themselves of it, and, doubtless, the increase in circulation would be far more rapid than it has been under the present silver policy. Of course, much would depend on how high the gates were raised for the adoption of substitutes for the Government bonds.

The other plan is to repeal the ten per cent. tax on State bank circulation and thus prepare the way for the return to the old system of State bank issues. Several of the Legislatures during the last winter, especially in the Southern States, adopted elaborate banking systems supposing that this would be done, and some of these systems have been described in the MAGAZINE. This seems the most probable outcome of the present agitation. For, in the first place, the Democrats are now in full possession of the Government and they have never, as a party, thoroughly believed in the National banking system. Notwithstanding the decisions that have been rendered by the highest court concerning its constitutionality, they regard the system as a violation of the fundamental law. To revive the State bank system doubtless means the death of the National banks, and this would be more in harmony with the Democratic belief. Furthermore, such a policy means the rapid increase of the paper circulation, and therefore would find ready support among that large class who think that an increase of our circulation would have the happy effect of raising prices and of booming things generally. They know as well as others that a reaction would come, but, of course, they expect to profit during the period of prosperity; to pay their debts and in general to retrieve their situation, and escape in time, leaving others to endure the crash and subsequent misery.

And this is likely to be the outcome of the new legislation. The Sherman law will probably be repealed if Congress repeals the ten per cent. tax on circulation and thus prepares the way for replacing the silver certificates with a larger amount of paper money. Furthermore, as we have already said, such a policy fits into the Democratic traditions and teachings. The President seems to be in favor of such a plan, and therefore the powers that control are virtually in accord in adopting such a system of legislation.

Of course, every one says that the new system of State bank circulation must be a great improvement on the old. It is expected that all will profit by former experiments, that there will be no more wildcat banks, no more issues of State bank notes based on nothing,

and that the banks will be wisely conducted and examined, and, in short, managed in a conservative manner. It is perfectly easy to say these things—we doubt their realization. If the National banks, in spite of their excellent features and of the safeguards thrown around them in the way of examinations, have proved defective on too many occasions, what reason have we to suppose that the State banks, having a basis of circulation less favorably regarded by the public, will be as safely conducted as the National banks? The public will find out in the end which of the two systems is the better; but it seems to be quite ready, partly by reason of the peculiar stress of the times, and partly for other reasons, to try the experiment. It would seem as though we learn very little from experience. Each generation must learn for itself the path of wisdom, and so we are likely to try again the old plan which proved so costly and which doubtless will prove just as costly, to the present generation. If we are wiser than others, we certainly are not more honest or more inclined to do business in a careful, prudent, conservative and honest manner. There are just as many rascals in the country as there ever were and who are desirous of making their fortunes in a day regardless of the injuries they may inflict on others; and if the State bank system is revived nothing is more certain than that in the more than forty States and Territories systems will be adopted in some of them whereby the rascals can flourish at a heavy cost to the public. Doubtless many banks under the State bank system would be just as prudently managed as are the best banks at the present day, but it must always be remembered that under a system of easy banking a new class will go into the business, who have neither experience nor practice and whose only desire is to make something for themselves regardless of the loss or injury they may inflict on others. This is the danger which is likely to come from the adoption of the new system.

In our judgment, Congress ought to try the Windom plan of redeeming silver certificates in silver at a gold valuation, or if that is not practicable, to enlarge the basis of National bank issues. There is danger, if a departure is made from Government bonds, that sooner or later securities will be included which ought not to be; but since a new movement in some direction must be taken, this, it seems to us, involves the country in less danger than any other. Congress might provide for enlarging the list of securities, still rendering the Government responsible for the circulation and securing holders from loss, and itself also by adequate taxation, while at the same time providing for a proper increase of the currency and rendering it more responsive to the needs of business.

A REVIEW OF FINANCE AND BUSINESS.

THE CRISIS CONTINUED.

The slight abatement of the financial crisis noted at the end of June proved to have been only temporary, since when it has been renewed and has become more acute and widespread than before. The return wave of distrust and stringency has embraced both the East and West, as it subsided on the Pacific Coast, until New England, the Middle and Middle Western States have become the storm center to a greater extent than during the two first tidal waves that swept over the country from East to West. The undertow seems to be stronger and more disastrous than the breakers that first broke upon the "Industrials" in the East and the "Boom" towns of the West. For the latter only washed ashore the speculative and weakly built financial craft that were not constructed for stormy financial weather, and had too much sail for their hulls. But the former has wrecked and sunk the staunchest of ships, made to stand the roughest of financial weather and to ride the stormiest seas. Banks of the oldest, strongest and soundest class, have gone down in this last panic, with their vaults full of good assets for loans made on long time which they could not call in, and on properties on which they could not realize, although of the first class. This has been true of the better classes of banks, both State and National, in the older Western States outside of their chief financial and commercial centers, such as Chicago, St. Louis, Cincinnati, Detroit and Cleveland, which have been able to withstand the pressure because their money was loaned on quicker assets, from their location and the nature of their business. The Eastern banks have been subjected to a worse strain, even than those of the West, in the cities above named, for the reason that they have been drawn upon, not only by the latter, with each renewal of failures in their respective sections, but have had to stand the drain from all the disturbed centers direct, and supply the money required to meet the run on banks of all sections. This fell almost entirely upon the New York banks in the previous two withdrawals of money from the East to the West. But the last has been divided between New York, Philadelphia and Boston, until the stringency in the two latter cities is now as great, if not greater, than here, while their own sections are drawing upon them more heavily since the factories of New England have been closed and the iron industries of Pennsylvania paralyzed. The result is seen in the reissue of the Clearing House certificates toward the close of July, which were

being called in during the month. Thus the situation throughout the North and West has not only not improved, but has actually grown worse from the protracted strain on both banks and commercial concerns, which is daily weakening their resources as shown by the renewed panic in stocks in Wall Street. Had Congress been called together a month earlier, this last wrench upon the finances of the country might have been avoided, unless there is more strength back of the noisy clamor of the Silver Kings than is believed, and enough to prevent the repeal of the silver law. The South is still the only wide section of the country that remains but partially affected by all this upheaval, and thus proves itself to be financially and commercially the soundest.

THE SILVER AND GOLD SITUATION.

The fury of the collapse in silver in June has resulted in a natural reaction during July, and it looks as if the worst is over in the market for the white metal, since the price has compelled the closing of all but the richer mines, and will probably keep them closed until the glutted bullion markets of the world can be relieved, while the amount required by silver nations, including India, is not likely to be much if any less than before, except to the extent that our Government may be released from its present purchases by the extra session of Congress. It means idleness or permanent abandonment of the poorer mines. But this is the law of all industries, when overproduction has destroyed their market; and, it is no greater hardship than the New England woolen and cotton manufacturers and the Pennsylvania iron industries, are suffering. For it is no more the duty of the Government to make a market for the overproduct of one industry than that of another. What would our Colorado friends think of a demand of the New England manufacturers, that the Government should buy up and hold in warehouses their surplus woolen and cotton goods, and threaten revolution upon its refusal? Yet this is exactly what the silver representatives in convention did, only to make their cause more hopeless and ridiculous, by insisting that the present panic in financial and commercial and industrial affairs shall be permanently continued, at the expense of every section of the country and of every industry, silver itself included, for the benefit of the silver producers who have brought our Government and Nation already face to face with bankruptcy. While the prospect of a speedy repeal of this ruinous silver legislation is giving hope of a near relief to the financial situation, the expectation of assistance from the imports of gold have so far been very disappointing. Practically we have simply stopped exporting the yellow metal. That is all. True we have received small shipments from Europe and the

West Indies, but they have been of only $100,000 and $200,000 lots for a few weeks against millions a week for months, leaving the balance of exports over imports since January 1st, practically at the maximum figure of $58,000,000. Europe is buying our wheat and fodder more freely in anticipation of her own short crops. But she is not paying for them in gold as we confidently expected; and, whether she will be compelled to before next year's crops is an open question. The Bank of England is refusing eagles and giving only bars for shipment to this country, and evidently does not intend to part with our gold she has accumulated the past six months, if any obstacles she can place in the way will prevent it. Yet the depression in the sterling exchange market here has kept the price at or below the importing point nearly all the month, with the result above stated, in face of extreme high rates here and low ones in London for money. If we cannot get gold from Europe, under such favorable conditions as have existed the past month, it is difficult to see how we can force them, until every American security held in Europe is returned, which we have supposed was largely done after the Baring-Argentine panic. It is plain, therefore, that Europe will not take our silver nor give up our gold while the present status continues here if she can help it. At the close, however, larger imports are reported to have been engaged in London.

THE RAILROAD OUTLOOK

has grown less hopeful with the increasing stagnation in general trade throughout the country and decreasing earnings are already reported from freight traffic on all systems, while passenger earnings are offsetting the decreased freight traffic only on the roads leading into Chicago and the World's Fair. Even that is disappointing to the roads most favored, and low excursion rates have been made in the hope of stimulating it. Some of the grain roads are still making a fair showing, yet a falling off generally is the rule, with no prospect of much improvement until trade revives, mills and furnaces resume, and the new crops move more freely, which latter seems doubtful, so far as wheat is concerned, so long as farmers are getting only one cent per pound for wheat in Ohio and still less West of there, or as low as 50 cents per bushel west of the Mississippi River. Fodder crops, including corn, oats, barley and hay, will, no doubt, furnish more than their usual proportion of the grain traffic, owing to the unusual demand from Europe to replace her very short feed crops, while our crops of these staples promise to be abundant and are practically assured. But it will take a good while for business to recover from the present paralysis; and, in the meantime, the roads' fixed

charges are accruing just the same, while three months of their net earnings are already gone or reduced below their former dividend basis. The result has been reflected in the panic in all railway stocks at the end of the month, when liquidation in the whole list set in and carried prices to the lowest point since the Grant & Ward panic of 1889. This was precipitated, it is true, by the wholly unexpected appointment of Receivers for the Erie road which had been supposed to be getting out of the woods and upon a sound financial basis, under the present management during the past half decade or more. It was this that transferred the center of the financial disturbance to Wall Street again after its having moved West. If this road, with its millionaire backers, could not stand the pressure of financial stringency, because of a huge floating debt that was supposed to have been nearly paid off, or largely reduced, what must be the condition of scores of other roads not so established and well managed? With renewed trouble in New York, which has had to help out all the rest of the country, the crisis became more acute than it had hitherto been, for the reason that the waves of depression started here extend in widening circles until they reach every part of the country, and nobody felt sure where or when the disaster resulting would end. Yet, at this writing, the worst seems to have passed here and recovery to have set in, though it may prove as after the Industrial panic of May, that after the enormous short interest is covered, prices will settle still lower for want of buyers. But good London buying of our dividend stocks has come in at this heavy shrinkage in values and large blocks owned here are being transferred to the other side to be carried at the nominal value for money in London instead of the extreme interest here even when money can be borrowed at all on even good collateral, which many of the banks are compelled to refuse, as the drain from the country and their local customers is all they are able to meet.

THE MONEY MARKET

stringency has been the one and only condition of the money market throughout the country for the entire month. The variations have been from that to extreme stringency in call loans even, while time money has been almost an unknown quantity in the open market, although banks have done all that circumstances would permit for their own safety, in accommodating their own customers. Indeed, the New York banks have saved the country from a violent and general panic; and their course, since the crisis passed from the Treasury to the private financial institutions of the country, has been such as to command the praise of all and compel them to forget or withdraw their early criticisms of their action in relation to the National Treasury, and

the outflow of gold by which the present troubles were brought about in consequence of the fear of impending National silver bankruptcy, and the enormous withdrawals of foreign capital from this country, in anticipation of gold going to a premium. To what extent this was done, and new foreign capital kept from coming here, has been seen in the exceptionally easy money market at London, and the steadily declining rates, to a nominal point, while here they have been as steadily advancing and the stringency increasing. There has been no instance for many years, or since New York became a rival of London, as a world's financial center, when a higher money market here than there has not immediately attracted all the foreign capital that could be loaned at an excess over London that would pay the cost of exchange and a profit. Yet New York has ruled from 6 to 75 per cent. for call money, all the month, and London at ½ to 1 per cent. without drawing enough gold from there to have any effect on the rates whatever, while 8 to 12 per cent. for time money has been bid by best named paper without any increase in the supply. This is sufficient answer to those who have been playing into the hands of the silver producers, by trying to convince themselves and the country, that this is not a silver panic; nor the cause of the present paralysis in all branches of business, including manufacturing industries, to which their general shutting down is as clearly due, as has been the going into the hands of receivers, of some of the largest iron, "industrial," railroad companies and banks of the country, simply because of the stringency in money, that made it impossible to borrow enough money to meet their obligations. This has been the one and only and universal cause assigned for every failure or suspension that has occurred, and it was brought about, as every man who knows, who knows anything at all of finances, simply by the enormous withdrawal of foreign capital, or heavy and continued exports of gold since the beginning of the year, in fear of the result of our silver legislation.

THE ISSUE AND THE RESPONSIBILITY.

If the attempt to befog or belie the cause of our present National troubles should result in defeating the repeal of the Sherman Law, protracted depression is likely to follow, and one of the causes of this return wave of disaster that is sweeping banks away by the score, is the fear that the silver issue will not be met and disposed of squarely, and on its merits; but that the disease will be checked by some compromise and left in our system of finance and business. This fear, together with the increased money stringency, the terrible losses from the shrinkage in values of everything, in consequence, are

what has compelled the shutting down of all classes of manufacture, until the financial sky grows clearer. It is these widespread losses, directly resulting from this same silver panic, that has so reduced consumption of everything that has caused an accumulation of manufactured goods; just as always happens in every panic, no matter what the cause.

THE CONDITION OF THE DRY GOODS TRADE

has been brought into notice by the shutting down of so many mills in New England, and the facts are these: There has been an overproduction of both woolen and cotton goods by our domestic manufacturers for a year past, except in a few branches of both. But the manufacturers have carried their own stocks more generally than formerly at their mills and hence they had been underestimated until this money pressure revealed the fact that the manufacturers rather than commission merchants were heavy borrowers of money against these accumulations. This was brought about in cotton goods by the two good years our manufacturers have had since cotton broke the record both for cheapness of raw material and consumption of its products; and, as usual, the capacity to manufacture has been increased. Now, with a sudden contraction in consumption, a shut-down was inevitable. Woolen manufacturers have been in a state of chronic overproduction for some time, except in some specialties, on which every season has its run. But the capacity to produce is nominally in excess of consumption, especially of cheaper goods, with merchants in the interior buying nothing for current trade, and only reducing stocks to pay old bills, while making no arrangements for Fall trade the movement from first hands has stopped; and, with big stocks already on hand, there was no other way than to stop the mills too. In imported goods the same conditions exist. Instead of new orders going forward to the European manufacturers for more goods, spring orders are being cancelled by the wholesale, as stocks are accumulating here for the same reason that domestic goods are. To such an extent has this become general that foreign manufacturers have been sending their agents over here to see what the trouble is. As a result nothing in the line of Fall trade whatever has been done and will not be until the financial situation is more settled. Everything depends on this, as in all other branches of trade, which are generally sound, for this is not a commercial, or overtrading panic, but simply a financial one, due to artificial rather than natural causes.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Bank Failures for the last six months.—The Comptroller of the Currency issued on the 28th of July a statement concerning the National banks showing that one hundred and five of them have suspended since the first of January. Of this number, however, fourteen have resumed business; thirty-seven are in the hands of the receivers; and it is hoped that nearly all of the others will re-open at no distant period. Every one having any knowledge of banking whatever knows that only the minor portion of the deposits of a bank is kept on hand, and, therefore, if every depositor should demand his money at the same time the bank cannot respond. This is just what is happening at the present time. Many have lost their heads in consequence of bank failures, and for other reasons, and have made a sudden demand for more money than the banks happen to have on hand. It has been shown in many of these cases that the assets are ample. Most of the banks have been well managed. Besides the National banks 196 State banks and bankers have failed during the same period. Of the National banks five were capitalized for $1,000,000 each; one at $600,000; six at $500,000; thirty-six at $50,000, and the remaining at $300,000, $250,000, $100,000, and less, but more than $50,000; the greater number, however, being from $100,000 to $150,000.

By geographical sections, the failures are distributed as follows:—

New England States	2
Eastern States	2
Middle and Mississippi Valley States	15
Northwestern States	6
Western States	55
Southern] States	25
Total	105

The most striking thing about these failures is their geographical position. Only four have failed in the New England and the Eastern States, while eighty of the failures have been in the Western and Southern States. In too many of these cases the failures have been the outcome of using the banks as tenders to outside operations than as purely banking institutions. The outside ventures having failed the banks have been obliged to suspend. The air is now full of new systems of banking, but it is a very trite thing to say that no system will make a man honest, and no system can ever be invented that cannot be abused. This is precisely what has happened to the National banking system.

Having acquired a good name, advantage has been taken of this to fool people and get their money. It is not worth while to waste any time in trying to devise a system whereby these things can be prevented. One of the most obvious lessons that these failures teach is that as far as possible depositors should stick to the old banks whose reputations have been established, or if they live in new communities where banks are desirable, to have more regard for the character of those engaged in organizing and conducting them. In banking we fear that of late too high opinion has been entertained of that class of men popularly known as hustlers. Hustling may be very good in some kinds of business, but not banking. The most essential element is conservatism, and this conveys precisely the opposite thing to hustling. If these failures should have the effect of eliminating the hustlers from the banking world, there will be less speculation and fewer failures in the future.

Worthlessness of Real Estate as Security for Bank Loans.—The recent bank failures have once more shown the danger of making loans on real estate security. Once this was a very common practice; bankers supposing that, if security of this kind was taken, their loans were amply secured, and that nothing was more desirable as security. When the National Bank Act was adopted the banking world had had a great deal of experience in the way of lending on real estate, and had reached a different conclusion. Notwithstanding its plain provisions, many of the banks that have recently failed in the South and West had lent their money very much in the same manner as they would have done had they never heard of the law. In the boom towns especially has this been the case. The booms have collapsed, the security has disappeared, and the banks also. In many of these cases the bank's security is quite beyond the reach of recovery. These experiences ought to teach other banks the danger of lending on such security. In some of the recent failures it appears that the banks were organized merely as adjuncts for the purpose of getting money to conduct real estate speculations; these having failed, of course the collapse of the bank was inevitable. The penalty for thus violating the law, as decided in the Matthews case, was a forfeiture of the bank's charter. A borrower cannot interpose this defense to escape payment of his obligation, but the Government may take away the charter for thus ignoring the law. If the Government had taken away the charters of a few banks which have deliberately and willfully violated this provision of the law, it doubtless would have had a restraining effect on the other banks.

The Scottish Banking System.—A few weeks ago the San Fran-

cisco *Journal of Commerce* was saying fine things of the California banking system because it was founded on the Scottish system, which makes the private fortunes of the stockholders responsible for the indebtedness of the bank. "All the wealth of San Francisco," continued the *Journal of Commerce*, "and much more, indeed, as our capitalists own lands improved and unimproved, and property of various kinds, in mines, etc., not only all over the State but over the coast, and even in the East itself, sustains our system." Since these words were written, the suspension of some of the California banks has doubtless led that journal to revise its opinion of the superiority of the Scottish system. It has been very successful in Scotland, but this is the consequence of two or three things quite overlooked by the *Journal of Commerce*. One is that the Scotch bankers are very conservative in their modes of doing business, especially in requiring security from borrowers. They do not plunge into speculation like too many of our bankers. Furthermore, Scottish depositors are remarkably thrifty persons, and possess an unusual degree of honesty. Scottish banks, therefore, have had a remarkable history, because so much honesty, efficiency, and economy have been displayed by all who were interested in them. It is a repetition of the old story, good banking depends far more on the ability and honesty of bankers and customers than on the system. The people, however, seem to be very slow to find this out. They are even now dreaming that a system of government can be found, or of banking, or of railroading, that will accomplish great things. But it is just as true now, as it has ever been, that success in government or any kind of business depends far more on persons than on systems. No one need exhaust his brains to find improvements in our banking system as a remedy for the existing evils; the thing to do is to improve the character of bank officers and of borrowers, but so long as men are dishonest and inefficient, panics and failures are inevitable.

Reviving of Gold Mining in California.—A few years ago a law was enacted in California forbidding hydraulic mining, because it was so disastrous to the landed interest of the State. The debris came down the rivers, filling their beds and causing large portions of the country to be inundated and ruined. This led to the enactment of a law whereby the owners were obliged to suspend operations. Some of them had spent many millions in bringing water from a long distance to conduct their operations. The farmers did indeed learn that the suspension of these operations prevented the destruction of their land; on the other hand, the mining villages were deserted, and one of the best sources for the sale of their products disappeared. This was an unforeseen conse-

quence. The State, therefore, while suffering from these operations, has, on the whole, suffered still more from the suspension of them, as well as from the failure to collect the millions of gold which annually was obtained in this manner. The inhabitants of California now quite generally are desirous to have these operations resumed in a modified way. It would be a great boon to add fifteen or twenty millions of gold to our currency. This is greatly needed, and all the more if silver is to be completely demonetized.

Savings Bank Deposits.—The savings banks of Switzerland, Sweden and Norway, Austria, Great Britain, Italy and France, hold $2,383,000,000 on deposit. Returns of 646 of the 863 savings banks in the United States, for the fiscal year ended June 30, 1892, show deposits of $1,712,000,000. Probably these institutions carry as large aggregate deposits as all the savings banks of the continent of Europe and the British Islands. The savings deposits in Austrian banks amount to $613,000,000; those in British banks to $536,000,000; total for the two $1,149,000,000, or $563,000,000 less than the deposits in the savings banks of the United States. The deposits of Austria, France and Great Britain, combined, are $13,000,000 less than are shown by only a majority of our own.

By the death of Mr. Anthony J. Drexel, which occurred too late for notice in the last issue of the MAGAZINE, the banking world loses one of its most familiar and eminent names, and society one of its great philanthropists. One of the charms of Mr. Drexel's life was his simplicity and complete freedom from coarse display and noise which characterizes so much of our modern society. Holding a high and a secure place in business and in society, he lived the beautiful and unconscious life of a child who has no thought of self, or how he is regarded by those around him. Elsewhere will be found a tribute that appeared in the Philadelphia *Star*, which describes with great felicity Mr. Drexel's rare and admirable qualities.

STATE BANK SYSTEMS.

[CONCLUDED.]

The banking history of Illinois is very instructive and interesting. The constitution which was adopted in 1818 declared that no new bank or moneyed institution should be permitted in the State except a State bank and its branches, and those then existing. The next year a bank was incorporated by the name of the State Bank of Illinois for 25 years, with a capital of $4,000,000, one-half of which was to be subscribed by individuals and the other half by the State. No attempt was made to set the bank in operation; in 1821 the charter was repealed, and another bank was chartered for ten years, with a capital of $500,000, to be owned by the State, and managed and superintended by the Legislature. "The act was an anomaly in legislation, and assumed the wild theory that paper money was a panacea for financial distress." The capital consisted simply of its bank-plates, and $300,000 were directed to be issued and lent on notes for one year, with mortgages as securities, in sums not exceeding $1,000 to each individual. The notes bore 2 per cent. interest per annum, and the borrowers paid 6 per cent. to the bank on their notes, which were to be renewed on payment of 10 per cent. of the principal annually until the expiration of the bank charter, when the balance was to be paid. The notes of the bank were to be receivable in payment of taxes and for all public debts. Hardly had it begun operations before its bills fell to 75 per cent., then 50, dropping to 25 cents on a dollar, when they ceased to circulate. "At one of the branches, of which there were four, two dollars in specie were received, which were preserved as curiosities." The most deplorable consequences of a moral and financial kind resulted from this experiment.

But the State had not yet had enough of State banking. In February, 1835, it essayed another experiment. A new State bank was incorporated in 1837, having $4,500,000 capital. The State was a partner, and $2,000,000 bonds were issued by it to supply the capital. Fifty days were allowed for redeeming its bills. Its loans were made to irresponsible parties, and it was soon compelled to suspend payments. In 1843 it determined on liquidation. The State laid violent hands on its own bonds issued for stock and annulled its liability. Subsequently, the State burned $3,050,000 bonds issued to the two banks in the Capitol Square at Springfield.

The mode of furnishing specie, to comply with the law requiring banks to have a certain amount of it before issuing their notes,

should be mentioned. A bank would get the amount needed, and keep it long enough for the State official to see it and certify that the law had been complied with, and then it would be taken to another bank and employed in the same manner. After going the whole round and supplying all the banks that were to be put in operation at that time, it would finally be sold, and thus disappear from the banks altogether. The banks were often organized in groups, which permitted the adoption of such a plan. The Legislature would grant a considerable number of charters at the same session, and in this way the State banking system exploded. Its growth was spasmodic. The wave would pass from one State to another, and then subside. Then another wave would rise elsewhere, and the same history of rapid bank formation would be repeated. So long as the public had faith that the notes would be paid they would be taken, but every now and then the fear of their non-payment would spread over the land, and specie payments were suspended. In other words, so long as people did not want specie, it was easy enough for the bank to maintain specie payments; but when the people *did* want it, the banks had nothing to pay out, and could not do otherwise than suspend.

The creation of the second United States Bank operated as a healthy check in many ways to the State institutions. They multiplied less rapidly and conducted their business with more prudence. But when the deposits were removed from the National bank, they were put into the State banks. Certain ones were selected, which were called the "pet banks." These institutions were directed by the Secretary of the Treasury to make liberal discounts in order to relieve the stringency caused by the new policy of curtailing discounts which the Bank of the United States was obliged to adopt. The suggestion was hardly necessary, for the desire to earn fat dividends led them to increase their discounts rapidly, and paper money became more abundant than ever. Besides, new banks were started in every direction, in the expectation that Congress and the Executive would not renew the charter of the United States Bank. On January 1, 1830, the aggregate capital of the banks in the country was $145,192,268, and their deposits were $55,559,928—making a total of $200,752,196. Their loans and discounts at the same time were $200,451,214—very nearly the aggregate amount of capital and deposits. Eight years afterwards the aggregate capital of the banks was $290,772,091, and their deposits were $127,397,185—a total of $418,169,276. Their loans and discounts at the same period were $525,115,702, or more than twice the amount of loans in 1830, and exceeded the aggregate amount of capital and deposits by $156,946,426. Says Garland in 1850, "The State banks within a few years nearly doubled their original number, were greatly enlarged in their powers and nominal resources.

and made to pour forth with prodigal hand their spurious issues of paper money—those pictured shadows that bewildered the brain, intoxicated the hearts of the people, and drove them into the maddest schemes of speculation and extravagance. Never did any nation in the same space of time make more rapid advances in degeneracy or approach nearer a total abandonment of that great moral law which constitutes the well-being of all civil society, and a substitution in its place of those time-serving expedients of interest and selfishness which never fail to end in fraud, oppression and ruin."

One form of speculation was the purchase of Government lands. These were bought in enormous quantities. To check the speculation, a resolution was introduced into the Senate requiring payment to be made in gold and silver, but it was rejected. Then the Secretary embodied the idea in a circular which was afterwards known as the "Specie Circular." It failed to cure the disease. The mode of operations was somewhat changed, but land speculation continued on an enormous scale.

It was easy to foretell what would happen from such a vast expansion of banking facilities, and wild, unreasoning speculation. After a brief period the people were seized with fear, and demanded specie of the banks in exchange for their notes. This movement immediately exposed their hollowness. They all went down, those having the Government deposits as well as the rest. This was in May, 1837; Van Buren's Administration was only two months old. The President was a warm admirer of Jackson, and had formally announced that he would continue his predecessor's policy in respect to the management of the deposits. But the "experiment" had suddenly culminated. The deposits of the Government were out of its possession, and could not be had, and it suddenly found itself confronted with the question of how to get money enough to pay its expenditures.

The banks recovered partially in 1838 and 1839, but not fairly until 1841. After this explosion they managed their affairs with more prudence for several years. The free banking system was extended into more and more of the States, and additional securities for the circulation were imposed. Nevertheless, in 1857 another general suspension occurred; the banks had over-issued, and speculation ran riot. The people at last awoke to the situation, demanded payment of the bank notes, and, of course, the banks had no specie to pay. Had their discounts been sound, ultimately they could have paid their notes; but too often loans were recklessly granted and recovery of them was hopeless. Even if in many cases the money were recovered, bank-bills were depreciated; they were sold at discount, and the losses to bill holders every year were very large, although varying greatly in amount. The

loss has been estimated at not less than 5 per cent. annually on the whole amount in circulation.

In 1863 the National banking system was established. All admit its superiority to every system previously tried. The solvency of the notes issued by the National banks has never been questioned, and the mode of redeeming them is perfectly satisfactory to the people. The chief defect at present is that the amount of circulation is essentially fixed; but this is the result of an accident and not the intention of the law. The system is free; all can engage in banking who desire on similar conditions; and the amount of circulation which it is possible to issue is limited only by the amount of the National bonded indebtedness. Unfortunately, however, the high price of bonds forbids the purchase of only the smallest amount required by law, and thus the increase of the bank note circulation is slow. At times, indeed, the withdrawals have been larger than the additional issues of new banks, but now the amount is slowly increasing. If the National bonded indebtedness could be purchased at par, or nearly so, no doubt the National bank note circulation would be considerably increased, responding closely to the wants of business. Why not replace the four per cents. by another bond bearing a lower rate of interest and which would sell at about par? If this were done then the bank note circulation would accommodate itself everywhere to the needs of the country. Is any other change required besides this? A few years ago it was feared that the debt would be rapidly paid and the system become extinct for need of the proper basis of security on which to issue bank notes, but conditions have so changed that the extinction of the funded debt will probably be deferred for many years. Since this is the case, is not the issue of another class of bonds, bearing a lower rate of interest which would probably sell at nearly par, and which would form a desirable basis for bank note issues, the most rational measure to adopt as a solution of this question?

COLLECTIONS—INSOLVENCY.

UNITED STATES SUPREME COURT.

Commercial Nat. Bank v. *Armstrong.*

A Cincinnati bank wrote to a Philadelphia bank: "Will collect at par all points west of Pennsylvania, and remit the 1st, 11th, and 21st of each month." The latter accepted this proposition, and thereafter, from time to time, forwarded paper indorsed "For collection." Business was carried on under this arrangement for several months, when the Cincinnati bank failed, having in its hands, or in the hands of its subagent banks, the proceeds of paper thus forwarded. *Held*, that the relation between the banks was that of principal and agent until the collection of the paper and the receipt of the money by the Cincinnati bank, after which time the relation was that of debtor and creditor; and hence that the receiver of the Cincinnati bank could not be charged, as trustee, with any moneys which were collected, and passed into its general funds, before the failure, or which before that time were collected by subagents, and credited to it on a debt which it owed them, but that he could be so charged with moneys collected by a subagent before the failure, and afterwards paid to the receiver.

On the 23d of November, 1887, the Commercial National Bank of Pennsylvania filed its bill of complaint in the circuit court of the United States for the southern district of Ohio, against David Armstrong, receiver of the Fidelity National Bank of Cincinnati, the purpose of which bill was to charge the defendant, as trustee of the plaintiff, for $17,460.32, certain funds in his possession. To this bill of complaint the defendant duly appeared and answered. After the taking of testimony, the case was submitted on pleadings and proofs, and on the 8th of June, 1889, a decree was entered in favor of the plaintiff, directing the defendant to pay to it the sum of $7,209.59, which he was adjudged to hold as trustee, and also whatever sums he might thereafter receive from the receiver of the Fifth National Bank of St. Louis, Mo., as dividends upon the sum of $1,577.89, the amount of paper transmitted to that bank for collection. From this decree both parties appealed to this court. The opinion of the circuit court was delivered by Jackson, Circuit Judge, and will be found in 39 Fed. Rep. 684.

The transactions between the two banks originated in the following letter, sent by the Fidelity National Bank to the plaintiff.

"U. S. Depository.
"The Fidelity National Bank.
"Capital, $1,000,000.

"Briggs Swift, president; E. L. Harper, vice-president; Ammi Baldwin, cashier; Benjamin E. Hopkins, ass't cashier.

"Cincinnati, 2, 12, 1887.

"Com'l Nat. B'k, Philada., Pa.—Gentlemen: Enclosed herewith we hand you our last statement, showing us to be the second bank in Ohio, in deposits, in the tenth month of our existence. We should be pleased to serve you, and trust you will find it to your advantage to accept one of the following propositions:

"No. 1. We will collect all items at par, and allow 2½ per cent. interest on daily balances, calculated monthly. We will remit any balance you have above $2,000 in New York draft, as you direct, or ship currency at your cost for expressage.

"No. 2. Will collect at par all points west of Pennsylvania, and remit the 1st, 11th, and 21st of each month.

"No. 3. We will collect at par Ohio, Indiana, and Kentucky items, and remit balance every Monday by draft on New York.

"We do not charge for exchange on propositi ns Nos. 1, 2, and 3.

"No. 4. Will collect Cincinnati items and remit daily at 40 cents per thousand, or 20 cents for $500 or less.

"National banks not in a reserve city can count all they have with us as reserve.

"Your early reply will oblige, respectfully yours,

"E. L. Harper, V. P."

To this letter the plaintiff replied on February 18th, accepting proposition No. 2; and thereafter, from time to time, forwarded paper for collection. The Fidelity Bank caused to be made and sent to the plaintiff a rubber stamp for use in indorsing paper thus forwarded. The stamp read as follows:

"Pay Fidelity National Bank of Cincinnati, O., or order, for collection for Commercial Bank of Philadelphia, Pa. E. P. Graham, Cashier."

Business was carried on between the two banks under this arrangement until June 20, 1887, when the Fidelity Bank failed, having in its hands, or in the hands of other banks to which the same had been sent by it for collection, proceeds of paper forwarded by plaintiff after June 4th, amounting to $16,851.92. The only correspondence which took place during this time between the parties, which can be considered as throwing any light upon the arrangement between them, was a letter from the plaintiff of May 25th, as follows: "We don't wish to complain, but would like to understand why your remittance to us of May 21 only included items sent you up to May 14, and received by you on the 16th. We have to explain these things to our depositors, and wish to act intelligently on the subject;" and a reply in these words: "We collect at par, and include in our remittances everything collected to date."

BREWER, J.—We agree with the circuit judge that the relation created between the banks as to uncollected paper was that of principal and agent, and that the mere fact that a subagent of the Fidelity Bank had collected the money due on such paper was not a mingling of those collections with the general funds of the Fidelity, and did not operate to relieve them from the trust obligation created by the agency of the Fidelity, or create any difficulty in specifically tracing them. As to such paper, the transaction may be described thus: The plaintiff handed it to the Fidelity. The Fidelity handed it to a subagent. The subagent collected it, and held the specific money in hand to be delivered to the Fidelity. Then the failure of the Fidelity came, and the specific money was handed to its receiver. That money never became a part of the general funds of the Fidelity. It was not applied by the subagent in reducing the indebtedness of the Fidelity to it, but it was held as a sum collected, to be paid over to the Fidelity, or to whomsoever might be entitled to it. The Fidelity received the paper as agent, and the indorsement "for collection" was notice that its possession was that of agent, and not of owner. In *Sweeny* v. *Easter*, 1 Wall. 166, 173, in which there was an indorsement "for collection," Mr. Justice Miller said: "The words 'for collection' evidently had a meaning. That meaning was intended to limit the effect which would have been given to the indorsement without them, and warned the party that, contrary to the purpose of a general or blank indorsement, this was not intended to transfer the ownership of the note or its proceeds." And in *White* v. *Bank*, 102 U. S. 658, 661, where the indorsement was "for account," the same justice, speaking of the indorsement, said: "It does not purport to transfer the title of the paper, or the ownership of the money when received." The plaintiff, then, as principal, could unquestionably have controlled the

paper at any time before its payment, and this control extended to such time as the money was received by its agent, the Fidelity. (*Bank v. Hubbell*, 117 N. Y. 384, 22 N. E. Rep. 1,031; *Manufacturers' Nat. Bank* v. *Continental Bank*, 148 Mass. 553, 20 N. E. Rep. 193; *Freeman's Nat. Bank* v. *National Tube Works*, 151 Mass. 413, 24 N. E. Rep. 779; *Armstrong* v. *Bank* (Ky.) 14 S. W. Rep. 411; *First Nat. Bank of Crown Point* v. *First Nat. Bank af Richmond*, 76 Ind. 561.) In those cases the suits were against subagent banks. It is true that in most of them the collection was made by the subagent after the avowed insolvency of the agent, but that fact we cannot think is decisive. If, before the subagent parts with the money, or credits it upon an indebtedness of the agent bank to it, the insolvency of the latter is disclosed, it ought not to place the funds which it has collected, and which it knows belong to a third party, in the hands of that insolvent agent or its assignee; and, on the other hand, such insolvent agent has no equity in claiming that this money, which it has not yet received, and which belongs to its principal, should be transferred to, and mixed with, its general funds in the hands of its assignee for the benefit of its general creditors, and to the exclusion of the principal for whom it was collected. Whether it be said that such funds are specifically traceable in the possession of the subagent, or that the agent has never reduced those funds to possession, or put itself in a position where it could rightfully claim that it has changed the relation of agent to that of debtor, the result is the same. The Fidelity received this paper as agent. At the time of its insolvency, when its right to continue in business ceased, it had not fully performed its duties as agent and collector. It had not received the moneys collected by its subagent. They were traceable as separate and specific funds, and therefore the plaintiff was entitled to have them paid out of the assets in the hands of the receiver, for, when he collected them from these subagents, he was, in fact, collecting them as the agent of the principal. No mere bookkeeping between the Fidelity and its subagents could change the actual status of the parties, or destroy rights which arise out of the real facts of the transaction.

We also agree with the circuit court, in its conclusions as to those moneys collected by subagents to whom the Fidelity was in debt, and which collections had been credited by the subagent upon the debts of the Fidelity to them before its insolvency was disclosed; for there the moneys had practically passed into the hands of the Fidelity. The collection had been fully completed. It was not a mere matter of bookkeeping between the Fidelity and its agents. It was the same as though the money had actually reached the vaults of the Fidelity. It was a completed transaction between it and its subagents, and nothing was left but the settlement between the Fidelity and the principal—the plaintiff. The conclusions of the circuit court were based upon the idea that these collections could not be traced, because they had passed into the general fund of the bank. We think, however, a more satisfactory reason is found in the fact that by the terms of the arrangement between the plaintiff and the Fidelity the relation of debtor and creditor was created when the collections were fully made. The agreement was to collect at par, and remit the 1st, 11th, and 21st of each month. Collections intermediate those dates were, by the custom of banks, and the evident understanding of the parties, to be mingled with the general funds of the Fidelity, and used in its business. The fact that the intervals between the dates for remitting were brief is immaterial. The principle is the same as if the Fidelity was to remit only once every six months. It was the contemplation of the parties, and must be so adjudged, according to the ordinary custom of banking, that these col-

lections were not to be placed on special deposit, and held until the day for remitting. The very fact that collections were to be made at par shows that the compensation for the trouble and expense of collection was understood to be the temporary deposit of the funds thus collected, and the temporary use thereof by the Fidelity. The case of *Marine Bank* v. *Fulton Bank*, 2 Wall. 252, is in point, though it may be conceded that the facts in that tending to show the relation of debtor and creditor are more significant than those here. In the spring of 1861 the Fulton Bank of New York sent two notes for collection to the Marine Bank of Chicago. There being some trouble about currency, the Fulton Bank requested the Marine Bank to hold the avails of the collection subject to order, and advise amount credited. Afterwards the Marine Bank sought to pay in the currency which it had received on the collection, then largely depreciated, but its claim in this respect was denied; Mr. Justice Miller, speaking for the court, saying: "The truth, undoubtedly, is that both parties understood that, when the money was collected, plaintiff was to have credit with the defendant for the amount of the collection, and that defendant would use the money in its business. Thus the defendant was guilty of no wrong in using the money, because it had become its own. It was used by the bank in the same manner that it used the money deposited with it that day by city customers, and the relation between the two banks was the same as that between the Chicago bank and its city depositors. It would be a waste of argument to attempt to prove that this was a debtor and creditor relation. All deposits made with bankers may be divided into two classes, namely, those in which the bank becomes bailee of the depositor, the title to the thing deposited remaining with the latter; and that other kind of deposit of money peculiar to banking business, in which the depositor, for his own convenience, parts with the title to his money, and loans it to the banker, and the latter, in consideration of the loan of the money, and the right to use it for his own profit, agrees to refund the same amount, or any part thereof, on demand. The case before us is not of the former class. It must be of the latter."

That reasoning is applicable here. Bearing in mind the custom of banks, it cannot be that the parties understood that the collections made by the Fidelity during the intervals between the days of remitting were to be made special deposits, but, on the contrary, it is clear that they intended that the moneys thus received should pass into the general funds of the bank, and be used by it as other funds, and that, when the day for remitting came, the remittance should be made out of such general funds.

The conclusions, therefore, reached by the circuit court, were correct, and the judgment is affirmed.—*Supreme Court Reporter*.

DRAFT SECURED BY BILL OF LADING.

UNITED STATES SUPREME COURT.

Means et al. v. *Bank of Randall.*

Advances for the purchase of certain cattle were made by a bank on the agreement by the parties to the sale that the bank should have a lien therefor on the cattle until they should be sold by consignees to whom they were to be shipped, and that a draft for the amount should be drawn on the consignees against the proceeds of the sale by them. Such draft was made and delivered to the bank, with a bill of lading for four car loads of the cattle, but no bill of lading was issued for the two remaining car loads, they being shipped in the name of a third person to enable him to procure a pass to accompany the bank's agent in charge of the shipment. The consignees, before selling the cattle, had notice of the bank's advances and of the draft and bill of lading, and no money was paid nor any right relinquished by them on account of the shipment. *Held*, that the consignees could not apply the proceeds of the sale to a prior debt of the consignor to them, as against the bank's lien, which was valid against them even as to the proceeds of the two car loads not included in the bill of lading.

Mr. Justice Blatchford delivered the opinion of the court.

This is an action brought in the district court for the county of Cloud, in the State of Kansas, by the Bank of Randall, a Kansas corporation, doing business at Randall, in that State, against C. G. Means, W. W. Means, and C. H. Means, co-partners as C. G. Means & Sons, to recover $6,700, $4 protest fees, and $402 damages. The suit was accompanied by an attachment, and, before answer, was removed by the defendants, who were citizens of Missouri, into the circuit court of the United States for the district of Kansas.

The amended petition filed in the circuit court of the United States set forth the following cause of action: On September 14, 1887, one Patterson was the owner of 98 cattle, of the value of $6,700, which he agreed to sell to one Lyons, who applied to one Bramwell, the cashier and agent of the plaintiff, for a loan of $6,700, to pay for the cattle, until he could ship them to Kansas City and sell them. It was agreed by Patterson, Lyons, and the plaintiff that, if the plaintiff would advance and pay to Patterson $6,600 and $100 for expenses, the plaintiff should have a lien upon the cattle, and retain the title to them, until the money was repaid; that the cattle should be shipped by Lyons as consignor, by way of the Missouri Pacific Railroad, to the defendants at Kansas City, Mo.; and that four car loads of the cattle were to be shipped in the name of Lyons as consignor, and two car loads in the name of one Guthrie as consignor. The defendants were engaged at the time in buying and selling live stock at Kansas City. In pursuance of that agreement, Patterson sold and delivered the 98 cattle to Lyons, and the plaintiff paid to Patterson the $6,700. Lyons delivered the cattle on board the cars of the railroad company in the town of Randall, consigned to the defendants at Kansas City, and received from the railroad company one bill of lading, for four cars, by which that company acknowledged the receipt of the cattle from Lyons, and agreed to deliver them to the defendants at Kansas City. This bill of lading Lyons indorsed and delivered to the plaintiff. No bill of lading was issued to Guthrie, but by agreement between the agent of the railroad company, Lyons, and the plaintiff, two cars were loaded each with 16 steers, and shipped to the defendants at Kansas City, as consignees, and Guthrie as consignor.

The four cars for which the bill of lading was issued in the name of Lyons contained 66 steers in all. It was agreed by the company, Lyons, and the plaintiff that the plaintiff waived no title to the steers, or to the money to be derived from their sale, by permitting them to be shipped in the name of Guthrie; and that they should be delivered to the defendants with the other steers, and the proceeds be applied to the payment of the $6,700. Thereupon Lyons drew his draft on the defendants, dated September 14, 1887, whereby he directed them to pay to his order $6,700, at sight, in Kansas City, which draft he indorsed and delivered to the plaintiff. The 98 steers were transported by the railroad company to Kansas City, and to the stock yards there, and on September 15, 1887, at 9 o'clock A. M., delivered to the defendants according to the contract set out in the bill of lading. The defendants received the steers, sold them for account of Lyons, converted the proceeds to their own use and benefit, and refused to pay the plaintiff for any of them or render to it any account of sales. At the time the steers were delivered to the defendants, the latter were advised by Lyons that the plaintiff had advanced the money to pay for the steers, and that Lyons had drawn his draft on the defendants and assigned it to the plaintiff. By those transactions the plaintiff became the owner of the steers, and entitled to their proceeds. On September 15, 1887, at 11 o'clock A. M., the draft and bill of lading were presented to the cashier of the defendants, at their office in the Kansas City stock yards, and payment demanded. The cashier, after examining the draft, directed the bank messengers who brought it to leave it at the Stock Yards Bank, promising to pay it if they would do so. The draft was so deposited, and at 2:30 o'clock P. M. of the same day was presented by the messengers of that bank to the defendants at their office, payment was refused, and the draft was protested for nonpayment. When the draft and bill of lading were first presented to the defendants, the steers had not been disposed of by them, and were being received by them from the cars. For more than 12 months before September 14, 1887, Lyons had been engaged in shipping stock to the defendants, and accustomed to drawing drafts in favor of the plaintiff and others against such shipments, and transferring the bills of lading and cattle so shipped to the parties holding such drafts on account of the shipments. The defendants, before September 15, 1887, were accustomed to and did pay all such drafts, and had never refused payment of any of the same. The defendants had not paid to the plaintiff any part of the $6,700.

The defense set up in the answer to the amended petition was that before the shipment of the cattle the defendants advanced to Lyons more than $7,500, to be used by him to buy cattle for them, with the agreement that the cattle, when purchased, should be delivered by him to the defendants, to be sold by them on account of such advances, and that the cattle were to be delivered on board of the cars at Randall, Kan.; that the cattle in question were delivered to the defendants at Randall on board of the cars; that four cars thereof were consigned to the defendants as per the bill of lading; that no bill of lading was issued for the two cars shipped by Guthrie; that all of the cattle, at the time they were delivered to the defendants, were their property and in their possession before the bill of lading was delivered to the plaintiff; that Lyons and Guthrie accompanied the cattle from Randall to Kansas City, and remained with them while in transit; that when the cattle reached Kansas City the defendants took them from the cars with the knowledge and authority of Lyons and Guthrie, and with like knowledge and authority sold the cattle, and applied the proceeds in payment of the amount so advanced to Lyons; that the bill of lading was never

indorsed to the plaintiff, and the latter had no right or authority, by virtue of its corporate power, to receive the same, or take any title to it or the property represented by it; that the defendants had no knowledge or notice that Lyons had drawn any draft on them until the cattle had been received and sold by them, and the proceeds applied as aforesaid; that the draft was not drawn with the knowledge, consent, or authority of the defendants, or any one of them; that as to the two cars of cattle, no bill of lading was issued by the railroad company, and no delivery thereof, symbolic or otherwise, was made to the plaintiff; that the plaintiff did not have possession of any of the cattle at any time; and that the defendants had no notice that the plaintiff claimed to have any interest therein or lien thereon.

The case was tried before a jury, which was directed by the court to render a verdict for the plaintiff for $6,681.55. The defendants objected and excepted to such direction, and prayed the court to submit instructions to the jury on the pleadings and evidence, which prayer the court refused, and to such refusal the defendants excepted. The verdict was rendered accordingly, and a judgment was entered thereon in favor of the plaintiff against the defendants for $6,681.55. The defendants made a motion for a new trial, which was denied; and then the court signed a bill of exceptions containing all the evidence offered or received on the trial. The defendants then sued out from this court a writ of error.

The evidence shows the following state of facts: Patterson owned the 98 head of cattle, which Lyons desired to buy, but he did not have the means. Lyons, in company with Patterson, applied to Bramwell, the cashier and agent of the plaintiff, to borrow from it $6,700 to pay for the cattle and the expense of their shipment, until they could be sold at Kansas City. The plaintiff, after its cashier had examined the cattle and become satisfied that they would be sufficient security, agreed to pay the purchase price of them to Patterson, on the express condition that the plaintiff should have a lien upon, and a pledge of, the cattle as its security for making the advance, until they were shipped to and sold by the consignee at Kansas City. To that end it was agreed that delivery of the cattle should be made by Patterson to the plaintiff, which was done, and that the plaintiff should have the title to, and right of possession of, the cattle until they were sold by the consignee and the plaintiff was reimbursed from the proceeds. Patterson, at the request and as the representative of the plaintiff, was to go with the cattle to Kansas City. The defendants' firm was selected as the consignee to receive and sell the cattle, which were shipped accordingly, on September 14, 1887, in six cars of the Missouri Pacific Railroad Company, accompanied by Patterson, Lyons, and Guthrie. Guthrie desired to get a pass to Kansas City, and Lyons had arranged with him to go with the cattle. As, under the rules of the railroad company, only two persons could get passes on account of a single shipment or billing of cattle, four of the cars were to be billed as shipped by Lyons and the other two as shipped by Guthrie. A bill of lading for the four cars was issued by the company in the name of Lyons; but as Guthrie had not yet arrived, no bill of lading was issued to him for the two cars, but they were billed to him in his absence. Lyons transacted that part of the business with the agent of the railroad company, Bramwell being then at the bank. The cattle were started on September 14, 1887, and reached the Kansas City stock yards about 9 o'clock A. M. on September 15th. After they were unloaded into the chutes of the Stock Yards Company, they were delivered to the defendants, and between 2 and 3 o'clock P. M. on September 15th were sold by them to the Armour Packing Company for $6,133.

At the time of the arrangement for the advance of the purchase money by the plaintiff, it was agreed that a draft for the amount advanced should be drawn by Lyons against the shipment on the defendants, to be accepted by them and paid out of the proceeds of the sale of the cattle. The draft was drawn and was indorsed and delivered by Lyons to the plaintiff, together with the bill of lading which had been issued for the four car loads. On September 14, 1887, the plaintiff forwarded this draft, with the bill of lading attached to it, to the Bank of Commerce, its correspondent at Kansas City, for collection. It was received by that bank early on the following morning, and was given to its messenger for presentation and collection at the office of the defendants, which was in the Live Stock Exchange Building, at the stock yards. Between 10 and 11 o'clock A. M. of the same day, and more than three hours before the defendants sold the cattle, the draft and bill of lading were presented by the messenger at the counter of the defendants, to their agent in charge of their office, who, after examining those papers, returned them to the messenger and told him to leave them at the Stock Yards Bank, this being the custom at the stock yards with respect to drafts which the messengers of other banks failed to collect on presentation. Between 2 and 3 o'clock P. M. of the same day the draft was presented by the collector of the Stock Yards Bank at the office of the defendants for payment; and between 3 and 4 o'clock P. M. of that day it was presented by the cashier of that bank, and formally protested by him for nonpayment. The defendants converted the proceeds of the sale of the cattle to their own use, and refused to pay the draft, giving as their reason for so doing that Lyons was indebted to them on an old account, and that they had a right to apply those proceeds thereon.

There was no dispute about the foregoing facts. In addition, Patterson and Lyons testified that on the morning of September 15, 1887, the day when the cattle reached Kansas City, one of the defendants was notified personally that the plaintiff had paid for the cattle, and that a draft therefor had been drawn on the defendants and delivered to the plaintiff. No money was paid by the defendants, and the only justification attempted by them was their claim of a right to apply the proceeds of the cattle on their old account against Lyons.

It is very clear that the furnishing by the plaintiff of the purchase money for the cattle, on the faith of the agreement by Lyons that they and their proceeds would be security for the amount, and that a draft would be drawn therefor on the consignee against the cattle, with the further agreement that a bill of lading was to be obtained and turned over to the plaintiff, constituted a lien upon and a pledge of all the cattle, so far as the defendants were concerned, they having acquired no new rights, and not having changed their position in any essential respect, on account of the transaction, even though the bill of lading issued did not by its terms include the two car loads shipped in the name of Guthrie.

As to the four car loads named in the bill of lading, that instrument represented the cattle; and the transfer of the ownership as well as of the right of possession was made as effectually by the transfer of the bill as it could have been by a physical delivery of the cattle. (*Conard* v. *Insurance Co.*, 1 Pet. 386, 445; *Dows* v. *Bank*, 91 U. S. 618.)

When the bill of lading was transferred and delivered as collateral security the rights of the pledgee under it were the same as those of an actual purchaser, so far as the exercise of those rights was necessary to protect the holder. (*Halsey* v. *Warden*, 25 Kan. 128; *Emery* v. *Bank*, 25 Ohio St. 360; *Dows* v. *Bank*, 91 U. S. 618; *Bank* v. *Homeyer*, 45 Mo.

145; *Bank* v. *Dearborn*, 115 Mass. 219; *Bank* v. *Jones*, 4 N. Y. 497; *Holmes* v. *Bank*, 87 Pa. St. 525.)

A bank which makes advances on a bill of lading has a lien, to the extent of the advances, on the property in the hands of the consignee, and can recover from him the proceeds of the property consigned, even though the consignor be indebted to the consignee on general account; and the consignee cannot appropriate the property or its proceeds to his own use in payment of a prior debt. (*Conard* v. *Insurance Co.*, 1 Pet. 386; *Gibson* v. *Stevens*, 8 How. 384; 3 Pars. Cont. 487.)

As to the two car loads shipped or billed in the name of Guthrie, for which no bill of lading was issued, Guthrie had no interest in them, and the shipment in his name was merely to procure for him a pass from the railroad company. What took place between Lyons and the cashier of the plaintiff, at the time when the draft and the bill of lading were delivered to the plaintiff, amounted, as to the two car loads, to a verbal mortgage or pledge of the cattle in those two cars to the plaintiff, to secure its advance, and on the faith of it the advance was made. There is no conflict of testimony on this subject. There was a verbal mortgage or pledge of all the cattle to the plaintiff as security for its advance. Patterson delivered all the cattle to the plaintiff, and, at its request and as its agent, he was placed in charge of and accompanied the shipment. Guthrie, if representing any one, represented Patterson, and, through him, the plaintiff. Patterson arranged with Guthrie that the latter should go.

As a verbal mortgage or pledge included all the cattle, and was accompanied by a delivery, it was good, at least as against the defendants, irrespective of any question of notice. The defendants were chosen as factors, they having before acted for the same parties in similar transactions, where drafts had been drawn on them against the shipments. They did not advance any money on account of this shipment, they parted with no interest, relinquished no legal right, and stood in no better position to dispute the validity of the mortgage or pledge than did Lyons himself. It was perfectly valid as against Lyons, and he could not have been heard to dispute it.

But the defendants had notice that the draft had been drawn by Lyons against the cattle, and had been indorsed to the plaintiff, and this was soon after the arrival of the cattle at Kansas City, and several hours before they were sold. The draft was presented for payment, accompanied by the bill of lading, at the counter in the office of the defendants, and to their agent in sole charge there, between 10 and 11 o'clock A. M. of the day on which the cattle arrived; and the sale of the cattle to the Armour Packing Company was not made until between 2 and 3 o'clock P. M. on that day. Therefore the defendants had legal notice of the existence and presentation of the draft and the bill of lading between three and four hours before they sold the cattle and received the proceeds. They cannot occupy the position of innocent purchasers of the cattle.

The question resulting from the facts of the case was purely a question of law, and the verdict for the plaintiff was properly directed. If the question had been submitted to the jury, and they had found a verdict for the defendants, it would have been the duty of the court to set it aside.

In addition, the evidence shows that one of the defendants had explicit notice from Patterson and Lyons, shortly after the cattle arrived at Kansas City, that the plaintiff had advanced the money to pay for them, and that the draft was out against the defendants therefor.

The foregoing views are supported by the following cases: *Bank* v.

Porter, 73 Cal. 430, 11 Pac. Rep. 693, and 15 Pac. Rep. 53; *Darlington* v. *Chamberlain*, 120 Ill. 585, 12 N. E. Rep. 78; *Bates* v. *Wiggin*, 37 Kan. 44, 14 Pac. Rep. 442; *Morrow* v. *Turney*, 35 Ala. 131.—*Supreme Court Reporter.*

SAVINGS BANKS—ACTION FOR DEPOSITS.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Weld v. *Eliot Five Cents Sav. Bank.*

An order for the amount of a savings bank deposit, dated merely "1887," without specifying the month and day of the month in the date of the order, does not invalidate it.

Where an order for the amount of a savings bank deposit was presented to the bank, and payment was refused, a tender by the bank 15 days later of the exact sum due on the day the order was presented is bad, since it did not include the interest for the 15 days.

In an action against a savings bank to recover a deposit, plaintiff need not show that by the rules of the bank R. was entitled to the money without prior notice, as there is no legal presumption that the bank had a rule entitling it to prior notice.

ALLEN, J.—The defenses set up in the defendant's answer were (1) a general denial, and (2) a tender. The plea of tender was bad, because not accompanied by a profert in curia. (*Carley* v. *Vance*, 17 Mass. 389, 392; *Storer* v. *McGaw*, 11 Allen, 527; *Brickett* v. *Wallace*, 98 Mass. 528.) This, however, is now immaterial. The facts being agreed, defects in pleading are waived, and the case is to be determined on its merits. It is agreed that on April 26, 1892, the sum due on the bank book was $1,372.62. The plaintiff on that date was entitled to demand and receive that sum. The omission to specify the month and day of the month in the date of the depositor's order to make payment to Mr. Minot did not invalidate that order, and the defendant was not thereby excused from the duty of paying the amount to Mr. Rackemann upon his demand. Fifteen days afterwards the defendant offered to pay that sum to Mr. Rackemann, but for some reason the parties were both standing upon their extreme rights, and he then refused to take the money. The tender was bad, because it did not include the interest for the 15 days. The defendant now contends that the plaintiff was bound to show that, by the rules or by-laws of the defendant, he was entitled to call for payment of the amount of the deposit without prior notice. But we think, on the contrary, that it was for the defendant to show, if it could, that he was not so entitled. If the defendant had any rule entitling it to prior notice, it is not made known to us, and there is no legal presumption that it had. So far as is now made to appear, the demand on April 26, 1892, was a good demand, the subsequent tender was insufficient, and, according to the agreement of the parties, judgment must be entered for $1,372.62, with interest from that date at the rate of 6 per cent., and costs. Judgment accordingly.—*Northeastern Reporter.*

USURY.

COURT OF APPEALS OF KENTUCKY.

Snyder et al. v. *Mt. Sterling National Bank.*

Under Rev. St. U. S. § 5,198, relating to National banks, providing that the taking a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest, where a National bank loaned money at usurious interest, and added it into a note, which was several times renewed at the usurious rate, the bank is only entitled to recover, in an action on the last note, the principal sum originally loaned, less the partial payments made on the notes.

BENNETT, C. J.—The appellee is doing a banking business in this State under the United States banking law. As such banking institution, it loaned the appellants money, and took their note therefor, charging them a usurious rate of interest, and adding the same in the note; and at the maturity of the note it was renewed, and usurious interest again charged, and included in the new note. Renewals were in like manner made, and usurious interest added therein, until it resulted in the present note, when it was sued on. The appellants pleaded the foregoing facts in regard to the usury embraced in the several renewal notes, and asked that the interest be forfeited in consequence of the usury embraced in these several renewals, and that only the principal be recovered. The National banking law provides: "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." There is no doubt that each renewal note contained usury therein, and that it was "knowingly done." The question to be decided is whether the entire interest that the several renewal notes bore can be eliminated from said notes in an action on the last note so that nothing shall be recovered thereon except the principal. Upon that subject the following cases seem conclusive: In the case of *Bank* v. *Hoagland* (U. S. Cir. Ct.) 7 Feb. Rep. 161, the court says: "By the terms of the act of Congress the charging of such rates of interest worked a forfeiture of the entire interest which the several notes carry with them. Now, such forfeiture was not waived by the giving of the subsequent notes, although, as respects them, the agreed rate of interest was a legal rate. They were mere renewals, and given without any new consideration. Nor did the new notes operate as payment of the debts for which they were given. In so far, then, as the notes in suit embrace the forfeited interest, they are without consideration. Moreover, it is an established principle that, if there be usury in the original transaction, it affects all consecutive securities, however remote, growing out of it; and neither the renewal of an old nor the substitution of a new security between the same parties can efface the usury. The bank incorporated in the new notes usurious interest previously charged as a part of the new principal and this illegal consideration pervaded the whole subsequent series of notes. Upon fresh renewal interest was charged upon usurious interest, which had entered into the prior notes as principal." The case of *Bank* v. *Miller*, 73 Mo. 187, decides the same question the same way. The case of *Alves* v. *Bank*, 89 Ky. 126, 9 S. W. Rep. 504, directly decides the same principle. The leading idea in these decisions is that the new

notes are mere renewals—new evidences of old debts—and given without any new consideration; nor do the new notes operate as a payment of the debts for which they were given, and, as the usury embraced in the old notes taints the entire interest, and renders it vicious and void, the agreement to pay it is without any lawful consideration. Consequently the unlawful consideration may be eliminated from each renewal note, for such note is but the evidence of the old debt, which includes the vice and unlawful consideration, which, as between the same parties, may be traced to the new note, and eliminated. We now construe *Brown* v. *Bank* (Ky.), 18 S. W. Rep. 635, to be in harmony with the foregoing views. The judgment does not eliminate the entire interest from the several notes, but only the usury. This is error. The entire interest on all the notes should be eliminated, and judgment rendered for the principal alone, and the partial payments should be applied to the principal. The judgment is reversed, and cause remanded, etc. —*Southwestern Reporter.*

CORPORATION NOTES—EXPLANATION OF SIGNATURES.

SUPREME COURT OF KANSAS.

Kline et al. v. *Bank of Tescott.*

Where a note is executed by a corporation, and is signed by its president and secretary, and its directors write their names upon the back thereof, as directors, before delivery, extrinsic evidence is admissible between the original parties or any subsequent holder of the note, accepting the same as collateral, with full notice of all the facts and circumstances connected with the execution and delivery thereof, not only to show that the president and secretary executed the instrument in their official capacity as officers of the corporation, but also that the directors signed the note, on the back thereof, solely as officers of the corporation, and to bind the corporation only.

HORTON, C. J.—On August 15, 1888, the discount committee of the Bank of Tescott accepted the note of the Kanopolis Creamery Company to the Western Creamery Building & Supply Company, of June 1, 1888, for $950, "as collateral." F. F. Scidmore, F. L. Scidmore, and M. B. Buell were partners under the firm name of the Western Creamery Building & Supply Company. This company was also a stockholder in the Kanopolis Creamery Company, a corporation duly organized and existing under the laws of this State. F. L. Scidmore was a director of the Bank of Tescott. F. F. Scidmore was the cashier of the bank, and the discount committee of the bank consisted of F. F. Scidmore, T. E. Scidmore, and T. B. Seers. F. F. Scidmore was the person who secured the note sued on, and knew all the facts and circumstances under which it was executed and delivered, and was present with the discount committee of the bank when that committee acted upon and accepted the same.

Under the rule in *Mann* v. *Bank*, 30 Kan. 412, 1 Pac. Rep. 579, we must treat the note as if this action were between the original parties only—as if no assignment or transfer had been made. The trial court held that the note, upon its face, was the note of the Kanopolis Creamery Company, and that Waite and Wooley executed it in their official capacity only, but that the parties who signed upon the back were liable personally as guarantors. If extrinsic evidence were not admissible, the

ruling of the trial court would be correct. Under the authorities, if the parties who signed the note on the back, and who composed the board of directors of the Kanopolis Creamery Company, had signed the note upon its face, they could show they made it only in their official capacity, as directors of the corporation. "Where individuals subscribe their proper names to a promissory note, *prima facie*, they are personally liable, though they add a description of the character in which the note is given; but such presumption of liability may be rebutted, as between the original parties, by proof that the note was in fact given by the makers as agents, with the payee's knowledge." (*Byles, Bills*, 27, note 1; *Haile* v. *Peirce*, 32 Md. 327; *McWhirt* v. *McKee*, 6 Kan. 412; *Talley* v. *Burtis*, 45 Kan. 147, 25 Pac. Rep. 603.) In this case it is claimed that, if extrinsic evidence had been received, it would have shown the directors of the Kanopolis Creamery Company—the corporation—signed their names at the instance of F. F. Scidmore, one of the members of the Western Creamery Building & Supply Company, on the back of the note, as officers of the corporation, and for the corporation only. It is claimed that F. F. Scidmore assured these directors that the only way to make a corporation note was for the officers and directors of the corporation to sign their names and affix their official positions thereto, and that the note was thus signed under his direction to bind the corporation, but not the officers individually. If the parties who wrote their names upon the back of the note as directors had signed their names upon the face thereof, they could have shown by extrinsic evidence that they were acting for the corporation only; and we perceive no reason why, as between the original parties or any subsequent holder of the note, accepting the same as collateral, with full notice of all the facts and circumstances connected with the execution and delivery thereof, the same rule will not apply when such signatures are upon the back of the instrument before delivery. In *Fullerton* v. *Hill* (Kan.) 29 Pac. Rep. 583, it was ruled that "a stranger to a promissory note, who writes his name across the back thereof before it is delivered to the payee, incurs, *prima facie*, the liability of the guarantor. But parol proof may be received to show the exact liability of such indorser, by showing the agreement and understanding of the parties at the time of such indorsement." (*Baker* v. *Chambles*, 4 Greene, 428; *Whitney* v. *Inhabitants*, 111 Mass. 368; *Bank* v. *Boardman* (Minn.) 48 N. W. Rep. 1,116; *Metcalf* v. *Williams*, 104 U. S. 93; *Good* v. *Martin*, 95 U. S. 90.) "Considerable diversity of decision, it must be admitted, is found in the reported cases, where the record presents the case of a blank indorsement by a third party, made before the instrument is indorsed by the payee, and before it is delivered to take effect; the question being whether the party is to be deemed an original promisor, guarantor, or indorser. Irreconcilable conflict exists in that regard, but there is one principle upon the subject almost universally admitted by them all, and that is that the interpretation of the contract ought in every case to be such as will carry into effect the intention of the parties; and in most cases it is admitted that proof of the facts and circumstances which took place at the time of the transaction is admissible to aid in the interpretation of the language employed." (*Denton* v. *Peters*, L. R. 5 Q. B. 475; *Good* v. *Martin*, *supra*.) We think that the parties who signed as directors had the right, at the trial, to give in evidence to the jury that the note in question was not their note as guarantors, but that it was the note of the Kanopolis Creamery Company only. The judgment of the district court will be reversed, and cause remanded for further proceedings in accordance with the views herein expressed. All the justices concurring.—*Pacific Reporter*.

WHAT IS A GIFT OF A BANK BOOK?

SUPREME COURT OF ALABAMA.

Jones v. *Weakley.*

Two days before his death, defendant's intestate gave plaintiff a key to a box, and directed him to bring a pass book containing an account with a National bank. On the next day, in the presence of witnesses, deceased, after stating that he was going to die, handed to plaintiff the bank book, keys, and papers, saying: "Take this book. I give you this money, and all I have got. Go and get it." Plaintiff took the articles and retained them. *Held*, not sufficient to constitute a valid gift *causa mortis* of the money on deposit in such bank to the credit of deceased.

Appeal from circuit court, Jefferson County; James B. Head, Judge.

Action by John H. Jones against S. D. Weakley, as administrator of the estate of Nat Jenkins, deceased, to recover money had and received. From a judgment for defendant, plaintiff appeals. Affirmed.

STONE, C. J.—This case was tried by the court, without a jury, and presents a single question: Does the testimony prove that the deceased, Nat Jenkins, made a valid, executed gift *mortis causa* to John H. Jones, the plaintiff, of the money he had on deposit with the First National Bank of Birmingham? There is no material conflict in the testimony. The First National Bank of Birmingham was a bank of issue, discount and deposit, and was not a savings bank. Nat Jenkins was a colored man, was lying seriously wounded from a railroad disaster, believed he would die of his wounds, and did in fact die therefrom two days afterwards. He had a deposit account with the First National Bank. He had in his possession a pass book, in which was an account with the caption, "Dr. The First National Bank, in acc't with Nat Jenkins, Cr." In this pass book were items of debit and credit, but the account was not balanced. There was in fact a balance due the depositor of near $900. Jones was a nephew of Jenkins, and was visiting the latter as he lay in the hospital, from the effect of his injuries. He gave Jones the key to his box, and requested him to go and bring to him his pass book and other articles. On the next day, and in the presence of witnesses, Jenkins, after stating he was going to die, handed to plaintiff, Jones, the bank book, keys, and papers, and said to him: "Take this book. I give you this money, and all I have got. Go and get it. I don't want the old man or any of his folks to have anything that I have got. All I want is for you to see that I am decently buried." Jones took possession of the tendered pass book, keys, and papers, and retained them. After Weakley was appointed administrator, he checked the money out of the bank, and this action was brought by Jones to recover the same as so much money had and received for his use.

The general rule is that to constitute a valid gift, whether *inter vivos* or *mortis causa*, the donor must part with dominion over the thing attempted to be given; must do the act or acts which are, or appear to be, the most pronounced and decisive of the intention to part with the possession and control; and the acts must of themselves amount to a parting with possession and control. Authorities on this question are very abundant, and they cover almost every conceivable phase of the question. (*McHugh* v. *O'Connor*, 91 Ala. 243, 9 South. Rep. 165; *Dacus* v. *Streety*, 59 Ala. 183, 8 Amer. & Eng. Enc. Law, p. 1,341 *et seq.*, and the numerous authorities cited by counsel.)

The direct question presented by this record has been many times considered. A pass book issued by a savings bank, it is held, rests on a peculiar footing. Such book is the record of the customer's account, and its production authorizes control of the deposit. Like the key of a locked box, its delivery is treated as a delivery of all it contains. It follows that the delivery in this case, accompanied by the declared intention to give, if the deposit had been in a savings bank, would have been a valid gift *mortis causa* of the money on deposit, of which it was the evidence. It would furnish the key to the locked contents. (8 Amer. & Eng. Enc. Law, 1,324, 1,325; *Pierce* v. *Bank*, 129 Mass. 425; *Curtis* v. *Bank*, 77 Me. 151; *Hill* v. *Stevenson*, 63 Me. 364; Camp's Appeal, 36 Conn. 88.) Not so, however, with the present book. The First National Bank, as we have seen, was a bank of issue, discount and deposit. The money could be withdrawn from the bank, not by the production of the pass book, but on the check of the depositor. It was not the best delivery available under the circumstances. It did not give dominion and control of the money—the thing claimed to have been given—for the money was as subject to check without the production of the book as with it. (*Thomas' Adm'r* v. *Lewis* (Va.), 15 S. E. Rep. 389; *Wing* v. *Merchant*, 57 Me. 383; *Dole* v. *Lincoln*, 31 Me. 422; *Hillebrant* v. *Brewer*, 6 Tex. 45; *Noble* v. *Smith*, 2 Johns. 52; *Jones* v. *Brown*, 34 N. H. 445; *Beak* v. *Beak*, L. R. 13 Eq. 489; 8 Amer. & Eng. Enc. Law, p. 1,345, note 2.) There is no error in the record. Affirmed. —*Southern Reporter.*

BANK COLLECTIONS.

SUPREME COURT OF PENNSYLVANIA.

Rosenthal v. *Ehrlicher.*

A check drawn by defendants in Philadelphia on a bank there, and there delivered to an agent of plaintiff, a resident of New York, was taken by the agent on the same day to New York, and delivered to plaintiff, who on the following day placed it in bank for collection. The drawee bank having failed after the check was given, it was not paid. *Held*, that it was properly held, as a matter of law that plaintiff exercised due diligence.

WILLIAMS, J.—The check sued on in this case was drawn by Ehrlicher Bros., the appellants, in this city where they reside, and on the Spring Garden Bank. The plaintiff, in whose favor it was drawn, lived in the city of New York. The check was drawn and delivered to the agent of the plaintiff at the defendants' place of business in Philadelphia on the 5th day of May, 1891. He returned to New York on the afternoon of that day, arriving after the close of banking hours, and delivered the check to his principal. On the 6th it was placed in a bank for collection. The bank sent it forward to its Philadelphia correspondent for collection on the 7th. It was received and presented about noon of the 8th, but the bank had already closed its doors, and the check was not paid. These dates, about which there seems to be no question, show the exercise of due diligence in the use, transmission, and presentment of the check. There was no suggestion of any defense upon the merits. We see no error, therefore, in the direction by the learned judge that the verdict should be in favor of the plaintiff. The only question really raised was that of diligence, and upon the uncontroverted facts that was a question of law for the court. The judgment must therefore be affirmed.—*Atlantic Reporter.*

PROMISSORY NOTE—PART PAYMENT BY INDORSER.

COURT OF APPEALS OF NEW YORK.

Madison Square Bank v. *Pierce.*

Defendant made his note payable to his own order, and indorsed it to B., who indorsed it to plaintiff. The receiver of B. paid part of the amount due on the note to plaintiff. *Held*, that plaintiff was entitled to recover the full amount of the note, partly in his own right and partly as trustee for the receiver.

FINCH, J.—We have a novel and interestingquestion before us on this appeal, although its apparent importance will lessen as we pass from first impressions to some slower reflection. It arises upon facts which are very brief and simple, and may at once be stated. The defendant, Pierce, made his promissory note payable to his own order, and indorsed it to the Bates Company, Limited, which indorsed it to the plaintiff bank, the latter discounting it, and paying the proceeds over to the immediate indorser. Thereafter the Bates Company became insolvent, and passed into the hands of a receiver, who paid to the bank upon the liability of the indorser 73¼ per cent. of the amount secured by the note. Later the bank sued Pierce, the maker, and recovered judgment for the full amount of the note, in spite of the proof showing the payment made by the receiver, and in disregard of the claim asserted by the defendant that he should only be held liable for the balance remaining unpaid. That judgment has been affirmed by the general term, Judges Daniels and Barrett each writing very strong and valuable opinions in support of their doctrine, and relying upon the authority of *Jones* v. *Broadhurst*, 9 Man. G. & S. 177, 67 E. C. L. 175, which fully warrants their conclusion. The question does not seem ever before to have arisen in this country, and we are left at liberty to examine the English rule, and to follow it or not, as we approve or disapprove its logic and its consequences.

We are not to regard the note as being accommodation paper, but must assume its transfer for value. The form of the transaction is equivalent to what it would have been if the Bates Company had been named as payee, and loses none of its force by the intervention of the maker as first indorser. That indorsement, in the form adopted, was needed for the regular transfer of title, but does not change or affect the nature and character of the maker's liability. He remains the ultimate debtor, the person who ought to pay the debt, in preference to and in exoneration of all the other parties to the paper, who in some form or other are entitled to have final recourse to him; and it is to the case of such a maker of the note or such an acceptor of the bill of exchange that the English rule alone applies, and it is explicitly declared inapplicable where the indorser or drawer is the real debtor, although in form only secondarily liable. Pierce, therefore, was the ultimate debtor, and the party who ought to pay the note, both in discharge of the obligation to the holder and in exoneration of the indorser. When the bank sued on the note, it was the legal holder and the legal party in interest. Upon production of the paper, and the usual proof, judgment against the maker for the full amount was inevitable, unless some defense should be interposed. The only possible one for Pierce was part payment, and he was compelled to assert, and his counsel are compelled to argue, that the money paid by the indorser to the holder inured to the benefit of the maker as a payment on his debt. But that doctrine cannot prevail, for

very obvious reasons. The indorser's payment did not in the least lessen or satisfy the maker's debt. He owed it all exactly as before. What had happened possibly changed somewhat the real creditor, but left the whole debt due and unpaid. To whom he should pay might become a new question, but how much he should pay in discharge of the note was not made doubtful in any degree. What the receiver advanced to the holder is familiarly described as a payment, but it was such relatively to the indorser's liability alone; while relatively to the obligation of the maker it was an equitable purchase, instead of a payment. That view of it was taken in a very early case, the decision of which depended necessarily upon it. In *Callow* v. *Lawrence*, 3 Maule & S. 95, it appeared that one Pywell drew a bill upon Lawrence to his own order, which Lawrence accepted. The drawer indorsed the bill to Taylor, who discounted it, and thereafter indorsed it to Barnett. It was protested for nonpayment. The drawer paid Barnett the full amount, and took the bill, and, striking off the indorsements of Taylor and Barnett, transferred the bill to Callow, who sued the acceptor upon it. The latter claimed that the bill was paid and extinguished, which the court denied, saying that the drawer "became the purchaser of the bill" when he paid and took it up out of Barnett's hands; that it was not paid by the drawer *animo solvendi*, in order to extinguish it, but only to redeem himself from the situation in which he stood. That must always be true of payment by indorser to holder, where the maker is the ultimate debtor. To the extent of the money paid the indorser becomes equitably entitled to be substituted to the rights and remedies of the holder, and becomes *pro tanto* the beneficial owner of the debt; so that the maker's obligation to pay the note in full, at first due to the holder solely in his own right, becomes, after the part payment by the indorser, still wholly due to the holder, but partly in his own right and partly as trustee for the indorser. A court of law cannot split the note into parts, and must act upon the legal interest and ownership. In the present case there was no privity between maker and indorser as respects the action of the latter. He paid, not as the agent of the maker, not at his request, not for his benefit, and under no duty to relieve him, but independently, upon his own obligation, to lessen his own responsibility, and not at all to discharge the ultimate debt which it was the maker's duty to pay. It seems very clear, therefore, that the maker cannot utilize for his own benefit a payment which, as to him, is not a payment upon the debt. It becomes, as I have said, merely a question to whom he shall pay, and who may sue for and collect the whole unpaid sum. In that question the maker has no concern beyond the inquiry whether he may become liable to different persons for the same debt, and encounter the danger of paying it twice. I can discover no such peril. The judgment in favor of the holder is a bar to any other suit on the same note, and payment to the holder discharges the note utterly. Ordinarily, the indorser cannot recover except upon the note, and as holder, and in accordance with the law merchant. If he ever has any other right of action against the maker, it is either in equity or by force of some facts beyond the bare relation established by the paper. And where the note is merged in the holder's judgment, or paid in full to him by the maker, the indorser's only right is through the judgment or against the proceeds, if he has made a partial payment to the holder. That does the indorser no wrong. If he is not content that the holder shall collect to some extent as his trustee, he may prevent it by payment in full to the holder, and so entitle himself to the possession of the note on which to sue, or, if judgment has been obtained, to be subrogated to all of the rights of the plaintiff therein.

I think this result is clearly indicated by our own decisions. In *Bank* v. *Hazard*, 13 Johns. 353, the maker of the note had been arrested in an action upon it, and his bail sought to relieve themselves by force of a payment made by the indorser to the holder; but such effect was denied to it, the court saying that it was not a payment by or on behalf of the maker, or of which he or his bail could avail themselves. And in *Guernsey* v. *Burns*, 24 Wend. 410, where the suit was by the holder, representing the legal title and interest, it was said to be no defense to the maker, and no concern of his, that some property in the note was in another. It thus becomes apparent that there is no very great importance in the question which method of securing payment from the maker is adopted, since the same result follows from each, and that it narrows down to the inquiry whether, as matter of correct doctrine and of convenience in practice, the holder may recover the whole debt against maker or acceptor for himself and as trustee for the indorser to the extent of his acquired interest, or whether he shall take judgment only for the balance, leaving the indorser to sue in some way and on some theory, which apparently could not be upon the note, because already merged in the judgment, but might be for money paid for the use of the maker, since he gets the benefit of it in the reduction of the judgment, as was held in *Pownal* v. *Ferrand*, 6 Barn. & C. 439, where the holder deducted the indorser's payment from the levy against the maker. The former seems to me to be the logical and convenient method, and so I think we should follow the English doctrine.

I have not underrated the assault made upon it by the appellant. He asserts that *Jones* v. *Broadhurst* is contrary to the earlier cases, and has been criticised and shaken by the later ones. I have examined them all, with some wonder at the amount of learning and ingenuity expended upon the subject. (*Pierson* v. *Dunlop*, Cowp. 571; *Walwyn* v. *St. Quintin*, 1 Bos. & P. 652; *Bacon* v. *Searles*, , 1 H. Bl. 88; *Hemming* v. *Brook*, 1 Car. & M. 57; *Randall* v. *Moon*, 12 C. B. 261; *Cook* v. *Lister*, 13 C. B. (N. S.) 543; *Solomon* v. *Davis*, 1 Cababe & E. 83; *Thornton* v. *Maynard*, L. R. 10 C. P. 695.) The prior cases were very fully and carefully reviewed by Baron Cresswell in the opinion rendered in *Jones* v. *Broadhurst*, and of the subsequent cases I deem it only necessary to say that, along with some criticism and occasional doubt, the doctrine has remained substantially unshaken, and the case last cited was declared by Lord Coleridge to be the accepted law. It must not be forgotten, however, and I may prudently repeat, that the doctrine has no application to accommodation paper, and rests wholly upon the actual and ultimate indebtedness of maker or acceptor as the party who ought to pay. In such a case as that, which correctly describes the one now before us, and where no disturbing facts affect the relations of the parties as fixed by the paper itself, I think the holder may sue and recover the full amount, receiving so much of the proceeds as represents a part payment by the indorser as trustee for him. It follows that the judgment should be affirmed with costs. All concur, except Maynard, J., dissenting.--*Northeastern Reporter*.

UNAUTHORIZED COLLECTION OF CHECK BY AN AGENT.

SUPREME COURT OF ALABAMA.

Kansas City, M. & B. R. Co. v. *Ivy Leaf Coal Co.*

The local cashier of the plaintiff railroad company, who only had authority to indorse the checks given for freight charges for collection and deposit in bank, indorsed a number of checks given by defendant simply, "J., Agent. By S., Cashier,"—and deposited them, and they were paid through the clearing house by the bank on which they were drawn. The latter bank had no notice of the limited authority of the cashier, and afterwards paid him the money on one of defendant's checks, given in payment of a freight bill, and similarly indorsed. *Held*, that the bank was warranted in paying the check, and it constituted payment by defendant of the freight bill.

STONE, C. J.—An able and elaborate argument has been submitted for appellant in this case, but we think the true merit of the controversy may be reduced to a single simple principle. Each of the parties is a private corporation. The appellant railroad company had a claim against the appellee for freight transported. The former did its banking business in Birmingham through the First National Bank of that place; the latter through the Alabama National Bank of the same place. A custom or usage and agreement had grown up by which the coal company made weekly payments of its indebtedness for freight—transportation—and it made them in checks on the Alabama National Bank. These checks were made payable to S. Jacobs, agent. S. Jacobs was the local agent of the railroad company at Birmingham, and Stephenson was with him in the office, and was cashier in that office. He (Stephenson) was authorized to collect freight bills, to receive the money, and to give receipts; and both he and Jacobs were authorized to pay out money collected by them in proper disbursements relating to the road. When money was deposited in the First National Bank to the credit of the railroad company, neither Jacobs nor Stephenson had authority to check upon it, or draw it out. Only Keeler, the general cashier of the railroad company, had that right. His office was in Memphis, Tenn. There was another regulation which prevailed in the railroad office at Birmingham. While Stephenson had authority to collect freight bills and give receipts, to collect checks which had been given for freight, and, to that end, to indorse them in the name of Jacobs, to whom they were made payable, he had no authority to indorse or transfer them for any other purpose. He could only indorse for purpose of collection, or collection and deposit. The Alabama National Bank had neither notice nor knowledge of this limited nature of his authority. Smith, the paying teller and assistant cashier of the First National Bank, gave the following testimony, and there was nothing to contradict it: "I am paying teller and assistant cashier of the First National Bank, and was such at the time the check shown me, which is Exhibit A to the bill of exceptions, was given. At that time the plaintiff kept its account with the First National Bank. It was in the name of plaintiff, but subject to the check of Charles Keeler, cashier at Memphis, only. Stephenson and Jacobs had no right to check on it. The authority of Stephenson and Jacobs, as to indorsing checks, was given to the bank by a letter of instruction from the auditor of the plaintiff. Stephenson

had authority to indorse checks in Jacobs' name for deposit, and that was the extent of his authority to indorse. He had no authority to indorse checks and get the money on them. * * * We never paid any checks to Stephenson, on his indorsement of Jacobs' name on them. We received them for deposit on such indorsement, credited them to the account of the plaintiff, and they then became subject to the check of Keeler only. The checks shown me, and which are marked Exhibits 'B' to '——,' inclusive, were deposited and indorsed by Stephenson at the First National Bank, and credited to the account of the clearing house from the Alabama National Bank." The present suit was instituted for the recovery of a freight bill, and the defense was payment. The alleged payment was through a check dated February 28, 1891, drawn by the coal company on the Alabama National Bank, and is in the following words: "Alabama National Bank: Pay to the order of S. Jacobs, Agt., three hundred and eighty-two and 70-100. Ivy Leaf Coal & Rwy. Co, By Walter Moore, Pt. [Indorsed:] S. Jacobs, Agt. By W. Stephenson, Cash." The proof was that Stephenson presented this check at the Alabama National Bank on the day of its date; that he indorsed it as shown above; and that then and there the teller of the bank paid him in money the amount shown in the face of the check. Stephenson then absconded, and has never accounted to the railroad company for the money. It is not pretended that the Alabama National Bank did not cash and take up this check. Part of the defense relied on by the coal company was presented as follows: Commencing in August, 1890, and extending to February 17, 1891, defendant, the coal company, had settled and paid many freight bills to the plaintiff railroad company, and in every instance the payment was made through the coal company's check on the Alabama National Bank, Each of said checks, nine in number, was a precise copy of the one in which defense of payment was attempted in this case (copied above), except one dated September 9, 1890. That one is payable "to the order of K. C., M. & B., Agt." Each of said nine checks was indorsed in the identical language —"S. Jacobs, Agt. By W. Stephenson, Cash." Each of these nine checks was received by the First National Bank, on the indorsement stated, and received, not for money paid out, but for "collection and deposit," to the credit of the railroad company; and each was met by the Alabama National Bank, and paid through the clearing house to the First National Bank, and the proceeds placed by it to the credit of the railroad company. We are not informed that the Alabama National Bank was ever notified that Stephenson's authority to indorse checks payable to Jacobs, agent, was a limited authority—"for collection and deposit." It is not claimed it was so notified. Upon what principle can it be contended that after paying nine checks, and rightfully paying them, on the indorsement: "S. Jacobs, Agt. By W. Stephenson, Cash."—the Alabama National Bank wrongfully paid the tenth one, having upon it identically the same indorsement? The Alabama National Bank certainly did no wrong, for it simply cashed the check of its customer, paying it to one rightfully authorized to indorse it. The present case presents no question of a forged indorsement. All the testimony shows that Stephenson had authority to indorse the check, and to indorse it in the name of Jacobs, the agent, When he took a further step, and demanded and received the money the check called for, from the bank drawn on, he simply transcended his authority; but the Alabama National Bank had no knowledge or notice of the limit on Stephenson's authority to indorse. There is nothing in what we have said that in the least antagonizes the doctrine that the mere giving of a check does not *per se* extinguish the debt it is intended to pay. (*Bank*

v. *Whitman*, 94 U. S. 343; *Bank* v. *Miller*, 77 Ala. 168.) In this case there was not only a check given, but that check was collected by the person authorized to indorse it. The bad faith and treachery were the act of the railroad's agent; and cannot be visited on either the drawer of the check, or the bank drawn on. We need not consider the correctness of the court's ruling on the introduction of evidence. That question could not affect the result of the case. Affirmed.—*Southern Reporter.*

LEGAL MISCELLANY.

TRUST—NOTE BY TRUSTEE.—G., as trustee, executed a fertilizer note, pledging the crop in payment and failed to apply the crop as pledged: *Held*, in a suit by the payee, where the beneficiaries under the trust were G.'s wife and minor children, who lived apart from him, on their own estate, he using and occupying the trust estate, and it not appearing that he contributed to their support, or that the expenditure in suit was necessary, that the capital of the trust could not be subjected to the payment of the note. [*Green* v. *Wooldridge*, Va.]

ALTERATION IN NOTE.—An insertion in a note, without the consent of the maker, of the words "or bearer" after the name of the payee, and also words stating a place of payment, is a material alteration, and will avoid the note in the hands of *bona fide* purchasers before maturity, though there is nothing on the face of the note to indicate the alteration, and the added words are written in spaces left by the maker. [*Simmons* v. *Atkinson & Lampton Co.*, Miss.]

ALTERATION OF NOTE.—Where, after the sealing and delivery of a bill, the payee presents it, without the maker's knowledge, to such maker's brother, who writes his name in the place where should appear the name of a witness, but he testifies that he was asked to indorse the note, and meant to do so, but by mistake wrote his name in the wrong place, the alteration will not avoid the instrument. [*Fisher* v. *King*, Pa.]

CORPORATIONS—OFFICERS.—The president and manager of a corporation who pays the interest coupons due on bonds to the holders (who suppose the payment was by the corporation) cannot, after the corporation becomes insolvent, hold such coupons as liens on the corporate property, as superior to creditors, on the claim that the payment was by himself instead of the corporation, where the directors of the corporation had no knowledge of his advancing such money, and no credit was given him therefor on the books of the corporation. [*Lloyd* v. *Wagner*, Ky.]

CORPORATION—PLEDGE OF STOCK.—Plaintiff loaned money on a stock of goods. The goods, which were named as collateral, were to remain in possession of the debtor, who was to conduct the business as plaintiff's agent, until the indebtedness should be paid. Subsequently the goods were contributed, with plaintiff's consent, to the capital of a newly-formed corporation. Plaintiff having released his claim on the goods, received a portion of the capital stock of such corporation, indorsed in blank as collateral, for his indebtedness. The stock was never transferred on the books, but remained in the name of the debtor: *Held*, that plaintiff was not a stockholder, but a creditor; and a confession of judgment in his favor, therefore, was not illegal. [*Prouty* v. *Prouty & Barr Boot & Shoe Co.*, Pa.]

CORPORATIONS—STOCKHOLDERS.—W. and T. were conducting a private bank at L., and on November 1, 1887, organized a corporation with an alleged capital of $50,000, of which they retained a controlling interest. They turned over the deposits and assets of the private bank to the new corporation, and notes were taken from a number of the stockholders for the amount of their stock: *Held*, that the stockholders were liable for the unpaid stock held by each, and for a sum equal to the shares so held by each for all liabilities of the bank accruing while he was a stockholder. [*Porter* v. *Sherman County Banking Co.*, Neb.]

NEGOTIABLE INSTRUMENT.—Where a bank receives from one of its customers an unmatured note as collateral security for a loan from the bank, the facts that the bank has been in the habit of receiving notes from such customer as collateral, and that collections made on such collaterals were credited to the customer, who was sometimes permitted to check against such credits by giving other notes to replace those paid, do not show that the bank was not a *bona fide* holder of such note. [*Mahaska County State Bank* v. *Crist*, Iowa.]

NEGOTIABLE INSTRUMENT—ACCOMMODATION INDORSERS.—Accommodation indorsers, who have under their own control and management all the assets and business of their principal, and whose duty it is to see that funds are provided, and the debt paid, are not entitled to notice of the dishonor of his promissory note which they have indorsed. Thus the directors of an insolvent corporation who, wishing to raise funds to carry on the corporate business, procure a loan on a negotiable promissory note made by the corporation, payable to their order, on demand after date, at a bank, and indorsed by themselves individually, are liable as indorsers, without notice of the dishonor of the note by the corporation. [*Hull* v. *Myers*, Ga.]

NEGOTIABLE INSTRUMENTS—INTERPRETATION.—A note provided for the payment of a certain sum, "subject to agreements dated * * *, interest payable semi-annually." The agreements provided that, if payment was not made, the obligee should look only to the security of certain stock which had been transferred as collateral, and should not proceed against any other property whatsoever of the obligor: *Held*, that the semi-annual interest, as well as the principal, was controlled by the agreements, and could be collected only from the transferred stock. [*Reed* v. *Cassatt*, Pa.]

PARTNERSHIP NOTE—VALIDITY.—Where a partner gives his individual note, secured by mortgage on his individual property, to raise funds for the partnership business, a note executed in the partnership name to such partner, and indorsed by him to the holder of the individual note, to procure an extension of time on that note, is valid in the hands of such holder as against the partnership, though given merely for the accommodation of such partner, without the knowledge of one of the members of the firm. [*Charles T. Hayden Milling Co.* v. *Lewis*, Ariz.]

PARTNERSHIP—RETIRING PARTNER.—A retiring partner in a banking firm, the business being continued by the other partners, who assume firm debts, occupies the position of a surety as to firm creditors existing at the time of his withdrawal; and the fact that a depositor leaves his deposit with the continuing partners, and accepts interest thereon, does not release the retiring partner from his liability as surety, since there is no contract on a sufficient consideration to extend the time of payment to a definite date. [*Campbell* v. *Floyd*, Pa.]

THE FINANCIAL SITUATION.

The following remarks by Mr. B. E. Walker, general manager of the Canadian Bank of Commerce, on the financial situation at the annual meeting of the shareholders of that institution, possess unusual interest:

The last few months has been a period of unusual anxiety throughout the financial world. Our business interests are now so large that we cannot watch unconcerned the troubles of other countries. Even if Canada had no business connection with these countries, or so little as to make their troubles of small direct interest to us, we must in these times of rapidly changing conditions be always on the alert to grasp the lessons to be learned from every panic or financial collapse. We are very apt to think that human nature among civilized nations is pretty much the same everywhere—that motives and conclusions, based upon the same conditions, will not be very different in different countries. And yet every collapse of man's business schemes conveys in its history evidence contrary to this view. We are amazed at the slender basis on which nations, certainly not less intelligent than ourselves, build enormous structures of credit; and when failure enables us to view the inside of these ruined structures, we are not astonished at the collapse, but that such structures should have imposed upon the confidence of prudent people. I do not wish to be misunderstood, however, regarding our own country. We have in the past made serious mistakes, and while these will probably not be repeated in the future, we may fall into error in new directions. Something, however, in our northern blood seems to keep us from getting altogether out of sound condition. Perhaps the comparative slowness of our progress and the patience and labor necessary to each step forward, have been of benefit to us, although these are with the majority reasons for complaint. Perhaps, indeed, a nation of grumblers who do not take too roseate a view of their prosperity, is a safer field for investment by the foreign capitalists than those Eldorados where he hopes to lend his principal *safely* and to obtain *high* rates of interest at the same time.

In Italy we have seen almost a complete failure of the entire banking system, the gravest evils being temporarily averted by amalgamating several large banks into one stupendous whole. In Rome a real estate speculation of extraordinary magnitude, to which we have referred, came to its natural end some time ago, and it now appears as if this real estate building and speculating had been largely aided by the banks, who also assisted equally wild ventures of other kinds. The country which, having almost no manufactures or diversified industries, had little basis for much sound banking, now finds itself overloaded with irredeemable paper money, the security for which is admitted to be unsalable real estate to a very large extent.

In Australia the collapse has been almost as complete. Offering higher rates of interest than other countries could afford, they attracted both from abroad and from their own people an amount of money to the banks in the shape of short and time deposits, the magnitude of which has been a matter of extreme surprise to Canadians. It is not astonishing now to learn that it was as freely lent as it was obtained, and

that the inducement to lend has often been the high rates paid by the borrower rather than good and easily liquidated security. This is not the time, however, to make unkind criticisms regarding our Australian cousins. It is rather a time to express our gratification that certain great Australian banks, evidently managed on sound principles, survived the terrible strain. What we wish to draw your attention to is the difference in the nature of the banking of Canada and in these countries. To begin with, our deposits are almost entirely from our own people. Therefore, distrust of Canadian banks, as a whole, must arise from within, which is to the last degree improbable. Again, instead of having large creditors abroad, our banks invest part of their reserves in the United States in a shape available for liquidation on short notice. While this is sometimes the cause of complaint by borrowers, who think money might be cheaper if this were kept at home, bankers know that it is our chief source of supply and strength in times when additional money is needed in Canada.

But the main feature in our banking as compared with these countries rests upon the nature of the advances made to the borrowing public. The prudent Canadian banker has long since learned that he may lend to a manufacturer to aid him in bringing his goods to market, but that he must not lend him to build his factory; that he may lend the flour miller or lumberman to make his flour or lumber, but he must not lend money to help him build a mill. Many loans in Canada are of course not in this happy shape, but the point is that they are recognized as departures from sound banking, and are not accepted as satisfactory business. We argue that as a bank's liabilities are practically on demand or short notice, its loans should, as far as possible, represent transactions which in the natural course of things will be liquidated in the current year or season.

There is another comparison which may be made between Canadian and Australian banks, which will illustrate the difference in the character of the discount business very clearly. In both countries the banks issue note circulation, and have about the same privileges. In Australia, it is true, gold circulates to some extent, but not enough to interfere with the value of my illustration. Now, calculating roughly, the volume of bank notes in circulation in the two countries will depend on the character of the discounts. If loans are made against fixed property and are renewed over and over again, no note circulation will be created, but if loans are made to prepare and move merchandise to market, a certain amount of circulation will arise from each transaction, whether it be in paying for labor, paying farmers for their products, or in the many other forms in which actual cash is necessary. Now with loans and securities in Australia of about $700,000,000, the circulation is only about $23,000,000, the ratio being about 3¼ per cent., while in Canada with loans and securities at 31st December, 1892, of about $250,000,000 and a circulation of about $36,000,000, the ratio is over 14 per cent. There may, of course, be other local reasons why our circulation is larger proportionately than theirs, but, in the main, the reason assigned is, I think, correct. Australia has few manufactures, not many different kinds of industries, and the basis for real mercantile banking is much smaller than the volume of loans which the banks have attempted to carry.

But I must not be understood as criticising loans on real estate. Under proper conditions there can surely be no safer business. The point is that in Canada we have realized that land banking and mercantile banking are two very different things, and we mercantile bankers, therefore, leave as strictly as possible to the loan companies the business of

carrying the fixed property of the country on which money is borrowed. It is their business to be experts in such values, not ours.

We are, however, much more interested in the situation in the United States than in Australia or Italy, and while the National banks, like ourselves, have no power to loan on real estate, it is to be feared that owing to the practice of borrowing money on accommodation paper through brokers, and the practice of borrowers keeping several bank accounts, much paper is held by banks which represents speculations in real estate, in industrial companies the stocks of which have not been absorbed by investors, and many other transactions which do not come under the head of sound mercantile banking. The great cotton and wheat crops of 1891, exported mainly in 1892, doubtless gave a tremendous impetus to the imports of the latter part of 1892 and the spring of 1893. This was further aggravated by the McKinley tariff, under the operation of which certain changes were deferred until 1893, and large imports are, of course, being made in advance of these changes. The much smaller cotton and smaller cereal crops of 1892, with the decline in prices, and the large stocks at home and abroad, have created an enormous gap between exports and imports, which, quite apart from the return of American securities, and the distrust as to the parity of gold and silver being maintained, was a sufficient cause for large exports of gold. The silver situation, however, outweighs all else in importance. During the existence of the Bland Act, that is from 1878 to 1890, many things helped to avert disaster following the coinage of silver. Gold came into the country from abroad to a very large extent. The revenue from the high tariff enabled the Government to reduce the National debt at a pace unheard of in the financial history of the world. This caused the retirement of over $200,000,000 of National bank currency, the bonds on which it was based being called in or sold by the banks because of the high premium. This contraction and the rapid growth of the country easily made a place for silver or silver-paper, created at the rate of only $2,000,000 per month. But now the country is required to absorb twice as much, and all the fortunate circumstances which helped to avert disaster under the Bland Act have disappeared. Gold is not coming, but steadily going abroad. The charges of the Federal Government, what with pension bills, public works, etc., have reached a billion dollars for the present Congress. The tariff and other taxes no longer meet the charges. They have fallen on a bad year of exports, and failing to act quickly enough in repealing the Sherman Silver Purchase bill, speculation in every direction has collapsed, and worse than this, very many solvent business men are unable to have their natural and moderate wants supplied. Within the last week or so two New York papers have tried to obtain a vote of Congressmen and Senators as to the repeal of the silver bill. If we are to be influenced by their reports the repeal is nearly certain. Let us hope so. It is humiliating to see a great nation floundering in such a mess, when nothing but the simplest common sense is necessary. Yet it is a matter of votes, and we can have no certainty until the repeal is actually accomplished.

Meantime, we should be thankful that matters move along quietly in Canada, and that, apparently, we can abide the issue, whatever it may be. We have had a close money market, sharply following a period of great ease. A collapse in local stock speculation occurred, and was perfectly natural. Those who were hurt blamed the banks, but this is nothing new. It was, doubtless, well that speculation was checked at that time, and not allowed to run a few months longer. Looking around us, while every caution is necessary, we do not see anything in the outlook which is not hopeful for Canada. It will be strange if,

when the dust has blown away, British investors do not see in our steadiness and sound financial position good reason to invest in this country some of that constantly increasing income which in the past has flowed so easily to the southern half of the world.

CANADIAN AND AUSTRALIAN BANKING.

The following remarks are from the annual address of Mr. George Hague, general manager of the Merchants' Bank of Canada, to the shareholders at their annual meeting. No English or American banker has a wider, or more justly merited reputation than Mr. Hague. The financial world has lately had some very striking object lessons in the matter of abuse of credit. Since the beginning of the present year there has been the most terrible succession of bank failures in Australia that has ever been known. What was the cause of it all? The cause can be stated in one word, viz., too much borrowed money. For many years back the Australian Governments were borrowing money to an amount far beyond anything we have ever known. Victoria alone, with a population of only a million, has run up a debt of $220,000,000. The other colonies borrowed somewhat in the same ratio. The enormous amount of five or six hundred millions of borrowed money was spent in a population far less than that of Canada. This of itself was sufficient to produce a certain amount of inflation, but it would not have produced the disasters that have overwhelmed the banking interest had it not been supplemented by another enormous influx of borrowed money, viz., the amount of English and Scotch money sent out to Australia in the shape of deposits. These two great financial currents were in operation at the same time, but the second was in a far more dangerous form than the other. It amounted to nearly two hundred millions of dollars, and was all poured into the banks, who, as they paid stiff rates of interest for it, were driven by constant pressure to seek employment for it. Unfortunately for the banks of Australia, they were not under the restraint of wise and thoroughly digested banking laws, as we are here. And I will pause for a moment to say that, so far as I know, there is no country in the world where banking laws have been so thoroughly discussed with all their bearings, both in Parliament and by bankers themselves, as Canada, and no country whose banking law is, taken as a whole, as good. But, to return to Australia, the effect of all this was an enormous lending by the banks, on lands and mines and fixed properties, this not being confined to one city or locality, but extending to every locality and to the whole population. This was very bad banking, as we know from former experience in Canada. Along with this came inevitably an enormous increase of spending on imported goods, immense extensions of mercantile credit, and lines of banking accommodation, and also of prodigious and rapid development in building and improvements of all kinds, both private and public.

There never was in the world, apparently, such a wealthy and prosperous community as filled the Australian colonies a few years ago. But the foundation was not solid. Winnipeg and Manitoba were exactly in the same condition ten years ago, and from the same cause, viz., that coincidently with the expenditure of immense sums of borrowed money on public enterprises there were enormous sums of money taken from outside the province and deposited in banks. The very same features were common to both, viz., a prodigious rise in values, vast increase of wages, incomes, profits and luxurious expenditure, large numbers of

people rolling in wealth, and a general belief that this was the natural condition of things, and would go on forever; followed by a turn of the tide, difficulty in realizing property, heavy fall in values, enormous losses to the lenders of money, and finally an all but universal breakdown of credit and business. In the case of Manitoba, if there had been established in the Province at that time local banks and local loan companies, every one of them would have failed. As it was, every bank and loan company that did business there, ourselves included, made heavy losses. In Australia the loan companies were the first to feel the reaction. They also had been borrowing money freely in England and Scotland, and lending it on inflated values. These concerns became embarrassed or bankrupt one after another for a year or two, and then the turn of the banks came. These banks were mostly large institutions with a heavy capital and ample reserves. Yet they went down one after another, the failure of one increasing the distrust in others, until at last there were only three left; these three having been distinguished for their caution and prudence in the midst of abounding folly and excitement.

I need not remind you that the state of things above described has no parallel in Canada. No conclusion with regard to Canadian credit can be drawn from this Australian experience. The Dominion Government has not been on the English market as a borrower for years. The large expenditures on the Pacific railroad construction were finished many years ago. There has been no general inflation in real estate, and any threatening symptoms in particular localities have subsided. And as to our own Provincial government, as I note further on, the tendency to imprudent borrowing has been entirely stopped, and an equalization established between income and expenditure. My judgment is, that despite certain unfavorable features in business which cannot but press themselves on the attention of bankers, there is much quiet and solid prosperity in Canada at present.

Canada, as a whole, never went through an experience like this of Australia, though Ontario once did from the same causes, with the same symptoms, and with the same result. At the time of the construction of the Grand Trunk Railway, nearly forty years ago, immense sums of money were rapidly poured into Canada, while in Ontario a series of magnificent crops sold at high prices (two dollars a bushel for wheat) produced along with the other a condition of inflation which carried away everybody's judgment. The Bank of Upper Canada made a profit of 25 per cent. in 1855, and was foolish enough to pay it all away to its stockholders, to their great glory and gratification. Three or four years afterwards the bank was wiped out of existence with ignominy; and so in course of time was every other bank in Ontario that had participated in the abounding wealth that preceded the downfall that came in 1857.

If you want to realize the Australian condition of things, just imagine that the deposits of our banks were doubled; that they were fiercely competing with one another for persons to borrow the money they had at command; that the loan companies of Ontario had double the money to lend that they have; that everybody's discount account was doubled or trebled, that imports and mercantile credits were doubled or quadrupled; that the value of farming land was doubled and city and town property all over Canada increased in value four or five fold—all resting on continually increasing supplies of borrowed money; then that a tremendous reaction came; that values fell, credits were curtailed, half the country ruined, and every bank in the country shut up except three. I make bold to say that all this might have happened, and probably

would have happened if the banks of Canada had laid themselves out, some years ago, to obtain deposits of English and Scotch money, as those of Australia did. They had the opportunity of doing it, and could have got any number of millions if they had desired it. We, ourselves, were almost teased with applications from Scotland asking to be allowed to open agencies for the receipt of deposits there. We did not take a dollar and for this good reason: We would have been compelled to lend the money on this side either on the Stock Market or to mercantile customers. The first would have driven speculation wild, the second would have eventually ruined our customers. And if all the banks had pursued the same course, we would have had several years of wild boom, followed by the most dismal and crushing poverty that Canada has ever known. The people of the Dominion, owing to the good judgment and sober-minded sense of the bankers of Canada, are not plunged in the depths of such misery now.

COMPETITION IN BANKING.

Mr. George Hague, general manager of the Merchants' Bank of Canada, remarked in his last annual address:

"With regard to competition in banking, I have already expressed the opinion that it has proceeded to unreasonable lengths. Competition, in its essence, is simply a striving on the part of certain persons which can best serve the community. So far as it serves the best interests of the community it is beneficial. But it has already been shown that to lend the community too much money is not beneficial, but the contrary. Neither is it beneficial to make the borrowing of money from banks so easy that almost anybody can get any amount he wishes. A manufacturer, who was ruined some years ago, told me that the cause of his ruin was that he was once induced to change his bank account. His former bankers, he said, and said sorrowfully, used to check and restrain him when they thought he was extending beyond bounds, either in the total of his business or in the amount of credit he gave to individuals. But his new bankers put no restraint upon him whatever. This freedom from restraint was a most pleasant experience while it lasted, but it induced in him a free and easy style of doing business, which filled his books with bad debts and finally brought him to ruin. His experience, I venture to say, has been the experience of thousands amongst us. Thus far with regard to the most dangerous phase of bank competition, viz., the competition as to which shall lend the most money on the easiest terms.

"The competition of merchants who shall sell the most goods on credit is open to the same remarks. To flood the country with too many goods sold on long credit is as bad as to flood the country with too much borrowed money. When traders under the force of competition sell their goods cheaper and cheaper until, as we hear sometimes, they deliberately sell staples without profit at all, one may doubt whether it is reason or passion that is directing their operations, and how long it will take for them to lose all they have. But the competition as to which shall give the largest amount of credit to traders, and which shall have the biggest accounts on their books, is more mischievous than the other. Bankers, however, should have something to say in this matter, as their operations cannot be carried on without a free style of discounting. This brings us back to the point from which we started,

that too much borrowed money is detrimental to the interests of both parties.

"With regard to the profits of business, I cannot think the outcry reasonable that some of our manufacturing concerns are making considerable profits at present. All business has its fluctuations. There are good years and bad years. Some of the concerns that are making large profits now made no profit at all for many years running. There are manufacturing companies in this city that have paid their stockholders nothing for many years back. If a turn in the tide came and they paid ten per cent. steadily for years to come it would not make an average return of five per cent. It is only reasonable, therefore, to look at both sides of the question.

"And experience is showing that it is more and more difficult to carry on business successfully. There was a time when almost anybody could make money either out of farming or any other pursuit. In these days it is impossible to succeed without a practical knowledge of business, close application, the adoption of all new methods and appliances, and the exercise of sound judgment and self-restraint in giving credit. The banks as a whole hold the purse strings of the supply of money for mercantile purposes, and all my experience points to this conclusion—that they have it in their power to do much to promote mercantile success or failure. I verily believe, looking back over the varied events of thirty years' management in Toronto and Montreal, that if the banks generally came to a good understanding among themselves as to the manner in which they would lend money, the rules they would adopt about the security for it, and as to limitation in amounts according to the circumstances of borrowers, the number and amount of the failures that occur year by year might be diminished one-half. I put this on record as my deliberate opinion, and would be glad if due note were taken of it. What benefit would arise from this you can readily imagine. I for one would be well pleased to see it."

THE LATE ANTHONY J. DREXEL.

The following tribute to the character of the late Anthony J. Drexel was published in the Philadelphia *Evening Star*, by the editor of that journal, Hon. John Russell Young, a long-time friend of the eminent philanthropist and banker.

"The death of Mr. Drexel is not merely an incident in our teeming city life, but an event of National significance. But yesterday he was with us—a part of the activities of a strained, over-taxed society—heavy burdens upon him—but ever the gentle, kindly, resolute man—no figure on Chestnut street more conspicuous, none more prompt in its daily attendance upon business and duty. He filled a large space in our municipal economy—was in many ways the most conspicuous figure in its citizenship. In his departure our loss as a city is great indeed. But it likewise a loss to the nation—to the world of commerce and finance.

"We are none of us brave enough not to feel the death of our kings. Mr. Drexel had long been sovereign in the realm to which destiny had appointed him. To us he was the modest, accomplished gentleman, but to the world of finance he gave laws, and his edicts were obeyed from Philadelphia to Shanghai. It is not merely that one of vast fortune has died. When Mr. Vanderbilt passed away his estates had become a 'system.' Mr. Gould left sinister traditions which we would not invoke. The Astor inheritance was an entailed estate, managed by bookkeep-

ers and rent gatherers. Mr. Drexel, however, was in the abundant sweeping urgency of affairs, his plans embracing States and continents. He was in truth a king, and from the realm of finance a sovereign has departed.

"The sudden cessation of such a force would be a grave event under any circumstances. At the present hour it is especially hard to bear, for this is a period of stress; the seas of bankruptcy high and threatening. Our statesmen are confronted with the gravest problem that has taxed financial genius since the funding experiences of Alexander Hamilton. Where is the wisdom to advise, the courage to govern and subdue these implacable influences that press upon the President and Congress? What counsellor can take the place of our sure and steadfast friend? Madness in silver, frenzy over irredeemable paper, assaults upon the national credit. With this dreary outlook the advice of such a man would seem to be as essential to the welfare of the nation as the political sagacity of the statesman or the soldier's sword. At no time in his remarkable career was it more important to the people that Anthony J. Drexel should live. The summons comes, the word of farewell is spoken. The battle for the national honor is impending, and one of our chief leaders lies dead. Truly it is vain to read the inscrutable decrees of God.

"From the loss of the nation, in the absence of Mr. Drexel from these stupendous issues, we turn to another consideration. Death has taken from our city her foremost citizen. Mr. Drexel was a Philadelphian, born under the shadows of Independence Hall. Through every phase of fortune he never failed in allegiance to his birthplace. His enterprise went into all lands. There were adventures in Great Britain or India or Spain. His way was beset with temptations to other fields, with ambitions that would have dazzled the accustomed Napoleons of finance—worlds to conquer if this man would but essay the task. All these golden enticements, Mr. Drexel put aside for the homely, enduring happiness of being with his own people, whom he loved, whom he never was so happy as when serving; who honored him living and mourn him dead.

"In this season of cant and pretense, that city is blessed indeed which can feel strong in her citizenship. Philadelphia, to her roll of illustrious sons, now adds the name of Drexel. Gratefully this is done—for in true citizenship Philadelphia has ever been blessed, as can be seen when we read the names from Penn, Shippen and Wharton, down to our own day. That roll will bear no worthier name than that of the honored gentleman who lies dead in an Austrian hamlet beyond the seas. This civic fame was not earned as a financier, but as essentially a true, virtuous man, whose life and conversation were an example to his kind. To have lived such a life is the supreme claim to civic renown, and Mr. Drexel has worn the crown for many blameless years.

"Passionate in his devotion to the dear mother town, in whatever advanced the public good he was instant and unceasing. For a generation there has been no movement conducing to the public welfare in which he did not lead. Apart from this, who shall ever know the benedictions that have fallen from that gracious, princely hand—the light upon dark places, the sunshine and hope upon waste, and remorse and despair? It is not alone in the splendid benefaction with which Mr. Drexel rounded his career—the institute whose stately halls were but yesterday thrown open by his command. It is not alone in the other institutions which represent the beneficence of his house. These, indeed, give the Drexel name an enviable place among those who live to love their fellow-men. But the life of Mr. Drexel was his highest

claim to our citizenship. He walked from day to day as one fearing God and honoring his fellow-men. And when this is said all is said—and we have told the story of a ripe, consummate career.

"Philadelphians can never forget that the genius of Mr. Drexel made this city one of the money capitals of the world. Those of us who have studied the country under European skies know the prominence of Philadelphia as compared with its esteem at home. That spirit of self-deprecation, which Philadelphians inherit from the self-denying precepts of Quaker ancestors, vanishes when we realize the place we hold on the Bourse and Lombard street. We owe this to Mr. Drexel. He made his house one of the great financial centers, and in foreign eyes no sudden uprisen Chicago or speedily flung together metropolis like New York could dispute the supremacy. This was not the smallest service of a memorable career, and may be dwelt upon as showing what a true son and citizen may do for his city when he serves it with sincerity and zeal.

"It was a full and busy life, with more successes than are given to men. Never in our city history—not even when Stephen Girard dominated its commerce—has Philadelphia been governed by a power as overmastering as that of the house of Drexel. There has scarcely been a day for a long period when we have not read of some new achievement. The mighty enterprises which bind the States together as railway systems, one after another seemed to pay tribute to the genius of Drexel. Now it was the rearrangement of the West Shore for the Vanderbilts; then it was the rescue of the Southern railways from financial ruin. Again it was the Reading and its alliances. One after another came to the house, even as it willed, in suppliance or surrender, and what it ordained was done. There has been no such concentration of financial power in American history, and we can only find a counterpart in that great house of the Rothschilds, which for nearly a century has been the arbiter of nations and kings.

"While such an influence, overmastering and supreme, is not, as a rule, to be welcomed, may rather be deemed an outcome of general business timidity or apathy, in the hands of Mr. Drexel it was never abused. To build up rather than break down was the law of its sovereignty, and when the long list of its triumphs is studied it will be seen that it was honest work and patriotic, and conducive to the public good. We know that a great man has left us. We feel that a master has passed away, but it is not with that sentiment of relief so often invoked by departing greatness, as if some mighty, depressing spell had been broken. In sorrow, rather, we take our leave, in grateful remembrance of one whose aims, however high and absorbing, were never foreign to patriotism or the welfare of his fellow-men.

"Great achievements, supreme possibilities, dazzling eminence in his financial world, the power to make or unmake, opportunities and successes without end, the possession of a vast fortune, all were in this extraordinary career. Likewise deep afflictions, trials, bereavements such as are seldom borne. Those of us who have looked upon the face of Mr. Drexel, with its ever engaging smile, as seen in these streets for ten years, have noticed that grief and care were writing deep, pathetic lines. For the hand of death had been upon his home—so many loved ones, so many nearest and dearest taken in rapid, inscrutable succession. Yet through these bereavements we saw the proud, resolute laborer pass daily to his task. The work appointed he would do. His life of usefulness he would live. He labored to the end. It found him in the strenuous activity of his affairs. It came in silent swiftness—even as a bolt from the cloudless heavens, silent, swift, irrevocable, perhaps

as he may have prayed that it would come, feeling, as has been written, that until his work was done he could not die and then he would not live. Farewell, and again farewell! In the thirty years that we knew him we knew no gentler, kindlier soul. The nation loses one it will sorely grudge. But to those who were within the sanctuary of his friendship there remains a sacred feeling, reverence for a noble character, infinite sorrow that we may not while time endures see his face again."

THE "BANCHE POPOLARI" OF ITALY.

From an English point of view no form of co-operative credit established abroad is likely to command a greater amount of interest than that which has found a congenial home in Italy. The two German systems, excellent as they are, there is no denying it, present themselves to our commercial instincts as unfamiliar and outlandish. To Italy, the parent of European banking, trained through centuries in habits of business which by adoption have become our own, belongs the credit of putting the uncouth principle into presentable garb and minting the excellent gold, raised on the banks of the Elbe and Rhine, into currency which may pass from mart to mart. When Signor Luzzatti began his excellent work, Italy stood in sore need of some such form of popular credit. Usury was rampant, and no less exacting than when in 1430 the Seignory of Florence had found itself compelled to call in the aid of the Jews, in order by their intervention to check the extortionate rapacity of Christian money lenders—and, again, when the three Franciscan friars, a little later in the same century, in pity for the suffering poor, gave to the world the valuable institution of the Monti di Pietà, which to us are known only in their deteriorated form. In the nineteenth century, according to Signor Luzzatti, it behooved democracy to render to the poor the same service which in days of greater youth and energy the church had discharged, and to draw its sword for "war with usury (*guerra all' usura*)."

Moreover, the country was commercially undeveloped, if not unsound. Protracted divisions and oppression had kept it poor in the main sources of national production. The country which had taught all nations banking possessed little commerce; the country in which the Georgics were written owned an agriculture little advanced upon that which Virgil had described. Many attempts had been made to provide help. As Spain had her *pósitos*, so Italy had her *monti frumentari*, her *monti nummari* and *monti dei Paschi*.* Governments had sought to furnish assistance in their own paternal way, and even while Signori Luzzatti was taking up his economic apostleship, ministers like Signori Torelli and Grimaldi might be heard strenously urging banks and public corporations to make their funds available for rescue of the needy. The measures taken had the effect of bringing relief in the shape of reasonable credit to some *large* proprietors. But to the poor their result was *nil*. All this Government and capitalist meddling and peddling evidently was powerless to ensure real and lasting improvement.

* All these institutions did good work, but work purely charitable. In 1878 there were still 1,465 *monti frumentari* (or *pecunari*) in existence, dispensing between them 14,781,998 lire in loans. They were practically abolished, compelled either to convert themselves into institutions of a different type, or else to close their doors, by a law passed in 1887.

Better success had attended the useful reconnoitring work which two different classes of banks had tentatively ventured upon in the field of popular credit, pointing the way—dimly and vaguely, it might be, but still, generally speaking, correctly—for more thoroughgoing reform. The Italian joint-stock banks have detected very much sooner than any of their sister institutions elsewhere the immense value of what may, by analogy, be termed third-class traffic—the banking business of those millions of comparatively poor people, who make up by their numbers what they lack in individual wealth. By a variety of little experimental expedients they have studied to attract such humble customers to their counters. The savings banks did even better. The Italian savings banks have the reputation of numbering among the best-managed in the world. Evidently they have a thrifty people to deal with, pouring in their millions of lire with a readiness which sometimes appears to become almost embarrassing. In addition to the Post Office Savings Banks, scattered all over the country, and enjoying certain peculiar privileges—such as the power of collecting small savings down to the amount of five centesimi (a halfpenny)—there were in 1883 no fewer than 356 other banks in Italy, holding between them deposits exceeding 742,000,000 lire (£29,680,000). Of that sum only 154,000,000 lire was laid out in mortgages. For the remainder, if it was not to remain ruinously idle, a use must be found in small loans, under powers which practically leave the directors *carte blanche* in respect of their investments. Still, with all these aids—and others which I need not stop to enumerate—the great national want remained unsatisfied, even though banks and savings banks had often more money than they knew what to do with. Means and end did not fully agree—the machine was evidently not adapted to its work.

Signor Luzzatti, with the shrewdness of a born man of business, discovered what was needed. He began his work in 1863, when still quite a young man, and proclaimed to the world his ideas upon "The Diffusion of Credit," in a little book which at once fixed attention upon its author. He had learnt credit co-operation in the school of Schulze-Delitzsch, and to this day to his admiring eyes, Schulze-Delitzsch—though in more respects than one he himself has departed from, and, in some points, even reversed, his practice—remains "*il sommo maestro della cooperazione.*" But he also perceived very clearly, that a mere mechanical copying of Schulze-Delitzsch's system—such as was about the same time carried out in Belgium—must inevitably lead to disappointment. The circumstances of the two countries were too widely different. Moreover, it is plain that from the outset he perceived that Schulze had burdened his work with too complex an apparatus and too great a variety of objects, and had weakened it by relying on too large a number of supports not quite reconcilable among themselves. To answer in Italy, the machinery applied must be simple and business-like, and of a distinctly local type. Improving with a happy skill upon Schulze's work, Signor Luzzatti produced that of which he might well say with justifiable pride:—"We have not copied an institution, but produced a new type and, impressing upon it the stamp of Italian originality, we have created the Banche Popolari."

Experience has amply justified his independent action. His work is not perfect. What is? In view of well "*étagées*" banks, reaching down to modest workingmen's establishments with four-shilling shares, and of large sums of money annually distributed among the poor by means of an instrument which has become the peculiar glory of the banche popolari, one cannot well in the present day maintain the charge to which in a manner Signor Luzzatti himself at one time

pleaded guilty, namely, that of neglecting the poor—whom he referred to friendly societies as his follower Signor Levi does to the *monti di pietà*. But his banks still, naturally, fail to minister adequately to the wants of small agriculture.* However, we cannot have an omnibus to carry a load of people along the well-paved streets of a town, which shall also serve as a light buggy cart, to jolt the isolated peasant over his rough mountain tracks. Within their own sphere—a large one, and one in which cheap and easy credit is of inestimable value—the banche popolari render invaluable service, and they render it with a business-like ease and smoothness, with a readiness and adaptability to circumstances, which make them on their own ground a model of excellent execution.

If Schulze's system was to be adapted to Italian wants, the first stumbling-block to be cleared out of the way, Signor Luzzatti clearly saw, was that obnoxious principle, unlimited liability. In Italy, in spite of Francesco Viganò's vigorous pleading in its defense, that would never do. "Our people would never have joined an association which threatened them with such grave danger," frankly avows Ettore Levi. Giustino Fortunato goes so far as to say that in the Southern provinces of the kingdom the adoption of unlimited liability must have made co-operative credit "absolutely impossible." Sir J. Lumley in his Blue Book Report wholly confirms this opinion. "Unlimited liability," he says, "would have deterred persons of means and education, and at the same time the character and habits of the people themselves would have disinclined them from entering any association involving so great a risk." Signor Luzzatti himself, condemning unlimited liability, pronounces it "an economic tradition of Germany descended from the propertied classes to the poor." It was reserved for Dr. Wollemborg to show how it might after all be made palatable to the Italians. But that was under totally different circumstances.

But if unlimited liability was to be rejected, on what security were funds to be obtained? As it happened, there were forces at work which at the outset helped the constructor of the new system not a little. There were vast stores of money lying ready to his hand, whose owners were not only willing, but even eager, to let him have them, if he could at all satisfy them of his trustworthiness. "In doing so," says Signor Luzzatti frankly in his annual address of 1889, "they have only consulted their own interests." But all the same he gratefully acknowledges the ready and most opportune assistance received, alike from the large savings banks, with their hoards of unemployed money, and from the trading banks, anxious to extend their custom. The latter actually "vied with one another," in their efforts to take the new People's Banks under their "maternal guardianship." The Banco di Napoli offered to discount bills at one per cent. under the ordinary bank rate. The Banco di Sicilia was ready to find four-fifths of the capital required

* It is but fair to state that Signor Luzzatti and his friends deny this. Signor Luzzatti some time ago declared that his banks had been the means of advancing to agriculture in his country no less than 80,000,000 lire (£3,200,000) M. Durand challenges this, as by a long way an over-estimate. In 1889 Signor Luzzatti had statistics prepared showing the composition of 399 banche popolari, and found that out of 234,073 members of these as many as 52,085 were small agriculturists: peasant proprietors and *metayers*. Generally speaking, however, there can scarcely be any doubt that small agriculture has not received nearly adequate benefit from the banche. M. Durand frankly states that up to the time when Dr. Wollemborg provided for it popular agricultural credit did not exist in Italy. That is no reproach to the banche. Excellent for other purposes, for that purpose they are not adapted. Hence the welcome afterwards given to the Wollemborg *casse*, which meet the case of a needy peasantry, but would be out of place where Signor Luzzatti's banche thrive best.

for starting even a considerable number of banche popolari within its own district. Under the law as it stood that proved impracticable. But the good will from which the offer proceeded remained available for other methods. On the face of it, if the popular banks wanted to exist any time, they must be honest. And Signor Luzzatti and his friends had too much at stake in their reputation to play recklessly with their new instrument of credit. The public banks resolved to trust him, and they have had no cause to regret it. The new custom has opened to them a vast additional field of business, all the trouble of cultivating which falls to the share of the People's Banks, leaving to themselves nothing but profit.

There was another helping force which at their birth stood the new banche in good stead. "We have issued," says Signor Luzzatti in one of his addresses, "from the maternal womb of the friendly societies (*delle viscere materne de quei sodalizi di reciproco aiuto*)." Friendly societies were well developed in Italy. The point is of importance to ourselves; because it marks one of three great similarities of direct bearing on the establishment of People's Banks, which link us Teuton English across the dividing gulf of very dissimilar France, Germany and Switzerland, with the Latin Italians. Our common features are:—an equal familiarity with business, more especially banking; some strikingly similar traits in agriculture, of which I have to speak later on; and the hold which the provident principle, as expressed by friendly societies, has secured upon the mass of the people of both nations. The first and third of these features have been of very material help in the formation of the banche popolari. And if we are ever to have a similar institution, it will probably be built up on the same foundations, and may very well issue, as in Italy, from the "maternal womb" of the friendly societies. The friendly societies of Italy at once saw the social and economic value of Signor Luzzatti's idea, and took it up readily. His first experiment was made in connection with a friendly society of Lodi. The societies were, of course, wholly debarred by their rules from practicing the new principle themselves. But if they could not convert themselves into loan banks, they could at any rate supply the banche with members and secure to them support by making their system understood among those for whom it was mainly intended. From the first they stood by the banche. The two have become sworn allies. And the banche have had many an opportunity of repaying the favor of early support by substantial pecuniary services rendered when they had become strong.

Unlimited liability having been ruled objectionable, to what extent would Signor Luzzatti go with his "master" on other points? The German banks of both systems were essentially *borrowing* banks. Schulze, it is true, did a little bill-discounting, as he did a little of almost everything that lending institutions of the most various kinds engage in. That "little of everything" Signor Luzzatti at once decided upon throwing overboard, as complicating business and conducive to weakness. And, in spite of adverse opinions expressed in Italy by Montanari and Fortunato—who were both in favor of borrowing—he elected to make the support of his own associations to consist, not in borrowing, but in the discounting and passing of bills of exchange. A bank, he held, must be a bank—whatever its object. Borrowing must needs mean dependence upon others, and put the whole body of transactions into a shape unfamiliar to Italians. Bills and current accounts they all understood. A bill might serve as medium alike for lending and for borrowing. It would keep the business simple, the money always "mobilized"—readily convertible. A bill, in fact, is the banker's

currency, as coin is that of the public.* The heads of Italian People's Banks now ascribe much of their success to the perpetual state of readiness for all contingencies which they owe to their "ever-mobilized portfolio." In the crisis of 1880 the People's Bank of Poggibonsi found itself hard beset. Upon the strength of its little capital of 90,000 lire (£3,600) it had taken 503,000 lire worth of deposits (£20,120), and discounted 550,000 lire worth of bills (£22,000). Under the circumstances its ruin would have been inevitable if it had not held its funds in bills which could be readily realized. The "miraculous development (*meraviglio sviluppo*)" of his principal bank, the Banca Popolare of Milan, Signor Luzzatti himself ascribes mainly to its consistent practice of meeting all calls made upon it, even when it had a right to "notice," with the cash payments which its "ever-mobilized portfolio" made always practicable. There appears to have been another reason prompting the founders of the banche popolari to decide in favor of bills as their main medium of exchange, which seems less conclusive. Their object was, like Herr Raiffeisen's, to lend for *productive* purposes only, to supply on credit working capital for trade, commerce or agriculture. And as Signor Levi explains his master's views, he held that as a rule a bill stands for a productive transaction at its inception; an ordinary loan for a transaction already completed, upon which there is a deficiency. A tailor buying his cloth to make clothes of, gives the manufacturer a bill, to mature when he has realized his profit. The man in difficulties, who cannot meet a bill previously drawn, comes to the bank for a loan. That may be so in Italy; it does not necessarily apply elsewhere. To banks in an assured position, however, bills offer another substantial advantage: they become a direct source of profit, over and besides their convenience, inasmuch as, with the new signature on their back, they are negotiable at a lower rate of discount.

On all these grounds Signor Luzzatti resolved to found his banking practice mainly on bills of exchange (and current accounts). He issues shares—like Schulze-Delitzsch; not so high as those which Schulze-Delitzsch began with, but on the other hand he is a little more exacting in respect of time allowed for payment. The shares must be paid up within ten months on pain of forfeiture. In addition, he will have an entrance fee, to serve as the beginning of a reserve, but mainly as an earnest money, to be forfeited in case of withdrawal. That makes things a little harsh for poor folk, as M. Durand points out. If there is —as happens, for instance, in the pattern bank, that of Millan—fifty lire to pay for the share, and twenty-five lire as an entrance fee, all within ten months, the tax becomes a little heavy for a poor workingman. But at the outset Signor Luzzatti did not care to have very poor men. They must go to some charitable or friendly society, in order, by its support, to raise themselves to a position in which they would hold a little stock of their own, and so become "ripe" for the banca popolare. In course of time things have adapted themselves to circumstances. There is no more encouraging feature about Italian People's Banks than this, that one of them is never set up anywhere without calling up within very little time a family of others clustering around it to serve for different *clientèles*—more or less pretentious, as the case may be. By the self-evidence of its advantages the business seems to propagate itself. Thus, around the banca popolare of Milan have sprung up, in that city alone, eight new banks, as on a graduated scale; round the

* A form of bill particularly recommended by the late Signor Mangili is that which was first introduced into this country under our "Bills of Exchange Act, 1882," making bills of exchange repayable by installments.

Bank of Bologna five; round that at Naples twenty—all of them more or less *étagées*, "ranged in tiers," suiting their requirements to their own peculiar public, and issuing shares of from five lire (four shillings) up to 100 lire (£4). A rather curious feature about these shares is, that as the bank improves in position, they are issued at an advanced rate, the *agio* being in every case fixed by actuarial valuation and advertised in the monthly *Bollettino*. It varies materially. In many cases there is none at all. In others it amounts to but a few centesimi. At Nereto, in 1889, it stood at 15.30 lire on the fifty-lire share: at Milan, in the Banca Co-operativa Milanese at twenty-five lire on fifty; at another place at fifty lire on eighty; at Lodi at as much as forty-five lire on sixty. Shares are withdrawable, of course; members may resign, as in Germany. Comparatively little use appears thus far to have been made of this privilege, and no danger whatever has arisen from it to the banche. In any case, of course, the entrance fee remains the property of the banche.

Shares no doubt help a bank, based on the limited liability, up to a certain point. But in view of the work undertaken, their support, after all, goes only a very short way. If the bank is to be at all useful, very much larger funds have to be raised. For a short time after their foundation the banche (being, under the old law, nothing more than ordinary joint-stock companies) enjoyed the questionable privilege of issuing notes, for the value of which securities had to be deposited. The notes issued were mostly fifty centesimi notes—fivepenny paper. In 1872 they issued of this as much as £1,022,700. The privilege was withdrawn in 1874, and the banks appear to have done all the better for losing it. While it lasted, it helped them in respect of cash only a very little, in comparison with their needs. If the banks wanted to coin working capital by receiving savings and ordinary deposits, and passing on bills, they must first of all secure sufficient confidence with the public, and credit with the larger banks. Without unlimited liability, how were they to accomplish this? Signor Luzzati had his answer ready, but it staggered his countrymen by its "Utopian" boldness:—the banks were to "pledge (*ipotecare*) their honor," to "capitalize their honesty." The great source of their credit was to be their "high reputation for honesty and solvency (*la grande riputazione di onestà e di solidità*)." It sounded ambitious, but it has been made true, and at the present day, and since a long time, the high reputation of the banche is in very fact the main pillar of their strength, enabling them to stand safely amid a troubled sea, during storms as severe as the commercial world has ever witnessed.

One great cause which has led to this high reputation Signor Luzzatti, in reckoning up the elements of the almost miraculous success achieved, modestly ignores—namely, the remarkably skillful management under which the banks have found themselves from the beginning, the business-like practices and the astonishing resource of those who were placed at their head. A mere glance at their work must be sufficient to show that, as M. Léon Say puts it, after a close inspection, these banks are "as skillfully organized as if the best actuaries of London and New York had given their help." "*Toute cette organisation est remarquable comme ordre, ingéniosité, rapidité, perfectionnement technique.*" Balance sheets, the smooth flow of business, the remarkable order prevailing throughout, all go to prove this. Co-operative credit appears indeed to possess a gift of instilling sound business habits and business methods into its adherents. We have had occasion to notice precisely the same thing in connection with the German Raiffeisen Banks:—it is all order, regularity, exactitude, down to the minutest detail. From an actuarial point of view, however, this Italian business, with its technical banking

and a perfectly astounding multitude and variety of operations, is a different thing altogether from the elementary simplicity of Raiffeisen work, which, in its own sphere, is one of its chief recommendations, but which seems scarcely suited to the Italian banche. Signor Luzzatti was, at the outset, assisted by a curious piece of luck. The first banca popolare had been but a few days in existence when a monetary crisis, throwing all business into confusion, furnished to its founders an opportunity for showing their ready resource, and, by using it skillfully, to raise their bank at once into public favor and reputation. The late Felice Mangili, who was Secretary of the bank, relates the incident in his *Mémoire—Festschrift* the Germans would call it—published in 1881. Barely had the Bank of Milan opened the doors of its modest office in 1866, when Italy was plunged into war. In the then state of affairs that meant a financial crisis, and the Italian Government, by way of aggravating it, had preceded the opening of hostilities by enacting forced currency for the notes issued by the National Bank. There was general consternation. The *disagio* went up to 10 per cent. The Savings Bank of Milan alone lost about 800,000 lire before it rightly knew where it was. The public were in a state of ferment, and serious disturbances were apprehended. The banca popolare promptly came to the rescue, offering to issue *buoni di cassa*—bonds, or bills, that is, not notes—for small amounts: five, three, two lire, against security. The public jumped at the opportune suggestion. The Giunta Municipale readily approved it, and the printing press was at once set at work with admirable effect. A serious crisis had been averted—and the reputation of the banca popolare was made. Within a year the number of its members rose from 400 to 1,153; its capital grew to 217,000 lire, its reserve to 7,902 lire; at the end of the year it had discounted 687,606 lire worth of bills, had received 341,251 lire of deposits, the total of its transactions stood at 10,957,086 lire, its profits at 16,030, it was enabled to pay its members a dividend of five lire per share, that is, ten per cent. The ship was fairly launched and sailing along with a favoring breeze in deep and smooth water.—*Henry W. Wolff in People's Banks.*

[TO BE CONTINUED.]

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

COLLECTION OF DRAFT.

A short time since we sent to a bank, in a town contiguous to this, a demand draft on a firm in that town, requesting that bank to collect and remit us the amount. After an interval of ten days, during which the bank had held up the draft at the request of the drawees, the firm failed and made an assignment, and the bank returned our draft with that information. We very promptly wired the bank that we would hold it responsible for the amount of our draft. Can we do this? What is the law and custom amongst banks in making collections?

REPLY.—Unless the bank can show that the draft could not have been collected at any time while it was in its possession, it is doubtless liable for the amount. The delay of ten days to make the collection, unless satisfactorily explained, certainly renders the bank liable. A bank must exercise due diligence in presenting a draft payable on demand, or at sight, or after

sight, received for collection. When it has received a check to collect, drawn on a bank in the same town, the presentment must be made on the day of its reception, or the next one. This is a very old rule, and was long ago applied in the case of *Smith* v. *Janes* (20 Wend. 192). The same rule applies to drafts. (Rand. on Com. Paper, § 1,096). In Bolles on Bank Collections many of these cases of negligence in making presentment are described. Attention is called especially to the case of *Fox* v. *Davenport National Bank* (70 La. 649), and the First National Bank of Denver case (4 Dill. 290). In one of the cases a draft was transmitted for collection to the Girard National Bank of Philadelphia which was payable at another bank in the same city. It would have been paid if it had been presented that day, or the next, but the Girard Bank transmitted it by mail on the second day and not by messenger, and before reaching the other bank it had failed. The messenger could have reached the bank in an hour. The Girard Bank was regarded as negligent in presenting the draft for payment. (119 Pa. 212.) It escaped liability, however, on another ground which need not be described. Another case worth examination is the *Mound City Paint and Color Co.* v. *Commercial Nat. Bank* (4 Utah 353).

BANK COLLECTIONS.

A customer deposits a check of his customer upon a bank in another town (in this case there is but one bank there), and we send it to the bank upon which it is drawn, the day following the one on which it is deposited, say the 12th. On the 14th the bank to whom we sent it remits a draft on their N. Y. correspondent, which we forward to our N. Y. correspondent for collection the same day we receive it, which was the 15th, and on the 19th it is presented and, dishonored, protested and returned. The bank which issued it having failed on the 18th, we receive it back on the 22d and ask the depositor of the check for which the draft was intended as payment to reimburse us for the amount of the original check and protest fee upon the draft as we had given him credit for the check when he deposited it. He refuses to repay us. Can we maintain an action and recover from him?

We have this pasted on the cover of all of our pass books: "This bank in receiving collections acts only as your agent, and does not assume any responsibility beyond due diligence on its part the same as on its own paper." We also have a notice like the enclosed stuck up at the receiving teller's window where all depositors may see: "Checks, Drafts, Notes, Acceptances and other items, not payable in this City, are received and forwarded for collection at depositor's risk only, until we have received final actual payment." If there are any decisions that you can point us to please do so.

REPLY.—In *Levi* v. *National Bank* (5 Dill. 104, 111), Judge Dillon said: "It is not unusual for bankers to credit their correspondents or customers with the amount of paper of a certain character at the time of its receipt for collection, but such credits are provisional only, being made in anticipation that the paper will be promptly paid, and with the right to cancel the credit if the paper is dishonored." No rule perhaps is better understood by bankers and their customers than this. Says Mr. Chief Justice Paxton in *Hazlett* v. *Commercial National Bank* (132 Pa. 118), "The mere fact that the collecting bank credited the [depositor] with the check as cash did not alter that relation. This is done daily—indeed, it is the almost universal usage to credit such collections as cash, unless the customer making such deposit is in weak credit. If the check is unpaid it is charged off again, and the unpaid check returned to the depositor."

The crediting on the occasion mentioned in this inquiry was clearly a

provisional one. The title of the check did not pass to the bank, and the depositor did not draw against the credit. He was the owner and could have recalled it at any time. The case of *The St. Louis & San Francisco R. Co.* v. *Johnson* (133 U. S. 566) may be mentioned as an illustration. The company had made deposits and was credited with the respective items deposited. The bank having failed, the question was whether the title of the checks had passed to the bank, or remained with the depositor. The court decided that this was mainly a question of fact and decided in favor of the depositor. (See many cases cited or described in Bolles on Bank Collections, §§ 7–9.)

As the crediting on this occasion was provisional the bank had the right to charge the check back on failure to collect the same. The depositor, therefore, must stand the loss.

In some States it has been decided that a collecting bank has no right in a case of this kind to send a check to the drawee bank for payment, but must present the same through another bank. This is the law in Pennsylvania, Illinois and Colorado, but is not the law in the State from which this inquiry has been sent; nor in most of the States. All the cases may be found in Bolles on Bank Collections, §§ 192, 192a.

BANKING AND FINANCIAL ITEMS.

General.

COLUMBIAN EXPOSITION.—By far the handsomest and every way the most complete guide-book that we have ever seen is the newly-issued volume of the Pennsylvania Railroad Company, which describes its facilities for carrying passengers to and from the Columbian Exposition, and also describes the various attractions for the tourist which may be seen in a trip from New York to Chicago. The book is profusely illustrated with half-tone engravings and clear and distinct maps, and it has been beautifully printed by Allen, Lane & Scott, of Philadelphia, who are not excelled, if they are equaled, anywhere in the world as printers of this class of publications.

Eastern States.

WALLINGFORD, CONN.—The First National Bank has bought $50,000 more of 4 per cent. Government bonds and increased its circulation to the legal limit of $135,000, for which the United States Treasurer holds $150,000 worth of bonds. It is fortunate that this bank was in easy circumstances and thus able to take advantage of the low market for bonds and make this large purchase.

BOSTON, MASS.—The Boston *News Bureau* says that it has made careful investigation of the rumors concerning the alleged holdings by savings institutions of currency ordinarily on deposit with National banks, and finds that the reports are very much exaggerated, perhaps entirely groundless as regards Boston's savings institutions, though they may be true to a minor extent respecting country banks. The 184 Massachusetts savings banks held, October 31st, 1892, according to the official report of the commissioners, $955,131 in cash and $13,000,582 deposited in National banks on call. Of these sums 38 per cent. of the cash and 40 per cent. of the deposits were credited to the 16 Boston banks, and the five largest of these held 84 per cent. of the cash and 81 per cent. of the deposits. These same five banks now hold about $471,000 in cash in vaults, and $3,877,000 on deposit. It appears, therefore, that the gross changes in balances in eight months amount to an

increase of $162,000 cash, and an increase of $372,000 deposits, which is far from being unusual. A considerable part of the change is accounted for by the fact that two of the large banks are rapidly approaching their dividend day, when an unusual sum of ready money must be on hand to meet the requirements of depositors who postpone drawing until the dividend is fully earned.

BOSTON, MASS.—The final dividend from the assets of the Pacific National Bank of Boston has been declared. The amount was 1⅛ per cent. on claims proved amounting to $2,397,129.52, and the aggregate dividends declared amount to 65⅓ per cent. This practically closes the record of the Pacific Bank failure and relieves Hon. Peter Butler from the responsibility which he has so long borne as receiver of the bank. The failure occurred March 18, 1886, and it was only a little while after that Mr. Butler was tendered the receivership. There are still two suits pending against the bank, but arrangements have been made to provide for them.

BOSTON, MASS.—The greatest savings bank in this country is the Provident Institution, of Boston. It was started in 1816, and has run until this time with, to use the words of its president, Henry Lee, "not the loss of a dollar by dishonesty." "There is a tradition," said Mr. Lee, "that the bank was founded partly at the urgent request of good Bishop, afterward Cardinal, Cheverus, that his 'people,' as he called them, might have a place of deposit, so as not to spend or lose their little savings. A few years later, at the bishop's suggestion, the plan of partial withholding of the bank's earnings and the declaration of surplus dividends every five years was adopted. This was to induce the same people to keep as well as to deposit their savings in bank." The institution now has over 90,000 depositors and over $35,000,000 in deposits. The largest deposit which the management is allowed to accept is $1,000. The bank in the early period paid 5 per cent. interest, but the rate is now 4 per cent. The surplus dividends every five years are no longer paid, as the law of the State now requires the setting aside of a reserve fund.

LEBANON, N. H.—The directors of the National Bank of Lebanon have voted to increase their bank note circulation from $25,000 to $100,000.

PORTSMOUTH, N. H.—Judge Chas. E. Batchelder has been elected to the presidency of the Portsmouth Savings Bank. A better selection could not have been made by that institution.

ENGLEWOOD, N. J.—The managers of the Citizens' National Bank, of Englewood, state that all through the hard times the deposits have averaged $300,000. Five shares of the stock sold recently for $130 each. The surplus has increased from $15,000 to $18,000.

NEW YORK CITY—HOW TO INCREASE THE CURRENCY.—Comptroller Eckels has received the following letter from Henry Clews on this subject:—"Dear Sir: The National Bank Act certainly should be amended to provide for notes being issued up to the par value of United States bonds, and another amendment would also be wise, to provide for an issue of notes against the surplus capital of the National banks, to the extent of 75 per cent. thereof. These two changes in the law would make an increase in National currency amounting to about $150,000,000 and would provide the nation with enough new money for its needs, and it would be the best and most legitimate kind besides. The New York banks now have a surplus over capital of $70,000,000. The National banks of other cities and elsewhere have probably $100,000,000 in addition. This backing, in cash or its equivalent, to the notes issued against the same, would make them the strongest and most legitimate character of money in circulation. No stronger kind of money could be devised. The surplus against which the issue of these notes would be made would be under the National bank examiners. The constant increase in the surplus of the banks would also give an elastic character to such money, which is a very desirable feature."

NEW YORK CITY.—Mr. A. C. Cheney, president of the Garfield National Bank, who died on the 13th of July, was born in Groton, N. H., 56 years ago, and went to New York when a boy. He was an office boy and soon worked his way up in the dry goods business. His operations became more extensive, and he was elected president of a towing line. Of late years he has devoted his time to the Garfield National Bank, of which he was president. He was also president of the Garfield

Safe Deposit Co. When the Nicaraguan Canal Co. was organized he was active in promoting its interests, and was elected president of the Nicaraguan Canal Construction Co. A few years ago he resigned and was successed by ex-Senator Warner Miller. He was a member of Lafayette Post and during the war served gallantly in a New York company. A member of the Madison Square Baptist Church, he was noted for his unostentatious charity. As a banker and business man he had ability of a high order, and his integrity was such that his word was as good as his bond. He had accumulated considerable wealth. In politics he was an ardent Republican and always took an active part in the political campaigns. He was treasurer of the Republican State Committee when ex-Senator Fassett ran for Governor. In the campaign in which President Harrison was elected Mr. Cheney took an active part, and by his activity and outspoken sentiments did much to contribute to the success of the ticket.

BROOKLYN.—The Broadway Bank is to erect a new building. The first two stories will have a frontage of Indiana limestone and polished granite, and the stories above will be pressed brick and terra cotta. The ground floor, which will have a depth of 100 feet and a width of 25, will be the quarters of the bank. It will have a Mosaic tiled floor with polished marble trimmings and an oak and polished metal partition. Besides the cashier's and directors' rooms, fitted up in splendid style, there will be every convenience provided for depositors. The vault of the new bank building will be fitted with all of the modern improvements. The floors above the banking department will be fixed as offices in the latest styles. The new building of the Broadway Bank will be a strong indorsement of the sound business foresight of the men who established the institution. The bank opened its doors for business January 8, 1888, and ever since that time it has prospered and kept in a line with the advance of the times. The men who control the affairs of the Broadway Bank are well known in the community and their soundness of business methods is proved by the individual success they have made. The officers of the bank are: H. Batterman, President; E. M. Hendrickson, Cashier; John H. Schumann, First Vice-President; William Lamb, Second Vice-President, and George H. Fisher, counsel. The Board of Directors has for its members H. Batterman, Millard F. Smith, H. S. Hollingsworth, J. H. Schumann, George H. Fisher, Charles Miller, William Lamb, Charles Naeher, H. B. Scharmann and Louis Bossert.

CATTARAUGUS CO., N. Y.—Nearly every bank in the county was represented at the meeting held in Salamanca for the purpose of discussing plans for forming a county association. The idea, though a new one, meets with general favor and a committee consisting of Hon. W. E. Wheeler, vice president of the First National Bank of Olean, E. B. Vreeland, president of the Salamanca National Bank, and C. A. Case, cashier of the Bank of Ellicottsville, were appointed to draft suitable by-laws to govern such an association.

SYRACUSE, N. Y.—The largely increased business of the banks of Syracuse has led to plans that are soon to be carried out by which the facilities of some of them are to be largely increased. The Robert Gere Bank is to be located within a year in new and very handsome quarters in the banking building now in course of construction in East Water street, next east of the Onondaga County Savings Bank. For some time the Trust and Deposit Company of Onondaga has felt the need of more commodious quarters and the State Bank, which is closely allied with this institution, has also been in need of more room. Arrangements have been made by which these two banks will eventually occupy the entire lower floor of the Syracuse Savings Bank building. The plans are being matured, now that the Trust and Deposit Company have a lease of that part of the building, by which the institution is to occupy all of that floor excepting the northwest corner, just vacated by the Commercial Travelers' Association, into which the State Bank will be removed. The Syracuse Savings Bank also feels the need of more room and they will take possession of the banking rooms now occupied by the State Bank on the second floor of the building.—*Syracuse Herald.*

PHILADELPHIA.—The death of the wealthy philanthropist, Anthony J. Drexel, will be sincerely mourned by the printers of the entire country. While living he gave a large amount of money to the Printers' Home and has remembered the fraternity in his will.

PHILADELPHIA.—The Philadelphia National Bank has just completed some extensive improvements of its building, which was erected in 1857 by the Bank of Pennsylvania. It was made of Quincy granite and iron, and took front rank among the great buildings of the country on account of its massive proportions and great solidity. It is said to have been the first important fireproof building in the city, and has probably not been surpassed by any of modern erection. The offices of the Recorder of Deeds and Register of Wills were located there for more than twenty years. Upon their removal to the City Hall the bank directors decided to make a radical change in their property. The interior of the whole structure has been remodeled, and it seems incredible that the present quarters of the bank, with all its modern arrangements, perfect ventilation, bright and cheerful aspect, should ever have been the dark and gloomy offices of the Recorder of Deeds. These apartments, from the offices of the president and cashier on the Chestnut Street front to the vaults and directors' room in the rear, are elegantly finished, and contain all the latest improvements for the speedy transaction of business. The main corridor, running through the building from Chestnut to Ranstead street, is most imposing, having an exceedingly handsome entrance, marble wainscot and floor. This will, no doubt, become a great thoroughfare, as it will afford easy access to the Bourse. In the upper floors of the building, the change is quite as great, and where before were inconvenient and depressing rooms, are now suites of offices having large, heavy plate glass windows and doors with frames of solid quartered oak. Every room is furnished with large closets, mirrors, fireproof safes, a free supply of hot and cold filtered water and every other convenience possible. On the site of the old banking room in the rear, a new building, corresponding in height with the front, has been erected. This will contain a large number of offices, all having the same convenience of arrangements that so distinguishes those in the front, and as they will face the Bourse will be most desirable. Striking features of the whole structure are its perfect light and ventilation, its spacious halls and corridors. Mail chutes and all approved modern conveniences have been placed in the building. The advantages have been largely availed of by corporations, considerable floor space having already been rented. A large room on the first floor is occupied by one of the departments of the Philadelphia Trust and Safe Deposit Company, and the whole of the front offices on the second floor, forming a magnificent suite, by the Bethlehem Iron Company. A number of other prominent firms have also secured space. Being in the financial center of the city, facing the Custom House, on Chestnut street, with the Bourse that is to be in the rear, the Stock Exchange and other great institutions on every side, the alterations of this most imposing and magnificent landmark for official purposes is believed to have been a good move in many ways.

PHILADELPAIA.—A movement has been organized by some of the leading bank presidents to have Philadelphia made a central reserve city. President Tyler, of the Fourth Street National Bank, has the matter in hand, and has presented a petition to Treasury Department and to a number of other bank presidents, all of whom signed it. At present, Philadelphia is only a reserve city for a limited area, while if it were made a central reserve city it is calculated that many new banks would open accounts here. The deposits of other banks in the Clearing House banks of this city are now about $19,000,000. It is claimed that if the change desired could be brought about the deposits would increase very considerably to the advantage of the Philadelphia business men, who would thereby secure increased accommodations. The plan has been attempted before, but the movement has never been as promising as this one.

TYRONE, PA.—The Blair County Banking Company, of Tyrone, has begun the erection of a fine bank building.

TOWANDA, PA.—The First National Bank of Towanda has had a phenomenally successful career. It was one of the first National banks organized under the law, and on the first instant declared its sixtieth semi-annual dividend. The institution has paid its share-holders in dividends $469,625, besides accumulating a surplus of $100,000. The par value of each share is $100 but it is difficult to buy the stock at less than $250 per share.

PROVIDENCE, R. I.—The State Bank is extending its business in the line of

issuing certificates of deposit bearing interest. The certificates are issued for any length of time and bear interest on a sliding scale, increasing according to the length of time they run. The interest is calculated from the time of deposit to the day of withdrawal. They are proving a very popular way of placing deposits because of this last feature which gives the depositor an advantage over the method of depositing in savings banks where interest only runs by periods of six months, and on money drawn before the expiration of a period no interest is received. The State Bank adopted this kind of certificate about two years ago and has found them so acceptable that it has been decided to extend the system to large deposits and to longer periods than heretofore.

VERMONT BANKS.—The growth and prosperity of Vermont is well shown in the history of banking in its different forms during the last thirty years. With only two places in its borders that contain over 10,000 inhabitants, there is no occasion for any banking institution with a large capital, yet there are 20 National banks that have a capital of $125,000 each or over, two of them having $500,000 capital each. In 1860 the number of savings banks in the State was 12, and amount on deposit $1,100,000. In 1870 the total amount due depositors was $2,700,000. In 1880 there were 21 savings banks and trust companies with deposits amounting to $9,000,000. At the close of 1892 there were 36 like institutions in the State, and the total amount then due depositors was $24,600,000. The amount loaned by these institutions on mortgage outside the State exceeds $9,000,000, and over $7,000,000 is invested in State, city, county and town bonds, most of them being outside the State. The charters of many of the banks expire within the next few years, but it is probable that nearly all will be renewed. These institutions, being organized and conducted by citizens in their own interest, are carefully managed, and in a prosperous condition, are profitable to their stockholders, an advantage to the people and an honor to the State. One of them, the First National of Bennington, for many years paid a dividend of 20 per cent., has never declared less than 5 per cent. semi-annually, and only a few years ago divided a surplus of $110,000 among its stockholders. Since its organization it has been managed by L. R. Graves, one of the best known financiers in the State.

BURLINGTON, VT.—The statement of the Burlington Savings Bank to July 1st, 1893, shows that it now has 10,270 depositors, with deposits amounting to $3,910,925.82, being a gain of $310,504.53 for the past six months. They have increased their surplus during the same time over $18,000, and now have assets amounting to $4,133,750.43.

WESTERN STATES.

SALEM, SOUTH DAK.—It is said that the McCook County Bank will shortly increase its capital stock to $50,000.

OSGOOD, IND.—The stock of the Ripley County Bank has been increased to $50,000.

DES MOINES, IA.—The Bankers' Iowa State Bank has opened its doors for business. President Head, Vice-Presidents Gaslock and Reed, and Cashier Newell and several of the directors were present, and were kept busy with the business of the bank. The stock held by the present stockholders is already at a premium as it will only be issued as the needs of the bank require it. The management is thoroughly conservative and the directors represent a capital of over $5,000,000, and the solid and conservative banking interests of the State; they were very much encouraged by the outlook which promised in the near future to approve their judgment in starting "the million-dollar bank" in Des Moines.

MINNEAPOLIS, MINN.—The Board of Hennepin County Commissioners has loaned $41,400 of the county sinking fund to the Irish-American Bank at the rate of 5 per cent. interest and accepting a bond for $85,000 to secure the loan.

MISSOURI.—The officers of the Missouri Bankers' Association elected for the ensuing year are: President, J. M. Wilcoxson of Carrollton; first vice-president, J. C. Russell, St. Louis; second vice-president, J. P. Huston, Marshall; third vice-president, Miss Kate M. Cox, Kingston; secretary and treasurer, F. P. Hays, Lancaster; assistant secretary, W. T. Bigbee, Springfield. The Executive Com-

mittee consists of W. J. Anderson of Kansas City, B. Jones of St. Louis and H. P. Farris of Clinton.

KANSAS CITY, MO.—The Union National Bank has submitted to the County Court a proposition to pay interest at 1.57 per cent. on daily balances for the privilege of receiving the deposits of county moneys. A bond of $1,200,000 is required.

MONTGOMERY CITY, MO.—The Farmers and Traders' Bank of this city has increased its capital stock from $20,000 to $40,000. The increased issue of stock was taken by the shareholders of the Citizens' Bank of this place, and the name of the bank was changed to the Union Savings Bank. A new Board of Directors was elected and W. L. Gupton, cashier of the Citizens' Bank, was chosen president of the new bank and J. C. Uptegrove, cashier of the Farmers and Traders' Bank, cashier. The business of the two old banks will be wound up by the officers of the new bank in the old Farmers and Traders' Bank building.

LINCOLN, NEB.—The order of the State Banking Board concerning the matter of overdrafts has aroused the National banks. The State Banking Board received two letters to-day which bear directly on the question of overdrafts. The first one is from the First National Bank of Columbus, and reads as follows;

"State Banking Board, Lincoln, Neb.

"DEAR SIRS—We are informed that you have issued a circular to State banks regarding overdrafts. We shall be pleased to receive a copy of this circular, and I think the majority of the National banks of the State would like to receive copies, and would gladly avail themselves of the opportunity to co-operate with the State banks to discourage the practice of allowing overdrafts.

"Yours truly, A. ANDERSON, President."

The second letter is from the State bank of Jensen, and reads as follows:

"State Banking Board.

"GENTLEMEN—I have your favor of July 5, and thank you for your kindness. I already have the following in conspicuous letters posted over the paying counter:

POSITIVELY
NO OVERDRAFTS ALLOWED.
BY ORDER OF THE
STATE BANKING BOARD.

"This seems to be having the desired effect.

"Very truly yours, D. LEWIS, Cashier."

As an example of the work done by the State Banking Board it might be stated that up to the present time the board has fewer banks on its hands than the Comptroller of the Currency. A number of State banks are going out of business, and for a time are in the hands of the banking board; but they are not broken banks and are not placed in the hands of a receiver. They are forced by the stringency of the money market to go out of business. The stockholders simply give bonds to secure all the debts of the bank, and themselves suffer the losses entailed by the impossibility to realize on the securities of the bank. In this way the depositors are saved from any loss, and the banking board has thus done its duty.

OMAHA, NEB.—The Merchants' National Bank bid three per cent for the treasurer's deposits.

CALEDONIA, OHIO.—The entire capital and business management of the Caledonia Deposit Bank has been transferred to Geo. Donnenwirth, L. C. Donnenwirth and Dr. John A. Chesney of Bucyrus, and Dan Babst of Crestline. L. C. Donnenwirth has been installed as cashier, and M. P. Wright will continue to act as assistant cashier. This bank was organized eight years ago by the late William Rowse and several members of the Monnett family. Its capitalization was $25,000. Mr. Rowse being the heaviest stockholder, and he in time bought out the other stockholders, and thus became the individual proprietor of the bank. His son, C. H. Rowse, has been the cashier since the bank was opened, and for the past few years M. P. Wright has been assistant cashier. From the start the bank has done a good business and has been rated among the best investments of anything in this part of the country. Its management has always been safe and conservative, and yet the volume of business has continued to increase as the bank continued to grow

n the confidence of the people, until it has come to be reckoned as one of the solid and substantial institutions of the country, in which everyone reposes the most implicit confidence. All the members are practical business men, with abundant capital, and without exception are thoroughly acquainted with the banking business. L. C. Donnenwirth, who, as cashier, will have more to do with the management than anyone else, is to be especially commended to the citizens of Caledonia and community as a pleasant and thoroughly competent gentleman, in whose hands their interests, as well as the interests of the bank, will be safe. He is at present acting cashier of the Bucyrus City Bank.—*Marion Star.*

RIPON, WIS.—THE FIRST NATIONAL BANK OF RIPON.—We, the undersigned directors of the First National Bank of Ripon, for value received, do hereby jointly and severally guarantee the payment in full of each, every and all the deposits held by said First National Bank of Ripon now and during the year 1893.

H. H. MEAD, WM. A. MILLER,
L. E. REED, GEO. L. FIELD,
Ripon, Wis., July 25, 1893. A. P. HARWOOD.

The above bank has a record of which it may well be proud. Founded in 1856 as the Bank of Ripon it has been so wisely and ably conducted that it has passed successfully through every financial storm that has arisen since its organization. It enjoys the confidence of the community to an unusual extent. With resources which are now considerably in excess of half a million dollars its officers stand confidently ready for any emergency. Yet, that the recent failures in the State may not occasion the least anxiety to any of its customers, the directors have voluntarily come forward and guaranteed the deposits, which are now $370,000, having for that purpose placed in the hands of a committee of prominent citizens, comprising Mayor Burnside, F. Strauss and John Pearson, personal property of the value of $500,000, consisting of first-class securities that would be readily accepted anywhere. This is entirely outside and in addition to the bank's resources and gives a total security of upwards of one million dollars, or nearly three dollars for every dollar on deposit. Such action of the directors cannot be too highly commended nor fail to uphold and inspire confidence at a time like the present when the country is passing through a great monetary crisis.

SOUTHERN STATES.

ATLANTA, GA.—The absurdity of bank runs is again made apparent in the case of the Gate City National, of Atlanta. Notwithstanding this bank was looted for $100,000 by a dishonest official, depositors will receive dollar for dollar and stockholders will receive 75 per cent.

KENTUCKY.—Capt. John H. Leathers, of Louisville, who was deputized by the Governor of the State to represent the financial institutions of Kentucky in the World's Fair Financial Congress at Chicago, read a valuable paper on the "Banking System, Resources and Finances of Kentucky." Capt. Leathers said: The first bank organized in Kentucky was in the year 1806, under the title of the "Bank of Kentucky." It continued in existence until the termination of its charter. The present Bank of Kentucky was chartered in 1834, and has continued uninterruptedly in business ever since, undisturbed by the calamities of the civil war, unaffected by the vicissitudes of fortune or the various financial storms that have swept over the country during all the intervening years, and she ranks to-day, as she has always stood, a tower of strength and a model of conservatism, solid as the rock of Gibraltar, and as sound as the Bank of England! The Bank of Louisville was chartered in 1833, and the Northern Bank of Kentucky in 1835. All of these old institutions, still holding fast to many of the old ideas and straight-laced methods of banking of the era in which they were organized, have justly earned the highest confidence and respect of all Kentuckians, reflecting honor upon the State that gave them existence and dignifying the system of banking they represent. The State banking system in Kentucky largely predominates over the National system, and it is due in a great measure to the influence and example exerted by these venerable and time-honored institutions. The banking system of Kentucky does not differ from that which prevails throughout the other States of the Union, State banks, however, being largely in excess of Nationals. In this

respect Kentucky seems to have followed the example of her old mother, Virginia, which has always most favored the State system. The banking capital of Kentucky, National and State, including private banks and trust companies, at the close of the year 1892 was about fifty million dollars—the largest of any State south of the Ohio river. Tennessee had about eighteen millions, a little more than one-third of that of Kentucky; Georgia next, with fourteen millions; Louisiana next, with about eleven millions, and Florida, the smallest, with about two and a half millions. It is a little singular that in all the Southern States the capital employed is larger in National banks than in State banks, with the exception of old Virginia and Kentucky. The banking capital is divided in Kentucky as follows:

State Banks	$26,000,000
National Banks	20,500,000
Savings Banks and Trust Companies	4,000,000

Making an aggregate of about $50,000,000. The deposits of all these institutions aggregate a sum equal to about sixty millions.

LOUISVILLE, KY.—At a meeting at which nearly every bank in town was represented it was resolved to adhere to their contemplated policy of paying their taxes under the Hewitt taxing law. It is held that the banks act under the Hewitt law, and this cannot be broken during the life of the corporation. Mr. James S. Barret, of the German Security Bank, said: "The Hewitt law derives more revenue to the State from banks than with the new revenue law, which has not yet gone into effect, but a payment of taxes under the new law would make us liable to local taxation, which we will not, if possible, incur."

LOUISVILLE, KY.—A valuable and handy little pamphlet has just been issued by the Louisville Trust Company. The work explains in a simple and clear manner how the banking business is conducted. It is full of helpful hints and suggestions to inexperienced persons, in regard to savings, the management of wills, estates, etc., and it will serve to enlighten people on the workings of banking institutions and of their inestimable value to the public. The Louisville Trust Company have shown a commendable spirit of enterprise in publishing the book, and its free distribution will not only prove of value to our citizens, but will help materially to increase their already large business.

BALTIMORE, MD.—A certificate has been recorded in the Superior Court of the payment in full of the capital stock of The Charles Simon's Sons Company. The stock consists of 1,000 shares of the par value of $100, issued each to the following persons: Adolph Simon, 371 shares; Charles Simon, Jr., 359 shares; Edmund Simon, 137 shares; August Simon, 123 shares, and Charles E. Simon 10 shares.

BALTIMORE.—A ruling of importance to banks and bankers has been made by Judge Wright in the City Court in the case of Robert H. Renshaw against the German Savings Bank of Baltimore. Mr. Renshaw sued to recover from the bank the value of 200 shares of stock of the East Tennessee, Virginia and Georgia Railroad, which he had left with the banking firm of J. J. Nicholson & Sons as margin in the purchase of Norfolk and Western stock. The stock was issued in Mr. Renshaw's name and was indorsed by him in blank. It was pledged with the bank by Nicholson & Sons, together with other securities, as collateral securities for a loan. After Nicholson & Sons failed the bank sold the collateral. It was claimed for Mr. Renshaw that the pledging of the stock with the bank was a wrongful conversion. The evidence for the bank showed that it is customary for brokers, when stock is left with them on margins, to hypothecate such stock for the amount of cash advanced against it, and that it is also customary for brokers to so hypothecate in bulk and obtain one loan upon a block of stocks belonging to different individuals. The defense testimony further showed that stock indorsed in blank was in condition to be hypothecated. It was claimed that upon this showing Mr. Renshaw must be considered as having given Nicholson & Sons authority to hypothecate the stock and that he could not recover damages from the bank. Judge Wright rejected all evidence as to the custom among brokers, on the ground that it was not a custom proper to be enforced. He held that Mr. Renshaw was not to be estopped because of his name appearing on face of the stock, and the blank assignment, containing merely a power to sell and not a power to pledge, gave the bank notice of the lack

of authority on the part of Nicholson & Sons to deal with the stock as they did. The jury were instructed to render a verdict for Mr. Renshaw for the value of the stock at the time it was hypothecated, December 10, 1891, with interest to date. A verdict and judgment for $2,705.83, with costs, were entered in Mr. Renshaw's favor. The case will be taken to the Court of Appeals. It is said that if Judge Wright's ruling is sustained it will work a great change among bankers and brokers in the conduct of their business.

WILMINGTON, N. C.—Williams & Murchison, one of the oldest established firms in the State, have opened a banking house here for general banking business. The house has large capital and will do much toward relieving the monetary stringency which has prevailed since the failure of the Bank of New Hanover.

WILMINGTON, N. C.—The directors of the Atlantic National Bank have decided to increase the capital stock of the bank to $200,000, and a resolution has been passed authorizing the President, Mr. J. W. Norwood, to take the necessary legal steps to make the increase to that amount.

TENNESSEE.—An act has been passed by the Legislature of Tennessee, and approved by the Governor, giving authority to State banks to issue a circulating medium. The act requires a deposit of United States, State of Tennessee or county bonds, and currency will be issued for the bank on these securities not in excess of ninety per cent. of their market value. The act limits currency to be issued by the State to $25,000,000. Periodical examinations of banks, redemption of currency and other features of the National banking law are adhered to. The banks must redeem their circulating notes on demand, in gold or silver. No county bonds will be accepted where the indebtedness of the county exceeds five per cent. of the taxable property, or if the county has defaulted on its interest any time within a certain period. The circulating notes are to be signed by the president and cashier of the bank, and countersigned by the State Comptroller. The act says: "The object sought by this Legislature being to furnish the citizens of this State a safe, sound and trustworthy currency, possessing sufficient elasticity to meet the demands of the manufacturing, farming and business interests and exigencies of the times—a currency based on some securities, the stability and sufficiency of which no one can question or doubt, to be overlooked, supervised and guarded by the State's chief officers, for the benefit and protection of the public."

VIRGINIA BANKERS' ASSOCIATION.—This is the name of an organization which it is proposed to form at a meeting to be held in Richmond. It is the suggestion of Mr. H. M. Darnall, of the Roanake Trust, Loan and Safe Deposit Company, and the scheme has been indorsed by the Bankers' Association of Roanoke, and letters are being daily received by Mr. Darnall giving the approval of other banking associations and bankers. The general objects contemplated in such an organization are 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 and commercial interests of the State of Virginia, 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 entire State, and for protection against loss by crime, etc." It is proposed that any National, State, or savings bank, trust company, banking firm, or private banker doing business in the State of Virginia may become a member. There are 170 banking institutions in the State. As soon as a majority of the banks in the State are heard from a particular day will be set for the meeting to be held here.

RICHMOND, VA.—The improvements in the State Bank Building, which were commenced some months ago, have been completed. The inclosure for the working force has been enlarged by extending it on all sides; new oak furniture of the most improved pattern for bank purposes has been introduced; a number of private stalls, to be used by the patrons of the bank when desiring to handle their securities, have been added to the conveniences of the institution, and a new vault has been built. The latter is a three-story structure—rather, is composed of three vaults. The foundation, which is in the sub-cellar of the building, rests on several feet of interlaced railroad iron filled in with concrete. Above this is a vault for disused books and papers of the bank. The next story is a similar compartment for the

storage of boxes and trunks of silverware and other valuables, and the third or top compartment, which is on the bank floor proper, is the safety-deposit vault. The two cellar vaults are lined with boiler-iron and provided with both fire and burglar-proof doors. The safety-vault is 16 feet long, 7½ feet wide, and 8 feet high. It contains 416 safety-deposit boxes and six closets, the boxes being of various sizes. The inside of the vault is lined with 2½-inch Brooklyn chrome steel, and the stronghold has two entrances—a regular and a manhole entrance, each provided with two doors of the same character of steel, 3 inches thick. The inner doors are each furnished with two combination locks and the outer doors with triple-movement automatic time locks. The walls are very thick, the contents of the space between the interior and exterior casing being both fire and burglar-defying. The manhole is to be used in case the locks to the regular entrance become deranged. Then a boy can be put through the emergency entrance and open the door from the inside. The National Bank of Virginia is also to follow the lead of the Planters', the State, the First National, the Merchants' National, and the Citizens', and make improvements. It will in a few days remove to the building recently occupied as temporary quarters by the Planters', and its own banking house will undergo remodeling. New furniture will be introduced, and an aisle will run down the center of the banking room. The working force will be distributed on both sides of this aisle. The First National Bank building was erected after the war, but the present vault of the bank went through the fire at the evacuation of the city and its contents were unharmed.

Pacific States.

San Diego, Cal.—Any bank in the world may be closed by the depositors if all of them at once demand their money, for no bank pretends to have the full amount on hand. When the First National Bank of San Diego closed its doors, this was not done because the bank could not pay its depositors, but simply because this could not be done immediately. In two weeks they were opened again, the bank having the fullest confidence of every one and to which it is rightfully entitled. Doubtless many other banks which have closed for a similar reason will resume. If in many cases depositors have lost confidence in banking institutions, what must be thought of depositors, who, in so many cases, have lost their heads, and by their thoughtless action have temporarily closed banks as well as increasing their own individual troubles?

San Francisco.—The San Francisco *Chronicle* thus describes how the directory of the Pacific Bank loaned its funds: The bank put $580,000 in Los Angeles Electric Consolidated bonds, now worth about 25 per cent. of that sum. In the Phœnix street-car line it placed $100,000, and the road can be replaced for about $20,000. The John Brown Colony will be a total loss unless the heavy mortgages on it are made good. The Mohawk Canal has cost $130,000, and it is a continued source of expense, and is worthless unless completed. This year $30,000 has been expended on the canal. The loan to the Colton Marble Works of $20,000 is forestalled by a mortgage of $40,000. In the Alaska Coal Company, the California Fruit and Raisin Growers' Association, and in other enterprises, investments of a most reckless nature have been made.

Seattle, Wash.—The taxation of National banks in this State, under the law of 1891, has practically been declared illegal by Judge Hanford. The enforcement of the law by the county in endeavoring to collect the tax for 1891 was resisted by the Boston National Bank, the Seattle National Bank, the Puget Sound National Bank and the National Bank of Commerce, on the ground that the law discriminates between National and State or private banks in the matter of assessment. Judge Hanford granted a temporary injunction restraining the collection of the taxes pending a final hearing of the case, and Prosecuting Attorney Miller filed a demurrer to the bill of complaint on the ground that it did not set forth sufficient grounds for action. In the argument heard on the demurrer, in which Preston, Carr & Preston appeared for the banks, and Prosecuting Attorney Miller for the county, the law applicable to the case was covered. Judge Hanford's decision overruling the demurrer foreshadows victory for the banks if they can substantiate the allegations as to facts in their bill of complaint.

FOREIGN.

CANADA.—One of the most striking buildings in the Dominion occupied as a branch bank is that at Wingham, Ont., recently erected by the Bank of Hamilton. It is situated at the corner of Diagonal and Main streets in that town and has three floors and a basement, and with its fine Gothic roof and tower is quite handsome. The manager, Mr. Benjamin Willson, has his offices fitted up with good taste. Every department is well lighted and comfortable. A large vault and safe has been added. The second floor is used by the young officers of the bank, and is divided into suitable rooms for their accommodation. Lower down the street, also, is the fine new brick block of H. W. C. Myer, barrister. The old building of the Bank of Hamilton is now occupied by Halsted & Scott, private bankers.

TORONTO, CANADA.—The shareholders of the Imperial Bank are to be congratulated on the receipt of nine per cent. in dividends and bonus for last year, when money was easy and the placing of it securely at a profit was difficult. At the same time an addition of $75,000 was made to the rest, which brought it up to $1,100,385, and this, notwithstanding the fact that that account had already exceeded the goal at reaching which every prudent banker should aim. The rest is now 56.40 per cent. of the paid-up capital, both old and new, and proves that the directors realize the advantage of guarding against every possibility of a reduction of dividend owing to the unforeseen falling off at any time of the ordinary net profits. In addition to this a sum of $4,712 was written off bank premises and furniture account, showing that a strong conservative feeling predominates. The growth of the bank calls for increased accommodation for the staff at headquarters, and for this arrangements have been made which will meet the growing requirements of the bank. The financial statements are very satisfactory, and the whole results show that the general manager, Mr. D. R. Wilkie, who also occupies the honorable position of President of the Toronto Board of Trade, does not allow his efficiency or zeal in the bank's interests to be interfered with.

MONTREAL.—At the annual meeting of the Merchants' Bank of Canada, General Manager Hague in his address warned business men against gambling and said that the table of Monte Carlo and the Chicago Wheat Pit are in principle one and the same. John Crawford, one of the directors, in alluding to the same subject, said that no less than $2,000,000 had been lost by Montrealers during the recent financial disaster in New York.

MONTREAL—DIMINISHING PROFITS.—In the address of the general manager of the Merchants' Bank of Canada, at the annual meeting of the shareholders, he made the following interesting and profitable remarks on this subject: "If we neglect to maintain a sharp look-out, we shall find our territory invaded and our position disturbed in all directions. It is all in the way of friendly rivalry, of course; yet I am very sure we would all do as well in the end, and probably better, if a process were instituted analogous to partial disarmament. That the country and its trade would be served just as well I am also sure. As it is now, with a constantly increasing business, which involves constantly increasing expenses, we ourselves find a constantly decreasing ratio of net profit to the business done. We turned over altogether $1,116,000,000 in 1885, $1,278,000,000 in 1887, $1,308,000,000 in 1890, and $1,394,000,000 in 1893. But we make no more net profit now than we did five years ago. It is not, I assure you, from want of close attention to business. I would be inclined at times to think that we are not sharp enough for the keen competition of these days, were it not that the reports of other institutions exhibit the same feature. In fact, this state of things is common to every line of business amongst us. We could bear with this diminution of working profits, if the liability to loss were diminishing; but that is not the case. The competition just referred to bears directly upon this liability to loss; for it affects not only the rate at which we discount and lend money, but the security we take for it. There is a constantly increasing tendency to relax wholesome rules in this respect to the injury both of those who have sufficient capital, and those who have not. It is a pure delusion for a trader to imagine that the more money he can borrow the better chance he will have of succeeding. The direct contrary is the case. Banks would generally serve their customers better by restricting credit than by extending it, and by requiring tangible security when they lend it. The first would diminish failures

and promote the lasting prosperity of customers. The second would almost entirely eliminate the liability to loss, except from fraud and false representation, and from depreciation in the value of securities. This state of things could be reached by a good general understanding among the banks. As competition is worked, however, it both diminishes profits and increases failures and losses. As there is now a Bankers' Association in Canada, its energies could not be better directed than to bring about reform."

MONTREAL.—The names of Mr. Walker, of the Bank of Commerce, and Mr. Stevenson, of the Quebec Bank, are mentioned in connection with the presidency of the Bankers' Association. Mr. E. S. Clouston, who was offered the presidency but who declined the honor on account of a pressure of work, says that either of those gentlemen would make an admirable president to the association.

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

1893.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
July 8..	$418,685,900 .	$61,703,700 .	$32,884,100 .	$398,679,300 .	$5,719,300 .	*$5,082,025
" 15..	415,499,800 .	62,268,900 .	32,005,500 .	394,174,000 .	5,896,300 .	*4,269,100
" 22..	409,191,500 .	63,853,300 .	32,509,200 .	390,476,200 .	6,025,300 .	*1,256,550
" 29..	406,486,200 .	62,631,900 .	28,610,700 .	382,177,100 .	6,136,200 .	*4,301,675

The Boston bank statement is as follows:

1893.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*
July 1.....	$149,048,900	$6,552,000	$5,843,500	$126,347,700	$6,319,400
" 8.....	149,015,700	6,377,800	5,446,900	128,672,500	6,367,400
" 15.....	148,661,900	6,687,900	5,946,900	126,044,800	6,538,500
" 22.....	148,067,300	6,664,500	5,859,700	123,251,600	6,711,700
" 29 ...	148,514,700	6,625,700	5,311,700	119,615,400	6,933,900

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

1893.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
July 1	$22,459,000	$25,195,000	$98,237,000	$3,675,000
" 8.	22,062,000	25,377,000	96,974,000	3,699,000
" 15	102,758,000	24,862,000	97,376,000	3,781,000
" 22.....	102,198,000	24,165,000	96,114,000	3,891,000
" 29	101,977,000	23,781,000	94,904,000	3,997,000

* Deficiency.

DEATHS.

CHENEY.—On July 13, aged fifty-five years, A. C. CHENEY, President of Garfield National Bank, New York City.

DAVIS.—On July 4, aged forty-two years, FRANK R. DAVIS, Cashier of Pennington County Bank, Rapid City, S. Dak.

GILMAN.—On July 7, aged sixty-two years, JOS. E. GILMAN, Cashier of Merchants National Bank, Portland, Me.

GOLDSMITH.—On July 24, aged sixty-eight years, ISAAC P. GOLDSMITH, Cashier of Farmers National Bank Mount Holly, N. J.

HAINS.—On June 26, aged seventy-five years, JAS. M. HAINS, President of New Albany National Bank, New Albany, Ind.

RIPLEY.—On July 5, aged sixty-two years, E. O. RIPLEY, Cashier of Galena National Bank, Galena, Ill.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from July No., page 74.)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY. National City Bank.....	David Palmer, *V. P.*.....	.....
	Geo. D. Meeker, *Cas.*.....	David Palmer.
" .Dry Dock Savings Inst.....	John Tiebout, *P.*.....	Andrew Mills.
CAL....Nat. Bank of Cal., Los Angeles.	A. Hadley, *Cas.*.....	Perry Wildman.
" ..Crocker-Woolworth Nat. B., San Francisco.	G. W. Kline, *Cas.*.....	.....
" .First Nat. Bank, San Fran.....	Jas. K. Lynch, *Asst*.....	G. W. Kline.
" ..First Nat. Bank, Santa Paula..	N. W. Blanchard, *V. P.*....	Geo. H. Bonebrake
COL....Bank of Del Norte.....	J. G. Huntington, *Cas.*....	G. W. Saunders.
" ..Jefferson Co. Bank, Golden....	Jos. G. Schall, *Cas.*.....	Lee Larison.
CONN...First Nat. Bank, Winsted.....	L. M. Blake, *V. P.*.....	L. R. Norton.
DAK. N. Merchants N. B., Devil's Lake..	A. J. Stade, *V. P.*.....	John C. Buckbee.
DAK. S. Union B'k'g Co., Aberdeen....	J. S. Glasse, *Sec. & Treas.*	E. A. Crain, *Cas.*
" ..Security Bank, Mitchell.....	Mrs. Amanda M. Bowdle, *P.*	A. M. Bowdle.*
IDAHO...Idaho Com'l Co.'s Bk, Weiser	B. W. Watlington, *P.*.....	Alfred Eoff.
ILL.....Merchants Nat. B'k, Chicago...	Edwin H. Gamble, *Asst*....	.....
" ..Nat. Bank of Illinois, Chicago..	H. R. Kent, *2d Asst*.....	.....
" ..Galena National Bank, Galena.	Walter Ford, *Cas.*.....	E. C. Ripley.*
" ..First Nat. Bank, Mt. Carmel...	N. L. Eastham, *Asst*.....	.....
" ..State Bank, Orion.	A. Donaldson, *V. P.*.....	P. Westerlund.
	W. J. Blodgett, *Cas.*.....	Wm. Westerlund.
" ..Orchard City Bank, Xenia.....	Joseph E. Tully, *P.*.....	Thos. M. Cox.
IND....Citizens State Bank, Boswell...	H. Robertson, *P.*.....	J. W. Freeman.
" ..Citizens Nat. B., Jeffersonville..	John C. Zulauf, *V. P.*.....	George Pfau.
" ..New Albany National Bank, New Albany.	J. F. McCulloch, *V. P.*.....	.....
" ..Versailles Bank, Versailles...	Frank M. Laws, *Cas.*.....	R. W. Holman.
	R. W. Holman, *Asst.*.....	.....
IOWA...Benton Co. Bank, Blairstown..	John Lonez, *Cas.*.....	.....
" ..Farmers National Bank, Osage.	A. G. Case, *V. P.*.....	.....
	Karl J. Johnson, *Asst*.. ..	.....
" ..First Nat. Bank, Tipton.....	Harriet S. Aldrich, *Asst*....	.....
KAN....Bank of Clifton, Clifton.....	C. W. Snyder, *P.*.....	E. W. Snyder.
	L. Pfister, *Cas.*.....	C. W. Snyder.
" ..Bank of Douglas, Douglas.....	W. A. Phipps, *P.*.....	H. P. Farrar.
" ..First Nat. Bank, Hays City....	M. E. Dixon, *Cas.*.....	M. G. Huntington.
" ..First Nat. Bank, Marysville.	Perry Hutchinson, *P.*.....	.....
	Aug. Hohn, *V. P.*.....	Perry Hutchinson.
	H. H. Hohn, *Asst*.....	.....
KY.. ..Farmers & Merchants Bank, Greenup.	Wm. T. Hord, *P.*..... ..	J. M. Sowards.
	H. W. Bates, *V. P.*.....	.....
	John E. Pollock, *Cas.*.....	Wm. Sowards.
LA.....Bank of Plaquemine.....	J. M. McClure, *Cas.*.....	Jas. E. Dunlap.
" .Commercial National Bank, Shreveport.	Jas. H. Ross, *Cas.*.....	.....
	S. M. Watson, *Asst*.....	Jas. H. Ross.
ME.....Merchants Nat. B., Portland...	Chas. O. Bancroft, *Cas.*....	Jos. E. Gilman.*
MD.....Citizens Nat. B'k, Frostburg...	Frank Watts, *Cas.*.....	.....
MASS...Lincoln Nat. Bank, Boston.....	Benjamin B. Perkins, *Asst.*	.....
" ..Bay State National Bank, Lawrence.	Samuel White, *V. P.*.. ...	.....
	Justin E. Varney, *Cas.*.....	Samuel White.
" ..Melrose National Bk., Melrose..	Walter I. Nickerson, *Cas.*..	J. Larrabee.
MICH...First Nat. Bank, Bessemer.....	George L. Loope, *V. P.*....	E. R. Hall.
MO.....Bank of Humansville.....	T. J. Akins, *P.*.....	J. R. Owen.
" ..Midland National Bank, Kansas City.	S. B. Armour, *P.*.....	W. McDonald.
	W. H. Winants, *V. P.* ...	S. B. Armour.
	L. E. Prindle, *Cas.*.....	W. H. Winants.
" ..Ralls Co. Bank, New London.	J. E. Megown, *Cas.*.....	Alex. C. James.

* Deceased.

Bank and Place.	*Elected.*	*In place of.*
NEB....Box Butte Banking Co., Alliance.	H. W. Axtell, *P.*.....	.....
	F. M. Phelps, *Cas.*... ..	H. W. Axtell.
" Bank of Avoca, Avoca.	Orlando Tefft, *P.*.....	David Dean.
	W. M. Rowland, *V. P.*....	Orlando Tefft.
" ..State Bank, Elsie.....	Morton L. Mead, *P.*.....	Chas. Landen.
" ..Bank of Grafton, Grafton.	W. G. Hainey, *P.*.....	O. M. Carter.
	J. W. Price, *V. P.*.....	.....
" ..Stanton State Bank, Stanton.	C. M. Densmore, *P.*.....	A. J. Spitzer.
	Henry F. Stephens, *Cas.*..	C. M. Densmore.
N. H...New Hampshire Nat. Bank, Portsmouth.	Calvin Page, *P.*.....	T. A. Harris.*
" ..Portsmouth Savings Bank, Portsmouth.	Chas. E. Batchelder, *P.*...	Wm. H. Rollins.
N. MEX.New Mexico Nat. Bank, Socorro.	M. W. Browne, *P.*.....	S. W. Folsom.
	E. Montoya, *V. P.*.....	M. W. Browne.
" ..Socorro National Bank, Socorro.	T. B. Catron, *P.*.....	Don Luis M. Baca.
	J. M. Robinson, *V. P.*....	B. F. Perea.
N. Y....First Nat. Bank, Middletown	S. W. Robertson, *Asst.*....	Chas. H. Hanford.
" ..Nat. Bank of Ogdensburg.....	R. J. Donahue, *Cas.*.....	.....
" . First National Bank, St. Johnsville.	J. H. Markell, *V. P.*.....	John G. Beekman.
	O. W. Fox, *Cas.*.....	J. H. Markell.
ORE....First National Bank, Astoria.	John A. Devlin, *P.*.....	George Flavel.
	Jacob Kamm, *V. P.*.....	John A. Devlin.
PA.....Carlisle Deposit Bk., Carlisle...	R. M. Henderson, *P.*.....	John Hays.
" ..Mifflin Co. National Bank, Lewistown.	D. W. Woods, *V. P.*.....	.....
" ..Manufacturers Nat. Bank, Philadelphia.	W. H. Heisler, *P.*..	J. W. Moffly.
	Samuel Campbell, *Cas.*....	W. H. Heisler.
TENN...Bank of Madisonville, Madisonville.	M. G. Wright, *P.*.....	W. N. Magill.
	W. N. Magill, *Cas.*	J. T. Samples.*
TEXAS..El Paso Nat. B'k, El Paso.....	F. B. Brown, *Asst.*.....	.....
" ..First Nat. Bank, Grand View..	W. G. Davis, *Asst.*.....	... .
" ..First National Bank, Llano.	T. W. Kellogg, *P.*.....	W. S. Dorland.
	W. S. Dorland, *Cas.*.....	S. Duncan.
" ..First Nat. Bank, Pittsburgh....	W. H. Wakefield, *V. P.*....	.....
" ..Concho Nat. B'k, San Angelo..	C. H. Powell, *Asst.*.....	.....
" ..First National Bank, Uvalde...	J. F. Simpson, *V. P.*.....	John H. Clark.
WASH..First Nat. Bank, Mt. Vernon...	R. G. Hannaford, *Asst.*....	.....
" ..Peoples Sav. Bank, Seattle.....	Jacob Furth, *P.*.....	Bailey Gatzert.
" ..Washington National Bank, Spokane.	Edward N. Gibbs, *P.*.....	Henry L. Tilton.
	Henry C. Barroll, *Cas.*....	Fred E. Goodall.
WIS....Southside Exchange Bank, Oshkosh.	Jos. Kloeckner, *P.*.....	F. Leach.*
ONT....Bank of Toronto, Coburg.....	M. Atkinson, *Mgr.*.....	T. A. Bird.
" ..Ontario Bank, Kingston.....	A. J. Macdonell, *Mgr.*.....	.....
" ..Dominion Bank, Orillia.....	John Scott, *Agt.*.....	H. S. Scadding.
" ..Bank of Toronto, Toronto, King St. W. Branch.	T. A. Bird, *Mgr.*.....	J. T. M. Burnside.
" .Dominion Bank, Whitby.	E. Thornton, *Agt.*.....	W. H. Holland.*
QUE....La Banque Jacques Cartier, St. Henri.	A. Boyer, *Mgr.*.....	F. St. Germain.

* Deceased.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from July No., page 69.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
ALA.	Clayton	Barbour Co. Bank.....	Hanover National Bank.
	$25,000	Augustus H. Alston, *P.*	Thomas R. Parish, *Cas.*
COL.	Leadville	Leadville Sav. & Dep. Bk.	Chase National Bank.
	$30,000		Howell V. Morgan, *Cas.*
DAK. N.	Sykeston.....	Wells Co. Bank	.....
	$5,000	Thos. L. Beiseker, *P.*	Wade O. Crane, *Cas.*
		Samuel H. Wikey, *V. P.*	
DAK. S.	Deadwood	Lawrence Co. Trust Co...	Corbin Banking Co.
	$1,000	A. G. Smith, *P.*	G. R. Kimball, *Sec. & Tr.*
FLA.	Melbourne.....	Melbourne State Bank....	Western National Bank.
	$15,000	John H. Phillips, *P.*	Edw. P. Branch, *Cas.*
GA.	Cedartown.....	First State Bank	Chemical National Bank.
		J. O. Hardwick, *P.*	H. L. Hardwick, *Cas.*
ILL.	Carmi	Carmi State Bank.....	Chase National Bank.
	$25,000	C. E. McDowell, *P.*	F. W. Hall, *Cas.*
		F. Viskinskki, *V. P.*	
"	..Chatsworth	Commercial Bank.....	.....
	$15,000		Geo. W. McCabe, *Cas.*
"	..Decatur	Farmers Bank	National City Bank.
		(L. B. Casner & Co.)	
IND.	Bedford	Lawrence Co. Bank.....	.....
		Wm. C. Winstandley, *P.*	Jesse M. Winstandley, *Cas.*
"	..Fairmount	Citizens Exchange Bank .	Hanover National Bank.
		Nixon Winslow, *P.*	Wm. C. Winslow, *Cas.*
		Wm. J. Leach, *V. P.*	
"	..Greenwood.....	Greenwood Banking Co...	American Exch. Nat. Bank.
		Grafton Johnson, *P.*	J. A. Johnson, *Cas.*
		Harvey Brewer, *V. P.*	
"	..La Fontaine....	La Fontaine Bank.....	Chase National Bank.
	$12,000	Jehu Banister, *P.*	Joseph G. Harper, *Cas.*
		John W. Harper, *V. P.*	
"	..Laurel.....	Laurel Banking Co.....	Chase National Bank.
		W. L. Day, *P.*	W. O. Bowman, *Cas.*
IOWA.	De Witt.....	Farmers & Citizens Sav. B'k	.....
	$25,000	Wm. H. Talbot, *P.*	Albert M. Price, *Cas.*
		N. A. Merrill, *V. P.*	
"	. Onslow.....	Onslow Bank.....	.....
	$20,000	John T. Chandler, *P.*	Chas. P. Manwaring, *Cas.*
"	..Thornburg.....	Thornburg Savings Bank.	.....
	$15,000	Daniel W. Lucas, *P.*	Newton Haldeman, *Cas.*
		James Shepherd, *V. P.*	V. F. Biddleman, *Asst.*
"	..Wayland	Wayland Savings Bank...	.....
	$20,000	Daniel Graber, *P.*	I. M. Sproull, *Cas.*
		B. Gardner, *V. P.*	
"	..Wesley.....	Wesley State Bank	.....
	$25,000	E. F. Bacon, *P.*	Stitzel X. Way, *Cas.*
		Thos. A. Way, *V. P.*	Julius Kunz, *Asst.*
KAN.	St. Francis.....	Bank of A. D. Lucas.....	Hanover National Bank.
	$10,000		Andres D. Lucas, *Cas.*
"	..Wa Keeney....	Wa Keeney State Bank...	Hanover National Bank.
	$25,000	A. H. Blair, *P.*	R. C. Wilson, *Cas.*
		D. Bannister, *V. P.*	
"	..Windom.....	Farmers State Bank.....	.....
	$5,000	Royal Matthews, *P.*	Lester M. Waitt, *Cas.*
		Geo. W. Allison, *V. P.*	
MINN.	Mabel.....	Bank of Mabel	.....
	$75,000	(E. L. Tollefson)	Adolph L. Tollefson, *Cas.*

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
MINN.	Wells.....	German-Amer. State Bank	.....
	$25,000	J. H. Burmister, *P.* O. F. Southwick, *V. P.*	W. H. Ketzeback, *Cas.*
"	..Zumbrota	First State Bank.....	Seaboard National Bank.
	$30,000	Osmund J. Wing, *P.* Henry Weis, *V. P.*	Peter A. Henning, *Cas.*
MO.	Darlington.....	Bank of Darlington.....	.....
	$10,000	E. Sager, *P.* Jas. C. Sager, *V. P.*	J. B. Sager, *Cas.*
"	..Montgomery C.	Union Savings Bank... ..	.....
	$40,000	Wm. L. Gupton, *P.* Jos. M. Cater, *V. P.*	Isaac C. Uptegrove, *Cas.*
NEB.	Litchfield.....	Litchfield State Bank.....	Chemical National Bank.
	$40,000	John Terhune, *P.*	David W. Titus, *Cas.*
"	..Lyons	Bank of Lyons.....	Hanover National Bank.
	$10,000	(Latta & Green)	
"	..Sutherland	Bank of Sutherland	.....
	$5,500	E. C. Brown, *P.*	C. B. McKinstry, *Cas.*
N. C.	Wilmington....	Williams & Murchison.....	Murchison & Co.
OHIO	Camden.....	Commercial Bank.....	Hanover National Bank.
	$50,000	Henry H. Payne, *P.* R. C. Prugh, *V. P.*	Azel. Pierce, *Cas.* L. D. Arthur, *Asst.*
OKL. T.	Hennessey.....	Bank of Hennessey.....	.....
	$15,000	R. H. Drennan, *P.*	W. M. Crowley, *Cas.* A. E. Stephenson, *Asst.*
PA.	Ephrata.....	Farmers National Bank...	.....
	$50,000	H. J. Meixell, *P.*	H. M. Schnavely, *Cas.*
"	..New Kensi'gton	First National Bank	Seaboard National Bank.
	$50,000	Lucien Clawson, *P.* E. C. Schmertz, *V. P.*	D. B. Doty, *Cas.*
"	..North East.....	First National Bank.....	Chase National Bank.
	$50,000	Geo. W. Blaine, *P.* Robert Dill, *V. P.*	B. C. Spooner, *Cas.*
WIS.	Amery.....	Bank of Amery.....	Chase National Bank.
	$25,000	Thos. H. Thompson, *P.* Geo. F. Griffen, *V. P.*	L. Q. Olcott, *Cas.*
"	..Stevens Point...	Citizens National Bank...	First National Bank.
	$100,000	R. C. Russell, *P.*	

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during July, 1893.

TEXAS..Midlothian.....Midlothian National Bank, by W. L. Hawkins and associates.
VT.....Chelsea.....Orange County National Bank, by H. G. Woodruff and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from July No., page 79.*)

No.	Name and Place.	President.	Cashier.	Capital.
4912	Citizens National Bank..... Stevens Point, Wis.	R. C. Russell,		$100,000
4913	First National Bank..... New Kensington, Pa.	Lucien Clawson,	D. B. Doty,	50,000
4923	Farmers National Bank. ..... Ephrata, Pa.	H. J. Meixell,	H. M. Schnavely,	50,000
4924	Citizens National Bank..... Itasca, Tex.			60,000
4927	First National Bank..... North East, Pa.	George W. Blaine,	B. C. Spooner,	50,000

PROJECTED BANKING INSTITUTIONS.

N. Y....New York.....Wells, Fargo and Company's Bank; capital, $500,000. Directors: John J. Valentine, of San Francisco; Dudley Evans, of Englewood, N. J.; Emory A. Stedman, of New York, and others.

CONN...Birmingham....Home Trust Co.; capital, $25,000. George H. Peck, President; H. Holton Wood, Vice-President; Charles N. Downs, Treasurer.

" ..Birmingham ...Shelton Savings Bank. Watson J. Miller, President; John H. Barlow, Vice-President; Joseph Tomlinson, Secretary and Treasurer.

DAK. S.Salem.....Commercial State Bank; capital, $25,000. I. J. Todd, President; C. G. Putney, Vice-President; D. Goldsmith, Cashier.

FLA....Ocala.....Ocala Warehouse and Banking Co.; capital, $100,000.

GA.....Waycross.....Bank of Waycross chartered; capital, $50,000.

ILL....Manteno.....Citizens State Bank; capital, $25,000. F. M. Wright, President; R. S. Gilkerson, Vice-President; Henry LaRocque, Treasurer.

" ..Nebo.....Wm. Nevius Banking Co.

" ..North Chicago.North Chicago Bank opened at 319 Division street, by E. S. Ellsworth. Edward Blix, Cashier.

IOWA...Aurelia .....James F. Toy is opening a new bank.

" ..Des Moines....Iowa Tontine Investment Co.; capital, $100,000. Directors: Frank C. Shirock, W. F. Maddex, and J. W. Stone.

" ..Mt. Union.....W. R. Buchanan has started a bank here.

KY.....Madisonville....New bank established with $30,000 capital. C. C. Morton, President; John T. Adams, Cashier.

LA.....St. Martinsville.Bank of St. Martinsville; capital, $20,000. Robert Martin, President; Ferdinand Rousseau, Vice-President; Oscar M. Nilson, Cashier.

ME.....Portland.....Baldwin Brothers Co.; capital, $100,000. Addison R. Baldwin, President; Wm. J. Cameron, Treasurer.

MO.....Amity.....Bank of Amity; capital, $10,000. Incorporators, Sidney Bull, Wm. F. Cooper, J. Wilson.

" ..Bunceton.....Cooper County Bank; capital, $20,000. Incorporators: S. P. Bauman, G. L. Stephens, John Waller.

" ..Craig.....Farmers and Merchants Bank; capital, $20,000. Incorporators: S. A. Bond, E. L. Gaffney, Wm. Smith, and others.

" ..Springfield.....Springfield Guarantee Savings Co.; capital, $1,000,000. Incorporators: W. G. Bigbee, Edward J. Merwin, J. H. Kelt, and others.

" ..Vandalia.....Farmers and Merchants Bank; capital, $25,000. Incorporators: W. S. Wright, H. Coons, J. A. Smith, and others.

NEB....Harrisburg.....Bank of Harrisburg; capital, $5,000. Incorporators: J. V. Cross, J. M. Wilson, C. S. Beard.

N. Y... Holland.....Bank of Holland; capital, $25,000. Wm. B. Jackson, President; Jacob Wurst, Vice-President; Geo. E. Merrill, Cashier.

OHIO...Caledonia.....Caledonia Bank. Organizers: George Donenwirth, Lewis Donenwirth, Dr. J. A. Chesney, of Bucyrus, and Dan Babst, of Crestline. Lewis Donenwirth will act as Cashier.

" ..Tiffin.....New bank opened, with Robert Miller as President, T. A. Miller, Cashier, and H. E. Rhoades, Asst. Cashier.

TEXAS..Sonora.....Sutton County Bank. W. F. Buchman, Owner.

VA. ....Norfolk..... Norfolk Safe Deposit and Trust Co.; capital, $100,000. Mr. B. A. Marsden, Cashier.

W. VA. Addison.....Addison Bank; capital, $8,000. Incorporators: C. H. Dorr, H. C. Thurmond, Benjamin Hamrick, Chas. Doddrill, J. A. Miller, W. B. Stanard.

WIS....Cedarburg.....F. Freund, of Chicago, has opened a bank here.

CHANGES, DISSOLUTIONS, ETC.

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

NEW YORK CITY.....J. B. Dumont, stockbroker, reported suspended.
" .....H. I. Nicholas & Co., stockbrokers, reported suspended.
ARK....De Witt.....Farmers and Traders Bank reported closed.
" ..Stuttgart.....State Bank of Stuttgart reported closed.
CAL.....San Bernardino. First National Bank has resumed business.
" ..San Diego.....First National Bank reported resumed.
COL....Aspen.....J. B. Wheeler Banking Co. reported closed.
" ..Canon City....First National Bank reported closed.
" ..Colorado City..J. B. Wheeler Banking Co. reported closed.
" ..Crested Butte..Bank of Crested Butte reported closed.
" ..Denver.....Colorado Savings Bank reported closed.
" ..Denver.....Commercial National Bank reported closed.
" ..Denver.....Mercantile Bank reported closed.
" ..Denver.....National Bank of Commerce reported closed.
" ..Denver.....Peoples Savings Bank reported closed.
" ..Denver.....Rocky Mountain Savings Bank reported closed.
" ..Denver.....Union National Bank reported closed.
" ..Denver..... ...Capital Bank reported closed.
" ..Denver.....German National Bank reported closed.
" ..Denver.....North Denver Bank reported closed.
" ..Denver.....Peoples National Bank reported closed.
" ..Denver.....State National Bank reported closed.
" ..Grand Junction. First National Bank reported closed.
" ..Greeley.....Greeley National Bank reported closed.
" ..Greeley.....Union Bank reported closed.
" ..Loveland.....Bank of Loveland reported closed, will reopen.
" ..Manitou.....J. B. Wheeler Banking Co. reported closed.
" ..New Castle....Bank of New Castle reported closed.
" ..Pueblo.....Central National Bank reported closed.
" ..Silverton.....Bank of Silverton reported closed.
" ..Sterling.....Bank of Sterling reported closed.
DAK. N. Jamestown.....Lloyds National Bank reported suspended.
" ..La Moure....." Lloyds, Bankers" reported suspended.
DAK. S. Chamberlain....Chamberlain National Bank reported closed.
" ..Hot Springs....First National Bank reported closed.
FLA....Orlando.....First National Bank reported closed.
GA.....Atlanta. .....Gate City National Bank has gone into voluntary liquidation.
" ..Brunswick.....Brunswick State Bank closed.
" ..Cedartown.....First National Bank succeeded by First State Bank.
ILL.....Chicago.....Chemical National Bank in hands of receiver.
" ..Kankakee.....First National Bank reported closed.

ILL....Normal.....Exchange Bank (W. H. Shureman & Co.) closed.
" ..Peoria.....Wm. Oberhauser discontinued.
" ..Shelbyville.....W. F. Thornton & Son closed.
" ..Staunton.....Staunton Bank reported closed.
IND.....Auburn..... ..J. L. Davis reported assigned.
" ..Connorsville....Citizens Bank reported closed.
" ..Covington .....Farmers and Merchants Bank reported closed.
" ..Indianapolis....Bank of Commerce reported closed.
" ..Indianapolis....Indianapolis National Bank reported closed.
" ..Kendallville....First National Bank reported resumed.
IOWA...Marion.....Banking House of A. Daniels & Co. reported assigned.
" . Sioux City.....Union Trust Co. reported failed.
" ..Wesley .....Wesley Savings Bank succeeded by Wesley State Bank, incorporated.
KAN....Anthony.....First National Bank reported closed.
" . Caney.....Caney Valley Bank reported closed.
" ..Columbus.....Ritter & Doubleday reported closed.
" ..Fort Scott.....First National Bank reported closed.
" ..Garden City....Finney Co. Farmers Bank reported failed.
" ..Garnett.....Bank of Garnett reported closed.
" ..Hutchinson ....Hutchinson National Bank reported closed, may resume.
" ..Kansas City....Northrup Banking Co. reported closed.
" ..Kinsley.....Exchange Bank closed.
" ..Mound City....Citizens Bank reported closed.
" ..Oberlin.....State Bank closed.
" ..Parker.....Bank of Parker reported closed.
" ..Pleasanton.....Hood & Kincaid's reported failed.
" ..Russell.....First National Bank reported closed.
" ..Salina .....Crippen, Lawrence & Co. discontinued.
" ..Wa Keeney... .First National Bank has gone into voluntary liquidation, succeeded by Wa Keeney State Bank.
KY.....Ashland.....Second National Bank has resumed business.
" ..Louisville.....Fourth National Bank reported closed.
" ..Louisville.....Kentucky National Bank reported closed.
" ..Louisville .....Louisville City National Bank reported closed.
" ..Louisville.....Louisville Deposit Bank reported closed.
" ..Louisville.....Merchants National Bank reported closed.
" ..Middlesborough First National Bank reported closed.
" ..Mt. Sterling....New Farmers Bank reported closed.
" ..Pineville.....Pineville Banking Co. reported closed.
ME.....Orono.....Orono National Bank has gone into voluntary liquidation.
MICH...Big Rapids.....Northern National Bank reported suspended.
" ..Lakeview .....Mather's Bank reported closed.
MINN...Currie.....Murray Co. Bank reported closed.
" ..Hinckley .....Pine Co. Bank closed temporarily, resumed business July 19.
" ..Le Sueur.....Bank of Le Sueur reported assigned.
" ..Minneapolis....Farmers Loan & Savings Co. sold out.
" ..Spring Valley..Citizens Bank (Sorrenson, Ober & Co.) now Everett Jones, proprietor.
" ..St. Paul.....Seven Corner's Bank reported assigned.
" ..Worthington...Nobles Co. Bank reported assigned.
MISS...Starkville.....First National Bank reported closed.
MO.....Jamesport.....Citizens Bank reported assigned.
" ..Jerico.....Hartley Banking Co. reported closed.
..Kansas City....Bank of Grand Avenue suspended, has now resumed.

Mo....Kansas City....Franklin Savings Bank reported closed.
" ..Kansas City....Kansas City Safe Deposit and Savings Bank reported closed.
" ..Kansas City....Missouri National Bank reported closed, will resume.
" ..Kansas City....National Bank of Kansas City reported closed.
" ..Moberly.....Exchange Bank reported failed.
" ..Montgomery C.Farmers & Traders Bank and Citizens Bank succeeded by Union Savings Bank, incorporated.
" ..Springfield. ...Bank of Commerce reported closed.
" ..Springfield.....Springfield Savings Bank reported assigned.
" . Warrensburg...Johnson Co. Savings Bank reported closed, will resume.
MONT..Bozeman.....Bozeman National Bank in hands of receiver.
" ..Granite .....Hyde, Freyschlag & Co. reported closed.
" ..Great Falls ....First National Bank reported closed.
" ..Great Falls.....Merchants National Bank insolvent.
" ..Helena.....First National Bank reported closed.
" ..Helena.....Montana National Bank reported closed.
" ..Livingston.....Livingston National Bank in hands of receiver.
" ..Livingston.....National Park Bank reported closed.
" ..Philipsburg ....First National Bank reported failed.
" ..Red Lodge.....J. H. Conrad & Co. reported closed.
NEB....Alliance .....Boxbutte Banking Co. incorporated.
" ..Ashland.....National Bank of Ashland reported closed.
" ..Kenesaw .....Bank of Kenesaw sold out to Kenesaw Exchange Bank.
" ..Litchfield.....Litchfield Bank (Titus & Terhune) now Litchfield State Bank.
" ..Lyons .....Lyons State Bank succeeded by Bank of Lyons, Latta & Green, proprietors.
" ..Ogallala.....Keith Co. Bank closed.
" ..Omaha..... American Savings Bank closed.
" ..O'Neill .....Holt Co. Bank reported closed.
" ..Plainview.....Plainview State Bank reported closed.
" ..Shubert.....Farmers State Bank reported failed.
N. H...Exeter.....National Granite State Bank reported suspended.
" ..Manchester.....Granite State Trust Co. closed.
" ..Manchester.....National Bank of Commonwealth reported suspended.
" ..Manchester.....New Hampshire Trust Co. reported closed.
" ..Nashua.....Security Trust Co. reported closed.
" ..Wolfborough. .Lake National Bank has gone into voluntary liquidation.
N. J....Somerville.....Somerset Co. Bank reported closed.
N. MEX.Albuquerque....New Mexico Savings Bank & Trust Co. reported closed.
N. Y...Hornellsville....Crane's Bank reported closed.
" ..Sherman.....Bank of Sherman sold out to State Bank.
" ..Tonawanda....Evans, McLaren & Co. retiring from banking business.
N. C....Winston.....First National Bank reported closed.
OHIO...Akron.....Akron Savings Bank reported closed.
" ..Akron.....Citizens Savings & Loan Association reported closed.
" ..Camden.....Camden Bank succeeded by Commercial Bank, private.
" ..Findlay.....Farmers National Bank reported closed.
" ..Toronto.....Toronto Banking Co. reported suspended.
" ..Up. Sandusky..Wyandot Co. Bank reported in hands of receiver.
OKL. T.Oklahoma.....Bank of Oklahoma City reported closed.
" ..Oklahoma.....Oklahoma National Bank reported closed.
ORE....Astoria .....I. W. Case reported closed.
" ..Cottage Grove..Commercial Bank reported failed.
" ..Pendleton .....Pendleton Savings Bank reported suspended.

ORE....Portland.....Ainsworth National Bank reported closed.
" ..Portland.....Commercial National Bank reported closed.
" ..Portland.....First National Bank (*East Side*) reported closed.
" ..Portland.....Northwest Loan & Trust Co. reported closed.
" ..Portland.....Oregon National Bank reported closed.
" . Portland.....Portland Savings Bank reported closed.
" ..Portland.....Union Banking Co. reported closed.
" ..The Dalles.....First National Bank reported closed.
S. C.....Charleston .....Nickel Savings Bank reported assigned.
TENN...Bristol.....Bristol Title Bank & Trust Co. reported closing.
" ..Chattanooga...Fourth National Bank has gone into voluntary liquidation.
" ..Harriman.....Harriman Bank and Trust Co. closed.
" ..Jellico.....Citizens Bank reported closed.
" ..Knoxville.....State National Bank insolvent.
TEXAS..Anson.....Bank of Anson (Frank M. Smith) reported assigned.
" ..Dallas.....North Texas Nat. Bank has gone into voluntary liquidation.
" ..Fort Worth....Merchants National Bank has resumed business.
" ..Henrietta .....Farmers National Bank reported closed.
" ..Lampasas.....Galbraith Bank reported closed.
" ..Llano.....Kellogg, White & Co. consolidated with First National Bank.
" ..Santa Anna....W. R. Kelley & Co. reported closed.
" ..Vernon.....State National Bank reported closed.
UTAH...Ogden.....Commercial National Bank reported closed.
" ..Provo City.....National Bank of Commerce has resumed business.
VA.....Burkeville.....Burkeville Savings Bank out of business.
WASH..Anacortes.....Bank of Anacortes reported closed.
" ..New Whatcom .Bellingham Bay National Bank reported suspended.
" ..New Whatcom .Puget Sound Loan, Trust & Banking Co. reported suspended.
" ..Spokane .....First National Bank reported closed.
" ..Spokane .....Spokane Savings Bank reported closed.
" ..Tacoma.....Tacoma National Bank reported closed.
" ..Tacoma.....Traders Bank reported closed.
WIS....Ashland.....First National Bank reported closed.
" ..Chippewa Falls.Seymour's Bank reported closed.
" ..Eau Claire.....Commercial Bank reported closed.
" ..La Crosse.....John Lienlokken reported closed.
" ..Medford.....Taylor Co. Bank reported closed.
" ..Milwaukee.....Commercial Bank reported assigned.
" ..Milwaukee.....Milwaukee National Bank reported closed.
" ..Milwaukee.....South Side Savings Bank reported closed.
" ..Milwaukee.....Wisconsin Marine & Fire Insurance Co. Bank reported closed.
" ..Portage.....City Bank reported closed.
" ..Portage.....German Exchange Bank reported closed.
" ..P. Washington.German-American Bank reported closed.
" ..Sparta.....Bank of Sparta reported closed.
" .Sparta.....M. A. Thayer & Co. reported closed.
WYO...Cheyenne.....T. A. Kent reported closed.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JULY, 1893.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly Mar.	96	97½	95½	95½
4s, 1907 ... reg.	Quarterly Jan.	108¼	111	108	108
4s, 1907 ... coup.	Quarterly Jan.	108¼	111	108	108
6s, cur'cy, 1895, reg	Quarterly Feb.	103	103½	102	102
6s, cur'cy, 1896, reg.	Jan. & July.	105	106	105	105
6s, cur'cy, 1897, reg	Jan. & July.	107	108	106	106
6s, cur'cy, 1898, reg.	Jan. & July.	109	110	108	108
6s, cur'cy, 1899, reg.	Jan. & July.	111	113	110	110

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	2	2	1¾	—
Canadian Pacific	76	76	66	68¼
Canada Southern	50⅛	50¼	34½	39½
Central of N. J.	104⅜	104⅜	84	88⅝
Central Pacific	—	20	16¾	18½
Ches. & Ohio.	18¾	18¾	12½	13½
Do 1st pref.	—	—	—	—
Chic. & Alton	—	127½	127½	127½
Do pref.	—	—	—	—
Chic., B. & Q.	87	87	69¼	72
Chic. & East'n Ill.	—	59¼	56	56
Do pref.	—	—	—	—
Chic., M. & St. P.	69½	69½	46⅜	50⅜
Do pref.	115	115	100	102¾
Chic. & N. W.	105½	105½	84⅞	90¼
Do pref.	—	135	135	—
Chic., R. I. & P.	72	72	53½	55
Chic., St. P., M. & O.	39	38¾	24	27¾
Do pref.	—	107	95	100
C., C., C. & St. L.	42½	42½	25	29
Do pref.	—	85	76	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Coal & Iron	38	38	20	—
Col., H. Valley & Tol.	20¾	20¾	14½	16
Del. & Hudson	120⅜	121	102¾	106⅛
Del., Lack. & W.	147⅛	147⅛	127	131¼
Den. & Rio Grande	—	15	8¼	—
Do pref.	38¼	38¼	24	27¾
East Tenn. V & G.	—	¼	⅛	¼
Do 1st pref.	—	—	—	—
Do 2d pref.	—	3	2	—
Evansville & T. H.	135	135	70	84
Illinois Central	91¼	92½	86	88¼
Lake Erie and Western	—	16¾	12½	13¼
Do pref.	70½	70½	53	53¾
Lake Shore	121¼	121¼	104	109
Long Island	97	99	90	—
Louisville and Nashville	66¼	66¼	47½	52
Louisville, N. Alb & Chic.	—	15	9	9
Manhattan Consol	125¾	125¾	100	106
Mexican Central	—	—	—	—
Michigan Central	—	91	80	80
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	10½	9½	—
Do pref.	—	25	18	18
Mo., Kan. & Texas	—	10¾	8	9
Do pref.	20	20	13⅜	15
Missouri Pacific	34½	34½	16½	19½
Nash., C. & St. L.	—	80½	79	—
N. Y. C. & Hudson	102	102	92	98¼
N. Y., C. & St. L.	—	14⅛	9⅞	10⅞
Do pref.	—	59	45	—
N. Y., L. E. & W.	17⅜	17⅜	7¾	9½
Do pref.	34	34	15	20½
N. Y. & New Eng.	21¾	23½	16¾	18⅜
N. Y., Ont. & W.	14⅜	14⅜	11	12¼
N. Y., Sus. & W.	13½	13½	8	9½
Do pref.	—	5⅞	5⅞	—
Norfolk & Western	—	55	42	5⅛
Do pref.	—	20½	16½	19

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	12⅝	12⅝	7	8¼
Do pref.	34¾	34¾	18½	20⅝
Ohio & Mississippi	—	14	11	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	60	39⅞	—
Oregon Short Line	—	11⅝	10¾	—
Pacific Mail	18¾	18¾	8½	9¾
Peoria, Decatur & Evansville	10	10	4	7
Philadelphia & Reading	14¾	15	12	12¼
Pullman Palace Car Co.	—	163½	133	140
Rich. & W. P. Term	3¼	3¼	¾	1
Rio Gr. Western	—	—	—	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	—	108¼	100	100
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	34½	34½	27	—
Do pref.	—	101	101	—
St. Paul, M. & M.	—	103	95	—
Southern Pacific Co.	27¾	27¾	17¾	17¾
Texas & Pacific	6½	6½	4¾	5⅛
Union Pacific	26¼	26¾	15¾	18⅛
Wabash, St. Louis & Pacific.	—	8	5¾	6½
Do pref.	16½	16½	9¾	12¼
Wisconsin Central	8	8	6½	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	35⅜	35⅜	24	25
Nat. Lead Trust	31	31	18½	20½
Tenn. Coal & Iron	16¼	16¾	10½	12½
Express—Adams	—	150	130	—
American	111	112	105	—
United States	54	55	40	49
Wells-Fargo	—	141	127½	—
Sugar Refineries	85¾	85¾	61¾	65
Do pref.	82¾	82¾	66½	68
Western Union	83	83	67⅛	72½
Wheel. & Lake E.	13⅜	13⅜	10	11
Do pref.	47	50¼	31	36¾

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WANTED—A PERFECT BANKING SYSTEM.

Whenever a bank failure occurs forthwith some persons discover a defect in the law which must be so amended as to prevent a similar recurrence. They do not consider that the event may have happened notwithstanding the law; they seem to think that however great the bank rogue may have been, if the law had been properly framed the wrong might have been prevented. This belief in the efficacy of ordinary social law is still very prevalent, and people are very slow in learning that good banking like good government is far more dependent on men than on measures. One of the most obvious truths is, that a government or association of any kind, though perfect in form, may nevertheless operate very imperfectly in consequence of inefficient or corrupt executors.

And this remark applies with no less force to the National Banking, and to every other banking, System. Every one knows, who is familiar with the system, that in many respects it is a vast improvement over the State systems which it succeeded; nevertheless, the gravest consequences have happened in administering the system. For example, the law declares that not more than ten per cent. of the capital shall be loaned to a person, and this provision surely is a wise one. Every one understands its meaning; yet in many cases this provision of the law has been vio-

lated; the money of the bank has been loaned to one or two persons, and who by their failure to repay have caused the ruin of the bank. Surely this is not a defect in the law, and yet again and again has a bank gone down, not because this provision existed, but in consequence of the failure of the officers to observe it. The remark applies to other provisions of the law. For example, it is very specific in its requirement concerning the reserve which a bank must keep, and yet there was a tendency in the earlier days of National banking among the less conservative bankers to disregard this provision. Under the State Banking System many of the banks kept little or no reserve. They loaned nearly everything in order to swell their profits, and they were unwilling to submit to such a regulation as this requirement imposed. And yet the more conservative bankers readily acquiesced, knowing that this was one of the best features of the law and that it should be strictly observed. Experience has convinced every one that this requirement is not excessive, because periods like that through which we are now passing can never be wholly escaped.

The radical difficulty is not with the present system of banking, but with too many of the officers who administer the banks. Most of them have had a severe trial during the last few months and have proved their fitness for their places; but unhappily this cannot be said of all. Many of the failed banks have made a woeful disclosure of incapacity and dishonesty. Nor can a system be devised that will insure a certain escape from these evils. Banking is chiefly a matter of experience, faith and law, and however wise may be the laws and harsh the penalties for their violation, they have been, and will be, violated. It is not possible to invent devices that will prevent losses and mistakes and wrongdoing. It is true the system might be amended, so that those who are inclined to obey the law will have a clearer chart to guide them, and yet there is not very much force even in this remark, for experience has taught bankers well enough how they should conduct their institutions. For example, as we have already remarked, if experience teaches anything, it is that a bank should have a reserve from which it can respond to any sudden demand for money. There are those even now who do not strongly believe in keeping a reserve, who think that they are wise enough, if a storm is coming, to prepare for it; but they never have prepared, and probably they never will be wiser in the future. A striking proof of this remark is the conduct of some of the trust companies established in the larger cities, which by reason of the different nature of their deposits have been less inclined to keep as much reserve as the surrounding banks, of late have imported large quantities of gold, in order to establish a reserve for them-

selves. This doubtless was a prudent thing to do, but the law should have required them at all times to keep a reserve on hand to meet the calls of their depositors. In some places they have expected that, in the event of an unusual demand, the banks would aid them, but they have become such keen competitors for business, and the friction between the two classes has become very great, that they can no longer rely on the banks to help them at such times.

These things clearly enough show the need of such a reserve, that experience is teaching the same thing to all, and therefore no matter whether the law should require a reserve to be kept or not, conservative and prudent bankers would doubtless keep one in the future as they have done in the past.

Before passing, a word or two may be added concerning the mode of keeping a reserve. There has been too much of the double practice attempted of trying to keep a reserve and using it at the same time; and this in truth has aggravated the present distress. If a country bank which is required by law to keep fifteen per cent. actually has fifteen per cent. in its own vaults, then it truly has a reserve, but if nine per cent. of this has been sent to New York, or elsewhere, which a National country bank is permitted to do, it no longer has this reserve, except on paper. Of course, it expects, in the event of an emergency, to demand this nine per cent. at once of the New York bank, and that it will be forthcoming, and the country bank, having the utmost faith that the amount will always be forthcoming, has had no hesitation in thus sending it to New York. Of course, the reason for doing so is to make more money. It is not sent to New York for nothing, but for a purpose, and that purpose is to increase profits. Now, when the country bank requests its balance, it not infrequently happens that its correspondent in New York or elsewhere is just as desirous of retaining the money. Of course, it is a debtor and must pay and will resort to all lawful methods in order to honor its obligations. But this is sometimes done at a fearful cost to others. This money, which we will say is sent to New York, is almost wholly employed in call loans, which, in short, means for speculation. Now, when the country bank demands it, what must the New York bank do? One of two things. It must demand the money of the broker or speculator, or it must cut off loans to the mercantile class. If the demand for such loans is general, then the stock market is destroyed and the speculators fail, and perhaps all their margins are gone; or, if the banks try to save the speculators and the stock market, they cramp the mercantile classes and perhaps ruin some of them. If only a few country banks demanded their money at the same time, there would be no difficulty in responding to their wishes; but gener-

ally when one wants its money, the same conditions prevail everywhere, and the call becomes general, and, as we have before said, whenever this is the case, then the New York bank must injure the speculative or mercantile class to obtain it. If the country bank's reserve did not go there the money would not be loaned to the speculators; speculation would be less active, which would be a great blessing to all; and there would be no danger of smashing the stock market.

Again, when the money is thus sent to New York, can it properly be regarded as a reserve? As we have said, the New York bank generally wants it quite as badly as the country bank, and we contend that the only true reserve is one kept in the vaults of the bank which owns it. If it is loaned to another it ought not to be considered in that character, for if it is returned, it is fair to presume that the money is obtained by injuring some class or interest of the community. But if it were a true reserve, and kept where it ought to be, no one could be injured. Any one can readily see the enormous difference in the situation if this change in the mode of keeping a reserve was effected.

It may be that, if the banks kept all their reserves at home, the present requirement might be lessened; but we contend that whatever reserve a bank should be required to keep, ought to be kept in its own vaults, for then it would be a true reserve and always at its command. The savings banks are a striking illustration of a violation of this principle in many cases. They usually keep a very small amount of cash in their own vaults and generally have a deposit (the larger banks especially) in perhaps three or four or more banks, which theoretically can be demanded whenever money is desired. Sometimes the keeping of so much cash on hand has occasioned considerable criticism, and the managers have always defended by saying that as their deposits are large they must keep a large amount on hand, regarding the deposits with another bank as cash, like that in their own vault. Now, during a time like the present, when the savings banks desire to have actually all their cash in their own vaults, the banks with which the larger portion is deposited are no less desirous of retaining it, as the withdrawal of it would of course weaken their condition. It is evident enough that this practice should be ended and whatever cash a savings back ought to keep should be kept in its own vaults, for, in that event, it would be a real reserve which could be used without harming any one. These are the obvious lessons that have been taught by the present condition of affairs and have been taught by similar experience before.

Another fact may be added in this connection. Has a bank which has sent its reserve, we will say to New York, as it legally may, or a savings bank, which has confided a portion of its cash

to a bank, any higher claim on the depository than an ordinary depositor? Certainly not. An ordinary deposit is on demand, and an individual depositor's money is just as sacred, and his demands are just as imperative, as those of a bank. There is no reason why any preference should be exercised or given. If, therefore, a bank should seek to repay a reserve thus sent to the exclusion of an ordinary depositor a great wrong would be done. Therefore, looking at this subject more broadly, a savings bank, or any other bank, has no more reason for supposing that a depository will make an exception in its case and return its money in any event, than an ordinary depositor has that another depositor will be sacrificed for his sake. All are on the same plane and entitled to the same rights, and in law and justice neither has any preference over the other. Nor do we suppose, in truth, that a depository intends to exercise any preference, but to treat all alike. Nevertheless, doubtless there is a kind of feeling on the part of a bank which thus sends a portion of its reserve to another bank, that the depository will make strenuous efforts to return its money speedily, even if other depositors are obliged to wait. But really there is nothing in this expectation. The most that can be said is that the bank doubtless will cut off loans and perhaps ruin borrowers in order to pay its just obligations, but nothing more.

Sometimes it is said that one great advantage of thus permitting a bank to hold a part of its reserve with another bank is that, as it is needful to keep an account in New York, if the balance can be counted as a reserve, it is a gainer by the operation. It is said that the banks in New York are largely debtors to country banks by the ordinary operations of trade, and that in many cases no money is actually sent by the country bank to New York. Doubtless many exchange operations work out in this way, but if they do there is this much to be said, if the country bank has really sent no money to New York, it has no reserve excepting a fluctuating one growing out of exchange operations and which may be changed from day to day, and, therefore, in a proper sense ought not to be counted as a reserve. The whole vice of the business is that the banks are trying to whittle down their reserve to the smallest amount and trust to chances. In nine times out of ten the chances are in their favor and they come out all right and are gainers. The other chance is against them, and then they suffer as so many banks have suffered on the present occasion.

The great question is, Ought banks to conduct themselves in such a manner as to be able, as far as possible, to ride out every storm; or is the present method all right for them to go on as they have been doing, taking their chances and trusting to the future? For one, we think the late experiences have taught, if not

the many previous ones, that banks ought not to trifle with or endanger their depositors, and that every precaution should be taken to guard against bad loans and disasters like those that have of late overtaken the banks. But, as we remarked in the beginning, the escape lies rather through the selection and maintenance of proper officers than through the establishing of another system of banking. Men, not systems, are after all the essential thing in banking, as well as in government, for their successful operation.

WHAT IS THE MATTER WITH THE BANKS?

The people at large have, almost from the outset, reposed a generous measure of confidence in the National banks, and this confidence the banks have, to a very considerable degree, deserved and repaid. Whoever is old enough to remember, especially if he is old enough to have suffered from, the manifold evils that beset the system, or rather want of system, which had prevailed before, cannot fail to appreciate the enormous and obvious advantages of our present moneyed institutions. We venture the assertion (without being very venturesome either) that the totality of losses from all causes connected with National banks or referable to them, from the inauguration of the system to the present time, is less than what the people had suffered in any one year before from wildcat currency and broken banks, from almost numberless counterfeit bills, and from the loss in currency values as between one section of the country and another, and as between bank and bank.

The institution of National banks, therefore, and the issues and circulation of a genuine National currency, marked an enormous advance in the financial progress of the country, and fairly entitles those who devised the scheme and secured its adoption to the namea nd rank of National benefactors. Potent as an auxiliary to the general Government in its tremendous struggle with the forces of disunion, and salutary and beneficent in its action and influence upon the business interests and enterprises of the country, and the dealings between man and man, the favor and faith with which these banks were greeted, have in the main attended them ever since. The system, however, has its defects, one of them a conspicuous, and to-day a most disastrous defect; but those defects were not felt except in a local, limited and occasional way for many years after it was inaugurated. It required the strain, occasioned by a loss of confidence and an urgent, desperate need of money to develop and emphasize the imperfection above alluded to. Such emergencies, more or less severe,

have occurred more than once since the establishment of the National system; but that under which the country is now suffering is by far the most serious and alarming in its history. It has become a crisis, and the crisis is stronger than the banks, when there is a special need that they should be stronger than the crisis. Rightly organized they would be master of the situation, but as a fact the situation overmasters them. As a consequence, banks all over the country, among them many hitherto regarded as among the most reliable and secure, banks that in a peculiar degree had won the confidence of the people, are closing their doors and passing into liquidation. A genuine financial cyclone is sweeping through the land, and, like the cyclones of nature, it began, and has proved most disastrous, in the West; but if the condition of the banks throughout the country had not invited the cataclysm, it would have spent its force in the locality of its origin.

It is peculiarly a bank panic, such as has not been known since 1857. Business interests, it is true, had begun to suffer before the banks began to be affected, but the trouble with and from the banks is by all odds the most notable, the most prevalent and the most disastrous factor in the present crisis. The failure of an individual may ruin others, and even many others, but it is local in its effect and comparatively innoxious. A bank failure is a vastly greater injury, hurtful in a fourfold way. First—It cuts off at a blow a large output of loans and accommodations, and is thus fatal not only to the dealers who have depended upon those facilities, but many others who are complicated with them, thus setting in motion a widening circle of harm. Second—It seriously cripples, if it does not ruin, a multitude of depositors, with a train of dependent people and connected interests; for even if the assets of the bank are sufficient to pay off this class of obligations in full, time is required to reduce them to a paying basis, and delay is often as fatal as loss. Third—It necessitates the sharp and undiscriminating collection of bills receivable, in many cases to an exorbitant sacrifice of debtor property, and operates with equal energy of harm against those unfortunates who owe the debtors of the bank. Fourth—And perhaps the most baleful effect of all, it unsettles the confidence of the masses, not only in the particular bank that has failed, but in all banks, and thereby retires from circulation an immense aggregate of money, composed of small tributary sums, that are subsequently hoarded up. Multiply this by the appalling number of failing banks that have gone to pieces within the last few weeks, and what an awful aggregate of ruin, loss, suffering and despair is the product.

Now, we suppose, panics and crises will intervene after periods

of prosperity, more or less long-continued, while the world stands, and even in this favored land of boundless resources and abounding energy. In fact the more abundant the prosperity the more tremendous the catastrophe when it does come. But though it perhaps cannot be entirely prevented, its evil consequences may be greatly mitigated by a patient study of their sources and the adoption of practicable expedients of prevention. And this process of investigation and remedy is eminently available in the case of the banks, for the reason that their policy and procedure are largely open to public and individual inspection, and because they, being creatures of the law, are necessarily amenable to legal regulation and control.

The first question then in order is, What is the great and dominating cause of the present trouble with the banks? And the answer to that question, if correct, will surely indicate the cause that, if not removed, will repeat itself by the production of the like trouble in the future. For the cause is both generic and fundamental. Given the same cause and the like conditions and the effect will be identical. This cause is at the present time in a state of highly efficient action in many banks, and though seemingly dormant as to the rest, is likely to become active in a large number of them, and is capable of becoming so in all, for the fault is the fault of the system itself. To point out and illustrate the cause, the reader may take the case of any bank organized and managed in the usual way.

Immediately upon its organization, it proceeds to invite deposits; for deposits, if not the life of the bank, are the main source of its profits. Its promoters have, from the original conception of the scheme, had them in mind, counted on them as an essential condition of a successful experiment, and constructed the scheme upon that inducement and with that end constantly in view. Indeed, it would be the height of folly to launch the enterprise, depending upon the capital as the only source of profit. Hence the bank solicits deposits and competes for them with other banks. Or, whether it does this or not, it takes them, is glad to get them, and the larger their volume the better are the managers satisfied.

This is not only natural, but it is in motive perfectly and undoubtedly right, for the corporate intent is honest, the managers expect to discharge fully the obligations imposed by the deposits, and are confident of the corporate ability to do so. In a prosperous condition of business, or even in a time of no great depression, the event justifies this forecast. The uninvested funds of the bank, though they may not exceed the reserve prescribed by law, are sufficient to enable it to meet all demands. But the depression deepens and widens. Individual failures are becoming

more frequent. Many of the depositors are compelled to respond to large and perhaps unexpected calls, and they resort of course to their deposits. The bank begins to feel the drain. The managers are put to their mettle and all the corporate resources are invoked. The stress becomes a strain. The managers are anxious; perhaps from some unknown and untraceable source comes a rumor of the bank's insolvency. The large depositors withdraw their funds; but quietly as it is done, a hint of it gets abroad. Then comes the mob of small depositors, and a run on the bank. It is fate, and nothing can stop it or break its force. The bank may have assets which, if it had also time to realize them, would save it, perhaps; but time is as short as money. The bank suspends, goes into liquidation, and the fourfold agency of harm, hitherto dormant, becomes balefully and destructively active.

What is the cause of the disaster? None other than the unchecked and unbalanced license to employ and invest the deposits. We are not forgetful of the fact that banks may and do break from reckless or dishonest mismanagement; but such is not the cause of the present crash or of the bank panics in the past. We are speaking of the average bank, managed with ordinary providence and in strict accordance with the requirements of the banking laws. They have not stood the test of adversity, and the fact shows that the system under which this multiplied disaster has occurred is imperfect, and imperfect for the reason we have assigned.

It is not sufficient that banks should subserve the interests of the business world in a time of ordinary activity or ordinary quiet, and then crash into ruin—the ruin not of themselves alone, but of thousands and hundreds of thousands of trustful citizens. That bank alone approaches perfection, attains the standard, the true standard, of meritorious service and saving strength, that stands like a fortress when assaulted and beset by hostile forces. It should be a refuge in times of misfortune, a citadel of protection in periods of danger and trouble. Individual failures are unavoidable, but the depositories of not only the money but the interests of the people, corporate agencies that in all their dealings with and in relation to the funds of their patrons act under the behests of a sacred trust, which are created by the law for the honest administration of that trust, and are held out by the law as worthy of the people's confidence, ought to stand impregnable against any jeopardy or any emergency that is likely to confront them. For it is precisely at such periods, when individuals fail, and confidence wanes, and ruin threatens, that the mission and the office of staunch and indomitable moneyed corporations are most needful and the most beneficent. Men think but poorly of a courage that falters before a danger, or of virtue that

cannot withstand temptation, or of strength that weakens at the adversary's touch, or the piety that succumbs in the first encounter with trial. And on the same line of practical ethics, the bank that goes down in a season of financial adversity, fails at the very time it is needed most, is grievously deficient in the staying power it ought to possess.

Now there are banks in the country, happily, that are not only able to breast this panic, but any panic, however severe or long continued; banks that could fail only by the absolute destruction of money values. Even in the tremendous crash of 1857 there were banks thus solid and invincible. Such banks are managed by a board of directors who, or the majority of whom, are not only provident and far-sighted, but able to resist the temptation to use the deposits for the utmost possible immediate profit. No bank manager, or man of business, is so ignorant as not to know that times of trial must come, or that they often come like a thief in the night, or so stupid as not to appreciate the wisdom of providing against them, but as a rule he or his board lack the stern self-denial required to make the provision.

It is obvious, therefore, that the remedy for the evil cannot with safety be left to the boards of officers who manage the banks. Moreover, though we have in terms of commendation alluded to those managers who have steadily kept on hand a large reserve to meet emergencies, it is not an example for promiscuous or general adoption. It would inflict a vast and widely extended injury if the banks in the country at large should concur in withholding from general use so immense an aggregate of needed currency. Nay, such a policy would certainly work out a multiform agency of disaster, not only by the shrinkage of the circulation, but by a general shrinkage in values, and a mighty upheaval of established business enterprises and investments hitherto secure. The remedy would be worse than the disease. Yet something ought to be done. Something must be done. It is too late to attempt to stem or allay the present panic. But we can provide security against a recurrence, or if not a recurrence of a general business panic, we can mitigate many of its worst features and preclude absolutely a general or extensive failure of the banks.

As already stated, the option of providing an adequate safeguard cannot with safety be left in the hands of the directories. They have failed in the past to provide and apply it, and, the conditions continuing the same, they will be equally delinquent in the future. Besides, the measure and mode of reformation should be uniform and consistent. The status of each must be placed beyond and above the reach of corporate accident or managerial caprice. It is a clear case for Congressional intervention and the adoption of pertinent, well-considered legislation. In and by the

original and supplemental acts of Congress the National bank currency was and has continued to be fortified by the National guaranty, and the bill-holders are secured with absolute assurance against the possibility of loss. Nay, the attempt was made by those acts, and still continues, to secure the depositors with other creditors by providing a standing currency reserve, equal to nearly one-seventh of the sum of the deposits added to the capital, for that purpose. But that this provision, though sufficient for ordinary exigencies, is altogether inadequate to withstand the strain of a panic, has been demonstrated before and is made deplorably apparent now.

The remedy that would occur to the superficial mind would be the obvious and easy measure of increasing the reserve to very much larger proportions. But that would at once give rise to an evil of great mischief and magnitude, for it would draw out and keep out of circulation an enormous volume of money that the people need and indeed cannot do without. Besides that, it would be grossly unfair to the banks. They not only receive the deposits, but become responsible for the repayment of them, and are justly entitled to the value of the use of them, in so far as the use does not interfere with a prompt and reliable response to the calls of the depositors.

As it is both the legal and moral duty of the banks to make good the deposits and secure the promptest possible payment of them to the depositors, they ought to submit cheerfully to any reasonable, practicable scheme that will achieve that end, even though it involves a certain but not undue measure of sacrifice. And on the other hand, as it is the duty of the Government to render its moneyed institutions as deserving as possible of the people's trust, it ought not to hesitate not only to fortify them by every available safeguard, but to induce and justify the public confidence by an adequate pledge of its responsibility and aid. We believe that both these objects will be fully answered by a scheme constructed upon the following basis:

First. Let a fund be provided, amounting say to $50,000,000, to be managed and administered by the Comptroller of the Currency, called the "Bank Deposits Fund."

Second. Require each bank to pay and contribute to that fund quarterly for five years a sum equal to one-eighth of one per cent. on the average of deposits for the quarter preceding the payment. This would, as deposits have ruled for the past few years, amount to about $10,000,000 a year.

Third. Let the quarterly payments pass into the Treasury for Government use and disbursement, and the Comptroller take from the Government its bonds in convenient denominations and bearing a low rate of interest, holding them as equitably the prop-

erty of the banks, and using them or their increment and proceeds for the following purposes.

Fourth. When a bank fails provide that out of the funds on hand and the assets immediately available (excepting only so much of the bonds pledged as security for its circulation, as shall be needed to pay the bill holders) the depositors be paid first. If they are thus paid in full let the Comptroller pay to the receiver for the benefit of other creditors, or the shareholders, or both, so much of the "Bank Deposits Fund" as equitably belongs to that bank. If, however, there is a deficiency let the Comptroller pay that deficiency forthwith, and cause it to be immediately distributed to the depositors. For the purpose of carrying out the provisions of this paragraph the Treasurer may redeem a sufficient amount of the Deposit Fund bonds at the request of the Comptroller, or the Comptroller may sell sufficient of the bonds to effect these purposes.

Fifth. If the Comptroller is compelled to make good to the depositors a deficiency as above provided the amount of it, less the share of the Deposits Fund equitably belonging to the bank, shall be a first lien on all remaining assets of the bank, not including so much of the note securing bonds as shall be needed to pay the note holders. If the proceeds of such assets are sufficient to repay the sum advanced by the Comptroller (less the bank's proportion), or any part of it, he shall reinvest it in Government bonds. In the event it is not fully repaid the deficit shall be made up by assessment upon all the other banks.

Sixth. In the event of dissolution of any bank for any other cause the Comptroller shall pay over to its officers or representative its share of said fund out of any uninvested moneys in his hands belonging to the fund, or in default of such moneys by redemption or sale of bonds of that fund.

This is a mere skeleton. Details and special considerations are, of course, omitted. The sum of the fund above named may be too large or too small. It should be large enough to protect the depositors and not large enough to inflict needless harm on the banks. The present panic is without precedent since the inauguration of the present system. Yet we believe that the $50,000,000 fund would, with the immediately available assets of the failing banks, pay every depositor promptly and with absolute certainty, and secure its own ultimate reinstatement out of the residuary assets. Perhaps, however, the most beneficent function of the scheme is its infallible effect to preclude the possibility of bank panics, the failure of any considerable number of banks or even of one. No device that the ingenuity of man can construct will obviate the necessary effect of wild or willful mismanagement, but if the plan above suggested is embodied in apt and considerate leg-

islation, the average bank, however sore beset, will not, cannot go down. The depositor, knowing that in any event his money will forthcome when and as he wants it, will add to that knowledge faith in the auxiliary assurance of the general Government, and will call for his funds only as the exigencies of his business may require.

The question may be asked why make the obligation for the payment of deposits a preferred debt, and, in case of failure, charge it as a first lien on the assets of the bank? We answer because:

First. It is the only available method of preventing bank failures, inasmuch as the great bulk of the corporate indebtedness consists in the obligation to depositors, and that obligation being always immediately due there is nothing to prevent a rush of depositors, and a depletion of corporate resources, except the assurance that, whether the bank fails or not, their money will come at call.

Second. It is the only available method of enabling the bank, with certainty and at all times, to redeem its (legal) promise and undertaking to and with the depositors to answer their calls when made.

Third. The public interest requires that the values inhering in the deposits, as well as those embodied in the notes or bills of the bank, shall continue in circulation uninterrupted and unfettered so far as practicable. The prompt redemption of the notes is already secured by law. The argument for the like treatment of deposits is equally cogent and conclusive.

Fourth. As contrasted with other forms and items of the bank's indebtedness its duty to its depositors is peculiarly confidential and sacred. Those with whom the bank has otherwise dealt, and to whom it is indebted, have contracted with it (and it has contracted with them) on an ordinary commercial basis, each exacting or bargaining for a substantial equivalent. Quite different is it with the depositors, who act more as does one who confidingly places his money in the hands of his friend, willing he should use it for his own benefit, contracting for no interest, expecting none, asking only that it be returned upon request and in sums measured by his needs.

The plan here suggested, or something like it, would, we are confident, preclude a repetition of an epoch of disaster like the present, or any dispensation of the same character, whether general or local. Certain it is that the faith of whole communities, if not of the people at large, has been rudely shaken by the sad experience of the last few weeks, and that nothing short of a drastic, yet sagacious, reform in our banking system will avail to restore it.

D. H. BOLLES.

THE COMPLETION OF THE NATIONAL BANKING SYSTEM.*

The system of banking prevailing in this country under the laws of Congress is now passing through a test period. A test involves a strain greater than is required for work done under ordinary conditions. No system can be considered perfect which breaks down when put to the test. Our banking laws on the one hand invite the investment of capital in a business which is intended to be so surrounded by legal safeguards that the risk is supposed to be small to those who act strictly within the provisions of the law. On the other hand, the law invites the people to deposit their money with the banks because the safeguards are assumed to be sufficient for their protection. Experience has shown that under ordinary conditions our National Banking System works well and shows no appearance of defective theories, but under the stress of severe and protracted strain it fails unmistakably to accomplish some of the results for which it was designed.

* The following article has been reprinted and addressed as an open letter to the Chairman of the U. S. Senate Committee on Finance. The author adds, in further explanation of his plan, the following note:

"The cause of our financial difficulties is that our banks are run on too small a reserve. A withdrawal of ten per cent. of deposits is sufficient to throw the whole system into confusion. In 1884 the failure of the Metropolitan Bank and other circumstances caused such a withdrawal and the consequent panic, and in 1893 the silver scare has done the same thing. These troubles are not due primarily to the bank failures and the silver question, but to inherent defects in the system; therefore, the true mode of procedure is to cure the system, so that it can in the future meet similar emergencies and not be overwhelmed by them.

"Bankers, as such, have no immediate concern in the purchase and minting of silver by the Government, for they can bank as well on one basis as another, but they justly ask of the Government a banking system as nearly perfect as possible. To suggest a mode for the improvement of the system is the object of my letter, to which I request your careful attention.

"It follows as the natural result of the plan that our difficulties could be immediately removed by the passage of a preliminary Act which would give, for the period of one year, pending Congressional inquiry, the legal tender character to the present issues of Clearing House certificates, subject to the approval of their form by the Secretary of the Treasury. This simple expedient would change the certificates into legal tenders, restore the bank reserves above the legal limit, and immediately release to an equal extent the legal tenders and gold now held as reserves. Such an Act would afford immediate relief to the business community, and in an entirely safe way, because all must acknowledge that Clearing House certificates, issued under the New York plan, are undoubtedly secure.

"The following tables make a rough calculation of the relief which might thus

The present financial disturbance is marked by one distinguishing characteristic, which is a lack of confidence both on the part of the banks and of depositors in the provisions of the law for their protection. And this lack of confidence is well founded. A bank conducted in strict compliance with the law as to reserves and investments, and honestly and prudently managed, with not a single weak asset on its books, could not hope to withstand successfully the unusual demands of the past few weeks without outside assistance. The perception of this fact by the depositing public was enough to produce a money panic. Bank officers and the public alike see that the ordinary provisions of the law are inadequate to protect either the capital invested under the sanction of the law and in compliance therewith, or the depositors who relied thereon. The panic is therefore rational, for it is based on facts which justify it. Numerous suspensions and failures have taken place by which depositors will not ultimately lose anything, because the banks are said to be sound and well managed. Here, then, we have loss of credit, distress, derangement of business, and every evil which can come from a bank failure or suspension,

be obtained, the first being of cities whose clearings amount to over $500,000,000 per annum, the second being suggested in view of the present emergency. The first column gives the names of the Clearing Houses, the second, the limit to which the issue of certificates might safely be authorized by the Secretary of the Treasury as a legal tender for the payment of debts through all the Clearing Houses of the country.

First Table:

New York	...to a limit of	$50,000,000.
Chicago	"	15,000,000.
Boston	"	15,000,000.
Philadelphia	"	15,000,000.
St. Louis	"	5,000,000.
Baltimore	"	5,000,000.
San Francisco	"	3,000,000.
Pittsburgh	"	3,000,000.
Cincinnati	"	3,000,000.
Total relief obtained		$114,000,000.

Second Table:

Minneapolis and St. Paul	...to a limit of	$2,000,000.
Buffalo	"	2,000,000.
Detroit	"	2,000,000.
New Orleans	"	2,000,000.
Providence	"	2,000,000.
Milwaukee	"	1,500,000.
Kansas City	"	1,500,000.
Louisville	"	1,500,000.
Omaha	"	1,500,000.
Cleveland	"	1,500,000.
Denver	"	1,500,000.
Total relief obtained		$19,000,000.

"Banks connected with Clearing Houses which have already issued certificates would be able to grant accommodations to corporations and individuals on the authority of such an Act the day the bill became a law, and no doubt that would be the last day of the panic.'

except loss to depositors; and yet there has been no infringement of the law, or business mistakes, or even errors of judgment. Though there were none of these, and the compliance with the law has been perfect, yet the result has been disaster.

It is, therefore, a matter of common honesty and fair dealing with the stockholders of National banks to change the provisions of the law so that, even under the stress of the greatest strain that can be imagined, it shall be sufficient for their complete and perfect protection. It is an exceedingly simple and easy matter to accomplish this, but not at all simple to do so in a way to leave the banks in a position to earn a fair return upon their capital. If the reserve limit was raised to 75 per cent., all to be kept in the bank's own vaults, we would of course hear no more of bank failures. But under such a restriction most banks would retire from banking, because the business would thereby be made unprofitable. To maintain such a large amount of capital in perpetual idleness would entail a great loss of productive power on the community. It would be like the policy of keeping a large standing army at all times, instead of a militia which can be called out when needed. What is wanted is, therefore, not more idle capital, but a well-secured reserve which can be relied on in case of necessity, and which, when it has rendered its service, can be retired, leaving the small regular reserves on duty on a peace footing. This is the application to business affairs of the methods which have been found both economical and effective in the government of a State.

The banks of New York City have established a mode of meeting a crisis, which is at once effective and simple, by the use of Clearing House certificates. These certificates form a currency among the members of the Clearing House which is accepted by them in payment of debts due each other. It is only necessary to legalize and extend that which is now done extra-legally, to afford instant relief to the whole banking and business community. This could be accomplished by a law in Congress incorporating Clearing Houses. These institutions are a necessary part of the National banking system, and, as such, they should have a uniform method of operation, and derive their powers from the National Government. All the National banks in the country might be included in Clearing House districts, and banks organized under State laws might also be members. All their powers and privileges would be specified and regulated by the law, and among these should be the power to issue Clearing House legal tenders. This power should be limited to those whose clearings were the largest, say $500,000,000 per annum or over. These Clearing House legal tenders should not only be a currency between banks but for the people as well. They should be a legal tender for the payment

of debts at all Clearing Houses, thus maintaining them at par over the whole country, and be counted by banks holding them as part of their reserves. The amount of the reserve provided for by the Clearing House legal tenders should be large enough to make the provision adequate for all possible requirements. The present legal reserve is 25 per cent., and the maximum of the reserve thus provided should be 25 per cent. more. The banks would thus possess a reserve of fifty per cent. immediately available, of which 25 per cent. would be active and 25 per cent. latent, but ready to come into existence at short notice. A 50 per cent. reserve would be sufficient to meet and overcome the severest panics this country has known. The effect of the possession of this power by the banks would necessarily be that the danger of a money panic would be forever removed. The power to make such issues would stamp out forever the fear that a crisis would or might occur when the banks would not have enough money to "go round." The power to produce disaster by hoarding currency, which is now possessed by timorous or evil-minded men, would be forever taken away.

These new legal tenders would be secured, as Clearing House certificates now are, by pledge of bank assets at 75 per cent. of their value, and guaranteed by all the banks of all the Clearing Houses, the members of each Clearing House being the first guarantors of their own issues. They would be issued in conformity to the financial principle recognized by all authorities, and well stated by Charles Moran in his book on "Money" (1863) page 110, as follows: "Paper money to perform successfully the functions of money, should never be issued except against a pledge, direct or indirect, of a greater value of useful commodities, needed by the community, applicable to the redemption of the bank notes issued." A six per cent. rate of interest to banks taking Clearing House legal tenders would act as a check upon their issue, and they would not be taken so much for profit as for protection and necessity. The interest on the notes of the banks applying for the currency would accrue to the Clearing Houses to form a fund to meet such obligations as they might have. Such legal tenders would be intended to perform a temporary service, and provision should be made for the Comptroller to call for their retirement in installments of a certain percentage at specified times. The time they should be allowed to remain out might extend over six to nine months to permit settlements to be made and other liquidations from sales of securities, produce, and merchandise. If cash for their redemption was not provided by the borrowing banks, or by sale of the assets pledged, then the resulting loss should be assessed first on the banks in the districts making the issues, and thereafter on all National banks in proportion.

Immunity from the disasters which result from a money panic is a protection demanded by justice, and should be given by law to the banking corporations which the law creates. As the experience of every panic proves that the present provisions of the banking law are inadequate to the giving of that protection, then whatever remedy experience shows is effective should be incorporated in the law. The experience of New York in the use of Clearing House certificates shows that they are effective and safe in their final results.

But if the banks are given by law the means of absolute protection against the assault of a panic, they in their turn may well give to the public absolute guarantee against loss of deposits. To accomplish this would require but a small tax on the banks when equally distributed according to capital and deposits, but the effect of the guarantee on the community would be to remove that feeling of apprehension which is the beginning of a panic. The guarantee of deposits would be an ample consideration given by the banks in return for the power to protect themselves by the issue of Clearing House legal tenders.

The law creating the Clearing Houses should provide that whenever a bank is closed by order of the Comptroller, the Clearing House of its district should immediately take charge of its affairs and pay off all its depositors on demand, and draw on each and all of the Clearing Houses for the proportion of the funds necessary to do this, assessed on the banks for whom they clear or who are within their district. When the depositors are paid, the assets would belong to the Clearing Houses, and as they were cashed, dividends would be paid first to banks outside of the district of the failed bank, and any resulting loss would be borne by the banks within its district, and not by those outside or by the community. The expense of such a liquidation would be small compared to that under the present system. The loss thus resulting to the banks would be comparatively trifling, but the convenience to the public and the confidence produced in the minds of the depositors by reason of the conviction that no loss could possibly result to them from having their bank accounts tied up, would leave little to be desired in the way of a banking system. The advantage of the insurance of deposits is not apparent in quiet weather when all is plain sailing, but when a wild and senseless rush begins first at one bank and then at another, the protection becomes of great value, for it is evident that it is in the power of depositors to embarrass any bank which has not all its deposits in cash in its vaults. While this insurance gives the greatest benefits to depositors, it is also certain that it is worth to the banks many times more than it costs in the safety and regularity of doing business thereby secured to the guaranteeing banks of deposit. A

guarantee of deposits would also make banks and Clearing Houses watchful of the methods of their members, and the act incorporating them should provide for such scrutiny and make it obligatory on the Comptroller to examine banks at their request. Carefulness in business methods would thereby be promoted and experience preserved and made available for the future.

A suggestion to this effect was made a number of years ago by Ex-Gov. Merrill of Iowa, with that sagacity which always characterized his public utterances, but the times were not then ripe for such a measure. The subject has also been discussed since then. Gov. Merrill had a long experience as a Bank President, both under the State system of Iowa and afterwards under the National system. Now that the National system has developed an inherent weakness, and the country is almost in a state of chronic panic, it seems an opportune time to complete the National banking laws by adopting provisions which will prevent the recurrence of money panics and loss of time or money to depositors.

It is to be remembered that such measures have their effect not only on National banks, but also on all the financial interests of the country which rest upon the deposit banks as their foundation. The deposit banks are the great balance wheel of the country. On their orderly movement depends in a great measure the safety of the Savings Banks and the commercial community. The present disturbance has thus far affected only the deposit banks, but if not arrested it may extend to the depositors in Savings Banks. If these are seized with any unreasoning fear, which now may be brewing, and the burden of providing for ten per cent. of these deposits, or even a hundred millions of them, be added to present requirements, it is evident that a general collapse and prostration of the entire business interests of the nation might ensue.

The entire community is therefore interested in any attempt to perfect and complete the National Banking System, because in proportion as such efforts are successful are the material interests of the whole country promoted.

THEODORE GILMAN.

A REVIEW OF FINANCE AND BUSINESS.

STAGNATION SUCCEEDING PANIC AND PRECEDING ULTIMATE RECOVERY.

The panic of June and July has been succeeded by general stagnation and depression during August, intensified by the scarcity of currency, with which to perform the ordinary functions of credit and domestic exchange, which had been paralyzed, or suspended, during the latter part of July and the beginning of August, to such an extent, as to stop, practically, the movement of the crops and of merchandise of all kinds; and even seriously to interfere with the smallest details of trade, such as the payment of wages to the industrial classes. Added to this immediate cause of such stagnation, was doubt of the result of the attempt to repeal its first cause, the Sherman Silver Law, whose friends were able to delay action thereon, and to prevent an expression of the opinion of the majority finally found to favor repeal, so long after the assembling of the extra session of Congress, that fears began to spread of its failure, which further shook confidence in our public and private credit, and aggravated the money stringency, until it absolutely became impossible for the great majority of business men to obtain the necessary funds, or credit to transact their affairs.

In this respect, probably, no panic within the memory of the present generation has been so severe; and yet, it has been the least violent for one so universal and protracted. But it is the collapse that follows an acute attack of disease, which leaves its victim prostrated, after the crisis has been passed, and which must precede ultimate recovery, by giving time to restore exhausted strength. That the present crisis has already been passed, is evidenced by this very stagnation, barring a relapse, should Congress refuse to remove its cause. This danger is also happily passed, beyond serious doubt, as the West and South are at last sufficiently convinced that silver, instead of being a cure for all their past evils, is the cause of their worse present ones. Although the crisis will have been definitely ended with the repeal of the Sherman Law, which caused it, the subsequent recovery will be slow, with occasional relapses, no doubt, as the recovery from violent disease, that has exhausted the strength, is always much more protracted than the attack that produced the collapse. Yet there are growing symptoms, easily recognized by financial physicians, of returning strength which give promise of more speedy recovery than in ordinary panics of equal violence and extent, for the reason that the patient in this case was not diseased, but in sound health

when seized by this financial epidemic. This was different from most panics this country has experienced, inasmuch as it was strictly an artificial one, caused by bad legislation, rather than general financial kite flying, while commercial affairs were seldom, if ever, on a sounder or safer basis, from the fact that they had, for a long time, been more free from speculation, with but few exceptions, than for years. Hence it has been the financial machinery by which commerce is transacted, rather than commerce itself, that has been deranged; and, for this reason,

TRADE WILL REVIVE MUCH MORE RAPIDLY

when this artificial pressure is removed, than it has revived after former panics, which were either purely financial, or commercial, or both, as the result of wild speculation and general inflation of prices, either of securities or of commodities, such as happened in 1873, as the result of unprecedented railway building, ahead of the wants of the country, and the "booming" of industries and enterprises allied therewith, together with general speculation, in everything, by everybody, as before the Grant & Ward panic. To any one at all familiar with either of these panics, and with the conditions that preceded and followed them, it is perfectly evident, that there is no similarity between them and the present one. Another important difference, is equally in favor of a more sudden revival of business now, than then; namely, in the industrial revolution that has since reduced the prices of all commodities, of securities and of money itself (until the recent stringency), to a lower level than ever dreamed of in this country. This has been general, except in the new speculative "securities," miscalled "industrial," but properly gambling shares, which had been watered a quarter, to a half-dozen times, by the original owners and venders of well known manufacturing and commercial enterprises, in imitation of the successful floating of such schemes in England, and which were unloaded on the public, while their resources were being exhausted, in the payment of unearned dividends on all this water, during the process of unloading. It was in these industrial stocks, and for the above reasons, that this panic broke out, because it was the rotten spot, followed by the collapse of other large industrial concerns, whose stocks were not listed on the speculative exchanges, yet which had extended in the same way, in an effort to monopolize their respective branches of industry, until they had impaired their working capital. Beyond these, and a few Western and Southern "boom" enterprises and localities, failures have been almost wholly confined to banks, without adequate capital, or whose money was tied up in land, or other permanent investments on which they could not realize. Never was there such a small proportion of strictly mercantile or com-

mercial failures in any panic before; and most of these were due to old losses or dry rot. Now all this goes to show that commercial affairs, were and are, on an unusually safe and sound basis, as there has been little speculation in them of late years, on declining markets, by reason of this industrial revolution, which has permanently reduced the prices of commodities, transportation and money itself, by reducing the cost of production.

COMMERCIAL AFFAIRS NEVER SOUNDER.

Hence, when this panic struck the merchant, he had light stocks of goods, small indebtedness, and debts outstanding; while prices for what stock he had, were so low, that there has only been the shrinkage since incidental to realizing for cash. Manufacturers who had not accumulated stocks before the panic were in a similarly strong position, and are still, where they reduced production, when the demand fell off. Those who were caught with big stocks when the stringency came, and shut down, are no worse off than before, except as forced sales for cash, have affected the price of their goods, with the value of all other property. When, therefore, money becomes easy again, as it will, with the restoration of confidence, which was destroyed by the exports of gold and depletion of the Treasury reserve, on account of the operation of the silver purchase law, both merchants and manufacturers will be in as good position as before the panic, except as they have been forced to make sacrifices for money; and for the loss of three months' trade, which they are likely to make up in part this autumn, when industries start up and people are employed and money is in general circulation again.

It is for these reasons that a more rapid recovery than ordinarily may be looked for, after the chief cause of this panic is removed; if Congress will only adjourn and go home after the repeal of the Sherman Law, and leave the country time to recuperate and get back its breath, strength and confidence, with which it has parted the past three months, before the repeal of other legislation, that blocks the way to general and permanent prosperity, shall be even agitated: for the country needs a period of rest. When well again, it can stand the suspense and uncertainty that always attends change in business legislation, however beneficial in the end. But a patient cannot often stand two surgical operations at the same time, no matter how beneficial to his health, either would be, performed separately, with time intervening, to recover from the shock of the first.

REAL ESTATE NOT LIQUIDATED.

While liquidation has been general, there is, however, one class of property that has not yet declined in value in proportion with

every other class, during this panic, or the Industrial Revolution, noted above, which has been reducing the cost of all human products, and hence of the cost of living, except in the one matter of rents, because real estate values have not yet been subjected to this liquidation that has been going on in everything else, for the reason that it is the last to feel the effects of a general depression in prices as well as a general inflation. But none the less surely must it come, because delayed by the nature of the property and the fact that it is less readily negotiable. In some localities this reduction in values of real estate, as indicated by its rental value has kept partial pace with the reduced cost of production and living, in other directions; but this is by no means general. When therefore other kinds of property that have been liquidated, shall recover from the present unnatural depression, they will attract capital, because of more profitable investment; and this process will extend from one kind of property and one class of industry to another, until the field is so large as to absorb idle capital. Then the demand for more, to invest in such enterprises, will make the returns on that already invested, sufficient to induce holders of real estate to sell out and put their money where it will pay better than in property whose rental value is constantly decreasing. This process will then go on, till real estate has fallen by continual pressure to realize, to a level with other classes of property, which have shrunken in value with cost of production one-quarter to one-half in the past twenty years of unprecedented industrial and mechanical development, by which real estate has hitherto been almost universally enhanced in value by the increment of population, incident to the extension of industrial enterprises throughout the country. Its turn must therefore come, to contribute its share to the reduced incomes of the investing class; to the reduced cost of living in every direction and the reduction in the cost of labor, or its earning power, as well as in the earning power or interest on its product, capital. The time is past for the accumulation of vast fortunes by the ownership of real estate, in this country, as well as in Europe, except in new cities, adjoining old ones; and in undeveloped sections, for prices of everything are tending lower, to stay there.

THE GOLD MOVEMENT AND BALANCE OF TRADE.

At the close of July the rate of sterling exchange had been for a considerable time at or below the gold importing point, and yet, as remarked in this article at that time, gold had been imported only in scattering $100,000 and $200,000 lots, in place of going out for weeks prior to July 1st by the millions. Soon after August 1st, however, the tide set this way so strongly as to bring the yellow metal back faster and in larger quan-

tities than it had gone out; so, that by the last of August, all but about $20,000,000 of the $68,000,000 exported between January 1st and July 1st had been re-imported, with more on the way, and more being engaged almost daily in London, until the Bank of England became alarmed, as we were two months ago, and has raised the discount rate several times, and finally to 5 per cent., without seriously checking the westward movement of the metal. But it has extended to France and will probably reach Germany, Paris having already shipped considerable to London since the 5 per cent. rate was established. The question now asked on the other side, is the same as was on everybody's lips here, but two short months ago, namely, "When will gold exports cease?" The answer there is as uncertain as it was here; for the movements of the sterling exchange market a year past, have defied the calculations of everybody, as they have all precedents. Such a sudden and radical "right-about-face" movement has never before been experienced; and hence nobody dares prophesy when the present movement will cease. But certainly not so long as the premium commanded here for currency shall continue; while the disappearance of that premium might mark the termination of gold imports, for the present, if not permanently. Those who have attempted a *post mortem* explanation of this financial phenomena, attribute it to a contraction in international credit, something like that witnessed in our domestic exchanges the past month, requiring the shipments of currency to settle the balance of trade between the West and New York, as well as between Eastern cities and the metropolis.

WHAT TURNED THE TIDE THIS WAY?

The suddenness of the change from heavy exports to still heavier imports of gold, was in part caused by the sharp decline in our imports after the panic broke out and the cancellation of further orders for foreign goods, noted in last month's review. But the chief reasons were the enormous increase in our exports of wheat and flour, after the collapse of the Chicago corner let prices below the lowest previous records, on both sides of the Atlantic, and an equally heavy demand for all our feed and fodder crops, including corn, oats, barley, hay, low grades of flour and mill feed or bran, all of which were taken, both by the United Kingdom and Continent, in quantities hitherto unknown, until nearly all the ocean freight room for two and three months ahead had been engaged. This has been going on for two to three months past, or since the shortage in the wheat crops of Western Europe, was assured, and the unprecedented shortage in fodder, from the protracted drought of last spring and early summer was realized. Added to this, during the past month, the other Chicago corner

in provisions, run by the same parties as that in wheat, collapsed, with the failure of the clique, and let our hog products go into export in double the volume of any preceding month this crop year, after a break nearly as heavy as that in wheat. It was these three causes combined that turned the tide of gold this way, so suddenly, and in such volume; as it was the opposite conditions, preventing free exports of these great staples, for months before, that sent gold out of the country instead, to such an unprecedented extent.

But this export movement has been abnormally large, even for short crops abroad, stimulated by low prices and anticipation of future wants to an unusual degree, because of them; and, toward the end of the month, the export demand for everything fell off sharply, although the outward movement of old purchases continued up to the maximum all the month of August. Consequently the balance of trade has continued heavily against Europe and in our favor; and, as she has few more of our securities to sell us, and is inclined to buy, rather than sell them at present prices, she has paid the balance in gold and pocketed the premium on that, while getting our products at abnormally low prices.

THE OUTLOOK OF THE MONEY MARKET.

But when our exports fall off again, as they must when all forward purchases have been shipped, gold imports must fall off too, unless they come here in the shape of loans, after the silver law, which drove them out last spring, has been repealed, or to pay for our securities, of which London has been a fair buyer at the late panic prices, which has also helped swell the volume of our gold imports. There is also another influence, that may have an important bearing on this question, after September 1st or the beginning of the next export cotton year. The strike in the English cotton industry last spring, has left a larger surplus of old crop on hand abroad than usual; and, the scarcity of currency here has delayed the movement of the new crop. Yet this is the season of the year for heavy exports under ordinary conditions, and it may be large enough to make up in part or whole for the falling off in grain and provision exports. Hence it is as impossible to forecast the future movement of gold as it has been for a year or more past. As the money market is now more than ever dependent upon the gold movement, it is equally impossible to forecast it; though, with the movement of the crops in the usual volume at the ordinary season of the year, the demand for currency in the interior should soon slacken and the return movement to this center set in by the end of September. Should these conditions be realized and the Sherman Law be re-

pealed, during that month, then there ought to be a general and sudden easing up in the money market, as these conditions would restore confidence and credit again, and bring out the enormous amounts that have been withdrawn from banks and hoarded before there was any talk about runs on savings banks and the rule requiring notice of withdrawals was put in force. Granting the above premises, which are more than probabilities. the conclusion is inevitable that we have not only seen the worst and passed it, but that the future of the money market is brighter than for six months or a year past.

THE PROSPECTS OF FALL TRADE.

Though at least a month behind the usual opening of Fall trade, in most of its branches, because of the uncertainty of financial conditions, there has been a marked increase in the number of buyers in this market, since the middle of August, or since the repeal of the silver law was virtually assured, in the belief of the business community. During the same period there has been an equally marked increase of confidence among these buyers who have represented all sections of the country, but more especially the Western and Southern States. These latter, bring unexpectedly favorable reports from their sections, notwithstanding the large number of bank failures that have occurred in both. They regard the present troubles as but temporary and as practically over. At least they are ready to buy goods and expect a good trade this fall, as the farmers are less in debt for their crops than usual, and in pretty good shape financially. Collections are not as bad as would be expected, and most of these buyers have come prepared to pay their old bills before contracting new. But some of them have been scared out of the markets and gone home, after they had come prepared to buy, by the dolorous tone of our merchants who seem to be waiting for the world to come to an end, rather than take a hand in keeping it moving. The consequence is that much less has been done, than might have been, had our merchants crawled out of the mires, shaken their ashes off, and taken part in the affairs of the world again. This delay has had a correspondingly depressing influence on sellers and manufacturers, and most of the markets are depressed by accumulations of stock, to an extent that prices will probably recede, when the buyers do come in. This is especially true of dry goods, which have not shrunken in value much as yet from the fact that there has not been enough doing since the panic set in to establish prices. No great cut in prices, however, is expected, and buyers appear to be in a mood to take fair supplies at old or lower prices, provided they buy as cheap as any one else. Market prices are

therefore unsettled with a slightly further downward tendency without prospects of radically lower prices. The outlook is therefore hopeful and improving, outside of New York, which is the national Slough of Despond.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Banking Reform.—There are in the present number two very thoughtful articles relating to amendments of the National Banking System. Mr. D. H. Bolles is quite right in maintaining that the chief peril of the banks is in the keeping and management of deposits, for as the most of them are payable on demand, and yet are loaned on time, of course a bank cannot respond should all the depositors request immediate payment. The mode of creating a fund, which he proposes shall be $50,000,000, seems simple and practicable, except in one respect, and that we think is a serious objection. Banks which are very carefully managed, and which keep a large amount of deposits on hand, would be unwilling to unite in any general plan for securing or assisting other banks which are doing business in a less conservative manner. It may be that the more conservative banks could unite in a plan of this character, and which, to a very large extent, would embrace the banks in the cities belonging to the Clearing House associations; and if the banks were thus separated into two classes, the conservative ones which were willing to form a fund of this character, we believe would effect some very excellent results. In the first place, as such banks would soon acquire a superior position in the community, they would naturally attract depositors, as they would be regarded as more safe, and such action would necessarily lead the other banks, which were inclined to manage their affairs with less prudence, to modify their course, in order to acquire or maintain the good will of the community in which they transact business. The Clearing Houses have done not a little in the way of restraining some of their members who were inclined to be delinquent and hazardous in their operations. The public does not know the complete history of these matters, but their committees, if so inclined, could tell of more than one case of this kind in which banks have been required to keep larger reserves, to discount with greater prudence, to put in new capital, new directors, officers, etc., or incur the penalty of separation from the Clearing House. This has acted as a powerful force to keep them in better ways. We have often thought that the more conservative banks, thus associated in a Clearing House or other organization, might go still further in the way of a more thorough and effective super-

vision of each other than can be exercised by State or National bank examiners. Were they thus associated, we think that the most serious difficulty in the way of creating such a fund as that mentioned would be overcome.

Plans for Forming a Currency.—In the great dearth of currency which now exists, numerous plans have been suggested, but none seem to have been very effective. Perhaps one reason why substitutes have been so slowly invented is that nearly every one has believed that the scarcity would soon be over and then the opposite condition of things would prevail, of a deluge of money. Banks for this reason have hesitated to increase their circulation and for a considerable time hesitated to obtain gold from abroad; but now that the stringency has continued, plans of one kind or another are rapidly maturing for relieving the situation. Of course, the banks of New York, and of smaller cities, readily betook themselves to the issue of Clearing House certificates, which were a great relief in larger transactions, but this mode of relief was not enough. Some substitute has been needed for the smaller notes that are usually circulated, and two or three plans have been formulated of that character which will doubtless be effective in a short time in entirely relieving the situation. One plan, devised by Mr. Cornwell, president of the City National Bank of Buffalo, consists in the issuing of drafts by the local Clearing House on the banks of New York in larger and smaller amounts, payable to bearer instead of the ordinary draft which is payable to order. Such drafts, issued by reputable banks or Clearing Houses, would readily circulate in the vicinity of their issue and would therefore serve as an effective substitute for money. We have no doubt that the issue of these drafts will come into general use if the currency stringency does not speedily pass away. Of one thing we can be assured, that the American people know enough to form effective substitutes for the dearth of currency now existing, and no one need fear that the present stringency will be much longer continued.

Bank Protection at the Expense of Depositors.—One reason for the recent dearth of currency now existing is that the banks themselves are hoarding it. They complain of the action of the people in keeping all the currency they get, but in truth are not many of the banks doing the same thing? The banks say, and of course they are right, that they owe their depositors and may be required at any moment to pay them, and so they must accumulate funds for this purpose; but they are aggravating the situation, for, as they owe far more than they have the ready means to pay, if they attempt to cut off depositors by with-

holding their ordinary accommodations in the way of discounts, depositors must raise all the money they can, and thus demand their deposits. The very worst policy for a bank is to deny its usual discounts to persons of unquestioned ability, for by pursuing this course they invite precisely the state of things from which we are now suffering. Why are the banks threatened with demands from depositors? Simply because they are withholding their usual discounts from them. There is no other reason whatever. Four times since the enactment of the Peel Act in 1844 the Bank of England has set aside that act; in other words, deliberately violated it, by issuing more notes than they were permitted by law to issue, in order to accommodate their customers, and then they have in effect said, "Present all the paper you wish to have discounted that is good, and we will take care of it." And the effect has been to settle the panic, or disturbance, so that the amount of notes issued on these occasions beyond the legal amount has been very small. In fact we believe that on one or two occasions it was not exceeded, for as soon as depositors or customers learned that the usual accommodations would be granted to them, the panic was over and business resumed its ordinary course. Some banks have much to answer in denying discounts to their customers during the last two or three months. If they had continued them, requiring good security, depositors would have demanded no more money than usual, and we have no doubt whatever that the money stringency would have been much less serious. But so long as the banks deny such accommodations, there is danger constantly that their customers will demand their deposits, and they cannot, of course, escape payment except by suspension. If they wish to have this state of things come to an end, evidently the thing for the banks to do is to resume their ordinary operations of discount. In other words, to have confidence in their customers, and they in turn will have confidence in the banks.

A New Mode of Expanding the Currency.—The bill introduced by Representative Johnson, of Ohio, providing for the exchange of United States bonds for Treasury notes, is attracting much attention. The chief feature of the plan is that the bonds are not to draw interest while the notes are outstanding, which are redeemable in United States legal tender notes. The plan is intended to secure elasticity of the currency; when currency is greatly needed and rates of interest are high, it is expected that bond-holders will deposit them in exchange for currency, even though losing the interest thereon, for the sake of the higher interest received on the currency in exchange.

A plan of expanding the currency was invented for the Bank of

Berlin, the general feature of which is recalled by the above plan. The bank pays a tax on its notes to the Government, but the charter also provides that in times when the pressure for money is great, it can issue more than the ordinary amount on the payment of a much higher tax than the ordinary one. The object of the plan is to provide for issuing more currency when the demand therefor is increased, and for its withdrawal as soon as the demand is over; and it is supposed that the higher tax on the extraordinary issue will be sufficient to secure this end. At the time of organizing the bank, some favored the adoption of the Bank of England plan, whereby the directors, as we have elsewhere described, openly disregard the law fixing the amount of issues in times of great monetary stringency. Instead of adopting this plan, however, the one above described prevailed. If we understand Mr. Johnson's plan, it is expected to work in a similar manner. This would depend on the amount of interest lost on the bonds. If that was nearly as much as the profit on the notes, they would be withdrawn. The notes would be perfectly secure, as the bonds of the Government would be behind them. To insure the perfect working of the plan, if the loss of interest on the bonds was not enough to lead to the retirement of the notes after the stringency or cause for issuing them had passed away, ought not a tax to be imposed on the circulation which would be heavy enough to effect this end? In other words, the desirable thing is to render such currency unprofitable to the issuers in ordinary times. By experimentation it could be determined what the Government should withhold in the way of interest on the bonds, or impose, perhaps, in the way of additional tax on the circulation to accomplish this purpose.

Branch Banks.—Some of the Canadian bankers have been insisting that their system of branch banking is very much superior to ours because they are all united, and in times like this support one another, and are in fact a single bank. There is, of course, a little truth in this, but not very much, as the Australian bank failures are very fresh in our minds, and most of them transacted business in that manner. There was a general collapse, the branches and the parent banks going together. We think that the strength of this system lies in a somewhat different direction, namely, that the head of such an institution is likely to be a much better banker, possessing more experience, etc., and therefore more competent to manage a bank and its branches than the ordinary banker in this country. As we all know, too many of the banks established here are started by persons who have not the slightest experience in banking, and imagine that because they have been successful perhaps in some other pursuit,

they can conduct a bank. One of the troubles with banking in the United States for many years has sprung from this fact, that too many of our bankers have been men utterly without banking experience. A large bank, however, as a bank usually is that has many branches, is managed by better men. There is this truth in the superiority of the branch banking system; but we can discover no other.

The Savings Banks.—Most of the savings banks throughout the country have required depositors to give notice of the withdrawal of their deposits, and this action has been generally commended. No doubt the savings banks generally are well managed, and depositors have been led to seek the withdrawal of their money without good reason. On the other hand, savings banks are not free from criticism in giving these notices. The regulation is an exceedingly good one, but if it was observed on all occasions depositors would understand it, and the difference between a savings bank and a bank of discount and deposit. But it is required so rarely that many depositors do not understand the meaning of it, and are more scared than ever. It does not signify that the notice has had the effect designed—of quieting the minds of the depositors, or of leading them to study more carefully into the reasons for giving the notice. Many of the depositors are very ignorant people, who do not understand anything about savings banks, except that it is a place to deposit money. But if the notice was always in force, depositors would understand the reason for it, and would have no scare over it like that which they are now enduring.

Payment of Interest on Deposits.—A correspondent of a Chattanooga newspaper presents a somewhat new view of the consequences of paying interest on deposits. The most common objection urged by a banker is that a bank will run more risk in lending them; but the Chattanooga correspondent asserts that as the bank must also make a profit by the operation, consequently it charges a higher rate for money than it would otherwise do, and this in turn is a serious burden for the borrower to bear. He says that the banks in that city have been competing so sharply for deposits that in some instances four or five per cent. have been paid for them, while the banks, to secure a profit, have charged as high as ten per cent. to the borrowers, which they could not afford to pay. In other words, borrowers could not afford to pay so much for money, yet the banks are unwilling to lend at lower rates because they paid so much to depositors. The depositor cannot be blamed especially for trying to get something in the way of interest on his money, and, of course, the bank expects to make something by the operation, while the manufacturer expects, even after paying high

rates for money, to have a margin of profit left. In the final analysis, therefore, it is a question of the division of the gain between the three classes for the use of the money. If one of the three parties attempts to get more than his share, less than a fair share is left for the other two. The evil will cure itself; either banks will be unwilling to pay such high rates to depositors, or borrowers will not pay so much for money. Ten per cent. for the use of money by a manufacturer, except in unusual conditions, is a much higher rate than he can afford to pay, and any bank that has exacted it must have known that it was running a great risk of absorbing all the borrower's profits and impairing his ability to repay; in short, was running the risk of putting its money beyond recovery.

A Canadian Banker's Remedy.—Mr. W. W. Weir, president of the Banque Ville Marie, of Montreal, has made some suggestions in the way of a remedy for our present financial difficulties that have attracted considerable attention. In general, he proposes the adoption of the Canadian banking system. By this no bank can be incorporated with a less capital than $500,000. No dividend or bonus can ever be declared that will impair the paid-up capital; and, in case any portion of the capital is lost, all net profits must be applied to make good such loss. Each bank must hold not less than forty per cent. of its cash reserve in Dominion notes, for which the whole credit of the country is pledged. The note issue of a bank cannot exceed the amount of the unimpaired paid-up capital of the bank; and such note issue is a just charge upon the assets of the bank. Each bank must also deposit with the Minister of Finance of Canada an amount in cash equal to five per cent. of its note circulation; and the amount so paid forms "The Bank Circulation Redemption Fund." This fund, which is deposited in the Federal Treasury, guarantees the note issue of every Canadian bank in case of failure, and in such case the bank note bears interest at six per cent. until both interest and principal are paid. Each bank is compelled to arrange for the redemption of its notes at par value at all principal cities in Canada which the Federal Government may from time to time designate. Each bank must make monthly returns to the Federal Government, which are forthwith published for the information of the public, and also such special returns as the proper officer of the Federal Government may direct. The shareholders of the bank are individually liable for an amount equal to the par value of the shares held by them, in addition to any amount not paid up on such shares. The note issues of all Canadian banks are thus fully guaranteed. They are, in the case of a bank failure, about as good as gold bonds bearing interest at six per cent., for they are not only a first lien upon the assets of the bank, but they are

also guaranteed by a redemption fund in the control of the Federal Government of the country for that purpose. To meet the further liabilities of each bank there is the bank reserve and other assets, and a double liability on the part of the shareholders.

Mr. Weir proposes to make all chartered banks in the United States banks of issue when their surplus and capital should amount together to $1,000,000, and to authorize such banks to issue notes of the denominations of $5, $10, $20, $50 and $100 to the extent of half their capital and surplus. Such issues are to be a lien upon the assets of the bank in case of suspension, and are to be free from Federal or State tax, except an assessment of not more than one per cent. per annum with which to redeem the notes of suspended banks. A second provision would oblige the banks of issue to keep one-half of their cash reserves in Treasury notes of the United States, the Treasury note reserve thus to be always equal to the gold and silver reserves of such banks. By a third provision banks of issue would be authorized to establish branch banks in various parts of the country, if they should deem it advisable, limiting the number of banks to one for each $100,000 of capital and surplus. In the opinion of Mr. Weir, the adoption of this measure would remove the stringency in the money market of this country within twenty-four hours. It is the want of elasticity, he urges, which causes scarce money when abundant currency is most needed to move the crops.

THE LAW RELATING TO ACCOMMODATION PAPER.

Promissory notes originate in two ways: they are issued either in payment of merchandise or other property, or for the purpose of borrowing money on them. Those which have their origin in business transactions are called business or commercial paper; the other kind of note is known as accommodation paper.* This is made by agreement between the maker and payee, who is also the indorser, for the benefit either of the maker or the payee-indorser. Commercial paper is deemed of a higher order than the other and can usually be sold or discounted on more favorable terms.

The maker's engagement of an accommodation note is to pay the same to any holder at maturity. He is liable, except to the payee, like the maker of any other paper. To any other person the law regards him in his assumed character, and will not permit him to show that the

* "Accommodation paper is a loan of the maker's credit without instruction as to the manner of its use."—*Agnew, J.* (*Lenheim* v. *Wilmerding*, 55 Pa. 75; *Lord* v. *Ocean Bank*, 8 H. 384; *Moore* v. *Baird*, 6 Casey 138; *Dunn* v. *Weston*, 71 Me. 270.)

paper to which he has given his name was an imposition or a fiction. (*Stephens* v. *Monongahela National Bank*, 88 Pa. 157, 162; *Bank* v. *Walker*, 9 S. & R. 229; *Walker* v. *Bank*, 12 S. & R. 382.) But if the paper, though made for the indorser's benefit, has been paid by the maker, he can recover from the indorser. (*Walker* v. *Bank*, 12 S. & R. 382; *Sparrow* v. *Chisman*, 9 B. & C. 241.) The payee-indorser who has thus paid cannot recover from the maker on the common counts, but must sue on the note. (*Kennedy* v. *Carpenter*, 2 Wh. 344.)

The payee-indorser promises that if the maker does not pay the paper at maturity, he will do so on due notification, and this promise is not only to his immediate indorsee, but to every subsequent one. (*Stephens* v. *Monongahela National Bank*, 88 Pa. 157, 163; *Struthers* v. *Kendall*, 5 Wr. 214.) But very frequently accommodation notes are made for the indorser's benefit, and when they are, he must pay them. (*Lewis* v. *Williams*, 4 Bush. 678.) In other cases, as the maker has received the proceeds, he is responsible therefor, and the indorser can recover from him whenever he has been obliged to pay them. (*Kennedy* v. *Carpenter*, 2 Wh. 344; *Stephens* v. *Monongahela National Bank*, 88 Pa. 157, 163.) And if the indorser has paid them after their maturity, their character of accommodation paper will not prevent his recovery thereon. (*Mosser* v. *Criswell*, 150 Pa. 409.)

A note may be accommodation paper between some of the parties thereto and not others. Thus, an accommodation note fell due and the maker, with the knowledge of the accommodation indorser, procured without consideration from a stranger a note payable to the firm of which both the original maker and indorser were members. This was indorsed by the firm and by the original indorser, and the proceeds were applied to the payment of the original note. The new note was declared not to be *prima facie* accommodation paper as between the maker and the indorser. For the indorser was liable on the former note and would have been required to pay it if means had not been raised on the new note to discharge the other. But the new note was accommodation paper as between the makers of the two notes. (*Mosser* v. *Criswell*, 150 Pa. 409.) The new note, therefore, was an independent security for the other and no dealings between the indorser and maker, short of payment or release, would affect the claim of the indorser against the maker of the new note. A mortgage given to the indorser as security for the new note would constitute no defense. (*Ib.*)

As accommodation paper is made for the purpose of borrowing money, it must necessarily pass into the possession of a third party. The indorsee acquires as good title, and in every respect his rights are as perfect as the indorsee of commercial paper.

(*Holmes* v. *Paul*, 6 Am. L. Reg. 482, s. c. 5 Pitts. L. J. 461; *Gatzmer* v. *Pierce*, 13 Pa. 88, s. c. 6 W. N. 433; *Moore* v. *Baird*, 30 Pa. 138; *Dornan* v. *Miners' Life Insurance Company*, 15 Leg. Int. 77; 20 Pa. 384; 118 Pa. 565; 132 Pa. 312.) The maker, therefore, cannot successfully defend against the indorsee of an accommodation note that he is not the owner and gave no consideration therefor, and that he knew it was of this character and for which the maker had received no consideration. (*Holmes* v. *Paul*, 6 Am. L. Reg. 482; *Gatzmer* v. *Pierce*, 13 Pa. 88.) In a well considered case, Judge Pershing, after remarking that an action by an indorsee of such a note against the maker cannot be defeated by showing that no consideration passed to the maker from the payee and indorser, added: "It is sometimes said that such defense is good against the indorsee when he took the paper with notice of the want of consideration or of any circumstances which would have avoided the note in the hands of the indorser. But the case of an accommodation note, whether made or indorsed for the benefit of the party to whom the maker or indorser intends to lend his credit, is an exception to this rule." (*Leib* v. *Lanigan*, 1 Leg. Rec. 117.)* The indorsee, therefore, is not required to prove the consideration paid by him any more than in other cases. Says Mr. Justice Huston: "The law is settled that whether the note is business paper and evidence of a real debt, or accommodation paper made by drawer or indorser to oblige the other, when it comes to the possession of a bona-fide holder he need not show that he gave a consideration for it, and that he is presumed to be honestly the owner of it; it lies on the other party to prove that he is not honestly the owner, or that he came to the ownership in such a way as to affect him with all the equity which the maker had against the person from whom the present holder got it." (*Barnke* v. *Offerman*, 7 W. 133; *Bower* v. *Hastings*, 36 Pa. 285; *Hoffman* v. *Foster*, 43 Pa. 137; *Hart* v. *United States Trust Co.*, 118 Pa.)

And if the indorsee is not required to prove the consideration paid by him, the maker surely cannot prove that the consideration was of less value than the amount demanded, for example, that his note was discounted for depreciated notes. "Evidence of this kind is not admissible unless it be held that in every case

* "The maker may, therefore, have a defense against the payee which he cannot have against the indorsee who has knowledge of that defense. * * And this is true, though the holder at the time he purchased knew that it was an accommodation note and that there was no consideration between the maker and the payee. * * The maker of the note is called on in this action to do nothing more than he has promised. He has nothing to do with the fact that the holder of the note purchased it for a less sum than its face called for." (See *Fulweiler* v. *Hughes*, 5 Harris 440.)

where a defendant gives a bond or note for property or value of any kind such a defense may be entertained, and that the party is not to pay what he promised to pay, but what the thing received turned out to be worth in his hands, where there was no fraud, mistake, misrepresentation or other ground of equitable defense." (*Keim* v. *Bank*, 1 Pa. 36.)

Nor will the solvency of the indorser, for whose benefit the paper is made, affect the maker's liability. It is issued purely on the credit given to the names thereon, the maker sustaining the primary liability. (*Third Nat. Bank* v. *McCann*, 11 W. N. 480.) The indorser's representation, therefore, to the maker that he is perfectly solvent and able to pay the notes when they mature, though untruthful, is not such a misrepresentation as will release the maker from paying them to a person to whom they have been negotiated. (*Third Nat. Bank* v. *McCann*, 11 W. N. 480.)

In the case of the *Third Nat. Bank* v. *McCann* (11 W. N. 480), the maker claimed that he was induced to sign the notes in controversy on the indorsers' representation (for whose benefit they were made) that they were solvent when, in truth, they were not. Said Judge Elcock: "Relying on the faith of the statement that the indorsers were solvent amounts to no more than a reliance on them that they would take the notes up at maturity being able to do so, which could not be tortured into a false pretense, the offense of obtaining goods, etc., which is a well defined crime by the statute. But how could such a representation cast a taint upon the paper itself? For the fraud must go to that extent. It must be created under such a state of facts as would be unlawful, immoral, or obtained by felony or force, and the taint, therefore, of the transaction, like the taint attached to goods which are stolen, attaches to the negotiable paper; and the reason for the rule is the same, for that which passes by delivery an indorsement carries with it its title as to all save the felon or party to the fraud who acquired it by his crime and all claiming under him. This must be distinguished, and the ground is often a narrow one, from want or failure of consideration, which is not a fraud, or a defense to negotiable paper in the hands of a bona-fide holder for value without notice."

The legal presumption, however, that the indorser is a holder for value may be rebutted by proving that the note was negotiated after its maturity, for when this is done, the maker may interpose any defense he could make against the payee. (*Bower* v. *Hastings*, 36 Pa. 285; *Hoffman* v. *Foster*, 43 Pa. 137; *Hart* v. *United States Trust Co.*, 118 Pa. 565.)

Nor is the accommodation drawer of a check given in renewal of another and payable at a future day liable to one who discounted the same at a usurious rate, knowing of an agreement

that it was to be paid by the indorser and not by him. (*Thompson* v. *Galloway*, 5 W. N. 383.)

An indorser of a negotiable promissory note for the accommodation of another is regarded as a surety for him; and any defense which could be made by the maker against a subsequent holder of the note can be made by his surety in an action against him by the holder. (*Gunnis* v. *Weighley*, 114 Pa. 191.)

As the peculiarity of an accommodation note is that no consideration is given by the immediate payee, if the maker should be sued by the payee, he need not prove that he was not to be held responsible; for as there was no consideration such an agreement will be implied. (*Yerkes* v. *Barr*, 4 Lanc. L. Rev. 66.) And if the note thus sued should be a renewal signed by one who by agreement had taken the original maker's place, he would not be responsible. (*Ib.*)

But if a note without consideration is given by an agreement that it shall not be collected unless judgment is recovered against the maker on a claim which is subsequently sued, and judgment is rendered in the maker's favor, the want of consideration is no defense. (Hill's appeal, 31 Pitts. L. J. 375; *Williams* v. *Williams*, 34 Pa. 312.) Said the Court: "The collection depended upon a contingency; the fact that it did not arise in this case did not change the intent and purpose for which the note was given, and is not, therefore, material. There does not then appear to be any good reason for distinguishing this case from that class of cases in which it is held that a note given without consideration for the purpose of hindering and delaying creditors is good between the parties." On the other hand, the maker of a note for the indorser's benefit cannot be regarded as in the position of a surety whose liability is discharged by extending the time of payment to the indorser without consulting him. (*Walker* v. *Bank*, 12 S. & R. 382, 1st trial, 9 S. & R. 229.) "We assume this broad principle," so the Court remarked in the Walker case, "that the man who makes a promissory note for the purpose of negotiation must stand to it; he has placed himself in the situation of principal and shall not afterwards escape by alleging that he was but a surety." The holder was under no obligation to notify him of the non-payment of his own note, nor of any indulgence which he might give the indorser. (*Work* v. *Kase*, 10 Casey 138; *Stephens* v. *Monongahela National Bank*, 7 Norris 157; *White* v. *Hopkins*, 3 W. & S. 99; *Lewis* v. *Hinchman*, 2 Pa. 416.)

A promissory note procured by an incorporated company for its accommodation on the promise of providing for its payment at maturity may be lawfully purchased or discounted by a director of the company and a member of its finance committee, though

understanding the nature of the note at the time of taking it. (*Holmes* v. *Paul*, 6 Am. L. Reg. 482; *Gatzmer* v. *Pierce*, 6 W. N. 433.) Unless an agent of the company to sell the note, he can obtain a lawful title and maintain an action against the maker thereon. (*Ib.*, see *Bartholomew* v. *Leech*, 7 W. 472; *Campbell* v. *Insurance Co.*, 2 Wh. 53.)

The maker or indorser of an accommodation note has no claim on an estate for the use of his credit when he has not been obliged to pay anything. (*Hoffeditz* v. *Maidencreek Iron Co.*, 141 Pa. 58.)

An accommodation note, which is made to enable the party to whom it is given to use the same for his own benefit without restriction, can be pledged as collateral security for an antecedent debt, and the maker is cut off as completely from making defenses against the pledgee as the maker of ordinary business paper is against the indorsee. (Rand. on Com. Paper, § 475; *Altoona Second Nat. Bank* v. *Dunn*, 151 Pa. 228; *Snyder* v. *Wilt*, 15 Pa. 64; *Lord* v. *Ocean Bank*, 20 Pa. 384; *Hart* v. *United States Trust Company*, 118 Pa. 565; *National Union Bank* v. *Todd*, 132 Pa. 312.) In *Lord* v. *Ocean Bank* (20 Pa. 384), Mr. Justice Black said: "He who chooses to put himself in the front of a negotiable instrument for the benefit of his friend must abide the consequence, and has no more right to complain if his friend accommodates himself by pledging it for an old debt than if he had used it in any other way." In one of the best reasoned cases, Mr. Justice Strong said: "He who lends his own promissory note for the accommodation of another lends his credit without any restriction as to the manner of its use. As between the maker and the payee there is an available defense, but the maker cannot complain of a subsequent holder when called upon to perform all he has promised. An indorsee, though he received it as collateral security and is not, therefore, a holder for value, may recover the full amount of the note; and a holder for value may recover, though he knew at the time he purchased that it was an accommodation note, and that there was no consideration between the maker and the payee. And a non-negotiable note, for example a sealed bill, given for accommodation and without restriction on its use may be pledged like a negotiable note." (*Altoona Second Nat. Bank* v. *Dunn*, 151 Pa. 228.)*

* (*Moore* v. *Baird*, 30 Pa. 138.) The cases in which this rule has been maintained are the following: *Twining* v. *Hunt*, 7 W. N. 223; *Appleton* v. *Donaldson*, 3 Pa. 381; *Work* v. *Kase*, 34 Pa. 138; *West* v. *Farmers and Mechanics' Bank*, 15 Leg. Int. 316; *Dornan* v. *Miners' Life Ins. and Trust Co.*, 15 Leg. Int. 316; *Leib* v. *Lanigan*, 3 Leg. Chron. 68, 69, s. c., 1 Leg. Rec. 117; *Fulweiler* v. *Hughes*, 5 H. 440; *National Union Bank* v. *Todd*, 132 Pa. 312;

As the holder of an accommodation note as collateral security for an antecedent debt is not a holder for value, a renewal occupies no higher ground, for no consideration is given. (*Royer* v. *Keystone Nat. Bank*, 83 Pa. 248; *Kirkpatrick* v *Muirhead*, 4 H. 117.)

This principle has been established in Pennsylvania with more difficulty than any other in the field now under review. The contrary principle has been often held, that the maker can interpose the same defense against the indorsee that he could against the original payee, because no new consideration is given. The court has uniformly held that whenever there was a new consideration, for example, when notes have been discounted on the faith of the collateral security, the maker's equities could not prevail against him,* but in other cases, as the indorsee paid or gave nothing for the security, why should the door be closed against the maker? The courts, however, have finally and firmly closed it against him, Mr. Justice Clark, in one of the more recent cases (*Carpenter* v. *National Bank*, 106 Pa. 170, 171), after remarking that accommodation paper is such as is made, accepted or indorsed by one party for the benefit of another without consideration, representing a loan of credit, saying: "Between the original parties it is open to the defense of want of consideration, but if transferred in the usual course of business, even to those who know the character of the paper, that defense cannot be made. Such a loan of credit is held to be without restriction as to the uses to which it may be applied. . . . The maker of accommodation paper, pledged for an antecedent debt, cannot, therefore, set up as a defense that it was given without consideration; this would defeat the very

Hart v. *United States Trust Co.*, 118 Pa. 565; *Miller* v. *Pollock*, 99 Pa. 202; Spering's appeal, 10 Pa. 235; *Ege* v. *Kyle*, 2 W. 222.

The contrary rule has been held in the following cases: *Maynard* v. *Sixth Nat. Bank*, 98 Pa. 250; Leggett Spring and Axle Company's appeal, 111 Pa. 291; *Gurrard* v. *Pittsburgh & Connellsville Railroad Co.*, 29 Pa. 146, 160; *Kirkpatrick* v. *Muirhead*, 4 H. 117, 123; second trial, 9 H. 237; *Lenheim* v. *Wilmerding*, 55 Pa. 73; *Harrisburg Bank* v. *Meyer*, 6 S. & R. 537; Ashton's appeal, 73 Pa. 153, 162; Pratt's appeal, 77 Pa. 378; *Petrie* v. *Clark*, 11 S. & R. 377; *Smith* v. *Hogeland*, 78 Pa. 252; *Irwin* v. *Zobb*, 17 S. & R. 419, 423; *Depeau* v. *Waddington*, 6 Wh. 220; *Hartman* v. *Dowdel*, 1 R. 282; *Twelves* v. *Williams*, 3 Wh. 485; *Trotter* v. *Shippen*, 2 Pa. 361; *Ludwig* v. *Highley*, 5 Pa. 132, 139; *Cummings* v. *Boyd*, 2 N. 372; *Struthers* v. *Kendall*, 41 Pa. 214, 227; *Walker* v. *Geisse*, 4 Wh. 258; *Selden* v. *Neemes*, 7 Wr. 422; *Bronson* v. *Silverman*, 77 Pa. 94; *Jackson* v. *Polack*, 2 Miles 362; *Schaeffer* v. *Fowler*, 111 Pa. 451; *Royer* v. *Keystone Nat. Bank*, 83 Pa. 248; *Strauch* v. *Hoeffer*, 2 Leg. Rec. 391, 392; Dorsey's appeal, 97 Pa. 162. The reason is thus expressed in Ashton's appeal, 73 Pa. 153, 162, by Sharswood, J.: "A creditor who takes a mortgage note or other chose in action only as security for a pre-existing indebtedness, and not for money advanced at the time, is not a purchaser."

* *Munn* v. *M'Donald*, 10 W. 270, 273; *Miller* v. *Pollock*, 99 Pa. 202; *Depeau* v. *Waddington*, 6 Wh. 220.

purpose for which it was made." (*Gatzmer* v. *Pierce*, 6 W. N. 433.)

But accommodation paper which is thus pledged for an antecedent debt is open to any defense except the want of consideration that could be made against the original holder. (*Cummings* v. *Boyd*, 83 Pa. 372; *Altoona Second Nat. Bank* v. *Dunn*, 151 Pa. 228, 232.) It may therefore be impeached for fraud in the making or procurement, or misappropriation by the payee. (*Carpenter* v. *National Bank*, 106 Pa. 170, 172; *Cummings* v. *Boyd*, 83 Pa. 372; *Stewart* v. *Moore*, 12 Phila. 225; *Lenheim* v. *Wilmerding*, 55 Pa. 73; *Winton* v. *Freeman*, 102 Pa. 366.) As Mr. Justice Sterrett has said: "An accommodation indorser of negotiable paper pledged by the maker for an antecedent debt cannot defend on the ground that his indorsement was without consideration because that would defeat the purpose for which he loaned his credit; but he may successfully defend by proving to the satisfaction of the jury that his indorsement was fraudulently procured, or that, instead of being a general and unrestricted loan of credit, the indorsement was made for a specific purpose, and that without his knowledge or consent the note was fraudulently used for another and entirely different purpose." (*Cozens* v. *Middleton*, 118 Pa. 622.)

What acts, then, are regarded as fraudulent in the law, and which relieve the maker? In *Lenheim* v. *Wilmerding* (55 Pa. 73) W. indorsed a note in blank, and left it with a third person to be signed by the maker, and for a particular purpose. The maker took it from the depositary without his knowledge, filled it up, and gave it to the plaintiff. This was a fraud on the indorser, and he was held not liable.

In another case (*Cozens* v. *Middleton*, 118 Pa. 622) it was contended that a note was indorsed for the express purpose of using it in settlement of a claim, and that it was afterward diverted. This would have released the indorser if the fact had been proved. But if a note is made to be thus used, and the settlement is not effected, and the note is left in the maker's possession, and it is afterwards pledged by him, the indorser is liable. (*Ib.*) In other words, the maker can use the note as though there had been no original restriction.

In *Royer* v. *Keystone Bank* (83 Pa. 248) a person was entrusted with a note indorsed in blank for the purpose of getting it discounted for the benefit of the maker and payee. It was, however, fraudulently appropriated by pledging the same as security for an existing debt. The maker successfully defended against the holder by showing a want of consideration and the fraudulent diversion.

In *Carpenter* v. *National Bank* (106 Pa. 170) a note was given as a memorandum and not for negotiation, but the payee fraudulently pledged it as collateral security for an antecedent debt. The holder was declared to be not a purchaser for value and could not recover.

In *Hart* v. *United States Trust Co.* (118 Pa. 565) the holders of a note made solely for their accommodation became insolvent before negotiating it, and promised the maker to return it. Instead of keeping their promise they indorsed it before maturity to a party as collateral security for an antecedent debt. The maker failed to establish a successful defense, the court declaring that he was negligent in leaving the note in possession of the holders.

In *Stewart* v. *Moore* (12 Phila. 225) a note was made for the especial purpose of preventing, if possible, a company from becoming bankrupt. It was not used, however, until after its bankruptcy, when the assignee transferred it to the plaintiff. Before his purchase, however, the maker gave him notice of all the facts and that he would not pay it at maturity. He was not held, the court remarking that as the indorsee knew that the payee had no right to transfer the note to him, his title was no better than that of the payee who, in this case, as a holder without consideration, would have had no claim against the maker.

If, therefore, the payee of an accommodation note should receive it with the restriction that he must use it to obtain a loan, he cannot pledge it for an antecedent debt; and if he should, the pledgee could not recover of the maker. (*Altoona Second Nat. Bank* v. *Dunn*, 151 Pa. 228.) And if a diversion is alleged in an affidavit of defense it must be specific, the circumstances and character of the fraud or diversion must be disclosed. (*Coon* v. *Moore*, 2 Pa. Co. Ct. Rep. 246.)

Has not the court gone too far in thus permitting the indorser to defend in these cases of diversion or misappropriation? If the note is not restrictive in terms, and the holder knows nothing about the agreement between the maker and indorser, why should a holder without notice be affected? Is not the more reasonable doctrine this: if the indorser wishes to restrict his act, to require him to state this in the note; and if he does not, to hold him responsible for the consequences? Certainly, of two innocent parties, the one who has been the prime means of the fraud ought to suffer by it, and applying this well-known rule, the indorser, and not the innocent holder, ought to suffer. Of course, this does not, and ought not, to apply in those cases in which the holder has knowledge, or in which the instrument has been surreptitiously obtained and used as in the Lenheim case. The defense in such a case would be just, because the note has not a legal existence. But when it has been legally issued, why should a third party be bound by any agreement concerning the use of the proceeds by the original parties? Suppose they are misappropriated, why should the indorsee be affected thereby unless he has been a party to the deed? (See remarks of the court in the Hart case, 118 Pa. 570.)

The holder of a non-negotiable note as a collateral security for

an antecedent debt is not a holder for value, and all the defenses can be made against him that could be against the assignee. (*Welsh* v. *Cabot*, 39 Pa. 342, 357; *Petrie* v. *Clark*, 11 S. & R. 377; *Hartman* v. *Dowdel*, 1 R. 282.)

Not only may such a note be pledged, but it may also be transferred in payment of an antecedent debt, and whenever this has been done, the maker can recover whenever there has been no diversion of the note from its original purpose. (*Coon* v. *Moore*, 2 Pa. C. Ct. Rep. 246.) Thus the indorsee of a bill of exchange took it for an antecedent indebtedness of a firm to whom it had been passed in the regular course of business before maturity, and gave credit for the amount. The consideration was deemed sufficient, and in an action against a prior indorser he was entitled to recover, notwithstanding the equities existing between the original parties. (*Struthers* v. *Kendall*, 5 Wr. 214.) As Mr. Justice Gordon remarked in *Bardsley* v. *Delp* (7 Morris, 420, 421), in which the defendant set forth in his affidavit that the plaintiff did not purchase the note in controversy for a valuable consideration, but received the same from the original payee for an antecedent debt—"this is a contradiction in terms, for if the plaintiff received the note *for*, that is, as we take it, in payment of an antecedent debt, he did purchase it for a valuable consideration." (*Kirkpatrick* v. *Muirhead*, 16 Pa. 117, 123; *Walker* v. *Geisse*, 4 Wharton, 252; *Rosenberger* v. *Bitting*, 15 Pa. 278; Dovey's appeal, 97 Pa. 153, 162; *Struthers* v. *Kendall*, 41 Pa. 214.)

This article may be concluded by considering the rights and liabilities of partners concerning this kind of paper. The law does not presume that a partner is an agent for his co-partners to indorse as surety for others, or outside the sphere of ordinary mercantile business. (*Bowman* v. *Bank*, 3 Grant 33.) In applying this rule, if a bill is drawn by A., payable to his own order, and is indorsed by a partnership followed by his own indorsement, it is *prima facie* for accommodation, and the burden of proof is on the holder who has discounted the bill to show that the partnership indorsement was made with the consent of the co-partners. (*Bowman* v. *Cecil Bank*, 3 Grant 33.)

When does the law presume that the indorsement is for the partnership? On one occasion A. & Co. sold goods to R.; the firm was changed to B. & Co., one of the members retiring, and the sales continued as before. Subsequently R. paid the debt to both firms by giving a note which the plaintiff had indorsed in blank. The note not having been paid by the maker, B. & Co. demanded payment, and the indorser paid the same, and then sought to recover of A. & Co. The presumption was that the note was indorsed for the accommodation of that firm. The firms were distinct, and the correspondence between B. & Co. and the indorser

created no liability on the part of one firm to the other. "If the correspondence had been between the firm, defendants, and the plaintiffs, or if it had appeared that the plaintiffs knew at the date of their letter that B. & Co. had succeeded A. & Co., and that the note in question had been given for the total of the indebtedness of R. to both firms, the latter would have been written evidence of guarantee, and payment of the note in pursuance thereof would have discharged the defendants." (*Adler* v. *Teller*, 1 Phila. Leg. Gaz. 224.)

If an accommodation note is made payable to a member of a firm with the understanding that it is for the firm's benefit, and is fraudulently appropriated by him to his own use, an allegation of the misappropriation is no defense against an innocent indorser. (*Leatherman* v. *Hecksher*, 12 At. 485.)

If two remaining partners agree to pay the firm's debts, this is not an assumption by one of them of a note on which he became an indorser for the accommodation of the retiring partner. (*Mosser* v. *Criswell*, 150 Pa. 409.)

THE RECEIVING OF DEPOSITS BY AN INSOLVENT BANK.

COURT OF APPEALS OF KENTUCKY.

Commonwealth v. *Schwartz.*

A banker who, after collecting money for a customer, induces the customer, while it is still in his possession, to loan it to the bank, by falsely pretending that the bank is solvent, when he knows or has reason to believe that it is not, is guilty of "obtaining" money under false pretenses, within the meaning of Gen. St. art. 13. c. 29, § 2. since it is only in cases where the delivery of property is necessary in order to deprive the owner of it that the false pretense must relate to such delivery.

BENNETT, J.—On the trial of the appellee under an indictment for obtaining money by false pretenses, the court instructed the jury absolutely to find for him. The commonwealth appeals from the judgment acquitting the appellee under that instruction. Are the indictment and the evidence sufficient to have authorized the jury to pass upon the question of the guilt or innocence of the appellee? The indictment charges that the appellee obtained by false pretenses, and with the intention to defraud Maria Buchholtz, $2,500; that he was a banker, and had a safe place to invest the money; that his bank was solvent and safe, and able to repay her money at any time upon 30 days' notice; that the laws of the State did not allow him to pay her but 4 per cent. interest, but he would give her 6 per cent. interest, but would enter only 4 per cent. in her book, if she would leave her money with him; that she relied upon said representation, and let him have the money; but his said representations were false and fraudulent, but made with a design to deceive her, and did deceive her, whereby he obtained the $2,500, and appropriated the same to his own use, and she was permanently de-

prived of it, etc. The testimony of said Maria Buchholtz is, in substance, that on the 24th day of February, 1891, she took a note and mortgage which she held on some Chicago parties, for $2,500, to the banking-house of the appellee, in the city of Louisville, and employed him, at the price of $10, to take charge of said papers and collect the money. He agreed to do so promptly, and to notify her when the money was collected. That not hearing anything from the appellee, on the 9th day of March, which was Monday, she again visited his banking-house, and inquired after the collection; that the appellee told her that he had collected the money on Saturday previous, but too late to notify her. She then expressed a desire to have the money, and he replied that, if she did not need the money, to let it remain there; that he had a solid, safe place for it; that the bank was good and able to pay, or he was able to pay, and he would pay her 4 per cent. for the money, and, any time after 30 days' notice, repay the money itself. She declined to take 4 per cent. He then, after consulting with one of the partners, said that he would give her 6 per cent. for the use of the money, but would make a memorandum of the transaction in her book, showing only 4 per cent., as the law did not allow him, or that he was not allowed, to pay over 4 per cent. She then consented to let him have the money upon said terms, saying that if she should lose it she would be turned into the street, as that was all she had, and no one to help her, and he replying, "Oh! we are able to pay."

The witness being a German, and not speaking or understanding our language well, there is some confusion and apparent contradiction in her evidence; but the foregoing is a fair synopsis of it. It was also in evidence that at the time mentioned the appellee and his bank were hopelessly insolvent, amounting to about $420,000 net, and the jury would have been authorized to infer that the appellee knew it. Article 13, § 2, c. 29, Gen. St., provides: "If any person, by a false pretense, statement, or token, with intent to commit a fraud, obtain from another money, property, or other thing which may be the subject of larceny," etc., "he shall be confined in the penitentiary," etc. If the appellee was enabled to borrow said money from Mrs. Buchholtz by falsely pretending that his bank was solvent, when he knew or had reason to believe that it was not, is he guilty of the crime denounced by the statute, *supra?* Upon that subject the rule is well settled that if a person obtain a loan of money from another by a false pretense of an existing fact, although he intended to pay it, he is guilty of the crime of obtaining money by false pretenses. See 7 Amer. & Eng. Enc. Law, pp. 752, 753, and notes; also, upon the subject that false pretense must be of an existing fact, see *Glackan* v. *Com.*, 3 Metc. (Ky.) 232. The false pretense of an existing fact in this case, if any false pretense there was, consists in the false representation that the appellee's bank was solvent and the loan was safe, when he knew or had reason to believe that it was insolvent and unable to pay, and which induced her to make the loan, or induced her to loan the money, by the false pretense that he had a safe place to invest it, upon which she would realize 6 per cent., intending at the time to appropriate the money to his own use, to wit, that of the bank, knowing or having reason to believe that the bank was insolvent, although he intended to repay her. Such false pretenses, if made as indicated, were sufficient to authorize the case to go to the jury.

But it is contended that, as the appellee, at the time he obtained the loan of the money, had it in his possession, the statutory offense of obtaining money by false pretenses was not made out, because under the statute the offense is not made out unless both possession and title are obtained by the false pretense, and, as the appellee did not obtain the

possession by the false pretense, the offense was not made out. The counsel for the appellee refer to many cases that sustain that proposition, and we concur with the general principle therein announced. But we think that principle does not apply to this case, for that principle only applies where it takes the delivery of the possession to complete the transfer of the title to the property. The statute reads, "obtain from another money or property." So, according to all the authorities, if it takes the delivery of the property to deprive the owner of dominion over it, the defendant must have obtained the delivery, as well as the title, before he can be made liable under the statute, *supra*. Mr. Wharton, in the second volume of his work on Criminal Law (9th Ed. § 1227), correctly sums up the meaning of all the cases on the subject in the following language: "A delivery of the property must be averred as the result of false pretenses in all cases in which the prosecution rests upon such delivery." Of course, as said, if the delivery is necessary to complete the transfer of the property, the prosecution in that case rests upon such delivery. To illustrate the rule: Suppose A., by false pretenses, buys a horse from B., but B. does not deliver the horse to A. In such case it cannot be said that A. has, in the sense of the statute, obtained B.'s property by false pretenses, because as yet B. has the property. He has not parted with it, and, by reason of the fraud, he is not bound to part with it. It is, in legal contemplation, still his. Hence, he has not parted with his property by the false pretenses of A. But if the property is so situated that B., by transferring it, deprives himself of dominion over it without a delivery, which completes the transfer to A., and such transfer is obtained by false pretenses, there is an offense against the statute. The rule is illustrated by the following authorities: Bishop (2 Crim. Law, 7th Ed., § 465) says: "If, after goods are delivered, the vendor becomes suspicious of the solvency of the purchaser, and expresses his intention to retain them, whereupon the latter, by false pretenses, induces him to relinquish his purpose, there is no offense against the statute, the sale having been completed before the false pretenses were made; and, though the right of stoppage *in transitu* may remain, the rule appears to be the same, the relinquishment of right not being deemed a parting with the goods. But where the sale is on condition subsequent, and a delivery thereupon, and afterwards the vendor is induced by false pretenses to give up his property in the goods, this is probably within the statute." In the case of *People* v. *Haynes*, 11 Wend. 557, it was held by the Supreme Court that where goods were delivered to a person, but the title did not pass to him except upon condition, and after the delivery the purchaser obtained the title by false pretenses, he was guilty of obtaining the goods by false pretenses. Upon appeal to the Court of Appeals that court approved of the principle announced, but reversed the case on the ground that the sale was absolute. In the case of *Commonwealth* v. *Hutchinson*, 114 Mass. 327, it was held, under a statute that provided if any person obtained by false pretenses the signature of another to a writing that would be forgery at common law, he should be punished, etc.; that if it was necessary that the writing should be delivered in order to complete the crime of forgery, and it was not delivered, an offense against the statute was not made out; but if the instrument was obligatory upon the signer without delivery, the offense against the statute was made out. In the case of *Com.* v. *Devlin*, 141 Mass. 423, 6 N. E. Rep. 64, it was held that on the delivery of sheep to a purchaser, the title not passing until the sheep were paid for, where the purchaser obtained the title by false pretenses, he was guilty, etc. These cases establish the doctrine that it is only in case the delivery of the property is necessary in order

to completely deprive the owner of it that the false pretense must relate to such delivery, but if the delivery is not necessary to a complete transfer the false pretenses need not relate to the delivery in order to make out the offense against the statute; and if the possession has been delivered to the party, but not the right of property, and he, after such delivery, obtains the title by false pretenses, he is guilty, under the statute, of obtaining goods, etc., by false pretenses. In this case the appellee had collected the woman's money, as her collecting agent, and had the possession of it as such agent; and, when she demanded it, he, recognizing her right and the character of his possession, induced her to part with her title to him. In such case it is clear that the prosecution does not rest upon delivery, as there was a complete transfer of property without the delivery. The case is ordered to be certified, etc. —*Southwestern Reporter.*

NEGOTIABLE INSTRUMENTS—TRANSFER BY AGENT.

COURT OF ERRORS AND APPEALS OF NEW JERSEY.

Dowden v. *Cryder.*

If one who is known to be an agent for the negotiation of his principal's draft transfer the draft to a third person in payment of the agent's debt, that person will acquire no title to the draft, however honest his actual intention may be.

The declarations of an agent, although accompanying his acts, constitute no evidence of the extent of his authority.

If an agent transcends his authority, and commits a breach of trust, by transferring his principal's property to pay his own debt, the principal will not be deemed to have ratified the act until he has notice of the breach of trust.

If a transaction between an agent and another person be entire, and be known to such other person to be a breach of trust on the part of the agent, the principal is not bound at all, although some portions of the transaction might, if standing alone, have been within the agent's power and duty.

Persons dealing with one who is known to be a special agent are chargeable with knowledge of the extent of his authority.

A special agent, authorized to negotiate a draft for cash at a reasonable discount, is not empowered to negotiate it for cash and merchandise.

(Syllabus by the Court.)

DIXON, J.—E. H. Carmack drew a draft on the defendant for $3,200, payable four months after date to his own order, and the defendant accepted it for Carmack's accommodation. Thereupon Carmack indorsed it, and delivered it to one Barnett, with authority to negotiate it for cash at a reasonable discount. Barnett transferred it to the plaintiff for $2,060 cash and a diamond necklace, which they valued at $1,100, and then absconded. At the time of the transfer the plaintiff knew that Barnett was not the owner of the draft, but held it merely as the agent of Carmack for negotiation. Carmack repudiated the transfer, and the draft went to protest; hence this suit. At the trial in the Essex circuit the cause was submitted to the jury on the question of fact whether the necklace, prior to the transfer, was the property of the plaintiff or was the property of Barnett, held by the plaintiff to secure Barnett's debt to him; and the jury were instructed that in the former case the plaintiff might recover, but could not in the latter. They found for the defendant. The cause is before us on exceptions to the charge of the judge and to his refusals to charge in accordance with the plaintiff's requests.

First, the plaintiff asked the judge to charge that the plaintiff's title to the draft could not be invalidated unless the circumstances under which he took it proved actual fraud; that mere carelessness would not impair his title. This legal rule is thoroughly established (*Hamilton* v. *Vought*, 34 N. J. Law, 187; *Copper* v. *Jersey City*, 44 N. J. Law, 634), but it is inapplicable to the present case. The defect found in the plaintiff's title sprang, not from the law relating to commercial paper, but from the law of agency. It is a universal principle in the law of agency that the powers of the agent are to be exercised for the benefit of the principal, and not of the agent or third parties. (*Jaques* v. *Todd*, 1 Amer. Lead. Cas., 5th Ed., 687.) Persons dealing with one whom they know to be an agent, and to be exercising his authority for his own benefit, acquire no rights against the principal by the transaction. (*Stainer* v. *Tysen*, 3 Hill, 279; *Mecutchen* v. *Kennady*, 27 N. J. Law, 230; *Safe Deposit Co.* v. *Abbott*, 44 N. J. Law, 257; *Bank* v. *Underhill*, 102 N. Y. 336, 7 N. E. Rep., 293.) Such a transaction is usually and perhaps properly spoken of by the courts as fraudulent, but however honest the intention of the parties, the agent's act is invalid merely because circumstances known to both prove it to be *ultra vires*. In the present case the plaintiff sought to get rid of the imputation of bad faith by claiming that Barnett had told him that he had authority to accept the diamonds in exchange for the draft; but it was not pretended that such authority was supposed to have been given with knowledge that the agent had a personal interest in the redemption of the diamonds. Nothing short of power expressly granted to the agent to deal with the draft for his own benefit would validate such a use of it in favor of one cognizant of the facts. Consequently, on the fact found by the jury, the plaintiff's title was defeated, if not by his actual fraud, by his knowledge of the agent's misappropriation of the principal's property. This request was rightly refused, save as its substance was embodied in the charge delivered.

The second request was to charge that, if the agent represented to the plaintiff that he had authority to exchange the draft for money and diamonds, and the plaintiff believed him, Carmack was estopped from denying the authority; and *Campbell* v. *Nichols*, 33 N. J. Law, 81, is cited to support this proposition. For reasons already stated, this request did not reach the merits of the case, because it was not claimed that Carmack had any notice of his agent's interest in the diamonds. But, aside from this, the proposition was intrinsically unsound. The declarations of an agent, although accompanying his acts, constitute no evidence of the extent of his authority. (Story, Ag. § 136; *Brigham* v. *Peters*, 1 Gray, 139; *Baker* v. *Gerrish*, 14 Allen, 201; *Gifford* v. *Landrine*, 37 N. J. Eq., 127, 628; *Farmers' Bank* v. *Butchers' Bank*, 16 N. Y. 134.) The decision in *Campbell* v. *Nichols*, does not militate with this rule. The representation there upheld as an estoppal against the principal related, not to the scope of the agent's power, but to an extrinsic circumstance affecting the character of the instrument which the agent was empowered to dispose of, and which circumstance would be within the cognizance of the agent or his principal, but not of those dealing with the agent. The distinction between a representation by an agent as to such extrinsic facts and his representation as to the scope of his authority is clearly drawn in *Farmers' Bank* v. *Butchers' Bank*, *ubi supra*.

The next request was to charge that, if the plaintiff told the defendant, before he purchased the draft from Barnett, that the draft was all right, and would be paid, then, in the absence of any fraudulent conduct on the plaintiff's part, he would be entitled to recover. Such a charge was unnecessary. If the defendant had so stated, his evident meaning

was that the draft would be paid to the lawful holder; but that had no relevancy to the point in controversy, which was whether the plaintiff owned the draft.

The next request was to charge that if Barnett, after he had exhibited the diamonds to Carmack, went to Boston, with Carmack's permission, to dispose of them, that was a ratification of the transaction. There are two faults in this request: First.—It ignores the undisputed fact that at the time of the supposed ratification Carmack had no notice of his agent's breach of trust in using the draft to redeem his own property from pledge. Without such notice he could not be charged with ratification. (Story, Ag. § 239; *Gulick* v. *Grover*, 33 N. J. Law, 463; *Titus* v. *Railroad Co.*, 46 N. J. Law, 393.) Secondly.—The matters referred to in the request were, at most, only evidence of ratification, not actually the thing itself.

The last exception is taken to the judge's charge that if the plaintiff was entitled to a verdict it should be for the full amount of the draft; the plaintiff contending that, if Barnett was a special agent, entrusted with the duty of obtaining money on the draft, then, in so far as he pursued his authority, by getting money upon it, he bound his principal, and the plaintiff became the owner of the draft *pro tanto*, and might recover $2,060. This petition of the plaintiff is untenable. The transaction between him and Carmack's agent was a unit. By it the agent was to give the plaintiff title to the draft in consideration partly of a personal benefit inuring to the agent. The plaintiff, as we have seen, is chargeable with knowledge that the agent had no power to bind his principal in such a transaction; and, therefore, he cannot claim to have received any title from the principal. The rule which would preclude the principal from ratifying part of this transaction and repudiating the rest (Story, Ag. § 250) precludes the plaintiff from forcing upon him such partial adoption. Certainly if, after the arrangement was made between the plaintiff and Carmack's agent, the plaintiff and Carmack had met, and the latter had said, "I will accept the money part of the consideration, and give you a title *pro tanto* in the draft, but will not accept the diamonds," the plaintiff would have had the right to decline, upon the ground that he had assented to no such bargain. Carmack's rights rest upon a similar foundation. There is no error in any of the matters assigned. In our view of the evidence, the trial might properly have been concluded by a direction that the jury find a verdict for the defendant. Barnett was only a special agent, and his authority was to negotiate the draft for cash at a reasonable discount. This did not authorize him to negotiate the draft for cash and merchandise. The plaintiff dealt with him as such agent, and was, therefore, bound to ascertain the extent of his power. (*Black* v. *Shreve*, 13 N. J. Eq., 455; *Armor Co.* v. *Bruner*, 19 N. J. Eq., 331; *Cooley* v. *Perrine*, 41 N. J. Law, 322, and 42 N. J. Law, 623.) The contract between the plaintiff and the agent having been beyond the agent's authority, it gave the plaintiff no rights against the principal. The attempt to prove ratification, even without regard to the agent's interest in the diamonds, was, we think, a total failure. The jury might, therefore, have been instructed that the plaintiff had no title to the draft, and could not recover upon it.

The judgment should be affirmed.—*Atlantic Reporter.*

LEGAL MISCELLANY.

USURY—EVIDENCE.—Where usury is alleged as a defense to an obligation to pay money, the presumption is against the violation of the law, and in favor of the innocence of the party charged, and the usury must be established by clear and satisfactory evidence. [*White* v. *Benjamin*, N. Y.]

LIMITATIONS—NOTE—PAYMENT BY INDORSER.—Part payment of a note by the payee and indorser does not arrest the running of the statute of limitations, as against the maker, although Code, § 50, makes the indorser of a note liable as surety. [*Le Duc* v. *Butler*, N. Car.]

BAILMENT—VOLUNTARY TREASURER—NEGLIGENCE.—A treasurer of an association who receives no compensation is a gratuitous bailee, and is only liable for gross negligence in paying out funds. The fact that he has given bond for the faithful performance of his duties as such does not increase his liability. [*Hibernia Bldg. Ass'n* v. *McGrath*, Penn.]

TAXATION—BANK STOCK.—Under Code 1892, § 3,764, providing that for the purposes of taxation bank stock shall be rated at par unless it appears to be worth more or less, an assessment thereof for State and county taxes, based on a two-thirds estimate of the value merely because property generally was assessed on that basis, is erroneous, and the city wherein such bank was located was not bound by such valuation, but in estimating taxes due it from the bank was entitled to assess its stock at par value. [*Alexander* v. *Thomas*, Miss.]

NATIONAL BANKS — LIQUIDATION — STOCKHOLDERS.—A National bank may go into liquidation, and be closed, by a vote of its shareholders owning two-thirds of its stock; and this right may be exercised, although it may be contrary to the wishes, and against interests, of the owners of the minority of the stock. [*Watkins* v. *National Bank of Lawrence*, Kan.]

NEGOTIABLE INSTRUMENT—NOTE.—In an action on a note indorsed in blank after maturity, brought by the holder, where the maker is allowed to interpose any defense he has against the payee, an objection that there is no proof that plaintiff is the owner cannot be sustained. [*Woodbury* v. *Hinckley*, Colo.]

BANK—SAVINGS BANK—INTEREST ON DEMAND NOTE.—Where a savings bank accepts interest in advance on a note payable on demand, it is *prima facie* evidence of an agreement to forbear collecting the note until the expiration of the time for which such interest is paid, and the maker cannot, on payment of the principal before the expiration of such time, recover back the unearned interest, in the absence of an agreement by the bank to repay it. [*Shelly* v. *Bristol Sav. Bank*, Conn.]

NEGOTIABLE INSTRUMENT—CONVERSION OF NOTE.—Where a negotiable instrument is assigned as a mere security for a debt, the purpose for which the assignment was made may be proved to show the true nature of the transaction. [*Cortelyou* v. *Hiatt*, Neb.]

NEGOTIABLE INSTRUMENT—PROMISSORY NOTE—CONSIDERATION.—The release of a claim, in good faith, of a future contingent interest in certain land under the will of a deceased ancestor, is sufficient consideration for a note given therefor, whether he in fact had any interest in the land or not. [*Brooks* v. *Wage*, Wis.]

NEGOTIABLE INSTRUMENTS—FRAUD.—The fact that one may have been induced by fraud to indorse certain notes and drafts for another does not affect a note and mortgage given by the former to a third person to raise the money necessary to meet obligations thereon, there being no fraud between the maker and the payee of the latter note, and full value being received. [*Ross* v. *Webster*, Conn.]

GUARANTY—NOTICE—CONSIDERATION.—A personal guaranty given by stockholders and directors of a bank to another bank, in consideration of "loans, discounts, or other advances to be made," for the repayment of any indebtedness thus created, imposes a liability on the guarantors, when acted on by the guarantee, though no notice of acceptance of the guaranty was given; for the contract shows a personal interest of the guarantors in the advances, constituting a consideration moving to them. [*Doud* v. *National Park Bank of New York*, U. S. C. C. of App.]

HOARDING OF GOLD AND SILVER IN BRITISH INDIA.

In connection with the vexed question of the Indian currency, an important inquiry emerges as to how far the situation may be affected by the extensive system of hoarding which prevails in India. The closing of the mints to the coinage of silver may act injuriously to the holders of hoards, who in times of trouble may be obliged to turn their hoards into hard cash, at least that portion of them which is not expressed in current coin of the realm.

The history of hoarding in British India is full of interest. It is history itself; it is social habit as well; not to speak of material and other conditions, such as the kind of ruler and the methods of governing. One circumstance which has helped the ingathering of gold and silver in India has been the excess of exports over imports for centuries. The metals paid to India have remained and gone into hoard to a vast extent. We are told that Pliny, whose death took place in 79 A. D., complained that India drew from the great Roman Empire no less than 5,000,000 sesterces per year, or about £540,000 sterling. In a book of travels published in 1699 by a Frenchman, M. Bernier, who lived some time at the Court of Delhi, and made a report on the commercial relations of India to Colbert, the great French statesman, it is stated that "the gold and silver of the world, after circulating for some time, finally flow to India, as into an abyss from which there is no return."

It may be asked to what the system of hoarding is to be attributed. Sir Charles Trevelyan, an Anglo-Indian authority, says it arises from habits induced by ages of misgovernment. It must also be remembered that no adequate means of investing money has been opened to this thickly peopled country; that oppression and violence have been rife; that no confidence or feeling of safety has existed; and that the hoarding of coin is the only form of saving known to the natives. The habit has been of very long growth, and orientals are not easily moved out of their orbit. Sir David Barbour gave interesting evidence before the Royal Commission appointed to inquire into the recent changes in the relative values of the precious metals, otherwise known as the Gold and Silver Commission, on the subject of hoarding, of which he appears to have made a study. He said that it was beyond question that there was a large amount of hoarding both of gold and silver. Gold and silver are hoarded in the form of bullion or coin, and frequently the metal

is made into ornaments, and partly used for the purposes of ornament and partly kept as a hoard, it being impossible to discriminate between the use of gold and silver as ornaments, and their use simply for the purpose of hoarding. Natives prefer to invest their means in the form of ornaments for their families, because it is a hoard, besides being also a source of gratification to them to possess these ornaments. As natives get wealthy they prefer gold, and a wealthy man chooses ornaments of gold for his family rather than silver. The very poorest classes use ornaments made of some base metal, neither gold nor silver, although there may be some silver in it. It is very much a question of the position of the family as regards wealth.

The amount of such hoarding for the half-century previous to 1885 was estimated by Sir David Barbour to be £130,000,000 of gold, and £170,000,000 of silver, or, together, £300,000,000, and is exclusive of hoards previous to 1835. This sum represents the greater part of the gold and silver imports during the half-century in question, and it is one-third of the total amount of coinage in circulation in the world, estimated by Dr. Soetbeer at £1,000,000,000.

The money thus hoarded is withdrawn from circulation without any intention, unless under very special circumstances, of returning it to circulation again. Nothing but some special circumstance or pressing necessity would induce those who hoard to turn it into coin again, or to take it out of hoard. War would probably have the effect of increasing hoarding by adding to the insecurity. No mere inducement of profit within ordinary limits would bring out the hoards, although a very large increase of interest might, but no such high rate is likely to be offered.

It was difficult to arrive at an estimate of how much of these hoards was lost through being hidden and not to be found again. In Delhi there used to be a consumption of gold in connection with "pawn," which is the signal for you to leave after an interview, and there is some gold used for ornament in this way. A sum of £100 a day was used in Delhi alone in manufacture connected with "pawn," which was lost forever. There are said to be considerable stores of gold and silver connected with the temples in Southern India.

In twenty-five years, it is believed that about two-thirds of £6,640,000 worth of silver have been absorbed by the native population living in Simla and in the hills. The hill tribes and hill natives are more given to hoarding than the people in the plains, and the people of Simla have had special opportunities for hoarding in recent years, as so many Anglo-Indians reside there during the year and circulate their money. It is natural to suppose that there is more hoarding in the outer and hill portions of civilization than in the more in-lying parts among the plains. The amount of gold and silver ornaments used by the hill women of late has been a subject of observation and remark, and evidences a state of growing wealth in that locality.

When money is drawn from a hoard it is usually pledged, in the first instance, with the native banker or money-lender, and the native banker might either sell that silver again, if he obtained possession of it, or he might send it to the Mint. During the years of the great famine in Madras and Bombay, a large amount of gold was sent from India to England, among which was a quantity of gold from India, which was evidently composed of ornaments melted down. These coins, which were brought to the Bombay Mint for coinage, were native coins, which are not legal tender, as a rule, in British India. It may be mentioned that there are numerous native States which exercise the right of coining, which they are tenacious of as a sovereign privilege. The principal

native State with a coinage is Hyderabad. Holker's Government has coinages at Indore, Bhopal and Travancore, which are of a small amount.

The annexed list will show the amount of native coins and ornaments tendered for coinage in the Bombay Mint from 1854-5, and it will throw light on the operation of withdrawing hoards from their concealment:

BOMBAY MINT.—APPENDIX D.—GOLD AND SILVER COMMISSION.

Years.	*Native Coins.*	*Ornaments.*	*Total.*
	Rs.	*Rs.*	*Rs.*
1854-55	15,81,000	4,69,000	20,50,000
1855-56	10,58,000	2,31,000	12,89,000
1856-57	3,13,000	2,23,000	5,36,000
1857-58	2,02,000	50,000	2,52,000
1858-59	4,48,000	15,000	4,63,000
1859-60	2,25,000	2,24,000	4,49,000
1860-61	1,27,000	2,49,000	3,76,000
1861-62	1,53,000	12,22,000	13,75,000
1862-63	49,000	47,000	96,000
1863-64	37,000	1,63,000	2,00,000
1864-65	2,000	....	2,000
1865-66	74,000	.. .	74,000
1866-67	3,36,000	....	3,36,000
1867-68	19,75,000	1,53,000	21,28,000
1868-69	19,23,000	1,65,000	20,88,000
1869-70	20,18,000	1,74,000	21,94,000
1870-71	20,74,000	72,000	21,46,000
1871-72	10,88,000	12,50,000	23,38,000
1872-73	15,73,000	28,80,000	44,53,000
1873-74	23,96,000	12,17,000	36,13,000
1874-75	7,90,000	3,63,000	11,53,000
1875-76	7,10,000	75,000	7,85,000
1876-77	20,000	8,52,000	8,72,000
1877-78	....	1,24,00,000	1,24,00,000
1878-79	47,00,000	1,16,00,000	1,83,00,000
1879-80	43,00,000	92,00,000	1,37,00,000
1880-81	23,50,000	10,00,000	35,50,000
1881-82	1,00,000	4,00,000	5,00,000
1882-83	15,50,000	50,000	14,00,000
1883-84	1,25,000	50,000	1,75,000
1884-85	16,25,000	18,75,000	35,00,000
1885-86	2,00,000	3,25,000	5,25,000

It will be observed from the above statement that in times of scarcity and famine a considerable quantity of silver ornaments has found its way to the Mint. During the period of the great famine in 1877 and the following years, for example, large quantities of such ornaments were minted. In three years, as will be seen, no less than *Rs.* 4,500,000 were thus turned into money.

One who describes the hoard of the Maharajah of Burdwan gives as well a good idea of the origin of hoarding in the far-off days when robbers abounded, and when life and limb, property and possessions were unsafe. Through fear, he says, that the Mahrattas might take away whatever they found in the house, and that the householders would have nothing to fall back upon, it was thought necessary in those days to keep a large amount of savings underground for the time of need. Besides, in the time of the Mogul Emperors, the country was not so safe as it is nowadays under the British rule, and there was no other way of investment than buying landed property, precious metals, jewels, etc.

As they used to have large sums in cash, and also because the people of those days did not have the same confidence in the Government of the country as they have now, they preferred keeping their savings in hard cash within easy reach, and in the shape of precious stones and metals.

Ladies of the Hindoo household were, as a rule, uneducated in those days (and the majority of them are still no better), and for their benefit it was not thought proper to invest in securities, as when there was no male member in a family it would be hard for the uneducated ladies to deal with the securities or other investments which might necessitate their appearing in court, and undergoing some expenses to get their just dues from the court, in addition to the degradation they would have to submit to.

Another reason why people (especially poor people, who cannot save more than 100 or 200 rupees, and have some ornaments) like to leave for their wives and families behind them hard cash and ornaments, is that they cannot afford to have iron safes or strong boxes to keep their money in in the shape of currency and promissory notes. They generally put their things within brass *lotas* or *Bahugunas*, and then bury them under ground somewhere in the room they sleep in; as a rule they prefer the ground below their beds for that purpose. Often disused wells or other out-of-the-way places are also used in this way.

A report made by an officer of the Indian Post Office in 1886 showed that a native prince was at present hoarding gold at the rate of £40,000 or £50,000 per year. He set apart a very large sum of money (in silver) for conversion into gold, and every month between 40,000 and 45,000 rupees' worth of gold mohurs are purchased by agents in Calcutta, Bombay and certain other places, and dispatched in secrecy to a certain native banker who acts as his treasurer. The gold is deposited in a strong vault or room specially set apart for it. The value of the mohu is about 30*s*., and it is like a rupee, only it is of gold instead of silver.

Another reported case of hoarding was that of two native princes recently, who, it was believed, had left as much as £4,000,000 each. They certainly left large hoards, but it could not in the nature of things be ascertained how much was in silver and how much in gold. As an illustration of the tendency to hoard, it may be mentioned that one of those princes took a loan from the Government of India in 1877 of £500,000, and at that time he must have been in possession of a large hoard himself. But it is very often a point of honor with the family not to break into the hoard, and they prefer to borrow rather than touch the hoard, which is treated like a family picture, not to be sold if possible. The whole of the loan taken by the prince referred to was not repaid in 1886; but the year before (1885), when he had to make a payment to the Government of India for a purpose in which he was interested, and he was asked when he could make the payment, a payment of £150,000, he said "at any moment." That is, he had no difficulty in paying £150,000 at a moment's notice.

The existence of a very large hoard was discovered lately on the death of the Maharajah of Burdwan. The extent of the gold and silver hoarded, even no member of the family could tell, so extensive was it. In recent years £230,000 of silver was withdrawn from the hoard of the Maharajah, but that was not the whole amount. The silver coins withdrawn must have been coined before 1835, because they were Sikka rupees, of which none have been coined since 1835. This confirms the conclusion come to on other grounds as well, that an immense amount of the hoarding is anterior to the year 1835, at which time statistics

of the import of the precious metal began to be prepared. It was in the same year (1835) that gold ceased to be a legal tender in India.

Reverting to the hoard of the Maharajah of Burdwan, a letter was submitted to the Royal Commission on the subject of the hoard. The letter, as published, wisely bears no name, as the communication was confidential on a matter of so much moment, and attended with so much necessity for secrecy. A description is given in the following terms of the several treasure houses in the estate, their dimensions and their contents. There are three rooms which are known by the name of Toshakhana:

One large room, measuring about 48 ft. in length, 14 ft. 6 ins. in breadth and 13 ft. 9 ins. in height, where gold and silver ornaments, and ornaments set with precious stones, are kept. These articles are kept in almirahs and boxes of all descriptions, and also some gold plates and cups, *thalees* and *katorahs*, as well as washing bowls, jugs, etc.

There is another room, where silver *thalees*, and *katorahs*, *rakabees*, *aterdan*, *golappas*, *nemokdan*, drinking glasses of silver, *gharras*, *lotas*, washing sets, and all other things for ordinary use are kept, the room measuring in length, 17 ft. 9 ins.; breadth, 15 ft. 6 ins.; and height, 13 ft. 9 ins.

These rooms are under lock, and the doors of the rooms having been bricked up, and no list being in existence of their contents, an idea of the value of the contents could not be given. Of the contents of the latter room an inventory was made, and they would come up to about 80,695 tolahs of silver, valued at *Rs.* 80,695.

There are four other rooms:

One of these has been lately fitted up since the estate came under the courts, and contains gold and silver ornaments and ornaments set with precious stones, gold ornaments and throne, etc., which would come up to about 10,142 tolahs, valued at *Rs.* 1,62,278 (at the rate of 16 rupees per tolah). The room is about 6 ft. 6 ins. in length; breadth, 12 ft. 9 ins.; and height, 12 ft. 3 ins.

The second and the third rooms (known as the under roker room, or reserve treasury), one being for the Zamindari property and another for Debutter, are the treasury where current collection of the estate is kept, as well as the Government securities and debentures. The size of the Zamindari treasury is, in length, 22 ft. 9 ins.; breadth, 12 ft. 9 ins.; height, 12 ft. 3 ins.; while that of the Debutter treasury is, length, 6 ft. 9 ins.; breadth, 15 ft.; and height, 12 ft. 3 ins.

The fourth room measures about 22 ft. 6 ins. in length; breadth, 15 ft.; and height, 12 ft. 3 ins.; where there are two large-sized vaults prepared for hoarding the current silver coin, and since the year 1267 B. C. some money was from time to time put in and taken out by the Maharajah Mahtab Chund Bahadoor for the expenses of emergent and extraordinary nature, such as the late Maharajah Aftab Chund Bahadoor's marriage, Lala Burr Kehari Kapur's marriage, and buying landed properties. When he died about one lakh was left in one of the vaults. In the time of Maharajah Aftab Chund Bahadoor that sum was taken out and placed at the reserve treasury, so there is no money in them now. There is one small vault in the room supposed to have contained some 9,990 or 10,000 gold mohurs of all descriptions, one kind known as *Foypoori*, another *Moorshidabadi*, and sovereigns, worth in all about *Rs.* 1,60,000. The accumulation of these coins was begun by the Maharajah Tage Chund Bahadoor, and continued up to the time of the Maharajah Mahtab Chund, who made this vault and kept them in it; this room has also been locked and the door is bricked up; this room is known as the *Kona Hawze*. All these above treasure rooms

are situated in the apartment known as "Raj Mohal," at present occupied by the Maharanee.

There is one toshakhana situated in another apartment, called "Rung Mohul," where ornaments belonging to different gods of the family are kept, and silver *Thalees*, *Sapaias*, etc., for the religious purpose, the value of which is not known, as the room has been kept locked and sealed.

Another room, called *Bara Hawze*, contains several vaults, and is situated in the apartment called *Jattrakhanda*, measuring about, length, 32 ft.; breadth, 25 ft.; and height, 12 ft. 9 ins. This room is locked and its doors bricked up, so that the amount of silver it contains, or even the number of vaults, is not known.

The amount known to have been drawn from these vaults during the times of the Maharajahs Mahtab Chund and Aftab Chund Bahadoors is about *Rs.* 23,00,000, and out of this sum about *Rs.* 10,75,000 has been invested in landed properties, *Rs.* 5,00,000 in Government securities and *Rs.* 2,00,000 in Himalayan railway debentures.

It is believed that these silver coins were hoarded by the Maharajah Tejchund Bahadoor, and his wife, Maharanee Komal Coomari Thacoranee, after him, year after year, beginning from 1211 Bengali era: that is, from the time when the putloni system was first introduced. According to the custom of the Burdwan Raj family, the custody of these valuables was left to the Maharanee for the time being; but the vaults were never opened except in the presence of the Maharajah.

When any sum was drawn out only some relations and trustworthy servants were admitted into the room and vault. Treasurers and dewans used to be present outside the room or apartment where the sum drawn was sent out, and female guards placed in the passage for the purpose of weighing, counting and bagging it before it was sent to the mint.

A part of the above-mentioned gold coins, and all the silver coins, bear as date the nineteenth year of Shaha Alum's reign. They were all coined at Moorshedebad.

Jewelry is also extensively hoarded. It is a favorite form of ornament to those who can afford to indulge in such a luxury, and dowries are often composed of it alone, and to be more or less costly according to the rank and caste of the family concerned. Hoards bring no interest to their owners, and they thus escape payment of income-tax, being ranged among the non-earning commodities while in a state of hoard.

Coined money, if of the current coinage, is a useful form of hoard when necessity impels its quitting the place of concealment. It is believed, says an Indian authority, that ten millions are treasured up in British sovereigns, mainly in the Bombay Presidency, where the coins, because they bear the impression of St. George and the dragon, appear to be valued on religious grounds. The native silver coin most hoarded is the sicca, or sikka, rupee, and the gold coin is the mohur.

The commonest or lowest kind of ornament is the bangle, or bracelet. Then there are brooches and torques, armlets, anklets, and such like. There is gold in lumps, such as cubes, and octahedrons as well. The gods of the country take up a large quantity of gold, silver and precious stones; for India is a religious country, and devotees are rife.

There are between 200,000 and 300,000 native bankers in India. There are also local money-lenders, resembling the gombeenmen in Ireland who lend to the peasantry. These local money-lenders advance on a petty scale to the ryots, but it is not always done in coin. A money-lender advances to a cultivator so much grain, and the understanding is that he is paid back in grain, with a certain addition, at harvest-time.

As to the question what influence it would have on the disposition to hoard if there were a currency common to India and the rest of the world, either by general bimetallism or by giving India a gold currency, Sir David Barbour said at the commission that he did not think it would have this effect to any material extent, because the hoarding depended on the disposition and habits of the people, and by introducing one form of currency rather than another you did not change the habits and dispositions of the people.

The British Government tried to draw out the hoards in 1882 by offering tempting rates for the money thus out of circulation, but no response came from the natives. It appears, however, that the recently-established savings banks have done something in the way of gathering in native deposit-money, for there were lately, according to Sir Richard Temple, no fewer than 6,151 savings bank institutions in India, with a balance of no less than 6,577,737 tens of rupees at deposit.

A good deal of capital, but how much is not known, has been invested in cotton mills and other mills in India, but Government securities have not been much cultivated by the natives from fear of their varying values. In the meantime, hoarding continues; and it may be mentioned that through the impetus given to trade at the time of the American War of Secession great additions were made to hoards at that period owing to the prosperity arrived at through increased cotton growing. The committee appointed to inquire into the Indian currency reported as to the probable effects of hoards on the silver question. They maintained that coined rupees, of which the hoards were said chiefly to consist, would be unaffected, except in so far as any further fall in their gold value would be prevented, but that the uncoined silver and ornaments would cease to be convertible into rupees, and would certainly be depreciated in value. As the transaction of converting silver ornaments or hoarded silver into money was not at the present time effected by the owner himself taking them or sending them to the mints for conversion into rupees, but through the intervention of the village money-lender, the committee said that it had been asserted that uncoined silver would still be converted into money in the same fashion. They said this was no doubt true, but that it was obvious the ornaments would not be converted on terms as favorable to the seller. They added that they thought it could not be doubted that the closing of the mints would in this case depreciate the silver ornaments and the uncoined silver hoarded by the people of India.

It remains to be seen how the closing of the mints to the free coinage of silver will be received by the conservative natives of India, and how far and in what direction it will affect the extensive hoarding which still prevails within the wide dominion of British India. It was stated before the Silver Commission by the financial Secretary of the Government of India that the absorption of gold and silver into India had been, in the last five years (1882–1886, both inclusive), 23,000,000 tens of rupees in each metal, including in the silver the coined silver, a great deal of which is for hoarding. This means that the imports of gold and silver still go to swell the hoarding, and thus pass in a great measure out of circulation.—*The London Bankers' Magazine.*

THE BEST BANKING.

The following paper was prepared by Mr. John M. C. Marble, president of the National Bank of California, at Los Angeles, for the World's Congress Auxiliary of the Columbian Exposition:

An experience of over thirty years with the National Banking System proves beyond a doubt that no banking system ever tried, in this or any other land, approaches it in all the elements that go to make a banking system worthy of the greatest people.

A system so thoroughly proven is entitled to such consideration as will not permit its being hastily set aside, to make way for chimerical and untried schemes of doubtful expediency. The study rather should be to improve what we have and know to be good.

The National is a system without monopoly, and the requirements so just that every hamlet, town or city can have as many such banks as they desire.

The National bank notes pass current everywhere. Their issues for thirty years have proved absolutely free from loss through times more trying financially than the country is ever again likely to experience, and the system can be easily perfected so that all their other obligations will prove just as reliable.

Before the advent of the National system a prime cause of panics and depressions was unreliable bank notes. At present, want of confidence in bank deposits is a leading factor in the distrust which causes panics. Remove this danger, a thing which the statistics of the past thirty years prove can be easily done, and it introduces a system as near perfection as anything mortal can be.

Through such banks the Government can borrow at home from its own people, and at any time whatever money it needs at two per cent. per annum or less. Without such institutions much of our borrowing will be done abroad on a basis of three per cent. per annum or more.

The persistent clamor of silver mine owners, whose aim has been to drive National bank currency out of use, and thus make room for silver notes in order to create a market for their products and force the people to take sixteen ounces of silver for one ounce of gold, and consider it equivalent when it is not; this, and the discrimination of the present National bank law against the great agricultural classes, not permitting them to use the best security they possess to secure loans from the National banks, has depopularized these splendid institutions, and well nigh driven them out of existence, to be superseded by untried and very doubtful expedients.

The National banks having proved successful under a suspension of gold payments, and also when on a specie basis, I have not deemed it necessary to introduce the question of the ratios of gold and silver in this paper.

The records of the Comptroller's office show that the National banks are principally owned by people of moderate means and in small holdings. Therefore any legislation to improve and maintain their usefulness will be in favor of the people, whether such important institutions are voted up or voted down, and not of the great capitalists who have the power and use it to protect themselves.

The changes that should be made to improve and perfect the National Banking System are:

FIRST: The authorization of real estate security, at least to the extent

that such security is now authorized for State commercial banks. This will largely do away with the prejudice of the farming classes against National banks. It is justice, and a safe proposition. No banks have been more uniformly successful than the State banks of California, which have never been restricted in that regard. The facts are, a first mortgage on a good farm, a good home, or other good real estate at a proper margin, can as quickly and as easily be realized on any day, whether due or not, as the usual personal or collateral obligations. It is a peculiar feature of the law that nothing is prohibited as security for bank loans, not even cats and dogs, but the one thing, real estate, and this latter the best thing the earth has to base security on. The result of such legislation is to give chattel property and personal security a monopoly of National bank loans, thus augmenting speculation and failures.

SECOND: The law should authorize the issue of National bank notes to the par of United States bonds, that is—

A bank depositing United States bonds	$100,000.00
And gold with the United States Treasury as a redemption fund	5,000.00
Such fund to be always maintained in full, making	$105,000.00

should be entitled to receive $100,000.00 National currency for circulation.

All schemes to issue National currency without security, or with other than United States bonds, can well wait until the Government debt is more largely reduced.

THIRD: The tax on circulation of one per cent. per annum should be maintained. From such revenue pay first all expenses of the Comptroller of Currency's office incidental to National banks, and set aside the remainder as a reserve or safety fund to liquidate deposits and other obligations of National banks hereafter failing. The experience of the past thirty years proves that this provision would be more than ample to pay all obligations of National banks during that term, thus insuring these depositories of the people being as reliable under every circumstance as the National currency itself.

FOURTH: Authorize the Treasurer of the United States to buy the long time and high rate interest obligations of the Government, and substitute for them bonds, payable at pleasure, of Government, bearing two per cent. interest, whenever such substitutions can be made with actual profit to the Government.

FIFTH: Prohibit National banks from paying interest on deposits, or, if permitted, let it be only on request of Clearing House Association in nearest redemption city, specifying maximum rate and terms which must be publicly posted and approved by the Comptroller of the Currency, making severe penalties for any evasions of the law.

The changes herein suggested in the law will enhance the usefulness of the National bank, will add stability to the public credit, and insure to the Government the ability to always borrow at home all the money it may need at a rate not greater than two per cent. per annum, and do more than aught else to prevent panics and depressions.

THE "BANCHE POPOLARI" OF ITALY.

[CONTINUED.]

That was not the only instance given of happy resource. Whatever demands arose, by some new and ingenious device Signor Luzzatti and his friends knew how to meet them. For long borrowing they invented the interest-bearing bonds for fixed terms (*buoni fruttiferi a scadenza fissa*); for long lending, which the requirements of agriculture rendered imperative—a sore *crux* it was to Italian financiers—the *cartelle agrarie*. Both these things have become established institutions. No doubt all this skill and resource stands for a great deal in the success achieved.

But the main support upon which Signor Luzzatti designed to rely in his "capitalization of honesty" were the very simple ones of careful discrimination in the selection of members, which should constitute the mere act of election a pledge of the member's trustworthiness; and, moreover, full publicity—a regular, frequent and frank publication of balance sheets, capital account, etc., relating to each bank. "The best and safest guarantee of prosperity," Signor Luzzatti himself says, "is the moral worth of the member. The very life of co-operation is bound up with the moral worth of members, and the more it is assured by strict (*austere*) guarantees, the more readily will money flow into our banks." He would not shrink from expelling unworthy members. And hence *la grande riputazione di onestà e di solidità*, which to-day places the banche popolari abreast of the best banking institutions. On the free and full publication of all details affecting the position of a bank the "father" of Italian co-operative credit lays equal stress, holding it more imperative, the younger is the bank in question, and the greater accordingly is its need for making good its position. Its balance sheet is to serve as its brief of trustworthiness. Of what publicity will accomplish, when coupled with strict discipline, the experience of the little Bank of Montelupo (Florence) furnishes in a small way a noteworthy illustration. The place in which it set up its counter is a sort of rural Whitechapel, with a poor population earning a bare livelihood mainly as *stovighi*, that is, makers of the cheapest kind of lucifer matches. Of these poor folk 375 started a banca with ten-lire shares, to be paid up in ten months. Accordingly they began with but £15 between them and never got beyond £150 of share capital, even at the end of the year. Notwithstanding this, with the help of their *riputazione*, and of publicity, in the very first year they managed to attract £1,120 of deposits and to lend out £1,240 in loans, netting a profit of more than £120, which nearly repaid the shares. Of late, in the matter of publicity the Italian Government has come materially to Signor Luzzatti's assistance, requiring from every bank, co-operative or otherwise, a monthly return of its transactions, which is promptly published in the official *Bollettino*. The statistics so collected would be more valuable did time admit of their being summarized. For a private person to undertake this, seems almost an Herculean labor. But as a clue to the position of any particular bank the monthly bulletins are perfect. Besides the *Bollettino*, according to the statute, every year a summarized *Statistica* ought to be issued. But the Ministry of Agriculture and Commerce, which attends to these matters, has at the present moment not got beyond the publication of the returns for 1889.

With such simple means as those indicated have Signor Luzzatti and

his lieutenants, Signori Pedroni, Mangili, Manfredi, Cavalieri, Concini, Levi, etc., in comparatively brief time built up a fabric which in the words of M. Durand may well be regarded as "the envy of Europe"—a fabric, which, as a financial power, ranks side by side with the Rothschilds; which does a full third of its own country's banking; and which through its thousands of channels dispenses annually a stream of millions, trickling down to the very spots on which help is most needed, and bringing forth prosperity in trade and agriculture, planting comfort in myriads of homes, and feeding, by the enlarged market which it supplies, the commerce and industries of Italy. The whole thing seems miraculous, and at the outset one would have believed anything rather than that it could have been accomplished.

As an encourager of thrift there could not be a more effective agency. For Signor Luzzatti insists that every banca should be also a savings bank; and in this capacity the banche have become the favorite savings banks of all in their country—not because, as Mr. Hodgson Pratt suggests in his lecture delivered in 1887, they allow a higher rate of interest (one-half per cent. more) than the public savings banks. The official return published shows the rate of interest to vary considerably in individual banks, descending as low as two-and-a-half per cent. (which is below public savings bank rate), and rising in some instances as high as six-and-a-half per cent. The reason why the banca popolare savings bank is the general favorite seems to be, that it is the local people's *own*. What with the Post Office Savings Banks spread out all over Italy, protected by an impost of one-and-a-half per cent. levied in their favor on other savings banks,* and some 400 communal and private savings banks in addition, all thriving and doing well, one would have thought that the ground must be pretty well occupied. However, wherever the banche popolari have set up their offices, their local savings bank has become one of their most appreciated features, and in 1889 they held collectively 210,835,573 lire (£8,433,424) of savings money in their tills. The Banca Popolare of Milan alone in 1890 held 35,500,000 lire. The little banca of Lonigo, which from being a *succursale* of Vicenza in 1877 set up as an independent little establishment, with a capital of 150,000 lire (£6,000), held in 1890 1,522,728 lire of savings banks deposits, in addition to 1,213,706 lire of other deposits (practically also savings) and 366,677 lire balances on current accounts. "*Voilà plus de* 3,000,000 *lire d' épargne constituée goutte à goutte,*" remarks M. Rostand. And he goes on to explain:—"The local Post Office Savings Bank has few customers; as happens everywhere where the initiative is strong, these intelligent workers prefer independent private action to the action of the State, and understand the advantage which they derive from carrying their money to a place from which it will return to them as a fertilizing dew in the shape of loans or the discounting of bills." That is one main element of their success. The small folk understand—like their co-operative brethren in China—that their money remains with them, to benefit the district. "But for that institution," Sir J. S. Lumley quotes Signor Luzzatti as saying, "the whole of the savings of Lombardy would be concentrated at Milan, and the blessings of commercial and agricultural credit would be unknown, not merely in small places, but even in large towns such as Bergamo, Brescia, Cremona, Pavia, Lodi, etc., where the savings deposited in savings banks amount to millions of francs." The banche are antagonistic to monetary "wens," they localize and decentralize. Another fact which will help to account for their success is, that at the option of the depositor they issue small *livrets*

* It is this which prevents the banche popolari from taking half-penny deposits.

(savings bank books) either by name or to bearer. Alike to banks and to depositors the latter form is by far the most convenient, and hence more than nine-tenths of the books issued are made payable in that way.

However favorable circumstances might in the course of practice turn out to be, in 1863 and 1864, when Signor Luzzatti entered upon his crusade against usury, he found himself face to face with a task of no little difficulty. He had his "plan of campaign" ready. But his army for fighting it had still to be enlisted. He cannot have been in a better position for beginning operations in Italy than would be an apostle of his economic gospel in England at the present day. There were but very few who believed in his "chimera." The very friends who consented to join him were skeptical, and contributed their small subscriptions rather "to oblige their friend," or "as one engages in a doubtful charity," than with any faith in the scheme. Like Schulze in Germany, he felt himself hampered with a socialist Lassalle, one Boldrini, perpetually crossing his way and acting the Shimei by him. However, Boldrini had no Bismarck to back him up, and so his opposition came to a speedy collapse. A more serious hindrance was the backward state of the Italian law, which recognized no societies with unlimited capital, such as co-operative associations must needs be. Until 1883 the banche were compelled to sail—innocently enough—under false colors, styling themselves joint-stock companies, and altering their "limited" capital from year to year in order to comply with the law. That helps to explain the comparatively slow progress made up to the date named.

In spite of all these hindrances Signor Luzzatti—after a little co-operative experiment made in connection with a friendly society at Lodi in 1864—late in 1865 decided upon starting his first People's Bank in Milan. And on the 25th of May, 1866, he opened the doors of his modest little establishment in a small hired room. It was a puny little affair. The bank had but £28 for its capital—oddly enough, precisely the same sum with which our Rochdale Pioneers entered upon an economic reform destined to revolutionize commerce. "*Moi, je souscrivis* 100 *lire, j'etais le millionnaire de la bande.*" Of course they could employ no paid clerks or officers. All work must be gratuitous. But there was a good will at the back of the enterprise. "Half my heart," long after said Signor Luzzatti himself, "is wrapt up in the People's Bank of Milan." The face of things is changed indeed since then. Now this same bank is one of the marvels of Italy. It is lodged in a palace. It employs, in addition to 130 or 140 unpaid officers, about 100 clerks. In 1889 its members' roll stood at 16,392. It has grown since. Its paid-up capital amounted in May last to 8,418,850 lire (£336,752), held in 165,906 shares; its reserve to 4,209,425 lire (£168,376). In addition to 57,853,890 lire of ordinary deposits it held 35,092,290 lire of savings. In 1889 it had lent out 115,040,439 lire (£4,601,616) in 162,789 loans—129,401 being for less than £40, 13,349 for less than £4, many for as little as 8s. Its gross profits ran up to 4,320,505 lire. On a total turn-over of 1,796,044,724 lire (£71,841,788) it had lost only 65,196 lire (£2,608); it had paid 118,200 lire in salaries, devoted 10,000 lire to charitable objects, and distributed among its shareholders dividends to the amount of 1,152,028 lire (£46,080), at the rate of 14 per cent. This was by no means an exceptionally favorable year. The figures for 1888 and 1890 show in some respects considerably better. In 1888 the dividend was 15.20 per cent. The provident *caisse* (organized on the de Courcy system) for the benefit of the employes in 1890 mounted up to 364,017 lire. The bank was in correspondence with 320 other People's Banks, doing business with them to the amount of 223,000,000 lire. And its organization forms an

object of admiration to the most experienced bankers. As long ago as 1874 the *Journal des Débats* described it as "the most perfect type of an Italian society of credit for the people." "*La comptabilité,*" says M. Rostand, "*l' escompte, les prêts aux associés, les reports, l'émission des chêques, les avances sur titres, les prêts hypothécaires, les comptes courrants, les dépôts a'épargne à 3 pour cent. et de petit épargne à 3½ pour cent.* (*livrets au porteur*), *la trésorerie et ses sept grands coffres à trois clés, le bureau d'admission des sociétaires, les cassettes aux cases de fer pour depôt de titre d'argent, de bijoux* (893 *cases*)—*toute cette organisation est remarquable comme ordre, ingeniosite, perfectionnement technique.*" What millions of money dispensed to those who could not by other means have obtained any does the twenty-seven years' work of that bank represent! And, really, that is the smallest portion of the service which it has rendered. "By its influence on legislation," says M. Rostand, "and by the model which it has supplied, the Banca Popolare di Milano has laid in Italy the foundation of co-operative credit." Of those hundreds of banks which dot the Italian territory from the Alps to the Mediterranean, says M. Léon Say, the People's Bank of Milan is either the mother or the nurse. "*La Banque Populaire magistrale de Milan et les grandes caisses d'epargne de Milan et de Bologne dominent, de la hauteur de leurs dizaines ou centaines de millions, tout le peuple de ces petites banques avec leures petites caisses d'epargne qui se meuvent dans leurs orbits et puisent les epargnes partout pour vivifier partout l'agriculture et les petites industries.*" That little stroke of luck with the *buoni di cassa* had carried the Banca at once into favor and so helped to plane the way for further success and for the success of other banks. In its subsequent career it had several severe crises to weather. However, the good fairy which had befriended it at its birth stood by it all through. In no experience do the merits of co-operative banks show themselves more brilliantly than in their capacity to live through crises. Every crisis that has visited Italy has left far less impression upon the People's Banks than upon their non-co-operative rivals. During the last serious commercial disturbance the Banca Cooperativa Operaia of Milan actually went on increasing its roll of members from 4,268 to 4,929, its share-capital from 58,547 to 63,856 lire, its available funds from 2,927,350 to 3,192,800 lire. The Banca Popolare in the first fifteen years of its existence, up to 1880 (inclusive), lost in all only 191,636 lire (£7,664), of which 68,567 lire was owing to frauds committed by employes, and 3,606 lire to support unwisely given to a co-operative printing establishment. And since that date the bank's losses have remained as trifling. The greatest danger which the bank ever had to face arose, not from a crisis, nor from outside pressure, but from its own midst. In the years from 1871 to 1873, when the promotion fever was raging throughout the world, and in Italy took the shape of what Signor Mangili calls *bancomania*, the shareholders grew greedy, and clamored for the conversion of their bank into a joint-stock concern, in order that they might through it engage in speculation. The committee offered a stout resistance and just managed to carry their point. Their constituents grumbled, but have lived to thank them for their firmness. Summing up the history of the bank, Signor Mangili ascribes its success—to the gratuitous rendering of services by the officers, the non-limitation of its capital, the smallness of the payments exacted, the restriction of each member to one vote, the refusal of confidence to any member who has shown himself undeserving of it, the preference given to credit services over profit, and the exclusion of any hazardous operation.—*Henry W. Wolff in People's Banks.*

[TO BE CONTINUED.]

BANKING AND FINANCIAL ITEMS.

General.

We invite attention to the July edition of the Banker's Almanac and Register, which, with the supplements of August and September, gives a complete Bank List to date. Price, with the two supplements, $4. Homans Publishing Co., 233 Broadway, N. Y.

The American Bankers' Association has issued a circular to the bankers of the country stating that, in view of the extraordinary monetary crisis through which the United States is now passing, the annual convention called to meet in Chicago the 6th and 7th of September will be indefinitely postponed, as the presence of the bankers is imperatively required at their posts of duty.

The World's Money Supply.—Acting Director of the Mint Preston has prepared a table of the monetary systems and approximate stocks of money in the aggregate and per capita in the principal countries of the world. This table shows that the aggregate stock of gold is $3,582,605,000; the aggregate stock of silver is $4,042,700,000, and the aggregate uncovered paper is $2,635,873,000. The stock of gold possessed by the principal countries is given as follows: United States, $604,000,000; Great Britain, $550,000,000; France, $800,000,000; Germany, $600,000,000; Russia, $250,000,000. The silver stock of these countries is given as follows: United States, $615,000,000; Great Britain, $100,000,000; France, $700,000,000; Germany, $211,000,000; Russia, $60,000,000. This stock of silver is divided by Mr. Preston into full tender and limited tender. The United States has $538,000,000 full tender and $77,000,000 limited tender; Great Britain, no silver full tender, $100,000,000 limited tender; France, $650,000,000 full tender, $50,000,000 limited tender; Germany, $103,000,000 full tender and $108,000,000 limited tender, and Russia, $22,000,000 full tender and $38,000,000 limited tender. The ratio prevailing in nearly all the principal countries between gold and legal tender silver is 1 to 15½. This is the ratio in France, Belgium, Italy, Spain, Netherlands, Russia, Central and South America. The ratio between gold and limited silver is as a rule 1 to 14.38. The respective ratios in the United States are 1 to 15.98 and 1 to 14.95. The various monetary systems as divided among the several countries are as follows: Gold and silver—United States, France, Belgium, Italy. Switzerland, Greece, Spain, Netherlands, Turkey and Japan. Gold—United Kingdom, Germany, Portugal, Austria, Scandanavian Union, Australia, Egypt, Canada and Cuba. Silver—Russia, Mexico, Central and South America and India. Of the uncovered money South America has $600,000,000; Russia, $500,000,000; the United States, $412,000,000; Austria, $260,000,000; Italy, $113,000,000; Germany, $107,000,000; France, $81,000,000, and Great Britain, $50,000,000. The per capita circulation of gold is: United States, $9.01; United Kingdom, $14.47; France, $20.52; Germany, $12.12; Russia, $2.21. The per capita of all classes of money is: France, $40.56; Cuba, $31.00; Netherlands, $28.88; Australia, $26.75; Belgium, $25.33; United States, $24.34; United Kingdom, $13.42, and Russia, $7.16.

Bank Notes.—A new principle has been suggested in the manufacture of bank notes. If a sheet of paper be plunged into a mixture of various coloring matters, each color will penetrate into every fibre with a different degree of speed, and the paper will present a streaked appearance, each brand having a distinct color. It would be impossible to imitate these effects without an exact knowledge of how the mixture of colors was made. If a drop of the mixture of colors be allowed to fall on a sheet of paper, a number of rings, each having a determined size and shade, will be developed, and thus imitation will be rendered even more difficult.

A County Clearing House.—The Bankers' Association of Cattaraugus have completed their organization and elected the following officers: E. B. Vreeland, president; C. A. Case, vice-president; W. H. Bard, secretary and treasurer; J. D. Case and C. P. Adams, executive committee. The object of the association is for

their protection and the protection of the people of their county, giving the banks of the county nearly the same benefits as the Clearing House does to the banks of the cities. This is the first county outside of the cities to form an association of this kind, and by this association any bank in the county that is in good standing can, in case of need, get from the other banks, members of the association, $150,000 on one day's notice, and more if needed. The cash capital of the banks is $630,000, and their cash on hand and with reserve banks is over $800,000. The banking interests of Cattaraugus County are increasing and growing and in keeping with the prosperity of the county.

THE PURCHASE OF SILVER.—In response to a resolution of inquiry on the subject of silver purchases under the act of 1890, Secretary Carlisle sent to the House of Representatives a letter setting forth the following facts: From August 13, 1890, to August 16, 1893, the department purchased 161,521,000 fine ounces, costing $150,669,450. The highest price paid was $1.20¼ an ounce, on August 20, 1890; the lowest, 69.6 cents an ounce, on July 24, 1893. Treasury notes to the amount of $150,115,985 have been issued in payment of silver bullion, of which $714,636 have been redeemed in standard silver dollars and retired since August 3, 1893. Up to August 1, 1893, $49,184,160 Treasury notes have been redeemed in gold. Thirty-six million eighty-seven thousand one hundred and eighty-five standard dollars have been coined from bullion purchased under the act of 1890. On the 14th ult. the Government owned of silver purchased under the act of 1890, 133,161,375 ounces, costing $121,217,677.

EASTERN STATES.

NEW BEDFORD, MASS.—The Mechanics' National Bank is to increase its circulation to $30,000, and the Citizens' National Bank will increase its circulation to $80,000. The First National Bank has increased its circulation to an amount that has brought to this city $72,000 in currency.

TAUNTON, MASS.—The directors of the Taunton National Bank have voted to increase the circulation of the bank $90,000. This requires a deposit with the United States Treasurer of $100,000.

LEBANON, N. H.—The directors of the Lebanon National Bank have voted to increase their bank note circulation from $25,000 to $100,000.

BUFFALO, N. Y.—One of Buffalo's oldest and most respected citizens died last month. Warren Bryant's residence in this city dates from the twenty-first year of his life, and covers the entire period of Buffalo's existence as an incorporated city. His business relations to the community have always been of value and successful in every respect. He had continuous and most active connection with the banking institutions of the city. During the entire history of the Buffalo Savings Bank he has been one of its officers, being its president for the last twenty-nine years. Mr. Bryant has always had active interest in the public institutions, having the advancement of the people in view. The library, historical and Christian associations had in him a firm friend and supporter. Every year of his long life increased the esteem and appreciation in which he was held by his fellow-citizens.

HONESDALE, N. Y.—The Honesdale National Bank is about to increase its capital stock $100,000, and will increase its circulation to the limit authorized by such increase of stock.—*Citizen.*

BUFFALO.—At a meeting of directors of the Queen City Bank, held at the banking rooms, the following officers were elected: F. C. M. Lautz, president; J. N. Adam, vice-president; Wm. F. Creed, second vice-president and manager; D. C. Ralph, cashier. It was further resolved to reopen the Queen City Bank for the transaction of business on the 31st day of August, 1893. The officers and directors feel very much encouraged as to the future prosperity of the bank. The president, Mr. F. C. M. Lautz, whose long business career in Buffalo is so well and favorably known to the public, that the fact that he has accepted the presidency is of itself sufficient to inspire confidence in the new management. Mr. J. N. Adam, the vice-president, is one of Buffalo's best known and successful merchants. Mr. William F. Creed, the second vice-president and manager, coming as he does new to Buffalo, brings with him a tested experience as a banker gained by a service extending over twenty-five years, during which time he has been connected with

banks both as an officer and latterly as chief examiner for the State of New York in charge of the New York and Brooklyn department, and having just resigned the position of deputy superintendent of banks of the State of New York to assume the duties in connection with the management of the Queen City Bank. Mr. D. C. Ralph, the cashier, is already well known to the public of Buffalo, having been for many years assistant cashier of a neighboring bank, and a man of strict integrity. The board of directors comprises many of Buffalo's best known business men, as follows: J. N. Adam C. M. Farrar. F. M. Inglehart, W. H. Johnson, F. C. M. Lautz, J. I. Prentiss, Walter G. Robbins, S. S. Spencer, Hiram Waltz, E. C. Warner, Nathan Wolff.

PITTSBURGH, PA.—The failure of a woman to deposit $4,000 in a Pittsburgh bank calls attention to the unique methods of the greatest financial institution in Pittsburgh. The Dollar Savings Bank has assets to the amount of $15,625,000, including $3,250,000 in U. S. Government bonds, and probably holds the key to the financial situation in Pittsburgh, for it deposits money in eight other banks here. A woman had $5,000 deposited in the Dollar Bank. It was the hard earned accumulations of a lifetime. The money stringency alarmed her, and she gave the customary notice of withdrawal. In course of time she got her money, but it took but a few days to convince her that she had made a mistake, that the Dollar Bank was the safest hiding place after all, and she decided to return it. Approaching the receiving teller's desk the woman handed over $5,000 in bills, and said she wanted to reopen her account. The teller carefully counted out $1,000 and returned the balance to her. "I want to deposit it all, sir," she said. "It will take you five years to do it," replied the clerk. He then proceeded to explain to the astonished woman that the rules of the unique concern of which he is a part do not permit of the deposit by one person during one year of more than $1,000; that the Dollar Bank was not organized for the benefit of business people, but as a safe place of deposit for the working classes, and that it was not intended that capitalists should be permitted to deposit large sums of money upon which they were practically certain to be paid four per cent. interest. The Dollar Savings Bank was organized thirty-five years ago as a public benefactor. Its early business was on an exceedingly modest scale. It has a perpetual charter from the State, and no stockholders. The depositors are the sole owners of the bank. Should the institution wind up its business to-morrow, each depositor would receive his pro rata share of the proceeds, and it would greatly exceed the amount placed to his credit on his bank book. The bank has over 26,000 depositors, many of them missing for years, the triennial advertisement of unclaimed sums filling several columns of the daily newspapers and constantly on the increase. The total sum is enormous.

READING, PA.—A new front of Berks County brown sandstone will be put in the Keystone National Bank. There will be two windows each ten feet high and seven feet four inches wide, and a door of antique oak on the western side. The hallway to the private residence will be removed and the floor lowered to that of the bank. The vestibule will be five feet square. Heavy wrought iron grills will be placed in front of the windows.

PHILADELPHIA.—The Bank of North America is the oldest banking institution in the United States and was authorized by resolution of the Continental Congress over 112 years ago. It fills a conspicuous position in the history of the United States, having aided the country in a financial manner in the hour of need when war clouds threatened its destruction more than once. In 1780, after Washington had reported his army upon the verge of mutiny because of a lack of supplies, and public credit was so low that the necessary funds could not be secured, Thomas Paine, the clerk of the Pennsylvania Assembly, suggested a subscription and opened it with a check for $500. Blair McClenaghan and Robert Morris responded at once with £200 each, and this formed the nucleus of what was afterwards known as the Bank of Pennsylvania, established by subscriptions of ninety-three individuals and firms of this city, the amount contributed being £300,000. The object was to support the credit of a bank to be established for the purpose of furnishing a supply of provisions to the armies of the United States. At the meeting of Congress in June, 1780, a resolution accepting the offer of the contributors and pledging the faith of the Government to return the full amount was

adopted. In 1781 Congress adopted a resolution approving the plan for the bank submitted by Robert Morris, and on December 31 following granted the institution a perpetual charter, with capital limited to 10,000,000 Spanish silver dollars. The bank was organized on November 2, 1781, the first directors being James Wilson, Thomas Willing, Thomas Fitzsimmons, Samuel Osgood, John M. Nesbett, Andrew Caldwell, Henry Hill, Samuel Meredith, Cadwallader Morris, William Bingham and Timothy Matlack, Willing being selected as the first president. The bank was opened for business on January 7, 1782, and the Bank of Pennsylvania, being composed of the same stockholders, went out of existence. The dividends of the bank from 1792 to the present time have averaged over eleven per cent. For the present year its officers are as follows: President, John H. Michener; board of directors, Israel Morris, William G. Audenreid, Lemuel Coffin, George W. Fiss, Clement A. Griscom, William Simpson, Jr., Theodore C. Search, Richard H. Downing, Samuel B. Brown, William D. Winsor and Robert K. McNeely.

NEWPORT, R. I.—A block of the capital stock of the Newport National Bank has been sold at $106.50 per share.

ST. JOHNSBURY, VT.—Charles W. King died at his home at Lunenburgh. He was one of the leading men of Essex County and held various town offices. He represented his town in the Legislature in 1874 and served in the State Senate in 1876 and 1878. He was treasurer of the Brown Lumber Company of Whitefield, N. H., vice-president of the First National Bank of St. Johnsbury, an active member of the Congregational church and a man of sterling business integrity.

WESTERN STATES.

HOMANS "BANKER'S ALMANAC AND REGISTER," the July edition, "its forty-third annual," with supplements for August and September, makes a complete Bank List to date. This work is a carefully prepared and verified directory of the banks and bankers of the United States and Canada—includes also foreign banks and bankers. No well managed bank can afford to be without a work of this kind, and it pays to have the most reliable. Price $4 per copy, with the two supplements. Homans Publishing Co., 233 Broadway, N. Y.

OHIO.—There is at least one State in the Union where wildcat currency is not likely to be revived, even if a willing Congress and President should repeal the salutary tax on State bank notes. The constitution adopted by the State of Ohio about forty years ago contains a clause declaring that thereafter no banks of issue should be authorized in that State. That provision stands to-day. State bank notes can only be issued after the State Constitution has been amended.

MADISON, WIS.—The State board of deposits has decided to locate no more depositories at the present time, and action on all applications has been postponed indefinitely. Many applications have been made of late to secure some of the State's funds, but no more banks will be declared State depositories until it becomes necessary. The board has passed a resolution compelling the State depositories to furnish new bonds yearly. Heretofore one bond was sufficient, and the same held good until canceled by the State. In view of the fact that matters are often complicated by the death of bondsmen it was deemed advisable to call for new bonds every year.

MILWAUKEE, WIS.—George Smith, the founder of the Wisconsin Marine & Fire Insurance Company Bank of this city, still lives in London, and the recent failure of the great bank which he started has served to call attention to one who is now only remembered by the older residents. Fifty years ago he was the acknowledged head and front of banking in the West. A writer in the *Chicago Evening Post* recalls the story of his life and business successes in Chicago and Milwaukee. Mr. Smith left Chicago in 1858, after having amassed a fortune of $10,000,000, which he has since added to enormously, and is now, at the age of nearly ninety, held to be worth anywhere from $30,000,000 to $40,000,000. He returned to America two or three times during the three years subsequent to his retirement from business in Chicago, his last visit being in 1861. For thirty-two years he has not set foot in America, though the great bulk of his vast fortune is invested in this country, principally in the bonds and stocks of the St. Paul, North-

western and Rock Island Railroad Companies. The active management of his business is vested in Peter Geddes, for several years a clerk in the banking house of George Smith & Co., on what was then Wells street, Chicago, but is now Fifth avenue, near South Water. Geddes lives in New York, though he puts in several months of each year personally inspecting the properties in which the millions of his principal are invested, and he is a director in two of the great Western trunk line systems—St. Paul and Rock Island—by reason of the extent of George Smith's holdings.

MILWAUKEE, WIS.—The Wisconsin Marine and Fire Insurance Company Bank is the oldest bank in the West, having been chartered by the territorial legislature of Wisconsin in 1839. The panic of 1837 had wrecked every bank in the Northwest, and there was no currency wherewith to transact what little business still survived. George Smith, a young Scotchman from Aberdeen, seeing the great need of a circulating medium, and knowing the proverb "that a coach-and-four can be driven through any act of parliament," got a charter through the Legislature of Wisconsin organizing the Wisconsin Marine and Fire Insurance Company, which was empowered not only to effect insurance, but also to lend money and receive deposits. At the same time it was stipulated that it must not do a banking business. Mr. Smith sent to Scotland for young Alex. Mitchell, and the new insurance company opened its office in the spring of 1839. It did some insurance, but not much. It did, however, issue certificates of deposit, payable to bearer, for $1 and upward, which passed from hand to hand as currency all over the West. Abraham Lincoln was perhaps more than once made happy when a young man by paying a $5 bill in his pocket of the old Wisconsin Marine. At one time there was about $1,500,000 of these certificates out, but they were always promptly redeemed in coin when presented, although the only security behind them was the honesty of George Smith and Alexander Mitchell. About $27,000 of the issue never came in, owing to the victims of fire, flood etc. In 1844 the Legislature of Wisconsin repealed this charter. Mr. Mitchell maintained that their charter could not be repealed, but that they could be reached only by a *quo warranto*, if they were acting illegally. Accordingly he issued a manifesto which, among other things, said: "The recent action of the Legislature will not affect our rights or interrupt our business; our notes will continue to be redeemed as heretofore in Milwaukee, Chicago, Galena, St. Louis, Detroit and Cincinnati." The bank's business went on as usual. When the State banking law was passed it still showed a fear of large banks by limiting the amount of capital which any Wisconsin bank should have to $500,000. A few years later Mr. Mitchell bought out Mr. Smith's interest. The Wisconsin Marine and Fire Insurance Company Bank reorganized as a State bank in 1853, with a capital of $500,000, the highest permitted. David Ferguson entered the bank in 1840 and John Johnston in 1856. On the death of Alexander Mitchell in 1887 he bequeathed one-third of the bank to each of them, and the management of the bank has been in their charge since. One-third was bequeathed to his son, John L. Mitchell, who was elected to fill his father's place as president. John L. Mitchell became president of the bank, David Ferguson vice-president, and John Johnston cashier. More recently Robert L. Jennings was appointed assistant cashier. John Johnston ceased to be actively connected with the management of the bank on the first of the year. John P. Murphy, formerly cashier of the Plankinton Bank, succeeded Mr. Johnston as cashier. Two or three months ago Washington Becker, who is a brother-in-law of John L. Mitchell, purchased an interest in the bank. The position of second vice-president was created at that time, and Mr. Becker was elected to fill it.

SOUTHERN STATES.

MORTGAGE INDEBTEDNESS OF THE SOUTH.—The Galveston *Daily News*, in reviewing the figures of mortgage indebtedness of various States, as given by the Census Bureau, says the three Southern States included Alabama, Arkansas and Tennessee, show that their mortgage debt per capita is far less than the other States included. Arkansas has not been so progressive a State as Kansas, but her people are in much better financial condition. If Arkansas had mortgaged her farms up to $170 per capita instead of $13, she would have bounded forward at a rapid rate too; but it is more than probable that her people would have recoiled

under the heavy burden and raised trouble just like the Kansans are raising now. The people of the South, as a rule, think long and well before they mortgage their land. They have an intense dread of mortgages, and only resort to them when it is necessary. In Texas the law protects the homesteads from mortgages or other liens, except for purchase money or improvements. The people of the North and West have not been so conservative in this respect. They have gone in debt heavily for comforts and conveniences that the Southern people as a class have denied themselves of rather than go in debt for them. Another point in favor of the Southern States is that their natural resources remain almost intact. Coal, iron, timber and stone exist in almost inexhaustible quantities, and these form a reserve of wealth that the Census Office cannot begin to compute.

ATLANTA, GA.—There has been a considerable change in the system of running the Clearing House of the Atlanta banks. As is well known to the bankers and business men of the city, the plan heretofore adopted and operated was to have the clearing work done at all the banks in the Clearing House Association from week to week. One bank would be the place for doing this work one week and another the next week, and another the next, and so on down the list of the banks composing the Atlanta Clearing House. The change that has been made will take effect at once. It is now proposed to have a permanent location for the Clearing House—an office of its own. Mr. Darwin G. Jones, a well-known business man of many qualifications has been placed in charge of the affairs of the Clearing House as manager of the concern. His duties will be the same as the duties have been of alternating managers under the old management. He will have under his care the work of keeping the banks straight with each other from day to day through the Clearing House. This step was taken by the bankers at the last meeting of the Clearing House, when it was decided to issue Clearing House certificates for daily settlements between the banks. Of course, this could hardly be manipulated well under the old system of changing from week to week the place of business of the Clearing House and changing managers. Mr. Jones will be the permanent manager of the Clearing House, and will have in hand the work of issuing the certificates. He is an experienced business man. He has had a thorough training in the banking business, being for a long time an active bank official in the city. He has since that time been in different lines of business and is thoroughly equipped with both experience and talent for the high position of trust and responsibility to which he has recently been elected.

MACON, GA.—The following is the copy of a circular letter which has been sent by all the banks to their customers and which was adopted at a meeting of the bankers forming the Macon Clearing House: "We, the undersigned banks composing the Clearing House of Macon, adopt the following schedule of prices which we propose to charge for cost of collection on all checks and drafts drawn on points outside of Macon which may be deposited over our counters as cash, the said schedule to go into effect August 14, 1893. And we hereby faithfully pledge ourselves to follow said schedule after that date in all our transactions with our customers: On all points in Georgia except Savannah, 10 cents for each item of $100 and under will be charged, and 1-10 of 1 per cent. will be charged for all amounts over $100. On all points outside the State, except New York, 25 cents for each item of $100 or under, and ¼ of 1 per cent. on sums over $100 will be charged. First National Bank, I. C. Plant's Son, Central Georgia Bank, Exchange Bank, Macon Savings Bank, Merchants' Bank, American National Bank, Union Savings Bank and Trust Company." Macon bankers say that banks in other cities make similar charges, and that they have found it necessary to do the same thing owing to the expense and time incurred in making collections from other banks. Some of the business men are rather inclined to kick on the rule, but the majority of them are satisfied that the banks did not take the step until it was found to be necessary.

NEW ORLEANS.—The Citizens' Bank is erecting a new banking office. The *Picayune* says: "Although the work has progressed only to a small extent, there has already been much of interest to attract the eye of the practiced builder. The building is located on Toulouse, between Chartres and Royal streets, and is somewhat retired from the street. It is of the massive order, and was built in the highest style of the art, so solid and massive that the work of demolition is a task

indeed. The six heavy columns in front are three feet in diameter. None of the walls are less than three feet in thickness, and in a number of places the wall is four feet wide. The long flight of stairs leading to the portico, and the portico itself, are of white marble, Italian every inch of it, and must have cost $10,000. The front doors are immense affairs of iron, trimmed and decorated with brass exquisitely carved. The front window frames and the shutters are also of iron. The floor is ten feet from the ground and was laid upon solid arches of masonry which could stand forever. There is scarcely a stick of wood in the entire edifice, and the only part which gave way was the roof. Years back the bank was rented to Colonel Rivers, the host of the St. Charles Hotel, to be used as a store room and repair shop, and he had the roof covered with tin, but even that was worn away and the structure leaks badly, the laborers finding a great deal of water in the hall which was once the main apartment of the institution. There was no sign of a deposit vault anywhere. The magnificent front is being torn away first, and after that the side walls will yield to the change which comes with time and will tell their secrets to the earth, to which all dust in the end returns. The Citizens' Bank was a wonderful building with a wonderful history. It was considered a magnificent edifice in its day. It was begun in 1836 and finished in 1838, in accordance with the plans of Messrs. Depouilly, famous architects of that time. The cost of construction was $140,000, but a great deal of that was devoted to ornamentation. The front of the edifice was considered a fine specimen of the Corinthian order. On either side of the entrance were pedestals surmounted by statues. The pediment was adorned by emblematic alto-relievos. The frame of the building, the window frames and the outside doors were of wrought iron. The banking room proper was a parallelogram of 60 by 35 feet, with vaulted ceiling neatly painted into compartments. Of late years about all that remained to admire was the classic facade with the remains of the group of statuary, the familiar group of agriculture, commerce and plenty. Half a century ago it was, perhaps, one of the most important financial institutions in the country. It had an authorized capital of $12,000,000, and had negotiated nearly $6,000,000 worth of bonds. A publication of 1840 gave its officers at that time as E. Forstall, president; P. A. Delachaise, L. G. Hilligsberg, L. Lebeau, P. J. Tricou and B. Marigny as directors, and V. Patin, J. Dupre, D. Kenner, W. F. C. Duplessis, J. Armant and William McQueen directors for the State. J. B. Peerrault was the cashier at a salary of $10,000 a year, A. Morphy the attorney, and the bank had a branch and thirteen other employes. A few years before the bank had attempted to negotiate a loan of $12,000,000 in Europe, but had failed for the want of satisfactory security. A few years later the Legislature authorized the addition of $1,000,000 to its capital stock, and also required the establishment of a number of branches. The old building has long since been abandoned, and the wreck has stood as a monument to its history. Long was it held sacred, but finally the tottering walls became a menace to the houses around and to the people passing, and the city surveyor ordered the ruin torn away. Now that the work has begun in earnest, many visited the spot and many were the stories told of Louisiana finances in those great days of old. It was perhaps fitting that the tottering survivor of the financial temple of the past should disappear, leaving the handsome, substantial and modern banks to exemplify the new order of finances in Louisiana, considered to be among the strongest and safest in the land."

TEXAS is reputed to have the only woman bank president in the United States. She is Mrs. Annie Moore, who is president of a National bank at Mount Pleasant, that State. She is described as well educated and having much business tact and experience.

PACIFIC STATES.

CALIFORNIA.—The Bank Commissioners have issued their semi-annual statement of the condition of the banks in California on July 1, 1893. It shows that there are sixty savings banks in the State, of which eleven are in this city and forty-nine in the interior. The savings banks of this city have a total of assets and liabilities of $118,094,434.06; those of the interior a total of $35,033,538.17, or a grand total of $153,127,972.23. The total paid-up capital of all the savings banks is $8,886,600, and the reserve amounts to $5,031,807. There is due the depositors the enormous sum of $138,019,874, of which $108,609,684 represents the deposits

in the city savings banks and $28,410,189 those in the interior savings banks. The total due to banks is $70,926, and the total of other liabilities is $1,118,763. The combined resources of these banks are as follows: Bank premises, $2,766,019; other realty, $1,161,517; stocks and bonds, $18,674,378; loans on real estate, $109,560,204; loans on stocks and bonds, $12,277,253; loans on personal security, $654.229; money on hand, $4,241,654; due from banks, $2,450,846, and other assets, $217,539. There are fifteen private commercial banks in the State, with a combined capital of $1,560,513.62, reserve of $317,607.40, and deposits of $1,143,962.67. They carry $1,045,152.35 of loans on personal security, $987,337.88 loans on real estate, $160,970.20 on stocks, bonds and warrants, $420,017.82 on real estate, $52,619.15 in bank premises, and have $270 038.88 on hand. There are 173 State commercial banks in the State, with a total of assets and liabilities of $122,746,218.34, of which the sixteen in San Francisco have $67,361,279.33, as against $55,384,939.01 for the 157 in the interior. These banks have a paid-up capital of $47,848,937.99 and a reserve of $17,810,934.54. They have deposits to the amount of $46,933,167.28. Their aggregate loans amount to $84,973,316.72, as follows: On real estate, $18,695,198.17; on stocks, etc., $11,726,108.17; on other securities, $5,375,782.64; on personal property, $49,176,227.74. These institutions have, or had on July 1st, $15 060,784.73 of cash on hand. They had due from banks and bankers $9 432,382.30, as against $8,128,535.10 due to bankers. Thirty-seven National banks filed reports, with a total of assets and liabilities at $27,459,194.32. The paid-up capital of these banks is $7,675,000, with $3,496,200 of reserve. On July 1st all the banking institutions in the State represented a grand total of assets and liabilities of $306,565,992, recapitulated as follows: Savings banks, $153,127,927 23; State commercial, $122,746,218.34; National banks, $27,459 194.32; private commercial, $3,232,597.11; total, $306,565,982.

Sterling exchange has ranged during August at from 4.82¼ @ 4.88½ for sight, and 4.79 @ 4.83½ for 60 days. Paris—Bankers' francs, 5.23¾ @ 5.17½ for sight, and 5.26¼ @ 5.21¼ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.81½ @ 4.82½; bankers' sterling, sight, 4.85¾ @ 4.86¼; cable transfers, 4.86¾ @ 4.87¼. Paris—Bankers', 60 days, 5.23⅛ @ 5.22½; sight, 5.20⅝@ 5.20. Antwerp—Commercial, 60 days, 5.25⅛ @ 5.25. Berlin—Bankers', 60 days, 94¼ @ 94⅜; sight, 95⅛ @ 95¼. Amsterdam—Bankers', 60 days, 39 13-16 @ 39 15-16; sight, 40 1-16 @ 40 3-16.

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

Quotations:	Aug. 7.	Aug. 14.	Aug. 21.	Aug. 28.
Discounts	12 @ 15	12 @ 15	12 @ 15	15 @ 20
Call Loans	2 @ 5	2 @ 5	3 @ 5	2 @ 6
Treas. balances, coin	$60,372,561	$55,026,738	$51,579,473	$51,906,420
Do. do currency	10,518,702	9,326,106	8,421,181	8,001,720

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

1893	Loans	Specie.	Legal Tender	Deposits.	Circulation	Surplus.
Aug. 5	$408,717,500	$55,929,800	$23,288,700	$372,945,200	$6,302,900	*$14,017,900
" 12	411,795,700	53,624,800	22,880,700	372,203,500	7,036,000	*16,545,375
" 19	406,540,200	58,352,800	22,177,000	370,302,400	7,738,200	*12,045,800
" 26	403,607,400	62,930,900	22,951,400	370,479,900	8,780,200	*6,737,675

The Boston bank statement is as follows:

1893.	Loans.	Specie.	Legal Tender	Deposits	Circulation.
Aug. 5	$149,486,100	$6,687,600	$4,293,900	$118,190,500	$7,214,100
" 12	150,041,100	6,788,300	4,079,900	116,054,800	7,570,400
" 19	149,807,200	6,807,600	4,161,600	114,306,400	8,101,300
" 26	149,485,500	7,090,100	4,288,100	120,765,300	8,502,600

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

1893.	Loans	Reserves	Deposits.	Circulation.
Aug. 5	$101,493,000	$22,952,000	$93,355,000	$4,316,000
" 12	102,394,000	22,870,000	93,398,000	4,599,000
" 19	102,485,000	22,967,000	93,726,000	4,711,000
" 26	102,411,000	23,584,000	93,434,000	4,849,000

* Deficiency.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from August No., page 154.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
CAL.	Pomona.....	Peoples Bank (Re-opened).	Importers & Trad. Nat. Bank.
	$50,000	Wm. B. Dole, *P.*	John H. Dole, *Cas.*
			C. M. Stone, *Asst.*
"	..San Bernardino.	First Nat. B. (Re-opened).	Fourth National Bank.
	$100,000	Joseph Brown, *P.*	Oscar H. Kohl, *Cas.*
		M. B. Garner, *V. P.*	E. D. Elliott, *Asst.*
"	..San Francisco..	Columbian Banking Co...	Bank of America.
	$37,050	I. J. Truman, *P.*	C. O. Perry, *Cas.*
		W. S. Miller, *V. P.*	
COL.	Rico.....	First Nat. Bk. (Re-opened)	Mercantile National Bank.
	$50,000	G. B. Garrison, *P.*	E. C. Chesebro, *Cas.*
		Henry Klingender, *V. P.*	
CONN.	Derby	Home Trust Co.....	.....
	$25,000	George H. Peck, *P.*	Chas. N. Downs, *Tr.*
		H. Holton Wood, *V. P.*	
"	..Shelton..... ..	Shelton Savings Bank.....	.....
		Watson J. Miller, *P.*	Joseph Tomlinson, *Tr.*
		John H. Barlow, *V. P.*	
DEL.	Wilmington...	R. R. Robinson & Co. (Re-opened).	Drexel, Morgan & Co.
FLA.	Orlando.....	H. G. Garrett.....	Merchants Exchange Nat. Bk.
ILL.	Chicago.....	Chicago City Bank.....	Hanover National Bank.
	$200,000	Louis Rathje, *P.*	Wm. J. Rathje, *Cas.*
		Henry Jaeger, *V. P.*	
"	..Nebo.....	Wm. Nevius Banking Co..	.....
	$10,000	Wm. Nevius, *P.*	Wm. Nevius, *Cas.*
			J. F. Lacy, *Asst.*
IND.	Churubusco....	Exchange Bank.....	....
	$10,000	(Oscar Gandy.)	Wm. Owen Gandy, *Cas.*
"	..Eaton.....	Farmers Bank.....	National Park Bank.
	$10,000		Joel W. Hamilton, *Cas.*
			J. L. Romy, *Asst.*
IOWA.	Halbur.....	Halbur Bank.....	.....
	$5,000		Chas. Walterscheid, *Cas.*
"	..Hudson.....	Hudson Savings Bank....	.....
	$15,000	John H. Leavitt, *P.*	Lewis R. Peifer, *Cas.*
		J. H. Washburn, *V. P.*	
"	..Mount Union...	Bank of Mt. Union.....	.....
	$10,000		W. R. Buchanan, *Cas.*
"	.North English..	Citizens Savings Bank....	.....
	$25,000	Samuel W. Mayne, *P.*	Geo. E. Swain, *Cas.*
"	..Ute.....	Palmer & Torrison.....	.....
			Richard Palmer, *Cas.*
"	..Walnut	German Bank.....	Hanover National Bank.
	$22,000	Chas. L. Lebeck, *P.*	John B. Johannsen, *Cas.*
			J. L. Bunker, *Asst.*
"	..Walnut.....	German Savings Bank....	United States National Bank.
	$10,000	Julius Hector, *P.*	J. F. Ronna, *Cas.*
			Otto Ronna, *Asst.*
KAN.	Ness City.....	Ness Co. State Bank.....	National Park Bank.
	$15,000	E. A. Slack, *P.*	J. F. McKinney, *Cas.*
		F. W. Daniel, *V. P.*	
KY.	Horse Cave....	Farmers Deposit Bank.....	National Bank Republic.
	$15,000	T. H. Perkins, *P.*	John Altsheler, *Cas.*
		L. Veluzat, *V. P.*	J. M. Perkins, *Asst.*
"	..Madisonville....	Bank of Madisonville.....	.....
	$30,000	Chas. E. Morton, *P.*	John T. Adams, *Cas.*
LA.	Washington....	Washington State Bank.	Southern National Bank.
	$50,000	Joseph P. Russell, *P.*	Geo. W. Curtis, *Cas.*
		Leon Wolff, *V. P.*	
MINN.	Annandale	State Bank.....	Chase National Bank.
	$15,000	Cassius M. Buck, *P.*	Wm. McDonald, *Cas.*
		Henry C. Bull, *V. P.*	

State.	Place and Capital	Bank or Banker.	Cashier and N. Y. Correspondent.
MINN...	Le Roy.....	First State Bank.....	Seaboard National Bank.
	$25,000	John Fronk, *P.*	Martin T. Dunn, *Cas.*
		Wentworth Hayes, *V. P.*	G. W. Harden, *Asst.*
"	..Minneapolis....	Peoples Bank (Re-opened).	Seaboard National Bank.
	$100,000	Emerson Cole, *P.*	Chas. E. Cotton, *Cas.*
		John G. Robb, *V. P.*	
"	..Waterville.....	Bank of Waterville.....	Mercantile National Bank.
	$30,000	James Slocum, Jr., *P.*	H. B. Hermsmeyer, *Cas.*
		M. R. Everett, *V. P.*	
MO.....	Amity.....	Bank of Amity.....	.....
	$10,000	Geo. Thompson, *P.*	Jacob P. Hays, *Cas.*
		Robt. H. Hays, *V. P.*	
"	..Dixon.....	Bank of Dixon.....	.....
	$10,000	Walter L. Wilson, *P.*	John Wilson, *Cas.*
		W. J. Grempczynski, *V.P.*	
"	..Monett.....	Commercial Bank.....	American Exchange Nat. Bk.
	$25,000	Phillip J. Lehnhard, *P.*	Daniel T. Wainright, *Cas.*
		Isaac Kohn, *V. P.*	Carl W. Lehnhard, *Asst.*
"	..Vandalia.....	Farmers & Merchants Bk.	.....
	$12,500	J. R. Bondurant, *P.*	W. L. Wright, *Cas.*
		J. J. Alexander, *V. P.*	
"	..Webb City.....	Exchange Bk. (Re-opened)	United States National Bank.
	$20,000	Joseph C. Stewart, *P.*	James P. Stewart, *Cas.*
			W. C. Stewart, *Asst.*
"	..West Plains....	Farmers & Merchants Bk..	Hanover National Bank.
	$25,000	D. F. Martin, *P.*	Sam F. Canterbury, *Cas.*
		T. B. Kilpatric, *V. P.*	
NEB....	Omaha	Amer. Loan & Trust Co. (Re-opened).	.....
	$400,000	O. M. Carter, *P.*	A. C. Powell, *Cas.*
		C. T. Montgomery, *V. P.*	J. Fred Rogers, *V. P.*
N. Y....	Buffalo	Queen City Bank (Re-opened)	National Park Bank.
	$300,000	Fred. C. M. Lautz, *P.*	D. Clark Ralph, *Cas.*
		J. N. Adam, *V. P.*	Wm. F. Creed, *2d V. P. & Mgr.*
"	..Holland.....	Bank of Holland.....	.....
	$25,000	Wm. B. Jackson, *P.*	Geo. E. Merrill, *Cas.*
		J. Wurst, *V. P.*	
"	..Williamson.....	R. M. Cheetham & Co....	Chase National Bank.
OHIO...	Jeffersonville...	Farmers Bank	Fourth National Bank.
	$20,000	J. R. Vannorsdall, *P.*	Silas M. Taggert, *Cas.*
		Ira D. Booco, *V. P.*	
"	..Portsmouth.....	Citizens Sav. Bk. (Re-opened)	Importers & Trad. Nat. Bk.
	$50,000	John W. Overturf, *P.*	J. W. Fulton, Jr., *Cas.*
"	..Rockford..	Rockford Savings Bank .	Chase National Bank.
			James S. Riley, *Cas.*
			C. Smith, *Asst.*
"	..Sabina.....	Sabina Bank (Re-opened).	Third National Bank.
		Isaac Lewis, *P.*	E. A. Lewis, *Cas.*
			W. B. Gallaher, *Asst.*
"	..Tiffin.....	Robert Miller & Son.....	Hanover National Bank.
	$75,000	Robert Miller, *P.*	Thomas A. Miller, *Cas.*
			H. E. Rhoads, *Asst.*
"	..Weston	Exchange Bkg. Co. (Re-opened)	.....
		A. J. Munn, *P.*	B. B. Buck, *Cas.*
ORE....	Junction City..	Farmers & Merch. Bank...	Chase National Bank.
	$50,000	J. A. Bushnell, *P.*	W. C. Washburne, *Cas.*
		Geo. W. Pickett, *V. P.*	
S. C...	Florence.....	Bank of the Carolinas (Re-opened)	.....
		John P. Coffin, *P.*	C. H. Thomas, *Cas.*
		J. P. McNeill, *V. P.*	
TEXAS..	Alice.....	Presnall & Mosser.....	Importers & Traders Nat. Bk.
	$10,000		P. A. Presnall, *Cas.*
"	..Alvin	Alvin Exchange Bank.....	Merchants Exchange Nat. Bk.
	$10,000	John S. Hidden, *P.*	Oscar S. Cummings, *Cas.*
		C. S. Cummings, *V. P.*	
"	..Belden.....	Morris Co. Bank..... ..	National Bank Republic.
	$25,000	J. H. Mathews, *P.*	John C. Martin, *Cas.*
		W. J. Galloway, *V. P.*	
"	..Itasca.....Citizens National Bank....		Hanover National Bank.
	$60,000	R. P. Edrington, *P.*	E. E. Griffin, *Cas.*
		W. H. Webb, *V. P.*	W. B. Hadley, *Asst.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
UTAH...	Provo City.....	Nat. Bk. of Commerce (Re-opened)	U. S. Nat. Bank.
	$50,000	Richard Brereton, *P.* Herman S. Martin, *Cas.*	
		F. H. Simmons, *V. P.* John Marwick, *Asst.*	
WASH..	New Whatcom.	Whatcom County Bank...	Hanover National Bank.
	$50,000	(Chas. W. Waldron)	P. E. Dickinson, *Cas.*
WIS....	Cedarburgh....	Farmers & Merchants Bk..	....
	$20,000	(Wm. F. Freund).	
"	..Hillsboro	Citizens Bank.....	.....
	$5,000	(L. H. E. Webster).	
MAN'BA.	Emerson.....	Duncan McArthur.....	.....
"	..Morden	Union Bank of Canada....	National Park Bank.
		C. R. Dunsford, *Mgr.*	

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from August No., page 152.*)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY.	Garfield National Bank.....	W. H. Gelshenen, *P.*.....	A. C. Cheney.*
"	.Manhattan Company Bank..	John S. Kennedy, *P., pro tem.*	
"	.Sherman Bank.....	E. N. Howell, *P.*.....	Chas. E. Bulkley.
ARK....	Peoples Bank, Bentonville.	Jas. M. Bohart, *Cas.*.....	J. G. McAndrew.
		J. F. Bohart, *Asst*.....	.....
CAL....	First National Bank, Colton.	J. W. Roberts, *P.*.....	John W. Davis.*
		S. M. Goddard, *V. P.*.....	J. W. Roberts.
"	..First National Bank, Oakland..	P. E. Bowles, *V. P.*.....	A. D. Thomson.
"	..Oakland Bk. of Savgs., Oakl'd..	Isaac L. Requa, *P.*.	E. C. Sessions.
"	..Riverside Nat. Bk., Riverside...	Jas. H. Goodhue, *Asst*....	P. T. Evans.
"	..Mutual Sav. Bk., San Fran.....	Geo A. Story, *Cas*.....	Jas. A. Thompson.
CONN...	Birmingham Nat. Bk., Birmingham.	Chas. H. Nettleton, *V. P.*..	D. W. Plumb.*
"	..First Nat. Bank, Bridgeport....	Wm. E. Seeley, *P.*.....	E. S. Hawley.
"	..Windham Co. N. B., Brooklyn.	C. P. Backus, *Cas*.....	John P. Wood.*
"	..Berlin Sav. Bk., Kensington....	Wm. Bulkeley, *P.*.....	Alfred North.
"	.First National Bank, Litchfield.	Geo. E. Jones, *P.*.....	.....
		Chas. E. Wilson, *Cas.*.....	Geo. E. Jones.
"	..Windsor Locks Sav. Bk., Windsor Locks.	William Mather, *P.*.....	J. H. Hayden.
DAK. S.	Union Nat. Bk., Sioux Falls....	B. H. ReQua, *Cas*.....	Chas. E. Johnson.
"	..Watertown National Bank, Watertown.	F. R. Clement, *P.*.....	A. C. Mellette.
		A. C. Mellette, *V. P.*.....	T. D. Ellefson.
		C. G. Church, *Cas*.....	J. W. Martin.
		F. N. Hawley, *Asst*.....	C. F. Kendrick.
FLA....	First Nat. Bk., Gainesville.....	E. E. Voyle, *Cas*.....	D. F. Graham.
GA.....	I. C. Plant & Son, Macon.....	C. D. Hurt, *Cas*	Luther Williams.
IDAHO...	Idaho Nat. Bk., Pocatello.....	E. E. Calvin, *V. P.*.....	A. B. Richardson.
ILL....	Dixon National Bank, Dixon ..	Chas. H. Hughes, *Cas*.....	James A. Hawley.
"	..First Nat. Bank, Earlville.....	R. O. Dupee, *V. P.*.....	Lewis Taylor.*
IND....	Citizens Nat. Bank, Attica.....	John W. Rhode, *V. P.*.....	C. G. Jones.*
"	..Union Co. Nat. Bk., Liberty .	Chas. D. Johnson, *Asst*...	Frank Husted.
"	..Citizens State Bk., Noblesville..	W. E. Dunn, *P.*.....	T. P. Haughey.
"	Summitville Bank, Summitville.	Jas. A. J. Brunt, *P.*.....	... .
		Maurice Warner, *Cas*.....	J. O. Allen.
"	..First National Bank, Vevay....	J. B. Tandy, *V. P.*.....	.....
IOWA...	Castana Sav. Bk., Castana.....	J. B. P. Day, *P.*.....	H. M. Whinery.
"	..Bank of Clare.....	W. M. Merritt, *P.*.....	C. J. Saunders.
"	..Bank of Delmar.....	D. W. Hurst, *P.*.....	W. J. Creglow.
"	..Valley Nat. Bk., Des Moines...	R. A. Crawford, *Cas*.....	M. M. Crookshank.
"	..Hardin County Bank, Eldora.	C. McK. Duren, *P.*.....	.....
		Ellis D. Robb, *Cas*.....	C. McK. Duren.
"	..City Nat. Bk., Mason City.....	A. H. Gale, *Cas*.....	H. A. Merrill.
"	..Oxford State Bank, Oxford	L. R. Wolfe, *P.*.....	Lewis Linebarger.
KAN....	Valley State Bank, Hutchinson.	J. J. Welch, *Asst*..... ...	.....

* Deceased.

	Bank and Place.	Elected.	In place of
KY.	Second Nat. Bk., Louisville	C. C. McClarty, *Cas.*	Geo. S. Allison.
ME.	First Nat. Bk., Ellsworth	Henry W. Cushman, *Cas.*	Fred L. Kent.
MD.	Third Nat. Bk., Baltimore	N. B. Mediary, *Cas*	N. B. Mediary, *Act.*
"	Third Nat. Bk., Cumberland	Will H. Shepherd, *V. P.*	.....
MASS.	Beverly Nat. Bk., Beverly	Allen H. Bennett, *Cas.*	A. Stevens.*
"	Haverhill Sav. Bank, Haverhill	Raymond Noyes, *Tr.*	Fred W. Coffin.*
"	Millis Savings Bank, Millis	Osgood T. Dean, *Tr.*	Chas. G. Brackett.
"	Pittsfield Nat. Bk., Pittsfield	H. A. Brewster, *Cas.*	Edw. J. Francis.
MICH.	City National Bank, Lansing	F. J. Hopkins, *Asst.*	.....
"	Whitehall State Savings Bk., Whitehall.	Hiram E. Staples, *P.*	I. M. Weston.
		Albert Mears, *V. P.*	.....
MINN.	State Bk., Good Thunder	F. H. Morlock, *Cas.*	Asa C. Wilmot.
"	Nat. Farmers Bk., Owatonna	B. S. Cook, *V. P.*	.....
"	Bank of Zumbrota, Zumbrota.	E. V. Canfield, *P.*	S. B. Barteau.
		S. B. Barteau, *V. P.*	.....
		D. B. Scofield, *Cas.*	E. V. Canfield.
MO.	First Nat. Bank, Cameron	Jas. E. Goodrich, *Cas.*	C. J. Stevens.*
"	Farmers Exchange Bank, Gallatin.	John W. Meade, *P.*	Milt. Ewing.
		Elwood D. Mann, *Cas.*	John W. Meade.
"	American Nat. Bk., Kan. City	A. A. Whipple, *Cas.*	J. E. McKee.
"	Kansas City Clearing House, Kansas City.	W. S. Woods, *P.*	J. S. Chick.
"	Bank of Saline, Marshall.	T. C. Rainey, *P.*	Jas. A. Goodwin.
		A. J. Haynes, *V. P.*	A. L. Hawkins.
"	Farmers Sav. Bk. Marshall	T. W. Lacy, *Cas*	.....
"	Mexico Savings Bank, Mexico.	J. E. Ross, *P.*	William Stuart.
		W. W. Fry, *V. P.*	J. E. Ross.
"	First Nat. Bank, Plattsburg	C. E. Jones, *Asst*	J. S. Hockaday.
MONT.	Yellowstone Nat. Bk., Billings	W. A. Evans, *Asst.*	Geo. B. Parker.
"	Helena Nat. Bk., Helena	E. D. Edgerton, *P.*	S. C. Ashby.
NEB.	City Nat. Bk., David City	Arthur Myatt, *Cas*	Edw. E. Leonard.
"	First National Bank, Grant.	P. R. Johnson, *P.*	O. M. Carter.
		E. P. Brown, *Cas.*	P. R. Johnson.
"	Tecumseh N. B., Tecumseh	A. W. Buffum, *V. P.*	Chas. McCroskey.*
N. H.	Conn. River N. B., Charlestown	Herbert W. Bond, *Asst.*	.....
N. J.	N. J. Title Guar. & Trust Co., Jersey City.	J. E. Hulshizer, Jr., *Sec. & Tr.*	Geo. W. Young.
"	Farmers Nat. Bk., Mt. Holly	Jno. B. Davis, *Cas.*	I. P. Goldsmith.*
N. MEX.	Bank of Roswell	John W. Poe, *P.*	S. M. Folsom.
N. Y.	Bank of Commerce, Buffalo	Chas. C. Oliver, *2d Asst.*	.....
"	Hydraulic Bank, Buffalo	John Y. Sloan, *Cas.*	J. B. Spencer.
"	Bank of Jamaica, Jamaica.	John H. Sutphin, *P.*	F. W. Dunton.
		Abram Van Siclen, *V. P.*	John H. Sutphin.
"	Pulaski Nat. Bk., Pulaski	Ella M. Clark, *P.*	Helen A. Clark.*
OHIO.	First Nat. Bk., Flushing	David Branson, *P.*	Jacob Holloway.*
ORE.	First National Bank, Grant's Pass.	S. F. Cass, *P.*	J. C. Campbell.
		James T. Tuffs, *V. P.*	H. C. Kinney.
"	First Nat. Bk., The Dalles	J. M. Patterson, *Cas.*	H. M. Beall.
"	Sherman Co. Bank, Wasco	John Medlar, *P.*	W. M. Barnett.
PA.	Citizens Nat. Bank, Corry	L. W. Olds, *V. P.*	Martin Stark.
"	Danville Nat. Bank, Danville	Robert M. Grove, *V. P.*	.....
"	Farmers Nat. Bank. Ephrata	J. Konigmacher, *V. P.*	.....
"	Duquesne Nat. Bk., Pittsburgh	James McKay, *2d V. P.*	.....
"	White Haven Sav. B., W. Hav.	W. B. Mitchell, *Act. Cas*	Stephen Maguire.
"	First National Bank, York	Jacob D. Schall, *V. P.*	.....
TENN.	First National Bank, Union City.	L. S. Parks, *V. P.*	J. E. Beck.
		Geo. G. Bell, *Asst*	P. P. Thomasson.
TEXAS.	First Nat. Bank, Atlanta	W. A. Howe, *V. P.*	J. G. James.
"	Farmers Nat. Bk., Henrietta	J. A. Frazar, *P.*	John G. James.
"	First Nat. Bank, Lampasas	L. H. Baggett, *P.*	E. J. Marshall.
"	First National Bank, Navasota.	H. Schumacher, *P.*	F. W. Brosig.*
		A. H. Ketchum, *V. P.*	H. Schumacher.
VA.	First National Bank, Buchanan.	James Mundy, *V. P.*	J. Z. Schultz.
		J. Z. Schultz, *Cas.*	Jno. M. Miller, Jr.
"	Planters Nat. Bk., Danville	W. J. Foulkes, *Cas.*	W. H. White.
WASH.	Marine Sav. Bk., Ballard	L. H. Pontius, *Cas.*	I. W. Cruthers.
"	First National Bank, Hoquiam.	Geo. W. Hertges, *P.*	F. D. Arnold.
		Wm. L. Adams, *Cas.*	H. W. Smith.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
WASH.	Yakima Nat. Bk., N. Yakima	W. I. Lince, *V. P.*	R. K. Nichols.
"	Columbia Nat. Bk., Tacoma	W. G. Peters, *Act. Cas.*	N. B. Dolson.
WIS.	Citizens National Bank, Stevens Point.	Louis Brill, *V. P.* R. H. Russell, *Asst.*	....
"	First National Bank, Stevens Point.	A. R. Week, *P.* James Reilly, *V. P.*	E. G. Newhall. A. R. Week.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from August No., page 159.)

NEW YORK CITY.....Hamilton Loan & Trust Co. reported closed.
" .....Madison Square Bank in hands of receiver.
" .....H. L. Hotchkiss & Co. reported failed.
" .....Wm. L. Patton & Co., stockbrokers, reported failed.
ALA....Birmingham....First National Bank reported closed, will probably resume.
" ..Decatur.....First National Bank reported suspended.
" ..Gadsden.....First National Bank reported suspended.
" ..Montgomery....J. B. Trimble & Co. reported assigned.
" ..Montgomery....Josiah Morris & Co. reported assigned, now resumed.
" .New Decatur...Exchange Bank assigned.
ARIZ....Phoenix.....Hartford Banking Co. reported assigned.
CAL....Pomona.....Peoples Bank has resumed business.
" ..San Bernardino.Farmers Exchange Bank has resumed business.
" ..Santa Ana. ...First National Bank has resumed business.
COL....Crested Butte...Bank of Crested Butte has resumed business.
" ..Denver.....Commercial National Bank has resumed business.
" ..Denver.....Denver Trust & Safe Deposit Co. reported assigned.
" . Denver .....German National Bank will probably resume.
" ..Denver.....Mercantile Bank has resumed business.
" ..Denver.....National Bank of Commerce has resumed business.
" ..Denver.....Peoples National Bank has resumed business.
" ..Denver.....State National Bank has resumed business.
" ..Denver.....Union National Bank has resumed business.
" ..Greeley.....Greeley National Bank has resumed business.
" ..Leadville.....American National Bank reported closed has resumed.
" ..Pueblo.....American National Bank has resumed business.
" ..Pueblo.....Central National Bank has resumed business.
" ..Pueblo.....Western National Bank reported closed.
" ..Rico.....First National Bank has resumed business.
DEL....Wilmington....R. R. Robinson & Co. have resumed business.
FLA....De Land.....Volusia Co. Bank reported closed.
" ..Jacksonville....Dime Savings Bank reported suspended.
" ..Leesburgh.....Bank of Leesburgh reported assigned.
" ..Tavares.....Bank of Tavares reported closed, will resume.
IDAHO..Nampa.....First Bank reported closed.
ILL.....Altamont.....C. M. Wright & Co. reported suspended.
" . Carbondale.....Richart & Campbell reported assigned.
" ..Chicago.....Lazarus Silverman reported suspended.
" ..Chicago.....South Side State Bank reported in hands of receiver.
" ..Jacksonville....Central Illinois Banking & Savings Association reported closed.

ILL.....Mansfield .....Mansfield Bank reported assigned.
" ..Nunda.....Exchange Bank assigned.
" ..Oswego.....Oswego Bank reported assigned.
" ..Paxton.....Ford Co. Bank reported assigned.
" ..Plano.....E. L. Henning suspended, has since resumed.
" ..Yellow Creek..Bank of Yellow Creek reported closed.
" ..Yorkville .....Kendall Co. Bank reported closed.
IND.....Attica.....Citizens National Bank closed, has now resumed.
" ..Churubusco ....Exchange Bank reported closed.
" ..Colfax.....Commercial Bank reported in liquidation.
" ..Hammond.....First National Bank reported closed.
" ..Martinsville.....Mitchell's Bank reported in voluntary liquidation.
" ..Muncie.....Citizens National Bank in hands of receiver.
" ..Terre Haute....Prairie City Bank reported assigned.
IND. T..So. McAlester..South McAlester Bank reported gone into liquidation.
IOWA...Akron.....Akron Savings Bank reported closed.
" ..Angus.....Exchange Bank reported assigned.
" . Davis City.....Citizens Bank reported assigned.
" ..Doon.....Doon Bank reported closed.
" ..Dubuque.....First National Bank reported suspended.
" ..Garden Grove..Garden Grove Bank reported assigned.
" ..Le Mars.....First National Bank reported closed.
" ..Le Mars.....German-American Savings Bank reported closed.
" ..Le Mars.....German State Bank closed, will reopen.
" ..Le Mars.....Le Mars National Bank reported closed.
" ..Leon .....Farmers & Traders Bank reported assigned.
" ..Merrill..... ...Farmers & Merchants Bank reported suspended.
" ..Perry.....Commercial Bank reported assigned.
" ..Ute.....First Ute State Bank closed, succeeded by Palmer & Torrison.
" ..Vail .....Citizens Bank assigned.
" ..Webster City...Hamilton Co. State Bank closed, will resume.
KAN....Anthony.....Anthony Savings Bank reported failed.
" ..Anthony.....First National Bank has resumed business.
" ..Cherryvale.....First National Bank reported closed, resumed September 1st.
" ..Fort Scott.....First National Bank resumed business.
" ..Gypsum.....Gypsum Valley Bank assigned.
" ..Hutchinson.....Hutchinson National Bank has resumed business.
" ..Jamestown.....State Exchange Bank reported suspended.
" ..Marion.....First National Bank insolvent; in hands of receiver.
" . Ness City... ..Ness County Bank succeeded by Ness County State Bank.
KY.....Louisville.....Fourth National Bank has resumed business.
" ..Louisville .....Merchants National Bank reported resumed.
ME.....Richmond.....Richmond Savings Bank reported closed.
MASS...New Bedford...New Bedford Safe Deposit & Trust Co. reported closed.
MICH...Addison.....Exchange Bank has discontinued business.
" ..Sturgis.....National Bank of Sturgis reported suspended.
MINN...Lake Crystal...Marston, Larson & Davis reported suspended.
" ..Le Roy.....Bank of Le Roy succeeded by First State Bank.
" ..Mankato.....First National Bank closed, will resume.
" ..Mankato.....Mankato National Bank reported closed.
" ..Mankato.....National Citizens Bank closed temporarily, will soon resume.
" ..Minneapolis....Commercial Bank closed, will probably resume.
" ..Minneapolis....Peoples Bank has resumed business.
" ..North Branch...Bank of North Branch reported closed.

MINN...Rochester.....Union National Bank reported closed; will probably resume.
" ..St. James.....Old Bank of St. James reported closed.
" ..St. Paul.....National German-American Bank reported closed, will resume.
" ..St. Paul.....Peoples Bank reported closed, will resume.
" ..St. Paul.....West Side Bank reported closed, will reopen.
" ..Waseca. .....Peoples Bank closed temporarily.
" ..Waterville.....Bank of Waterville (M. R. Everett) has been incorporated.
MO.....Albany .....Bank of Albany closed, will probably resume.
" ..Bolivar .....Bank of Bolivar incorporated, same officers and correspondents.
" ..Cassville.....Citizens Bank closed; expect to resume.
" ..Harrisonville...First National Bank reported closed.
" ..Kansas City....Mechanics Savings Bank title changed to Mechanics Bank.
" . Kansas City...National Bank of Kansas City reported resumed.
" ..Kansas City....Western Trust & Savings Association reported assigned.
" ..Kingston.....Caldwell Co. Bank reported closed.
" ..Polo.....Exchange Bank reported closed.
" ..Springfield.....Bank of Springfield reported closed, will probably resume.
" ..Springfield.....Green County Bank reported assigned.
" ..Webb City. ...Exchange Bank has resumed business.
MONT..Big Timber....First National Bank has gone into voluntary liquidation.
" ..Bozeman.....Gallatin Valley National Bank retiring from business.
" .Helena.....Second National Bank has consolidated with Helena National Bank, under latter title.
" ..Miles City.....Stock Growers National Bank in hands of receiver.
" ..Wh. Sul. Spgs..First National Bank reported suspended.
NEB....Bassett .....Farmers & Merchants Bank reported closed.
" ..Holstein.....Holstein Bank, title changed to Holstein State Bank.
" ..Omaha.....American Loan & Trust Co. reported resumed.
" ..York.....First National Bank reported suspended.
N. H...Farmington ...Farmington Savings Bank enjoined from doing business.
N. Y... Brooklyn.....Commercial Bank reported closed.
" ..Buffalo .....Queen City Bank has resumed business.
" ..Le Roy.....F. C. Lathrop reported assigned.
" ..Wellsville.....Henry N. Lewis reported assigned.
N. C....Winston.....Peoples National Bank reported suspended.
OHIO...Akron.....Akron Savings Bank reported resumed.
" ..Akron.....Citizens Savings & Loan Association reported resumed.
" ..Cardington ....Cardington Banking Co. reported closed.
" ..Lynchburg.....Lynchburg Bank assigned.
" ..Portsmouth....Citizens Savings Bank has resumed business.
" ..Sabina.....Sabina Bank has resumed business.
" ..Weston.....Exchange Banking Co. has resumed business.
ORE....Portland..... O. & W. Mortgage Savings Bank closed.
" ..The Dalles.....First National Bank will resume.
PA.....Columbia.....E. K. Smith & Co. reported closed to liquidate.
" ..Ebensburg.....Johnson, Buck & Co. reported closed.
" ..Hyndman.. ...National Bank of South Pennsylvania reported closed.
" ..Lebanon.....Lebanon Trust & Safe Deposit Bank reported closed.
" .Meadville.....Farmers Co-operative Bank closed; expect to reorganize under a State charter.
R. I....Providence.....State Bank reported closed.
S. C....Florence.....Bank of the Carolinas, with branch at Williston, has resumed business; all other branches disposed of.
TENN...Dayton.....First National Bank reported suspended.
" ..Lewisburg.....Peoples Bank reported closed, will resume.

TENN ..Martin.....Bank of Martin suspended temporarily, has now resumed.
" ..Nashville.....American National Bank reported suspended, will resume.
" ..Nashville.....City Savings Bank suspended temporarily, will soon resume.
" ..Nashville.....First National Bank reported suspended.
" ..Pulaski.....Citizens National Bank paying 10 per cent., balance 90 days.
" ..Pulaski.....Commercial Bank & Trust Co. 60 days' notice claimed.
" ..Pulaski.....Peoples National Bank; old deposits paid 10 per cent. cash, balance certified checks payable 90 days.

TEXAS..Alvord.....Peoples Bank reported suspended.
" ..Dallas.....Central National Bank has gone into voluntary liquidation.
" ..El Paso.....El Paso National Bank reported closed.
" ..Henrietta.....Farmers National Bank has resumed business.
" ..Lockhart.....First National Bank reported closed.
" ..Robert Lee.....Coke County Bank closed, has now resumed.
" ..Rockwall .....Farmers and Merchants National Bank has gone into voluntary liquidation.
" ..San Antonio....Texas National Bank in hands of receiver.
" ..San Marcos.....First National Bank reported suspended.
" ..Sonora. .....Sutton County Bank reported closed.
" ..Vernon.....First National Bank in hands of receiver.
" ..Waco.....State Central Bank retiring from banking business.
" ..Waxahachie....Waxahachie National Bank reported closed has resumed.

VT.....Bristol.....S. M. Dorr's Sons reported closed.
" ..Rutland.....S. M. Dorr's Sons reported closed.

VA.....Abingdon.....Bank of Abingdon reported closed.
" ..Abingdon.....Exchange & Deposit Bank reported closed.
" ..Big Stone Gap..Bank of Big Stone Gap reported suspended.
" ..Danville.....W. S. Patton Sons & Co. reported in voluntary liquidation.
" ..Farmville.....Commercial Savings Bank reported assigned.
" ..Iron Gate.....Bank of Iron Gate has gone into liquidation.
" . Rocky Mount..Franklin Bank closed temporarily.

WASH..Colfax.....Bank of Colfax closed; expect to reorganize as a State bank.
" ..Ellensburgh....Ellensburgh National Bank reported closed.
" ..Hoquiam .....First National Bank and Hoquiam National Bank consolidated under former title.
" ..Tacoma.....Traders Bank reported resumed.
" ..Tacoma..... Washington National Bank insolvent; in hands of receiver.

W. VA.Wellsburg.....Bank of Wellsburg reported closed, will probably resume.
" ..Wheeling.....Exchange Bank reported closed.

WIS....Baraboo.....Baraboo Savings Bank reported assigned.
" ..Colby.....Exchange Bank reported closed.
" ..Eau Claire.....Commercial Bank reported resumed.
" ..Ellsworth.....Bank of Ellsworth reported closed.
" ..Glenwood.....Bank of Glenwood has discontinued business.
" ..Hillsborough...Bank of Hillsborough discontinued.
" ..Plainfield .....Bank of Plainfield reported assigned.
" ..Platteville.....First National Bank reported suspended.
" ..Portage.....City Bank has resumed business.
" ..Pt.Washington.German-American Bank reported resumed.
" ..Racine.....Union National Bank reported closed.
" ..Rice Lake.....Barron Co. Bank reported assigned.
" ..River Falls.....Bank of River Falls suspended, will resume.
" ..Stevens Point..Commercial Bank reported closed.
" ..Tomah .....Bank of Tomah reported assigned.

WIS....Waupaca.....Waupaca Co. National Bank reported closed, will probably resume.

WYO...Cheyenne.....First National Bank reported closed, will probably resume.

PROJECTED BANKING INSTITUTIONS.

COL....Denver.....International Savings Bank & Loan Co.; capital, $100,000.

CONN...Bridgeport.....Industrial Savings Bank. Patrick Coughlin, President; John L. Copeland, Vice-President; John F. Noble, Secretary; George C. Waldo, Treasurer.

ILL.....Chicago.....Marquette Safety Deposit Co.; capital, $1,000,000. Incorporators: Owen F. Aldis, A. S. Northcote, Milton P. Randall.

IND....Oxford.....Bank of Oxford opened.

IOWA...Clinton.....Standard Loan & Trust Co.; capital, $30,000.

ME.....Rumford Falls..Rumford Falls Trust Co.

MICH...Rockford.....New bank established by Lacy & Burkhead.

NEB....Ashland.....New bank to be started by C. N. Folsom and S. L. Sears.

N. H...Exeter.....The organization of the National Bank of Exeter has been effected with the following directors: John J. Bell, W. N. Dow, Wm. P. Chadwick, D. Gilman, Geo. W. Illsley, J. E. Gardner and E. G. Flanders.

TEXAS..Alvin.....Alvin Exchange Bank.

VA. ....Lynchburg.....Union Trust and Deposit Co.; capital, $300,000. C. T. Plunkett, President; T. D. Jennings, Vice-President; W. G. Pitman, Cashier.

W. VA..Wheeling.....$75,000 has been subscribed for a new bank at this place. Organizers: John G. Hoffman, Geo. E. Stifel, C. Hess, S. M. Rice.

DEATHS.

BLAKE.—On August 1, aged sixty-seven years, PRENTISS M. BLAKE, of the firm of Blake, Barrows & Brown, Bangor, Maine.

BROSIG.—On July 31, FERDINAND W. BROSIG, President of First National Bank, Navasota, Tex.

BRYANT.—On August 5, aged eighty-two years, WARREN BRYANT, President of Buffalo Savings Bank, Buffalo, N. Y.

COFFIN.—On July 29, aged thirty-seven years, FRED W. COFFIN, Treasurer of Haverhill Savings Bank, Haverhill, Mass.

FERRIS.—On August 20, aged seventy-one years, HIRAM G. FERRIS, President of Hancock Co. National Bank, Carthage, Ill.

STEVENS.—On August 1, aged fifty-four years, AUGUSTUS STEVENS, Cashier of Beverly National Bank, Beverly, Mass.

WILKINSON.—On August 17, aged eighty years, W. S. WILKINSON, President of National Bank of Morrison, Ill.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, AUGUST, 1893

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly — Mar.	95	98	95	98
4s, 1907 ... reg.	Quarterly — Jan	108	112	107½	110
4s, 1907 ... coup.	Quarterly — Feb.	108	112	107½	110
6s, cur'cy, 1895, reg		102	103	101	101
6s, cur'cy, 1896, reg.	Jan.	104	105	103	103
6s, cur'cy, 1897, reg.	&	107	108	106	106
6s, cur'cy, 1898, reg.	July	108	110	108	109
6s, cur'cy, 1899, rec.		110	111	110	111

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	2	1¾	—
Canadian Pacific	68⅛	74⅝	67½	—
Canada Southern	40⅜	47	39¼	46⅞
Central of N. J.	90½	101	89½	101½
Central Pacific	17½	19	16¾	—
Ches. & Ohio	14	17⅛	13¼	16⅞
Do 1st pref.	—	—	—	—
Chic. & Alton	—	130	126	130
Do pref.	—	—	—	—
Chic., B. & Q.	74	80½	71½	80¼
Chic. & East'n Ill	—	55¼	51	—
Do pref.	—	91	85	—
Chic., M. & St. P.	52⅝	58½	50¼	57⅝
Do pref.	104½	112½	104	—
Chic. & N. W	91¼	99¾	90¼	98¼
Do pref.	134	135	128	134
Chic., R. I. & P.	56⅛	62	54⅝	61½
Chic., St. P., M. & O.	28¾	32	27¼	31¾
Do pref.	—	102½	94	101½
C., C., C. & St L.	31½	36⅛	30	35¾
Do pref.	—	—	—	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	—	23½	19	—
Col., H. Valley & Tol.	14½	17¼	11¾	—
Del. & Hudson	109	114	107½	111½
Del., Lack. & W.	133½	141	130½	136⅞
Den. & Rio Grande	9⅝	10¾	8¾	—
Do pref.	29	30¾	27	29½
East Tenn. V & G.	—	⅜	¼	¼
Do 1st pref.	—	—	—	—
Do 2d pref.	—	—	—	—
Evansville & T. H.	83	93	80	90
Illinois Central	89½	93½	89	—
Lake Erie and Western	14¼	15½	13	—
Do pref.	55½	64	55	—
Lake Shore	110½	119	109	118⅜
Long Island	90	95	90	94
Louisville and Nashville	53½	58½	52	55
Louisville, N. Alb & Chic.	—	13¾	10	13¼
Manhattan Consol	109	119	105	119
Mexican Central	—	6	6	—
Michigan Central	80	86½	79⅞	86
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	11	6	11
Do pref.	—	28½	19	28½
Mo., Kan. & Texas	—	11½	9⅝	11½
Do pref.	16	19	14¼	17¼
Missouri Pacific	20	23½	18¼	22¼
Nash., C. & St. L.	—	60	55	—
N. Y. C. & Hudson	99	102	96¾	101⅜
N. Y., C. & St. L.	—	13¼	11	13
Do pref.	—	53	52	—
N. Y., L. E. & W.	10¼	15	10	15
Do pref.	21¾	29¾	21½	29¾
N. Y. & New Eng	19⅛	23¼	17	22⅜
N. Y., Ont. & W.	12¾	14¾	12½	14½
N. Y., Sus. & W.	10	12½	9½	12⅛
Do pref.	—	42½	37	42⅛
Norfolk & Western	—	6½	6	—
Do pref.	—	22⅞	20	22⅞

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	8	9	3¾	6⅛
Do pref.	21	24½	15½	23
Ohio & Mississippi	—	15	11¾	—
Ohio Southern	—	—	—	—
Oregon R. & N.	42	43	32	42
Oregon Short Line	7¼	9	7	—
Pacific Mail	9¾	11½	9¼	11½
Peoria, Decatur & Evansville	6⅝	8	6⅛	7½
Philadelphia & Reading	13⅛	18⅛	12¼	17¼
Pullman Palace Car Co.	136 x	155	132	—
Rich. & W. P. Term.	1	2⅛	1	2½
Rio Gr. Western	—	—	—	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	—	101	98½	—
St. Louis, A. & T. H.	—	27	20	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	—	29	22	—
Do pref.	—	97	90	90
St. Paul, M. & M.	96	100	95½	—
Southern Pacific Co.	—	21¾	17¾	20¾
Texas & Pacific	5½	6½	5	6½
Union Pacific	18¾	22¾	16½	22¼
Wabash, St. Louis & Pacific	6⅛	7½	5¾	7⅜
Do pref.	12⅝	15¾	11⅞	15⅜
Wisconsin Central	—	6¾	4¾	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	28⅜	33⅛	25	32⅝
Nat. Lead Trust	22½	29⅞	21¼	29⅞
Tenn. Coal & Iron	12¾	15	10¼	15
Express—Adams	—	141	134	140½
American	103	110	100	108
United States	—	50	45	—
Wells-Fargo	—	140	125	130
Sugar Refineries	68	86	64½	84⅞
Do pref.	70	85½	68	84½
Western Union	75½	81	72⅛	80
Wheel. & Lake E.	12⅜	13¾	10	12
Do pref.	38⅓	43⅓	36⅓	—

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AMENDMENTS TO THE NATIONAL BANKING LAW.

The bank committee of Congress are now preparing amendments to the National Banking Law. This is done at every session of Congress, and some amendments are reported and a few are passed. In view of the recent extraordinary events in the banking world, the subject has an unusual interest, and it may be that the amendments reported will share a different fate from most of their predecessors. For several years a number of amendments have been proposed, aiming at a closer supervision of banks by directors, and imposing severe penalties for neglect of their duties. At the last session of Congress an amendment of this character was reported and adopted by the Lower House, but failed in the other. One of the amendments most earnestly desired by the banks has been the permission to issue notes to the par value of the securities held for them. This amendment has passed the Senate several times but has failed in the House.

One of the amendments we think most seriously deserving the attention of Congress relates to the manner of keeping bank reserves. At present, as every National banker knows, a country bank can keep three-fifths of its reserve with a National bank in one of the reserve cities, while the banks in the reserve cities can keep one-half of their reserve with the National banks in the central reserve cities—New York, Chicago, and St. Louis. It has been

supposed that if the banks were thus permitted to keep a portion of their reserve with other banks in the larger places it would be forthcoming whenever desired, and therefore was a true reserve. Banks were thus permitted in the beginning to keep a portion of their reserve with other banks in order to lessen their opposition to the system. Many of the banks objected to the keeping of any reserve at all, as this was a new feature of banking, and even now most of the State banks are quite free to do as they please in this regard. Before the National Bank Act was enacted the provisions in most of the States on this subject were very few and very crude, and banks for the most part practically had control of their entire resources, and kept on hand to answer the demands of depositors only such amount as the good judgment of the manager, or board of management, deemed necessary. No rule existed anywhere, save in Louisiana, and a few other States. It was therefore not an easy thing to obtain a willing response to this provision of the law, and yet the more prudent bankers everywhere recognized the necessity of keeping an adequate reserve. To lessen opposition, therefore, the country banks, and those in all of the places except the banks in the central reserve cities, were permitted to keep a portion of their reserve with other banks. As the portion thus confided to another bank draws interest, of course, there is less objection to the requirement than there would otherwise be on the part of those banks that do not believe in keeping any reserve, or only a very small one.

Experience, however, has clearly shown, and within the last few weeks in the most striking manner, that the reserve of a bank cannot be thus regarded unless it is kept in its own vaults. A reserve kept for a bank by another is, correctly speaking, no reserve at all, for the simple reason that when it is wanted by the owner it is wanted more then ever by the bank to which it has been confided. A very large portion of the deposits held by New York banks, belonging to out-of-town banks, consists of reserves, and we all know how difficult it was for the New York banks to respond to the call made on them for this money. They did indeed respond, it was promptly sent, no bank failed to perform its duty, but at a fearful cost to bank customers. The usual accommodations granted at home were denied, and every effort was strained to secure the demands thus made on the New York banks. The one fact that is most clearly seen in these events, is that ordinarily when a reserve is thus wanted by the sending bank it is wanted just as badly by the other bank, and, consequently, to get the money some injury must be inflicted somewhere. Now if these reserves were kept at home the consequences would be very different. The receiving banks, not having the money, would not lend it. They, therefore, would be less burdened at all times, for

there would be no danger of a call on them suddenly and without warning for the money confided to them. Clearly, therefore, this feature of the law should be changed, and whatever reserve a bank ought to keep should be kept in its own vaults. It may be that if the amount were thus kept at home it could be safely diminished, but we are sure that our contention has the approval of bankers who have most thoughtfully studied the situation. We have conversed with a good many and in every instance the same answer has been returned, that a bank should keep its own reserves in order to be sure of them. To resort to any other system, to attempt to keep them and not keep them at the same time, which is precisely the thing we have been trying to do ever since the National Bank Act went into effect, is evidently a mistaken policy and brings disaster in the end. This experiment of trying to keep a reserve and of using it at the same time ought to come to an end. If the reserve is confided to another bank and loaned out, it does not in reality exist, and it can be recovered and returned to the sending bank only at a serious sacrifice to some one. Is not the policy much wiser to undergo the sacrifice of a loss of interest by keeping it at home than by attempting to lend it to another?

Of course, the whole point in the controversy is one of profits. If a bank increases its reserve its profits will be diminished. There is a class of bankers who are willing to undergo any risk for the sake of reaping the largest profits. There is another class, happily, who believe in preparation for a rainy day, for depressions and panics, who realize that a large reserve is indispensable to sound banking, but, as we have just remarked, a bank that keeps such a reserve will make less profits, unless its conservative course invites more business and in this way larger resources are put within its command than would be the case if it employed more hazardous methods. This is a point which those bankers, who talk so glibly about lending everything and who feel confident of looking far enough ahead to provide for every storm, ought not to overlook. It is much easier to be prepared for all events in the old-fashioned way of keeping a large reserve, for such a course invites the confidence of the community, lessens anxiety, and in every respect is to be preferred to the other. In our judgment this is the most important amendment that the National Banking Law requires.

FIXED AND REDEEMABLE CURRENCY.

The discussion of the currency question which is now taking place cannot be brought to a satisfactory conclusion without first arriving at an agreement as to fundamental principles, and the following pages are written with a desire to further such an agreement and to help in reaching a point where concerted action is possible. Principles must be established and recognized before any practical steps can be taken.

There are two materials used as currency, metal and paper. Metal currency may be called fixed, because when the precious metals are minted into coins, they become practically fixed and permanent in shape and value. They do not rust, they do not lose their value in fire and the process of abrasion is so slow that it proves their fixed and permanent character.. Paper currency from its nature must be redeemable, for fire consumes it, water dissolves it, attrition destroys it and age fades it. Being of a perishable character and cheap material, its value must be in that by which it is to be redeemed.

The further distinction between fixed and redeemable currency should here be marked, that fixed currency represents the creditor class and redeemable the debtor. Gold and silver are brought by their owners to the mint to be coined and they are coined under free coinage "for his benefit" who brings the bullion. On receipt of the coin from the mint the owners are in the position of creditors of the community and only pay out the coin for services rendered to them. Every subsequent owner of fixed currency occupies the same position. But redeemable currency is only and always issued to the debtor class. It represents borrowed money, or a temporary loan to assist the borrower. Thus, fixed and redeemable currency represent two opposite classes, creditors and debtors, lenders and borrowers, the rich and the poor, those who have amassed capital and those who are struggling to obtain it. Fixed currency therefore belongs to and is owned by the creditor class, and when they wish they can demand it. This power to draw their money at will places the debtor class at the mercy of their creditors, unless provision is made to protect the weaker party by providing for issues of redeemable currency to the debtor class in case of need.

Currency is therefore naturally and truly divided into two classes, fixed and redeemable.

Fixed currency is exchangeable but not redeemable, except that exchange may be taken as a form of redemption. It is exchange-

able because it has intrinsic value and every act of exchange is a renewed confirmation of its value. There can be but one measure of value and the metal least liable to fluctuate is the best for that use. The metal has cost a certain amount of labor to mine and mint, which amount is the measure of its value.

The precious metals when coined have three characteristics. They are currency, capital and commodity: currency, because they are accepted in exchanges at a certain value stamped upon them; capital, because they are the produce of industry which may be used in facilitating production, and a commodity, because they have what is called intrinsic value. All these three qualities are present in fixed currency at all times, but when effecting exchanges, it is capital and commodity used as currency; when held as reserve, it is a currency and a commodity used as capital; when wanted for neither purpose, it is a currency and capital which can only be used as a commodity. The laws of trade, which are superior to and cannot be controlled by the laws of either States or Nations, determine how much fixed currency is needed for effecting exchanges, how much as capital, and what amount is only a commodity. The law of parsimony fixes the first two amounts at the smallest which will perform the required services, and the last at the largest amount which can be spared, because it is idle capital. As business is the mind and muscle of man engaged in productive labor, the endeavor is to keep labor and the results of labor in active operation. Idle capital is therefore as abhorrent to a business man as a vacuum has been said to be to nature. If idle capital in the shape of fixed currency cannot be employed at home, it is sure to be exported for the payment of foreign debts, or for investment in home or foreign securities. The coins held by individuals and banks are merely a convenience in effecting exchanges and paying debts, domestic and foreign. No one wants more coins than are sufficient for these purposes. If one has more, he immediately seeks methods of exchanging them for some form of productive capital.

As the amount of fixed currency in a country is therefore regulated by certain immutable laws, any variation in either the direction of enforced scarcity or redundance, is sure to produce the bad results which invariably follow the infraction of natural laws. If the coin is debased, it will drive out of the country the coin which has greater value but is stamped as of equal value with it. If a larger amount is coined than is required, the surplus will surely flow abroad.

The needs of one country vary from those of another. Great extent of territory, distance of financial centers from each other, wealth of inhabitants per capita, activity of business operations, nature of business done and other considerations, all go to

determine the amount of fixed currency needed by a country. While good estimates may be made as to the amount required, only the needs of the people as developed and ascertained by actual business, can fix the limit; the method is practical, not theoretical. If there is too little currency, the country will call loudly for more. If there is too much, it will ship the surplus abroad.

Fixed currency has the great advantage over every other form, in that there is no question as to its "soundness." It is tangible, and makes no appeal to the confidence of the user. An illiterate man or a savage knows that it is good when he sees it.

Paper currency, on the contrary, rests entirely on the confidence of the community. It is a currency, because it is accepted at the value printed upon it, and it represents capital and commodities. It differs from metal currency in that it is representative and redeemable. Being representative, it is a convenient and cheap substitute for metal, being redeemable, it need never be idle. When it has performed its service and has no more work to do, it can be redeemed and cancelled. It is a promise to pay, and making no pretense to intrinsic value, its whole value lies in the credit of the issuer and in the value of the property pledged to secure its payment. But being so economical, serviceable, portable and convenient, all civilized communities find its use in some form a commercial necessity.

Paper may be issued on the deposit of an equal amount of coin, in which case its only, but very great advantage is in its portability. Paper of this kind is in all points similar to metal currency, and is governed by its laws.

Paper currency may be issued against pledge of Government bonds, as our present National bank currency is, in which case it releases the capital invested in such bonds before the date of their maturity. As this operation gives a small profit to the banks, they become purchasers of these bonds and sustain their price in times of commercial depression or in a time of war. The National banking currency therefore simply anticipates the payment of the bonds issued by the Government. When the bonds mature and are paid, then gold will take the place of the National bank notes, and the volume of the currency will, to that extent, only change its form and not necessarily be diminished in amount by the disappearance of the bank notes. The payment of the bonds by the Government in gold at their maturity, would ordinarily be a stimulus to business, but having discounted the bonds, we have eaten our cake and manifestly we cannot have it at the same time.

The National currency is therefore a benefit to the Government in providing a purchaser for its bonds, a benefit to the banks in

giving them a profit on the circulation, and a benefit to the country in discounting the payment of the bonds. There is no necessity to provide a substitute for National banking currency, as we often hear urged. The Government provides the substitute in the gold with which it will pay the bonds. The money will go into the hands of the United States Treasurer to redeem the National banking currency, any surplus will go to the banks, the profit on currency will cease with the stoppage of interest on the bonds, and the bond-currency transaction will be closed. It will have served an excellent purpose and have been a great benefit to all parties concerned.

It is evident that such a currency transaction as this, is a special one and cannot be repeated until the Government shall again need the aid of the banks in floating its bonds, which event we may hope will never recur.

Government or "fiat" notes are a form of fixed currency and as such should be instantly convertible into coin. If they are not, the measure of value becomes a fluctuating one, which is inconsistent with commercial integrity. "Divers weights are an abomination unto the Lord." The Government can legally issue its fixed currency, but it is morally bound to keep it at par with coin, and its function is rather to regulate the currency than to issue it for a profit. The proposition that the Government shall issue all the currency, is one that cannot be entertained or discussed. The debate on this subject was closed a hundred years ago and since then all have been ready for "the question." It must be simply voted down. The minority in favor of a "fiat" currency is too small to make it a live issue.

From the foregoing it appears that paper currency issued against deposit of precious metals or Government bonds, and Government "fiat" notes, are only other forms of fixed currency. The paper represents either a dollar of coin or the promise of the Government to pay a dollar at some future time.

We have, therefore, thus far been considering fixed currency only, in the form of metal coins, paper issued against metal, and paper issued against the Government promise to pay coin. If, however, paper can be issued with advantage against pledge of coin or Government bonds for its redemption, why cannot it be issued against other commodities and securities which have a recognized value and which in ordinary process of business will find a market, be exchanged for money and thus provide the cash with which to redeem the paper money which has been issued against the commodities and securities? Is silver or gold any safer as a security for currency than other products of the mine; copper, iron, lead, petroleum and coal, or than agricultural products; wheat, corn and cotton, or than manufactured goods; flour, pro-

visions and cotton goods, or than the stocks and bonds of municipalities and corporations whose credit is unquestioned, or than the bills receivable of business firms and corporations which represent and are based upon all these commodities and securities? It is evident that if the Government experienced an important benefit from the monopoly of the banking currency of the country, then these other varied interests represented by the products of labor, would receive a corresponding benefit if they could by any means be used as the basis for the issue of currency.

But when the issue of paper currency against the pledge of other forms of property than the precious metals or Government securities is proposed, immediately many considerations arise which did not before require attention.

The chief consideration, which lies at the foundation of the reluctance of the public to commit itself to any particular currency measure, is that the country demands that its currency shall be safe and worthy of confidence not only at home but throughout the world. Public opinion will not tolerate any doubt on this subject and it is unwilling to take any chances in connection with it. Any scheme which is proposed must therefore be able to stand all the tests which ingenuity and experience can bring to bear against it.

The function of a redeemable paper currency is to effect exchanges and not to supply a medium of intrinsic value. Such a system is only a machine for effecting exchanges. It must first be safe, or it will be useless. The idea of safety is fundamental, but we must first say a word regarding its nature and functions.

If a redeemable paper currency is used to effect exchanges then it should be based on the commodities which are to be exchanged, and the closer it can be brought under the control of the banks through whom the exchanges are effected, and the nearer it can be made to conform to the wants of business men who effect the exchanges, the more serviceable and efficient does the machine become. Exchangeability or convertibility, then, should be the test of property to be used as a basis for a redeemable circulation. As the notes are demand obligations, quick convertibility is an absolute requirement in all collaterals pledged for an issue of bank notes. This rule would exclude real estate and all other slow assets which are sufficiently provided for by the money of savings banks and trust estates.

If a redeemable currency would be beneficial to the business of the country and to the debtor class, and if it may properly be based upon bankable assets, the remaining requirements are that any scheme for its issue shall be beyond contingency safe, and that the currency shall be maintained over the whole country at par.

These two points would be secured by adopting as a model the main features of the certificates issued by the New York Clearing House. The mode of their issue is the result of the experience of the officers of banks which do a large business and are managed conservatively. They endeavored to produce in these certificates as strong a security as the banks of New York could make. There was to be no possibility of doubt or chance of difficulty in connection with them. If, therefore, such a system could be extended over the whole country, it would furnish a currency as strong as the united banks of the country could make. It is not easy to conceive of a stronger currency than one issued under the supervision of Clearing Houses to the banks which are their accredited members, under restrictions and regulations imposed by a law of Congress.

Let us, therefore, inquire what are the elements of strength in these certificates, and from that will appear what would be the strength of a currency issued in like manner.

First. Clearing House certificates are based primarily on the notes of the customers of the banks, which are the underlying obligations that the banks take in making a discount. One of these notes represents the entire responsibility of the customer, and it is a lien on his stock in trade. Usually this is fortified also by indorsements or a pledge of collateral. The loans and notes held by banks, therefore, represent the business and property of the borrowers of the country, and each should have behind it a large margin of property. The safety of these obligations is shown by the good dividends declared by the banks as the result of the business of lending and discounting. They represent the active business men and the commercial enterprises of the country.

Second. The second element of strength in these certificates is that they are issued to banks only, at 75 per cent. of the par value of the notes and other securities pledged. The collateral to the certificates is thus strengthened by the equivalent of two more names, the bank making the pledge and the margin of 25 per cent. At this stage the security may be considered equal to four name paper, each name being strong and separate.

Proposals that banks should give security for their issues have been discussed for fifty years. The principle has been the foundation of our National banking currency, is an essential feature of Clearing House certificates, and should be incorporated in whatever new currency system is established hereafter. M'Culloch* writes in an interesting discussion which is closely applicable to the present times: "Had this principle been adopted, the pre-

* See his argument on this subject, pages 502–3 of his fifth edition of Adam Smith's "Wealth of Nations."

sumption is that the crisis of 1837-39 would have been obviated or materially mitigated."

Third. The payment of the principle and interest of the certificates is also guaranteed to the holder by all the banks of the Clearing House by vote of their boards. The addition of this indorsement gives to the certificates the strength of the combined capital of all the associated banks, and adds to the collateral a fifth name which is stronger than all the other four.

Fourth. The extension of this system over the whole country and its adaptation to the issue of currency instead of certificates, is only the development of a plan which has been found by practical experience to be good. The whole country would be divided into Clearing House districts, and all banks of each district should first guarantee their own issues, as is done by the New York associated banks, and thereafter the issues of the others. This would pledge the banking capital of the country for the redemption of the currency issued by the Clearing Houses, and thus place the responsibility therefor where it belongs—that is, on the capital which is benefited by the issue, and on the banks, whose business it is to supervise the granting of credits. The addition of this last guarantee adds a sixth name to the security of the paper currency which would thus be issued, and as it is stronger than all the other five, it raises such currency to a rank of credit which cannot be reached by any other means short of a Government guarantee.

Fifth. Notes issued by one Clearing House would necessarily be accepted as good in payments of debts through any other and thus the notes would be maintained at par over the whole country.

Such a system should include the placing of a specified limit to the issues by each Clearing House in accordance with the capital and requirements of the banks of its districts. The regulation of the form of the currency and of all liabilities in connection therewith should be governed by an act of Congress. Within the limits assigned by legislation there would be full scope for the exercise of discretion by Clearing Houses. Experience shows that the wants of the business community are better and safer guides than any preconceived ideas of what the amount of issues should be. Banks are the best judges, not singly but collectively, and their tendency is always to restrict credits and impose limits not only on themselves but on their customers. If a maximum limit of issues were fixed by law, it is certain that the actual issues would always be far below it.

The advantages of a redeemable currency are three-fold.

First, it is expansive. This point has been largely covered by what has been already said, and it only remains to notice that

such a system is so adaptive, that when once adjusted it would respond to the annual demands for currency at different seasons in different parts of the country, noiselessly and without friction. Movements of the crops, which now take place with much difficulty, would be provided for without disturbance. The natural operations of trade and business would be encouraged, assisted and developed by the most potent agent civilization has yet devised, which is a well secured bank note circulation.

But, secondly, its advantage is chiefly in the retirement of the notes when their work is done. Fixed currency is never retired except by shipping it out of the country, and it is never increased to meet a sudden demand except by shipping it back, both of which operations are cumbersome and expensive, and no more intelligent than we would expect to find prevailing among the tribes of Africa. To attempt to supply domestic needs by importations of gold, and to dispose of our surplus by shipping it, is a crude and barbarous device, and may be likened to the Chinese method of burning villages to secure a little roast pork, which Charles Lamb tells us of. Under our present system, the importations and exportations of gold, which should pass unnoticed, shake business to its center and become events of National importance. A redeemable paper currency would obviate all this by supplying our domestic wants at home.

If the amount of fixed currency is maintained at a figure large enough to enable it to perform all special services in the busy season of the year, then in the dull season, usually the summer months, it would accumulate in idleness at the money centers. Watt's couplet:

> Satan finds some mischief still
> For idle hands to do.

is especially applicable to idle currency. Financial adventurers are waiting for a plethora of money to tempt idle funds with specious schemes. But an expansive currency is not exposed to this danger. When money is wanted under such a system, there is no lack of it; when it is not wanted, it is retired and there is no slack. It is the slack which is the bane of banking. No lack, no slack, is the best description of a redeemable paper currency.

The third benefit of a redeemable paper currency is that it would be a preventive of money panics, and the consequent evils of forced liquidations at frequent intervals. A forced liquidation is incident to any system which does not admit of expansion in case of need, just as steam boilers are liable to explode if they have no safety valves. If all the currency of a country is fixed, that is metal or representative of metal, no matter how much there is of it, even if the amount is greater than the dream of the

most ardent silver advocate, and if the banks are conducted on the principle of a reserve of a certain percentage, a crisis of the want of confidence is liable to happen at any time when a serious calamity occurs or threatens to occur. This want of confidence shows itself in a demand from creditors for currency to the extent of their credit balances, which soon depletes the banks of their reserves. A bank cannot refuse to meet this demand and maintain its solvency, for the creditors own the cash in the bank. They understand what a reserve means, and that the man who runs the quickest is the surest to get his money. On an even distribution every creditor would receive 10 per cent. of his credit balance in cash, but he wants it all in cash. *Hinc illae lachrymae!* By a long series of similar experiences the whole army of creditors is trained to run, and they put their acquirement into exercise on every reasonable or unreasonable provocation with a unanimity, precision and effectiveness which are worthy of a better cause. The means of self-protection which the banks have is the collection of loans, bills receivable and other debts. As a run comes suddenly the banks must collect suddenly, and debtors are expected to pay promptly. All debtors must therefore put their property up for sale on a market bare of cash, sell it at whatever sacrifice and liquidate their loans. As a consequence prices decline heavily, many failures occur and general distress follows. If the currency of an isolated country like ours is fixed and admits of no expansion, and banks keep only a reserve, these seasons of forced liquidation must come whenever a financial calamity overshadows the land. If they come every few years it is evident that the losses consequent on the sales at the great declines and the small returns during the following depressions, would destroy the profits of business, weaken the financial position of the country and largely increase the chances of subsequent failures.

It is therefore of the utmost importance to the solvency and welfare of the community that the banking system should confer on the banks the power to meet these occasions of lack of confidence and carry the business interests of the nation over without disaster. Among the objects of the currency system should be to reduce preventable failures to a minimum and to grant all needed facilities to legitimate business. Twelve thousand failures are too many to occur in one year in our country, and three to five years is too short an interval between money panics.

These ends can only be accomplished by giving to banks the power to issue bank notes to the business community according to their needs, on convertible collateral whenever a crisis or a legitimate demand occurs.

The report of the Bullion Committee of 1810 of the English House of Commons laid down the principle that "an enlarged

accommodation is the true remedy for that occasional failure of confidence to which a system of paper credit is unavoidably exposed." The truth of this principle has been confirmed by every money panic in the eighty-three years which have followed its enunciation.

From the above discussion it is concluded that our country needs, first, a fixed circulation of gold and silver sufficient for the ordinary payments of its domestic and foreign exchanges, and second, a redeemable paper currency which may expand and contract with the demands of trade.

THEODORE GILMAN.

AN ENGLISH BANKER ON THE SILVER QUESTION.

The BANKER'S MAGAZINE from the beginning of the silver question has contended for the bimetallic system, believing that neither metal could be discarded without serious injury to the trade of the world. If, however, one metal must be discarded, we have contended that gold was the better of the two for various reasons which need not be explained. We still believe that the arguments in favor of using both metals are unanswerable and that those who favor the dethronement of silver do not always realize the consequences that would follow such action.

It is evident, though, that the consequences of demonetizing silver are becoming more clearly seen; and many who treated the change lightly in the beginning are regarding with far more concern the ill effects that are following it. It was often said that the world had outgrown the use of silver; that the various arrangements for economizing the use of money were so complete that silver could be discarded without any inconvenience to the world's business. And this doubtless was the belief of many who favored the demonetization of silver in the beginning. They thought that there was gold enough to serve all monetary purposes, and consequently one nation after another has been falling into the wake of England, adopting a single gold standard and overthrowing silver, until now even the dullest must see that the supply of gold is quite inadequate to serve the monetary purposes of all nations. A scramble, therefore, for gold is going on among all the more civilized nations which is pitiable to behold, and all the more so because it is born of so much folly.

In the September number of the *Fortnightly Review* there is an unusually interesting article by Mr. Grenfell, recently governor of the Bank of England and a member of Parliament, entitled "Mr. Gladstone and the Currency," in which he describes with great

force some of the evil consequences of the present movement to establish a single gold standard by the leading nations of the world. He says: "To me it appears that the fluctuations of currency have had greater influence for good or evil upon civilization than any other single cause." He then quotes a passage from Alison's "History of Europe," which is worth reproducing:

The two greatest events that have occurred in the history of mankind have been directly brought about by a contraction and, on the other hand, an expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed, in ignorance, to slavery, heathenism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece. And, as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which those causes had produced was owing to a directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails across the Atlantic, he bore mankind and its fortunes in his barque. The annual supply of the precious metals for the use of the globe was tripled; before a century had expired the prices of every species of produce were quadrupled. The weight of debt and taxes insensibly wore off under the influence of that prodigious increase. In the renovation of industry the relations of society were changed, the weight of feudalism cast off, the rights of man established. Among the many concurring causes which conspired to bring about this mighty consummation, the most important, though hitherto the least observed, was the discovery of Mexico and Peru. If the circulating medium of the globe had remained stationary, or declining, as it was from 1815 to 1849, from the effects of the South American revolution and from English legislation, the necessary result must have been that it would have become altogether inadequate to the wants of man, and not only would industry have been everywhere cramped, but the price of produce would have universally and constantly fallen. Money would have every day become more valuable, all other articles measured in money less so, debt and taxes would have been constantly increasing in weight and oppression. The fate which crushed Rome in ancient times, and has all but crushed Great Britain in modern times, would have been that of the whole family of mankind. All these evils have been entirely obviated, and the opposite set of blessings introduced, by the opening of the great treasures of Nature in California and Australia.

He remarks that an attempt is now in progress to make gold alone the measure of value throughout the world, which must be followed by the gravest consequences. He declares that there is not a sufficient quantity of gold to meet this extra demand; that it is causing in gold-using countries an appreciation of gold that is ruinous to the trade, industry and agriculture of the country, and that it is paralyzing trade which is carried on between gold-standard and silver-standard countries. England feels the full effects of both evils. The international trade has suffered, for while prices have fallen the fixed debts remain. However much gold may increase in value, debts contracted in that metal must be repaid in gold with no allowance for the appreciation that has

occurred since the contracting of the debt. The debt and interest remain the same, and the unfortunate borrower, the man of enterprise and activity, is obliged to struggle against falling markets with a weight around his neck which is constantly increasing. A good authority has estimated the amount of this current indebtedness at $750,000,000, and as prices fall the weight of this indebtedness is more keenly felt. Professor Foxwell, of the University College of London, says:

Take, for example, the case of a man who in 1873 borrowed £142. Prices have fallen to such an extent that £92 will now buy what £142 would have bought in 1873. Yet the unfortunate debtor must pay the full nominal sum borrowed—that is to say, his debt is practically increased more than 50 per cent. Can a system which permits of such arbitrary revolutions in the distribution of wealth be rational or tolerable? I confess it seems to me in the highest degree barbarous and uncivilized. The very earliest economic writings we have were protests against the wrong and mischief caused by such changes.

It is probable, says Mr. Grenfell, owing to the increase of trade and population, and the enormous demands which a spreading civilization is making on the precious metals for the arts, that in any case there would have been a fall in prices, but what sanity, he asks, is there in increasing this evil by demonetizing silver? Since the great demonetization of that metal in 1873, an extra demand for gold has been set up by Germany, Italy and the United States, which has been reckoned by Mr. Goschen at £200,000,000. Austria-Hungary has set up a demand for £35,000,000, and there is every prospect that the United States and India will require more. The production of gold in the world is about £25,000,000 per annum, and it is not difficult to prove that this sum is not sufficient to supply present needs, much less to meet the extra demand.

The nations of the world are decreasing the metallic money volume by demonetizing silver, and Mr. Grenfell contends that England, which has a large trade with the silver-using countries, and which are greatly indebted to her, will be the greatest sufferer.

The evils which have resulted, and must in the future result, to the trade between England, as a gold-standard country, and India and other silver standard countries owing to the silver demonetization craze are so obvious that it is almost unnecessary to recapitulate them. Without a common measure of value free trade, or indeed any trade at all on a stable basis, is impossible. As long as bimetallism existed there was a stable measure of value; there was ONE standard founded *on two metals*, and to the merchant it mattered little whether he was paid in gold or silver. As long as bimetallism existed there was no silver question; but now the all-important question to merchants trading with silver-using countries is the price of silver, and trade carried on on these lines is not trade but gambling; and if gold continues to appreciate at the present rate, our trade with silver-using countries must become a thing of the past.

It is unquestionably true that when both metals were in circulation there was a constant tendency to an equilibrium in value between them. Whenever the value of either declined below the legal ratio, the tendency was to increase the use of the cheaper metal, and this had the effect of increasing its value, while the value of the other above the legal ratio lessened in consequence of the smaller use, and thus the equilibrium was well maintained. This is not a mere theory; in practice the metals were used in this manner. In other words, the tendency was always to increase the circulation of the cheaper metal, and the direct and proper effect of this movement was to increase its value, while the value of the other metal, in consequence of a diminished circulation, was lessened. This state of constant adjustment continued until the two metals actually parted company; since that time this reciprocal relation between them has not existed. While, however, the two metals continued to fulfill their full uses as money this relation existed and had the effect, as above explained, of preserving more perfectly the value of both, or in other words, of keeping the value of both nearer to a common standard. That gold is the preferable metal of the two is doubtless true, but it should not be forgotten that both metals, either singly or combined, have their advantages and disadvantages, and not all the reasons are in favor of either metal. We are too prone to cover only a part of the field of inquiry, and perceiving the disadvantages in circulating silver, have thrown it overboard and are now trying to transact the great business of the world solely with gold. It does not require much knowledge to perceive that, since both metals have been in circulation for centuries, neither can be suddenly discarded without great injury to the world's trade and business, and as we said in the beginning, many who thought that silver could be tossed overboard without injury to any one, are beginning to learn that this is not so.

Mr. Grenfell says that England is the leading nation of the world in money matters. The Brussels Conference failed because England was not willing to take the lead in restoring silver to its old place in the monetary system of the world. His remarks on this subject are worth presenting in full to our readers.

Now, what has been the attitude of the present Government with regard to this great question? They were brought face to face with it immediately they were returned to power. Their predecessors in office had accepted the invitation of the United States to attend an International Monetary Conference to be held in Brussels, an invitation which was accepted by twenty of the most important civilized powers. Here was a great opportunity afforded to our Government to do something to avert a catastrophe which all who had studied currency subjects knew to be impending, but from the very outset they made it clear that England in their hands was going to make no effort to help to solve the difficulty. I believe that no Government since the time of George III.

has done so much harm to England and the world outside England, or been the cause of so much human misery, as have Her Majesty's present advisers owing to the attitude they have taken up on this all-important matter. In the first place they added to the number of delegates already appointed for Great Britain two of the most pronounced gold monometallists they could find, and these soon gave the conference to understand that it would be very much mistaken if it expected anything from England. In the second place, after the conference had been adjourned to the 30th of May, they opposed a resolution brought forward in the House of Commons in favor of the re-assembling of that conference, and made a Government question of it, issuing a whip calling upon the party to vote against the resolution, and finally they wound up their glorious currency achievements by giving India a bastard bimetallism and a dishonest rupee, and closing the mints to the free coinage of silver.

Owing to her position in the world of commerce the attitude of England on currency questions is all-important. In reading the report of the conference one fact stands out with absolute clearness and distinction, and that is that without the co-operation of England any international agreement is impossible. The existence of this feeling is strongly exemplified in the closing words used by Baron de Renzis, the Italian delegate, who moved "that the conference do adjourn to the end of the month of May." The words he used were these:

"Before concluding, allow me to note a somewhat significant fact. From all sides in this assembly—and this follows from all the speeches which have been made, whether it was openly stated or merely alluded to—all eyes are turned towards England. It is plain that England is recognized as filling a preponderant *rôle* in this question. Every one expects that that great country should give the good example which we hope to see. The speeches of many delegates had the appearance of reproducing an historic phrase. In this struggle for the rehabilitation of silver everybody, in fact, seemed to say, '*Messieurs les Anglais, tirez les premiers.*' Since England is the first market of the world, it is from England that the first gleam of hope should come."

But it is not to the Brussels Conference, nor to the monetary revolution carried out in India, that I wish to call attention, but to the debate on the currency question which took place in the House of Commons, and in that debate to the speech of the Prime Minister. Such is the influence that Mr. Gladstone's parliamentary pre-eminence gives him in the House of Commons, such is the power which his long and unselfish services to his country, his matchless eloquence, his marvelous knowledge, to say nothing of the love and veneration with which he is personally regarded, have given him over the individual members of the House that even upon a subject which has not, perhaps, attracted his independent study or investigation his lightest words carry a weight and an authority which it is impossible to over-estimate. Did I not believe that, owing to his intense pre-occupation in other matters, and to a conviction, perhaps somewhat lightly arrived at, that the whole movement for currency reform is a fad in itself and founded on a fallacy, Mr. Gladstone has not devoted to a study of this all-important question as many hours as some less enlightened persons have years, and did I not believe that it was chiefly owing to the attitude of the Government in this debate, and especially to the speech in question delivered by Mr. Gladstone, that the conference never met again and so found no solution for the difficulty—I should not be so bold as to venture to offer one word of criticism. I wish I could impart into my remarks one-tenth part of the vigor, eloquence, irony and humor with which the speech abounded, and which made the listening to it such a pleasure—a pleasure, however, which to many of the auditors was mingled with

considerable surprise, not to say bewilderment, at some of the statements it contained.

It is evident that Mr. Gladstone did not seriously consider the consequences to Great Britain from taking part in this movement. His years are telling on him in many ways, and most conspicuously in his failure to comprehend the nature and import of the Brussels Conference. Sentiment in Great Britain is changing in favor of the larger use of silver, and this change is not simply the outgrowth of business experience with India and other silver-using countries, but all thoughtful men are beginning to see that there is not gold enough in the world to form a metallic money, and that the endeavor to get whatever there is means in every sense a scramble, the ill-effects of which cannot be measured. If there was no other metal, then, indeed, the world might endeavor to do the best thing possible in using gold, but as there is another metal, which has been used for many centuries, why not continue to use it? As a larger metallic basis is needed, and silver can be used with no greater inconvenience than it has been used in the past, Mr. Grenfell is quite right in concluding that it is worse than folly to overthrow this metal and to cause a series of disasters which could be avoided if this metal still retained its old place in the monetary circulation of the world.

We do not mean to imply that the present silver policy of the United States should be continued; as all know, foreign nations would be only too happy if this country would adopt a silver policy and give up our gold to them and take their silver in exchange. The only way, as has been shown many times, to bring England to terms, is to abandon our present silver policy, and when this is done, England's eyes will be opened the more quickly to the evil effects of the policy she is pursuing. It may be years before universal bimetallism is adopted, but one thing is certain, if it is not, all the creditors of the world will never be paid fully in gold, for with falling prices debtors will not be able to secure the means to discharge their indebtedness in the yellow metal. In the end, therefore, whether gold shall be preferred or not, the question resolves itself into this: Shall the metallic basis be enlarged and thus prepare the way for enabling debtors to discharge their indebtedness more easily, or shall the basis be narrowed and gold be appreciated, with the absolute certainty that if this policy is adopted and maintained, creditors will be able to get only a percentage of what is due them instead of the full amount? The option is clearly between receiving the whole amount perhaps in a money of less value, or only a part of the amount in money of a greater value. Doubtless the debtor classes the world over would be pleased to discharge their obligations at their face value, if they could, but if creditors press them too hard, they have no option in the matter, for they can pay only what they have.

A REVIEW OF FINANCE AND BUSINESS.

A STATE OF SUSPENDED IMPROVEMENT.

The first month of autumn has witnessed a partial recovery from the panic and depression of the summer months, and a general improvement along the whole business line, of finance, commerce and industry. Yet it has been, and still is, a state of suspended, as well as partial improvement, that may, or may not, be permanent; that may, or may not be succeeded by reaction and renewed depression and loss of this partially restored confidence. The cause of this suspense and incomplete restoration of credit and business activity, is too well understood, to need more than mention. It is doubt of the consummation of that, the prosspects of which, has caused the improvement already experienced; namely, the final repeal of our bad financial legislation. Upon the passage of the Silver Repeal Bill, in the House, by such an unexpected and overwhelming majority, as to show that its members had bowed to public opinion and the business interests of the country, without regard to party, or party advantage, everybody took it for granted that the Senate would respect the same mandate of the people, without unnecessary delay. It was this supposed guarantee of a representative form of Government, and of its prompt obedience to the source of its power, that has started up a large part of the industries and a great number of banks that had shut down, during the panic of July and August, although the resumption of the former has not been complete, because there has been doubt of the loyalty of the Senate, to the people of the United States, and their interests, as opposed to the private interests of individual members of that body. This doubt, however, had not become general, until the middle of the past month, when it began to be evident that the Senators from the silver camps, otherwise known as the mining States, were not amenable to public opinion, nor loyal to the interests of the whole country; but intended to protect their own private interests, and those of their particular localities, at the expense of all other sections, or defeat Silver Repeal. Still, they were regarded as powerless, except to delay the inevitable, as a clear and safe majority, in favor of the repeal of the Sherman Silver Law, had been declared by a careful canvass of the members of the Senate. It was therefore, not until towards the end of the month, that fear began to take the place of doubt; distrust of confidence; contraction of credit, of its extension; and depression of improvement.

THE SENATE RESPONSIBLE BUT NOT ACCOUNTABLE.

This change in the situation for the worse, was caused directly and solely by the open defiance of public opinion, of the majority in the Senate, and of the people, on the part of the silver Senators, who did not conceal their intention to obstruct the passage of the Repeal Bill indefinitely; and, until they forced a free coinage, or other compromise, in favor of silver. Upon examination of the rules of the Senate, it was discovered that the majority was absolutely powerless to prevent this endless obstruction and sacrifice of the business interests of the entire country, by a small, but compact, tireless minority. Such a miscarriage of constitutional and representative Government, had been considered impossible, anywhere; and especially in this model Republic. Yet, we have an Upper House, not elected by the people, nor responsible to them, in which members may hold their seats so long as they have the disposition and power to elect themselves, in defiance of the will of those they misrepresent. Worse than this, so-called States, some of them with less population than some sixty cities in the United States, and, less than entitles them to Statehood, have the same representation and power in this irresponsible body, as States, many of which, have populations greater than all the silver mining States combined, whose representatives are thus able to defy, with less than 6,000,000 people, the representatives of over 60,000,000. This is an anomaly in modern government, that would be tolerated in no constitutional monarchy even; and, there appears to be no remedy, except in a change of rules, which its members neglect or refuse to make, or in our Constitution, or in arbitrary rulings by the President of the Senate. This latter seems to be the only means of prompt relief, in the present deadlock between the Upper and Lower House; but, it is a precedent too dangerous to establish, for the safety of our form of Government. Unless the silver Senators back down, or the majority rise up, and change the rules of the Senate, so that closure of debate can be effected, at the will of the majority, the Senate of the United States has ceased to be anything but an obstructive body; and its function, under the Constitution is destroyed, as it defeats, instead of conserves the will of the people.

RENEWED EXPORTS OF GOLD THREATENED IN CONSEQUENCE.

As a result of this state of Legislative anarchy, imports of gold, which had reached within $12,000,000 of the exports since last January, have not only ceased, but exports have been made possible again, by a steady advance in sterling exchange, as doubt of the passage of the Silver Repeal Bill has increased. This demand for sterling, has been from the same source as that which drained

the United States Treasury of its surplus, and encroached upon its $100,000,000 reserve last spring, and thereby started the panic; namely, from those who owed Europe borrowed money, which it is afraid longer to leave here, because of the danger to Silver Repeal in the Senate. It was foreign loans, called in, that took our gold out of the country last spring, fearing we would reach a silver currency basis. It was the supposed certainty of the repeal of our silver law, that induced Europe to reloan us last summer, the bulk of the gold exported. It was the passage of the Repeal Bill by the House, and this return movement of gold that ended the panic. The failure of the Senate to pass the House Bill would send that gold back again to Europe and bring on another panic. Will the Senate dare take this responsibility? The country demands that the majority in the Senate shall change its rules; and, the sooner they obey, the better for them, as well as the country. Failing in this, they may rest assured that the people will find some way of changing both the Constitution and composition of the Senate, so that it cannot be used hereafter as a way to throttle the will of the people of nearly the whole country.

EFFECT OF THIS DELAY ON THE MONEY MARKET.

The effect of this protracted and increasing uncertainty, is painfully visible in the money market, where it is the controlling influence, as it is in stocks, trade and manufacturing industries. The hoarding of money has ceased, or rather been checked, and currency is flowing into the banks instead of being drawn out. The bank reserves have been steadily and rapidly increasing all the month until they have more than they can employ on call, and rates are at an easy money market minimum. Yet they are afraid to loan it on time, except in small amounts and only on gilt-edged collateral, while mercantile paper is very slow of sale, even at the high rates still prevailing on both. Such a state of the money market is anomalous, yet perfectly natural, in view of the Senate's neglect to remove the cause of the whole trouble. In other words, there is plenty of money, but nobody can get it, at home or abroad, because of this uncertainty and fear of what the Senate will not do. That is the key of the whole situation; in finance, as in commerce and industry. The improvement consists in the abatement of hoarding, plenty of currency and credit with which to make domestic exchanges and move the crops, which was not the case in August. This, and reduced stocks of goods, has enabled manufacturers to start up and merchants to move their merchandise. But both have confined their operations to present demand.

Neither have dared anticipate the future, nor go into any under-

taking, not required for immediate use. In other words, the paralysis of the panic has left the limbs, so that the country can move about and perform the necessary work of its daily life. But it remains in the body, and prevents it engaging in any new enterprises of profit or pleasure. The country is simply supplying itself with the necessities of life from day to day; but nothing more, while waiting for the Senate to act. Of course money is plentiful under such conditions, and will remain so until there is more active employment for it, unless another fright should seize the public and hoarding of currency again become general. But money is not easy; far from it; and it will not be, until the distrust of our finances, at home and abroad is removed, with the cause of it. Until then—unless hoarding should be renewed, and withdrawal of foreign loans and capital invested in our securities, become general again—we will not see a return of the late violence of the panic, but a gradual curtailment even of the present reduced volume of the necessary business of the country, and we will gradually drift into lower depths of stagnation and depression, with a corresponding shrinkage in values.

THE CONDITION OF THE STOCK MARKET

already reflects the effect of the Senate's criminal inaction upon the entire business of the country, of which it is the recognized barometer. Early in the month there was a bull market, as everybody was full of the hope and courage of better times, upon the passage of the Repeal Bill in the Lower House. But day by day this has been slowly and surely giving way to doubt and timidity at the Senate's continued delay and lack of effort to rid itself and the country of its incubus. There has been no other influence, except easy call money, and this has been more than offset the last two weeks by the increasing distrust at this delay of repeal. As a result, prices have fallen back again, and are fast losing the recovery following the passage of the bill by the House. The rumors of engagements of gold the past week for export, of course have added to the depression; but this was the indirect result of the Senate's refusal to act. The earnings of the railroads have improved with every other branch of business, the past month, and the more free movement of the crops, North and South, since money became easier, and credit was restored in our domestic exchanges. This has been more noticeable among the Western roads and Trunk Lines, until the latter part of the month when the Southern roads felt the freer movement of cotton which had been delayed by the unsettled condition of that market, following the end of the strike of the English cotton spinners, and the publication of our Government report on the cotton crop, which made planters hold back for higher prices, until Liverpool stopped buying and our market broke.

STERLING EXCHANGE AND EXPORTS.

Cotton bills have, therefore, been more plentiful and have been the means of delaying the exports of gold that were promised early in the last week of the month. Under this removal, even temporarily of the gold export fright, stocks rallied—near the close, as well as on the appearance of impatience on the part of Senators of both parties, at further obstruction by the Silver Ring. But these sterling bills against cotton will only offset the falling off in grain and provision bills, as the latter have been forced by the Chicago packers so high as to shut off exports; while the clearances of grain and flour have fallen off the latter part of September, and will still further decrease in October, unless Europe comes in as a larger buyer, than for a month past. But this does not appear likely for the reason, that the heavy purchases she made here, after the collapse of the wheat corner in Chicago, have filled her storehouses so full that many ports in the United Kingdom and some on the Continent are unable to receive more, no matter how cheap. Clearances from here, however, have been heavy, until the last week of September, of these old forward purchases, and have averaged about 5,000,000 bushels wheat and flour weekly from both the Atlantic and Pacific coasts. They must now fall off, for the remainder of this calendar year, notwithstanding Europe has short crops and must import freely for the whole crop year. But she has big stocks that will nearly carry her to the first of the new year; while business is as bad there as here, especially in England, so that consumption is checked, as well as any disposition to anticipate heavily her future wants, even at the low prices which still rule here, notwithstanding the boom we had on Silver Repeal in the House, better financial conditions, and the universal short crop report of the Government, for September, which has since been pretty generally discredited. In this connection the following press despatch from London, is of interest to

THE IRON AND COAL TRADES.

England's dreary, disastrous war of the coal fields drags on with most savage obstinacy, pulling into its calamitous vortex all sorts of other industries. As predicted last week, the labor leaders have now adopted the policy of having strikers return to work where they can at the old wages, but the masters' organization is fighting this, striving to hold owners up to the mark and urging them to refuse to open mines in the Midlands until the reduction of wages in the North has been accepted. Suffering among the mining population is spreading to other portions of the community. There is only a half dozen of iron furnaces blowing now in all Northamptonshire and Derby, and in Lincoln the whole fifty-two which the county contains have gone out of blast. This, in turn, affects scores of other industries, until the situation now is cruel in the extreme. Most vocal of all, however, is the London house-

holder, who finds coal risen to $8 a ton and hears that the strike is likely to last till Christmas. A sudden cold snap, which has covered the Welsh and North Country mountains with snow and brought frost down as far south as Kent and Surrey, gives ugly point to these figures.

Add to the above, the effects of the still more protracted and general cotton spinners' strike, of the early part of the year, and the impoverishment of the agricultural classes by poor crops, and low prices, and one can realize the condition of trade in England, while the Continent is but little better off. The iron trade of this country is depressed, as it has been for nearly two years past, by the general conditions of trade. But it has seen nothing like the depression existing in England, while our coal trade has not been affected by the hard times, in price at least, for it preserves the legacy of the McLeod combination, although it has got rid of his financiering. Of course the hard times decrease the demand, yet this is about the only interest that has not suffered a shrinkage in prices also.

INDUSTRIAL INTERESTS

generally, are in as good condition as financial and mercantile, though suffering from the same causes, chief of which, is the uncertainty of the repeal of the silver law. There has been a good deal said and published, that seems wide of the truth, in regard to the chief cause of the industrial depression; namely, the proposed repeal of the McKinley tariff law. But the fact that there has been a larger proportion of resumptions of industrial concerns, since the panic, than there has been of banks, that shut down, because of it, does not bear out the claim. For both stopped, for want of money; while the Ways and Means Committee began their hearings of manufacturers on the proposed reduction of the tariff, immediately after the House had passed the Silver Repeal Bill; proving that it was the currency trouble that closed them, and its prospective removal that opened them in face of the coming tariff reductions. But the manufacturers of the country have learned what the mercantile and financial classes learned eight years ago, namely, that no political party is foolish enough to commit suicide, by ruining any of the important industries of their country. Hence, the "free trade" bogey, which was good enough for election purposes, is not going to scare manufacturers into closing their mills when they have orders to keep them running. Besides, it has been excessive home competition, and not foreign, that has reduced their profits below any former level, except in times of panic, until our home production has brought prices nearly, or quite as low as they would be under a low tariff, by which the manufacturers could reduce the cost of production, in wages, raw material and living, and yield them a better profit than

they have now; while keeping outside capital from invading their business. This second sober view is doubtless gaining ground with the protected interests.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Bank and Individual Deposits.—There is a great difference in a deposit made in a bank by another bank, and one made by an individual. The individual depositor is quite content if his bank remain solvent and he is able to procure money, or borrow whenever he desires. In other words solvency of the institution and ability to obtain therefrom the means to discharge his indebtedness are the leading considerations with him. But deposits made by another bank are of a different character. There are times, such as that just passed, when deposits are wanted. The solvency of the bank has nothing to do with their withdrawal. As they form a part of the reserve or fund which is kept for extraordinary occasions, they are wanted and must, if possible, be had. Consequently, whenever a bank accepts such deposits there is every probability that they will be wanted and usually on short notice, while in the other case of an individual depositor he does not care a fig about his deposit so long as he can obtain the means for discharging his indebtedness. For this reason, as well as others which we have mentioned in another article in this number, deposits by banks in other banks should be regarded in a different way from individual deposits, and the bank that accepts them must lend them in a different way from individual deposits. The theory, as well as practice, of the receiving banks has been to lend the most of such money on call, supposing that it could be readily obtained, but as we have seen over and over again, this can only be done either by destroying the stock market or by withholding loans from merchants and other customers. The more this subject is studied the more evident does it appear that the true place for a bank's reserve is at home, and not with another bank; while such a deposit is more difficult for the depository to use, because there are times when it is wanted and no security or other accommodation will suffice, as in the case of an individual.

Bank Resumption.—The actual or immediate resumption of business by many of the banks that suspended a few weeks ago is proof of their soundness. When they closed their doors it was announced that their assets were ample, and that their suspension would be brief. Of course, as no bank pretends to have on hand all of the deposits confided to its keeping, whenever they are de-

manded a bank has no alternative and must stop. In most cases we suppose that depositors have not been seriously agitated by the fear that they would not ultimately be paid; though the inability of the bank to pay them, or to grant usual accommodations, has caused many of them to suspend payments. The transaction of so much business on credit is the most striking evidence of the world's moral progress, but whenever there is a sudden lessening of credit, manifold evils follow, and these we have of late been experiencing. Happily, credit is reviving and banks are resuming operations, and their depositors we have no doubt, will soon put their affairs in better order. In a few weeks, or months at least, all the worst evils of these miserable times will have passed.

Excessive Circulation.—We have stated in previous numbers that the excessive dearth of circulation would be followed by a surplus and lower rates of interest. The partial stoppage of production lessens the demand for money, and thus a double reason exists for an accumulation in the banks. We have no doubt that bank deposits will rapidly increase and that managers will be troubled to find good customers. Some of the banks that made application for circulation have withdrawn it, as they fear that there will be no use for the money. Had not others believed that this would be the case, they doubtless would also have made application for an increase. Whenever production shall resume its normal condition, more money will then, of course, be demanded and the banks will find greater employment for their deposits. For some months however, especially while the tariff controversy is pending, manufacturers will move cautiously and production will be kept within the narrowest limit, and therefore the demand for money will be correspondingly lessened.

Taxation of Clearing House Certificates.—One of the unexpected consequences of issuing these certificates is that the Government, through its proper officers, is inclined to compel the banks to pay a tax on them of ten per cent., including them within that provision of the law which requires a bank to pay a ten per cent. tax on all circulation other than that issued by the National banks. It is true that these certificates have been used only in a very limited and narrow way among the banks in settlement of balances, and it was never intended that they should pass into general circulation like greenbacks and National bank notes. There are other devices which of late have been used as substitutes for money which fall into the same category and which the Commissioner of Internal Revenue is inclined to use in the same manner. As all these substitutes are of a temporary character and will soon be withdrawn, it seems that it is one of those clear cases

in which the Government might well overlook what has happened, as the banks or persons issuing them have had no thought of keeping them in circulation permanently, which, properly speaking, constitutes one of the elements of money. When a greenback or National bank note is issued, the issuer intends that it shall have a permanent circulation. It is true that it may come back again after a few days, but then he sends it forth on a new mission and so keeps it agoing so long as the bank lasts. And the same is true of greenbacks. They are as immortal as the Government itself, and this, we repeat, is an essential function of money. It is not intended as a mere temporary thing to be withdrawn to-morrow, but is invested with a permanent character, and if it did not have this it would not be taken so readily as it is now. Applying this test every one perceives that the Clearing House certificates, and the other devices that have been put in circulation of late, are not money, for their use is purely temporary, and in fact some of them have already been withdrawn and doubtless the remainder will be in a short time.

State Banks.—It is currently reported that the Committee on Banking and Currency will report some bill favoring the repeal of the ten per cent. tax on State bank issues, and authorizing, or perhaps providing, for some plan of State bank circulation. The Democratic party is pledged to do this, and the opinion is daily becoming more general that some kind of plan will be reported and probably adopted. It is assumed, however, that the fundamental necessity of every plan is the repeal of the present tax on State bank circulation. The consequences of this repeal and the revival or authorizing of State bank circulation are undergoing discussion throughout the country in the press and in conventions of all kinds, and our country's former experience is constantly repeated. Those, however, who favor the renewal of the experiment assume that whatever may have been the evils formerly experienced they will be avoided hereafter. We have no doubt whatever concerning the ability of Congress and of the States to prepare plans that are sound enough; the difficulty will be to find bankers who are sound enough to execute these plans honestly and efficiently. The general tone of the country, the greed for money making regardless of consequences, the disregard for law of which we are constantly having new illustrations, should teach us that the difficulty is not in forming plans, but in finding good bankers. Others will certainly rush into the business who know nothing about banking and who care less, and whose only thought will be to make a fortune regardless of law and principle. These considerations ought to lead our statesmen to act slowly in opening the way for a new deluge of fraud in this direction. The

country has suffered enough of late from rascals who have organized and managed banks and fleeced the public for their own benefit, and easier ways ought not to be provided for the operations of this class.

Bank Failures for 1893.—The statistics issued by Bradstreet on the 23d of September show that 549 institutions failed during the first eight months of the year. This statement has been confirmed by other statistics prepared by the Comptroller of the Currency. During this period 150 National banks failed, while 72 have resumed. During the period of thirty years, ending with October, 1892, only 181 National banks had failed, having a capital of $33,000,000, while the liabilities of the 150 National banks that have failed during the year are $71,496,383. The private banks are still more numerous, but their liabilities are smaller, amounting to $19,517,404. The failed State banks number 164, though their liabilities are $34,765,268. Thus, while they exceed the National banks in number, their liabilities are less than half as much. There are also 45 savings banks in the list whose liabilities are $16,234,563, and 12 loan and trust companies whose liabilities are $22,338,000. Finally, 6 mortgage investment companies must be reported, having $1,790,000 of liabilities.

The State having the largest liabilities of all bank institutions which failed during the year was Wisconsin, with about $14,640,000. This amount is largely swelled by the heavy liabilities of a few banks, but in number of banks failing that State was not far from the highest, 34 being reported by "Bradstreet's." The State having the greatest number was Kansas, but most of them were small institutions and the aggregate of liabilities was less than $4,000,000. Second in magnitude of liabilities of banks failing, according to the statement of "Bradstreet's," Minnesota must be ranked with over $12,600,000 for only 25 banks. But as almost half of this was included in the liabilities of a single institution, the remaining failures do not rank as high in average of liabilities as those of some other States. Third in order comes California with 27 failures of banks having liabilities of about $12,500,000. This fact again will be to many Eastern people somewhat surprising, as well as the fact that other new and comparatively unsettled States like Oregon and Washington reported bank failures with liabilities aggregating over $7,000,000 and $5,500,000 respectively. The total for the Pacific States was no less than $25,300,000, which is considerably more than the aggregate for all the Eastern and Middle States.

Next in magnitude of liabilities is found Iowa, with 25 failures and liabilities of about $9,700,000. Close behind it ranks New Hampshire, the only Eastern State approaching so large an ag-

gregate, with $9,344,000, mainly the liabilities of two large loan concerns. Colorado surpasses even Wisconsin or California or Minnesota in number of failures, having 35, and the aggregate of liabilities was about $9,250,000. Illinois with 29 failures reports aggregate liabilities of about $8,400,000, and Missouri with only 20 reports liabilities of about $8,200,000.

All these States, it will be observed, report heavier liabilities of banks failing during the year than New York, for in this State the aggregate was less than $7,500,000. This is a characteristic, it is safe to say, which has never been seen in any other great financial disturbance, and perhaps is not likely to be again. It is one of the striking features of this year's disturbance that it has fallen with greatest severity upon that section of the country in which banking institutions and lenders of money have been most unjustly treated in recent legislation, and have been objects of the most insane prejudice. In the Western States, from the Pennsylvania line to the Pacific Ocean, the liabilities of banks failing were over $108,000,000, while the aggregate in the New England and Middle States was a little less than $20,000,000.

Re-coinage of the Silver Seigniorage.—The depletion of the National Treasury is one of the most remarkable National events of the last few years. Only two years ago there was, as many supposed, a very large surplus, and the minds of all were devoted in finding some method for disposing of it. Congress attacked the problem in its usual ignorant fashion and both increased expenditures and cut down revenues, and the consequence is an increasing deficit. Now the question confronting the Administration is how to get enough revenue to pay the ordinary expenditures of the Government regardless of a further reduction of the National indebtedness. One of the expedients suggested is the issue of silver certificates to represent the value paid for silver under the Sherman law and its legal valuation. The difference is many millions, and it is hoped that with this additional sum the deficit may be covered. Such certificates would be pure fiat money, as the certificates now outstanding, which were issued in payment of the silver bullion, represent all the value, and more, than is in the bullion purchased. And this expedient, it is said, is favored by the Secretary of the Treasury. It is one of the most absurd plans that has yet been suggested for raising money. First of all, the silver certificates would be worth still less if more notes were issued. The issue of more silver certificates against merely the legal or fictitious value of the silver purchased is a delusion and a fraud. Far better for the Government, if paper money must be issued, to issue it honestly and squarely than to attempt to shield its action behind such a worthless and delusive veil as this.

Increased Production of Gold in South Africa.—It is welcome information that the production of gold in several of the gold fields is increasing. The annual report of the New South Wales Minister for Mines shows an increased output of £10,872 over that of 1891, and is the largest amount recorded for any year since 1876. The Minister believes that, with the requisite knowledge and appliances, the output might be very considerably increased. The returns from South Africa show a very much larger increase. The total production for seven months of 1892 is 791,140 ounces compared with 663,983 ounces for the corresponding period last year. By the use of improved appliances for extracting the metal the Russian production is also increasing and the output for 1892 is estimated at £5,900,000. The last report of the mint bureau of our country also shows an increased production of American gold over 1892. The estimated production for the last fiscal year was over $33,000,000. One effect of closing so many silver mines is to renew operations in gold mining in this country, and it is to be hoped that profitable returns will attend them.

Postal Savings Banks in Europe.—Advocates of a postal savings bank system find strong support for their views in the experience of European countries that have taken this method of encouraging economy and thrift in that class whose earnings are small and who are largely dependent upon the labor of their hands for their livelihood. Great Britain was the first to establish these post-office savings banks, and there their success has been almost phenomenal. It has been great enough to induce the Governments of France, Belgium, the Netherlands, Italy, Sweden, Austria-Hungary, Russia and Finland to follow the example, and all these countries have now postal savings banks in successful operation. Great Britain organized the savings banks branch of the postal service in 1860, and at the end of the last fiscal year the number of depositors in them was 8,776,566 and the amount of the deposits was £20,990,692. These figures showed a gratifying growth as compared with those of the preceding year. The number of depositors then was 8,101,120, and the amount of the deposits £19,814,308. Belgium watched the experiment in England five years before deciding to try its operation there. It was in 1865 that the Government of that country began these postal savings banks. In 1890 the number of depositors was 1,466,113 and the amount on deposit 150,906,657.11 francs. In the following year the Netherlands decided to open similar institutions. The last statistics furnished by that country show 504,933 depositors and 11,479,594 florins on deposit, compared with 445,799 depositors and 9,282,802 florins on deposit. France opened postal savings banks in 1881 and ten years thereafter the number

of depositors was 1,949,571, and the amount on deposit 261,999,132 francs. Italy inaugurated the system in 1875, and in 1889 the number of depositors was 2,106,559 and the amount on deposit 181,528,710 lires. Sweden adopted the system in 1883, and in 1890 had 276,452 depositors who had to their credit 7,671,711 crowns.

Trusts in England.—A coal trust has been proposed in England by Sir George Elliott. His plan is to form a co-operative union for operating the coal mines that would have a capital of $550,000,000 and a yearly production of 145,000,000 tons. The capital is to be represented by 5 per cent. debentures and by ordinary stock, to be issued to present mine-owners and lessees. In operation, after 5 per cent. has been paid on debenture shares and 10 per cent. on ordinary stock, the next 5 per cent. shall be divided among the workmen and shareholders. Profits beyond this will be divided among the lessees and workmen and a purchasers' board of trade or reference will be appointed. The Lord Chief Justice will be intrusted with fixing the price of coal. This trust is the outcome of the controversies that coal operators have had with their employes. It has all along been seen that if strikes become too serious employers are likely to combine. This is the natural result of a wide combination among employes.

THE LAW RELATING TO THE INDORSEMENT OF PAPER BEFORE ITS MATURITY.

One of the chief characteristics of a negotiable instrument is its transfer by indorsement, thereby conferring on the new holder the same rights of ownership as were enjoyed by the other. Additional rights also are acquired as the indorser becomes conditionally liable for its payment by the transfer, unless he is relieved by express stipulation.

Although an indorsement imports a writing on the back of the note itself, it may be made on a separate paper called an allonge. (*Runyan* v. *Milliken*, 1 Phila. 208; *Heister* v. *Gilmore*, 5 Phila. 62.) Nor need the paper be so full of names that no more can be added as a justification for an allonge. This may be done when the bill or note has been mislaid, or is at another place at the time when the indorsement is desired. (*Heister* v. *Gilmore*, 5 Phila. 62.)

An indorsement generally is either in blank or in full or special. A blank indorsement consists simply in writing the holder's name across the back of the instrument, thereby conferring the right on

the indorsee of writing over the holder's or indorser's name anything he pleases.

A special indorsement consists in making the instrument payable to the order of the indorsee. Thus, if a note is payable to A., and is afterward specially indorsed by him to B., he writes across the back: "Pay to the order of B.," adding his name.

An indorsement also may be conditional, by which the indorser directs payment to be made on the happening of a certain event; it may be absolute, whereby the indorser promises to pay without regard to the presentment and protest of the instrument; the indorsement may be qualified, for example, when he adds the words "without recourse," which means that the holder cannot look to him for payment if the maker or other prior parties fail to pay it; and, finally, another kind of indorsement is known as restrictive, in which the action of the indorsee is restricted, for example, that he must "pay to B. for the use of C."

By indorsing a note a new party is introduced, and the instrument is endowed with new qualities. The promissor becomes immediately liable to the indorsee, and the indorser undertakes to pay if the maker does not. (*McKinney* v. *Crawford*, 8 S. & R. 354.) Though the indorsement consists only of the indorser's name, or a direction to pay to the order of a specified person, the contract of indorsement implies: (1) that the instrument itself and the antecedent signatures thereon are genuine; (2) that the indorser has a good title thereto; (3) that he is competent to make the contract; (4) that the maker is competent to bind himself to pay the instrument, and will on due presentment pay it at maturity; (5) that if, when duly presented, it is not paid by the maker, the indorser will, on proper notice of its non-payment, pay the same to the indorsee or other holder. (Story on Prom. Notes, § 135; *Spencer* v. *Allerton*, 60 Conn. 417.)

"Every indorsement of a promissory note includes an assignment, but an assignment is not necessarily an indorsement. The statute of Anne, which has been described, distinguishes between the two methods of transfer, for by one method the holder, whether by indorsement or assignment, can bring an action in his own name against the maker and indorser, while by the other no action can be sustained against the assignor. An indorsement is an authority to the holder to write over the signature an order on the maker in the nature of a bill of exchange." (Lewis, J., *Lyons* v. *Divelbis*, 22 Pa. 185, 189.)

In developing this subject, perhaps the first inquiry should relate to the indorser's authority. When the secretary of a limited partnership has indorsed a note, and the company has received the proceeds, it cannot deny the secretary's authority to make the indorsement, for a person cannot repudiate the authority of his

agent and enjoy the benefit of his act. (*MacGeorge* v. *Chemical Manufacturing Co.*, 141 Pa. 575.) And an agent or party doing business for another who takes notes, indorses and transfers them to his principal, may recover the amount from his principal whenever he is compelled to pay by reason of his indorsement. Thus A. sold lumber to B. for D., and with his consent took a note payable to his own order, which he indorsed and transferred to D. A. having been compelled as an indorser recovered the amount from D. (*Abraham* v. *Mitchell*, 112 Pa. 230.)

If a bill or note is payable to two or more payees, which is jointly indorsed by them, they do not thereby render themselves liable as partners (*Sayre* v. *Frick*, 7 W. & S. 383), and their liability is equal, regardless of the order of their indorsement; neither is presumed in law to have a priority over the other. (*Foster* v. *Collner*, 107 Pa. 305.) And if a note purporting to be joint and several is signed by one person on its face, and by two others, neither of whom is the payee, on the back, the latter are *prima facie* to be treated as indorsers and not as joint makers. (*Guldin* v. *Linderman's Ex.*, 34 Pa. 58.) And if one of two payees, in a promissory note indorsed by them for the account of the maker, pays the whole amount to the holder, he can recover one-half from the other payee and indorser. (*Steckel* v. *Steckel*, 28 Pa. 233.)

Frequently a note contains on the lower left-hand corner the phrase "credit the drawer." This direction, signed by the payee-indorser, is not a restriction or limitation of his indorsement. A good title is conveyed to the holder, and the maker is presumed to have received the proceeds. As the court remarked on one occasion, it is a short check in favor of the maker for the money to whoever shall discount the note. (*Runyan* v. *Milliken*, 1 Phila. 208.) This direction is clearly an indication that the note is for accommodation, and that the indorsement is without consideration by the maker to the payee, though this fact would constitute no defense against subsequent parties. (*Cozens* v. *Middleton*, 118 Pa. 632; *Appleton* v. *Donaldson*, 3 Pa. 381; *Lord* v. *Ocean Bank*, 20 Pa. 384; *Twining* v. *Hunt*, 7 W. N. 223; *Carpenter* v. *National Bank*, 106 Pa. 170; *Runyan* v. *Milliken*, 1 Phila. 208; *Second National Bank* v. *Wentzel*, 151 Pa. 148; *Bower* v. *Hastings*, 36 Pa. 285, p. 292; *Temple* v. *Baker*, 10 Crum. 634.)

A printed note containing the words "credit the drawer," which is drawn by A. payable to B.'s order, and indorsed in blank by B. without his signature under the words mentioned, is not to be regarded as notice to the holder who discounted the note of any special agreement between the payee and maker of the use of the proceeds. (*Miskler* v. *Reed*, 76 Pa. 76.)

Indorsements are not confined to the narrow formulas already

given; they may be in other words. When, however, departures occur, questions may arise concerning their intent and effectiveness. Thus, a promissory note was indorsed "For value received I hereby assign, transfer and set over to B. all my right, title, interest and claim in the within note"; this passed the legal title, and without destroying its negotiability. (*Hall* v. *Toby*, 110 Pa. 318.) Nor is negotiability of an instrument destroyed by affixing a seal to the indorsement, either by a corporation (*Rand* v. *Dovey*, 83 Pa. 280) or by an individual. (*Ege* v. *Kyle*, 2 W. 222.) And when this is done an action may be maintained thereon in the indorser's name. (*Ib.*) Nor will a receipt, or statement of the indorser's ability, or other similar writing above his signature affect his contract of indorsement. (*Dunning* v. *Heller*, 103 Pa. 269; *People's Bank* v. *Legrand*, 103 Pa. 309.)

Sometimes a note is indorsed "without recourse." The effect of adding these words is to relieve the indorser from liability for the payment of the note should it be dishonored at maturity, as he would be by an unqualified indorsement. (*Charnley* v. *Dalles*, 8 W. & S. 353, 361; *Frazier* v. *D'Invelliers*, 2 Pa. 200.) Its negotiable character is not thereby affected. Such an indorsement though, should the instrument prove to be not genuine, would not release him from the obligation to return the money paid to him by one in the ordinary course of business any more than if he had innocently passed a forged check, note, bill of exchange, or other instrument for money paid him. In such case it is the duty of the person who passed the instrument, when its falsity is discovered, to return the money and take back the instrument, and if he does not an action lies. (*Frazier* v. *D'Invelliers*, 2 Pa. 200, 201; *Charnley* v. *Dalles*, 8 W. & S. 353, 361.) In applying this rule, an indorser "without recourse" of a negotiable instrument (a United States Treasury note) which had been paid and afterward stolen, and the mark of cancellation fraudulently obliterated, and put in circulation and then indorsed by a *bona fide* holder as above described, was liable to the indorsee, for these words merely limited his responsibility in the event of its dishonor. (*Frazier* v. *D'Invelliers*, 2 Pa. 200.)

An admission by an indorser of the genuineness of his indorsement is the best possible proof of the fact (*Weakly* v. *Bell*, 9 W. 273, 278), and is sufficient not only to bind him, even if the note and prior indorsements had been forged, but is in effect an admission of the handwriting of the drawer of the note and all prior indorsements thereon. (*Weakly* v. *Bell*, 9 W. 273, 278; *Lambert* v. *Polk*, 1 Salk. 127; *Critchlow* v. *Parry*, 2 Comp. 182; *Charters* v. *Bell*, 4 Esp. 210.)

In Pennsylvania, and in most States, a regular indorsement on negotiable paper cannot be explained or contradicted by

parol evidence. Nor can such evidence be now introduced to explain an irregular indorsement, for it is excluded by the statute of frauds. (*Shafer* v. *Danville National Bank*, 1 W. N. 244; see *Murray* v. *McKee*, 10 Smith 35; *Schaffer* v. *Bank*, 9 *Ib.* 144.) The statute declares that "no action shall be brought . . . whereby to charge the defendant upon any special promise to answer for the debt or default of another unless the agreement upon which such action shall be brought or some memorandum or note thereof shall be in writing and signed by the party to be charged therewith, or some other person by him authorized." (Act of April 26, 1855, Purdon's Dig., p. 724, § 4.) An indorser of a note, therefore, cannot show by parol that the second indorser was the surety of the maker, and that he had placed his name on the back by mistake. (*Houer* v. *Patterson*, 84 Pa. 274.) The consequence is the same, so far as the statute affects the parties, whether the indorser stands in the attitude of plaintiff or defendant. To sustain himself in either position, he must show by parol that the second indorser was security for the maker; and this cannot be done without violating the statute. (*Ib.*)

Between the immediate parties to an indorsement, an indorser may prove by parol that the payee's agent, to whom a note that had been indorsed by him was delivered, agreed that he should not be held liable on his indorsement, and that the payee would look to the collateral security that had been given to secure the same. (*Cake* v. *Pottsville National Bank*, 116 Pa. 264.)

An indorser cannot invalidate an instrument by his testimony. This has long been the rule, and has not been affected by the statutes enacted by most States removing the disqualification of witnesses who are interested. The reason for the rule is that it is bad policy to permit one who has put a commercial instrument into circulation to assert that it was tainted when it passed through his hands. (*John's Adm.* v. *Pardee*, 109 Pa. 545; *Stille* v. *Lynch*, 2 Dallas 194; *Gert* v. *Espy*, 2 W. 267; *Harding* v. *Mott*, 8 Harris 472; *Walton* v. *Shelly*, 1 Term 300; *Pleasant's Adm.* v. *Pemberton's Adm.*, 2 Dall. 196; *Baring* v. *Shippen*, 2 Binn. 165; *Baird* v. *Cochran*, 4 S. & R. 115; *Hepburn* v. *Cassell*, 6 S. & R. 115; *Griffith* v. *Reford*, 1 R. 197; *Wilt* v. *Snyder*, 17 Pa. 77; *McFerran* v. *Powers*, 1 S. & R. 102; *Bank* v. *Walker*, 9 S. & R. 229.)

The rule forbidding an indorser to taint the paper he has indorsed by his own testimony applies only to an indorser of negotiable paper actually negotiated and put in circulation before maturity, and in the possession of an innocent holder without notice of any original defect. (*Wilt* v. *Snyder*, 17 Pa. 77.)

An indorser who gives credit to a note or bill by his indorsement, whether with or without consideration, must make the paper good in the hands of any subsequent indorser who receives it for

value and in the ordinary course of business. (*Struthers* v. *Kendall*, 41 Pa. 214, 227.) In other words, he guarantees the prior indorsements. (*Chambers* v. *Union National Bank*, 78 Pa. 205.) He cannot, therefore, when the note indorsed by him has not been paid, call on the holder to sue the maker, and should he refuse, insist that he is thereby released. The indorser's duty is to pay the note and sue the maker himself. (*Beebe* v. *West Branch Bank*, 7 W. & S. 375; *Day* v. *Ridgway*, 5 Harris 303; *Gould* v. *Bair*, 1 W. N. 20; *Safe Deposit Bank* v. *Moyer*, 1 Leg. Rec. Rep. 75.)

The last indorser of a negotiable note who pays the amount to the holder may recover thereon against any prior indorser. Nor is his right to recover affected by its transfer from one indorser to the other in the course of business, or by the indorsement by all for the accommodation of the maker. Nor would the receiving by the last indorser of a part of the proceeds when it was discounted, in payment of a debt due by the maker, affect the liabilities of the indorsers. (*Youngs* v. *Ball*, 9 W. 139; *Mullen* v. *French*, 9 W. 96.)

Sometimes a note is guaranteed as well as indorsed. The liability assumed by a guarantor is quite different from that assumed by an indorser. His liability does not in the least depend on his notification of the maker's inability to pay, but rather on his insolvency. One of the most familiar principles of the law of guaranty is that the indorsers of a note which has been guaranteed as well as indorsed must be exhausted before the guarantors are liable. (*Zahm* v. *F. N. B.*, 103 Pa. 576.)

The statute of frauds requires the guaranty to be in writing, but when a guarantor's promise is in effect to pay his own debt, though that of a third person be incidentally guaranteed, it need not be in writing. The statute contemplates the mere promise of one man to be responsible for another. "The common case of the holder of a third person's note assigning for value with a guaranty seems to be clearly referable to this principle. The assignor owes the assignee, and that particular mode of paying him is adopted; he guarantees in substance his own debt." (Read, J., *Malone* v. *Keever*, 44 Pa. 107, 109.)

The striking out of the words "without recourse" in the assignment of an overdue negotiable note by the holder's request does not convert it into a contract of guaranty. (*Lyons* v. *Divelbis*, 22 Pa. 185.) Such an indorsement may be explained. (*Ib.*)

If an indorser of a promissory note agree to extend the time of payment beyond the maturity of the note, the agreement is in effect a guaranty that he will hold himself bound at the expiration of the extended period (*Ridgway* v. *Day*, 13 Pa. 208), and when such an extension is given, the holder is not required to give notice of non-payment of the note to the indorser. (*Ridgway* v. *Day*, 13 Pa. 208; *Foster* v. *Jurdison*, 16 East 104.)

After a note was presented for payment but before protest on the last day of grace, a stranger guaranteed in writing its payment in consideration that the holder would not protest it; but on the same day the guarantor asked to be relieved, and the note was protested. The indorser's liability continued, for as the guaranty was between strangers to the note, no rights were conferred on the maker and indorser, and, therefore, the parties thereto could rescind it without prejudice to the holder's right to recover from the indorser. (*Irwin* v. *Seiber*, 1 Leg. Chron. 309.)

As subsequent indorsers of a promissory note are but the sureties of those who precede them in the same character, though the note be drawn and indorsed for the accommodation of the maker (*Young* v. *Ball*, 9 W. 139; *Mullen* v. *French*, *Ib.* 76), one of the former, who pays a judgment recovered in an action on the note, is entitled to be subrogated to the place of the plaintiff, and thus to have the benefit of the judgment to the extent of the liability of the first indorsers (*Lloyd* v. *Barr*, 11 Pa. 41; *Burns* v. *Huntingdon Bank*, 1 Pa. 395; *Crofts* v. *Moore*, 6 W. 451), and no actual assignment is necessary for considering that done which ought to be done; the substitution is worked by operation of law (*Fleming* v. *Beaver*, 2 R. 125; *Day* v. *Sharp*, 4 Wh. 339; *Neff* v. *Miller*, 8 Pa. 347), unless peculiar circumstances forbid it. (*Levering* v. *Rittenhouse*, 6 W. & S. 190.)

The lien which a bank has by statute on the stock and dividends of a debtor may be claimed by an indorser who has been compelled to pay the bank, and who at the time of doing so gives notice of his claims. When this has been done, he may recover the dividends that have been declared and retained in an action for money had and received, unless he has delayed so long that this claim is barred by the statute of limitations. (*Farmers' Bank* v. *Gilson*, 6 Pa. 51; *Klopp* v. *Lebanon Bank*, 46 Pa. 88.)

If a definite extension of time is given to the maker of a note on consideration of his payment of interest in advance without the indorser's assent, he is released unless he assented to the extension. And if his assent is asserted, the burden of showing this is on the party seeking to charge him. Nor can he be held liable if a bank, on the promise of its president to him to use his influence to secure for the maker of a note forbearance or temporary indulgence on condition that the note be redeemed as fast as possible, gives to the maker a definite extension of time without the indorser's assent. *See* Notice, § 14. (*Siebeneck* v. *The Anchor Savings Bank*, L. Amerman 187.)

To hold an indorser he must be properly notified of the nonpayment of the obligation; and whether this has been done is a question of fact for the jury to determine. (*Bank of North America* v. *Wycoff*, 4 Dall. 151; *Ball* v. *Dennison*, 4 Dall. 162.)

A great variety of defenses may be successfully made by an indorser, which will be briefly noticed. One of these is usury. If the note is the last of a series of renewals, the indorser can set up against the holder the usurious interest paid by the maker on the entire series of notes to which he was a stranger, the same holder having discounted all of them. (*Safe Deposit Bank* v. *Moyer*, 1 Leg. Rec. Rep. 75; *Philson & Co.* v. *Horner*, Leg. Int., Aug. 31, 1877, p. 306, and authorities there cited. Again, if the holder discharges the maker, he cannot recover of the indorser. Thus, if the indorsee of a note, after obtaining judgment against the maker, should discharge him from custody under a proceeding issued by virtue of the judgment, the debt would be extinguished and the indorser released. (*McFadden* v. *Parker*, 4 Dall. 275.) Again, if A., the holder of a promissory note, discharges the maker for a valid consideration without the indorser's knowledge, and then transfers it to a stranger who recovers the amount from the indorser, he in turn can recover what he has paid from A. (*Wharton* v. *Williamson*, 13 Pa. 273.)

An indorser cannot be held if he can prove that he has paid the note, and that the plaintiff is holding the same only as a trustee for the indorser himself (*Maynard* v. *Nekervis*, 9 Pa. 81); nor if the note could not lawfully be issued (*Southern Loan Co.* v. *Morris*, 2 Pa. 175); nor if a note is non-negotiable (*Smith* v. *Philadelphia Bank*, 14 Pa. 525); nor on a draft drawn for the amount of a note on which he has been legally discharged, as the consideration is lacking. (*Ib.*)

Nor can an indorser be held whose indorsement has been procured through fraud. Thus, if a creditor, knowing that his debtor is insolvent, gets a mortgage of all his property from him for part of his claim, and also the indorsement of another person to another part of the claim, to whom nothing is said about the mortgage, this is a fraud on the indorser which releases him from liability. (*Lancaster Co. Bank* v. *Albright*, 9 H. 228.)

We will now consider some cases in which the indorser is not relieved. First, when he receives a note that has been indorsed by him as attorney to collect the same. (*Alexander* v. *Westmoreland Bank*, 1 Pa. 395.)

If the maker of an indorsed note gives a mortgage bearing the same date as the note, though not executed until afterward, for securing the payment of the note, the note is not merged or the indorser discharged. (*Ligget* v. *Bank*, 7 S. & R. 218.)

And a creditor who has obtained judgment against the maker and indorser of a note and levied on the maker's land, may nevertheless have an execution on the indorser's property. Nothing short of a satisfaction of the debt will prevent this, and the bare seizing of the land will not satisfy it. (*Gro* v. *Huntingdon Bank*, 1 P. & W. 425.)

If the maker attempts to prove a want of consideration he must give notice, or desires to show by books that the indorsement was after the maturity of the note. If the plaintiff has not notice to produce his books, or to prove the consideration in writing, the defendant cannot make this defense. (*Epler* v. *Funk*, 8 Pa. 468.)

RAILWAY ECONOMIES

The tendency of nearly all prices is downward, and those for transportation by land and sea are no exception. These reductions are followed or preceded by greater economy in production or transportation, which consist of improved machinery, diminishing the quantity of labor, lower prices for raw materials, larger cars, longer trains and many other things that need not be mentioned. The cutting away of the margin of profits in transportation rates is attended by the increasing study to diminish the cost of doing business. The economies thus discovered and applied for a period of years are very great.

Many foreign railway companies separate the charge for carrying from that for loading and delivering and warehousing. In our country transportation companies have not adjusted the cost of traffic so closely; but as rates are getting very low, and the need of practicing greater economy is becoming more imperative, probably the foreign practice in these regards will sooner or later be adopted. There is no insurmountable reason for not separating the charge for carrying from the terminal charge; and as companies are receiving and delivering merchandise in different ways, these should be considered in fixing charges. Of course, a different rate is made for a shipper who furnishes his own cars, or who owns a siding and unloads the cars consigned to him, or, in short, whose freight is transported under special conditions. We think, however, that there is still great room for other economies in the shipment and delivery of freight, which will be briefly indicated.

Cannot a larger number of employes be paid for the specific service rendered instead of by the hour, day, or other time-period? Some railway companies pay their engineers, conductors and other trainmen by the trip; and consequently, at a time like this, when business suddenly diminishes, train expenses to a considerable degree are also lessened, without reducing the rates of wages or the number of employes by a specific order. Thus the number that need be employed and their remuneration are self-adjusting. Cannot this mode of employment be greatly extended to the obvious advantage of all concerned, and especially in the shipment and delivery of freight?

Let us examine into the mode of delivering freight and of compensating those who are thus employed. At present they are paid by the hour, or week, or month, and in a time like this, when less freight is carried, the only thing that can be done is to reduce, temporarily at least, the number of employes. This reduction may be made either by discharging some of the men permanently or for a given period, or by dividing the work between the entire number. In either event it is not easy to adjust the number of men to the amount of work to be done. But if the work were paid for by the ton or quantity one can readily understand how much more easily the number and compensation of the men could be adjusted to the work. When freights were light the men, of course, would have less to do; their income would be correspondingly reduced, but it would not be needful for the company to give any direction concerning their employment.

Such a system might require more book-keeping, but as all freight is classified and the bills of shipment show this, and the classifications, quantities shipped, etc., properly appear in the books of the company in due time, it would not be difficult to fix the remuneration on this basis if payments were delayed for a short time. Those who were thus employed could be paid on account, leaving only a small balance to be paid on the final adjustment of their accounts. Neither they nor the company would probably experience any serious difficulty under such a system.

It might also be worth considering whether a transportation company, if such a system were adopted, could not advantageously employ an individual or company to unload and deliver its freight. In any event there would be a sure gain, for the men paid in this manner would be stimulated to do their utmost in order to finish their work earlier or to increase their earnings. There would be a new stimulus for exercising the greatest activity among all who were thus engaged. It would also have a tendency among the men to incite them to an equal degree of work, as those who were less fitted or capable would be disliked and ultimately displaced.

Again, a great economy might be effected in receiving and delivering freight, in the larger cities especially, if the entire work, or a much larger part of it, were undertaken by the company which is to transport, or had transported it, or by a company organized for that purpose. To-day it costs as much to transport goods in New York and in other large cities from the station to the store as it does to carry them hundreds of miles by rail. If this entire business were conducted by the transportation company, of getting the goods for transport as well as delivering them, a very large saving could be effected. During busy seasons

any one familiar with transportation in New York knows that hours are wasted by truckmen in waiting for the discharge of their loads. If they were all employed by the same company, every trip would be made with a view to utilizing time and delivering and getting a full load. We need not enlarge on the possibilities of economy in this direction. It is obvious that an arrangement can be effected by a transportation company and its patrons for the delivery and receiving of goods, whereby a great saving in time, labor and expense can be effected. The larger the number of patrons thus included the more easily and cheaply could the work be done. Instead of trying to drive down the rates for carrying to a lower figure, would not shippers show more wisdom in trying to lessen the heavy expense of conveying their goods to their stores or warehouses after their carriage by rail or water had been completed? And in trying to accomplish this result the transportation companies can take a most effective part, and in so doing effect a great gain not only for their customers but also for themselves.

WHAT IS A PROMISSORY NOTE?

SUPREME COURT OF TEXAS.

Hogue v. *Williamson.*

A written obligation that "on or before May 1st, 1888, I promise to pay H., or order, one thousand Mex. Silv. Dollars," properly signed, is a negotiable promissory note.

GAINES, J.—This is a question certified to us for determination by the Court of Civil Appeals for the Third Supreme Judicial District. The certificate is as follows: "The plaintiff, Hogue, brought suit against defendant, Williamson, upon a written obligation, which reads as follows: 'Saltillo, January 25, 1888. On or before May 1st, 1888, I promise to pay C. C. Hogue, or order, one thousand Mex. Silv. Dollars. Geo. S. Williamson. $1,000 Mex.' The petition alleges that on May 1, 1888, Mexican dollars were each worth 85 cents in American coin, and plaintiff asks judgment for $850. He states in his petition that the note is payable in Mexican silver dollars. The defendant filed a general denial, and also averred in his answer under oath that the note sued on was given for money which the plaintiff had won from defendant in a game with cards, and was therefore illegal and void. Upon the trial in the court below the plaintiff put in evidence the written obligation sued on, and proved that on May 1, 1888, Mexican silver dollars were worth 80 cents each. The plaintiff then rested, and the defendant introduced no testimony. The court instructed the jury to return a verdict for defendant, which was done, and judgment entered accordingly. If the instrument sued on was a promissory note, this was error. (*Newton* v. *Newton*, 77 Tex. 511, 14 S. W. Rep. 157.) With this explanation, the Court of Civil Appeals for the Third Supreme Judicial District certifies and submits to the Supreme Court for decision as part of the law of this

case, as a new or novel question, the following proposition: 'Was the burden of proof on the plaintiff, after the introduction of the instrument sued on, to show non-performance of its obligations by defendant? In other words, is the written obligation sued on a promissory note, obligating its maker to pay a certain sum of money? Or is it an ordinary contract for the delivery of a certain commodity? And must the plaintiff, by affirmative testimony, show a breach of the contract?"

We are of the opinion that the instrument in question is a promissory note. It is such in form and in substance, unless the fact that the sum payable is expressed in Mexican silver dollars should make a difference. Speaking of the sum for which a bill of exchange must be drawn, Mr. Chitty says: "It may be the money of any country." (Chit. Bills, 160.) Judge Story says: "But, provided the note be for the payment of money only, it is wholly immaterial in the currency or money of what country it may be payable. It may be payable in the money or currency of England or France or Spain or Holland or Italy or of any other country. It may be payable in coins, such as in pounds sterling, livres, turnoises, francs, florins, etc., for in all these and the like cases the sum of money to be paid is fixed by the par of exchange or the known denomination of the currency with reference to the par." (Story, Prom. Notes, § 17.) The same rule is distinctly laid down in 1 Daniel, Neg. Inst. § 58, and in Tied. Com. Paper, § 29b. In view of the opinion of these eminent text writers, it is remarkable that we have found but two cases in which the question is discussed or decided. In *Black* v. *Ward*, 27 Mich. 191, it is held that a note made in Michigan, payable in Canada in "Canada currency," is payable in money, and is therefore negotiable. But in *Thompson* v. *Sloan*, 23 Wend. 71, a note made in New York, and payable there in "Canada currency," was held not negotiable. The court, however, say: "This view of the case is not incompatible with a bill or note payable in money of a foreign denomination or any other denomination being negotiable, for it can be paid in our own coin of equivalent value, to which it is always reduced by a recovery. A note payable in pounds, shillings and pence, made in any country, is but another mode of expressing the amount in dollars and cents, and is so understood judicially. The course, therefore, in an action on such instrument is to aver and prove the value of the sum expressed in our own tenderable coin." This decision was made in 1840, and it is to be inferred that at that time the dollar was not a denomination of the lawful money of Canada. We also infer that when the Michigan case arose this had been changed, and the denomination of Canada money corresponded with that of the United States. Upon this theory it would seem that the cases may be reconciled. The language quoted from the opinion in *Thompson* v. *Sloan*, *supra*, indicates clearly that, if the money named in the note had been a denomination of Canada money, the ruling would have been different, unless, perchance, the word "currency" would have affected the question. The note we have under consideration is for Mexican silver dollars—coins recognized by the laws of the United States as money of the republic of Mexico. (Rev. St. U. S. § 3,567.) We conclude that the note sued upon in this case was a negotiable promissory note, and that when the plaintiff offered it in evidence, and proved the value of the Mexican dollar at the time of its maturity, he had made a *prima facie* case; and our opinion will be certified accordingly.—*Southwestern Reporter.*

SET-OFF OF DEPOSITS AGAINST UNMATURED NOTES.

SUPREME COURT OF OHIO.

King v. *Armstrong*.

When a person entitled to share in the distribution of a trust fund is also indebted to the fund, and is insolvent, his indebtedness may in equity be set off against his distributive share; and the right of set-off will not be defeated by the assignment of his claim, though made before the amount of his indebtedness or distributive share is ascertained.

Each shareholder of a National banking association is individually liable for its debts, to the extent of the amount of his stock at its par value, in addition to the amount invested in the shares held by him; and a receiver appointed to wind up the affairs of such an association that has become insolvent is authorized, under the direction of the Comptroller of the Currency, to enforce the liability of its stockholders, and collect from each of them the necessary amount, up to the extent of his liability, for the payment of the creditors.

The indebtedness of the stockholders on their individual liability, together with the other assets of the insolvent bank, constitute a trust fund for the benefit of its creditors; and in equity such indebtedness of a stockholder who is insolvent may be set off against a dividend, payable out of the trust fund, on a balance due him on his deposit account with the bank at the time of its failure.

An assignment by the stockholder of his claim against the bank, before the direction of the Comptroller to enforce his liability, but after the insolvency of the bank, does not affect the right to set off his liability against the dividend due on his claim, nor does the fact that the Comptroller, at the time of the assignment, had not determined the amount necessary to be collected from the stockholders for the payment of the creditors. It is sufficient that such direction has been given, and amount so determined, when the set-off is made.

WILLIAMS, J.—The Fidelity National Bank of Cincinnati, a banking association organized under the National bank act, became confessedly insolvent, and suspended business, on the 21st day of June, 1887, and on the 27th day of that month the defendant, David Armstrong, was appointed, by the Comptroller of the Currency, receiver to wind up its affairs. The franchises of the bank were adjudged forfeited, and the association dissolved, by a decree of the Circuit Court of the United States, at Cincinnati, on the 12th day of July, 1887. When the bank failed, it was indebted to Charles A. Brownell in the sum of $3,330.52, that being the balance then standing to his credit on his deposit account, which balance, on the 30th day of July, 1887, he assigned to the plaintiffs, Joseph King, M. Schroder, and Charles E. Brownell, as a security for, or payment on, a pre-existing debt which he owed them. The plaintiffs soon afterwards presented their claim to the receiver, and on the 15th day of September, 1887, obtained from him a certificate stating they had made satisfactory proof of the assignment, and that they were creditors of the bank to the amount of the balance due Charles A. Brownell on the deposit account. On the 1st day of November, 1887, the Comptroller of the Currency declared a dividend of 25 per cent. on the claims of the creditors, and issued to the receiver checks for the amount of the dividend due each creditor, payable to the creditor. Among them was a check for $832.63, the dividend on the claim assigned to the plaintiffs. The defendant refused to pay that dividend to the plaintiffs, who thereupon brought the action below to recover it.

At the time of the failure of the Fidelity Bank, Charles A. Brownell

was the owner of 50 shares of its capital stock, of the par value of $100 each, on which, under the provisions of the National bank act, he was liable for the indebtedness of the bank to the amount of his stock, in addition to the sum invested in the stock held by him. That act provides that "the shareholders of every National banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock herein, at the par value thereof, in addition to the amount invested in such shares." (Rev. St. U. S. § 5,151.) When the bank failed, as well as when Brownell assigned the balance due on his deposit account to the plaintiffs, he was, and still is, insolvent, and, immediately after the transfer to the plaintiffs of the balance due him from the bank, he made a general assignment for the benefit of his creditors. At the time the plaintiffs obtained from the receiver the certificates alluded to, he was not aware of the liability of Brownell as a stockholder of the bank, but became aware of it before the checks for the dividend on the claims of creditors were received; and they were received with instructions from the Comptroller to withhold them from all stockholders and others in any way indebted to the bank. Afterwards the Comptroller decided that it was necessary to enforce the stockholders' liability to the full extent of $100 on each share, in order to pay the indebtedness of the bank, and made his order accordingly, declaring such necessity, and directing the defendant to collect, by suit or otherwise, from each stockholder, including Charles A. Brownell, the full amount of his liability. On the liability of Brownell, which amounts to $5,000, nothing has been paid; and the receiver sought, in the action below, to have it set off against the dividend in his hands upon the claim assigned by Brownell to the plaintiffs. The Superior Court allowed the set-off, and it is of that the plaintiffs are here complaining.

The question in the case, therefore, is whether, upon the facts stated, the receiver is entitled to retain the amount of the dividend due on the debt which the bank owed Charles A. Brownell at the time of its failure, and apply it on his liability as a stockholder of the bank. His right to do so is controverted by the plaintiffs, chiefly on the ground that the cross demands are not due to and from the parties, respectively, in the same right, or, more definitely stated, that the stockholder's liability is for the exclusive and equal benefit of the creditors, and is not a debt due the bank or an asset of the bank, while the balance due on Brownell's deposit account is a debt of the bank, payable out of its assets, which he could not set off against his stockholder's liability, and consequently the receiver, it is claimed, cannot set off the liability against the debt, or dividend due upon it. There is a noticeable difference, of some importance, between the administration of the effects of an insolvent Ohio corporation and those of a National banking association. With respect to the former the stockholder's liability does not pass to the assignee or receiver as assets for administration, and no right of action can accrue thereon in his favor. It can be enforced only at the suit of the creditors; and hence the assignee may not lawfully withhold from a creditor of such corporation a dividend due him from its assets, on the ground that he is liable as a stockholder, and the creditors, on account of his insolvency, might not otherwise be able to enforce the collection of any part of his liability. The creditors in such case undoubtedly could, by appropriate action, reach the dividend, and compel its application to the payment of the indebtedness of the stockholder; but, as between a stockholder and the assignee, the latter would not have the legal right to set off the former's liability against a dividend

due him as a creditor, for the assignee is wholly without authority to collect or receive any part of the amount owing by the stockholder. It is different with a receiver of a National bank. By the provisions of the National bank act the Comptroller of the Currency may appoint a receiver of such banking association whenever he is satisfied that it is in default in the payment of its circulating notes, or has become insolvent; and the receiver is required, under the direction of the Comptroller, to "take possession of the books, records, and assets of every description of such association, collect all debts, dues and claims belonging to it, * * * and may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders." Rev. St. U. S. § 5,234; Act June 30, 1876, Supp. Rev. St. U. S. (2d Ed.) p. 107. The receiver is authorized to collect from each stockholder the necessary amount, up to the full extent of his liability, to meet the demands of the creditors, and appears to be charged with that duty. The amount due from the stockholders becomes assets, to be administered by him as the other assets of the bank in his hands; and all of the assets, including the individual liability of the stockholders, constitute a trust fund for the benefit of all creditors having valid claims against the bank. It therefore becomes the duty of the receiver, under the direction of the Comptroller, to so administer the fund as to secure to each beneficiary his just proportion of it. In his trust capacity he is the representative of all the creditors and of all the stockholders, both in the collection of the assets and their proper distribution; and the fund collected from the stockholders goes into that arising from the other assets, and is distributed in the same way to the creditors, without separation or distinction on account of the source from which it is derived. It altogether constitutes one common fund, for the equal benefit of all the creditors, according to their respective rights; so that whatever is due from Charles A. Brownell on his individual liability as a stockholder is due the receiver in the same relation in which he owes the dividend on the claim of Brownell against the bank. If Brownell were solvent, so that the amount of his liability could be collected, the fund for the creditors would be increased $5,000 by its collection; and by the payment of the dividend to him or his assignees, the plaintiffs, it would be reduced $832.63. If the dividend were paid to Charles A. Brownell, and not placed beyond the reach of legal process, it might be immediately subjected by the receiver to the payment of his indebtedness on his stockholder's liability; but, if it is required to be paid to the plaintiffs, the creditors' fund will be permanently diminished to that amount, which, at the same time, will lose the amount due it from Brownell, because, on account of his insolvency, nothing can be collected from him, unless the receiver is allowed to retain the dividend now in his hands, and have Brownell's indebtedness set off against it. While the relation of Brownell to the receiver may not, strictly speaking, be that of debtor and creditor, in the sense essential to the right of set-off at law, he was, before he assigned his claim to the plaintiffs, both a debtor to, and creditor of, the fund which the receiver represents. Equity will enforce the set-off, or compensation of cross demands so far as they equal each other, when necessary to prevent one of the parties from losing his demand on account of the insolvency of the other. Upon the same principle, when a person entitled to share in the distribution of a trust fund is also indebted to the fund, and is insolvent, his indebtedness may, in equity, be set off against his distributive share; and, as a general rule, the right of set-off will not be defeated by the assignment of his claim, though made before the amount of his indebtedness or of his distributive share is ascertained.

That application of the principle is not in conflict with the case of *Sawyer* v. *Hoag*, 17 Wall. 610, which is relied on by counsel for plaintiffs. Sawyer was indebted to the Lumberman's Insurance Company of Chicago in the sum of $4,250 on his stock subscription, and, after the company became insolvent by reason of its losses in the great fire in that city, bought up, for a small sum, a certificate of an adjusted loss of $5,000 against the company, and sought to have it set off against his stock liability after the company had been adjudged a bankrupt. The court held that the stock subscription was a trust fund for the equal benefit of all the creditors of the company, and Sawyer was not entitled to the set-off he was demanding, because to allow it would give him an undue proportion of the fund, and deprive other creditors of their just share. It was contended in behalf of Sawyer that the right to the set-off was given by the bankrupt act, which provided that "in all cases of mutual debts or credits between the parties, the accounts between them shall be stated, and one debt set off against the other, and the balance only shall be allowed or paid." That provision of the bankrupt law, it was held, was not intended to enlarge the doctrine of set-off, and, in speaking of the right of set-off under it, Mr. Justice Miller said: "The debts must be mutual; must be in the same right. The case before us is not of that character. The debt which the plaintiff owed for his stock was a trust fund, devoted to the payment of all the creditors of the company. As soon as the company became insolvent, and this fact became known to the plaintiff, the right of set-off for an ordinary debt to its full amount ceased. It became a fund belonging equally, in equity, to all the creditors, and could not be appropriated by the debtor to the exclusive payment of his own claim." The case is essentially different from the one we have before us. The debt which Sawyer owed the insurance company was due to a trust fund, in which all the creditors were entitled to share equally. The debt which the company owed him was one which was only entitled to receive its proportion of the fund, and not entitled to payment out of it in full. He could not, therefore, set off the whole amount of the debt due him against that which he owed the fund, for that would result in an unequal distribution of the fund, and enable him to obtain more of it, proportionately, than the other creditors, and more than his proper share. That was the reason for denying the set-off which he sought to have made. The reason is wholly wanting in the present case. Here the set-off allowed by the court below was not of the entire claim which the bank owed Brownell, against his obligation to contribute to the trust fund on his stockholder's liability, but only of his proper share and proportion of that fund payable on his claim against the bank, as ascertained by dividend duly made and declared. The allowance of the set-off took nothing from the other creditors to which they were entitled, and gave nothing to the claim of Brownell except what it was justly entitled to receive—its proper share of the trust fund. It in no way interferes with the equal rights and equities of the other creditors, but, on the contrary, preserves and protects their rights, and inures to their benefit, by increasing the fund. We see no valid objection to the set-off adjudged by the court below, unless the right was defeated by the assignment of Brownell's claim against the bank to the plaintiffs; and we think it was not.

It is contended by counsel for the plaintiffs that the liability of Brownell as a stockholder had not accrued when the assignment to them was made, and therefore could not be set off against the dividend due on the claim. The position of counsel is that the liability was not complete, and so not due, until the Comptroller of the Currency directed

the receiver to enforce it, which was subsequent to the assignment. In support of this position, *Kennedy* v. *Gibson*, 8 Wall. 498, 505, is cited, in which it is said: "It is for the Comptroller to decide when it is necessary to institute proceedings against the stockholders to enforce their personal liability, and whether the whole or a part, and, if a part, how much, shall be collected. These questions are referred to his judgment and discretion, and his determination is conclusive. . . . He may make it at such time as he may deem proper, and upon such data as shall be satisfactory to him. This action on his part is indispensable whenever the personal liability of the stockholders is sought to be enforced, and must precede the institution of suit by the receiver. The fact must be distinctly averred in all such cases, and, if put in issue, must be proved." The power appears to be vested in the Comptroller to determine when it is necessary to collect from the stockholders, and the amount to be collected, but not to establish the liability, or determine when it accrues. The liability is complete, and subject to proceedings for its enforcement, when the banking association becomes insolvent and suspends business. The Comptroller simply directs at what time, and to what extent, the liability shall be enforced. It may require an investigation of the condition of the bank, its assets and liabilities, in order to determine whether resort to the stockholders is necessary, and for what amount; and while that duty is devolved upon the Comptroller, and no proceeding can be instituted against the stockholders until directed by him, the maturity of the liability is not postponed until such direction is given. The proceeding only is so postponed. By the provisions of the National Bank act already quoted, the receiver is required, "under the direction of the Comptroller, to collect all debts," etc., belonging to the banking association; and it might as well be said that, inasmuch as the receiver could only collect the debts due the bank under the direction of the Comptroller, a matured note held by the bank at the time of its failure does not become due until the Comptroller has directed it to be sued, as that the liability of stockholders does not mature until instructions are received from the Comptroller to institute proceedings for its enforcement. Receivers generally institute suits under the direction of the courts by which they are appointed; and, though the order of the court authorizing the suit may be essential to its maintenance, it does not follow that the claim sued on matured only upon the order being made. The receiver of an insolvent National bank obtains his appointment from the Comptroller of the Currency, and acts under his directions and orders, which are analogous to an order of court to a receiver appointed by it. It is well settled that the statutory liability of stockholders of Ohio corporations is complete, so as to set the statute of limitations running in their favor, when the corporate property has been placed in the hands of an assignee in bankruptcy or insolvency, or of a receiver to wind up its affairs. The exact amount of the liability of each stockholder may not then be known, and can only be ascertained in the progress of the action; yet the court may retain control of the cause and parties until the amount is definitely fixed, and the ultimate rights of the parties are adjusted. (*Younglove* v. *Lime Co.*, 49 Ohio St. 663, 33 N. E. Rep. 234.) The liability of Charles A. Brownell, as a stockholder of the Fidelity Bank, was due, we think, in every sense essential to the set-off, when the bank failed; and the assignment of his claim against it to the plaintiffs therefore presented no obstacle to the allowance of the set-off. Nor did the certificate which the plaintiffs obtained from the receiver. That gave them no new right, and amounted to nothing more than an acknowledgment of the correctness of the claim, and its assignment to them. Their position was in

no way changed on account of it. We are of opinion the court committed no error in retaining the cause until the amount of Brownell's liability was determined, and then setting it off against the dividend due on his claim against the bank.

The judgment is affirmed.—*Northeastern Reporter.*

LEGAL CHARACTER OF CHECK BEFORE ACCEPTANCE.

SUPREME COURT OF OHIO.

Bank of Marysville v. *Windisch-Muhlhauser Brewing Co.*

Money received by a bank on general deposit becomes the property of the bank, and its relation to the depositor is that of a debtor, and not of bailee or trustee of the money.

The check of such depositor for part of the sum due him is not an assignment *pro tanto*, without acceptance by the bank.

Where, at the time such check is drawn, or when it is presented, the drawer is indebted to the bank on past-due paper, it may treat the cross demand existing between them as compensated, so far as they equal each other, and credit the demands accordingly; and, if there is not then sufficient balance standing to the credit of the drawer, payment of the check may be refused for want of funds

WILLIAMS, J.—The Windisch-Muhlhauser Brewing Company brought its action against the Bank of Marysville, in the Court of Common Pleas of Union County, upon a check drawn on the bank by George Schlegel, October 16, 1888, for the sum of $368.20, payable to the order of the plaintiff. The petition alleges, in substance, that on the 19th day of October, 1888, the check, duly indorsed, was presented at the bank for payment, at which time Schlegel had sufficient funds on deposit in the bank to pay it, but payment was refused because, before the presentation of the check, the whole of the amount standing to the credit of Schlegel, on his deposit account, had been applied by the bank towards the payment of a note held by it on which there was then due from Schlegel to the bank a sum greater than the amount of his deposit, which application, it is averred, was made without the plaintiff's knowledge or consent. The petition avers that Schlegel was insolvent when the check was presented for payment, and when it was drawn; and it also contains an allegation of the amount due on the check, for which, with interest, the plaintiff asks judgment. A general demurrer to the petition was overruled, and the defendant answered, alleging that, at the time the check was drawn, Schlegel was indebted to the bank in the sum of $1,050 on a promissory note given to it by him for money advanced, and other indebtedness contracted in the course of their business; and that on the 17th of October, 1888, before the presentation of the check, and without any knowledge of its existence the bank credited the note, which was then long past due, with the amount then owing to Schlegel on his deposit account, which was $378.41; and, therefore, when the check was presented, there were no funds with which to pay it. The answer also alleges that the deposit was not made for any particular purpose nor under any special agreement or direction, but was a general deposit, merely, and that the defendant had no means of securing or satisfying Schlegel's indebtedness to it except by applying thereon the balance due on the deposit, as was done. A general demurrer to the answer was sustained, and judgment rendered for the plaintiff, which was affirmed by the Circuit Court.

The bank here contends that both judgments should be reversed, because, it is claimed, the bank had a lien on Schlegel's deposit as a security for his indebtedness, which gave it the right to apply the former to the payment of the latter, or, if it had not such a lien, it was entitled to set off Schlegel's indebtedness to it against the amount due him on his deposit account. The position taken by counsel for the defendant in error is that Schlegel did not part with the ownership and control of his money by depositing it in bank, and his check constituted an assignment and appropriation of that amount of the specific fund on which it was drawn, to the plaintiff, after which the bank could not, without the plaintiff's consent, apply the fund in payment of Schlegel's past-due note, or set off the one against the other. That view of the law appears to have been adopted by the courts below, and no other is advanced here in support of the judgments there rendered.

There are cases in which it is held that a bank check for a part of the sum standing to the credit of the drawer is an equitable assignment *pro tanto;* and expressions of that purport may be found in opinions of judges in cases where the question was not involved. Counsel for defendant in error relies chiefly on *Stewart* v. *Smith*, 17 Ohio St. 82–85, where it is said: "Such a check is an appropriation of a specific sum in the hands of the drawee to the absolute use and control of the holder"; and it is argued that, being such an appropriation, the title to the fund at once vests in the payee of the check, and cannot be defeated or affected by any subsequent act of the drawee. The question in that case was whether the drawer of the check was discharged by reason of delay in its presentation for payment; and the sentence above quoted from the opinion of the learned judge occurs in the discussion of the difference, in its legal effect, of delay in presenting bills of exchange and bank checks for acceptance and payment. In the recent case of *Covert* v. *Rhodes*, 48 Ohio St. 66, 27 N. E. Rep. 94, it was held, after full consideration, that such a check, before acceptance, does not constitute an assignment, so as to vest the title to the fund or credit against which it was drawn, or any part of it, in the payee or holder. Some of the authorities which maintain that doctrine are collected in that case, to which many more might be added. The rule results from the legal relation of the bank to its general depositors. The former is not a bailee or trustee, in any sense, of the money of the latter. The bank does not contract to keep on hand the particular money deposited, or pay the depositor's checks out of it, nor is it expected to do so. The money of such depositor is commingled with other moneys of the bank, the amount deposited carried to the customer's credit in account with the bank, and payments made on his checks are charged to his account. Unless there is some agreement to the contrary deposits received by the bank become its property. They belong to it and can be loaned or otherwise disposed of by it as any other money belonging to the bank. If the money be stolen or destroyed, the loss must be borne by the bank though it be free from negligence or fault. It is accountable as a debtor, and the relation between it and the general depositor is essentially that of debtor and creditor. In legal effect the deposit is a loan to the bank. Hence a check of such a customer is not drawn upon a specific fund, but is an order drawn by a creditor on his debtor, requesting him to pay part of what is due the creditor to the payee or holder. It no doubt evidences an intention of the drawer to have the sum specified paid to the holder, but does not transfer the title to any fund, or part of it, or the bank's liability to the drawer. If it effected such a transfer, upon the failure of the bank before the check could be presented, in the exercise of due diligence, the loss would fall on the holder, as between him

and the drawer; and, whether presented or not, the former could pursue the deposit in the hands of an assignee or other representative of the bank. But, as the check does not operate as a transfer of the title to any fund, neither of these consequences result.

The liability of the bank to Schlegel being that of a debtor only, it does not seem of much practical importance in the disposition of the case whether the effect of the check was to assign that much of his claim to the plaintiff or not. The case made by the pleadings is this: The bank owed Schlegel, on his deposit account, when he gave the brewing company his check, more than the amount for which it was drawn. At the same time Schlegel owed the bank, on his note, a sum greater than the bank's indebtedness to him. These mutual debts existed between the parties in the same relation, were both past due, and each was founded on contract. Our statute secures the right of set-off between parties sustaining the relation of debtor and creditor, between whom there are such demands, and those existing between banks and their customers are not excepted from its operation; so that if Schlegel, when the check was drawn, had brought an action on his claim against the bank, the latter could have set off against it the debt which Schlegel owed the bank. And it is clear the right of set-off was not defeated or impaired by the check, even if it be treated as an assignment. The statute plainly protects the right of set-off, when it existed between the parties, notwithstanding the assignment by either of his demand. Its language is: "When cross demands have existed between persons under such circumstances that if one had brought an action against the other a counter-claim or set-off could have been set up, neither can be deprived of the benefit thereof by assignment by the other; but the two demands must be deemed compensated, so far as they equal each other." Rev. St. § 5,077. By force of the statute the indebtedness of the bank to Schlegel was paid by a corresponding amount of the indebtedness of Schlegel to the bank; and crediting Schlegel's note with the amount due on his deposit account, as was done by the bank, was but giving effect to the provisions of the statute.

It is said to be a well-settled rule of the law merchant that a bank has a general lien on all the funds of a depositor in its possession for any balance due on general account, or other indebtedness contracted in the course of their dealings, and may appropriate the funds to the payment of such indebtedness. The right to make such appropriation, it is held, grows out of the relation of the parties, as debtor and creditor, and rests upon the principle that, "as the depositor is indebted to the bank upon a demand which is due, the funds in its possession may properly and justly be applied in payment of such debt, and it has therefore a right to retain such funds until payment is actually made." (*Falkland* v. *Bank*, 84 N. Y. 145.) Though this right is called a "lien," strictly it is not, when applied to a general deposit, for a person cannot have a lien upon his own property, but only on that of another; and, as we have seen, the funds of general deposit in a bank are the property of the bank. Properly speaking the right, in such case, is that of set-off, arising from the existence of mutual demands. The practical effect, however, is the same. The cross demands are satisfied, so far as they are equal, leaving whatever balance may be due on either as the true amount of the indebtedness from the one party to the other. Aside, then, from any question as to whether the plaintiff could maintain its action on the check without acceptance of it by the bank, the petition fails to make a case against the defendant. True, the petition does not allege that the deposit made by Schlegel in the defendant bank was a general one, but it is presumed to be such unless it otherwise appear;

and there is nothing in the petition from which it may be inferred that the deposit was special, or made under any particular agreement or direction. It is also true, the petition avers, that when the plaintiff presented the check for payment the drawer had sufficient funds in the bank for its payment; but it is alleged that the bank held the past-due paper of Schlegel for an amount exceeding his deposit, and had applied the whole amount due him in payment of the paper before the presentation of the check. It is not important that the application was made without the plaintiff's consent. Such consent was not necessary to give validity to the application, and, if it were, the want of it would not entitle the plaintiff to recover, for the right to have the claims set off would still exist. The judgments of the Circuit Court and Court of Common Pleas are reversed, and cause remanded, with instructions to sustain the demurrer to the petition, and for further proceedings.—*Northeastern Reporter.*

BANK COLLECTION.

SUPREME COURT OF MINNESOTA.

Jagger v. *National German-American Bank of St. Paul.*

When a bank receives commercial paper for collection there is an implied undertaking on its part that, in case of its dishonor, it will take all steps necessary to protect the holder's rights against all previous parties to the paper; and an allegation that the holder instructed the bank to do so only states what the law implies, and changes neither the issues nor the burden of proof.

The collection clerk, to whom the paper was delivered, having testified that the holder told him not to protest it in case of non-payment, and having in corroboration of his testimony introduced the collection book in which he had, at the time, made an entry to that effect, the defendant offered to prove that the clerk was a cautious, careful man, and that this was the only error ever attributed to him. *Held*, that the offered evidence was inadmissible.

Mere knowledge on part of an indorser derived from the maker, that paper has been dishonored, is not "notice." The notice must come from a party who is entitled to look to him for payment.

MITCHELL, J.—This was an action to recover damages for the alleged failure of the defendant to take the necessary steps to fix the liability of the indorsers on a promissory note which plaintiff deposited with it for collection. The allegation of the complaint is that plaintiff delivered the note to the bank for collection, "notifying it to take all necessary steps, in case of non-payment of the note at maturity, to hold the indorsers upon the same by due notice of non-payment." Defendant insists that, having alleged express instructions to the bank, plaintiff was bound to prove it, and could not rest on the undertaking of the bank implied from the mere fact of receiving the paper for collection. There is nothing in this. The complaint alleged nothing more than would have been implied in the absence of any express instructions. The allegation referred to neither changed the issues nor the burden of proof. The position of counsel is, in effect, that if a party alleges more than is necessary he is bound to prove it.

Defendant's collection clerk testified that when plaintiff delivered the note for collection he notified him not to protest it, and in corroboration of this he was allowed to introduce in evidence the collection book, in which he made an entry at the time that the note was not to be protested. It can hardly be necessary to say that it would not have been competent, for any purpose, to prove that this clerk was a cautious,

careful man, and this was the only error ever attributed to him. If he committed an error on this occasion the defendant is liable, although it may have been the only mistake he ever made. Nor would the evidence offered have any legal bearing upon the question at issue, viz., whether the plaintiff gave express instructions not to protest the note.

Defendant offered to prove that the maker of the note, at the time it fell due, notified the plaintiff that it would not be paid, and that the latter said "he would carry the note along for a time"; also, that on the day the note fell due, or the day subsequent, the maker notified one of the indorsers of the dishonor of the note. If this evidence was offered for the purpose of proving that plaintiff had knowledge of the dishonor of the note, and therefore should himself have notified the indorsers, the answer is that he had intrusted that matter to the defendant, and had a right to assume that it would attend to it. If it was offered for the purpose of proving that plaintiff had extended the time of payment to the maker, and thereby himself released the indorsers, it is enough to say that the evidence had no tendency to prove any such extension. And if it was offered for the purpose of proving that the indorsers had notice of the dishonor of the paper, and therefore was not released, the answer is that what was offered to be proved would have been insufficient as notice in respect to both its source and its substance. Mere knowledge of the dishonor of paper is not notice. Notice signifies more. It must come from one who is entitled to look to the party for payment, and must inform him (1) that the note has been duly presented for payment; (2) that it has been dishonored; (3) that the holder looks to him for payment. Although, probably, if the notice comes from the proper party, and contains the first two of these requisites, the third would be implied. The evidence was inadmissible for any purpose.

Order affirmed.—*Northwestern Reporter.*

LEGAL MISCELLANY.

BONDS—INDORSEMENT FOR COLLECTION.—An indorsement of a draft to a bank "for collection," accompanied by a credit of the amount of the draft upon the indorser's account with the bank, does not transfer to the bank the legal title to such draft, and a correspondent of the bank, who collects the draft for it, is responsible therefor to the indorser. [*Tyson* v. *Western Nat. Bank*, Md.]

NEGOTIABLE INSTRUMENT—SUBSEQUENT TRANSFER.—Where a person executes accommodation notes in payment of his brother's debt, and the latter pays them as they mature, but fails to concel them, and afterwards indorses them to a third person, the indorsee takes the notes subject to their infirmities. [*Cottrell* v. *Watkins*, Va.]

NEGOTIABLE INSTRUMENT—INDORSEMENT OF NOTE.—An indorser of a note is not a surety, within Mansf. Dig. §§ 6,396, 6,397, authorizing a surety to maintain an action against his principal to obtain indemnity against the liability for which he is bound, before it is due, whenever any grounds for attachment exist, and in such actions to obtain orders of attachment. [*Rice* v. *Dorrian*, Ark.]

NEGOTIABLE INSTRUMENT—NOTE—LIABILITY OF INDORSERS.—In an action by the indorsee of a note against the maker and two indorsers, it appeared that, before the note was delivered to the payee, the maker procured the other defendants to indorse it as further security, to enable

the payee to raise money on it; and that, when the payee indorsed it to plaintiff, he inadvertently wrote his name above the names of the two other indorsers, with the words "without recourse," above his name: Held, that such indorsers were liable on the note as makers, without demand on the maker, and notice of non-payment and protest. [*Bank of Jamaica* v. *Jefferson*, Tenn.]

NOTARY PUBLIC—WOMEN.—Mill. & V. Code, § 936, provides that all males of the age of 21 years, etc., are qualified to hold office. Section 48 provides that words used in the statutes, importing the masculine gender, include the feminine and neuter: Held, that such statutes cannot be construed as giving the women the right to hold office, and that, in the absence of a constitutional provision or special enabling act, a woman is not eligible to hold the office of notary public. [*State* v. *Davidson*, Tenn.]

PAYMENT BY CHECK—DILIGENCE IN COLLECTION.—A check drawn by defendants in Philadelphia on a bank there, and there delivered to an agent of plaintiff, a resident of New York, was taken by the agent on the same day to New York, and delivered to plaintiff, who on the following day placed it in bank for collection. The drawee bank having failed after the check was given, it was not paid: Held, that it was properly held, as a matter of law, that plaintiff exercised due diligence. [*Rosenthal* v. *Ehrlicher*, Penn.]

PRINCIPAL AND SURETY—CONTRIBUTION.—W., R., and plaintiff executed a note to a bank to procure a loan to W., plaintiff and R. being sureties. The bank required another surety for the three makers. Thereupon W. asked defendant to sign as surety for the principals, who, he said, had executed the note jointly and severally, and defendant wrote his name below the signatures of the others, prefixing the word "Surety." W. became bankrupt, and the bank obtained a judgment against plaintiff, defendant, and R., the amount of which was paid by plaintiff and R., and plaintiff sued for contribution: Held, the defendant was a surety for plaintiff and R., and not a co-surety with them for W., and was not liable to contribution. [*Bulkeley* v. *House*, Conn.]

PRINCIPAL AND SURETIES—DISCHARGE OF SURETIES.—An agreement entered into, before the execution of a note, between the principal maker and the payee, for a higher rate of interest than fixed in the note, cannot affect the rights of the sureties, who were not parties to it; and the payment of increased interest in consideration of the extension of the time of payment, granted without the consent of the sureties, discharges them from liability. [*Brown* v. *Fountain*, Tex.]

PARTNERSHIP—NOTE GIVEN BY ONE PARTNER.—The payee of notes given by one partner for the price of land cannot maintain an action against the maker's partner to recover the amount thereof on the ground that he was an undisclosed partner, though the land was purchased for the partnership, where the payee had full knowledge of the partnership relation, but accepted the notes, secured by a mortgage on the land, "in full payment of the purchase price." [*Usher* v. *Waddingham*, Conn.]

PAYMENT—TAKING NEGOTIABLE PAPER.—The acceptance of a negotiable note governed by the law merchant, executed either by the debtor or some third person, is presumptively an extinguishment of the debt; and where, in an action on account, it appeared that plaintiffs had taken a note therefor, and that there was no agreement that the note should or should not be taken as payment, the presumption that it was accepted as payment must prevail. [*Mason* v. *Douglass*, Ind.]

PRINCIPAL AND SURETY—RELEASE.—A bank, having a claim against

an insolvent corporation, agreed that if another bank, also having a claim, but for a smaller amount, would forego proceedings thereon, it would pay the claim out of the first money received. The claim of the latter bank was accordingly transferred to the former, which settled with the corporation but did not offer to pay over the money. The second bank then, without notice or demand, settled directly with the corporation, releasing it from all liability on account of said claim. Held, that such a settlement was a release, also, of the bank. [*Metropolitan National Bank of Pittsburgh* v. *Merchants' and Manufacturers' National Bank of Pittsburgh*, Pa.]

PRINCIPAL AND SURETY—TRANSFER OF CAUSE OF ACTION.—A bank brought an action in a county court on two promissory notes held by it as collateral security, and recovered judgment thereon against the maker. The defendant took an appeal to the district court, the usual statutory bond being executed. While the cause was pending in the appellate court the indebtedness due the bank by the pledgor of the notes was paid, after which one H., to whom the said notes prior to the bringing of the suit had also been pledged as collateral security for a debt due him, subject to the claim of the bank, was substituted in place of the bank as plaintiff, who recovered judgment against the maker of the notes. Held, that the surety in the appeal bond or undertaking was not released by the substitution of H. as plaintiff. [*Howell* v. *Alma Milling Co.*, Neb.]

USURY—INTEREST ON INTEREST.—Where a party loans money at the maximum rate allowed by statute, and coupon notes are taken for the interest, which stipulate that interest shall be allowed thereon after maturity at 10 per cent., the contract is not thereby tainted with the vice of usury. In such case no interest will be allowed on such coupons. [*Rose* v. *Munford*, Neb.]

BANKS—CERTIFICATE OF DEPOSIT.—The payee of a certificate of deposit, who has not the possession and who confesses his inability to surrender it on payment, cannot recover against the bank when it appears by his own showing that the paper is not lost, but is in the hands of another, though wrongfully, who produces it on the trial but refuses to surrender it, and claims title to it in hostility to the payee. (*Read* v. *Marine Bank of Buffalo*, N. Y.]

CORPORATIONS—ORGANIZATION BY ONE PERSON.—Where a corporation, while its stock is owned by one person and while doing a prosperous business, becomes an accommodation indorser of the drafts of third persons with the belief by such sole stockholder and by the bank cashing the drafts that only the corporation is made liable thereon, and such bank has obtained judgment against the corporation on such drafts, such sole stockholder is not personally liable and such bank is not entitled to share in the distribution of the assets of his estate in the hands of an assignee. [*Louisville Banking Co.* v. *Eisenman*, Ky.]

BANKS—PAYMENT—AGENT.—The local cashier of the plaintiff railroad company, who only had authority to indorse the checks given for freight charges for collection and deposit in bank, indorsed a number of checks given by defendant simply "J., Agent. By S., Cashier," and deposited them, and they were paid through the clearing house by the bank on which they were drawn. The latter bank had no notice of the limited authority of the cashier and afterwards paid him the money on one of defendant's checks, given in payment of a freight bill and similarly indorsed. [*Kansas City, M. & B. R. R. Co.* v. *Ivy Leaf Coal Co.*, Ala.]

THE "BANCHE POPOLARI" OF ITALY.

[CONTINUED.]

That gives some clue to the system on which the banks are worked. Bills of exchange are very convenient commodities, supposing them to be "good." The effective precautions which the Banche Popolari have provided to insure that no bad ones shall be taken, constitute one of their main triumphs. For even though the restriction of business to members only (otherwise than the acceptance of deposits) might constitute some sort of safeguard, the public dealt with could not appear *primâ facie* a particularly promising one. It is quite true that, as Professor Rabbeno and M. Durand complain, "*les plus pauvres et les plus desherites*" are excluded; nevertheless, the members are for the most part taken from humble classes enough, and are to a considerable extent men whom other banks would not trust, and money lenders only as a matter of risk, at proportionately high interest. An inquiry instituted in 1883 showed that there were indeed 24.66 per cent. members in good circumstances (like Herr Raiffeisen, Signor Luzzatti lays stress on the presence of a fair proportion of such in each association)—well-to-do agriculturists, manufacturers and traders, or persons without a calling; but 28.68 per cent. consisted of men engaged in small industry and small trade, 8.40 per cent. were artisans, 15.40 per cent. school teachers, Government employes and the like, 19.08 per cent. small cultivators, and 3.18 per cent. day laborers. A list of members prepared in 1891, in respect of the Banca Popolare of Padua, a very representative institution, shows that among 4,310 members there were 120 rural laborers, 300 artisans, 399 small cultivators, 1,121 small traders, 1,094 Government employes, school teachers, etc., and 780 persons without any particular calling. (M. Rostand, on some ground or other, classes them as 496 "rich," and 3,814 "poor.") All this confirms the charge leveled at the banks, that they are not in the fullest sense "popular"; but it leaves them with a needy—and, from a banker's point of view, questionable—*clientèle* enough. One safeguard is indeed provided by the careful selection of members, which must afford some sort of guarantee of assumable honesty. But since the average number of members per association has stood as high as 989, and still stands at 590, the control exercised over the whole mass cannot be very searchingly severe.

The authority on whom the responsibility of checking the issue of loans really devolves is the *Comitato di sconto*, a volunteer committee elected at the annual meeting, whose special office it is, to consider, and approve or reject, applications for loans or advances, and applications for credit to be opened in the shape of current accounts. (The credit of having introduced the latter form of borrowing into Italy belongs to the little Banca Popolare of Casalpusterlengo, a *succursale* of the Banca of Lodi.) The number composing the *Comitato di sconto* varies according to the size of the association. In the Banca Popolare of Milan the committee consists of forty members, who, of course, do not all sit at the same time. There is no more important body of officers forming part of Signor Luzzatti's co-operative organization than this *Comitato di sconto*, upon whose *fiat* it depends whether the credit of the bank shall be pledged or not. Theirs is a position of the highest trust. Signor Luzzatti accordingly will have them amenable to no influence whatever which might in the least degree draw them aside from the narrow

path of impartiality and caution. His own wish is, that by a self-denying ordinance they should forego their own right of borrowing. That, however, he has not been able to carry. But he would write over their door words which he slightly misquotes from the Gospel: "I know neither father or mother; only he who follows the truth follows me"—which means, that neither consideration for a vote nor for profit, for friendship or for consanguinity—nothing whatever but strict regard for the interests of the association shall determine their judgment. The *Comitato* prepare themselves for their active work of recommending or disallowing loans by drawing up, independently of any actual application, a table, kept always in readiness as their constant guide, showing what amount each member of the association is in the opinion of the *Comitato* "good for." This table is called the *castelletto*. It is carefully revised from time to time, and should the estimate fixed in it for any particular member decline while a loan is out to him, or to any one else for whom he acts as surety—or, also, should securities pledged for a loan depreciate by ten per cent. or more—the debtor is at once called upon to make good the difference, in the one case by additional security, in the other by a new surety. On this *castelletto* people may combine to borrow. For instance, if A. is considered good for £40, B. for £30, and C. for £60, on the strength of their joint signatures any one of them is entitled to a loan of £130—provided that no other paper is out signed or backed by A., B., or C. Supposing that the *Comitato* are correct in their appraisement, the banca in this way makes sure of keeping its lending within safe limits; and experience seems to indicate that the valuation is generally trustworthy. Credit given in the shape of a current account is withdrawn, if it shows no business. For that is held to indicate that the credit is asked, not for trade or productive purposes, but merely for accommodation.

Although bills of exchange form the favorite medium for loans, they are far from constituting the only one. Some lending is done on notes of hand. One bank, at any rate, that of Bergamo, lends on pledges, *sans dessaisissement*—pledges which remain in the borrower's hands, as they might here under a bill of sale, only without the ignominy of any public record of the act. Mortgages are strictly forbidden. I have been able to discover only one bank which holds one, and that is not as a pledge, but as an investment; and notice of repayment has already been given. But the banks lend on "warrants" and on invoices, on labor bills and on a variety of similar instruments, common among trading and manufacturing folk, but not generally negotiable except as an act of special consideration and at a high discount—which constitutes a most material convenience to the public. For instance, a tradesman having money owing to him from a customer need but obtain the latter's acknowledgment of the correctness of the debt to have the account discounted. Under this arrangement builders carrying out contracts can receive the money wherewith to pay their workmen while the work is in progress; a printer working for a publisher who demands long credit can obtain his money; that poor lady milliner of whom the *Pall Mall Gazette* wrote a year ago, who with a heavy bill due to her, had not money enough to provide for her family over Christmas anything but bread and water, might have had her good Christmas dinner. It is doubtful if by any method which they have adopted for supplying credit the banche have rendered to the trading classes more material and more welcome service than by this. The practice has proved useful beyond that; for it has to a considerable extent altered the custom of trade by its example, and made cash payments the rule in the place of credit. Again, banks advance money on rents falling due, or indeed on

any prospective claim sufficiently assured and acknowledged. The People's Bank of Bergamo has advanced money on cocoons, secured by the undertaking that the spun silk shall not leave the spinner's house till the debt has been repaid. To the small silk growers this has proved a substantial benefit.

All these loans are granted only for short periods. The money is to be kept continually in hand and "rolling." Besides, the leaders of the movement do not wish to accustom their protégés to a practice of long borrowing; and, moreover, Signor Ettore Levi goes so far as to argue that there is less risk in short loans than in long. The ordinary term is three months, and very rarely indeed is a renewal granted beyond another three. Not a few banks charge an additional fee upon renewal, which Signor Levi considers justified. The only exception in respect of time is made in the case of agricultural loans, for issuing which Signor Luzzatti has, with characteristic ingenuity, invented a special instrument. It was a standing problem with Italian banks how to grant credit to farmers, and a standing reproach leveled at the Banche Popolari that, professing to help the moneyless, they did not adequately provide such. To silence this reproach Signor Luzzatti introduced the *buoni di tesoro d'agricoltura* or *cartelle agrarie*, which under the shape of a bill or bond secure credit for long periods. Before issuing such, he prudently made sure of the willingness of the large banks to discount them. Fortunately for him, "agricultural credit" is a hobby with Italian financiers. The banks declared themselves ready to take the *buoni* on condition that they were previously "accepted" or at any rate *vise* by the Banche Popolari. It is interesting to note that in thus adapting themselves to the demands of agricultural credit, the Banche Popolari have introduced into their *regolamento* a rule evidently borrowed from the Raiffeisen banks, requiring borrowers to state the object of their loan beforehand and to adhere to it on pain of forfeiture.* The business actually done has not realized the hopes which were entertained with regard to it. In 1881 the banche had 12,224,450 lire of agricultural paper in circulation. By 1889 the circulation had contracted to 6,390,210 lire, which is actually less than was recorded in 1876, the first year in which statistics were collected. But the money was apparently all taken up in small amounts. There were 1,425,750 lire outstanding in 30-lire bonds (24 shillings), 760 lire in 40-lire bonds, 1,592,650 lire in 50-lire bonds, 3,188,800 lire in 100-lire bonds, 182,000 lire in 200-lire bonds, and only 250 lire in a bond for that larger figure. Evidently, excellent as is Signor Luzzatti's system in its own proper sphere, it does not lend itself readily to the purposes of agricultural credit.

As the banche prefer short terms, so they also give the preference to small amounts—partly because such are supposed to involve less risk, mainly because the very *raison d'être* of the bank is to furnish credit for small folk and small wants, and they strive to remain true to their democratic principle.

For their supply of funds the banche rely mainly on deposits, savings banks payments, and the passing on of their bills for re-discount. For deposits they appear to be a very favorite institution. "We have not had to run after the deposits, the deposits have come running after us," on one occasion remarked Signor Luzzatti. But deposits are always withdrawable by notice at the option of the depositor. What banks mainly value is, to have money lent them for a fixed and tolerably long period. To accomplish this object Signor Luzzatti introduced his *buoni*

* Regolamento Provvisorio per l'emissione dei Buoni agrari prese le Banche Popolari del Primo Gruppo Italiano (Rule 4 in Ettore Levi's Manuale, p. 548).

fruttiferi a scadenza fissa, bonds which, like our Exchequer Bills, run for fixed terms and bear interest which, I find, vary in Italy as much as from two to six-and-a-half per cent. What with deposits (ordinary) and *buoni fruttiferi*, the banche in 1889 held an amount of 186,743,938 lire (£7,469,756), in addition to savings banks deposits (210,835,573 lire—£8,500,000), which, with 285,936,946 lire (£11,437,476) of bills, 86,037,068 lire (£3,441,484) of current accounts and their own funds, amounting to somewhere about £5,000,000, placed in their hands more money than they at all required (about £36,000,000). For the year named the Banche Popolari put their funds available for work (*mezzi disponibili*) at 540,314,369 lire (£21,612,576) as compared with 1,046,137,185 lire (£41,845,488) held by the non-co-operative banks of the kingdom. Coupled with excellent management, Signor Luzzatti's *garanzie morali* had evidently accomplished their purpose.

The *Comitato di sconto*, which has to sit in judgment upon every claim for an advance made, is not the only representative administrative body appointed in connection with the Banche Popolari. Indeed, their whole organization is representative and elective. There is the *Consiglio*, or Council, which acts as a General Committee, regularly elected at the annual meeting, in most cases for two years, one half retiring each twelvemonth. This body, wielding—next to the General Meeting—the supreme authority, varies in number from about seven, in the smaller banks, to 130 or 140 in the large bank of Milan, every member of it being unpaid, and, for the security of the members in general, elected with care. Signor Luzzatti insists more and more urgently, as time goes on—in opposition to his master Schulze-Delitzsch—upon purely *gratuitous* services. Signor Mangili—long an admirable secretary of the premier bank, that of Milan—as has been seen, distinctly attributes the success of that institution in part to the gratuitous character of the services rendered. In the larger banks of course there must be a paid staff, and in accordance with a resolution formally adopted at one of the great Congresses of People's Banks these are paid not only by salary but also by commission on profits—not on "business." This is found to act as a useful stimulus to good work. Thus the Banca Cooperativa Milanese sets apart annually five per cent. out of its exceptionally large profits for *tantième*. Some banks make such payment dependent upon the dividend attaining a certain minimum figure. Signor Levi recommends as a rule that the profits should be appropriated as follows: 70 per cent. to dividend, 20 per cent. to reserve, 10 per cent. to the employes. In 1889 the Banca Popolare of Milan distributed as much as 118,200 lire (£4,728) as commission among its servants. A provident pension and sick insurance system according to the rules laid down by Alfred de Courcy has long since become a regular institution with all these banks. Of the higher officers the Italian Banche pay three: the president, the cashier, and the chief bookkeeper (*contabile*), in about the following proportions: the president 1,500 lire, the cashier 1,300, the chief bookkeeper 1,100 lire. From its own number the *Consiglio* elects from three to five *sindaci*, upon whom devolves the daily supervision of affairs. They generally take the duty in turns, each for a week at a time, and after so much sacrifice of time and labor are allowed to retire at the close of a year. The *Comitato di sconto* form a separate body, consisting, generally speaking, of from fifteen to forty, and as a rule, taking the duty in turns. Distinct from all these is a board of honorary officers which is altogether peculiar to the Italian Banche, namely, the three *probiviri*, to whom an appeal may be carried on any point whatever arising in the administration of the banche and whose judgment—to be pronounced only *in banco*—is final. A candidate refused admission, a

member refused credit, a member sentenced to expulsion—whatever the question may be, an appeal lies to them, and their jurisdiction has in practice been found a rock of strength in maintaining harmony and keeping things in a satisfactory groove.—*Henry W. Wolff in People's Banks.*

[TO BE CONTINUED.]

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

THE PAYMENT OF A DRAFT AFTER THE DRAWER'S INSOLVENCY.

Is it right, and can a bank which is holding funds of a bank that has suspended, refuse payment of a draft drawn before suspension but not presented for payment say until a day after the drawee has suspended, in the absence of instructions from the drawer?

REPLY.—A bill may be accepted after the drawer's death when it has been given in consideration of a debt due from the drawer to the payee. This is familiar law. (*Cutts* v. *Perkins*, 12 Mass. 206.) But Randolph says: "It should not be accepted after the bankruptcy of the drawer. Although if it has been accepted after the bankruptcy of the drawer, that fact being at the time unknown to the acceptor, his subsequent information as to the matter will not prevent his paying the bill according to the terms of his acceptance." (Com. Paper, § 596.) The author cites *Pinkerton* v. *Marshall* (2 H. Black. 334) and *Wilkins* v. *Casey* (7 Term 711) as authority, and the latest editor of Story on Prom. Notes, in affirming the same principle, adds the cases of *Vernon* v. *Hankey* (2 Term 113) and *Mathew* v. *Sherwell* (2 Taunt. 439). All of these are English cases, however, and are simply a construction of the English bankruptcy law, and therefore furnish no rule or light for us here. A careful search among the American text books and digests does not reveal any decision of the question. Doubtless if such a draft was paid by the drawee without notice of the drawer's failure or bankruptcy, he would be free from all liability to the drawer's assignee subsequently chosen; but if the drawer's bankruptcy was known, the safest course would be to decline to pay his drafts. There are other cases also in which a draft operates as an equitable assignment of the drawer's funds in the possession of the drawee, and these can be safely paid without any reference to the death, bankruptcy or other happening to the drawer. The drawee can always decline to pay unless he is under an obligation to pay them, implied from the relation existing between the drawer and drawee, as in the case of a bank and its depositor. Several cases have arisen in which the drawee has failed and the drawee had money in his hands, but instead of paying the drawer's drafts drawn before his bankruptcy, has applied it to discharge an indebtedness due from the drawer. The drawee is not compelled to pay, and doubtless the safe course is to delay payment until receiving legal direction.

COLLATERALS.

Will you be kind enough to refer me to a compilation of the requirements of the several States and Territories in regard to holding stock as collateral? For

instance, in Massachusetts I understand that possession of the certificate indorsed makes the claim on the stock absolute, while in Connecticut such stock would be liable to attachment, and some form of registry is required to give the holder of indorsed stock a first claim. In other States doubtless there are other conditions required. As I am holding to-day as collateral stock in several States, and am likely any day to have other States represented among my collaterals, I am anxious to be thoroughly informed in the matter.

REPLY.—In Wade on Attachment will be found a collection of the statutes of all the States relating to the attachment of stocks, and also their construction. Colebrooke on Collateral Securities and Lowell on the Transfer of Stock are also useful works.

TENDER OF SILVER.

Please state what amount in silver dollars may be legally tendered in payment of a debt; also the amount in minor silver coins?

REPLY.—The revised statutes of the United States (1875) provide that the silver coins of the United States shall be a legal tender at a nominal value for any amount not exceeding $5 in any one payment. (Sec. 3586)

The minor coins of the United States shall be a legal tender at their nominal value for any amount not exceeding 25 cents in any one payment. (Sec. 3587.)

The law of February 28, 1878, authorizing the coinage of the standard silver dollar and restoring its legal tender character, radically changed the previous law on this subject. That law provided for the continued coinage of "silver dollars of the weight of 412½ grains Troy of standard silver," . . . which coins together with all silver dollars heretofore coined by the United States of like weight and fineness shall be a legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

BOOK NOTICES.

Principles of Economics. The Satisfaction of Human Wants in so far as their Satisfaction depends on Material Resources. By GEORGE PEASE OSBORNE. Cincinnati: Robert Clarke & Company, 1893.

Though Mr. Osborne's subject is not new and economic treatises are numerous, the author has produced a readable book. If one should begin with Adam Smith and read all the subsequent works on political economy, the greatest surprise perhaps would be the smallness of the contributions by each writer; and even Adam Smith's glory is becoming dimmed in the light of deeper investigation into the fountains from which he drew his facts and reasonings. The most ardent disciple of Smith will hardly contend that he did much more than to present the principles of economic science in an orderly and intelligent manner. His original contributions were small, but by putting the principles of political economy into a systematic form he gave a wonderful impetus to economic study, and which is increasing rather than diminishing as the years multiply. In the work before us the author has put his ideas in a new and fresh manner, and this, we

think, is his chief merit. In other words, he has presented political economy in a form that will interest readers, and any writer who can accomplish this end performs a good work.

The author declares that the book is somewhat wider in scope than it would have been had he restricted his study simply to the science of wealth. This, he declares, is not a natural division and is too indefinite, for wealth, as defined by economic writers, is simply that which has exchange value. He believes that the only method that will yield certainty is one that goes back to wants and to the resources for their satisfaction. Wants are real things, and the resources for their satisfaction are real. Those in different countries and different ages can be compared, while the relation between things and resources, and also between resources, can be studied under two lights, those of value in use and exchange. The author's definition of economy is, we think, very felicitous. He says that economy is the making the most of our resources; and public, political and national economy is making the most of the resources of an individual, a community or a nation. The man, for example, who gets as much from a $5,000 annual income as another man from an income twice as large is an economist, while one who lives on $500 a year and does not secure the comforts and advantages that other men obtain for $300 is a spendthrift.

The author claims for his work that he has had a keener eye on man as a social being, as a member of society, than economists in general. Considerable space, therefore, is given to society as a resource for the satisfaction of wants. Chapter four, the use of the resources of society, though very brief, contains some excellent ideas. The author remarks it is said that man cannot be made moral by legislation, nevertheless, he contends that legislation and the enforcement of law have much to do with the morality and the social life of any people. The lowest immoral classes can be prevented from outward acts. "The very compelling of the people in a certain way for a generation or two would most powerfully affect their character, and what is done under compulsion by one generation may become the habit of the second."

One of the noteworthy things in this book is the omission of the tariff question, which occupies so large a space in many of the works on political economy. One reason ascribed by the author for doing so, which is given in his preface, is to teach people that political economy is something besides a mere presentation of this question. Many of our politicians, as well as others, imagine that political economy and free trade or the protection controversy are synonymous terms, but the work before us ought to convince even the casual reader that political economy is a much broader subject and is well worthy of study even by those who are not interested in the tariff question.

The Railroad Question. A historical and practical treatise on railroads, and remedies for their abuses. By WILLIAM LARRABEE, late Governor of Iowa. Chicago: The Schulte Publishing Company. 1893.

This book well illustrates the difference between a book prepared by the cramming process and one which is the fruit of long study and experience,

and much thinking. While the book is radical in its treatment of the question, no side of it has been overlooked, as generally is the case with books that are the fruit of hurried preparation and careless thinking. It is really in a true sense the work of years. The author has been a man of affairs and has had occasion to study the subject practically and theoretically, in short, from all sides. He begins by giving an excellent account of the history of transportation and railroads, followed by a description of their abuses and conduct in politics and literature. Then follows an admirable chapter on railroad legislation in Iowa. The interstate commerce act is also considered, also the rate question, which is one of the most important and valuable in the book. The remainder is devoted to remedies. The situation of a railroad is very complex. It must, if possible, please all, as well as itself. Every customer of a railroad is trying to make the best terms possible; the railroad is equally selfish; but even this is not a comprehensive statement of its situation. Suppose a railroad company could make a uniform rate which would be acceptable to large and small shippers alike at all points and which was satisfactory to itself; then another trouble would confront it, namely, the rates and practices of competing lines. Even if a company was inclined to treat all shippers fairly, it could not reckon on the conduct of a competitor. We have no doubt that railroads will be subjected to more State supervision than they are at present. We have contended that the experiment should be tried of forbidding the construction of parallel lines; and then, if railroad companies did not carry at reasonable rates, to subject them to supervision in this regard. The shipper desires two things: first, uniform rates, and then, diminution to the lowest point. But perhaps uniformity is of greater consequence than amount. If all are treated alike, then shippers and buyers and all concerned could act accordingly. But when rates differ, a part of the community must suffer at the expense of the other part. First of all, then, it would seem that uniformity is desirable, and we have no hope that this can ever be obtained except by State regulation. This, we think, must come, but in order to have cheap rates the indispensable prerequisite is a large amount of business, and every new parallel road which divides a business only postpones this desirable end. We know of many cases in which parallel roads have been built, the persons along the line rejoicing over their construction, and expecting that they would receive great benefits. At first there was competition, neither line paying anything, bankruptcy following, ending in an agreement whereby rates were raised higher than they were before the second road was constructed. This has been the end of many attempts at competition. Evidently the rule of competition which works so well in business, is a poor rule for railroad companies. What is wanted is business, as much as possible, as an indispensable prerequisite to low rates, and when this is furnished, then, if rates are not correspondingly reduced, the State has a clear duty to perform in the way of making suitable rates for the transporter. This book is replete with facts and suggestions, and is deserving of the most careful reading by every person who is interested in this great subject. The author very truly says, "that it must be conceded that of all the great inventions of modern times, none has contributed so much to the prosperity and happiness of mankind, as the rail-

road." But it has brought many evils, and it is the duty of all, while enjoying the enlightenment and prosperity which this wonderful institution has brought, to lessen the evils, and no subject is more worthy the profound study of the statesman, the man of affairs, the scholar, and the citizen. Surely all who are trying to understand the good and evil of railroads can turn to the pages of this book with the certain expectation of learning much, both in the way of fact and suggestion.

Universal Bimetallism and an International Monetary Clearing House, together with a Record of the World's Money, Statistics of Gold and Silver, etc. By RICHARD P. ROTHWELL, M.E., C.E., Editor of the *Engineering and Mining Journal*, Ex-President American Institute of Mining Engineers, Special Agent of the Eleventh United States Census on Gold and Silver, etc, etc. New York: The Scientific Publishing Company, 1893.

For several years the world has been flooded with books and pamphlets of all kinds relating to bimetallism. It has been an unending theme with the newspaper editor, and whenever times were dull and every other subject was exhausted, he could fall back on bimetallism and fill any space. It is true that in this long controversy not much light has been thrown on it from any quarter, and the opinion expressed by the wisest, that the world must drift toward a correct solution rather than expect a Columbus to appear and discover it, is perhaps the largest truth put forward by any one. Events have been converging toward the solution. The adoption by one nation after another of a gold standard has been followed by consequences which are too plain to be overlooked. After the belief became general that a double standard could not be maintained and that gold was the most desirable of the two metals for a standard, the leading nations have followed in the wake of England in adopting a single gold standard. The consequence of this movement is now clearly seen, that there is not gold enough in the world to serve as a single standard for all the nations that wish to adopt it. However great, therefore, may be the evils of bimetallism, the new policy is likely to produce still worse ones. This is the most important consequence discovered during the controversy. Only by actual experiment or experience could this be learned. It was absolutely necessary for the nations of the world to smash their heads before they could find out the facts which actually existed. They are now learning pretty rapidly everywhere the true situation, and that they cannot knock it over, however tough their heads may be. We have contended that when all were able to see the real situation, there would be practical ways discovered for using the two metals without producing serious inconvenience to the world's business. Of late various plans have been suggested having this end in view. We do not hesitate to say that Mr. Rothwell has presented a plan that has great merits and which is receiving a great deal of intelligent study. The book is really the most valuable contribution to this controversy that has been made by any one, and will repay critical study by all who are interested in this momentous question.

BANKING AND FINANCIAL ITEMS.

GENERAL.

BANKERS' CONVENTION.—The Convention of the American Bankers' Association, which was to have been held at Chicago on the 6th and 7th ult., will be held in that city on the 18th and 19th of October. Headquarters and Registry Room will be at the Palmer House. This will undoubtedly be the most interesting meeting of the Association which has been held in many years.

THE UNITED STATES MINT DIRECTOR.—The President has nominated Robert F. Preston, of the District of Columbia, to be Director of the Mint. Mr. Preston is a native of Tennessee, but has been in the Treasury Department since 1856, having been transferred to the Mint Bureau when it was organized in 1873. Since the resignation of Mr. Leech in May last, he has been Acting Director. His position was that of Examiner, the highest position under the Director, and he held it when President Harrison appointed Mr. Leech, who held a lower position. Even at that time Mr. Preston was pressed for the place, on account of his recognized fitness. He is regarded as one of the most capable officers in the Treasury, and as Acting Director of the Mint has been of great assistance to the Secretary. The salary of the office is $4,500, the term is five years and the position shares with one other office only, that of Comptroller of the Currency, the peculiar distinction that the occupant, when once confirmed, cannot be removed without the consent of the Senate.

A BILL PROVIDING PUNISHMENT FOR DEFAULTERS.—If proposed legislative action could in any way add to the security of depositors in National banks, they would have cause for gratitude to their Congressional representatives. To the many bills introduced to increase the punishment for embezzlement by directors, officers or agents of National banks, Representative Bryan, of Nebraska, has added one more. His bill provides as follows: "Every president, director, cashier, teller, clerk or agent of any association who embezzles, abstracts or wilfully misapplies any of the moneys, funds, or credits of the association, shall be guilty of a misdemeanor and shall be imprisoned not less than five years nor more than ten years if the amount embezzled is less than $10,000; and not less than ten years nor more than twenty-five years if the amount embezzled is $10,000 or more and less than $25,000; and not less than twenty-five years nor more than forty years if the amount embezzled is more than $25,000; . . . . and persons arrested under this act shall receive no other nor better treatment nor greater privileges while in custody before conviction or after conviction than is accorded to persons in custody for violation of other laws of the United States."

THE PROTECTION OF DEPOSITORS.—Representative Bryan has introduced a bill to protect depositors in National banks. It provides that upon the first of each fiscal year there shall be due from every National bank a tax of one-quarter of 1 per cent. upon the average amount of deposits held in its custody during the last quarter of the preceding year. From this fund the Comptroller of the Currency is authorized to pay the depositors in failed National banks the amounts of their claims.

MR. ABRAHAM WOLFF, of the firm of Kuhn, Loeb & Company, has returned from Europe after an absence of nearly a year. Mr. Wolff says that European financiers are awaiting with keen interest the decision of the Senate on repeal, and that when favorable action is taken Europe will come into this market as a liberal buyer of our securities. The short crops on the other side will compel heavy shipments of our cereals, and further imports of gold may be looked for when the export movement sets in.

HOW A BANK RUN WAS STOPPED.—The old-timers tell the story of how T. J. Kelley, a contractor of this city and now manager of the horse market on Grand avenue, between Fifth street and Missouri avenue, by a very clever ruse stopped a run on a bank and prevented its going to the wall way back in 1871. At that time the Kansas City Savings Association, now the National Bank of Commerce, was

located at the southwest corner of Fourth and Delaware streets. Mr. Kelley was then secretary and cashier of the Corrigan Street Railway Company, and the company's account was kept at this bank. The much-despised penny was not then in general use here, as now. People were ashamed to pay for any article with pennies, except, perhaps, postage stamps, and the old-fashioned "fare-box" became a dumping ground for them. From $3 to $5 in pennies would be found in the boxes by Mr. Kelley every day. He usually dumped them into sacks and stored them away in the company's vault.

During the crisis of '71 the people became very much excited and flocked to the banks in droves to withdraw their deposits. Runs were made on nearly all the banks in the city and several were forced to suspend. One day a run was made upon the Kansas City Savings Bank, and the people were lined up waiting their turns to reach the tellers, who were paying out money by the basketful, when a happy thought struck Mr. Kelley. He went to the police station, secured three policemen to guard his treasure, loaded eight sacks of coppers upon a wheelbarrow and took them down to the bank. The sacks had originally contained gold, and were labeled on the outside "$5,000" in great big black letters.

Arriving at the bank, one old colored woman who had come to draw out her small savings called out:

"Why, Mistah Kelley, wha' fo' yo' put all that money in here when we're a-drawin' our money out?"

Kelley replied:

"That's all right. This bank isn't going to bust. I can put more money in here in one day than all you people can draw out in six months," as he trudged into the bank with the last sack.

This display of confidence on the part of the street railway company had a quieting effect upon the crowd, and they rapidly dwindled away.

The sacks contained just $40, but they saved the bank.—*Kansas City Times.*

EASTERN STATES.

NORWICH, CONN.—Work on the foundation of the new Norwich Savings Society building is progressing rapidly. The plans provide for an imposing limestone structure three stories high, which will be one of the most perfectly appointed bank buildings in the State.

NEW HAVEN, CONN.—George A. Butler, president of the National Tradesmen's Bank, has given the subject of finance a great deal of study. Mr. Butler has in contemplation a plan to publish a book containing his views on finance, the book to embrace a paper that he read before the Bankers' National Association a few years ago, and which attracted the favorable attention of bank men throughout the country. If he decides to publish this book he will incorporate it in the paper that he has prepared for the meeting of the American Bankers' Association. The object of the publication will be to place before the public in a succinct manner, and very easy of comprehension, the financial question.

Mr. Butler was asked a few questions recently by a newspaper reporter on the subject of finance, and he replied with these general propositions:

"First repeal that section of the National Bank Law requiring the deposits of the Government bonds against circulation.

"Have the bills issued by the Comptroller of the Currency issued as they are now, say 80 per cent. of the paid-up capital.

"Issue no notes of a denomination of less than $10 unless smaller notes are fully covered by coin.

"Remove the redemption and reserve agency to New York.

"Require a gold deposit of 25 per cent. against the circulation.

"Maintain the present double liability of the stockholders in the banks.

"Lay a tax of one-half or one per cent. if thought best, to be held by the United States Treasury as a permanent fund from which the bills of any bank that may fail and not have assets sufficient to pay all their debts may be paid out of this fund.

"This is substantially what I proposed twelve or fifteen years ago. The history of the whole system of banking demonstrates that if this system had been adopted years ago (that is, if all the banks that failed within twenty-nine years), of

the amount which they were not able to pay of notes and deposits there would still be left a fund in the United States Treasury of twice the amount that would have been paid out to make good all these losses.

"No system of paper money should be allowed at present except by limiting the issues to large notes and at the same time retiring legal notes as fast as new bank notes are issued.

"The introduction of any scheme of paper money at the present time should be carried out with conservatism, because our currency at the present time is so heavily weighted with an inferior silver coinage, and the legal tender notes.

"I do not favor any system except without a retirement of at least the legal tender notes, as I fear it might still further inflate the currency, thereby adding to the outflow of gold. But with the retirement of legal tender notes such a system of bank currency as I propose would expand with the movement of the great crops, and as the crops reached the markets the notes would follow them back to the banks of issue, and there await another need of similar kind. We should then have a currency that would be flexible, expanding and contracting as the needs of the country required, and avoid the almost annual occurrence of stringency in the loan markets at the time of moving of our great crops of cotton, corn and wheat. A suspension of the coinage of silver will make it possible to substitute such a system of currency as I have outlined."

HOULTON, ME.—Two offices have recently been fitted up over the Farmers' National Bank. This is one of the banking houses in Aroostook Co. which has had a remarkable increase of business since opening on June 2d, 1860. A part of the fine brick block is owned by the corporation and serves as a convenient and attractive place of business. Geo. A. Gorham, Esq., a former Eastport gentleman, is the efficient and enterprising cashier and has labored diligently for the bank's increase of business, till now it stands second to none in Aroostook County. Mr. Gorham is a man well liked and has proved himself to be a capable and worthy, as well as trustful cashier. Several of Houlton's wealthy men are directors, which has insured the lasting foundation of its business and has rendered its reputation first-class in every degree.

BOSTON, MASS —The action taken by one of the Boston banks in holding on to all the Clearing House certificates it can get, while taking out none, and refusing to lend to any but regular customers, continues to create a great deal of criticism, particularly among bank presidents. The bank in question, it seems, holds $1,750,000 of such certificates out of a total issue of $12,000,000, or $250,000 more than its entire capital stock. "This money," says a prominent State street bank official, "wasn't loaned to the other banks, but it was paid to them from their Clearing House balances, and they receive 7 3-10 per cent. interest on their certificates all the time. Give them time to pursue this policy to the end and they would absorb all the certificates there were. When you are helping increase the deposits of such institutions as these you are helping the loaning community. But how about the borrowing community? Are they not to be considered in times like these? By this arrangement the bank in question takes the minimum of risk, Clearing House certificates, albeit fiat money, being practically as good as gold, and is able to lock up $1,750,000. The great majority of Boston banks, however, have acted nobly during the recent crisis. They have strained every nerve and every resource to care for their customers. Occasionally exhibitions of selfishness have been displayed which stood out in striking contrast to the general course pursued by the banks. For example, a case which has just come to my notice. A certain bank some months ago ran after a man to get his paper. It was taken at an extremely low rate. Some of that paper came due last week. The bank generously offered to renew it at 15 per cent. Such cases of pawnbrokerage practice, however, are exceedingly rare. Still I am inclined to believe that $5,000,000 of Clearing House certificates could have done the work of $12,000,000 here in Boston if all the banks had been willing to help each other instead of hoarding them."

WORCESTER, MASS.—The Blake Bank Lock Inspection Company of this city have just patented an ingenious bank lock which they claim is an improvement on any now in use. The improvement consists in retaining the full strength of the spring, minus only the number of hours it is desired to control the locking. By

these means it gains a much greater power when it does the work than the old methods of Pillard and Sargent & Greenfield's locks, and also the Yale Company, of Stamford, Ct. Ira G. Blake and Fred H. Blake, who are at the head of the firm, were asked about a year ago by a prominent manufacturer to devise a lock for his own use. The task was undertaken and certain improvements devised. Then the matter dropped. But the patentees decided to go on with the work later, with the result that patents were granted in due season. Ira G. Blake & Son have been superintending engineers and experts for vault and safe construction in this city for the past sixteen years, and this latest device bids fair to open a new field of enterprise and manufacture in this city.

PORTSMOUTH, N. H.—The appointment by the Governor and council of Hon. John Hatch, of Greenland, as bank commissioner, to fill the unexpired term of William R. Heard, resigned, gives great satisfaction throughout this section.

BUFFALO, N. Y.—The bank longest in continuous existence is the Commercial Bank (Bank of Attica), established in Attica in 1836 and a few years later, following the great panic, removed here.

The present Bank of Buffalo was established in 1873, about the same time as the Bank of Commerce. The old Bank of Buffalo was one of the pioneers, and appears in the early directories as presided over by Hon. Orlando Allen, ex-mayor. It suspended, along with all the other local banks, about 1843.

According to Walker's Buffalo directory of 1842, all the local banks were under suspension and in the hands of receivers, as follows: City Bank, Commercial Bank, Bank of Buffalo, Merchants' Exchange Bank, Erie County Bank, United States Bank, Mechanics' Bank, Bank of Commerce, Bank of America, Phoenix Bank Union Bank, State Bank of New York.

Some of the above names are identical with those of present banks, and some confusion might result in tracing the histories.

Next in point of age to the Commercial Bank comes Hon. E. G. Spaulding's Farmers' and Mechanics' Bank, established in Batavia in 1838 and moved to Buffalo in 1856.

The Marine Bank, dating from 1850, is followed by the American Exchange Bank, established in 1853 as White's Bank, but we find a White's Bank of Buffalo in Walker's directory of 1844. The Manufacturers' and Traders' began in 1856.

In 1844, following the panic of 1837, Buffalo boasted of the following banks, besides the Bank of Attica: Oliver Lee & Co.'s Bank, Patchin Bank of Buffalo, Merchants' Bank, Exchange Bank of Buffalo, White's Bank of Buffalo, Farmers' and Drovers' Bank of Erie County.

It is interesting to note that both the father and grandfather of the present president of the Commercial Bank occupied the president's desk before him. Three generations of banking testify to the sterling business qualities of the Rich family. G. Barrett Rich's grandfather was at the head of the Bank of Attica up to the time of its removal here, and his father, A. J. Rich, then took the responsible position.—*Buffalo Times.*

PENNSYLVANIA.—A National bank has been organized at Patton, Cambria County, the headquarters of the Chest Creek Land & Improvement Company. The following officers have been elected: President, A. E. Patton, Curwensville. Cashier, William H. Sanford, Philipsburg, late cashier of the Moshannon Banking Company. Directors: John Lang, Corning, N. Y.; A. E. Patton, Curwensville; Joseph H. Reilly, Philipsburg; George S. Good, Lock Haven. Four directors are yet to be added from the list of stockholders. The capital stock is placed at $50,000, distributed.

LEGAL HOLIDAYS IN PENNSYLVANIA.—Attorney General Hensel says his private law firm has instructed "certain banking institutions which we represent" that notes maturing on a legal holiday need not be paid until the following secular day. This is the interpretation the Attorney General places on the Act of May 23, 1893, designating election days as legal half-holidays, and the Act of May 31, 1892, designating the days and half days to be observed as legal holidays, and the effect of these laws upon the payment, acceptance and protesting of bills, notes, drafts, checks, etc., on such days, was carefully considered. The firm has instructed the bankers applying to it "that in all cases on which legal holidays

occur on Sunday, the following day shall be deemed and declared a public holiday, except when May 30—Memorial day—falls on Sunday, the Saturday preceding it shall be observed as the holiday. Hereafter all bills, checks, drafts and notes otherwise presentable for acceptance or payment on any holiday, shall be deemed to be payable, and be presentable for acceptance or payment on the secular or business day 'next' succeeding such holiday, or half-holiday, except that checks, drafts, bills of exchange and promissory notes payable at sight or on demand, which would otherwise be payable on any Saturday half-holiday, shall be deemed to be payable at or before twelve o'clock noon of such half-holiday, but demand or acceptance, or payment of any such check, draft or note not paid before twelve o'clock noon, shall not be made and notice of protest or dishonor thereof shall not be given until the next succeeding secular or business day, and no liability is incurred through failure to present or protest sight or demand notes on half-holidays. In other words, protests of paper falling due on any holiday, or on any Saturday of the year, shall hereafter not be made before the following secular day, and in the case of Saturdays, 'or of any holiday falling on Saturday,' paper shall not be protestable until Monday."

FRANCIS P. STEEL, ex-president of the Southwark National Bank, died at Radnor, Pennsylvania, in his sixty-sixth year. At the time of his death Mr. Steel was vice president of the Franklin Fire Insurance Company and the Pennsylvania Salt Company. He was also a director of the Academy of Music, and served for a short time as president after the death of Alfred G. Baker. In his youth Mr. Steel entered the Farmers' and Mechanics' National Bank, where his abilities were quickly recognized and rewarded. He was appointed cashier of the Southwark Bank about 1857, and his accession to the presidency of that institution followed about 1867. As president he continued until the early part of this year. The condition of his health at that time necessitated his retiring. His recognized business acumen made him much sought after in the management of estates, and he acted as executor for quite a number. Mr. Steel enjoyed the confidence of a large circle of acquaintances, among whom he was highly respected as a conservative business man and an upright citizen.

VERMONT—WHO OWNS THE SAVINGS BANKS?—The Burlington *Free Press* in a recent article on the strength and security of the old savings bank in that city, alluded to its surplus of $300,000, whereupon some one wrote to ask to whom this surplus would belong if the bank should close up its business. The answer is of interest to all savings bank depositors: "The legal owners of the savings bank are the depositors. There are no stockholders; and the officers represent the depositors. The general Vermont statute relating to the subject provides that when a savings bank is wound up, its assets shall be divided equally among the creditors. The creditors, after the salaries and running expenses are paid, are the depositors. Of course, after a depositor withdraws his deposit he ceases to be a creditor. If the bank were to close out its business—which could be done (except in case of insolvency of the institution) by direction of the corporation, which represents the legal owners—the surplus would be divided among the depositors, who are such at that time. Our laws carefully guard the interests of the depositors. No officer of a savings bank can borrow money of the bank, directly or indirectly, and the requirements as to examinations and reports are such that no savings bank has ever become insolvent in this State."

WESTERN STATES.

DENVER.—The Rocky Mountain Savings Bank, which closed July 17, has opened its doors. President F. S. Woodbury and Cashier G. F. Clark are in charge. The bank is capable of meeting any demand which may be made upon it. It succeeded in securing signatures to the resumption agreement to the amount of $101,000, leaving only $4,000 unsigned. The entire amount would have been signed if the depositors could have been found. The officers say the bank is in as good a condition as it ever was, and new depositors can get their money on demand, the rule requiring notice not being enforced.

TERRE HAUTE, IND.—The new First National Bank building now being erected will rank as one of the finest and most complete bank buildings in the State of Indiana. The front will be of blue Bedford stone, and is being put up by the Terre Haute

Stone Company. The heavy pillars are to be grooved and are of Bedford stone. The ceiling is to be thirty feet high, but the front elevation will extend beyond that height. The interior finish will be of marble and mahogany. The bank proper will be beneath the dome, which is to be covered with glass. At the left-hand side will be the vault and at the rear will be the second vault for records and books. There will be a directors' room, parlor and toilet-room in the rear. A small court will divide the bank building from the building in which the heating apparatus is located. The plans are very complete and the bank will be a model of its kind. The brick contract is in the charge of Contractor Silas Beach, who is rapidly pushing the work. The contract for stonework alone on the building will amount to $12,000. The First National Bank is one of the oldest institutions in the city, having been organized as the Southern Bank long before the war. The Southern was organized by J. H. Williams, a capitalist from Erie, Pa., who came here in 1853. The bank opened out for business in the two story brick building now standing on the northwest corner of Second and Ohio streets. The bank was in the fourth store room from the corner. J. H. Williams was president and George C. Duy cashier. The location was changed but twice. Once to the southwest corner of Fourth and Main streets and then to the present location. In 1863 the bank changed into the First National Bank. President Williams was succeeded by Mr. D. W. Minshall, who served but a few years. He was succeeded by Mr. D. Deming in 1868. The last assessment for taxation made by the county board of review was $426,000. The present directors are D. Deming, H. Ross, E. W. Ross, D. W. Minshall, A. Mayer, H. S. Deming and Samuel T. Reese. Demas Deming is president, Bertis McCormick, cashier, Frank Teel, assistant cashier. There are three bookkeepers, Herman Raabe, Charles F. Haupt and Charles Schomerus. Harry Sachs is correspondent and Julius Lindeman messenger. There have been but a few changes in the stockholders and directorship since the First National was founded. During the past year Mr. Samuel T. Reese succeeded the late Josephus Collett as a director. The stockholders are as follows: C. W. Mancourt, H. Ross, E. W. Ross, Samuel T. Reese, Julia C. Smith, Charles W. Williams, Estate of W. B. Warren, Sophie L. Wheeler, Estate of Jos. Collett, D. Deming, H. S. Deming, S. C. Deming, G. Eshman, Los Angeles, Cal., S. K. Francis, C. Fairbanks, D. W. Minshall, R. A. Morris, Anton Mayer, W. E. McLean. From the annual report of the condition of the bank, it will be seen that the capital stock is $300,000, the surplus fund $200,000, individual deposits $595,708.36 The bank is regarded as one of the most solid in the country. Col. McLean, while a resident of Washington, was told that no other bank in the country had a cleaner Treasury record than the First National of Terre Haute.

IOWA.—The State Auditor has completed that part of the bank report that relates to savings banks The showing made is very creditable to the banks and to Iowa. The report is for the year ending June 30th, 1893. On that date there were 148 savings banks in the State. The following are their totals:

ASSETS.

Bills receivable	$29,369,994.00
Cash, and cash items	1,622,125.80
Credit subject to sight draft	2,675,539.28
Overdraft	173,675.41
Real and personal property	892,641.90
Total assets	$34,733,976.49

LIABILITIES.

Capital	$ 6,409,700 00
Deposits	26,426,031.70
Due bankers	537,852.26
Surplus	677,709.56
Undivided Profits	682,582.97
Total liabilities	$34,733,976.49

On June 30th, 1892, there were 104 savings banks in the State, having total assets and liabilities of $32,763,755.12, deposits, $26,115,384.35. From this it will be seen that notwithstanding the business depression the country has suffered, the

savings banks of Iowa now have $310,674.35 more on deposit than they did last year and that during the same period their assets have increased $1,970,220.37.

KANSAS.—State Bank Commissioner Breidenthal says that he and his assistants have made special examinations of 280 banks during the past six months, leaving about 150 yet to be looked after. During that time thirty-five State banks have closed their doors voluntarily and otherwise, five of which have since resumed business. The aggregate amount involved in all these failures was less than $1,500,000 —less than the amount of a single failure in some other States. Of those which have not yet resumed a large number will pay out, many will even pay more or less to the stockholders, while the losses on the others will be but a small percentage of the amount involved. Mr. Breidenthal says that the banks have been rapidly reducing their large lines of indebtedness, and on that account alone they are in a much better condition than at the beginning of the financial flurry.

FLINT, MICH.—A man, says the Flint *Journal*, who offered a Canadian bill, which was refused except at 10 per cent. discount, to the paying teller of a local bank this morning, was much surprised when informed that the bank was obliged to keep a record of all Canadian paper money paid out over its counters and to pay the United States Government 10 per cent. on all Dominion "rag" currency.

ADRIAN, MICH.—The Hon. Wm. S. Wilcox, late president of the Adrian State Savings Bank, died September 15th, at the age of seventy-four years. He was a man of considerable prominence through the State, having been State Representative and State Senator, and Mayor of Adrian. He had been engaged in banking since 1879 under the name of the Commercial Exchange Bank of Whitney & Wilcox until June 1, 1893, when the bank was reorganized under the above name. His business life was a success. His death was universally regretted, and his place hard to fill in the community in which he lived. R. A. Watts was elected president, Adolf Wheeler first vice-president, A. D. Gilman second vice president, and Geo. A. Wilcox director to fill his father's place.

LAWTON, MICH.—A. B. Chase, of Bangor, has offered to open a bank at Lawton, if the people of that town will take $10,000 of the stock.

GRAND RAPIDS, MICH.—The directors of the New State Bank of Michigan express themselves as well pleased with the bank's first year's business. Its record shows a constant and steady growth.

ASHLAND, WIS.—The First National Bank of Ashland, which suspended on July 31, has resumed business. Nearly all depositors have signed the agreement to take certificates of deposit payable in three, six, nine and twelve months. There will be no change in the officials of the bank. Bank Examiner Bath, of Racine, has been in charge of the bank since its suspension. He says affairs are now in excellent condition for resumption. Depositors who have signed the agreement represent all but $20,000 of the deposits.

SOUTHERN STATES.

MACON, GA.—A bank bill of the old bank of Macon has come to light in a very peculiar way. The Fort Valley *Leader* tells of it as follows: Last Friday evening while Miss Joe Royal was remodeling a cashmere basque that was made last fall, her scissors cut through something between the lining and the outside cloth that rattled like paper. Upon investigation she found it to be a bank bill on the bank of Macon and dated November 1, 1831. How the bill got into this garment is a mystery past finding out, as the basque is only one year old, while the bill is 62. The bill presents a rather newish appearance and has been well preserved. The whole design is good and the printing and lithographing is perfectly plain, while the signatures have slightly faded. The bill was presented by Miss Joe to the *Leader* and they have left it for the present on exhibition at the Exchange Bank. The bill reads as follows: "State of Georgia. The Bank of Macon of the State of Georgia promises to pay Four Dollars to C. W. Washington or bearer, on demand. Macon, November 1st, 1831. Robt. W. Fort, president; Robt. Collins, cashier."

SAVANNAH, GA.—The Savannah Bank and Trust Company is one of the oldest banking institutions in Savannah, having been established in 1868. The paid-up capital is $400,000, with a surplus of more than $50,000. The officers and stock-

holders are among the most substantial and influential gentlemen in the city, representing in the aggregate many millions of dollars. The officers are Jos. D. Weed, president; Jno. C. Rowland, vice-president; Jas. H. Hunter, cashier. The directors are Jos. D. Weed, Jno. C. Rowland, Robt. G. Erwin, Edward Karow, Isaac G. Haas, Walter Coney, John Lyons, Daniel Hogan, Wm. C. Powell, and M. Y. McIntyre. The bank building is spacious and well appointed, while the assistants throughout are courteous and obliging. This bank conducts a general banking business, buys and sells exchange, handles collections from all points, and allows 4 per cent. interest on the deposits of its savings department, and rents safety deposit boxes.

MOUNT PLEASANT, TEXAS.—Mrs. Annie Moores, president of a National bank at Mount Pleasant, Texas—and the only woman who fills such an office in the United States—is said to possess remarkable business tact.

RICHMOND, VA.—John L. Williams & Sons, the well-known bankers of Richmond, Va., who aided so largely in the work of refunding the State debt, have published a valuable chart showing the course of silver and silver coinage in this country for more than a hundred years. Besides giving other important data bearing upon the subject, it is shown by the tables which accompany the chart that in the twenty years that have elapsed since the so-called demonetization of silver the United States Government has issued of actual silver coin and coin certificates against silver bullion more than seventy-two times as much silver money as was coined during the whole period of eighty-one years of free coinage. As the Williamses say: "This would apparently indicate that the United States has certainly not been party to any attempt to reduce the price of silver." Concluding the circular letter which accompanies their chart, the Richmond bankers say: "In the face of these facts how utterly unreasonable it seems for this country to attempt to push up the price of silver and establish a bimetallic system. It is well-nigh impossible to have permanent free coinage of two different metals and make them circulate side by side. As soon as there is any variation in the commercial value of the two metals just so soon will the debtor begin to pay his debts with the cheaper metal, and the holder of the more precious one will proceed to make the most advantageous disposition of it, and probably ship it to some foreign shore where it is more highly valued, or melt it up and sell it here as bullion to be used in the arts." We would commend the examination of the chart to all the fledgelings in finance who have been projected upon the country during the last few years. It would be a wise thing for each Farmers' Alliance to have a copy of the chart framed and hung in its lodge room for the information and instruction of the young men of the State, who are apt to be led astray by the misinformation or ignorance or demagogy of those who are attempting to blacken the politics of the South. No country in the world can become rich on cheap money; no industry, except that of silver mining perhaps, can be promoted by the substitution of the white metal for the yellow, or by encouraging the adoption of financial measures which are calculated only to benefit a certain class.

WHEELING, W. VA.—A new bank has just been opened at Wheeling with a capital stock of $250,000.

PACIFIC STATES.

SEATTLE, WASH.—The Puget Sound National Bank has doubled its capital, having now a capital of $600,000 and a surplus of $120,000, making it one of the largest and strongest financial institutions on the Pacific coast. As the stockholders of the bank are liable for an amount equal to the capital stock, the total guarantee fund of this bank now amounts to $1,320,000. President Furth, who has had charge of the bank since it was first organized with a capital of $50,000, may well be congratulated upon the magnificent growth of an institution which has kept pace at all times with the growth of the city and the needs of the business interests of Seattle.

FOREIGN.

BRITISH SAVINGS BANKS.—The British Government went into the Post Office savings bank business in 1861, and it is considered remarkable that, in view of this fact, the vitality of private savings banks has been so marked. Their numbers have

greatly fallen off, from 625 in 1859 to 303 in 1891, but their deposits have actually increased, having been at the former date about £39,000,000 and at the latter nearly £43,000,000. These deposits are almost exclusively invested with the Commissioners of the Public Debt, and the interest paid depositors has necessarily declined with the reduction of the rate paid by the Government from about 3 to 2½ per cent. This reduction of interest has occasioned a perceptible falling off in deposits, which attained the maximum amount, over £47,000,000, in 1887. But this is more than offset by the increase in the deposits of the Post Office banks, which rose between 1887 and 1891 from £54,000,000 to £71,600,000. This latter sum represents approximately the increase in the savings of the people of the United Kingdom during the last thirty years.

CANADA.—The annual meeting of the Bank of British North America was held in London. This bank, which was established in 1836, has a paid-up capital of £1,000,000 and a reserve fund of £275,000. The balance sheet to the 30th June last shows that the profits for the half-year, including £7,863 10s. 2d., brought forward from last account, amount to £40,613 12s. 7d., out of which the directors report the declaration of an interim dividend of 35s. per share, leaving a balance of £5,613 12s. 7d to be carried forward. The following appropriations from the profit and loss account have been made for the benefit of the staff, viz.: To the officers' widows and orphans fund, £402 8s. 10d.; to the officers' life insurance fund, £285 3s. 3d.

Sterling exchange has ranged during September at from 4.84¼ @ 4.87¼ for sight, and 4.81½ @ 4.85¼ for 60 days. Paris—Bankers' francs, 5.21¼ @ 5.16⅞ for sight, and 5.23¾ @ 5.19⅜ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84 @ 4.85; bankers' sterling, sight, 4.86 @ 4.87; cable transfers, 4.86¼ @ 4.87½. Paris—Bankers', 60 days, 5.20 @ 5.19⅜; sight, 5.18⅛ @ 5.17½. Antwerp—Commercial, 60 days, 5.22½ @ 5.21⅞. Berlin—Bankers', 60 days, 94⅞ @ 95; sight, 95¼ @ 95⅞. Amsterdam—Bankers', 60 days, 40 1-16 @ 40 3-16; sight, 40 5-16 @ 40 7-16.

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

QUOTATIONS:	Sept. 6.	Sept. 11.	Sept. 18.	Sept. 25.
Discounts	6	6	6	6
Call Loans	2 @ 5	3 @ 4½	3 @ 4	2 @ 4
Treas. balances, coin	$50,612,476	$51,253,499	$49,920,910	$49,058,984
Do. do currency	7,346,393	7,573,852	7,944,007	4,754,854

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

1893.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
Sept. 2..	$400,169,300	$66,860,500	$25,074,500	$374,010,100	$9,911,600	*$1,567,525
" 9..	396,969,200	69,260,900	27,152,400	373,787,700	11,209,400	2,966,375
" 16..	392,880,800	73,456,900	31,463,200	377,273,600	12,723,600	10,601,700
" 23..	392,145,600	78,662,400	34,934,300	383,947,000	13,610,300	17,609,950
" 30..	392,494,400	80,786,200	41,079,400	390,980,400	14,395,600	24,120,500

The Boston bank statement is as follows:

1893.	*Loans.*	*Specie.*	*Legal Tender*	*Deposits.*	*Circulation.*
Sept. 2	$150,097,300	$7,236,100	$4,191,600	$122,281,200	$8,819,400
" 9	150,096,400	7,323,600	4,244,600	125,192,900	9,058,600
" 16	150,348,100	7,811,500	5,135,800	127,305,100	9,263,200
" 23	149,728,400	8,767,700	6,166,800	127,184,100	9,329,900
" 30	150,241,900	9,171,500	6,900,500	126,458,500	9,308,900

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

1893.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Sept. 2	$102,746,000	$23,058,000	$93,423,000	$5,074,000
" 9	102,984,000	24,316,000	93,916,000	5,540,000
" 16	103,376,000	24,776,000	94,809,000	5,686,000
" 23	102,140,000	25,333,000	94,370,000	5,769,000
" 30	101,269,000	25,831,000	94,404,000	5,807,000

* Deficiency.

NEW BANKS, BANKERS, AND SAVINGS BANKS.

(Monthly List, continued from September No., page 233.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
CAL....	Alameda.....	Encinal Bank.....	Laidlaw & Co.
	$35,390	Chas. S. Neal, *P.*	John F. Ward, *Cas.*
		Joseph F. Forderer, *V. P.*	
"	..Escondido.....	Citizens Bank.....	National Park Bank.
	$20,000	Chas. S. Whitham, *P.*	K. M. Whitham, *Cas.*
"	..Ferndale.....	Ferndale Bank.....	Laidlaw & Co.
	$25,000	A. Putnam, *P.*	John H. Frost, *Cas.*
		Wm. N. Russ, *V. P.*	
"	..Madera.....	Commercial Bank.....	J. & W. Seligman & Co.
	$100,000	Return Roberts, *P.*	Elmer H. Cox, *Cas.*
		W. W. Phillips, *V. P.*	
"	..San Bernardino	Farmers Exch. Bank (Re-opened)	First National Bank.
	$100,000	H. L. Drew, *P.*	S. F. Zombro, *Cas.*
		Richard Gird, *V. P.*	
"	..San Francisco..	Peoples Home Sav. Bk. (Re-opened)	Chemical Nat. Bank.
	$333,333	C. Waterhouse, *P.*	E. Bellermann, *Sec.*
		F. V. McDonald, *V. P.*	
COL....	Florence.	Bank of Florence (Re-opened)	Mercantile Nat. Bank.
		O. H. P. Baxter, *P.*	H. C. Topping, *Cas.*
"	..Pueblo.....	American Nat. Bank (Re-opened)	Mercantile Nat. Bank.
	$250,000	O. H. P. Baxter, *P.*	Robt. Gibson, *Cas.*
		Chas. E. Gast, *V. P.*	S. F. Crawford, *Asst.*
"	..Pueblo.....	Central Nat. Bank (Re-opened)	Nat. Bank of N. America.
	$50,000	Delos L. Holden, *P.*	Hiram L. Holden, *Cas.*
		A. Royal, *V. P.*	
CONN...	Derby.....	Home Trust Co.....	.....
	$25,000	Geo. H. Peck, *P.*	Chas. N. Downs, *Tr.*
		H. Holton Wood, *V. P.*	
DAK. S.	Fairfax.....	Fairfax State Bank.....	.....
	$6,000	C. A. Johnson, *P.*	Orion Porter, *Cas.*
		O. E. Livingstone, *V. P.*	M. M. Johnson, *Asst.*
"	..Salem.....	Commercial State Bank....	Tradesmens National Bank.
	$25,000	I. J. Todd, *P.*	D. Goldsmith, *Cas.*
		C. B. Puntney, *V. P.*	
FLA....	Kissimmee.....	E. Nelson Fell.....	Hanover National Bank.
GA.....	Augusta.....	Augusta Clearing House Asso.	.....
			C. S. Goodrich, *Mgr.*
ILL.....	Pearl City.....	Pearl City Bank.....	.....
	$10,000	Harvey M. Timms, *P.*	Geo. W. Dow, *Cas.*
		Simon Tollmier, *V. P.*	
IND.....	Logansport....	Logansport State Bank....	Chase National Bank.
	$25,000	Geo. W. Seybold, *P.*	W. C. Thomas, *Cas.*
		V. E. Seiter, *V. P.*	
"	..Oxford.....	Bank of Oxford.....	Winslow, Lanier & Co.
			Joseph W. McConnell, *Cas.*
IOWA....	Aurelia.....	Farmers Loan & Trust Co.	Merchants National Bank.
		James F. Toy, *P.*	A. J. Whinery, *Cas.*
		Lot Thomas, *V. P.*	
"	..Grundy Centre.	First Nat. Bank (Re-opened)	Chase National Bank.
	$50,000	George Wells, *P.*	R. M. Finlayson, *Cas.*
		E. A. Crouse, *V. P.*	
"	..Perry	Citizens State Bank	.....
	$47,000	John Law, *P.*	Chas. E. Walker, *Cas.*
		Jay G. Dutton, *V. P.*	
"	..Wall Lake.....	Wall Lake State Bank.....	.....
	$30,000	A. Herrig, *P.*	Neil McFarlan, *Cas.*
		F. Wm. Derenfeld, *V. P.*	
"	..Wesley.....	Security Bank.....	.....
	$25,000	Rodney Hill, *P.*	Geo. B. Hall, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
Ky.....	Dry Ridge.....	Peoples Bank.....	.....
	$25,000	Jacob B. Renaker, *P.*	Clarence Evans, *Cas.*
		Jno. Conrad, *V. P.*	
Mass...	Brockton.....	Plymouth Co. Safe Dep. & Tr. Co.	.....
	$100,000	Ziba C. Keith, *P.*	Isaac N. Nutter, *Tr.*
Md.....	Chestertown...	Kent Co. Savings Bank...	.....
	$20,000	John K. Aldridge, *P.*	Wm. F. Russell, *Cas.*
		M. A. Toulson, *V. P.*	
Me.....	Portland.....	Chapman National Bank.	.....
		Cullen C. Chapman, *P.*	Chester W. Pease, *Cas.*
Minn...	Buffalo Lake .	Bank of Buffalo Lake....	.....
	$35,000	Edward O'Connor, *P.*	F. G. Nellermoe, *Cas.*
		Timothy O'Connor, *V. P.*	
Mo.....	Canton.....	Citizens Bank.	.....
	$20,000	Joseph Patterson, *P.*	C. M. Bradshaw, *Cas.*
			W. D. Legg, *Asst.*
"	..Cross Timbers..	Bank of Cross Timbers.	.....
	$10,000	Joseph S. Hartman, *P.*	Wm. McCracken, *Cas.*
"	..Jerico.....	Morris Banking Co.....	.....
	$5,000	Joseph Morris, *P.*	Chas. E. Whitsett, *Cas.*
		C. S. Brown, *V. P.*	Leroy C. Brown, *Asst.*
"	..Martinsburg....	Martinsburg Bank	Hanover National Bank.
	$10,000	Stephen Bertels, *P.*	Robert Lee Morris, *Cas.*
		E. P. French, *V. P.*	
Neb....	Omaha.....	American Nat. Bk. (Re-opened)	First National Bank.
	$200,000	John L. McCague, *P.*	Henry F. Wyman, *Cas.*
		Alfred R. Dufrene, *V. P.*	E. C. Brownlee, *Asst.*
"	..Omaha.....	Amer. Loan & Tr. Co. (Re-opened)	.....
	$400,000	O. M. Carter, *P.*	A. C. Powell, *Cas.*
		C. T. Montgomery, *V. P.*	J. Fred Rogers, *V. P.*
N. C....	Charlotte.....	Loan & Savings Bank.....	Chase National Bank.
	$50,000	Samuel Wittkowsky, *P.*	Archibald Brady, *Cas.*
		John D. Church, *V. P.*	
Ohio...	West Cleveland	West Cleveland Bkg. Co...	.....
		W. J. White, *P.*	Thomas West, *Sec. & Tr.*
		V. D. Anderson, *V. P.*	Gustav Schmidt, *V. P.*
Okla...	Perry.....	T. M. Richardson & Sons..	.....
		T. M. Richardson, *P.*	T. M. Richardson, Jr., *Cas.*
		D. C. Richardson, *V. P.*	G. B. Farrar, *Asst.*
"	..Perry.....	Bank of Perry.....	Mechanics National Bank.
	$50,000	H. Robinson, *P.*	F. W. Farrar, *Cas.*
"	..Perry.....	Farmers & Merchants Bk..	Kountze Bros.
			L. D. Treeman, *Cas.*
Pa.	Muncy.....	Muncy Banking Co.....	Chase National Bank.
	$50,000	James Coulter, *P.*	L. Clyde Smith, *Cas.*
		D. B. Dykins, *V. P.*	
"	..Patton.....	First National Bank.....	.....
	$50,000	A. E. Patton, *P.*	Wm. H. Sandford, *Cas.*
"	..Sandy Lake....	Mercer County Bank.....	Bank of America.
		E. W. Echols, *P.*	F. M. Allison, *Cas.*
S. C....	Westminster...	Westminster Bank.....	United States National Bank.
	$5,000	Jno. S. Dickson, *P.*	C. E. Mason, *Cas.*
"	..Westminster...	Peden & Anderson.....	National Park Bank.
Texas..	Alvin.....	Alvin Exchange Bank.....	Merchants Exch. Nat. Bank.
	$10,000	John S. Hidden, *P.*	Oscar S. Cummings, *Cas.*
		C. S. Cummings, *V. P.*	
"	..West.....	West Bank.....	Fourth National Bank.
	$50,000	Thos. M. West, *P.*	James B. Cook, *Cas.*
			J. A. West, *Asst.*
Utah ..	Provo City.....	First Nat. Bank (Re-opened)	Kountze Bros.
	$50,000	Abraham O. Smoot, *P.*	Douglas A. Swan, *Cas.*
		Walter R. Pike, *V. P.*	
Vt.....	Chelsea.....	Nat. Bank of Orange Co.	.....
	$50,000	Aaron N. King, *P.*	John B. Bacon, *Cas.*
"	..Hardwick.....	Hardwick Sav. Bk. & Tr. Co.	.....
	$50,000	Benj. P. White, *P.*	P. J. Cowles, *Cas.*
		Isaac P. Titus, *V. P.*	
"	. Middlet'n Spgs .	L. & A. Y. Gray.....	Continental National Bank.

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y Correspondent.*
VA.	Danville. $100,000	Citizens Bank. John H. Schoolfield, *P.* Thomas B. Fitzgerald, *V. P.*	Phenix National Bank. Jas. T. Catlin, *Cas.*
WASH.	Ilwaco. $10,000	J. R. Morrison	.....
"	Spangle. $15,000	State Bank. Edward H. Hinchliff, *P.* C. G. Tipton, *V. P.*	Hanover National Bank. M. A. Cisna, *Cas.*
WIS.	Two Rivers. $10,000	Bank of Two Rivers (Re-opened). Edward Decker, *P.*	David Decker, *Cas.* W. J. Wrieth, *Asst.*
"	West Superior. $500,000	Northern Trust Co. Robert L. Belknap, *P.* Wm. B. Banks, *V. P.*	National Bk. of N. America. Phillip G. Stratton, *Cas.*
MAN'BA.	Morden	Union Bank of Canada	National Park Bank. C. R. Dunsford, *Mgr.*
ONT.	Deseronto	Bank of Montreal	Bank of New York, N. B. A. F. J. Rogers, *Mgr.*
QUE.	Lachine	Banque Ville Marie	National Bank Republic. C. Langlois, *Mgr.*
"	Louiseville	Banque D'Hochelaga	National Park Bank. F. X. O. Lacoursiere, *Mgr.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from September No., page 235.)

	Bank and Place.	*Elected.*	*In place of.*
ARK.	First National Bank, Helena.	Jacob Trieber, *P.*	F. B. Sliger.
		Aaron Meyers, *V. P.*	Jacob Treiber.
		S. S. Faulkner, *Cas.*	L. Lucy.
"	Madison Co. Bk., Huntsville	W. T. Brooks, *Cas.*	L. T. Preston.
CAL.	Fresno Nat. Bank, Fresno.	C. Allison Telfer, *Asst.*	.....
"	Bank of Healdsburg, Healdsburg.	John W. Wilson, *P.*	J. W. Rose.
		E. S. Rowland, *Cas.*	John W. Wilson.
"	Needles National Bank, Needles.	Frank W. Gove, *P.*	W. F. Crosby.
		W. S. Greenlee, *Cas.*	Frank W. Gove.
"	Cal. Bk. & Tr. Co., Oakland.	Jacob Greenhood, *P.*	A. C. Henry.
"	Donohoe-Kelly Banking Co. San Francisco.	Jas. A. Thompson, *Cas.*	J. A. Donohoe, Jr.
		J. A. Donohoe, Jr., *Asst.*	.....
COL.	Farmers & Mer. Bk., Delta.	H. H. Wolbert, *Cas.*	A. T. Blachly.*
CONN.	Mech. Nat. Bk., New Britain.	H. B. Boardman, *Asst.*	.....
GA.	Loan & Sav. Bk., Buena Vista.	James M. Lowe, *P.*	C. Horace McCall.
"	Hawkinsville Bk. & Tr. Co., Hawkinsville.	J. D. Stetson, *P.*	C. T. Lathrop.*
		Jno. Henry, *V. P.*	.....
ILL.	Citizens Nat. Bk., Princeton	Douglas Moseley, *Cas.*	A. B. Reeve.
IND.	Orange Co. Bank, Paoli	A. B. Ham, *Cas.*	Wm. T. Hicks.
IOWA.	Coggon State Bank, Coggon.	N. B. Richardson, *Cas.*	H. F. Brainard.
		R. J. Dobell, *Asst.*	.....
"	First National Bk., Manning.	W. D. Sweesy, *Cas.*	L. C. Sutherland.
"	Iowa National Bk., Ottumwa.	Edwin Manning, *P.*	Chas. F. Blake.
"	Corn Ex. Nat. Bk., Sioux City.	Maris Peirce, *V. P.*	W. G. H. Vernon.
"	State Bank, Story City	T. T. Henryson, *Cas.*	Ole O. Roe.
"	Bank of Wall Lake.	G. D. Newby, *Cas.*	Neil McFarlan.
"	First National Bank, Waukon.	W. J. Mitchell, *P.*	B. F. Boomer.
		J. M. Barthell, *V. P.*	.....
		Otto J. Hager, *Cas.*	Allen B. Boomer.
		A. T. Nierling, *Asst.*	W. J. Mitchell.

* Deceased.

	Bank and Place.	*Elected*	*In place of.*
KAN.	Citizens Bank, Ellenwood	C. A. Williams, *P.*	S. H. Chatten.
"	Hoisington State Bank, Hoisington.	R. C. Bailey, *Cas.* C. W. Linder, *Asst.*	Joe H. Borders. .....
"	Armourdale Bank, Kansas City.	Geo. W. Parsons, *P.* W. T. Atkinson, *V. P.*	A. W. Little. Geo. W. Parsons.
KY.	Loan & Dep. Bank, Bedford	W. F. Peak, *P.*	J. A. Trout.
"	Farmers Tobacco Bk., Fulton	I. M. Brann, *Cas.*	C. E. Rice.
MASS.	Appleton Nat. Bk., Lowell	George W. Fifield, *P.*	J. F. Kimball.
"	First Nat. Bk., North Easton	Cyrus Lothrup, *P.*	Fred L. Ames.*
MICH.	First Nat. Bk., Ann Arbor	Harrison Soule, *V. P.*	John M. Wheeler.*
MINN.	Bank of Minneapolis, Minneapolis.	W. M. Wright, *Cas.* W. B. Augir, *Asst.*	M. J. Bofferding.* W. M. Wright.
"	First Nat. Bank, Wadena	G. E. Merrill, *Asst.*	.....
MISS.	First Nat. Bank, Greenville	A. B. Nance, *Asst.*	.....
MO.	Cowgill Bank, Cowgill.	T. D. George, *V. P.* G. A. McWilliams, *Cas.*	..... T. D. George.
"	First National Bank, Hamilton.	H. Tilly, *V. P.* John T. Stagner, *Cas.*	John T. Stagner. C. A. Deaderick.
NEB.	First Nat. Bank, Aurora	Wm. Glover, *P.*	J. H. Bell.
"	First Nat Bank, Geneva	J. B. Sexton, *Cas*	J. M. Fisher.
"	Farmers & Mer. Bk., Linwood	Emil Folda, *Cas.*	Longin Folda.
"	Citizens Nat. Bank, St. Paul	M. H. Nugent, *Cas*	C. V. Manatt.
"	First Nat. Bank, Tekamah	Ed Latta, *Cas.*	G. W. Green.
"	Exchange Bank, Vesta.	J. H. Lalicker, *P.* M. Stewart, *V. P.*	John Nealy. J. H. Lalicker.
N. H.	Milford Sav. Bk., Milford	W. H. W. Hinds, *P.*	R. M. Wallace.
N. J.	City Nat. Bank, Plainfield	Wm. F. Arnold, *Cas.*	F. H. Gardner.*
N. Y.	National Bank of Pawling, Pawling.	J. B. Dutcher, *P.* T. M. Green, *V. P.*	A. J. Akin. J. B. Dutcher.
N. C.	Bank of Reidsville	W. P. Bethell, *P.*	A. J. Boyd.*
"	Atlantic Nat. Bk., Wilmington	W. J. Toomer, *Cas.*	H. W. Howard.
OHIO.	Commercial Bank, Bluffton.	Frank Scott, *P.* N. W. Cunningham, *Cas.*	..... Frank Scott.
"	Malta Nat. Bank, Malta	J. W. Rogers, *Cas.*	W. P. Sprague.
"	First Nat. Bank, Shelby	John Dempsey, *P.*	Wm. R. Bricker.
OKLA.	Bank of Tecumseh	Samuel Clay, *P.*	James H. Moxey.
PA.	Nat. Bk. of Chester Valley, Coatesville.	J. W. Thompson, *P.* H. J. Branson, *Cas.*	Wm. Mode. J. W. Thompson.
"	First Nat. Bank, Newville	John S. Davidson, *P.*	Jas. McKeehan.*
"	Southwark National Bank, Philadelphia.	John B. Harper, *P.* F. V. Bonnaffon *V. P.* Clarence H. Speel, *Cas.*	Francis P. Steel. Peter Lamb. John B. Harper.
"	Mer. & Man. Nat Bk., Pittsb'gh.	James M. Russell, *Asst.*	.....
R. I.	Citizens Nat. Bk., Woonsocket.	Harry H. Smith, *Cas.*	W. H. Aldrich.
TENN.	Citizens Bank, Jellico.	H. K. Tramell, *P.* Josiah Smith, *Cas.*	C. W. Alexander. U. S. Jones.
"	Waverly B. & T. Co., Wav'ly	M. O. Box, *P.*	J. M. Trotter.
"	Bank of Winchester	Wiley S. Embrey, *Cas.*	G. G. Phillips.*
VA.	Nat. Bk. of Fredericksburg	A. W. Wallace, *V. P.*	.....
"	Fidelity Loan & Trust Co., Roanoke.	Jas. H. Campbell, *Sec. & Tr.*	J. V. Jamison, *Cas.*
WASH.	Commercial Bank, Port Townsend.	Jas. C. Saunders, *P.* J. W. Clay, Jr., *Cas.* J. M. Potter, *Asst.*	Andrew Wasson. Jas. C. Saunders. .....
"	Old Nat. Bk., Spokane	W. M. Byers, *Cas.*	G. W. James.
"	Columbia Nat. Bk., Tacoma	N. B. Dolson, *Cas.*	W. G. Peters, *Act.*
ONT.	Bk. of Montreal, Almonte	W. H. Budden, *Mgr.*	F. J. Rogers.

* Deceased.

CHANGES, DISSOLUTIONS, ETC.

(*Monthly List, continued from September No., page 239.*)

ALA.	Decatur	First National Bank authorized to resume business.
"	Gadsden	First National Bank authorized to resume business.
"	Sheffield	Bank of Commerce retired from business.
CAL.	Anaheim	Bank of Anaheim reported in liquidation.
"	Cayucos	Bank of Cayucos is now a branch of County Bank, San Luis Obispo, John J. Simmler, Manager.
COL.	Antonito	W. S. McMullan & Co. discontinued.
"	Canon City	First National Bank authorized to resume business.
"	Denver	Crippen, Lawrence & Co. assigned.
"	Grand Junction	First National Bank authorized to resume business.
"	Platteville	Bank of Platteville has gone into voluntary liquidation.
"	Pueblo	Western National Bank authorized to resume business.
DAK. N.	Jamestown	Lloyd National Bank in hands of receiver.
DAK. S.	Chamberlain	Chamberlain National Bank in hands of receiver.
GA.	Savannah	Georgia Loan & Trust Co. reported closed.
ILL.	Chicago	Citizens Loan & Trust Co. closed.
"	Yellow Creek	Bank of Yellow Creek succeeded by Pearl City Bank.
IND.	Hammond	First National Bank authorized to resume business.
"	Rockville	Parke Bank (A. K. Stark & Son) incorporated.
IOWA.	Aurelia	Aurelia Savings Bank succeeded by Farmers Loan & Trust Co.
"	Doon	Doon Bank was not closed as reported.
"	Dubuque	First National Bank authorized to resume business.
"	Grundy Center	First National Bank authorized to resume business.
"	Hawarden	First National Bank authorized to resume business.
"	Le Mars	First National Bank authorized to resume business.
"	Le Mars	Le Mars National Bank authorized to resume business.
"	Wall Lake	A. Herrig succeeded by Wall Lake State Bank.
KAN.	Caney	Caney Valley Bank has resumed.
"	Jamestown	State Exchange Bank succeeded by Cloud Co. Invest. Co.
"	Mankato	First National Bank has gone into voluntary liquidation.
"	Russell	First National Bank authorized to resume business.
KY.	Frankfort	Frankfort National Bank liquidating.
"	Franklin	McElwain, Meguiar & Co. now McElwain, Meguiar Banking Co.
"	Franklin	J. A. McGoodwin & Co. now The J. A. McGoodwin Banking Co., incorporated.
"	Louisville	Kentucky National Bank authorized to resume business.
"	Louisville	Louisville City National Bank authorized to resume business.
"	Louisville	Peoples Bank reported closed.
MICH.	Constantine	Farmers National Bank has gone into voluntary liquidation.
"	Norway	Norway Banking Co. out of business.
"	Sturgis	National Bank of Sturgis authorized to resume business.
MINN.	Mankato	Mankato National Bank authorized to resume business.
"	Worthington	Bank of Worthington now State Bank, same officers and correspondents.
MO.	Harrisonville	First National Bank authorized to resume business.
"	Kansas City	Lombard Investment Co. closed.
"	Skidmore	H. H. Nash & Co. sold out to Farmers Bank.

MONT ..Dillon .....Dillon National Bank has gone into voluntary liquidation.
" ..Livingston ....National Park Bank authorized to resume business.
" ..WhiteSul.Spgs.First National Bank authorized to resume business.
NEB....Ashland .....National Bank of Ashland authorized to resume business.
" ..Omaha .....American National Bank authorized to resume business.
N. C....Winston.....First National Bank authorized to resume business.
" ..Winston .....Peoples National Bank authorized to resume business.
OKLA ..Oklahoma .....Oklahoma National Bank authorized to resume business.
ORE....Harrisburgh....R. A. Rampy retired from business.
" ..Portland.....Ainsworth National Bank authorized to resume business.
" ..Portland.....Commercial National Bank authorized to resume business.
" ..Portland.....First Nat. Bk. (East Side) authorized to resume business.
" ..Portland.....Oregon National Bank authorized to resume business.
PA.....Sandy Lake....Sandy Lake Bank succeeded by Mercer Co. Bank.
TENN ..Jellico.....Citizens Bank resumed.
" ..Nashville .....First National Bank authorized to resume business.
TEXAS..Lockhart .....First National Bank authorized to resume business.
" ..Vernon.....State National Bank authorized to resume business.
UTAH ..Ogden.....Commercial National Bank authorized to resume business.
" ..Provo City.....First National Bank resumed.
VT.....Middletown....Gray National Bank has gone into voluntary liquidation, succeeded by L. & A. Y. Gray.
VA.....Danville .....Citizens Savings Bank succeeded by Citizens Bank.
WASH. Ruby .....S. Lichtenstadter & Co. closed.
WIS....Ashland.....First National Bank authorized to resume business.
" ..Milwaukee.....Milwaukee National Bank authorized to resume business.
QUE....Louiseville.....Banque Ville Marie succeeded by Banque D'Hochelaga.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from August No., page 154.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4857	First National Bank..... Patton, Pa.	A. E. Patton,	Wm. H. Sandford,	$50,000
4868	Chapman National Bank..... Portland, Me.	Cullen C. Chapman,	Chester W. Pease,	
4929	National Bank of Orange Co... Chelsea, Vt.	Aaron N. King,	John B. Bacon, *Actg.*,	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 September, 1893.

IND. T .Woodward.... First National Bank, by J. M. Pugh, Higgins, Tex., and associates.
N. J....Somerville.....Second National Bank, by Geo. V. Vandeveer and associates.
ME.....Portland.....Chapman National Bank, by C. C. Chapman and associates.
MONT ..Great Falls....Northern National Bank, by Albert M. Scott and associates.

PROJECTED BANKING INSTITUTIONS.

DAK. N. Carrington.....New bank has been opened here.

GA.....Atlanta.....Manufacturers Bank established by Mr. C. K. Maddox and others.

MICH...Lawton.....A. B. Chase, of Bangor, will open a bank at Lawton.

MINN...Waterville.....Citizens Bank has been organized here.

MO.....Jerico.....Morris Banking Co. Joseph Morris, President; C. E. Whitsett, Cashier.

NEB....Red Cloud.....Peoples Bank; capital, $15,000. Officers: J. L. Miner, President; W. A. Sherwood, Cashier.

R.I.....Providence.....C. Franklin Nugent & Co., Bankers, have opened an office at 37 Weybosset Street.

TENN...Nashville.....Bank of Nashville; capital, $100,000. Selden R. Williams, President; W. A. Wray, Vice-President.

TEXAS..Waco.....Phoenix Savings & Investment Co.; capital, $25,000. Directors: F. T. Griffith, Austin; Frank Sullivan, Waco; G. L. Kelley, Knox City, Mo.; J. J. Soule and Oliver Stigall, of Edina, Mo.

WASH..Ellensburgh....New bank to be started at this place.

WIS....Green Bay ....Columbian Banking Co.; capital, $50,000. Incorporators: Henry Straubel, John H. Ebbing, Llewellyn C. Reber.

..Superior.....Northern Trust Co.; capital, $500,000. Incorporators: Wm. B. Banks, R. J. Weinyss, E. C. Kennedy, E. T. Buxton, F. W. Downer.

ONT....Kingston.....Mr. W. D. Hart, of Berlin, will assume the management of the Standard Bank to be established here.

DEATHS.

AMES.—On September 13, aged fifty-eight years, FRED'K L. AMES, President of First National Bank and North Easton Savings Bank, North Easton, Mass.

BACHMAN.—On September 8, aged fifty-seven years, HERMAN F. BACHMAN, of the firm H. F. Bachman & Co., Philadelphia, Pa.

BLACHLY.—On September 7, aged forty-six years, ANDREW T. BLACHLY, Cashier of Farmers & Merchants Bank, Delta, Col.

DENNISTON.—On September 13, aged thirty-three years, E. E. DENNISTON, of the firm E. W. Clark & Co., Philadelphia, Pa.

GARDNER.—On August 27, aged forty-nine years, F. H. GARDNER, Cashier of City National Bank, Plainfield, N. J.

LATHROP.—On September 8, aged seventy-six years, C. T. LATHROP, President of Hawkinsville Bank & Trust Co., Hawkinsville, Ga.

LE GRAND.—On September 16, aged sixty years, M. P. LE GRAND, President of Bank of Montgomery, Ala.

MCKEEHAN.—On September 16, aged sixty-eight years, JAMES MCKEEHAN, President of First National Bank, Newville, Pa.

WELLER.—On September 20, CHAS. L. WELLER, Cashier of Hampden National Bank, Westfield, Mass.

WILCOX.—On September 15, aged seventy-four years, WM. S. WILCOX, President of Adrian State Savings Bank, Adrian, Mich.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, SEPTEMBER, 1893.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... ...reg.	Quarterly Mar.	98	99½	98	98
4s, 1907.....reg.	Jan.	110	110½	110	110
4s, 1907.....coup.		111	111½	111	111
6s, cur'cy, 1895, reg.	Feb.	101	102	101	102
6s, cur'cy, 1896, reg.	Jan.	103	104	103	104
6s, cur'cy, 1897, reg.	&	106	106	106	106
6s, cur'cy, 1898, reg.	July.	109	110	109	109
6s, cur'cy, 1899, reg.		111	111	111	111

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	2¾	2¼	—
Canadian Pacific	—	76	74½	—
Canada Southern	46½	49	45	—
Central of N. J.	100	112⅛	99⅞	—
Central Pacific	21½	22¾	19¾	—
Ches. & Ohio.	17	18	15¾	17
Do 1st pref.	—	—	—	—
Chic. & Alton	132	135	131	—
Do pref.	—	—	—	—
Chic., B. & Q.	80½	87	79	83¾
Chic. & East'n Ill.	54	56	54	55
Do pref.	89	96½	89	92¾
Chic., M. & St. P.	59	63	56½	60⅜
Do pref.	—	117	113¾	—
Chic. & N. W.	98¾	101¾	96⅛	99¾
Do pref.	—	134	134	—
Chic., R. I. & P.	62¼	67¼	60½	65⅛
Chic., St. P., M. & O.	32¼	36½	31¾	34¾
Do pref.	—	106½	105	—
C., C., C. & St. L.	36	39¾	30⅝	35½
Do pref.	—	—	—	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	—	27½	20¾	—
Col., H. Valley & Tol.	17	21½	17	20¼
Del. & Hudson	111¾	121¾	111¾	119⅜
Del., Lack. & W.	136½	150	135¾	150
Den. & Rio Grande	—	11¼	9½	—
Do pref.	—	31¼	27⅝	—
East Tenn. V & G.	—	½	⅜	—
Do 1st pref.	—	—	—	—
Do 2d pref.	—	—	—	—
Evansville & T. H.	90	90	63	—
Illinois Central	—	94½	91	—
Lake Erie and Western	16½	18¼	15	16
Do pref.	—	70	67	67
Lake Shore	119	123¾	117½	123
Long Island	92	95	90	—
Louisville and Nashville	54⅜	58½	49	51½
Louisville, N. Alb & Chic.	—	16½	13½	—
Manhattan Consol	118	134¾	116¾	126
Mexican Central	—	—	—	—
Michigan Central	—	92	88½	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	12½	13¾	9½	10⅛
Do pref.	30	31½	27	—
Mo., Kan. & Texas	—	12½	11	—
Do pref.	17⅛	21½	17	20⅞
Missouri Pacific	23	28¼	21¼	24
Nash., C. & St. L.	—	61	60½	—
N. Y. C. & Hudson	—	104½	100¾	101¾
N. Y., C. & St. L.	12⅞	14½	12¼	—
Do pref.	—	58	57	—
N. Y., L. E. & W.	14⅞	16⅛	12¼	14½
Do pref.	—	34	26½	—
N. Y. & New Eng	22¼	30	20	29⅞
N. Y., Ont. & W.	14¾	15⅞	13⅜	15
N. Y., Sus. & W.	12½	15	12¼	14
Do pref.	41½	46¾	40½	—
Norfolk & Western	—	6	6	—
Do pref.	—	24¼	23⅝	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	6	9½	5¾	7⅜
Do pref.	22⅞	25¼	18½	21¾
Ohio & Mississippi	—	19	17½	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	46	42	—
Oregon Short Line	—	11	10	8½
Pacific Mail	12	17	11½	15¼
Peoria, Decatur & Evansville	7½	9	7½	—
Philadelphia & Reading	17½	21⅜	14⅜	17½
Pullman Palace Car Co.	155	173¼	155	168
Rich. & W. P. Term.	—	4⅜	2	3⅝
Rio Gr. Western	—	—	—	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	—	107	104	—
St. Louis, A. & T. H.	—	20	20	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	24½	27⅝	24¼	—
Do pref.	92	93¾	92	—
St. Paul, M. & M.	102	106	102	—
Southern Pacific Co.	20¾	21	17¾	—
Texas & Pacific	6¼	7⅞	6⅛	—
Union Pacific	23	24¾	19⅜	21⅞
Wabash, St. Louis & Pacific.	7½	8¼	6⅜	—
Do pref.	15⅞	17¼	14	15⅜
Wisconsin Central	—	7⅛	5½	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	—	36	32	—
Nat. Lead Trust	29½	32½	24½	28
Tenn. Coal & Iron	14½	16½	13¾	16¼
Express—Adams	—	142½	138	—
American	—	110	107	—
United States	—	55	50	—
Wells-Fargo	—	138	128	—
Sugar Refineries	85	93⅝	82	90⅛
Do pref.	83	90	82¼	87½
Western Union	79⅞	84⅜	78	82⅜
Wheel. & Lake E.	12¾	14⅞	12	—
Do pref.	—	48	41⅜	42¼

THE

BANKER'S MAGAZINE

AND

Statistical Register.

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A YEAR AGO AND NOW.

A year ago the business of the country was prosperous, and there was every indication that it would remain in this condition. It is true that the profits in many industries were not large, but their smallness was a warning and preventative to others not to increase the existing competition. The speculative element in all the great industries was reduced to a minimum. Railroad building was confined to needful and paying additions, and it was generally remarked by those who were most familiar with the industrial conditions of the country that, on the whole, business rested on a sounder basis than perhaps ever before.

Within a few months all this has changed; depression has taken the place of confidence, and the outlook for the future is not promising. When the panic burst over the country last June, the more sanguine believed that it would be of short duration, and that the former state of prosperity would soon return, but as the weeks and months have passed, the more hopeful are less inclined to regard the immediate future in the same rosy light. Some, indeed, believe that as soon as the silver question is settled, the wheels of industry will again begin to turn rapidly, but even the most confident are every day becoming fewer, and thus a permanent depression is settling over the country.

What, we repeat, has caused this sudden change from confidence to depression, from hopeful and prosperous industry to silence and lessened activity? The sixty-five millions of people are here as they were a year ago; their wants have not a whit lessened; they need food and clothing and shelter as before; in short, their demands are just as great as they were twelve months ago. The same is true with respect to the foreign demand for our products. Whatever may be the causes for not wanting them here, they do not exist on the other side of the water; and, therefore, unless other untoward causes have overtaken them, our exports ought to have maintained their former volume, and this portion of our trade, at least, ought to have remained active. But our trade, both at home and abroad, in every direction, has keenly felt the general paralysis. No industry, no trade has escaped. If the millions live here and have the same wants, why should not production continue, why should even a disastrous condition of the money market affect consumption or production? Surely the desire of a man for bread is not in the least lessened by the value of a silver dollar, whether it be worth its gold equivalent or only half as much. The desires of men are not in the least influenced or changed by any such disturbing conditions, and if this be true, why, we repeat, should not the consumption of all of our products be as great as ever? Yet we all know that consumption has enormously lessened within the last few months, and, of course, production has declined in perhaps a greater proportion.

Does production really precede consumption in the way of furnishing consumers not only with the products, but with the means to buy them? We all know, of course, that in the natural order of things people have wants, while another class endeavor to supply them, but is it not true that in many cases, perhaps a large proportion, the consumers must have work before they can make their purchases? It is true that their wants exist under all conditions, whether fulfilled or not, but their capacity to satisfy them depends on their condition or ability to pay for them, and this in turn depends on the conditions of employment. A workingman, for example, desires bread and clothing, and the like, but whether he can purchase these things depends on the plain fact whether he is employed or not. If he is unemployed, unless having good credit, he cannot buy however pressing may be his wants; and so it appears in the final analysis that, while wants exist, many of them cannot be gratified without the means or the credit with which to supply them, and such means must come from obtaining work. Thus the producer is not only one in the correct sense of that term, but he also furnishes the means whereby the consumer in many cases can supply his wants.

If this diagnosis of the case be true, then we can readily under-

stand how the closing of our mills has affected the situation. Consumers are no longer able to buy, and producers, on the other hand, are not producing because they fear that they cannot sell their products. The only thing, therefore, left for them apparently is to pursue the course which has become so general, to close their mills for a shorter or indefinite period.

But may it not be that this fear has become too prevalent? Is it not true that if producers had more faith in the future; in other words, if they enlarged their producing capacity, thus furnishing employment, that the means would be forthcoming wherewith to pay for their commodities? For, by closing their mills, as we have already said, they cut off the means of purchase, and thus render it absolutely impossible to keep open a market for their products, unless they sell on credit; whereas, if they had more faith in the desire and capacity of the people to consume, and acted accordingly, the means or capital expended in production would come back to them in the purchase of their products.

While all this is doubtless true, it must also be admitted that the condition of our currency has had much to do with the existing state of things. It may be true that the bankers and other classes have greatly magnified the injuries that will come from continuing the present system of silver purchases. Possibly, they have magnified the dangers or consequences of a silver standard, but one thing is certain, and which no one can deny, that the fear has become general throughout the country that the present policy will work disaster, and therefore, whether it is correct or not, it should be speedily amended. There are, however, some facts connected with silver movements which require explanation, and on which the last word has not been said. First of all, it has been again and again reiterated that the foreign holders of our securities believe that the continuance of the existing system means the abandonment of the gold standard for the silver one, and fearing this result they have sent millions of securities to our country for sale, while others have been disinclined to invest in our securities or to engage in our undertakings as they had previously done. It cannot be questioned, we think, that foreigners have been less inclined to buy our securities than they were formerly, fearing that the continuance of the present system would lead to disastrous consequences; but it is not true that securities, in any large quantity, have been sold for this reason. Enormous quantities have, indeed, been sent here and sold, but simply because of the necessities of the owners to part with them. Great Britain has lost a great deal of money within a few years through the Baring and other failures, and liquidation has been necessary. Most of the securities sent over have been the bonds of railroads, payable in gold and not in silver, and there is no reason to believe that the holders feared

the repudiation of the terms on which they had been issued. If this be true, there is nothing whatever in the constantly reiterated statement that the holders have sold them through fear that they would not receive payment in gold when they were due. The existing policy, however, is working disastrously in many ways, and doubtless, if it was amended, the people would become more hopeful; but even if Congress should repeal the law which has wrought so much disaster, there is no reason for believing that the old time prosperity will speedily return. The dominant party has given notice of a change in the tariff system, and this is fraught with important consequences. So long as the future in this respect is uncertain, our great manufacturing interests will be, to a certain extent, imperiled, and people will be slow to make investments or to extend their enterprises, or to conduct their works at all. Ever since the presidential election, in fact, the manufacturing interests have been fearful that some radical change would be made, and, therefore, have looked with no little disquietude into the future, and this they will continue to do until the new law is enacted. Doubtless, if Congress is to act, the sooner this is done the better as all desire to know the worst as speedily as possible. It may be that in the end all will be better off than before, that business will be on a sounder basis than ever; but, evidently, before a readjustment can be made, much suffering must ensue. Let us believe, however, that the ill effects of these changes, through the wisdom of the people, will be surmounted, and that they will be followed by another and longer period of prosperity.

A NEW BANKING SYSTEM.

We reprint in the present number of the MAGAZINE some very interesting suggestions published by Mr. G. R. De-Saussure, vice-president of the Exchange Bank of Atlanta, Ga., in the Atlanta *Journal* relating to the improvement of our monetary system. The most essential features contained in these suggestions are that the Government should still remain responsible for the circulation of the banks, and have a joint control over them with State officers, and also in the selection of the securities which banks would hold for their circulation. Plainly, his object is to secure a larger basis for the issue of bank notes, but on the other hand to make their circulation as good as possible by retaining National responsibility for them and supervision over them. In some respects his idea is in harmony with that of Mr. Harter, of Ohio, whose plan has been before the country for some time and is doubtless familiar to our readers. These suggestions are

deserving of careful study, yet we think they are not free from objections. In the first place, if the National Government is to be responsible for the circulation, ought it not also to have absolute control of the basis or foundation on which it is issued? Mr. DeSaussure in the tenth suggestion would have these securities approved by the Comptroller of the State, the Treasurer or the Bank Examiner of the State in which the bank was located, and the Assistant Treasurer of the United States in charge of the Sub-Treasury located in that State. The way is to be made easier for banks to increase their circulation by providing for the creation of a system of Sub-Treasuries in each of the States in the Union. And when all this has been done, the creation of Sub-Treasuries, the assumption of National liability for the currency, the only security of the Government depends on the fidelity of its Sub-Treasurer in the State where the bank is located. It seems to us that this system of State and National supervision would break down if put into operation. The banks must be creations of the State or of the Nation. There can be no safe middle ground on which they can stand. The eminent banker clearly sees the importance of having the Government's guarantee to the circulation in order to render it perfectly safe and to give it the wide circulation which bank notes at present enjoy, but, on the other hand, he would render the plan easy for the banks to expand their circulation by providing a basis for the currency which should be under the control essentially of State officers. Evidently he intends other securities than Government bonds as a basis for circulation. Every banker realizes the danger of departing from the National securities as a basis for circulation, and yet, as we have previously remarked, if the paper circulation of the country must be increased, perhaps the safest plan, and one attended with less danger than any other, is a plan providing for the additional securities as a basis for such circulation. Would not the experiment be much safer and simpler to authorize the Comptroller to accept additional securities, specifying them in the act and enlarging or correcting the list, if need be, at frequent intervals?

A REVIEW OF FINANCE AND BUSINESS.

FALL TRADE INJURED BY THE SENATE'S DELAY.

There has been but one influence, dominating all others, and controlling the financial and commercial affairs of the country, for another month; and that, has been the failure of the Senate to pass the Silver Repeal Bill. This delay, during the two first months of autumn, following the panic of the last two months of summer, has nearly ruined the fall trade of the whole country, as the panic did, the trade of last summer. The past month has been one of uninterrupted suspense and anxiety, during which the business community has vacillated between hope and fear, with the prospects of passage or defeat of the Repeal Bill, while it has been watching the pendulum of a clock, that had once swung with a strong and regular tick; whose machinery had kept perfect time; but which had nearly run down; the key with which it was once wound up, been lost, or the wheels on which it moved, worn out; whose tick had grown feeble and intermittent and its time unreliable. Indeed, this is what has happened to the business of the entire country, and to its financial and commercial timepiece, Congress, of which the United States Senate has been the lost key, or the worn out and useless wheel, whose time is no longer relied upon by the people to regulate their interests.

EFFECTS UPON MONEY AND STERLING EXCHANGE.

The effects of this protracted state of uncertainty and danger have been reflected most faithfully in the markets for sterling exchange and money. At the close of September, the former had rapidly risen to a point that permitted of a renewal of gold exports, following the first adverse action of the Senate on the repeal of the Silver Law. In fact engagements of gold were reported in case the then pending action of the Senate had been taken in favor of a compromise. Then followed President Cleveland's letter to Governor Northen, declaring that by no act of the Executive, should the unconditional repeal of the Silver law fail. This prevented the export of gold and a renewal of the distrust and contraction of credit that followed the previous export movement ending in panic. At the close of October the reverse effect on sterling is seen, in an equally sudden fall in the rate, to the gold importing point, upon the announcement that the Silver obstructionists had surrendered.

The course of the money market has been equally artificial and

controlled by the same influences. Bank reserves have increased rapidly throughout the month, as deposits accumulated in the absence of demand enough, either for call or time loans, to prevent a glut, at a season of the year when the entire circulating medium of the country is usually employed at remunerative rates. The banks have not only been able to retire their Clearing House Loan Certificates, but absolutely unable to employ but a small percentage of their funds. They have been willing, since early in the month, to make any kind of loans, properly secured; but, there have not been enough borrowers.

THE COURSE OF THE MARKETS.

The course of the speculative markets, as well as values of legitimate staples of commerce have all been determined, by this same overshadowing influence. Crop indications have offset its depressing effects to some extent, but, as a rule, only temporarily; for, no shortage has been sufficient to bull anything, longer than while the short interest was being scared out. There has been little speculation in anything, and that, not bold enough to buy and hold the cheapest of property for an advance, while the basis of its future value was uncertain. This feeling of uncertainty has kept investors, whose idle money has been piling up in the banks, from going into any of the markets, tempting as prices have been in many of them. Speculators, who always anticipate, or work upon this investment, or legitimate demand for securities and staples of trade, have therefore remained idle too or worked for short turns and small profits on the bear side. This has been particularly the case in the market for agricultural products; and, the effect has been to depress the prices of everything the farmer has raised, in the face of shorter crops generally, than for many years, until prices have reached the lowest point on record for wheat, and lower than on average crops, on the entire list. Thus the Granger and Populist States whose consenting and willing Senators have acted with the Silver Senators, in causing this delay and depression, have suffered more than any other interest at the hands of its own misrepresentatives. Not alone this, but it has happened at the very worst period of the year, when their new crops were moving out of their hands, being compelled to sell at whatever they could obtain in order to raise money to meet their obligations and save their farms from foreclosure. If this object lesson, of the effects of our Silver Legislation upon values of products raised by its friends, is not enough to open their eyes to the delusion under which they helped foist such legislation upon the country, on the idea that it was to help the producing and debtor classes, at the expense of capital and the consumer, it will take a mira-

cle to do so. The sudden and unexpected collapse of the Southern and Western Populist Senators, in their support of the Silver interest, near the close of the month is a pretty good indication that the planter and the farmer of both these Silver sections have at last got it through their heads that it is the producer and the debtor that is "paying the freight" on this Silver burden they have compelled the country to bear.

LESSONS OF THE SILVER PANIC.

If this Silver panic shall prove to have shown the agricultural interests of this country who their "friends" are, and what are the real causes of the depression in their products, it will not be a high price to pay for the cure of the heresies of the Granger and Populist States, by which the whole country has been cursed. But should these sections still be unconvinced by the past six months' experience, let them look on the other side; and behold the effects upon values of their products, and of the securities of the railroads engaged in their transportation, of the abandonment of the disastrous Silver policy. Scarcely had the wires cooled that had brought the welcome news to the great market centers for farm products than prices began to advance, along the whole line, even on the promise of repeal, which that surrender implied, though the country still remains skeptical of the result until the vote shall be taken. Yet the evil effects of this panic will be felt by the farmer for months to come. Because it has compelled him to sell a larger proportion of his crops at once to raise a given amount of money, owing to the low prices, that have been ruling since his crops matured. This has piled up tremendous stocks of some staples, both here and in Europe, bought by speculators and capitalists, because of their unprecedented cheapness, until warehouses on both sides the Atlantic are overflowing. Until these enormous stocks, especially of wheat and flour, shall have been reduced by consumption, they must prevent any big advance, unless speculation anticipates the last half crop year's shortage and bulls them sooner. The next most adversely affected class, by the Silver panic, has been wage earners, who have been compelled to accept lower wages and longer hours, in order to secure employment at all, while a very large percentage of their number has been unable to obtain work on any terms. The laboring men have seen all they want to satisfy them how "cheap money" affects labor as the farmer has how Silver effects the price of wheat. It is not the rich manufacturer who is able to obtain more work for less money, any more than it is the capitalist, or consumer, who has been able to buy more wheat and flour for less money, than ever before, who have suffered most by this Silver panic.

THE RAILROAD SITUATION

has distinctly improved, during October, and it is the only exception to the rule of depression, of importance. But this has been due to exceptional causes, one of which was just explained, in the crowding of crops to market, in larger volume than usual, except in big crop and export years, in order to get money, by the agricultural classes. The other has been the unprecedented and general rush of travel to and from the World's Fair, from every part of the country. This has exceeded the most sanguine expectations of railroad managers, before the panic cast its shadow over that great international success, and threatened to make a failure of the greatest exhibition the world has yet seen. But what it lost by the panic in the early days of its existence, it has nearly or quite recovered since. For, the very stagnation caused thereby, in every branch of business, has left more people at liberty to attend than could have been possible in an ordinarily prosperous year. These two causes have combined to give the railroads of the country generally, and the Middle and Western States in particular, the largest October traffic of both kinds on record. Low excursion rates have ruled, it is true. But it costs little more to run full trains than empty ones; and, the latter was what those running to Chicago were doing in the early days of the Fair, until many of them were compelled to reduce their service. They have now enjoyed two good months' traffic in freight and passengers, and have another good month ahead, before the two causes now operating in their favor shall cease to exist. Thus the old proverb of an ill wind, etc., has again proven true, so far as the railroads are concerned, and, these three fat months, will go far to make good the losses of the previous three lean months, and bring the year up to about a fair average, for most systems. The short crops of 1893 will not tell on the traffic of the railroads, therefore, until the last half of the crop year or the first half of 1894, by which time the increase of commercial and industrial traffic should be sufficient to make good the losses on farm products. For, by so much as the railroads have been losers, from these sources the past six months of the panic, they should be gainers the six months following its disappearance and the effects thereof. Should no legislation unfavorable to business, follow the unconditional repeal of the Silver law, which is now taken for granted, the railroads of the country, or, at least, the old established systems, ought to make a good showing for the balance of their fiscal years.

THE STOCK MARKET

seems already to be discounting this, as well as the passage of the Repeal Bill, aided by renewed London buying, upon the improved

prospects of the latter, and also by the absorption of the Lackawanna Railroad and coal trade by the Vanderbilt system, which gave a strong upward impetus to the whole list, near the close of the month, led by the Trunk line and coal stocks. The significance of this deal is not yet plain: for it may have a single one affecting Trunk line roads, by eliminating a rate disturber which the Lackawanna has been, scarcely less potent than the West Shore was, before it was absorbed by the New York Central, since Lackawanna extended its line to Buffalo. Even this object of the absorption, which is obvious, would make the deal as important as was that by which the West Shore was taken into the Vanderbilt system. But the Street and Stock Exchange insist that it has a still further and greater scope; namely, nothing short of the control of the anthracite coal trade, by the Vanderbilts through the co-operation of the Jersey Central, and the First National Bank party, which controls the latter and is heavily interested also in the Lackawanna, through Messrs. Baker, Fahnestock and Maxwell. This theory assumes that the same parties have already, or will secure the control, or co-operation of the Reading Company; and that it will be furnished the necessary funds for a reorganization, by these combined interests. Upon this basis the coal stocks have had quite a boom as well as the Trunk line shares, or Vanderbilt stocks. It is an enormous undertaking to lift Reading out of debt. But the power of such a syndicate to do so, is unquestioned should it desire. But the object must be a stupendous one to tempt any one to take up such a load; and, it is assumed that it is nothing less than absolute control of the anthracite trade. This involves the Lehigh Valley, as well as the individual operators. These no doubt could be included in such a combination as they have been in former ones. But how about the Pennsylvania Railroad, which has become a more important anthracite, as well as a bituminous road the past few years? It has hitherto refused to go into any coal combine. But, say their prophets, the elimination of the Lackawanna as a rate cutter from the Trunk Line Association, by this new syndicate, would put the Pennsylvania road under such obligation to the former, that the latter could scarcely refuse. Yet it was put under the same obligation by the absorption of the West Shore, into the Vanderbilt system, without allying these two great systems which now control the Trunk lines, and may in the future control and divide the anthracite coal trade of the country. This may be the significance of this last deal. But it is a big contract to take, assuming that these two railroad arbiters of the continent are agreed upon the scheme, of which there is no evidence. Without their co-operation, the control of the anthracite trade is impossible; with it the public must be reckoned with; and neither

the Pennsylvania management, nor the Vanderbilts, in recent years, has shown any disposition to antagonize public opinion, much less arouse and defy it, as such a combination to further advance coal prices would do; for, even the refusal of the present combination to lower prices, with everything else is causing ill feeling in such times of depression and distress as the country has endured the past six months, and every other industry in it, except the coal trade, which has demanded its pound of flesh all the same as when times were prosperous. Of course, "this is business"—but it is not good policy for any combination or corporation even, enjoying special rights and franchises from the public which are denied to private individuals, who are left at the mercy of such combinations, unless they are controlled or held in check by the State.

THE CONDITION OF THE IRON TRADE

may be seen from the Cleveland *Iron Trade Review* of October 26th, which says, it is to be expected that the iron trade will share in the better feeling begotten by the news that silver-purchase repeal is certain. "Two months ago, when the House action was supposed to carry with it the assurance of Senatorial concurrence, there was thought to be some slight betterment in business along with the increased hopefulness. To what extent this would have grown, but for Senatorial delay and obstruction, is only a matter of conjecture. Since loans involving large amounts have been waiting upon silver-purchase repeal, it is probable that the latest development at Washington will modify the bank policy of accumulating, which has been a continuing handicap to business. If it shall be followed up by legislation tending to reinforce the Treasury gold reserve and notifying Europe of the intention of this Government to maintain its supply of gold, the gain will be still more positive." The week has brought forth no new developments in the iron trade. Prices have not declined since the last report, and it is probable that more mill capacity is active to-day than at any time since the June shut-down.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

A Few Words on Bank Examinations.—The worth of bank examinations has had a terrific shock within the last few months in every part of the country. One of the defects, and which can never be remedied, is a complete inspection of all the details of the business. What can an examiner do, for example, in the way of examining the ledger of a large bank, or even in obtaining a knowledge of the paper discounted? He may look it over, ascertain the amount of discounts granted to different persons, but such an examination is of but little worth. If, for example, a few men are desirous of obtaining more discounts than can be legally granted, they can use bogus names or obtain the names of other persons by permission, and in neither of these cases would the examiner probably find out the truth of the transactions. But there are some things that a bank examiner should be able to find out. These are the larger matters relating to the general conduct and business of bank officers, especially in the smaller places. If, for example, a bank has been organized merely as a secondary enterprise to feed some land scheme or other speculation, a bank examiner ought to be able easily enough to learn this, and when he does the fact ought to be reported at once, and the bank put under special supervision and direction. Many of the failures during the last few months have disclosed this state of things, that the banks were organized not to do a general banking business, but merely to collect money to be used by the organizers for their own schemes. Bank examiners in too many cases have been overlooking the larger matters which ought to have been ascertained, and have exhausted their brains in attempting to ascertain the details, which were quite beyond the capacity of any man. Cannot a radical change be made in the method of examinations to the obvious advantage of all concerned? A good illustration of what may be accomplished in this direction has recently been furnished by the banking department of Nebraska, in pronouncing the bond companies in that State illegal corporations and denouncing them as lottery swindles. A feature of these schemes is trust funds. The announcement of a trust fund is accompanied with the name of a prominent bank as a depository, and the impression is sought to be conveyed that the bank is an indorser of the scheme. This is not the case. The trust fund, if any, is placed in the bank like other accounts and is subject to the check of the depositor. The funds are never invested, therefore no profit is derived from any other source than monthly payments. To fully comprehend the splen-

dors of the scheme for the managers the rake-off for expenses must be kept in view. The remainder goes into the common fund. Sometimes there is a division—a separate consolation prize for the holders of bonds bearing numbers not divisible by three. This is the trust fund. But who is there to safeguard this fund or determine from time to time whether an honest shuffle of the cards is being made or whether a split pack is being dealt? Life insurance companies which are cited as models for bond schemes are subject to strict supervision. States in which they are incorporated exercise supervisory control. Annual reports must be made to the proper officials, and these reports must give minute details of the company's business. Generally an annual examination is made by State officers, and may be made at any time the authorities believe the business is managed improperly. Bond companies escape this annoyance. They are without restriction in any direction. No law can reach them unless it be the lottery law. There is no possible way for investors to determine the truth or falsity of reports if made. The trust fund is a gigantic trust in the managers, and they may abuse it by degrees and the investor will not be the wiser until the final collapse comes. Only one State as far as known has issued legitimate charters to bond companies. Missouri gave legal existence to eight concerns, but as soon as their true character became known a law was passed requiring them to deposit $100,000 with the State as a protection for investors. A few were able to meet the demand, but nevertheless so odious are their operations that the authorities are determined to revoke their charters. The amount of the deposit would pay 100 bonds and is wholly insufficient to protect the thousands of investors which Missouri concerns boast. The effect of the superintendent's action has been to depress the promoters of these swindles. If the bank examiners, whether State or National, were more active in ascertaining the character and doings of those who manage the banks committed to their trust, and in reporting them, we are sure that the public would be more benefited than it is now by the more minute examination of details which the bank examiners are trying to make.

Do Bank Deposits Take Money Out of Circulation?—A correspondent of a Western paper contends that as the National banks are required to keep a percentage of their deposits always on hand, the effect of depositing money in the banks is really to lessen the quantity of circulation. To one who is not familiar with banking this statement would seem to be plausible, as the banks are required to keep from 10 to 25 per cent. of their deposits on hand. The more important fact, however, which is entirely overlooked, is that money circulates far more rapidly when in

possession of the banks than among individuals, and performs more important offices when drawn together into large sums than in small quantities. The money that is in the pockets of people of course performs valuable offices, but it circulates very slowly compared with the money which is in the banks. A person may carry around a hundred dollars with him several days before making a single payment with it, while a dozen payments might be made during the same time if it was constantly kept in the control of banking institutions. This is one of the reasons why banking institutions are so useful to us. They increase many fold the power of money to effect exchanges and make payments. The amount of money needed by a country depends on two things, first, the business done and the nature of it; and secondly, which is quite as important, the rapidity of circulation. A hundred dollars which has made ten payments in a week has done quite as much work as a thousand dollars which has made only one payment in the same time. The writer of this letter, had he understood this fact, would have realized the important function which banks serve in thus greatly increasing the rapidity of our monetary circulation. Of course, if banks took the deposits of people and did not lend them, which has been the case with too many banks during the last four or five months, then there would be some truth in the writer's statement, but usually a bank is desirous of lending all the money it can within the legal limit and on good security.

The Cost of Producing Silver.—This, of course, differs greatly in different mines and it is difficult to form any average. At the present low prices many of the mines have ceased to work, while others are continuing, hoping for better times. For a year or more many mines have doubtless been run at a loss, nevertheless they have remained active, believing that the price of silver would advance. Mr. J. G. Hagerman, President of the Mollie Gibson Mining Company, declared some time since that if the price of silver did not advance by the close of 1893, the production would have declined so much that the silver question would right itself, and all would wonder what had become of it. The Ontario Mining Company in twenty years, 1872-92, produced 26,961,893 ounces at an average cost of $0.627. The Daly Mining Company in seven years, 1884-91, produced 6,803,001 ounces at $0.685. The old Jordan and Galena Company has been producing silver, amount not stated, at 87 cents an ounce, the Diamond Mining Company at $1.16 an ounce, and one of the mining experts of New Mexico at first estimated the cost of producing an ounce of silver in that Territory at 80 cents, but afterward increased this to 85 cents. The American Smelting Company and the

Arkansas Valley Smelting Company together in 1892 produced 4,118,829 ounces of silver at an average cost to each of $0.868. The product of the Mollie Gibson Mine in 1892 was 2,071,000 ounces. The President of the Company does not say what the cost was, but Mr. D. M. Hyman, of Colorado, a mine owner, says he presumes that mine can produce silver at 20 cents an ounce. He mentions a mine at Aspen, Colo., that produced silver last year at a cost of 80 cents an ounce. Between 1873 and 1879 the Big Bonanza yielded $100,000,000 in silver at 35 cents to 40 cents an ounce. The Cortez Mine, Nevada, last year produced at 60 cents, the Commonwealth at 95 cents, and the Nevada at 90 cents. The world's production of silver is estimated at 63,267,000 fine ounces in 1873, 86,470,000 in 1882 and 143,994,000 fine ounces in 1892. Altogether, it would appear that the silver market was broken, as the wheat or iron market might be, by a large increase of the production, much of which could be profitably marketed at a price far below the conventional value of $1.29 an ounce.

Mortgage Statistics.—A census bulletin has just been issued showing the per capita mortgage debts of several of the States. New York has a larger per capita mortgage debt than any other State as tabulated, namely, $268, and Colorado is second on the list. The object of these figures is to give the people some correct information concerning the mortgage indebtedness of the States, but we venture to state that more misinformation is conveyed by measuring the indebtedness of the States by population than by any other method of measurement or comparison. A single illustration will show the utter absurdity of this method. Suppose, for example, a village contains a thousand inhabitants, and a costly plant of some kind on which there is a mortgaged indebtedness of $1,000,000. By this method, the mortgage indebtedness per head would be $1,000, and the reader would naturally conclude that the people in that village were in a bad way if he knew only the general fact. In truth, they would not owe a cent, but only a single concern would be in debt, which might be doing a very prosperous business. There has been a world of misleading information concerning the mortgage indebtedness of the country. The most important thing to know is whether the borrower has obtained a good return on the money borrowed. If he has, no matter how much the sum may be, he is the richer for having borrowed. On the other hand, if his loan has not been a profitable one, then, of course, he is the worse off for having made it. Applying this remark to the farmers of our country, the truth may be thus stated: those who bought farms when lands were selling at a high figure and mortgaged them for perhaps 50 per cent. of their value, in many places where their val-

uation has declined as much have lost nearly everything. In other cases where the value of the land has remained, and perhaps increased, the investment has proved a wise one. Such information as that above given is worse than worthless, and the less of it given to the public the better.

The Scottish Banking System.—The merits of this system are very well described in a recent number of the *Forum* by Mr. A. S. Michie, an eminent Scotch banker. In every town of Scotland large or small, there is a branch of one or more of the great city banks, and even every village with the least pretension to size can boast of one. The banks accept at interest deposits of sums as small as five pounds, and allow current accounts to be opened with much smaller balances than is customary in England, where such deposits would probably be declined or turned over to the savings banks. The depositors in Scotch banks who have not more than one hundred pounds to their credit comprise about three-fourths of the whole number. The result is that the aggregate banking deposits of a comparatively poor country, with few sources of natural wealth, and with a population of little more than four millions, exceed £93,000,000, or an average of $116.25 per capita for the total population. In addition to these home deposits, a sum equal to perhaps one-third or one-half as much again has been placed on fixed deposit by Scotch depositors with the banks doing business in the colonies of the empire. The gathering in of deposits in country districts, to be lent out again to traders in larger towns, is really the banks' chief business, and speculation such as has ruined hundreds of banks in the United States and Australia is diligently guarded against. Nothing but the legitimate forms of business are permitted, hence great disasters are permanently avoided. To encourage the making of deposits, interest was formerly allowed on all moneys deposited with the banks, whether large or small, and whether upon deposit receipt or current account, the rate of interest rising and falling according to the discount rate of the Bank of England, as altered from time to time in accordance with the value of money. Now, the payment of interest is restricted to deposit receipts, the banks very properly having discontinued to allow it on the daily balances of current accounts. As a natural result, fully three-fourths of the total amount of deposits are lodged upon deposit receipt bearing interest, the remainder only being on current account bearing no interest. In this way the danger of sudden and uncalled for withdrawals is avoided, and panic is practically unknown. The issue of bank notes is authorized to a limited extent, against which no coin is required to be held. The act regulating the issuance of notes, however, provides that as many notes beyond the authorized

limit as desired may be issued, provided gold and silver coin, of which not more than one-fourth may be silver, is held for the redemption of the excess; only the notes actually in the hands of the public are counted as being in circulation. The average actual circulation is about $10 per capita. Though the issuance of notes up to the authorized limit is a source of considerable profit, the obligation to keep on hand coin for the redemption of the excess operates as a counterbalance, the actual issue being greatly in excess of the authorized issue. An amount of money equal to the total actual circulation is usually kept on hand by the banks, their own notes forming the bulk of their till-money. A stamp duty on all notes issued, the cost of maintaining the circulation, the expense of engraving, etc., make the actual loss of issuing the total volume of bank notes greater than the profits on the authorized issue. Notwithstanding this fact, the issuance of notes confers indirect benefits upon the banks, which may thus carry on their transactions with material which is not money but is only a very efficient substitute therefor, provided its convertible character and the credit of the banks which issue it are maintained. It is the public which is especially benefited, as the banks would be unable to keep open their numerous branches because of the impossibility of conducting them with profit were they deprived of their note issues, and to be compelled to substitute gold or Government notes for their own notes as till-money. As practically all the obligations to the public are repayable on demand, about half of the assets are kept in so liquid a condition that they may be readily converted into cash. The bulk of the remainder of the assets consists of bills discounted, advances on cash accounts, and other loans on securities. These form a substantial second line of defense in times of panic, the ordinary trade bills yielding the greatest share of the banking profits. A chief reason for the remarkable success of the Scotch banking system is the thrift and honesty of the Scotch people. As we sought to show in the last number, a system may be very good and yet utterly fail, not through defects in the system itself, but in those who administer it. Our own system of National banking is one of the best yet devised, and yet frauds and failures of all kinds have happened, not from faults in the system, but by the conduct of the rascals who have managed the banks. For successful banking the right men are of more consequence than the system, and with bad men, whatever the system may be, bad management will inevitably follow.

Gold Production.—In a recent number of the *Engineering and Mining Journal*, it is stated that there is a general revival of interest in gold mining, in consequence of the fall in the price

of silver. The gold deposits of North Carolina, Georgia and Alabama have been more carefully examined, old mines have been re-opened, while persons are seeking after new ones. The Southern mines antedate those of California and the Rocky Mountains, for the alluvial deposits of western North Carolina were worked sixty years ago:

The richer Western discoveries and political events diverted attention from them for a time, but they have never been entirely abandoned. In quartz mining, more has been done on the gold belt which extends through north Georgia and the northern section of Alabama than anywhere else, and these regions have been prospected more than any others. Most of the work has been somewhat crudely done with primitive mining and milling appliances. The ores, decomposed near the surface, yielded their free gold by simple stamping and amalgamation, and the mines were abandoned when sulphurets were reached, for with scanty capital and little knowledge of modern improvements in gold metallurgy, the Southern miner has not ventured on establishing the large plants required to attain the economy necessary for the successful treatment of his low grade ores. In North Carolina better work has been done than in Georgia, and in a more systematic way, and the Haile mine is treating low grade pyritic ores with satisfactory results. The boom which followed the close of the war did great injury to the Georgia gold fields. From 1866 to 1871 or 1872 a very considerable amount of money was injudiciously spent there. Properties were bought without proper examination; utterly unsuitable machinery was purchased, and in several cases large sums were paid to charlatans who had "secret" and "infallible" "processes" for working the sulphureted ores. The result was that much of the money put in was pocketed by sharpers; investors were plundered and disgusted, and Southern gold mines got a bad name, which they did not deserve, but which for years retarded their development. It is to be hoped that the present revival will not result in any such boom, but will bring a steady and healthy growth to a promising mining industry. The Southern ores are usually of a very low grade, but are in great abundance; and with the advantages of a climate favorable to operations at all seasons of the year, low priced labor, abundant timber for fuel and mining purposes, and many good water-powers, there are excellent opportunities for cheap working which make the field an attractive one to capital. It must be remembered, however, that there, as everywhere else, investments must be intelligently and judiciously made to bring satisfactory results.

The Austrian Demand for Gold.—One of the important phases of the gold question is the quantity still demanded by Austria-Hungary in order to enable that country to resume specie payment on the gold standard. A recent Vienna correspondent of the London *Economist* says with respect to the policy of accumulating gold for resuming gold payments:

The Austrian Finance Minister is not communicative on the subject, and Dr. Wekerle, from having pressed the matter forward with great energy, is regarded as chiefly responsible. The Hungarians, are of course, in a more favorable situation, having to provide merely 30 per cent. of the amount of gold needed for the reform, whereas Austria has to contribute 70 per cent. Hungary's share is supposed to be 93.6 mill-

ion florins, of which sum 82 millions are already accumulated in the mint of Kremnitz, where they are being coined into ten and twenty-crown pieces. Hungary has 12 more millions to obtain from the syndicate which undertook to convert the rente. The Austro-Hungarian Bank owns 120 million florins and the Austrian Government has 130 million florins ready in its coffers. The Monarchy, therefore, has 332 million florins gold in all. The amount of notes of the State that has to be redeemed is 312 millions, and of the 170 million silver florins which the bank has accumulated in its cellars the Government will have to take about 100 millions. In all, therefore, the Government will require 412 millions, so that 80 million florins more gold will have to be purchased, unless, as may be supposed, the Austrian Finance Minister has made use of the time gained through the obstructive policy pursued by the Senate of the United States, and has taken all the gold he could. It is generally supposed that the gold purchased in London by Berlin is in reality for Austria-Hungary. The syndicate's agents also keep their eyes upon the gold exports from South Africa and Australia. Since the Government proposed to itself to complete the reform only in five years, and it is only a year and a half since a commencement was made, it may be assumed with confidence that the gold still wanting will be procured in that space of time, while cash payments may perhaps be returned to before the period fixed.

PRESENTMENT AND DEMAND OF NEGOTIABLE INSTRUMENTS.

To fix the liability incurred by an indorser the holder must demand payment of the maker at the proper time, unless a reason exists for not doing so. For this purpose the holder, or a notary public, or some other person authorized by the holder, must call on the maker at his residence or place of business and present the paper and demand payment; and should he fail to pay, to give immediate notice to the indorser or to put the notice in the post office for transmission to him by the first mail to the post office most convenient or nearest to his residence. (*Stuckert* v. *Anderson*, 3 Wh. 116, 120.)

A demand on the maker through the post office is not such a notification as the law requires when the maker's residence is supposed to be known. The holder, or his agent, must call on the maker and present the note or other instrument and demand payment. If this duty is not done the maker indeed remains responsible, but the indorser is discharged. Lord Mansfield long ago declared that the indorser only undertakes in case the maker of the note does not pay. The indorsee is bound to apply to the maker of the note. He takes it upon that condition, and therefore must in all cases know who he is and where he lives; and if, after the note becomes payable, he is guilty of neglect and the maker becomes insolvent, he loses the money and cannot

come upon the indorser at all. Therefore, before the indorsee of a promissory note brings an action against the indorser he must show a demand or due diligence to get the money from the maker of the note; just as the person to whom the bill of exchange is made payable must show a demand or due diligence to get the money from the acceptor before he brings an action against the drawer. (*Heylen* v. *Adamson*, 1 Burr. 676.)

In *Stuckert* v. *Anderson* (3 Wh. 116), therefore, the demand was wrongly made of the maker, because it was done through the post office. "Clearly," said Mr. Justice Kennedy, "this was not such a demand of payment as is required by law in order to charge the indorser. The residence of the maker being ascertained and known the demand ought to have been made there by a person duly authorized, and having possession of the note from the bank, so that he might have given it up upon receiving payment thereof. For this purpose the note might have been sent in due time by the mail to some one with an authority to have presented it and demanded payment thereof on the day it fell due."

In ascertaining the maker's residence the date of the note raises the presumption that he resides at the place named therein, and inquiry should be made there (*Duncan* v. *McCullough*, 4 S. & R. 480); and if a bill is addressed to the drawee at a particular house, and is accepted generally by him, the address indicates the place at which it should be presented for payment; and a presentation there will suffice to charge the drawee and indorsers. (*Struthers* v. *Kendall*, 41 Pa. 214; *Pierce* v. *Struthers*, 3 Casey 249; *Struthers* v. *Blake*, 6 *Ib.* 142.)

In presenting the paper and demanding payment due diligence must be exercised. (*Bennett* v. *Young*, 18 Pa. 261; *Haly* v. *Brown*, 5 Pa. 178; *Muncy Borough School District* v. *Com.*, 84 Pa. 464.) What this is depends on circumstances, and in many cases on the time, mode and place of receiving the paper and on the relations of the parties between whom the question arises. (*Muncy Borough School District* v. *Com.*, 84 Pa. 464; *McKinney* v. *Crawford*, 8 S. & R. 354.)

The questions of due diligence in the time of presentment, and also of giving notice, are mixed ones for the court and jury to decide. (*Charnley* v. *Dalles*, 8 W. & S. 353; *Oxnard* v. *Varnum*, 1 Am. 193.) The court must state the law to the jury but they must determine the facts. (*Ib.*) When these are disputed the jury must ascertain them, and then the court must decide whether they satisfy the law or not (*Bennett* v. *Young*, 18 Pa. 261; *Stuckert* v. *Anderson*, 3 Wh. 116, 120); but when they are undisputed, then the only question for determination is their sufficiency, which must be done by the court. (*Haly* v. *Brown*, 5 Pa. 178; *Smith* v. *Fisher*,

24 Pa. 222; *Brenzer* v. *Wightman*, 7 W. & S. 264; *Lancaster Bank* v. *Woodward*, 6 H. 362; *Barbour* v. *Fullerton*, 36 Pa. 105, 107; *Sherer* v. *Easton Bank*, 9 Casey 134.)

If the drawee of a bill or maker of a note remove from his usual place of residence to another in the same State or country, the holder must make reasonable endeavor to find out where he is, and if he succeed, must present the bill or note for payment; but if he has absconded, then the necessity of making further inquiry for him no longer exists. The same rule applies when the drawee or maker removes into another jurisdiction after the execution of the instrument. (*Reed* v. *Morrison*, 2 W. & S. 401.)

In presenting checks for payment two rules must be observed: first, if the person who receives the check and the banker on whom it is drawn are 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 (*Alexander* v. *Burchfield*, 7 Man. & Gr. 1061; *Moule* v. *Brown*, 4 Bing. N. C. 266; *Schoolfield* v. *Moon*, 9 Heisk. 171); second, if the person who receives the check and the banker on whom it is drawn are in different places, 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 it at the latest on the day after it is received. (*Hare* v. *Henty*, 30 L. J. C. P. 302; *Woodruff* v. *Plant*, 41 Conn. 344; *Burkhalter* v. *Second National Bank*, 42 N. Y. 538; *Blair* v. *Wilson*, 28 Gratt 165.)

In presenting notes and bills payable at a fixed date they must be presented to the maker or acceptor, or, in his absence, to his clerk or agent, at maturity, which is on the last day of grace, and an earlier demand is worthless. (*Jackosh* v. *Newton*, 8 W. 401; *McKinney* v. *Crawford*, 8 S. & R. 354.) Says an eminent authority: "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 excuse for the delay." (Dan. on Neg. Inst., § 597.)

In presenting a bill which is payable at sight or on demand, this must be done within a reasonable time. Payment of a note or bill payable on demand may be demanded as soon as it is signed, "but the condition on which the indorser is liable is that payment shall be demanded within a reasonable time, and the earliest notice possible given of a refusal." (*McKinney* v. *Crawford*, 8 S. & R. 354; *Brenzer* v. *Wightman*, 7 W. & S. 264.) In one of the most frequently cited cases (*McKinney* v. *Crawford*, 8 S. & R. 351, 354), Mr. Justice Duncan remarked: "On a bill pay-

able on demand or sight, it is impossible to fix any precise time. It must be demanded, and notice given as soon as it can be conveniently done, taking into view all the circumstances of the holder and drawer."

When a bill of exchange is payable at no particular time it is payable immediately; and to charge a drawer or indorser it must be presented for payment in a reasonable time after it has been received. (*Taylor* v. *Young*, 3 W. 339.) A delay of eight months, for example, is too long. (*Ib.*) And when the holder of a bill payable immediately has taken it from the payee, not in the usual course of business, but long after the reasonable and proper time for presentment, he is affected with notice of all the facts known by the payee at the time of the transfer. (*Taylor* v. *Young*, 3 W. 339.)

If a note payable on demand is indorsed after it becomes due, a reasonable time must be allowed to make the demand on the promisor. (*McKinney* v. *Crawford*, 8 S. & R. 354.) Nor is such a note regarded as overdue without some evidence that payment has been demanded and refused, though it be several years old and no interest has been paid thereon. (*Barbour* v. *Fullerton*, 36 Pa. 105, 106.) At what time a note of this nature, made in another State and governed by its laws, is overdue, is a question of fact under proper instructions. (*Ib.*)

When a note is made payable generally, the maker has the whole of the business day on which it is due to pay it; but when it is payable at a bank, it must be paid during banking hours. (*Pierce* v. *Struthers*, 27 Pa. 253; *Long* v. *Rhawn*, 75 Pa. 131.) And when a note is payable at a bank and the holder is there until the close of the day ready to receive payment, no further demand need be made to charge the indorser. (*Jenks* v. *Doylestown Bank*, 4 W. & S. 505; *Rahm* v. *Philadelphia Bank*, 1 R. 335.) And if the maker of a note thus payable has no funds there to meet his obligation when it matures, a demand for payment is unnecessary. (*Sherer* v. *Easton Bank*, 9 Casey 134.)

The making and dating of a promissory note at a particular place is not equivalent to making it payable there, and does not therefore supersede the necessity for making presentment and demand at the maker's residence or place of business, or of using due diligence to ascertain where he is. (*Oxnard* v. *Varnum*, 1 Am. 193.)

The presentment of paper for payment is not imperative whenever this would be useless. The occasions when the law excuses the holder from doing this will now be described. First, when the maker has absconded, the law does not require that further inquiry be made. (*Reid* v. *Morrison*, 2 W. & S. 401.) And it has been declared that where the maker of a note has absconded

from his usual place of residence before the time of payment, it is not necessary to prove an inquiry for him there to charge the indorser. But this rule cannot be applied when the maker has merely removed from his place of residence. (*Lehman* v. *Jones*, 1 W. & S. 126; *Duncan* v. *McCullough*, 4 S. & R. 480.)

When the recovery sought is for the value of an uncurrent note which has been received, or the bill of a broken bank which has been fraudulently passed, a demand on the maker need not be proved. (*Hellings* v. *Hamilton*, 4 W. & S. 346.)

But whenever the drawer acknowledges his liability to pay his obligation, the necessity of proving a demand of the drawee and his refusal and notice to the drawer does not exist. (*Levy* v. *Sprogell*, 9 S. & R. 125.) And the proof may consist either of an express promise to pay, or of other circumstances from which this may be inferred, as a part payment before or after the bill or check became due. (*Ib.*) The holder, however, cannot, by voluntarily giving credit for part payment, evade the necessity of proving a demand on the drawee if the drawer disclaims the credit and insists on the want of a demand; but if he acquiesces in the credit and insists that the whole has been paid, and relies on length of time and other circumstances as a discharge, he admits a part payment. (*Ib.*)

Likewise an acknowledgment of liability and a promise to pay by an indorser after default of payment by the maker, dispenses with proof of presentment and notice, and throws on the indorser the double burden of negligence in this regard, and that he was ignorant of it. (*Loose* v. *Loose*, 36 Pa. 538.) The promise raises a presumption that the indorser knew of the dishonor; if there is evidence to the contrary, then the jury must decide whether the presumption is overthrown by this or not. (*Loose* v. *Loose*, 36 Pa. 538.)

His liability also continues whenever he waives notice of the protest. Thus, an indorser, on the day when the note became due, indorsed thereon a written waiver of "notice of protest for non-payment in this case," and on the same day a demand was made at the banking house at which the note was payable, and the answer was that the maker had no money there. This was regarded as a sufficient demand. (*Scull* v. *Mason & Co.*, 43 Pa. 99.)

A demand, unless it is excused, or due diligence to make a demand, must be proved in order to recover from the indorser. (*Duncan* v. *McCullough*, 4 S. & R. 480.)

NOTICE.

While an indorser's engagement is conditional, the only requirement to make his liability absolute is to make a demand on

the maker at the place fixed for payment on the last day of grace, and to give due notice of non-payment to the indorser. A protest is unnecessary, and, therefore, whether made on the day of the demand, the succeeding day, or not made at all, is immaterial. (*Stephenson* v. *Dickson*, 24 Pa. 148.) But a notice of non-payment must be given, because the contract is that the maker will pay at maturity; and strict punctuality, which is the life of the commercial law, authorizes the indorser to presume, unless he has received a notice to the contrary, that the maker has paid his obligation. (*Day* v. *Ridgway*, 17 Pa. 303, 308; *Ridgway* v. *Day*, 13 Pa. 208.)

The duty to make a demand of the maker and give notice to the indorser is not a part of the contract of indorsement, but a step in the remedy, for, as Mr. Justice Porter has remarked, "otherwise notice could not be waived without a new contract for a sufficient consideration; and a new promise without consideration, even with full knowledge of the facts, would be invalid." (*Struthers* v. *Blake*, 30 Pa. 139, 142; *Barclay* v. *Weaver*, 19 Pa. 396, 400.)

The notice is authentic information from the proper source that the paper has been dishonored, and its object is to enable the party notified to take measures for his own security against parties liable to him. (*Bank* v. *M'Knight*, 1 Yeates 145, s. c. 2 Dall. 158.) "It need not be in writing; any information coming from parties interested and whose duty it is to give it, and certain to a reasonable extent, will suffice. When the indorser lives elsewhere than at the place fixed for payment notice by mail may be given. It may be given verbally and personally, or in writing, and left at his place of business or dwelling. If it can be shown that it was actually received by the indorser in due time this dispenses with the ordinary formal requirements." (Junkin, J., in *Rheem* v. *Carlisle Deposit Bank*, 76 Pa. 134; *Hollowell* v. *Curry*, 5 Wr. 322.)

The notice must be sent by the holder himself, or by some one who has a real interest in the instrument, for the notice must assert that the holder intends to stand on his legal rights and to resort to the indorser for payment. (*Juniata Bank* v. *Hale*, 16 S. & R. 155, 160.) But he may employ an agent to give notice for him (*Falk* v. *Lee*, 8 W. N. 345), and very generally this is done by a notary public. This, however, in most States, is no part of his official duty, and whenever he is employed to give notice, his conduct is similar to that of any other person who performs the service. (*Rahm* v. *Philadelphia Bank*, 1 R. 335; *Bank* v. *M'Knight*, 1 Yeates 145, s. c. 2 Dall. 158). A verbal notice sent by the clerk of a bank at which a notice is payable is sufficient. (*Ib.*)

The holder need notify only his immediate indorser, or only the indorsers whom he intends to hold, and each indorser has an entire day to notify his immediate indorser. A very common practice is for the holder to notify his immediate indorser, and to inclose the notices to him for the preceding indorsers, which it is expected he will forward in a similar manner. By doing this he fulfills his whole duty. But the holder is not required to send notices to the last indorser for transmission to the preceding ones. He has perfected his right of recovery against all by properly notifying the last indorser. (*Struthers* v. *Blake*, 30 Pa. 139; *Etting* v. *Schuylkill Bank*, 2 Pa. 355.) Another and very common practice is for the holder to give direct notice to each indorser; and if it is thus sent—and would ordinarily be received as soon as by regular transmission through all the parties—it is sufficient. (*Etting* v. *Schuylkill Bank*, 2 Barr 355.) In most cases doubtless the notices thus served would be received earlier.

The notary, who is generally employed, usually sends a notice to each indorser if he knows where to send it. But very often not all their addresses are known. The practice is becoming more common of indicating on the instrument where the notice shall be sent, and this is desirable. It was once contended that such a memorandum vitiated the negotiable quality of the note, but the court made short work with the contention. (*Freedley* v. *Watts*, 6 W. N. 269.)

The holder must send immediate notice on the day following the refusal to pay, unless there is an excuse for not doing so (*Brenzer* v. *Wightman*, 7 W. & S. 266); for a longer delay, without proper reason, by an indorser to notify prior indorsers will prevent his recovery from them. (*Etting* v. *Schuylkill Bank*, 2 Pa. 355.) Each indorser, therefore, has a day to notify his immediate indorser; and if the notice is not sent by the end of the legal period such negligent indorser cannot hold the preceding ones. (*Ib.*)

In sending the notices the mail can be used in some cases, but not in others. When the person to be notified resides in the same city as the notifier then the notice must be served personally, or by leaving it at his house or place of business; it cannot be deposited in the post office. (*Haly* v. *Brown*, 5 Pa. 178, 181; *Smyth* v. *Hawthorn*, 3 R. 355; *Kramer* v. *McDowell*, 8 W. & S. 138; *Gordon* v. *Pedrick*, 6 Phila. 254; *Tanner* v. *Hughes*, 53 Pa. 291.) But a notice addressed to an indorser which is deposited in the post office of the city where both the notifier and indorser reside, is now regarded as proper if it is shown to have been received in time. (*Shoemaker* v. *Mechanics' Bank*, 59 Pa. 79.) In many States, though, the Legislatures have authorized the use of the mail for this purpose.

In a recent controversy on a note against an indorser, the notary who protested the note testified that, on the day the note was dishonored, he inclosed notice of protest in an envelope addressed to the defendant, "P. Driving Park, P.," and mailed it on that day in the P. post office; that on the envelope the words "return to R. if not delivered," etc., were stamped, but the letter was not returned to him. The defendant and his business man, who was accustomed to call for the mail, both denied the receipt of the notice. The court instructed the jury that they must find whether or not the notice was sent and reached defendant's place of business. A verdict for the plaintiff was regarded as sufficient to fix the defendant's liability as indorser, since, by implication, it established the fact that notice of protest was received by defendant. Furthermore, it was regarded correct to charge that "the United States Government has taken hold of the distribution of the mails, and, in the city of Philadelphia, letters deposited in the mail are delivered daily; and, where there is upon the back of an envelope a stamp of the name of the person who reads letters, the letters are returned if they are not delivered. Under this condition of things, I instruct you there is a presumption when the letter is mailed to the proper address within the city that it is delivered in accordance with the direction." (*Jensen* v. *McCorkell*, 154 Pa. 323.)

When the persons to be notified reside in different places from the notifier, the mail can be used. (*Haly* v. *Brown*, 5 Pa. 178, 181; *Smyth* v. *Hawthorn*, 3 R. 355; *Weakly* v. *Bell*, 9 W. 273, 279; *Stuckert* v. *Anderson*, 3 Wh. 119; *Smith* v. *Bank*, 5 S. & R. 318; *Woods* v. *Neeld*, 44 Pa. 86.) Much legal ingenuity has been expended in defining the precise boundary between personal and transmitted notice; a statute authorizing the sending of a notice through the mail in all cases would terminate this series of small legal puzzles.

When the notice is sent by a messenger under seal to an employe of the indorser with the request not to open the same, the notification will not suffice (*Paine* v. *Edsall*, 19 Pa. 178); its sufficiency must depend on what the messenger did, and not on his instructions. (*Ib.*)

Persons who own notes and bills jointly sometimes indorse them, and when they do, they are not liable as partners, consequently, notice of the dishonor of the bill to one will not charge both. Each must have notice in order to be charged with it. (*Sayre* v. *Frick*, 7 W. & S. 383.) Says Mr. Chief Justice Gibson: "If partnership is a contract of association in a business or trade on terms of furnishing the capital and sharing the profit or loss, the mere joinder of personal rights and responsibilities as parties to a negotiable instrument does not constitute it. What contract is there

on the face of a bill or note between parties to it who, in contemplation of law, are one? None is expressed, and the law implies none which it does not imply between all joint contractors whatever, without regard to the character of the instrument." (*Ib.*) It may be added that the effect of a partial payment by a joint indorser on account of his indorsement is a waiver of demand and notice to him, if due notice be given to the other indorser. (*Sherer* v. *Easton Bank*, 9 Casey 134.) And a notice to one joint indorser and a waiver of notice by the other, are a sufficient substitute for notice to both of them. (*Ib.*)

The indorser of a bill of exchange drawn on a partnership in favor of a member by a former partner who had recently withdrawn, but whose withdrawal was not known to the indorser, must give notice to the drawer of the dishonor of the bill. (*Taylor* v. *Young*, 3 W. 339.) The former relationship of the parties does not justify the non-observance of this requirement.

And when copartners purchase goods and a promissory note is given signed by one of them and indorsed by the other, the indorser is not liable thereon unless he is duly notified of the dishonor of the note. (*Foland* v. *Boyd*, 23 Pa. 476.)

"The right of an indorser to direct notice to be sent to him when absent from home is reasonable and proper, and is sustained by authority. When thus sent to him without previous direction, and he actually receives it, and receives it as soon or sooner than if left at his place of business, and he is not in any way prejudiced thereby, we think it is a good notice, and binds him. And we think it is good also as to the prior indorser who is not injured or prejudiced by the delay." (White, J., *Decker* v. *Holt*, p. 381, 87 Pa.)

A notice sent on Sunday is invalid. And if the indorser should receive it he would not be bound, nor the irregularity in the service be regarded as waived. (*Rheem* v. *Carlisle Deposit Bank*, 76 Pa. 132.) In Pennsylvania it is against the spirit of the act of 1705 to permit the notice to have any effect. (*Ib.*, see Stern's app. 14 Smith 450; *Foreman* v. *Ahl*, 5 Smith 325.) By the English law a notice served on Sunday would be regarded as received on Monday, but the Pennsylvania statute of 1794 is aimed against "any worldly employment or business whatever," while the English statute only forbids one's "ordinary calling on Sunday." The notice, therefore, will have no validity even if read on the following day. (*Rheem* v. *Carlisle Deposit Bank*, 76 Pa. 132; *Johnston* v. *Commonwealth*, 10 Harris 108; *Omit* v. *Commonwealth*, 9 Harris 432; *Kepner* v. *Keefer*, 6 W. 233.)

The holder is not responsible for the reception of the notice by the indorser. If the notice is properly prepared and directed, and sent within the specified time, the holder has performed his whole

duty to the indorser. He is not an insurer for its safe and regular transmission. (*Jenks* v. *Doylestown Bank*, 4 W. & S. 505; *Weakly* v. *Bell*, 9 W. 273, 279; *Esdaile* v. *Sowerby*, 11 East 117; *Saunderson* v. *Judge*, 2 H. Bl. 509; *Dobree* v. *Eastwood*, 3 C. & P. 250; *Smith* v. *Bank*, 5 S. & R. 322; *Smyth* v. *Hawthorn*, 3 R. 355; *Kenney* v. *Atwater & Co.*, 77 Pa. 34; *Tanner* v. *Hughes*, 3 Smith 289; *First Nat. Bank* v. *McManigle*, 19 *Ib.* 156; *Woods* v. *Neeld*, 44 Pa. 86; *Haly* v. *Brown*, 5 Pa. 178, 181, see ¶ 8 this ch.) But the depositing of a letter in the post office, properly addressed and prepaid, raises a natural presumption, founded on common experience, that it reached its destination by due course of mail. In other words, it is *prima facie* evidence that it was received by the person to whom it was addressed; but this may be rebutted by evidence of its non-receipt. (*Whitemore* v. *Dwelling House Insurance Co.*, 148 Pa. 405.) The question is one of fact solely for the determination of the jury under all the evidence. (*Folsom* v. *Cook*, 115 Pa. 549; *Insurance Co.* v. *Tunkhannock Toy Co.*, 97 *Ib.* 424; *Huntley* v. *Whittier*, 105 Mass. 391; *Briggs* v. *Hervey*, 130 *Ib.* 188.) In *Jensen* v. *McCorkell* (154 Pa.), the presumption was strengthened by the undisputed evidence that the name and address of the notary were stamped on the envelope covering the notice of protest. So greatly did this fact strengthen the presumption, that it was regarded as well-nigh conclusive. It must, however, be clearly proved that the letter was put into the post box, or post office. (*Weakly* v. *Bell*, 9 W. 273, 279.) Delivery, though, of a letter, properly stamped, containing a notice of protest to a United States letter carrier while on his rounds is a legal mailing. (*Pearce* v. *Langfit*, 101 Pa. 507.)

Many questions have arisen concerning the post office to which the notice must be sent. The law does not imperatively require that notice be sent to the post office nearest to the residence of the indorser, for this cannot always be known without considerable inquiry, delay and expense. If, therefore, in the absence of precise knowledge the notice is sent to the post office at the county seat of a county, this will suffice, so the Supreme Court of Pennsylvania have declared, for if the indorser live at a place nearer to another post office at which he usually receives his letters, the postmaster will doubtless forward the notice to that office. (*Weakly* v. *Bell*, 9 W. 273, 283.) Another rule has been established which is reasonable and in most cases can be easily applied—notice may be sent either to the post office nearest to the indorser's residence, or to the one at which his mail communications are usually received. (*Woods* v. *Neeld*, 44 Pa. 86; *Mercer* v. *Lancaster*, 5 Pa. 160.) A notice, therefore, sent to a post office further away than this, and where his communications are never received, would violate both alternatives. (*Woods* v. *Neeld*, 44 Pa. 86.)

There must be due diligence in notifying, otherwise the indorser is discharged. (*Robertson* v. *Vogle*, 1 Dall. 252; *Bank* v. *Vardon*, 2 Dall. 78; *Bank* v. *Pettit*, 4 Dall. 127.) What this is depends on circumstances (*Dickens* v. *Hall*, 87 Pa. 3), and these must be ascertained by the jury. (*Robertson* v. *Vogle*, 1 Dall. 252; *Bank* v. *M'Knight*, 2 Dall. 158; *Charnley* v. *Dalles*, 8 W. & S. 353; *Warderer* v. *Carson's Express*, 2 Dall. 232; *Bank* v. *Pettit*, 4 Dall. 127.) Mr. Chief Justice M'Kean has remarked that, before the Revolution, it was not usual to give notice to the indorser, or even to call on the drawer as soon as a note became due, and that such conduct would have been considered as harsh and unreasonable. (*Bank* v. *M Knight*, 2 Dall. 158, 1792.)

When the facts are ascertained and undisputed, what shall constitute due diligence in communicating notice of the dishonor of a bill or note is a question of law. (*Brenzer* v. *Wightman*, 6 W. & S. 264; *M'Kinney* v. *Crawford*, 8 S. & R. 354; *Charnley* v. *Dalles*, 8 W. & S. 353.)

Two general rules have been established defining reasonable time: 1. If the parties live in the same town it must be given by the close of the next day after it is received. (*Dickens* v. *Hall*, 87 Pa. 379.) 2. If they live in different places, by the next practicable mail on the morning of the day after it has been received. (*Ib.*)

The notice must be sent as early as the first mail succeeding the day of demand; but if the mail closes at so early an hour that it is impracticable to forward a letter by it, one sent by the next mail will be in time. (*Stephenson* v. *Dickson*, 24 Pa. 148.) What hour, therefore, of closing a mail is so early as will excuse the depositing of the notice in time therefor? Two or three o'clock in the morning is early enough to excuse the use of the first mail, but seven o'clock will not. If, therefore, the mail does not close till seven, the notice must be deposited in that mail. (*Stephenson* v. *Dickson*, 24 Pa. 148.)

A notice will be good if actually given anywhere. (*Dickens* v. *Hall*, 87 Pa. 379.)

If not sent in the regular manner, but is received as soon or sooner than it would be if thus sent, the notice is good. (*Dickens* v. *Hall*, 87 Pa. 379.)

There are occasions, which will soon be described, when a notice need not be given, either because the residence of the parties is unknown, or because the notice would be useless if it was given. On some other occasions holders have supposed or presumed contrary to law that a notice was not necessary. In most of these cases holders have doubtless neglected to perform their duty, nevertheless have tried to hold indorsers liable. Such a case is *Lightener* v. *Will* (2 W. & S. 140), in which the court decided that if a negotiable note is dated at a particular place the law does

not regard it as payable there, nor is the necessity superseded of giving notice to the drawer where he resides, in order to charge the indorser.

The death of the maker of a promissory note before its maturity, and the endowment with proper authority of an indorser to settle his estate, does not dispense with the holder's requirement to give notice of non-payment to the indorser. If this is not done, he is discharged. (*Groth* v. *Gyger*, 31 Pa. 27; *Juniata Bank* v. *Hale*, 16 S. & R. 157.) "As executor he is not personally bound, and the purpose of demand and notice is to make him so, and to warn him of the fact that the holder looks to him individually. This may not aid him in saving anything out of the maker's estate, but it warns him to calculate and arrange his own with reference to it." (Jowrie, C. J., in *Groth* v. *Gyger*, 31 Pa. 273. See *Kramer* v. *Sandford*, 4 W. & S. 328.)

The insolvency of the maker does not dispense with the necessity of demand and notice of non-payment. Between the parties the rule is inflexible, and the door is not open to the inquiry whether notice could have availed the indorser. Death, bankruptcy, notorious insolvency, or imprisonment constitute no excuse (*Juniata Bank* v. *Hale*, 16 S. & R. 157, 161; *Gibbs* v. *Cannon*, 9 S. & R. 201; *Barton* v. *Baker*, 1 S. & R. 334; *Esdaile* v. *Sowerby*, 11 East 114), "because many means may remain with him of obtaining payment by the assistance of friends, or otherwise, of which it is reasonable the indorser should have an opportunity of availing himself; and it is not competent to the holder to show that delay in giving notice has not, in fact, been prejudicial." (Duncan, J., *Gibbs* v. *Cannon*, 16 S. & R. 198, 201; *Haynes* v. *Birks*, 3 Bos. & Pull. 599.)

If the maker and indorser of a note are both insolvent, demand of payment and notice to the guarantor are not necessary in order to hold him, unless he can show that he has been injured by the want of notice. (*Gibbs* v. *Cannon*, 9 S. & R. 198.)

If the indorser knew that the maker was insolvent when his note was made or became due, he is nevertheless entitled to notice, for an indorser may have an opportutity even of securing himself wholly or in part (*Barton* v. *Baker*, 1 S. & R. 334); but if the indorser has accepted from the maker a general assignment of his estate, notice to him is not necessary (*Barton* v. *Baker*, 1 S. & R. 334; *Kramer* v. *Sandford*, 4 W. & S. 328), for when he has thus received the maker's property he assumes to pay the maker's debts. (*Kramer* v. *Sandford*, 4 W. & S. 328.)

A bank receiving a bill for collection, or as collateral security only, is bound to follow the usual course of business, and give notice of non-payment to the indorser; but if for any reason the notice be unnecessary, the bank will not be liable for a neglect to notify. (*West Branch Bank* v. *Fulmer*, 3 Pa. 399.)

There are occasions when notices need not be given. What are these which the law regards as excuses? The first that may be mentioned is war which stops the usual course of communication between the parties. Thus, the cessation of mails and commercial intercourse between Pittsburgh and New Orleans during the Civil War was a valid excuse for omitting to send notice of dishonor of a bill. (*Home* v. *Adams & Co.*, 48 Pa. 261.)

A notice to the indorser is not required when he is the drawer of the bill. And if the indorsement is by a firm, notice is not required if all of the members were also members of the firm which drew the bill. (*West Branch Bank* v. *Fulmer*, 3 Pa. 399.) And when the drawer-indorser of a bill who is also the indorser of a note is the prior debtor, and the person who is the acceptor of the bill and maker of the note lends his name for the other's accommodation, he is considered a drawer without funds and is not entitled to notice. (*Reid* v. *Morrison*, 2 W. & S. 401.) Nor is notice required when the indorser has knowledge of the non-payment of the obligation he has indorsed. (*West Branch Bank* v. *Fulmer*, 3 Pa. 399.)

When a debtor has given a check to his creditor, either as absolute or conditional payment, of which he is neither drawer, payee, or indorser, he is not entitled to notice of its dishonor, and cannot complain if it has not been given to him, unless he can show an actual loss from the omission. (*Ib.*) Finally, a creditor who has taken such a check is not required to return it to the debtor before bringing an action to collect his debt. (*Ib.*)

As a notice to the maker is unnecessary, so when one as indorser procures the note of another for the purpose of having it discounted for his credit, and at the time of having this done promises the discounter to pay the note at maturity, his liability is absolute, not conditional, and protest and notice of non-payment are unnecessary. (*Sieger* v. *Second National Bank*, 132 Pa. 307.)

When the holder of a negotiable note, by agreement with the maker, and for a valuable consideration, extends the time for its payment, and afterwards indorses the same to a third person without giving notice of the agreement, he is liable to the indorsee, without a demand for payment from the maker, or receiving protest or notice. (*Williams* v. *Probst*, 10 Watts 111.)

An indorser, who was not discharged by the omission to give notice of non-payment required by the Act of April 5, 1849, occupied the position of a surety, and notice was not required, nor was an indulgence to the maker without his assent effectual unless it was for a specified time, and a consideration had been given. (*Erie Bank* v. *Gibson*, 1 W. 143; *Johnston* v. *Thompson*, 4 W. 446; *Ashton* v. *Sproule*, 35 Pa. 492.)

The Bank of the United States was relieved by its charter from

protesting and giving notice of the non-payment of discounted notes. The same provision was afterward incorporated in many of the Pennsylvania bank charters. The paper discounted by them was put in the same category as foreign bills of exchange, which do not require a protest and notice to the indorser to hold him. (*Roberts* v. *Cay's Executors*, 2 Dall. 260; *Farmers & Mechanics' Bank* v. *Massey's Executors*, 2 S. & R. 114; *Wolfersberger* v. *Bucher*, 10 S. & R. 10; *Rahm* v. *Philadelphia Bank*, 1 R. 335.)

If an indorser's residence cannot be ascertained after proper inquiry, then his indorsee is excused from notifying him. But in order to recover from him, the indorsee must show that he used due diligence in trying to find him. (*Haly* v. *Brown*, 5 Pa. 178.) And if a holder, not knowing of the residence of one of the indorsers, sends the notice to his subsequent indorsee, this is equivalent to an inquiry for the indorser's residence, and it is the duty of the indorsee to use due diligence in forwarding the notice to the indorser. (*Haly* v. *Brown*, 5 Pa. 178.)

If the holder of a note has failed to give due notice of its dishonor, and thus released the indorser, he may bind himself to pay it, and such a promise is not within the statute of frauds. As he is a party to the debt, and conditionally bound therefor, "his promise," says Mr. Justice Agnew, "to continue his liability to the creditor from whom the consideration had moved to himself, or to the drawer at his request, cannot therefore be said to be a new and independent promise within the statute of frauds." (*Uhler* v. *Farmers' National Bank*, 64 Pa. 406; *Malone* v. *Keener*, 8 Wr. 107; *Arnold* v. *Stedman*, 9 Wr. 186. See *Maule* v. *Bucknell*, 14 Wr. 39. This is distinguished in 64 Pa. 406, 410.)

The indorser of a note also waives the necessity of a presentation and protest of it by taking it into his own possession and undertaking the collection of it himself. (*Braine* v. *Spalding*, 52 Pa. 247.)

A confession of judgment by an indorser of a promissory note is evidence, but not conclusive, of notice of demand on the maker and refusal by him to pay the note, or of waiver of such notice; but it may be explained and rebutted by the circumstances under which the confession was made. (*Rechter* v. *Selin*, 8 S. & R. 425.)

With respect to authority to receive notices, the receiving of them by the cashier of a bank is notice to the institution itself. (*Boggs* v. *Lancaster Bank*, 7 W. & S. 331.) If an indorser should die just before the maturity of his note, and the holder, ignorant of the event and of the appointment of a person to settle his estate, should send a notice to the deceased indorser, this would satisfy the law. (*Linderman's Executors* v. *Guldin*, 10 Casey 54; *Shoenberger's Executors* v. *Lancaster Savings Institution*, 28 Pa. 459.) A notice also to the executor of a will of the dishonor of a note

indorsed by the testator is sufficient, even if he has not qualified. The notice will bind the estate unless the executor has renounced his trust before the notice was served on him. "He who is bound to give such notice is not in fault in giving it to one who is thus potentially an executor." (Lowrie, J., *Shoenberger's Executors* v. *Lancaster Savings Institution*, 28 Pa. 459.)

Sometimes a mistake is made in dating a notice; is the indorser then relieved? The law seems to be very strict. If the demand is made on the proper day, the last day of grace, and the indorser is notified that the demand was "duly made," though the notice was dated the day afterward, the indorser will be held (*Stephenson* v. *Dickson*, 24 Pa. 148), but if the date of the notice sent to the indorser without any explanation shows that the notice was sent too early he is relieved. (*Etting* v. *Schuylkill Bank*, 2 Pa. 355.) The principle governing such cases seems to be this: the indorser obtains his information from the notice. If this shows that the demand was too late he is relieved; if too early, he presumes that the mistake will be discovered and a new demand be made of which he will be informed, and if he is not he is relieved. But if the demand is made on the right day, ought not the holder to be permitted to show this and hold the indorser, unless he can show that he has been injured by the mistake?

But a mistake in a notice to an indorser by which he could not have been misled, is immaterial. Thus, a notice was served on an indorser on the 25th May, which correctly set forth that a note indorsed by him was due on that day. The notice, however, was dated May 26th. This was held to be sufficient, the note only being misdescribed, and the indorser, if he had chosen, might have inquired as to it. (*Tobey* v. *Lennig*, 2 Harris 483; *Etting* v. *Schuylkill Bank*, 2 Pa. 355.)

[TO BE CONTINUED.]

MR. DESAUSSURE'S SUGGESTIONS CONCERNING BANK CIRCULATION.

First—All currency should be controlled by the Federal Government.

Second—The power to issue a paper currency should be granted to the banks of any State.

Third—The power to issue notes shall be granted to banks only when the State in which they are located shall incorporate in their laws the act of Congress (to be known as the "currency act,") providing for the regulation of banks, of issues.

Fourth—It shall provide for the regulation of the banks of issue.

It shall provide for the security to be deposited by the banks wishing to issue their notes to circulate as money.

It shall provide penalty for any violation or evasion of the act.

Fifth—The security to be deposited shall consist of a deposit made up as follows:

1st—15 per cent. of issue in gold coin of the United States of the present weight and fineness.

2d—15 per cent. of the amount of issue in silver bullion, in the form of bars or ingots, which shall bear the stamp of the United States mint as to the amount of pure silver and the amount of alloy in each.

3d—70 per cent. of the amount of issue in interest bearing bonds (character of bonds to be determined by act of Congress).

Sixth—The act shall provide for the establishment, in the capital city of each State, of a Sub-Treasury to receive the deposit of securities by the banks.

Seventh—The notes of banks issued under this act shall be redeemable at any Sub-Treasury of the United States.

Eighth—All notes issued under the provisions of this act shall be redeemable in gold coin of the United States.

Ninth—All notes issued under the provisions of this act shall issue only through the Comptroller of the Currency of the United States.

Tenth—Any bank determining to issue its notes under the provisions of this act shall

1st—Make the required deposit of securities at the Sub-Treasury of the United States in the State in which the bank is located.

2d—The securities deposited by the bank shall be approved, and only accepted when approved by the Comptroller of the State, the Treasurer or the Bank Examiner of the State in which the bank is located and the Assistant Treasurer of the United States in charge of the Sub-Treasury.

3d—On approval of the securities offered, as herein provided, the Assistant Treasurer shall issue a certificate to the applicant bank which shall state on its face that the bank named therein has complied with all the provisions of the "currency act" of——date, and is entitled to receive——amount of notes.

Eleventh—On receipt of the certificate of the Assistant Treasurer, as herein provided, from the bank, the Comptroller shall issue the amount of notes called for in said issue, record the same, and forward to the Treasurer of the State in which the bank of issue is located, who shall record and deliver to the bank.

Twelfth—The note on the face shall be a bank's promise (acting as agent of the United States and the State of——) to pay on demand in gold coin of the United States, at any Sub-Treasury of the United States,

the amount of the note, and be signed by the president and cashier of the bank. On the back of the note shall be the following indorsement:

1st—The United States, under act of Congress,——date, guarantees the payment of the amount of the within note to the holder, and said indorsement shall bear the signatures of the Treasurer and the Comptroller of the Currency of the United States.

2d—The State of——, hereby jointly with the United States, guarantees under act of the Legislature,——date, the payment of the amount of the within note to the holder.

Thirteenth—The spirit and intention of this act being to establish a "National currency," it is hereby declared that, inasmuch as the constitutions of a majority of the States of the United States, prohibit the Legislatures of said States from lending the State's credit or indorsement to a private or public corporation, the notes issued under the provisions of this act shall be deemed and held to be the issue of the United States; provided that in no event shall such an interpretation of this section of this act be so construed or held to mean a release of the bank of issue from responsibility to the holder of the note to the full amount of all securities deposited as herein provided and to the full amount of its capital stock and assets.

Fourteenth—

1st—In the event of a depreciation of the value of any securities deposited as security for a note issue, as herein provided, the bank, on the demand of the Assistant Treasurer of the United States, shall deposit such additional security as the Comptroller of the State, the Treasurer of the State and the Assistant Treasurer shall determine.

2d—That the notes issued by any bank under the provisions of this act shall be a first lien on the assets of the bank of issue.

3d—That every bank issuing notes under the provisions of this act shall deposit in gold coin of the United States, at the Sub-Treasury of the United States, such amount as equals 3 per cent. of the amount of its issue, which deposit shall be known as "The Redemption Fund," that when this fund is reduced by the redemption of notes the Assistant Treasurer shall notify the bank of issue which shall at once remit the amount necessary to make good the fund.

Fifteenth—Each bank issuing notes under the provisions of this act shall pay to the Comptroller of the United States a tax of one-fourth of one per cent. per annum on the amount of its issue, and one-fourth of one per cent. per annum on the amount of its issue to the Treasurer of the State in which it is located. This tax to be due and payable on the first day of January of each and every year.

Sixteenth—Practically the provisions of the present National bank act so modified as to permit the banks subject to the provisions of the act to lend on any class of security not prohibited by the laws of the State, provided that in no event shall any money be loaned by the banks of issue on notes or other evidence of indebtedness to run (or be repayable) a longer time than four months.

Seventeenth—That the act of Congress, —— date, providing for a tax of 10 per cent. on issues of State banks shall not apply to banks of issue, as provided herein.

Eighteenth—That the act of Congress, —— date, known as the "Sherman Act," is hereby repealed.

Nineteenth—That for the period of five years, from and after the date of passage of this act, the coinage of standard silver dollars is hereby ordered stopped.

Twentieth—That all standard silver dollars and bullion now in the

Treasury of the United States be sold as bullion by the Secretary of the Treasury at the rate of five millions per month.

Twenty-first—The coinage of subsidiary silver coins at the present ratio be continued as demanded.

Twenty-second—That the Secretary of the Treasury be and is hereby authorized to sell at par $450,000,000 of 2½ per cent. 20-year bonds at the rate of $10,000,000 per month.

Twenty-third—That with the proceeds of the monthly sale of bullion and bonds, the Secretary of the Treasury shall redeem, in gold, an equal amount of silver certificates, gold certificates, Treasury notes or any Government issue of currency.

Twenty-fourth—That any surplus appearing at the close of any fiscal year shall be used by the Secretary of the Treasury to retire any Government issue of currency.

Twenty-fifth—That the Secretary of the Treasury be required to redeem any outstanding standard silver dollars in gold whenever presented for redemption.

Twenty-sixth—That the notes issued by banks under the provisions of this act shall be a full legal tender to 30 per cent. of the issue, and that in issuing the same the Comptroller of the Currency shall see that the issue of each bank shall have the words "a full legal tender for any debt" printed on the notes amounting to 30 per cent. of the issue asked for by any bank.

Twenty-seventh—That the supervision and examination of the banks as herein provided shall be exercised and provided for by the respective States.

Twenty-eighth—That the banks coming under the provision of this act shall be under the control of the laws of the respective States not in conflict with this act.

Twenty-ninth—That the word agent as used in this act shall mean only that in consideration of any bank having deposited certain securities and having complied with the other provisions of this act, it shall have the power to issue a note to circulate as money, and that any note so issued shall for all the purposes of this act be considered as issued by the United States.

Thirtieth—The 70 per cent. of issue by banks, which, under the provisions of this act, are not a legal tender, shall have the same character and debt-paying qualities attaching to the present issue of National bank notes.

Thirty-first—That whereas this act provides that the Secretary of the Treasury is authorized to sell $450,000,000 of bonds at the rate of $10,000,000 each month, it shall in no event be construed to mean that it shall be obligatory on him to continue the sales unless the necessity is absolute for the purposes of redemption herein provided.

Thirty-second—That any Assistant Treasurer is hereby authorized to use the gold deposit of all the banks in any Sub-Treasury for the redemption of the notes of any bank, and that the Federal Government is hereby made responsible to each and every bank for such use of its gold deposit.

Thirty-third—That before any notes can be issued by any bank said bank shall present to the Assistant Treasurer of the United States at any Sub-Treasury for file a certificate from the Comptroller of the State stating that the said bank is in sound condition and that its capital stock is paid up as required by its charter.

Thirty-fourth—That the amount of issue by any bank be limited to the amount of capital stock actually paid in.

THE BANKING SYSTEM OF GEORGIA.

The following paper was prepared and read by the request of Governor Northen at the World's Congress of Bankers, by Mr. George R. DeSaussure, vice-president of the Exchange Bank of Atlanta:

To convey a clear idea of the progress made in the business of banking in Georgia I will give, as briefly as possible, an outline of the present laws of the State under which it is conducted.

1*st. Incorporation and Organization of Banks.*—It is only necessary in the act of incorporation to state the names of the incorporators, the name of the company, the place where said company proposes to do business and the amount of the capital stock.

2*d. Application for Charter.*—Applications for charters must be made to the Secretary of State and be accompanied by a fee of fifty dollars, which shall be paid on the filing of the application, to the Treasury, and the Secretary of State shall not issue any license or charter before the payment of said fee.

3*d. Capital Stock and how Divided.*—The capital stock shall be divided into shares of one hundred dollars each.

4*th. Meeting for Organization.*—When the minimum amount of capital stock (fixed by the act of incorporation) has been subscribed, the majority of the persons named in the act of incorporation are authorized to call a meeting for the purposes of organization, of which every subscribing stockholder shall have ten days' notice.

5*th. First Board of Directors.*—At said meeting the said stockholders shall elect a board of directors, consisting of not less than five, and as many more as said meeting may determine.

6*th. First Officers.*—The said directors shall elect from their number a president (also a vice-president if they deem necessary) and a cashier and other necessary officers or agents.

7*th. Term of Office and Powers of First Board of Directors.*—The said board thus elected shall hold their offices for a term to be fixed by the meeting, or until their successors are elected, and said first board shall have and exercise all the powers hereinafter given to the regular board of directors.

8*th. Commencement of Business.*—When ten (10) per cent. of its capital stock has been actually paid in, and not before, the company shall be authorized to commence business.

9*th. General Powers.*—Shall have and exercise the following powers and privileges: To sue and be sued; have and use a common seal; to make by-laws for the proper conduct of its business not inconsistent with the laws of this State or the United States, and generally to do all acts necessary for the execution of the powers herein granted to do a general banking business.

10*th. Lending or Borrowing Money.*—To receive money on deposit on any terms agreed upon; to lend and borrow money and take and give therefor such security, real or personal, or mixed, as may be considered best.

11*th. Deposits.*—To receive on deposit for safe keeping, valuables or other articles of personal property from any person or persons, executors, guardians, receivers, trustees, corporations, public or private officers, and all other fiduciaries, charging therefor such sums of money as may be agreed upon.

12*th. Dealings in Exchange, etc.*—To buy, sell and deal in foreign and

domestic exchange, bills of lading, choses in action of any kind, coin and bullion, mortgages, bonds, stocks, securities and evidences of debt generally; to lend money on the same and to negotiate the same for others; to buy or accept real estate in payment of debts in this or any other State or Territory of the United States, and when so acquired, to manage, improve, rent or lease the same.

13*th. May Act as Fiscal Agent, Trustee, Executor or Guardian.*—To act as the fiscal agent of any municipality, county, State, or the Federal Government; to act as executor, trustee or guardian when selected by any person for that purpose; *provided*, that its capital stock shall amount to the sum of fifty thousand dollars before exercising this power; *and provided further*, that in such cases its president, cashier and all its directors shall be liable as individuals to all the penalties to which individuals exercising said trusts are liable under the general laws of the State.

14*th. Real Estate.*—To purchase and own such real estate as may be necessary for the purposes of successfully conducting the business of banking.

15*th. Transfers of Property, etc.*—To transfer its property at pleasure; to accept the office of assignee or receiver when appointed by the court or selected by any person, natural or artificial.

16*th. Savings Business.*—To do, in addition to their general banking business, a savings bank business, and to this end the directors are authorized to make such by-laws for the proper conduct of this branch of their business peculiar to such institutions, and which shall be adopted by the stockholders before they exercise this power in their charter, and in the event any company shall undertake to exercise the power, and does so, any minor who may deposit his earnings or money therein shall be authorized to withdraw the same without consent of his parent or guardian.

17*th. Board of Directors.*—That the corporate powers of said companies shall be vested in a board of directors consisting of not less than five, but which, by a vote of a majority of the stockholders, may be increased to any number not exceeding twelve (12).

18*th. Residence of Directors.*—A majority of which board shall reside in the place or county where the principal office is located.

19*th. Votes by Stockholders and Proxies.*—Every share shall be entitled to one vote in any meeting of the stockholders, but said vote may be cast by proxy, which shall be in writing and only given to a stockholder.

20*th. Officers, Duties, Salaries.*—The board of directors shall elect from their number a president, a vice-president (if the stockholders should at any time deem the same necessary) and a cashier; shall have the power to appoint all officers or agents necessary to carry on the business; to prescribe their powers and duties; to discharge them when thought proper and necessary; to fix their salaries and compensation, and require such bonds of said officers and agents, including cashier, as they deem necessary.

21*st. Certificates of Stock, By-Laws, Dividends, Surplus.*—Said board shall also have power to make by-laws for the management of the business; to declare dividends out of the net earnings; to provide for the collation of a surplus fund; to provide how and in what manner certificates of stock shall be issued, and how the same shall be transferred, and shall do all things for promotion of the business of the company not inconsistent with the laws of the State or the United States.

22*d. Election of Directors.*—Said board of directors shall be elected at the annual meeting of the stockholders, and shall hold their office for one year, or until their successors are elected.

23*d*. *Regular Annual Meetings of Stockholders.*—The stockholders shall, at their first meeting for organization, fix the time for the regular annual meetings, but the same may be changed at any subsequent meeting of the stockholders.

24*th*. *Payments of Capital Stock.*—The board of directors shall have power to prescribe how and in what sums, and at what times and places, any unpaid part of the capital stock shall be paid in; and in the event any stockholder shall fail or make default for sixty days to pay any call regularly made in his subscription to stock, the directors may direct suit to be brought against him forthwith for the amount of such call, or may, in their discretion, after thirty days' notice to such stockholder, cause his stock, after proper advertisement, to be put up and sold at auction to the highest bidder; and any deficiency in this sum thus received necessary to make the amount of the call shall be made good for the delinquent. Any surplus over the amount of the call and the expenses of the sale shall be paid to him. A new certificate of stock shall be issued to the purchaser, and he shall stand in the same relation to the company as the delinquent would have done had he not so made default. The sale shall be at the courthouse door in the county where said company is located.

25*th*. *Liability of Corporation. Liability of Stockholders.*—That said corporation shall be responsible to its creditors to the extent of its capital and its assets, and each stockholder shall be individually liable for all the debts of said corporation, to the extent of his or her unpaid shares of stock; and said stockholders shall be further and additionally individually liable, equally and ratably, and not one for another, as sureties, to depositors of said corporation for all moneys deposited therein, in an amount equal to the face value of their respective shares of stock, it being the true intent and purpose of this act, that, as to depositors, for all moneys deposited with said corporation, there shall be an individual liability upon such stockholders in such corporation, over and beyond the par value of his or her original shares of stock, equal in amount to the face value of his or her original shares of stock; *provided*, that said liability of the stockholders shall not prevent depositors from having equal rank with all other creditors upon the capital, property and assets of said bank.

The above act is given in full as it is the most recent, having been approved October 21, 1891. I wish, also, before going further into the discussion of the banking system of the State, to call attention to the chief points in the acts approved October 10, 1891, and September 19, 1891.

Act approved October 10, 1891, provides that all banks and corporations doing a banking business authorized under the laws of Georgia to do a banking business in this State—

1st. 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.

2d. That no loans be made to any officer without good collateral.

3d. Must not 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 (25) per cent. of the demand deposits.

4th. Must not lend to any one person more than ten (10) per cent. of its capital stock and surplus, unless such loan is amply secured by good collateral security.

5th. That 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 debts due the bank, shall be the live and collectible assets of said bank.

6th. That each bank shall be examined at least once a year.

7th. That quarterly statements shall be subscribed to by the Cashier in the following form:

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 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, has not violated or evaded any obligation imposed by law.

Act approved September 19, 1891, "Amendment to Constitution," provides that all corporate powers and privileges to banking companies shall be issued and granted by the Secretary of State in such manner as shall be prescribed by law.

The wise provisions of these three acts show that the bank legislation has been conservative and progressive, and that should the occasion arise the Legislature can be relied upon to protect the interests of depositors by even more stringent regulation of the banks.

Having thus outlined the most important laws now in force governing the business of banking in this State, it may be of interest to many to know something of the laws governing the ordinary transactions of the banks.

The examinations of the banks are made by the Treasurer of the State, who is *ex-officio* State Bank Examiner, or by his assistant, and are very thorough.

All cash is counted and balances verified, the notes and bills discounted are examined, listed and made to agree with the record of same kept by the bank. If the Examiner finds that the bank has evaded or violated the law he reports the facts to the Governor of the State, who, if he finds it necessary, shall cause the Attorney-General of the State to institute such proceedings against the bank as the nature of the violation or evasion demands. This is one weak point in the banking laws of the State, and will probably be corrected by the proper legislation, as recent failures have shown that if a bank is in trouble and liable to fail the Governor should have the power to put its affairs into the hands of a receiver as soon as the Examiner reports that its condition is not sound. Under the present law the Governor must proceed through the regular channel and through the courts, either have a receiver appointed, or the bank forfeit its charter. This is dangerous on account of the delay, as in such cases prompt action would seem imperative. There is no special penalty fixed by law to be imposed upon banks which fail to make the quarterly statements to the State Treasurer.

The legal rate of interest is seven per cent. per annum, where the rate per cent. is not named in the contract, and any higher rate must be specified in writing, but in no event to exceed eight per cent. per annum.

Usury is the reserving and taking, or contracting to reserve and take, either directly or by indirection, a greater sum for the use of money than the lawful interest. Every contract bears interest according to the law of the place of the contract at the time of the contract, unless upon its face it is apparent that the intention of the parties referred the execution of the contract to another forum; in this case the law of the forum shall govern.

All judgments in this State bear lawful interest upon the principal amount recovered. When a payment is made upon any debt it shall be

applied first to the discharge of any interest due at the time, and the balance, if any, to the reduction of the principal. If the payment does not extinguish the interest then due, no interest shall be calculated on such balance of interest but only on the principal amount up to the time of the next payment.

It is unlawful for any person, company or corporation to reserve, charge or take for any loan or advance of money, or forbearance to enforce the collection of any sum of money, any rate of interest greater than eight (8) per cent. per annum, either directly or indirectly, by way of commission for advances, discount, exchange, or by any contract or contrivance or device whatever. Any violation of the usury law forfeits the excess of interest charged or taken, or contracted to be reserved, charged or taken. The amount of the forfeit may be pleaded as a set-off in any action for recovery of principal sum loaned or advanced by the defendant in said action.

Any plea or suit for the recovery of such forfeiture shall not be barred by lapse of time shorter than one year.

All titles to property made as part of an usurious contract, or to evade the laws against usury are void.

DEPOSITS.

The law of the State defines deposits as follows: When chattels are delivered by one person to another to keep for the use of the bailor, it is called a deposit; the depository may undertake to keep it without reward, or gratuitously; it is then a naked deposit. If he receives or expects a reward or hire, he is then a depository for hire. Very variant consequences follow the difference in the contract.

If a person voluntarily receives a deposit or should he receive it involuntarily, as by finding; if a naked depository, he is responsible only for gross negligence.

Deposits of money in a bank do not constitute a case of naked deposit, the use of the money being a valuable consideration. A special deposit of a sealed package of money would be a naked deposit.

A warehouseman is a depository for hire, and is bound only for ordinary diligence; a failure to deliver the goods on demand makes it incumbent on him to show the exercise of ordinary diligence.

A wharfinger is also a depository for hire, and liable upon the same principles.

INDORSERS, NOTICE AND PROTEST.

In ordinary indorsements the contract of the indorser is to pay the money, if the parties to the instrument primarily liable thereon fail to pay according to the terms thereof; hence, if there are several indorsers, each is liable to subsequent ones in the order of their indorsements.

When bills of exchange and promissory notes are made for the purpose of negotiation, or intended to be negotiated at any chartered bank, and the same are not paid at maturity, notice of the non-payment thereof, and of the protest of the same for non-payment or non-acceptance, must be given to the indorsers thereon within a reasonable time, either personally or by post (if the residence of the indorser be known), or the indorser will not be held liable; but it shall not be necessary to protest in order to bind indorsers, except in the following cases, to wit:

1st. When a paper is made payable on its face at a bank or banker's office.

2d. When it is discounted at a bank or banker's office.

3d. When it is left at a bank or banker's office for collection; and in all such cases, days of grace shall be allowed.

In all cases the indorser may be sued in the same action, and in the same county, with the maker, or drawer or acceptor.

January 1, February 22, April 26, July 4, December 25, and any day appointed or recommended by the Governor of the State, the President of the United States or any municipal authority, as a day of thanksgiving, or fasting or prayer, or other religious observances, shall for all purpose whatsoever, as regards the presenting for payment or acceptance, and of protesting and giving notice of the dishonor of bills of exchange, bank checks and promissory notes, made after February 23, 1875, be treated and considered as the first day of the week, commonly called Sunday, and as public holidays; and all such bills, checks and notes, otherwise presentable for acceptance or payment on said days, shall be deemed to be presentable for acceptance or payment on the secular or business day next preceding such holidays.

When two legal holidays fall together papers maturing on the first are due and payable on the day preceding and papers maturing on the second are due and payable on the day after said holiday.

The last day of grace shall be deemed the date of maturity of any bill of exchange, check, or promissory note entitled to the three days known as days of grace, for all the purposes of this act.

The *bona fide* holder for value of a bill, draft or promissory note or other negotiable instrument, who receives the same before it is due, and, without notice of any defect or defense, shall be protected from any defenses set up by the maker, acceptor or indorser, except the following:

1st. *Non est factum.*

2d. Gambling or immoral and illegal consideration.

3d. Fraud in its procurement.

Any paper bought after maturity is taken subject to all the equities existing between the original parties thereto; and if there be several notes constituting one transaction, but due at different times, the fact that one is over due and unpaid shall be notice to the purchaser of all, to put him on his guard as to each.

The holder of a note is presumed to be such *bona fide*, and for value; if either fact is negatived by proof, the defendants are let into all their defenses; such presumption is negatived by proof of any fraud in the procurement of the note. The holder of a note as collateral security for a debt stands upon the same footing as the purchaser.

The title of the holder of a note cannot be inquired into unless it is necessary for the protection of the defendant, or to let in the defense which he seeks to make.

Any circumstances which would place a prudent man upon his guard in purchasing negotiable paper shall be sufficient to constitute notice to a purchaser of such paper before it is due. Bills, notes or other paper payable on demand, are due immediately. When no time is specified for the payment of a bill or order, it is due as soon as presented and accepted.

Collateral securities in the hands of a creditor shall not be the subject of garnishment at the instance of other creditors. A surety who has paid the debt of his principal is subrogated, both at law and in equity, to all the rights of the creditor, and in a controversy with other creditors ranks in dignity the same as the creditor whose claim he paid; he is entitled, also, to be substituted in place of the creditor as to all securities held by him for the payment of the debt.

Every corporation is dissolved:

1st. By expiration of its charter.

2d. By forfeiture of its charter.

3d. By a surrender of its franchises.

4th. By the death of all its members without provision for a succession.

5th. By non-payment of taxes.

The Governor of the State of Georgia shall name and appoint a solvent chartered bank, of good standing and credit, in certain cities, named in act, which shall be known and designated as State depositories; they shall be appointed for four years from date of their appointment, and shall be liable to removal by Governor. Governor shall make best terms he can with the depositories for interest to be paid by them on balances, provided, that no officer of the State shall receive any commission, interest or reward to himself from any source for the depositing of such money in such depositories. Penalty not less than seven nor longer than twenty years' imprisonment in the penitentiary.

State depositories must give bond in the sum of fifty thousand dollars, to be approved by the Governor.

The State has a first lien on all the assets of the bank acting as State depository.

The fiscal agent of the State in New York City is selected by the Treasurer with the consent of the Governor.

A review of the present laws of Georgia pertaining to the regulation of the banks and other corporations will show, to the unprejudiced mind, that with the advance of intelligence and commerce, she is improving the character of legislation. Before going further into the present system, I wish to point out a defect in the laws of the State providing for the incorporation and organization of banks and other corporations. As the law stands now the organization can be perfected and the company commence business before any capital is paid in, if the stockholders are dishonest, and choose to evade the provisions of the charter. To parties trading or dealing with a corporation dishonestly organized, the only recourse given by law is suit against individual stockholders, and this in most cases amounts to nothing. This danger should be prevented by the adoption of a law to require, under adequate penalties, all corporations, and especially banking corporations, to deposit with proper State officer the minimum capital required by their charters before organization, and that when their organization is perfected, the said State officer shall issue his certificate stating that the organization is perfected, and put them in possession of their capital. Under such a law the officers of the corporation having received the capital stock must account for it. In advertising, all corporations should be compelled, by law, to state whether capital is cash paid in or only subscribed.

Up to the time when the Federal Government imposed a ten per cent. tax on State bank issues, the history of banking in Georgia was inseparably connected with the "Currency Question," and the powers exercised by the banks in issuing their paper promises to pay against a supposed deposit of specie in the proportion of three to one was a continual menace to the welfare of the State and the integrity of her legislation. The laws of the State required that a bank chartered by the State should make returns to the Governor of the State, and that these returns or statements be published, but I fail to find where there was provided any plan for systematic examinations to test the correctness of these statements. Under law a bank was required to always keep on hand in specie, United States currency or State bonds an amount as reserve equal to one-third of their note issue. The note issue was limited by the cash capital of the bank. Any bank having its capital paid up in specie could issue its notes to three times the amount

of the same. Under this system there were periods of prosperity and periods of depression varying in intensity as the privilege granted the banks was conservatively used or willfully abused. "Privileges are dangerous." This one proved peculiarly so. The Legislature passed an act instructing the Governor to issue his proclamation on January 1, 1841, requiring that those banks and their branches which had failed to pay specie on their notes resume specie payments at once or forfeit their charters. The law required that a bank pay specie on its notes when demanded, and failure to do so for two months worked a forfeiture of charter. Again, in 1857, when the honored and able ex-United States Senator Joseph E. Brown was Governor of the State, this currency or bank question was agitating the public mind. The banks, through their influence, had become a power in the State, and had willfully disregarded the law in regard to specie payments; the Governor, though then perhaps young in experience, showed a remarkable strength of purpose in contending with an opposition supported by two-thirds of the Legislature and a strong public sentiment. "A bill was introduced (in the Legislature), and after infinite and elaborate discussion passed, suspending forfeiture proceedings against the suspended banks for one year." Governor Brown sent in his veto of the bill, and with it a message which marked him before the people as a leader. The message closes with these words: "I feel it to be a duty I owe the people of Georgia to do all in my power to avert the evils which would follow the passage of an act legalizing the suspension of the banks. All solvent banks will doubtless soon resume specie payment. I shall do all which the law makes it my duty to do, to have the charters of such as do not resume forfeited, and their assets placed in the hands of receivers, and converted into money and paid to their creditor as soon as possible. No serious inconvenience will follow, as it is believed most of them are solvent and will resume. Those which are not solvent will be wound up, and the sooner the better for the people."

Col. I. W. Avery, in his "History of Georgia," says of Governor Brown's action: "In spite of the colossal moneyed power of the banks, the executive, single-handed, carried popular sentiment overwhelmingly." Governor Brown must have appreciated fully the danger to the country under the system of currency then in existence. In fact, Avery reports him as saying: "The citizen could only loan money, dollar for dollar, at seven per cent. The bank could issue three dollars for one and use all four, realizing from thirty to fifty per cent." And again, the privilege was unreasonable, and he branded banking as a "legalized system of speculation, oppression and wrong." The same account of the veto goes on to say, "Why did they not resume? Because it was to their interest not to do so. They made money out of the suspension. Warming up, the plain spoken Governor said that the banks that had suspended and so continued, were guilty of a high commercial, moral and legal crime, depreciating the value of property, causing pecuniary depression, injuring the public credit and violating the law of the State. Private citizens had to meet their obligations. Banks should do so. The citizen could not suspend. The banks should not." I give much space to this action on the part of Governor Brown because I believe that his vigorous handling of the question aroused public opinion and forced the banks to observe the laws, and that in doing this he so strengthened the position of the banks that when the war came on they were enabled to materially aid the State.

In discussing the currency a writer in the *Southern Quarterly Review*, published in London, January, 1842, says: "But the great evils of this system are not those which immediately affect individuals. States and

municipal corporations are infected by the dazzling temptations of a redundant currency. Agents, delegated by the people, are prone to the display of personal liberality, at the expense of their constituents. Slight difficulty is found in discovering popular objects for the indulgence of this vicarious generosity, whenever an epidemic of speculation rages. Those who expect to reap profits from the gratification of this propensity never fail to encourage the prodigal dissipation of the resources of others by applying to it the engaging title of public spirit. Schemes of internal communication have usually been the favorite pretext for the creation of permanent public debts, in order to hypothecate the whole property of the community to promote or sustain an over-issue of paper currency. Exposed by arbitrary variations in prices, from the general employment of factitious currency, to revulsions against which no sagacity can provide, families raised in the enjoyment of all the indulgencies of opulence, are at once stripped of the means of even bare subsistence. No foresight or precaution can furnish the slightest security to a merchant engaged in extensive transactions, that he will not find himself ruined by the sudden impossibility of complying with engagements, entered into with ordinary prudence and the most perfect good faith."

Thomas Jefferson, in a letter to J. W. Eppes, of June 24, 1813, said: "The States should be applied to to transfer the right of issuing circulating paper to Congress exclusively, *in perpetuum*, if possible, but during the war at least, with a saving of charter rights."

Private fortunes, in the present state of our circulation, are at the mercy of those self-created money-lenders, and are prostrated by the floods of nominal money with which their avarice deluges us. In speaking of Great Britain, Mr. Jefferson says: "The unlimited emission of bank paper has banished all her specie, and is now, by a depreciation acknowledged by her own statesmen, carrying her rapidly to bankruptcy, as it did France, as it did us, and will do us again, and every country permitting paper to be circulated, other than by public authority, rigorously limited to the just measure for circulation." In a speech delivered February 26, 1816, Mr. John C. Calhoun said: "The right of making money, an attribute of sovereign power, a sacred and important right, was exercised by two hundred and sixty banks, scattered over every part of the United States, not responsible to any power whatever for their issues of paper." The next inquiry was, he said, "how this evil was to be remedied." Restore, said he, "these institutions to their original use; cause them to give up their usurped power; cause them to return to their legitimate office of places, of discount and deposit; let them be no longer mere paper machines; restore the state of things which existed anterior to 1813, which was consistent with the just policy and interests of the country; cause them to fulfill their contracts, to respect their broken faith; resolve that everywhere there shall be a uniform value to the National currency. Your constitutional control will then prevail." Again, Mr. Calhoun says in his speech of March 21, 1834: "I concur with him (Webster) in relation to the distress, that it is deep and extensive; that it fell upon us suddenly, and in the midst of prosperity almost unexampled; that it is daily consigning hundreds to poverty and misery; blasting the hopes of the enterprising; taking employment and bread from the laborer and working a fearful change in the relative condition of the money dealers on one side and the man of business on the other—raising the former rapidly to the top of the wheel, while it is whirling the latter, with equal rapidity, to the bottom.

"What I have already stated points out the disease. It consists in

a great and growing disproportion between the metallic and paper circulation of the country, effected through the instrumentality of the banks; a disproportion daily and hourly increasing, under the impulse of most powerful causes, which are rapidly accelerating the country to that state of convulsion and revulsion which I have indicated." I have quoted

1st. Governor Brown for the period 1857.
2d. *Southern Quarterly Review* for the period 1842.
3d. Thos. Jefferson for the period 1813.
4th. Jno. C. Calhoun for the period 1816.
5th. Jno. C. Calhoun for the period 1834.

because I believe the evils described so forcibly by each would attach to any true history of the banking system of Georgia during those periods, and because I have been unable, in the short time allowed me to prepare this paper, to examine thoroughly into the records of bank legislation in Georgia prior to 1860. While this system of currency necessarily encouraged speculation and unsound banking methods, it is also equally true that there were, in all these periods, banks in Georgia who by conservative management, on business principles, always maintained a high standard of credit and whose notes were always good. Notably among these was the Georgia Railroad & Banking Company located at Augusta, Ga. Its present able cashier, Mr. C. G. Goodrich, in speaking of the part such banks have taken in the preservation of sound principles of banking, said: "Since 1865 the Georgia Railroad & Banking Company has conducted its banking department merely as a bank of deposit and discount. By reason of its good credit the company was able to supply the place of its *ante-bellum* issues by borrowing money in New York in order to relieve in a measure the absence of banking capital in the South. In other words our notes of issue took the form of a promissory note—with the proceeds of which we gained the elasticity in currency so much needed. Our business has been typical, I believe, of conservative banking in the South; that is, we have prospered. We of this section have less of the purely speculative to contend with than is the case at the North and West. Speculation is the bane of banking. Augusta, in its cotton market, factories and other allied institutions, has furnished a most fruitful field for legitimate loans. By prudent and liberal accommodations we have built up our deposit account without paying interest on deposits. This, with our present wise banking laws, assures us a future of success in the business." This statement from Mr. Goodrich gives in a few words a clear picture of banking in Georgia since 1865. The grand development of the material interest of the State has been largely due to the strength and liberality of the banks. Undertaking in 1865 to reconstruct on sound principles the banking system of the States, the banks were faced by bankruptcy and ruin on the one hand and the impossibility of obtaining a circulating medium except from the Federal Government or its creatures the National banks. Notwithstanding these difficulties the banks went to work and the result has been such as to astonish even the most experienced financiers. To avail themselves of the privileges offered through incorporations as National banks, many of these institutions were early organized, and they soon became, under the wise supervision provided by the Federal Government, the strongest, soundest and most influential banks in the State.

The cities and towns of Georgia are widely scattered, and the business of banking is governed, as to its character, largely by the class of customers. In the larger cities the banks confine themselves to discounting short-time paper, whereas in the smaller towns, who have to deal with farmers, and merchants who have to supply the farmer, long-time

paper is taken. Some of the banks do a profitable and safe business direct with the farmers, and the experience of those I have talked with shows that when this business has been judiciously handled, it has done much to relieve farmers from the necessity of taking advances from the merchant, at ruinous prices, payable when the crops are marketed. The banks of Georgia can always find profitable employment for their funds, because cotton, naval stores, lumber, coal, iron and manufactured goods must continually be moved. The banking capital of the State is rapidly increasing, but this increase has not kept pace with the development of the commerce of the State, and, as a result, there is now in any of our cities abundant opportunity for the safe and profitable use of large capitals. There are now in Georgia one hundred and eleven (111) banks chartered by the State, thirty-two (32) National banks and twenty-six (26) private banks or bankers. The figures below are as nearly correct as I can make them from the statistics obtainable, and are near enough correct to give a good idea of the combined strength of the banks of the State :

	Capital.	*Surplus and Undivided Profits.*	*Deposits.*
111 State Banks.....	$ 9,287,241 70	$3,101,406 42	$16,810,257 25
32 National Banks.....	4,541,000 00	2,032,408 50	6,567,214 30
26 Private Banks.....	1,860,000 00	.....*	.....
Totals.....	$15,688,241 70	$5,133,814 92	$23,377,471 55

*State does not require private banks to make returns ; therefore it is impossible for me to give their deposits.

The business done by the State banks is in all cases a general banking business in a literal sense as the State does not put upon her banks the restrictions which the Federal Government does upon National banks, and experience has shown that, as long as the banks are not banks of issue, this course is wise, inasmuch as it leaves the bank free to extend accommodations which the National banks cannot.

Of the one hundred and eleven State banks twelve are savings banks and six are trust companies. As far as I know there is not in the State a company devoting itself to a purely "Trust Company" business.

As the banks are not required to file a copy of their charters with the Treasurer and the Treasurer has never been required to ascertain the facts, it is impossible to find out at present how many banks have the double liability of stockholders provided for by their charters.

I have endeavored in this paper to present to any one interested a clear statement of the banking system of the State, but, owing to the fact that the State has never thought it necessary to create an office for the purpose of obtaining and reporting full statistics, my task has been difficult and unsatisfactory.

The banks of Georgia are now in better condition than ever before and if Congress will pass such laws as will provide through the State banks a National currency, which will be sound, uniform and elastic, the future of banking in Georgia will be bright indeed. The Federal Government, in undertaking to furnish money "in response to business requirements," has signally failed and the result is we now see a contraction of credit which is causing bank and business failures in every State. The business of the State of George has for three years been running on an economical basis. There has been liquidation and conservative operation in every line of business, hence up to this time we have had but few failures. The lack of confidence which is working so much ruin in other States is somewhat offset by the abiding faith of the people and the banks in the unequaled resources of the State and its sound financial condition.

GEO. R. DESAUSSURE.

THE SPECTATOR ON THE SILVER QUESTION.

The *Spectator* has been a strong gold standard journal but has at last awakened to the consequences of the universal adoption of gold as the chief metallic money of the world. The currency outlook of the world becomes daily more dark and doubtful. In the first place it is evident that, though the Indian Government have obtained relief by closing the mints to free coinage of silver—they can no longer be throttled at will by the holders of silver—they have obtained that relief at what may prove a very heavy sacrifice. As yet, the mass of the population of India have not realized that the man who two months ago had thirty silver bracelets has now only got twenty, *i. e.*, the worth of twenty; but when they do, and when the full effect of a currency appreciated by law is felt, it is quite conceivable that India may show very grave signs of disturbance. What will greatly add to the trouble is the fact that the Indian peasant, in one way or another, is liable to the making of fixed payments, generally for interest on loans, and that the burden of these fixed payments will be increased by the policy of closing the mints.

If the outlook as regards silver is black in India, it is still blacker in the United States. The resolute character of the President's message seems to make it likely that the Silver Purchase Law will be abolished; that America will cease to make great monthly purchases of silver; and that in some form, open or veiled, America will become monometallic. But as soon as this happens the pressure on gold will be greater than ever, and the demand for silver less, with the natural result that prices measured in gold will fall still more, and that silver, as compared with gold, will be further depreciated. Now, though disinclined as we are to take the side of the bimetallists, we cannot think, as Sir William Harcourt appears to do, that the fate of silver is nothing to us, and that England can afford to smile at the trouble of the silver-using countries. The notion that since things have been made snug in India the silver problem is over for England, is an absurdity. Trade is too essentially international for us to be indifferent to the fate of silver, even granted that we have managed to keep India from getting involved in the crash. *Whatever hurts the rest of the world must hurt us, since we sell to the whole of mankind.* Take for a moment what is going on in America. Can any sane man pretend that the disturbance of business, the breaking of banks, the insolvency of great traders, and the general distrust, can have anything but an ill-effect on the trade of England? When, then, Mr. Balfour says, as he said at the Mansion House last week, and in the House of Commons on Tuesday, that it behooves us to see if something cannot be done to restore silver to its old place in the currency of the world, we are in agreement with him. That is, in our opinion, not only a perfectly legitimate object, but one which demands the closest attention of our statesmen.

And the *Spectator* suggests a remedy: "Short of bimetallism a use could surely be found for silver, and we do not see why a new conference should not be called with a view to discussing this matter. For example, we do not see why the powers should not agree—(1), to make silver legal tender up to £10; (2), to bind themselves to issue silver coins for discharging debts under £10 at an agreed ratio to gold—these might, of course, be also made the basis of a note issue; (3), to let the amount to be coined by each State be equal to at least one year's State revenue. As it would be possible to pay all taxes under £10 in this sil-

ver coin, or in notes based upon it, and as there would not be a plethora of it in any country, owing to the agreement as to the amount to be coined, there would be no risk of the silver notes or coins getting depreciated—and yet something handsome would be done for silver.

"As we have said above, the silver crisis is now entering upon its most acute stage. Under these circumstances we hold that Mr. Gladstone and the Government should think long and carefully before they decide either that there is *no need to do anything for silver, or that nothing can be done for silver*. The question is, at any rate, one which ought not to be settled off-hand by a joke or a sneer."

THE "BANCHE POPOLARI" OF ITALY.

[CONCLUDED.]

Thus judiciously constructed, "fitly joined together," in all its parts, the fabric of Italian People's Banks has shown itself admirably adapted for the discharge of a surprising variety of functions, of which all have not yet been told. One or two of their best works remain still to be described. Cramped and hampered by the advice of "practical men," to whose judgment Signor Luzzatti held himself bound to defer, they began as essentially "business" banks, bidding for support by dividends and salaries, and deliberately excluding *i miseri*, as "unripe" for credit, and likely to abuse it. All these "practical" principles imported from across the Alps have been thrown overboard long since. "We have suffered, not from scarcity, but from a superabundance of funds," says Signor Luzzatti over and over again. "We have succeeded too well." The banks have paid 6, 8, 10, 14, 15, 20 per cent. of dividend. "Yes, but stop that," now urges Signor Luzzatti, year after year. "Limit dividends; cast away every inducement to greed!" Critics justly urge (as does M. Léon Say) that our "*credit populaire n'est pas bon marche et de plus, il est inegal.*" M. François in the *Journal des Economistes* points out that it ranges from 4½ to 10 per cent. The Government statistics show the same thing. Eight per cent. (the very figure which Signor Luzzatti somewhere declares excessive) occurs frequently as the accepted rate. Leave that alone now. Cheapen your service. Study not dividend, but cheap loans; and remember the "womb" from which you have sprung, the womb of the workingmen's friendly societies: lend to these societies and to their members, work in co-operation with them, and, having attained prosperity, do your best to help the poor! This exhortation has not remained barren advice. Existing banks it is not very easy to induce to revise their terms. But new banks are formed with more popular and more generous rules. And all banks that have worked themselves up to any position of wealth now give according to their power for philanthropic purposes and render help to the needy. Under such impelling influence has sprung up what M. Rostand rightly commends as, "that original and noble piece of machinery of Italian co-operation (*cet original et noble rouage de la cooperation Italienne*)," "the *prestito sull' onore*—the loan of honor." Besides voting money for charitable objects, the banks each year devote a certain proportion of their funds to a special service, granting loans to the poor who have nothing to pledge as security except their "honor," their promise to repay. "A very doubtful security," English bankers will say. But experience has shown that losses on this account are rare and perfectly trifling. In the case of the Banca Popolare of Milan, in twelve years they did not amount to 10 per cent. In 1890 the Banca Popolare di

Credito of Padua reported only 2,000 lire of losses, out of 100,000 lire; only 43 "doubtful" loans out of 2,000 contracted. The Banca Popolare of Bologna in the same year set down only 2,000 out of 100,000 lire lent as "doubtful." In 1889, out of 9,250 lire lent out in 93 loans, it had lost 313 lire. It stands to reason, says Senhor Costa Goodolphim, arguing on such loans, that the debtors will make their best effort to repay, because they may want to borrow again. "In truth" says M. Durand on the ground of tolerably minute and careful inquiries, "the loans of honor must be classed in the category of the *very safest* operations of credit carried out by the People's Banks; very rarely indeed does the poor workingman to whom the bank has given such proof of its confidence fail to make the greatest efforts to show himself worthy of it, and the losses sustained under this head are absolutely trifling (*absolument nulles*)." What charitable institution among ourselves can say as much for its own "operations"? But, then, our societies are supported by well-to-do subscribers, and administered by well-to-do committees; they have not "issued from the womb" of the classes themselves for whom they work.

Of course the banks do not give their money to every vagabond who claims it. They have special committees appointed to inquire into cases. Thus the Banca Popolare of Bologna nominates a distinct committee of five to deal with the matter. Some other banks—as, for instance, those of Cremona and Bergamo—entrust the distribution of the money voted to some allied friendly society. The Banca Popolare of Milan makes a point of having always some representatives of local friendly societies on its "loans of honor" committee. Most of the loans granted are small. But I have come across grants to one man of 500 lire (£20) and even more. The Banca Popolare of Milan limits its loans to a maximum amount of 200 lire. The Banca Popolare of Bologna never grants more than 100 lire to one applicant. The Banca Cooperativa Operaia of Milan (founded only in 1884, with a subscribed capital of 134,800 lire) had in 1890 granted 1,455 such loans, 655 being under 50 lire each, 595 between 50 and 100 lire, and 25 upwards of that amount. The "loan of honor" is always made repayable by installments—as a rule, on the principle of Aristide Rava, of Bologna, in ten months, though in some cases the time of repayment is spread out over sixty weeks or even longer. Some banks charge a moderate interest—thus the Banca Popolare of Padua exacts two per cent. Others lend gratuitously. According to M. Rostand, the merit of first devising this method of charitable aid belongs to the *Associatione di mutuo soccorso* of Lodi, the same which placed its services at Signor Luzzatti's disposal for his first co-operative experiment. Otherwise the Banca Popolare of Milan is held to have been the pioneer of this admirable work. It began with voting 10,000 lire for the purpose. Now it grants every year four times that sum (1,600). From the Banche Popolari the useful institution of *prestiti sull' onore* has spread over the whole network of provident institutions in Italy. The *istituti di mutuo soccorso* have taken it up, and most friendly trade societies—stonemasons', barbers', sign painters', and so on—practice it as a regular part of their work. Thus, thanks to the creative initiative of the Banche Popolari, a stream of gold has been set flowing, far less costly and far more beneficial than our well-sponsored charitable enterprises, watering the desert of distress with fertilizing little currents which "return not void." It is a thousand pities that there are no comprehensive statistics to show the total amount annually or generally expended in this way. As to that we are permitted only to speculate. But we know that the flow of loans does an immense amount of good, and but little of its treasures are lost.

Even that is not all that the banche can do in the way of philanthropic work. When times of trouble arise, and the benevolent subscribe their thousands, to help the houseless and starving, no machinery has been found so effective for beneficently distributing the money collected as the People's Banks. They are in a better position to discriminate between deserving and undeserving cases than Government officers or committees specially appointed. They know the country and the people. They can take care that the money given is properly expended. And, lastly, applying their own system of distribution, they are able to make the money go four or five times as far. Thus, in 1879, when the Po overflowed its banks, swamping whole districts and spreading ruin all round, no relief machinery was found to do better service than the popular banks, which, being handed over 100,000 lire each from the relief funds, managed to multiply that sum to about 400,000 lire in the act of distribution, with the help of their credit—it is true, only *lending* the larger sum, but lending it so as to make it repayable by easy installments spread over five years. And four lire so lent were to the poor flooded worth a good deal more than one lire given. In 1882, under similar circumstances, the Banca Cooperativa Popolare di Padova did even better service. Upon the guarantee of the province it advanced to the sufferers out of its own funds, with due discrimination, in all 295,417 lire, at two per cent. interest, demanding repayment by annual installments spread over as much as ten years.

What a stream of almost exhaustless beneficence does this system of People's Banks seem to turn loose upon a thirsting world! And how wasteful do our own profuse, but carelessly distributed, gifts appear by the side of these self-repaying loans! It may be said that we have the money and need not look to economy. But our carelessness leaves such a wide margin of distress which goes without benefit! And the greatest benefit of all, the lesson which teaches people how to help themselves, how to make the help received from others go farthest, the lesson of thrift and business-like habits, in our free-handed but easy-going giving—which is the product rather of instinct than of thought—we generally miss altogether.

As might be expected, once the "Utopianism" of Signor Luzzatti's scheme had been exploded, once the People's Banks had shown themselves truly beneficent associations, hindrances disappeared, and the banks multiplied pretty rapidly. Up to 1883, indeed, the adverse law stood in the way. Their number increased by 9, 2, 7, 5, 10, in the year. Nevertheless, in 1882, it already stood at 206, with an aggregate capital and reserve of 57,822,000 lire (£2,312,880), that is, about £11,200 per bank, and a members' roll of 114,072 (821 per bank); and their collective lending amounted to annually 156,042,366 lire (£6,241,696). By 1883 the number of members had increased to 139,959, holding between them 995,110 shares, 7.11 per member, equal to 420.77 lire. By 1889 the banks had increased to 714 (as against 159 non-co-operative credit institutions), with 114,979,542 lire (4,599,180) capital and reserve, and lending out annually 285,936,946 lire (£11,437,476). Their annual accounts had risen from 206,899,142 to 425,339,827 lire. Since then the progress has increased in impetus, though as full figures cannot be quoted, since no new *Statistica* has appeared. But in May last there were in all 930 People's Banks, including, so far as I can make out, 64 Wollemborg *casse*. They have not nearly caught up the German People's Banks, in respect either of numbers or of general business; but they have made fair progress towards doing so. Their number per population not long ago stood at one to 39,859 as compared with the German one to 22,777; but their largest specimen, the Banca

Popolare of Milan, had in its individual riches and business far outstripped the Creditverein of Leipzig, the largest People's Bank in Germany, since it disposed of a working-fund of about 12,000,000 francs (£480,000), as against 3,750,000 francs (£150,200) possessed by its Saxon rival. And these banks go on everywhere spreading and prospering. A central bank begins by sending out *succursales;* after a time the *succursales* decide to turn themselves into independent banks; the central bank, without a suspicion of jealousy, readily helps them, and their business doubles and trebles. Thus province after province is taken possession of with a regularity of method, and a certainty of success, which remind one of Moltke's vanguard of *Uhlans*, followed by serried battalions, and at length by the sturdy *Landwehr* as a permanent garrison. There are cases in which the unselfish parent bank has, like a pelican, fed its offspring on its own flesh. Thus the Bank of Cremona has four *succursales*, which do not yet pay. Indeed, three of them—Seresina, Casalmaggiore and Piedana—between them in 1890 made a loss of 6,000 lire. Nevertheless the 5,100 members composing the five, holding, in all, 42,000 shares, work together as one body, drawing precisely the same dividend throughout. The thing will right itself in time. The old Bank of Lodi has no fewer than fifteen *succursales*, the Bank of Pieva de Soligo ten, and so on. It is all amicable co-operation, carried out on Signor Luzzatti's principle of union combined with decentralization, independence, and yet general alliance. There is no disharmony, no counter-operating, as in Germany. All pull well together. For purposes of convenience, the banks have classed themselves in "groups" answering to the German Provincial Unions. They have their National Congresses, and since some years Signor Luzzatti has begun to advocate even international union. By way of further development the banche have combined to a co-operative Insurance Union, Il Popolare, for which every banca acts as an agent. With so large and so dependable a *clientèle*, the society is bound to do well.

For excellent specimens you may go wherever you like. The strength of the banks is still greatest in their own northern home—Lombardy, Piedmont, Emilia. But they have long since overspread all Italy, doing their useful work, lending money freely, and setting their net to catch fish small and great, members who put in five lire as their stake, and members who go as high as 150. I have already spoken of the Queen Bank, the Banca Popolare of Milan. In the same city, one among many, is the Banca Cooperativa Milanese, which in seven years raised its profits from 38,223 lire (for seven months) to 229,874 lire, and which two years later showed a turn-over of 117,404,794 lire. Its 50-lire shares sell at 75 lire. Then there is the Banca Operaia—an artisans' bank—which has set on foot for its members a flourishing *ristorante cooperativo*, in which you can take your choice of four soups and fifteen *plats* for 1.05 lire. In Bologna you have the Banca Popolare di Credito, the head bank of the Gruppo Regionale Romagnolo, which undersells the National Bank in the discount market at the rate of ¼ per cent. In 1889 it lent out 42,500,000 lire against bills of exchange. Its *prestiti sull' onore* it considerately grants, when desired, for two-and-a-half-years, making them repayable in ten equal quarterly installments. Near it is the modest Cassa Cooperativa di Credito, having only five-lire shares, and lending out sums of from five to 150 lire. At Genoa you have the Banca Popolare di Genova, in which the administrative service is so perfect that a staff of twelve clerks suffices for an annual business of 61,948,012 lire, most of it lent out in very small amounts. Padua is another leading center of co-operative banking, Naples another. Throughout Italy these banks have become a powerful force; and if

Lord Jeffrey spoke truly when laying it down that the greatness of a nation and the happiness of its people do not depend so much upon the increase of its military strength as upon "the spread of banks and the increase of banking facilities," Italy with her smaller army has no need to shrink from comparison with her more powerful military neighbors with their mighty "nations in arms"—against which she has to pit her "nation in banks," better organized as a collective force than any with which her own may be brought into comparison. It is true that her banks do not render all the good service which is required to agriculture, and that they reach the very poor as yet only through their *prestiti sull' onore*. A city shop cannot do hawker's work. But they serve a huge class of those who urgently require credit—retail dealers, small tradesmen, *boutiquiers*, artisans, small landowners and the like, and, looking at them altogether—busy, laborious hives that they are, in which not a drop of honey is allowed to run to waste—you cannot but feel that they represent a great and beneficent National work, a richly yielding horn of plenty, and that, in M. Durand's words, "this magnificent network of institutions of popular credit, for which Italy is beholden to Signor Luzzatti, may well excite the envy of Europe." "It is impossible," says Signor Luzzatti, with just pride, in his Presidential address of 1887, "not to acknowledge that we have delivered the small folk and the middle classes from crushing usury, that we have assisted commerce, and lastly, that we have helped to cultivate throughout the fruitful tree of thrift, on a ground which previously appeared absolutely barren."—*Henry W. Wolff in People's Banks.*

[The foregoing was written before the recent Italian bank-scandals had become public. It is needless to say that they have nothing whatever to do with the Banche Popolari here spoken of. On the contrary, their effect is almost bound to be very materially to strengthen the position of co-operative banks, in which mischief like that which has occurred is absolutely impossible.]

NOTE—NOTICE OF PROTEST.

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

Swampscott Machine Co. v. *Rice et ux.*

Where a notary sent a notice of protest of a note addressed to the indorser to the payee, whose bookkeeper duly mailed it to the indorser, stamped, and with directions to return if not delivered in five days, and the letter was not returned, it was sufficient evidence that the notice was sent and received.

HOLMES, J.—If the certificate of the notary public that he "duly" notified the indorsers is insufficient, taken with the context, to import that he did his duty and sent the notice in due time, as is intimated in *Insurance Co.* v. *Wilson*, 29 W. Va. 528, 563, 2 S. E. Rep. 888, the fact is shown by the date of the certificate, which is July 30th, the very day of the demand. The plaintiff's bookkeeper received it at the date of the maturity of the note, and at once put it into a box in the office, stamped, and with a direction for return if not delivered in five days. It was the regular course of business for an office boy to carry the letters from this box to the post-office. The letter was never returned. This was evidence that the notice was sent and received (*Dana* v. *Kemble*, 19 Pick. 112; *Skilbeck* v. *Garbett*, 7 Q. B. 846). Exceptions overruled.—*Northeastern Reporter.*

INDORSEMENT OF AN OVERDUE NOTE.

SUPREME COURT OF CALIFORNIA.

Beer v. *Clifton et al.*

An indorser of overdue notes is not liable thereon in the absence of demand on the maker within a reasonable time after the indorsement and notice of non-payment.

McFARLAND, J.—This action was brought to recover $3,500, with interest, costs, etc., upon a promissory note made by defendants to plaintiff on March 29, 1890, and payable July 1, 1890. The jury returned a verdict for plaintiff for only $1,240.24, and plaintiff moved for a new trial upon the grounds of insufficiency of the evidence to justify the verdict, that the verdict is against law and errors of law occurring at the trial, etc. The court granted a motion for a new trial, stating in its order that the motion was granted because "the first and third instructions offered by defendants' attorneys, and given, are erroneous and must have been misleading to the jury." The defendants appeal from the order granting a new trial.

The facts necessary to be stated are these: In March, 1889, the plaintiff was, and for several years before that had been, engaged in the business of keeping a country store at Covelo, in Mendocino County. The defendant Weill is her nephew, and for five years prior to the time last stated had been her principal clerk and assistant in said business. On March 18, 1889, she sold said business, together with certain real estate, live stock and choses in action to the defendants Weill and Clifton. In payment for the property sold, in addition to certain cash payments and a mortgage for $1,500 on the real property sold, they gave her seven promissory notes for $500 each, payable monthly in succession, the first becoming due on November 1, 1889. These notes not having been paid as they became due, and plaintiff becoming anxious for their payment, a little over a year afterwards, to wit, on March 29, 1890, the said notes were taken up by the giving of a note for $3,500, signed by said defendants Weill and Clifton, and also by the defendant George E. White, which is the note sued on in this present action. Among the choses in action sold by plaintiff to Weill and Clifton on said March 18, 1889, were eleven promissory notes which had been given by different parties to plaintiff, and all of said eleven notes were at the time of said sale overdue. These notes were at the time of said sale, and being overdue as aforesaid, indorsed by said plaintiff; that is, she wrote her name on the back of said notes. Plaintiff testified that she delivered said notes to Weill and Clifton at the time of the sale without indorsement, and that about two weeks afterwards Weill requested her to write her name on the back, saying that he could not collect the notes unless she did so, and that she would not have indorsed them if she had known that such indorsement would make her liable in any way for or upon said notes, and that she sold them absolutely and without any intention of being personally liable thereon. But Weill and Clifton contended, and introduced evidence to the point, that according to the terms of the sale they were to collect whatever could be collected on said eleven notes, and that whatever they could not collect after the exercise of due diligence was to be credited upon and deducted from the amount due from them to plaintiff upon the said

seven promissory notes which they had given her, and consequently to be credited upon the $3,500 note sued on, which was given in lieu of said seven notes as aforesaid. Under these circumstances it was, of course, material and important for the jury, in view of the conflicting evidence, to know what, in law, was the liability attached to plaintiff upon said eleven notes from the mere fact of her indorsement of them; and upon this point the said instructions, Nos. 1 and 3, are as follows: No. 1: "If you find from the evidence in this case that the plaintiff indorsed the eleven promissory notes by writing her name on the back of each, and that nothing was said by any of the parties when she did so about her liability thereon by reason of indorsing them, then she is liable, and you will so find by your verdict, unless defendants failed to collect the notes, or any of them, through their own negligence." No. 3: "The indorsement of the eleven promissory notes by the plaintiff is admitted, and by that indorsement she made herself liable for their payment. Indorsing them as she did makes her liable, unless there was at the time a contract between her and Clifton and Weill that she was not to be held liable thereon. The burden of showing such a contract is upon her, and she must prove it to your satisfaction, from all the evidence, before you would be justified in finding that she is not liable." It is clear, as the court below decided when granting a new trial, that these instructions were erroneous. They are somewhat conflicting, but they announce the doctrine that the indorser of a note after its maturity is absolutely liable thereon, without regard to any right to have a demand made upon the maker, and notice to the indorser, on non-payment. This is not the law. The indorser of an overdue note has as much right to demand and notice as the indorser of a note before maturity, the only difference being as to the time when the demand and notice must be made and given. This has always been the law and is given in all the text-books. In Daniel, Neg. Inst., par. 611, the rule is stated in these words: "When a negotiable instrument is indorsed after maturity payment must be demanded of the payer within a reasonable time, and notice in the event of a refusal given to the indorser, in order to charge him, it being regarded as equivalent to one payable on demand."

This court has had occasion to so announce the law, *e.g.*, *Beebe* v. *Brooks*, 12 Cal. 310; *Thompson* v. *Williams*, 14 Cal. 162; *Keyes* v. *Fenstermaker*, 24 Cal. 329. See, also, *McKewer* v. *Kirtland*, 33 Iowa 351; *Colt* v. *Barnard*, 18 Pick. 260; *Swarts* v. *Redfield*, 13 Kan. 550; *Light* v. *Kingsbury*, 50 Mo. 331; *Ecfert* v. *Des Coudres*, 12 Amer. Dec. 609, and note; *Simpson* v. *Griffin*, 9 Johns. 131; *Leavitt* v. *Putnam*, 3 N. Y. 494. At common law the rule is that, in case of indorsement after maturity, the demand and notice must be within a reasonable time; reasonable time depending upon the facts in each particular case. Section 3,135 of our Civil Code provides that the apparent maturity of a promissory note payable at sight or on demand is, if it bear interest, one year after its date; or, if it does not bear interest, six months after its date. According to the above quotation from Daniel, an instrument indorsed after maturity "is equivalent to one payable on demand." In Chit. Bills, 215, it is said that indorsing a promissory note after maturity is "equivalent to the act of drawing a bill at sight;" and in *Goodwin* v. *Davenport*, 47 Me. 118, the court say: "It is equivalent to a note on demand, dated at the time of the transfer, so far as demand and notice are concerned." If these authorities be correct, then it might be safely said that, in case of indorsement of an overdue note, demand and notice should be made and given at least within the time specified in said section 3,135 for demand and notice in case of a note payable on demand;

and there might be cases where the demand and notice should be within a shorter time than that mentioned in said section of the Code. In the case at bar, however, the question of reasonable time does not arise, for the jury were erroneously instructed that plaintiff was not entitled to any demand and notice whatever. In fact, no notice was given until July 8, 1890, and the notice did not state the date of the demand. For the reasons above given, the order granting a new trial should be affirmed, for we see nothing in appellants' point that said erroneous instructions were not prejudicial to plaintiff.

The order appealed from is affirmed.

We concur: Fitzgerald, J.; De Haven, J.—*Pacific Reporter.*

LEGAL MISCELLANY.

BANKS—STOCKHOLDERS.—All but three stockholders of an insolvent bank agreed to transfer to certain persons all the stock, in consideration that the latter would provide $100,000 for resuming business by the bank under a new organization, by the issuance of new stock under its charter, and pay its creditors 74 per cent. of the amounts due them in full settlement. Held, that the execution of such agreement by the parties to it did not affect the rights of stockholders not consenting thereto. [*Gresham* v. *Island City Savings Bank*, Tex.]

BANKS—INSOLVENCY—TRUST FUNDS.—A National bank received certain real estate mortgages and notes for collection and to remit the proceeds to the owner when collected. This was done with all but two mortgages, which were collected by the president of the bank. The bank failed soon after the last collection spoken of and had been insolvent for several months before that time. Held, that the bank was the agent of the owner of the instruments above set forth, and that the money derived therefrom was a trust fund, which did not become a part of the assets of the bank, and that the receiver thereof had no right to said fund or any part thereof. [*Griffin* v. *Chase*, Neb.]

BANK OFFICERS—LIMITATIONS.—Where an officer of a bank, by agreement, conceals the defalcation of another officer, his knowledge of the transaction is not chargeable to the bank, so as to set running the statute of limitations as against a claim against the defaulting officer for the amount of the loss. [*Vance* v. *Mottley*, Tenn.]

ATTACHMENT—PROPERTY OF NON-RESIDENT.—In proceedings to enforce a debt by attachment upon the property of a non-resident defendant, after seizure of the property and due service upon such non-resident by publication, as prescribed by the statute, the action proceeds as one *in rem*. The judgment and proceedings in such a case are conclusive upon all who are parties to the action and the privies, so far as the attached property is concerned, which is seized and sold. [*National Bank* v. *Peters*, Kan.]

NEGOTIABLE INSTRUMENT—NOTES.—A negotiable promissory note due in the future, according to its terms, cannot be brought to immediate maturity through a clause in a mortgage given to secure the same, authorizing the mortgagee to declare the debt or note due upon default in any of the provisions found in the mortgage. [*White* v. *Miller*, Minn.]

BANKS—PURCHASE OF DRAFT.—In an action against a bank for the amount of a draft which plaintiff claimed to have handed in with his

bank book with a request that the latter be balanced, while defendant claimed that plaintiff handed the draft without the book to defendant's cashier, who immediately gave plaintiff the amount thereof in cash, plaintiff's bank book was admissible to show that he had an open account with the bank. [*Goff* v. *Stoughton State Bank*, Wis.]

BANKS—COLLECTION OF DRAFT.—The payee of a draft deposited it in his bank, which immediately forwarded it "for collection" to its correspondent bank, at the residence of the drawee, who directed that the draft be taken to his bank for payment. The drawee's bank took the draft and charged it to the account, and canceled it, but no money was passed in the transaction. In the customary settlement of that day between these two banks the correspondent was charged by the drawee's bank with the amount of checks and drafts held by it in excess of the amount held against it by the correspondent, and the correspondent credited the payee's bank with the amount of the draft but never remitted or otherwise paid it. Both banks failed. Held, that the transaction in which the draft was settled was a collection and was binding on the payee as against the drawee. [*Howard* v. *Walker*, Tenn.]

BOND FOR PAYMENT OF MONEY.—Where a bond is absolute for the payment of money, followed by the condition that it is to be void if the obligors pay certain notes when due, which are held by the obligee, and the bond is accompanied by warrant of attorney to confess judgment on the obligation "as of any term or time, past, present or any other subsequent term or time," the obligee has immediate authority to confess a judgment as security for the debt, though none of the notes are due, but execution cannot issue until default in payment. [*Integrity Title Insurance Trust & Safe Deposit Co.* v. *Rau*, Penn.]

NEGOTIABLE INSTRUMENTS — ASSIGNEE. — Defendants executed a written instrument which recited that they were bound to the "Milsaps College or bearer" for $500, to be paid if the college was permanently located in J. or its immediate vicinity, in consideration of the benefits therefrom. The trustees of the college located it in the vicinity of J. and thereafter sold the instrument to plaintiff. Held, that the instrument was negotiable and could be sued on by a holder thereof for value and in good faith. [*Hart* v. *Taylor*, Miss.]

NEGOTIABLE INSTRUMENTS—DISCOUNT BY BANK.—Defendant executed and delivered a negotiable note to D., in consideration of certain shares of stock in a corporation that was about to be formed. D., who was a vice-president of plaintiff bank, requested the president of the bank to discount the note, which was done, and the proceeds were placed to D.'s credit. None of plaintiff's officers but D. had any knowledge of the agreement between D. and defendant constituting the consideration of the note. Held, that plaintiff was not chargeable with D.'s knowledge of this agreement, as D., in procuring plaintiff to discount the note, represented his own personal interest. [*Merchants' National Bank* v. *Lovitt*, Mo.]

NEGOTIABLE INSTRUMENT—NOTE—DELIVERY.—Where several persons sign a negotiable promissory note as joint makers and intrust the same to one of their number, who is in fact the principal and known to be so by the payee, it will be presumed that such principal has the right to deliver the same to the payee and receive the consideration therefor; and no private understanding between the surety and the principal with reference to any act to be done before the delivery of the note, of which the payee has no notice, can defeat a recovery on the note. [*Carter* v. *Moulton*, Kan.]

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION.

The Nineteenth Annual Convention of the Association was held at Chicago, on the 18th and 19th of October. The convention was called to order by President Rhawn, who introduced Mayor Harrison. He delivered an address of welcome to which the president responded, after which he delivered an address. Among other things he said:

"The last convention, after an exhaustive discussion of the subject, unanimously adopted a resolution declaring that State bank note issues for money are neither safe nor desirable. The decisive stand thus taken by the association should still be firmly adhered to, now that the question is before Congress and the country in the proposed repeal of the law taxing such issues, which is the only barrier to a return to a vicious system of bank note circulation utterly abhorrent to every sound banker having knowledge of it in the past. It is not the destruction of the National banking system of uniform currency which would follow the removal of such barrier that is required, but its preservation with all needed improvement through well considered amendments that may from time to time be made in the National banking laws. One improvement suggested by the crisis would be the legalization of the suspension of payments in currency by solvent banks during a monetary stringency or crisis, and the authorization of payments through Clearing Houses and of other like transfers of bank credits.

"The educational work of the association, which was begun with the appointment of a committee upon the subject by the executive council four years ago, is one that is very dear to the heart of your president. The committee on schools of finance and economy, of which he has the honor to be chairman, presents its report to this convention in the fourth of the series of pamphlets upon the education of business men published under the direction of the committee, entitled 'Education of Business Men in Europe,' being a full account by Professor Edmund J. James, following his address of last year, of investigations made by him in Europe for this association into what is being done there in the way of providing for the special education of the business classes. The pamphlet is one of some 250 pages uniform with the proceedings, and has been sent to the members of the association and to the universities and colleges and the leading financial and other journals of the country, and it should prove of inestimable value to the cause of business and financial education, which no country in the world needs more than the United States. This educational work is one that the association should keep alive in such manner as may from time to time appear best and as means may permit. It is moreover a work that should specially commend itself to the various State bankers' associations, as it already has to some, and be continued until every leading university and college in the land shall see the necessity for establishing a department like the Wharton School of Finance and Economy and until every city and large town throughout the land shall recognize the need for one or more of the commercial high schools so well described and so strongly advocated by Professor James."

President Rhawn was followed by an address by the Comptroller of the Currency, who said: "Doubts have arisen in my own mind as to the propriety of one who is not a practical banker undertaking to discuss before an assemblage of experienced men questions bearing upon the

conduct and operation of banks. And yet because of the official position which happens to be mine, it is not inappropriate that I should be here, if for no other reason than to form your personal acquaintance. It is no exaggeration of statement to say that the happenings of the months past from May to September must be accounted the most remarkable in every phase of financial bearing ever experienced by the American people.

"Heretofore in our financial distress the test of solvency has always been applied to store and factory, to great industrial enterprises and railway corporations, but within the period of these months an affrighted people, fearful of the resultant effects of a financial system vitiated by ill-advised and ill-considered legislation, became for the first time doubtful of the distinctively financial institutions of the country, the banks, and as a consequence a steady drain upon deposits was begun, until within a period of two months, from May 4th to July 12th, from National banks alone had been drawn out more than $193,000,000, and from State, savings and private ones, a sum as great, not for the purposes of trade or investment, but to lie in wasteful idleness, thus rendering the soundest institutions helpless and a complete currency starvation in the midst of absolute plenty. These months witnessed the closing of more than 150 National banks and not less than 500 State, savings and private ones, many of which, under ordinary circumstances, would have been solvent, and under fostering care and improved conditions have reopened their doors for business again to enjoy the confidence of the very ones most doubtful of them.

"But while boasting of this new evidence of the ability of our people to withstand the severest of financial ailments, it will not do to count too much upon the progress made toward recovery and the recuperative powers shown. Until our financial laws accord with those that govern the world's trade, our currency takes on a uniformity and elasticity that now are wholly lacking, and our people are rid of the pernicious doctrine that money which is cheap and plenty is a blessing and a source of wealth instead of a curse and the cause of financial panic and ultimate poverty, we cannot but expect at periods a recurrence of conditions such as have and do still threaten us.

"But it is said that in bringing about a different and other set of financial laws the banking interests must hold aloof. It is a striking illustration of the extent to which unreasoning passion and prejudice have crept into our politics, that in the present emergency which confronts the country bankers are compelled to hesitate as to the advisability, from the standpoint of prudence, of actively urging the repeal of a measure which stands confessedly as the source in the largest degree of past disasters and a dire menace to future prosperity. It may be that bankers are selfish, but not more so, I venture, than men in other walks of life. Surely not more so than the silver interests, which to-day inveigh the most loudly against them, and yet with an inconsistency so marked that 'he who runs may read,' are with selfish indifference to the public good not only blocking the wheels of legislation at Washington, but, unmindful of the voice of people and of press, are making the fundamental principle of our Government, the right of the majority to control, 'a hissing and a byword,' that their own selfish purposes may find fruition in legislative enactment that will compel the Government to be the special patron of their special product.

"Deposits placed in the custody of the bankers of the country are of the many and not the few, who entrust to them their earnings and expect of them a watchfulness that no financial disaster, through legislation or otherwise, shall ensue. And because of this they would be dere-

lict in the discharge of a duty which they owe to a clientage larger in number, more widely scattered, embracing more classes and conditions of people and possessed of greater aggregate wealth than any special interest within our borders, if they did not at such a time as this, with all the power at their command, insist that the rights of those whose interests have been placed with them, were protected from the wasting influence of harmful laws. Therefore, when these dangers to the public good are upon us, let no banker hesitate to discharge his trust because of the utterance of some demagogue striving to win votes in coming elections, but having an abiding faith in the fairness of the American people, let him give utterance to his views through speech, petitions or through the columns of the press upon every financial proposition that is under consideration, discussing it, not from the standpoint of the shop, if I may be permitted to use such a phrase, but upon the broader grounds of public good and sound economic principles, and he may rest assured the time will speedily come when the interest of the bank will be treated by our public men as dispassionately as that of any other business institution.

"The bankers of the country ought to gather some lessons from it all. I am sure some were not as strong to withstand the drafts made upon them as they would have been had they kept in mind in times of great prosperity the necessity of so banking as to be prepared for times of financial stringency. Competition for business is carried to the danger point by many and the desire to secure a large business has led to the taking of risks not consistent with prudent methods. Not less a source of weakness has been the fact that to too large an extent has been carried the paper of those engaged in purely speculative enterprises, the value of which is at the best largely fictitious and in times of great depression is worthless, and when to this is coupled the further fact that there is too little tendency on the part of banks to distribute their loans and too great a desire to place them with large corporations, the reason is not wanting for many suspensions and not a few failures. It is a source of constant complaint on the part of the National banks that it is unreasonable to hamper them by limiting their loans to 10 per cent. of the amount of their capital stock, but the events of the past months have demonstrated the wisdom of that provision, and make more strong the belief that a more strict adherence to it would make the banks stronger instead of weaker when threatened by financial panic."

Then followed Mr. A. R. Foote, of Washington, who made a strong plea for a sound currency and banking system. He said:

"Mr. Chairman: There is nothing in the nature of things to prevent the people of this country from devising, carrying into operation and enjoying to the utmost the most stable, the soundest and the most automatically adjustable currency and banking system in the world—a system by means of which we can gain and continue our financial independence. Such a work cannot be successfully undertaken by politicians, who get power by beguiling the people into the belief that their party has always been sound on questions of finance, no matter what the party platforms may say or what financial measures may have been enacted by party votes. Work of this character is particularly fitted for the American Bankers' Association. The publication committee appointed by this association will go on until they receive the affiliation and help of all financial and legislative organizations in the several States on the request of the association in securing the election of one or more persons to represent the individual, commercial or financial interests of the State as members of a National Monetary Commission, and to name others to be connected as it advises."

When Mr. Foote concluded he offered the following resolutions, which were referred to the executive committee with power to act:

"1. That a special committee consisting of one member from each State and district be appointed from the membership of this association to effect the organization of a National monetary commission that shall be a representative body to act for the industrial, commercial and financial interests of the whole people for the purpose of considering, formulating and reporting for adoption by Congress and the Legislatures of the several States a sound American currency and banking system.

"2. That said committee is hereby authorized to invite the co-operation of each independent, National, State and local organization representing labor, professional, insurance, telegraphic, transportation, industrial, commercial and financial interests, by the election of delegates representing their respective organizations as members of this commission.

"3. That pending the investigations and report of this commission Congress be and is hereby respectfully petitioned and requested to hold in abeyance the enactment of measures changing in any way the laws now in force pertaining to currency and banking after final action on the bill pertaining to the purchasing clause of the silver purchasing act of July 14, 1890."

Mr. George A. Butler, president of the National Tradesmen's Bank of New Haven, Conn., read a paper on "A Practical Plan of Banking and Currency." He said:

"In a paper read at Saratoga, in August, 1880, I expressed the opinion that resumption of specie payments was not the final settlement of any of the great questions of finance that had agitated the country for so many years, and that it was not a demonstration of the courage and highest financial wisdom of the nation; that these things lay in the future, and that it was then the time for us to determine whether we are a wise and prudent people. I then thought, and said, that the outlook was not very bright for a scientific settlement of any of the great questions of finance. I then expressed the doubt whether we, as a people, had learned anything from our sad and disastrous experience. I then feared we would not profit by it, and that we must again pay the penalty for violation of the fundamental laws of finance. I then contended that we could not escape from these questions, that they would come up again and demand of us consideration and action.

"I thought then, as I do now, that it would be better, both for the banks and for the country, that the banks be freed from the difficulty of depositing Government bonds to secure their circulating notes. I then contended that the National Banking Act could be so amended that banking and the notes would be as safe as by a deposit of bonds, and at the same time give the currency more elasticity in its operations, and be more in accord with the principles of sound economics. Safety to the holders of the notes is all that should be required so far as they are concerned. That can be attained as well without as with bonds.

"I have on several occasions urged an amendment of the National Banking Act in such a way as to give more flexibility to the currency, and I feel confident that the holders of the notes will be as well protected as they ever have been. First, repeal the section requiring a deposit of bonds to secure the notes. Second, issue to banks, notes, say to 80 per cent. of their capital. Third, permit no notes of a denomination less than $10, unless the smaller notes are fully covered by coin. Fourth, the banks to keep a reserve in specie to the amount of 25 per cent. of the notes issued. Fifth, place tax of ½ of 1 per cent. on the circulation

as a safety fund, out of which the notes of any bankrupt bank may be paid in case the assets of the bank are not sufficient to pay all the debts of the bank. Sixth, remove the Department of the Comptroller of the Currency to the city of New York, the 25 per cent. reserve fund to be kept there also. Seventh, it would be well to fix the amount of capital that a bank should have if it is to issue notes. It should be sufficiently large to be a guarantee of the good faith of those engaged in it. Two hundred thousand dollars will not be unfair to any place desiring a bank. Eighth, before issuing a certificate authorizing a bank to begin operation, the Comptroller of the Currency should make a careful examination as to the means and character of all of those proposing to start a bank.

"I am not proposing anything that is new. I am merely again, under more favorable conditions for a careful hearing, proposing that which on several occasions and many years ago, I contended must be the ultimate settlement of the currency question. Under such a plan as is here contemplated, not one dollar would ever be lost to the holders of bank notes.

"To meet the popular demand for small notes, the banks could issue, in addition to their 80 per cent. of capital, small notes which should be fully covered by coin, and this additional reserve held solely for the redemption of the small notes. In this way the only notes that would be in the hands of poor people would be coin notes, from which under no circumstance could there be any loss. This would not do any violence to the principle that small notes should not be issued, as the coin which they would displace in circulation would be held on deposit at the redemption agency, and the notes would merely be representative of the coin. The advantage of central redemption has already been fully demonstrated in the Suffolk Bank system of redemption. Every great commercial nation has a currency of coin and bank notes. I believe the ultimate struggle on the currency question will be between a Government issue and bank notes. As between the two, almost any kind of bank notes will be less disastrous to the country than an issue of Government paper. One cannot contemplate the Government again putting its printing presses into operation without the greatest apprehension and alarm."

William C. Cornwell, president of the City Bank of Buffalo, read a very interesting paper on the subject of "Currency Reform." Mr. Cornwell said: "The present unsatisfactory condition of the currency in the United States is caused by silver legislation, legal tender, National bank note circulation and suppression as bank currency. The country has received such an education in the last six months as it will not soon forget. Bullion buying is the worst financial measure on the lowest possible motives ever undertaken in this country. Its stoppage is positively necessary for the arrest of disease. It is poison in the circulation, which, if not completely eradicated, will corrupt every remedy applied. Beyond all this, it is absolutely fatal to bimetallism, so called, and those who deem themselves friends of silver as a money metal should remember this. One thing should be emphasized at this point in the struggle—Silver bullion buying is absolutely and alone the cause of the recent panic.

"We desire to place our currency upon a sound basis, and while eliminating all false elements to maintain sufficient volume and with a provision for increase and a provision for elasticity. In order to accomplish this silver purchasing must cease. Without this it is absolutely useless to institute other reforms. Then our legal tenders, the greenback and the Treasury note must be retired. The present tendency in

all the great nations of the world is towards bank currency. Bank currency is what we too must depend upon. Notes issued by properly capitalized and inspected banks to the extent of a proportion of their paid-up capital, and made a first lien upon their assets, not specially pledged but held as general security, have behind them the only truly scientific basis for circulation in a country like ours. As by the increase of products trade increases, so scientifically and naturally there is produced in an increase of assets a larger basis for note circulation. The means to move the crops are furnished by the crops themselves. What better basis for bank notes can be created than these quick assets? Such bank notes, under regulations for daily redemption, modestly and automatically retire when they are not needed.

"Graft this principle upon the National system. Abolish the over-security and the tax on circulation. Make the note secure enough, but not too secure. Drop the United States bond special security—adopt the general security principle which is in such successful operation in Canada, make the note first lien on all assets, including double liability of stockholders, limiting its issue to a percentage of capital with a guaranty fund and other minor details to be arranged. Establish redemption agencies at financial centers throughout the United States. Let all notes be printed by the Government as now. Under the general security principle daily actual redemption would then become a fact. We would then have a currency, secure, uniform, convertible into specie, and thoroughly elastic. Commercial prosperity would come to stay, and the dollar of the United States, instead of the pound sterling, would rule the world."

Mr. George S. Coe of New York followed with a short address, in the course of which he went on to prove from the financial history of the country that the expedients adopted by this nation under the sudden stress of Civil War are those which more or less substantially remain to the present day. The question now was whether the exclusive organization thus created for an extraordinary emergency has necessarily every form of currency that previously existed; further, may the public debt be prolonged simply to issue currency upon it, or may the amount be increased or diminished for this reason alone? Also, is there not in the natural exchange of property passing through the hands of consumers the real and fundamental security required for all sound banking?

"Aside from the great subject of coined money, which will doubtless be deemed of prime importance, the question of currency by which the exchanges of the whole community are chiefly made, must demand the most serious consideration. With the various forms of currency now existing, this comprehensive question cannot be hastily disposed of without danger of adding another to the many forms of notes that already prevail. Rather the attempt must now be most deliberately made to create a system that will take the place of all others, and if possible one that will eminently deserve the National preference. For this reason I commend the paper of Mr. Foote to the careful attention of the convention."

E. H. Thayer was the next speaker. His subject was "The Construction of Good Roads a Matter of Finance." He showed in an exhaustive argument how this work would remove many and serious obstacles to industry and commerce while at the same time contributing to the welfare of the community by giving work to the armies of the unemployed now in the country.

Thomas P. Patton read the closing paper of the first session on "The Risks and Responsibilities Incurred by Sending Collections by Circuitous Routes."

The first paper on the second and closing day was on the panic in Australia and the United States, and was presented by Hon. Joseph C. Hendrick, president of the National Union Bank, of New York. After outlining for observation, not especially for contrast, the panics of two countries that lie far apart on the path of the world's travel, Mr. Hendrick said the evident conclusion is that the essential soundness of commercial conditions in our republic has been so demonstrated that, as Englishmen view the Argentine and the Australian collapse, they will be disposed to await with impatience an opportunity to come back to us with their surplus capital. That hour will strike when our National finances are in line with the experience of all the civilized nations. The stinging lesson of the panic of 1893 is an old one. It is simply that "Honesty is the best policy." It is because the world believed that we had lost sight of this old principle that English capital was drawn out of our very vitals when we needed it and was thrown at the heads of the Australians, who did not know how to use it. With complete submission to the stubborn truth which all through life convicts conscience and convinces judgment that in all our dealings we must maintain good faith if we would prosper, our nation may now, by heeding the lessons of 1893, gird itself for a new era, which will be made glad by the confidence which, if it deserves, it will receive.

Mr. Horace White followed with an exhaustive paper on "An Elastic Currency," which he defined as "a currency that will expand when there is an active demand for it, and contract when the demand subsides."

The successive steps taken by mankind in the matter of money were traced from its introduction to the present time. All trade is barter, and money is introduced to facilitate barter. Bank notes, later, were introduced to avoid the trouble of carrying gold, and some were used even without the expense of having the gold. Mr. White gave an interesting account of "George Smith's money," and of the famous western financier, who still lives in London. "There is no difference between the check and the bank note as regards their intrinsic nature and character. It is customary to say that the holders of Government bank notes are secured by a pledge of United States bonds. The fact is that they are secured by the Government's guaranty, and the Government itself is secured by four different cumulative funds, viz.: (1), Government bonds; (2), the 5 per cent. redemption funds; (3), first lien on the bank assets; (4), a first lien on the shareholders' liability. A perfectly elastic currency would be one which should rise and fall in volume *pari passu* with the quality of sugar, flour, cloth and other commodities seeking to be exchanged for each other.

"Most of the misfortunes that have overtaken banks in this country have resulted from loans to speculators, such as advances to railway builders, to real estate owners, and the like. No currency will ever be elastic enough to satisfy such wants. The National Bank Currency is not elastic, and never was. Instead of expanding with the wants of trade, it has been contracting in the face of them. The great merit of the National Bank Currency is its security."

Can United States bonds be dispensed with as part of the security of the Government? With a small tax on bank notes, to be accumulated as a safety fund, something like the New York Safety Fund, he thought, the bond security could be safely dispensed with. He had the highest admiration for the National banking law itself and the carefulness with which it had been administered. If a bank note system is both elastic and secure, we have every requisite of a perfect system. He hoped to see the Government go out of the banking business altogether. One way to dispense with bond security for bank notes would be by bank

consolidation or by making one bank so large that it could not fail, like the Bank of England, the Bank of France, or the Imperial Bank of Germany, and making it the sole issuer of currency.

"The foremost consideration in banking science is solvency. The more capital a bank has the more likely it is to remain solvent. There is no reason why the National banks should not be allowed to have branches, as the Scotch banks and the Canadian banks have. One way or another the bond security clause of the National Banking Act must be got rid of before you can have a flexible currency.

"It is a safe prediction that the present bonded debt will not outlast the term of its maturity in 1907. Don't think about railroad and municipal bonds as a substitute. The country had that pestilence before the war. It also had the pestilence of State bank notes. We are told that we need a currency that will stay where it is issued. If that is a desideratum, make a provision of law that no bank shall pay out any notes but its own. I think that is a sound principle and that it would help to make an elastic currency. This principle was embodied in the laws of Massachusetts and of Louisiana before the war, two of the soundest banking systems that this country or any other country ever had.

"In the realm of sound banking there is no more reason for a shortage of currency any year, or any time of the year, than for a shortage of checks."

Mr. White appended to his discourse a copy of a bill for a safety fund to take the place of bond security, which he drew up last January, at the request of Hon. Joseph H. Walker of Massachusetts, and which that gentleman introduced in the House of Representatives.

Sydney Sherwood of Johns Hopkins University at Baltimore gave a résumé of the Bankers' Association, its origin, work and prospects.

Hon. E. O. Leech, of New York, took for his subject, "The Silver Question as Related to the Appreciation of Gold." He said: "It is claimed that there has been no actual fall in the value of silver, but what appears to be a depreciation in the value of the white metal is really an appreciation in the value of gold, occasioned by its scarcity, and especially by the disuse of silver as money. This claim is substantiated by the fact that the gold values of certain commodities, taken from the index number of the *Economist*, and the tables of Mr. Robert Giffen and other economists, show an average decline since 1873 of about 35 per cent., and the deduction from it is that it is more probable that the alteration has been on the side of one commodity, gold, than many commodities. That there has been a large and continuous decline in the prices of the great staple articles of commerce during the last twenty years no one will deny. How far that decline has been occasioned by natural and well-known causes affecting the cheapening in the processes of production and marketing the products, and how far by the disuse of silver money, is a very different question.

"It will be remembered that the English economist, Stanley Jevons, first advanced in 1863 the theory that the rise in prices of commodities in the decade ending with 1860 was occasioned by an 'oversupply of gold.' Now that the 'quality' of money theory has become a practical question, and the 'evil' effects of falling prices are to be checked by legislation increasing the supply of money, it is worth some attention.

"In the first place it is susceptible of proof that there is more actual money in use in the world to-day than ever in its history, and more silver money in use than ever before.

"In the second place, it may be stated that all the silver produced since 1873, except what is used in the industrial arts, has been con-

verted into money either by actual coinage or the issue of legal tender notes against the bullion held as reserve. This product has been enormous as compared with past periods, the period of high prices.

"In the third place, it is not true that the gold product of the world has diminished in recent years, nor the annual addition to the gold money through coinage. On the contrary, there has been a considerable annual increase in the product of gold.

"It is not true, therefore, either that the amount of gold money (money of ultimate redemption) has diminished since 1873, nor is the amount of silver money in use less.

"On the other hand, in explanation of the decline of prices from natural causes, we know that the effort of civilization has been, and will continue to be, in the direction of reducing the cost of producing all the necessaries of life.

"Without going into individual articles, it is sufficient to say that there is not one of the great staple commodities which has fallen largely in price, where such decline cannot be readily traced to circumstances affecting the demand and the supply of the article itself.

"While the *Economist* tables, covering a limited field, show a general and continuous decline in the prices of staple commodities, it is a well-known fact that very many commodities have risen in price.

"Interest is the charge for the use of money, and it is one of the best settled principles of political economy, in fact an axiom, that when money is plenty interest is low, and when money is scarce interest is high.

"An examination of the tables of the rate of discount at leading European banks from 1885 to 1892 shows that the rate of interest has been steadily lowered each year, which could not be the case if the amount of actual money had grown scarce.

Labor is a commodity which responds more readily to the prosperity of the times and to an increase or diminution in the money volume than any other one thing, save possibly interest.

If the decline in the prices of staple commodities has been due to the appreciation of gold, it is fair to assume that wages—the remuneration of labor—which is more on sale than any other commodity, would show a corresponding reduction. The fact is just the contrary.

The wages of labor, both in this country and abroad, have been steadily tending upward, and are higher to-day than at any time in the past.

In view of this array of evidence, we think the conclusion is irresistible that the decline in prices of certain staple commodities has been brought about by natural causes, and is no justification for the theory that gold has appreciated in value through the disuse of silver money.

Mr. George E. Leighton, of St. Louis, spoke on "The Need of a Conscientious Currency Reform."

The executive council reported a resolution demanding in the name of the American Bankers' Association the immediate and unconditional repeal of the purchasing clause of the Sherman Silver Bill. It was immediately adopted and ordered to be telegraphed to the Senate.

The following officers were elected: President, M. M. White, president of the Fourth National Bank of Cincinnati; first vice-president, John G. P. O'Dell, president of the Union National Bank of Chicago; members of the executive council to fill vacancies, Dumont Clark, J. B. Fargan, M. B. Hepburn, M. H. Rhawn, John B. Branch, T. B. Day and F. W. Hayes. A vice-president from each State was also chosen.

A reception followed the convention, which was given by the Chicago Bankers' Association.

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

PLEDGE BY WAREHOUSEMAN OF HIS OWN PROPERTY.

Is a warehouseman's receipt for property stored in his warehouse, and given to secure his own note, valid? Or, say, that the B. Elevator Company gives its note to C., and offers as collateral security therefor its own receipt for property stored with it. Will such receipt hold against an assignee or judgment creditors of the company, who might claim against it? Would it be of same validity as if the property was stored with, and receipted for, by a third party?

REPLY.—The courts have given different answers to this question and the authorities are in hopeless confusion. Colebrooke in his work on Collateral Securities (§ 420) says:

"In the absence of statutory enactment, a warehouseman having property of his own in his warehouse, may issue receipts therefor, as in other cases, and vest title to the property in other persons by the transfer of such receipt, by indorsement and delivery, or by the delivery of receipts made directly in the name of the person to whom the property is to be transferred. A warehouseman may use such receipts as collateral to secure the payment of loans to himself or his own indebtedness. It is no objection that the warehouse receipt thus issued is the vendor's or pledgor's own receipt, or that he still remains in possession of the property."

We are led, however, to a different conclusion by the study of some of the more important cases. One of these is *Conrad* v. *Fisher* (37 Mo. App. 352), in which Judge Thompson delivered a very elaborate opinion on the subject, in which many of the cases are reviewed. He declares that the owner of goods stored in his own warehouse cannot make a valid pledge of them by issuing to another a warehouse receipt in which he professes to hold the goods for such person. This opinion harmonizes with that of the New York Court of Appeals and of the highest courts of several States. (See *Farmers' and Mechanics' National Bank* v. *Lang*, 87 N. Y. 209-215; *Yenni* v. *McNamee*, 45 N. Y. 614.) A contrary doctrine, however, seems to prevail in Wisconsin (*Shepardson* v. *Cary*, 29 Wis. 34) and in Ohio (*Gibson* v. *Chillicothe Bank*, 11 Ohio St. 312.)

In many of the States statutes have been enacted determining the rights of parties, and most of the more recent decisions are interpretations of these rather than expositions of the common law on the subject.

Sterling exchange has ranged during October at from 4.83 @ 4.87 for sight, and 4.80½ @ 4.85 for 60 days. Paris—Bankers' francs, 5.20¼ @ 5.17½ for sight, and 5.23¼ @ 5.19⅜ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.80¾ @ 4.81¼; bankers' sterling, sight, 4.83¾ @ 4.84¼; cable transfers, 4.84¼ @ 4.84½. Paris—Bankers', 60 days, 5.23¾ @ 5.23⅛; sight, 5.20⅜. Antwerp—Commercial, 60 days, 5.25⅝ @ 5.24⅜. Berlin—Bankers', 60 days, 94 7-16 @ 94½; sight, 95 3-16 @ 95¼. Amsterdam—Bankers', 60 days, 39⅞ @ 39 15-16 sight, 40 3-16 @ 40 ¼.

BOOK NOTICES.

The Theory and Practice of Banking. By HENRY DUNNING MACLEOD, M.A. 5th edition, volume 2. London: Longmans, Green & Co., and New York, 15 East 16th street. 1893.

It is not too much to say that this is the most complete and useful work on the subject that has been written, and the successive editions are the best proof of an appreciation of its great merits. The work is a critical discussion of the theories of banking, and also a history of the application of them by English and Scotch bankers. Thus the work contains, besides a critical review of theories, an excellent history of British banking. The theories of banking as regarded by the author also include those of currency. In the volume before us the history of banking is resumed with the opening of the century and the first chapter, which extends to the enactment of the law for the resumption of specie payments in 1819, covers one of the most instructive periods in English financial history. It was in 1810 that the famous bullion report appeared which is elaborately analyzed and criticised. No financial or banking report has ever been the subject of so much discussion, or has been so fruitful in legislation. The banking act of 1844, by which the circulation of the Bank of England has ever since been regulated, is also described in this volume, as well as the Scottish system, concerning which several articles have recently appeared in American periodicals. Every banker who has any ambition to understand the principles of banking which have been in vogue since the early days of English banking should possess and study this work. It is instructive and stimulating in the highest degree.

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

QUOTATIONS:	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.
Discounts.....	6½ @ 7½	6½ @ 7½	6 @ 6½	5½ @ 6	5 @ 6
Call Loans..	2 @ 4	2 @ 2½	2 @ 2½	2	1 @ 2
Treas. balances, coin...	$53,813,817	$49,690,557	$49,435,049	$55,358,206	$55,224,446
Do. do currency..	3,793,683	5,243,191	5,028,875	11,219,318	15,517,879

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

1893.	*Loans*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
Oct. 7..	$393,341,800	$84,372,700	$44,305,000	$400,195,900	$14,940,000	$28,628,725
" 14..	395,716,000	90,379,400	46,630,700	412,456,200	14,956,800	33,896,050
" 21..	394,039,700	95,718,500	52,344,000	421,686,900	14,690,500	42,640,775
" 28..	397,324,800	96,564,500	60,538,400	433,261,700	14,610,800	48,787,475

The Boston bank statement is as follows:

1893.	*Loans.*	*Specie.*	*Legal Tender*	*Deposits.*	*Circulation.*
Oct. 7.....	$150,431,200	$9,348,700	$7,049,200	$132,745,600	$9,336,600
" 14.....	152,696,300	9,510,600	7,388,100	133,661,800	9,331,400
" 21.....	153,554,000	9,640,000	7,671,000	136,252,000	9,355,000
" 28.....	154,271,000	10,095,000	7,704,000	138,639,000	9,315,000

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

1893.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
Oct. 7.....	$101,344,000	$26,426,000	$93,898,000	$5,856,000
" 14.	101,043,000	28,786,000	94.479,000	5,862,000
" 21	99,950,000	29,063,000	93,621,000	5,884,000
" 28.....	99,853,000	29,486,000	93,703,000	5,912,000

BANKING AND FINANCIAL ITEMS.

GENERAL.

BANK FAILURES.—The following table shows the number of banks that suspended during the first eight months of this year, with their aggregate of assets and liabilities, in the different sections of the country. Thus:

States.	*No.*	*Assets.*	*Liabilities.*
New England	12	$8,192,875	$10,319,000
Middle	28	9,885,138	10,762,875
Western	199	53,592,609	46,382,529
Northwestern	145	48,963,720	50,387,336
Southern	84	22,477,490	21,275,539
Pacific	72	32,120,585	25,178,339
Territories	9	1,562,000	1,426,000
Total,	549	$176,794,417	$165,731,618

The important fact is brought out that the aggregate of assets in all the bank failures exceeded the liabilities by more than $11,000,000, thus indicating that the resources of the banks were ample but that it was the lack of confidence, demand for cash and inability to secure cash by realizing on securities, that caused the embarrassments. Another point is that private banks formed 31 per cent. of the total failures, State banks 30 per cent., National banks 27 per cent. and savings banks but 8 per cent. of the whole. On the other hand the ratio of liabilities to assets was 43 per cent. for National banks, 21 per cent. for State banks, 11 per cent. for private banks and only 8 per cent. for the savings banks. This report is decidedly encouraging for those who put their surplus money into the savings banks of the country for safe keeping.

HISTORY OF THE STATE BANK NOTE TAX.—The original National Bank act was passed in February, 1863. It was radically amended in June, 1864, but still without any discriminating tax on State bank issues. The bill imposing such a tax was first offered in February, 1865, and defeated. On the same day it was offered again in a slightly different form and passed by an accident. Mr. Brooks, of New York, bitterly opposed it in debate, but voted for it for the purpose of moving a reconsideration. Had he voted against it the result would have been 67 yeas to 68 nays. As it was, it stood 68 yeas to 67 nays. A motion was made to reconsider, and Mr. Washburne, of Illinois, moved to lay the motion on the table. The vote was a tie. The speaker voted in the affirmative and the measure stood. In the Senate it was reported adversely from the Committee on Finance, but the report was overruled by a majority of two votes. The original purpose of the tax was to encourage the establishment of National banks by giving them a monopoly of note issuing, and thus increase the market for Government bonds. This it did in a very slight degree. But that act served another purpose. It extinguished a variable and uncertain currency and gave us one, every dollar of which was as good as the credit of the United States could make it. There is no longer any concern for the bond market, but the country is properly anxious not to return to uncertainty as to any part of its currency.

THE SEYD BRIBERY STORY.—The following letter, addressed to the editor of the New York *Journal of Commerce*, by the son of Mr. Ernest Seyd, should put an end to the ridiculous story to which it relates. "I shall be obliged if you will kindly contradict in your valuable paper the story that the late Mr. Ernest Seyd was ever in Washington for the purpose of bribing members of the United States Legislature to vote for the demonetization of silver. My father had never been in the United States since the year 1856, and the story is entirely without foundation. It is the more absurd as the late Mr. Seyd was well-known as the earliest champion of a joint standard in England, as his numerous writings testify. As a bi-metallist, I consider the silver party in America are damaging their own cause by spreading these rumors and sacrificing one of their best friends. My father's opinions on

the present position of silver in America are decidedly interesting, written as they were in 1878: 'In the United States a kind of bi-metallism is now being attempted. Unsupported by other nations, exposed to the play of hostile factions, this attempt will turn out a failure. In the United States the silver dollar has again been introduced, but it is quite evident that their bi-metallism cannot be maintained without much more effective support.'"—*Decline of Prosperity, its Insidious Cause and Obvious Remedy.*

LITTELL'S LIVING AGE.—Rarely, if ever, has *The Living Age* contained richer material, been more filled with thought engendering matter, than in its recent issues. Late numbers have many articles which few would willingly, and none who would keep abreast of current thought can afford to, leave unread. Among the most striking are "A Visit to Prince Bismarck," by George W. Smalley; "Ethics and the Struggle for Existence," by Leslie Stephen; "Some Ruskin Letters," by George Stronach; "The Fall of The Ancien Régime;" "John Ruskin;" "La Fontaine," by J. C. Bailey; "The Tuscan Nationality," by Grant Allen; "American Life through English Spectacles," by A. S. Northcote; "Under British Protection," by J. Theodore Bent; etc., etc. The names of the authors are a sufficient guarantee of the value of their papers. But those named are only a few of the many brilliant contributions served up by this popular eclectic within a few weeks. Lovers of choice literature should certainly avail themselves of the opportunity which this magazine presents of having put into their hands the very best productions of the greatest minds of Europe. A specimen copy of *The Living Age* and its prospectus for 1894, with specially generous propositions to NEW subscribers may be obtained for 15c. The subscription price is $8.00 a year.

EASTERN STATES.

DANBURY, CONN.—Frederick S. Wildman, the oldest bank president in Connecticut, and perhaps in the country, is dead. He was in his 89th year, but up to within two weeks ago remained in active duties in the Danbury National Bank as president, a position he has held since the founding of it in 1849.

HARTFORD, CONN.—President Jonathan F. Morris of the Charter Oak National Bank has discontinued his connection with that institution, as its head, and has been succeeded by Mr. James P. Taylor, who has been the bank's cashier since 1879. Mr. Ariel Mitchelson of Tariffville also resigned as one of the directors, and Mr. Taylor was elected in his place, this action preceding the latter's advancement to the presidency. Mr. Morris has been connected with the Charter Oak Bank for forty years. He succeeded the late General Charles T. Hillyer as president in 1879. During his official connection with the bank it has paid $1,600 000 to its shareholders in dividends. Mr. Morris will retain his directorship in the bank and will have a desk there for the transaction of business interests that will still command his attention. He is treasurer and trustee of the Hartford Theological Seminary, executor and trustee of the estates of Newton Case, William Bolles and George Sexton, treasurer of the Connecticut Historical Society and Wadsworth Athenæum, and director of the National Fire Insurance Company. Mr Morris is an influential business man in this city and a gentleman of trained literary tastes. President James P. Taylor, who assumed the duties of his new position, has been connected with the Charter Oak Bank for a period of twenty-four years. At the age of 25, after having served a successful apprenticeship in the Charter Oak Bank, he was made cashier of the City Bank in Chicago. Subsequently he was cashier of the Dry Goods Bank in New York, and was identified for some time with the Hartford Life and Annuity Insurance Company. Prior to his return to the Charter Oak Bank in 1879, he was the treasurer and business manager of the Hartford *Evening Post*, succeeding Manager Fitch in that capacity. President Taylor is a gentleman of superior business training, and his advancement has been earned by efficient and faithful services. The Charter Oak Bank was established in 1853. Of the original subscribers to the stock only three are now living: Major Roland Mather, President G. F. Davis of the City Bank, and A. C. Hotchkiss. The original board of directors consisted of Charles T. Hillyer, Gurdon Trumbull, Charles H. Brainard, William N. Matson, Newton Case, Lucius Barbour, William H. Allyn, Samuel B. Tuttle and George M. Welch. The present directors are Judge James

Nichols, Milo Hunt General Lucius A. Barbour, Thomas O. Enders, Jonathan F. Morris, Silas Chapman, Jr., H. A. Botsford, E. C. Frisbie and James P. Taylor.

BOSTON, MASS.—The Fourth National Bank of Boston has increased its capital $250,000, and it now stands at $750,000.

BOSTON, MASS.—Senator McPherson, of New Jersey, from the committee on finance submitted to the Senate a report on the following resolution, introduced by Senator Peffer, of Kansas:

Resolved, That the Secretary of the Treasury be directed to inform the Senate, first, whether and in what respects the National banks, or any of them, in the cities of Boston, New York and Philadelphia are being now conducted in violation of law; second, whether said banks are paying depositors' checks promptly in lawful money; third, whether said banks, or any of them, are demanding rates of interest higher than those provided by law for the loan of money or in discounting notes and bills.

The matter was referred to Secretary Carlisle, who referred it to the Comptroller of the Currency who replies as follows:

FIRST—For official information in regard to the manner in which the affairs of National banks are conducted, the Comptroller relies chiefly upon their sworn reports of condition, which, under the requirements of law, he calls for five times a year, and upon reports furnished him by the National bank examiners, who make examinations by personal visits to the banks at such times as the Comptroller directs. The last reports of condition made to the Comptroller by the banks in Boston, New York and Philadelphia for July 12, 1892, disclose in some cases excessive loans or deficiency in lawful money reserve, and the same statement applies to the reports made by examiners - the last named reports being sent into the Comptroller at no fixed date, but only as examinations are made from time to time.

SECOND—The Comptroller has received no official information showing that National banks in Boston, New York and Philadelphia are not paying depositors' checks in lawful money; and no complaint has been received by the Comptroller from any depositor in a National bank to this effect during the recent financial stringency.

THIRD—The Comptroller has received no official information showing that the National banks in Boston, New York and Philadelphia are demanding rates of interest higher than those provided by law for the loan of money or in discounting notes and bills.

WESTERN STATES.

CHICAGO, ILL.—Private bankers of the State of Illinois met at the Sherman House on the occasion of the third annual meeting of the State Private Bankers' Association. J. J. P. Odell was invited to address the meeting as representing the Illinois State Bankers' Association. Mr. Odell suggested in his remarks that it would be a great benefit if the amalgamation could be arranged between the association of which he was a member and the Private Bankers' Association. The object of the two associations were similar, he said, and it would be, in his opinion, a great advantage if co-operation could be arranged between them. A committee of five was appointed for this purpose and the meeting will be held in the Union National Bank. President Morton, of Sterling, made the annual address. Col. Henry L. Turner defended the position of the private banker in a well-received address. He maintained that in the banking interests as well as other great interests the public confidence and loyalty was not drawn so much to the corporate bank as to the man who was recognized as the genius of the institution. It was not France but Napoleon around whom the people rallied; it was the personal integrity of the Rothschilds that maintained the confidence of Europe in their banking institutions. In America it was the individuality of one man that made a bank great. People did not speak of the bank in times of doubt and panic, but of the man who controlled it.

The following officers were elected:

President—Frank Elliott, Jacksonville.

Vice-Presidents—Phil Mitchell, Rock Island; William Heinemann, Chicago; W. S. Rearick, Ashland.

Secretary—Edward Tilden, Chicago.
Treasurer—E. S. Dreyer, Chicago.
Executive Committee—H. E. Ayers, Jacksonville; G. W. Evans, Mount Vernon; Henry McCoy, Cuba; M. W. Busey, Urbana; J. M. Metcalf, Girard; T. J. Kinney, Vermont; J. Millikin, Decatur.

TOPEKA, KAN.—Bank Commissioner Breidenthal says he is receiving in every mail statements of Kansas banks, issued in pursuance of his late call. They show a very good condition of affairs, much better than the last statements. Deposits have increased largely and business otherwise is greatly improved. The Douglass State Bank has gone into voluntary liquidation. All depositors will be paid in full. The Bank of Inman will be organized with a capital of $5,000.

KANSAS CITY.—The National Bank of Kansas City has resumed business, says the Kansas City *Journal*. The resumption of the bank was made the occasion of a demonstration which was the most gratifying in the history of banking institutions of this city. Hundreds of the patrons of the bank called to offer congratulations to the officers, and President J. S. Chick was, without exception, the happiest man in Kansas City. His gratification was shared by all those connected with the bank and was echoed by all; but the evidences of friendship were not confined to expressions of good-will by word of mouth. Actions speak louder than words, and those who gave utterance to their pleasure at the bank's resumption gave more tangible assurances of their confidence in the institution by making deposits. During the day the bank made the unheard-of record of receiving $271,000 in deposits, and less than $15,000 went out over the counter. There was a heavy run on the bank, but it was in the direction of the receiving teller's window, and the paying teller hardly earned his salary for the day. The officials of the bank were surprised at the almost touching and certainly inspiring evidences of good will and confidence, and the reopening of the bank will go down in the history of financial institutions of Kansas City as being altogether the most remarkable in every respect ever witnessed. It was a holiday at the bank and the officials held a reception all day long. Many were the hearty handshakes they received and the words of encouragement and confidence that were spoken to them. President J. S. Chick was at his desk when the bank opened, and with him were Vice-President Charles Campbell and members of the board of directors. Mr. Thomas Stringer was at the receiving teller's window and J. Q. Watkins, Jr., formerly connected with the bank for years, was at the paying teller's window. Cashier Anderson received heavy mails in the morning and there were scores of letters from country correspondents, all of them encouraging and many containing remittances. The fact that the bank had reopened under such splendid auspices, with the figures in the case, was telegraphed to Comptroller Eckels at Washington. The bank starts out with $1,000 000 unimpaired capital and every dollar is worth more than 100 cents. Much of the old assets can be realized on, but none of the old assets figure in the assets of the reorganized bank. Vice-President Campbell takes the place of W. H. Chick. John Long, W. B. Thayer and M. E. Wilson have been elected directors of the institution. The splendid exhibition of confidence on the part of the patrons of the bank augurs most encouragingly for the future, and the resumption of the bank will be received with pleasure by all the citizens of Kansas City. The National Bank of Kansas City has made a record of which it can be deservedly proud.

MINNEAPOLIS, MINN.—Representatives of nearly all the trust companies of the State have frequently conferred with Attorney General Childs as to whether or not trust companies should be allowed to receive deposits and issue checks thereon. The question has been agitated constantly since the law of 1883 governing trust companies was passed. The law provides that trust companies may do a banking business "as herein authorized." Then follows a lot of indefinite provisions regarding the taking of deposits, property, notes, etc., but it is all so very indefinite that the question as to whether they may take deposits as the banks take them has not yet been decided. A short time ago Samuel Hill, president of the Minneapolis Trust Company, of Minneapolis, wrote to Public Examiner Kenyon to know whether it was legal for the trust companies to take deposits. He said some of the companies had refused and their customers complained. Others, he believed, took them. The matter was referred to Attorney General Childs for an opinion,

and he called a meeting recently to hear the arguments of the trust companies on behalf of the proposition. Opinions on the other side have also been obtained and will be given equal consideration. All the arguments and communications on the subject are preserved and they would make a fair-sized volume. The trust companies, of course, claim that they should have the right to transact this class of business under their charters, and in the briefs submitted their attorneys made long arguments in favor of such a construction of the law. All admit, however, that the provisions are very blind. The law was fully discussed, and the attorney general will render an opinion soon.

ST. JOSEPH, MO.—The bankers of St. Joseph, Kansas City and Omaha are trying to form an agreement concerning some basis of exchange and exchange charges which shall be strictly enforced in all three of the cities mentioned. During the recent financial flurry all rules in regard to exchange charges were broken and banks had practically no system of regulating the same. The local bankers say the days of free exchange are over and that hereafter all customers will be compelled to pay alike for it. Should an agreement be reached the bankers of these three cities will form a union, based on the agreement entered into by the Kansas City Clearing House on May 1st last. The rules provide for a charge for exchange of not less than 15 cents per $100, except on such cities as Kansas City, St. Joseph and Omaha are in close commercial relations with. Out of town collections are to be made for one-tenth of 1 per cent. over the cost of collection. Demand drafts drawn by packing house, live stock, grain shippers or others on any person, firm or incorporation not a bank, banker, insurance, trust, loan or investment company shall be taken on St. Louis at a charge of not less than 50 cents per $1,000. Checks or drafts on other cities shall be sold for not less than 50 cents per $1,000; items from country correspondents indorsed by St. Louis or points east of the Mississippi River, not less than 10 cents per $100. Other and minor provisions are made by these rules to cover the cost of collections and exchange, and a penalty of $1,000 is named for the violation of anything in the agreement.

CLEVELAND, OHIO.—At the convention of the Ohio State Bankers' Association the address of welcome was delivered by the Hon. Thomas H. Wilson, cashier of the First National Bank of Cleveland.

The following resolutions were adopted and ordered sent to the Ohio Senators:

"Whereas, The Congress of the United States, at the urgent demand of the business interests of the country, has been called in special session by the President for the express purpose of taking such action in regard to the condition of the coin and currency of the country as should prevent mistrust and maintain confidence; and

"Whereas, Such action has now been delayed until the stagnation and uncertainty prevailing seriously menace the safe and profitable conduct of the business of the country,

"Resolved, That the Bankers' Association of Ohio, now in its third annual session at Cleveland, believes that the repeal of what is called the silver purchase clause of the Sherman law is necessary to enable the Government to maintain the parity between silver and gold.

"Resolved, That the Congress of the United States should pass laws sustaining a parity between gold and silver, predicated upon the co operation of other nations with whom we are in active commercial relations."

MILWAUKEE, WIS.—The capital stock of the Milwaukee National Bank has been increased to $450,000. The increased capital has all been paid in, most of it being contributed by Milwaukee people. With one exception the Milwaukee National Bank now has a larger capital than any other bank in the city. The Comptroller of the Currency has authorized the Milwaukee National to increase its capital stock to $500,000 and in a short time the bank's capital will reach that figure.

MILWAUKEE, WIS.—Judge Johnson, of Milwaukee, has rendered a decision of great importance in the banking business, and of especial interest to the depositors in the Mitchell bank. It is to the effect that the city of Milwaukee and State of Wisconsin are preferred creditors, and that not a penny of the assets can be devoted to paying depositors or liquidating other liabilities until the city and State have been paid the money on deposit when the bank closed. The city of Milwaukee has

$1,650,000 tied up in the bank, and the State of Wisconsin had $150,000 in the same institution. This makes a total of $1,800,000 that must be paid, under Judge Johnson's decision, before the individual depositors can hope to get a cent. This makes it look rather blue for the depositors.

SOUTHERN STATES.

ATLANTA, GA.—The Atlanta National Bank is doing business in its elegant new quarters. The new home of the Atlanta National is as fine a bank as there is in the city, not even excepting the Lowry Bank quarters. The interior is magnificently finished and all the furnishings are of the very finest.

LOUISVILLE, KY.—The reorganization of the Kentucky National Bank has been completed and the doors have been re opened for business. The new president is Mr. Jacob S. Bockee. Mr. Paul Jones has been elected vice-president and Mr. H. C. Truman cashier, he being retained by unanimous consent. Mr. Bockee, the new president, is a director in the Merchants' National, and this has caused a belief that there might be a marriage in the near future. The union of these two would make a very solid institution. The new president of the Kentucky National is a capable man and one of thorough business training. He has been in Louisville for sixteen years. Vice-president Jones is as well-known as Mr. Bockee. He is a representative whiskey man, and one of the wealthiest in the South. Both he and Mr. Bockee were members of the committee that made the report on the bank's condition, and consequently will start in thoroughly equipped with the full knowledge of all that has passed.

RICHMOND, VA.—The Virginia bankers have formed a State association. The constitution provides that the name of the association shall be the "Virginia Bankers' Association," and that the officers shall be a president, nine vice-presidents and a secretary and treasurer. Also, that there be an Executive Committee, a Committee on Banking and Jurisprudence, and Finance Committee. The objects of the association are to promote the general welfare and usefulness of banks and banking institutions, to cultivate more intimate, social, and business relations between members, to collect and disseminate valuable financial and economical information affecting the common interest of the members, to secure unity and co-operation in the furtherance of legitimate and conservative banking, and collect information as to the functions of banks and their relation to the commercial, industrial and agricultural interests of the State.

Judge George L. Christian, from the Committee on Permanent Organization, submitted the following names for permanent officers of the association:

President—Walter H. Taylor, president of the Marine Bank of Norfolk.

First Vice-President—C. M. Blackford, president of the People's National Bank of Lynchburg.

Second Vice-President—H. S. Trout, president of the First National Bank of Roanoke.

Third Vice-President—John H. Schoolfield, vice-president of the Citizens' Bank of Danville.

Fourth Vice-President—R. W. Burke, vice-president of the National Valley Bank of Staunton.

Fifth Vice-President—Henry C. Hardy, cashier of the Petersburg Savings and Insurance Company.

Sixth Vice-President—W. H. Lambert, cashier of the Citizens' National Bank of Alexandria.

Seventh Vice-President—George K. Anderson, cashier of the Alleghany Bank of Clifton Forge.

Eighth Vice-President—W. J. Johnson, president of the Citizens' Bank of Richmond.

Ninth Vice-President—C. M. Braxton vice-president of the First National Bank of Newport News.

Secretary and Treasurer—Samuel G. Wallace, cashier of the Citizens' Bank of Richmond.

The report was adopted, and in the absence of Colonel Walter H. Taylor, the permanent president, Captain C. M. Blackford was called to the chair.

Major Scott nominated the following gentlemen to constitute the Executive Committee, and they were elected: W. H. Palmer, of Richmond; Caldwell Hardy, of Norfolk; F. X. Burton, of Danville; J. B. Pace, of Richmond; P. A. Krise, of Lynchburg; C. D. Fishburne, of Charlottesville; C. R. Bishop, of Petersburg; H. M. Darnall, of Roanoke; H. D. Fuller, of Winchester.

The Chair appointed the following Committee on Banking and Jurisprudence; George L. Christian, Richmond; L. R. Watts, Portsmouth; J. S. Ellett, Richmond; Alexander Hamilton, Petersburg; A. L. Boulware, Richmond; A. A. Phlegar, Christiansburg; T. T. Fishburne, Roanoke; H. L. Schmelz, Hampton; J. A. Taylor, Fredericksburg.

The Chair also appointed W. M. Hill, of Richmond; A. S. Ashbury, of Roanoke, and W. F. Nicholson, of Pulaski, the Committee on Finance.

FOREIGN.

CANADA.—The Board of Directors of the Guarantee Co., of North America, at their meeting held on the 16th of October, unanimously elected Mr. Edward Rawlings, vice-president and managing director, to fill the position of president of the company, rendered vacant by the death of the late Sir. Alex. T. Galt. Mr. Rawlings' experience is to day doubtless second to none on the continent. Mr. W. J. Withall, vice-president of the Quebec Bank, was elected vice-president, and Mr. John Cassils was elected to fill the vacant directorship. The company are to be congratulated on securing the co-operation of so able a business man as Mr. Cassils on its Board of Directors. The board of this company is now composed as follows: President and managing director, Edward Rawlings; vice-president, Wm. J. Withall, vice-president Quebec Bank; E. S. Clouston, general manager Bank of Montreal; George Hague, general manager the Merchants' Bank of Canada; Wm. Wainwright, assistant general manager Grand Trunk Railway; T. G. Shaughnessy, vice-president Canadian Pacific Railway; Hartland S. Macdougall, stock broker and financial agent; John Cassils, director Merchants' Bank of Canada; E. C. Smith, president Central Vermont Railroad.

MONTREAL.—At the annual meeting of the Molsons Bank the general statement of profit and loss account to September 30, 1893, as compared with the previous year was as follows: Balance at profit and loss on September 30, 1892, $89,228.53, as compared with $88,478.09 on September 30, 1891; 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, $221,694.75, as against $280,750.44 in 1892. It was shown that 11 per cent. had been gained, as against 14 last year. A dividend of 8 per cent. is to be paid and the remainder applied to the Rest, which now amounts to $1,200,000 on a capital of $2,000,000, and also for interest on current notes discounted. The president, Mr. J. H. R. Molson, in replying to some inquiries said: "The first question was one having reference to the bonus. When we have had exceptionally good years we have given a bonus; when we have not made so much, we have not given any. Last year our earnings were larger than this, and one was given; the earnings of this year not being so large, it has been omitted. We have, however, paid a dividend of 8 per cent., which, I think, should be reasonably satisfactory to the shareholders. We have earned 11 per cent. it is true, and we have put from that amount $50,000 to our Rest account, making it $1,200,000; and we have added $10,000 to the rebate on current notes discounted, making it $60,000, and it may probably be added to from time to time, if it is thought advisable. The possession of a Rest account means funds kept there for safety against any unusually bad times, and I think it is a great benefit; it gives stability, for the share-holders can see, instead of merely the paid-up capital, that they have something to fall back upon, and it has, in many instances, been of great value to banks that have had it."

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from October No., page 316.)

	Bank and Place.	*Elected.*	*In place of.*
ALA....	Bank of Montgomery.....	M. P. Le Grand, Jr., *P.*...	M. P. Le Grand.*
CAL....	Merchants National Bank, San Diego.	Edward Ivinson, *P.*.....	M. A. Weir.
		Levi Chase, *1st V. P.*.....	Ralph Granger.
		Ralph Granger, *2d V. P.*...	.....
		Geo. W. Delaplaine, *Asst.*.	.....
"	..B. of Santa Cruz Co., San. Cruz	W. T. Jeter, *P.*.....	J. H. Logan.
"	..Bk. of Sav.& Loans, Santa Cruz.	W. T. Jeter, *P.*.....	J. H. Logan.
COL....	First National Bank, Boulder.	A. J. Macky, *P.*.....	Jno. G. Cope.*
		D. L. Wise, *V. P.*	.....
CONN...	Charter Oak Nat. Bank, Hartford.	Jas. P. Taylor, *P.*.....	J. F. Morris.
		M. A. Andrews, *Cas.*.....	J. P. Taylor.
IDAHO..	Moscow Nat. Bank, Moscow....	W. C. Ewing, *Cas.*.....	C. S. Scott.
ILL....	Hibernian Banking Asso., Chicago.	Henry B. Clarke, *V. P.*....	Chas. F. Clarke.*
		Louis B. Clarke, *Asst.*....	Henry B. Clarke.
"	..First National Bank, Harrisburg.	Wm. M. Gregg, *P.*.....	Robert Mick.
		C. H. Burnett, *V. P.*.....	Wm. M. Gregg.
IND.....	First Nat. Bk., Crawfordsville..	H. S. Braden, *P.*.....	W. H. Durham.
"	. First Nat. Bank, Lebanon.....	W. J. De Vol, *Asst.*.....	.....
"	..New Albany N. B., N. Albany.	Geo. Borgerding, *Cas.*.....	W. P. Brewer.
"	..Peoples Bank, Windfall.....	W. B. Hale, *Cas.*.....	A. F. Swoveland.
KY.....	Kentucky National Bank, Louisville.	J. S. Bockee, *P.*.....	J. M. Fetter.
		Paul Jones, *V. P.*.....	Attilla Cox.
"	..Newport Nat. Bk., Newport..	S. G. Danks, *Cas.*.....	H. M. Healy.
LA.	Traders Bank, New Orleans....	John Bornholdt, *Asst. & Actg. Cas.*	
"	..Bank of St. Martinsville..	Albert Bienvenue, *Cas.*.....	Oscar M. Nilson.
ME.....	Farmers Nat. Bank, Houlton .	Llewellyn Powers, *V. P.*...	Eben Woodbury.
"	..Chapman Nat. Bank, Portland.	Chas. J. Chapman, *V. P.*	.....
MD.....	Equitable Nat. Bk., Baltimore.	Henry B. Wilcox, *Cas.*.....	Samuel I. Hindes.*
MASS...	Atlantic Nat. Bank, Boston....	Wm. B. Denison, *Asst.*...	.....
"	..First Nat. Bk., North Easton...	Oakes A. Ames, *V. P.*.....	Cyrus Lothrop.
"	..Woronoco Sav. Bk., Westfield.	J. H. Ashley, *Tr.*.....	Chas. L. Weller.*
"	. Winchester Sav. B., Winchester.	Jas. F. Dwinell, *P.*.....	Thos P. Ayer.*
MICH. .	Adrian State Sav. Bank, Adrian.	R. A. Watts, *P.*.....	Wm. S. Wilcox.*
		Adolph Wheeler, *V. P.*....	R. A. Watts.
		A. D. Gilmore, *2d V. P.*...	.....
"	..Third Nat. Bank, Detroit.....	H. W. Noble, *Cas.*.....	Fred'k Marvin.
"	. First National Bk., Hancock...	Wm. Harry, *P.*.....	S. D. North.*
"	..State Bank, Middleville.....	R. E. Combs, *P.*.....	A. J. Brown.
MINN...	Bank of North Branch, North Branch.	A. J. Anderson, *Act. Cas.*..	W. W. Shulean.
		F. J. Ahlstrom, *Asst.*.....	.....
MISS..	First Nat. Bank, Vicksburg....	J. M. Phillips, *Cas.*	R. C. Allein.
MO.....	Henry Co. Bank, Clinton.....	J. W. Middlecoff, *P.*.....	.....
"	..Bank of Sheldon.....	C. B. Floyd, *Cas.*.....	E. T. Kennedy.
MONT ..	Northwestern N. B., Gt. Falls..	R. P. Reckards, *Asst.*.....	.....
"	..Bank of Neihart.....	G. H. Dormer, *Cas.*.....	E. B. Norell.
NEB....	First Nat. Bank, Wood River..	F. M. Penney, *Cas.*.....	E. S. Leavenworth.
N. H...	Amoskeag Nat. B., Manchester.	Henry Chandler, *V. P.*....	.....
N. MEX.	First National Bank, Eddy.....	F. Dominice, *V. P.*.....	W. A. Hawkins.
N. Y....	Yates Co. Nat. Bk., Penn Yan.	Frank S. Tower, *Asst.*....	B. Sheppard.
"	..First Nat. Bank, Red Hook....	Clarence Shook, *Cas.*.....	Jno. S. Crouse.*
N. C....	First National Bank, Winston.	J. C. Buxton, *P.*.....	J. W. Alspaugh.
		W. A. Whitaker, *V. P.*....	G. A. Follin.
		Jno. G. Miller, *Cas*.....	S. E. Allen.
OKL. T.	Guthrie Nat. Bank, Guthrie....	G. F. Herriott, *V. P.*....	A. W. Little.
"	..Citizens Bank, Norman.....	D. W. Murquart, *P.*.....	T. W. Hendricks.
"	..Farmers & Merch. Bk., Perry..	Hiram L. Boyes, *P.*.....	.....
ORE....	First National Bank, Union.	W. T. Wright, *P.*.....	George Wright.*
		Will Wright, *Cas.*.....	W. T. Wright.

* Deceased.

	Bank and Place.	Elected	In place of.
PA.	Lehigh Valley Trust & Safe Deposit Co., Allentown.	James P. Barnes, *P.*	E. G. Martin.*
		Ed. K. Reninger, *Sec. & Tr.*	Jas. P. Barnes.
"	First Nat. Bank, Philipsburg.	Robert F. Mull, *Cas.*	O. Perry Jones.
"	Moshannon Banking Co., Philipsburg.	O. Perry Jones, *Cas.*	W. H. Sandford.
"	First Nat. Bank, Reading.	J. W. Richards, *Asst.*	.....
R.I.	Nat. Niantic Bank, Westerly.	Wm. B. Hull, *P.*	Thos. W. Segar.*
TEXAS.	Ballinger Nat. Bk., Ballinger.	W. J. Wingate, *V. P.*	J. N. Winters.
"	Farmers & Mech. Nat. Bank, Fort Worth.	M. T. Bradley, *Asst.*	.....
"	First National Bank, Marshall.	W. C. Feild, *Cas.*	B. W. Long.
"	State National Bank, Vernon.	F. M. Mabry, *Cas.*	A. U. Thomas.
VT.	National Bank of Orange Co. Chelsea.	John B. Bacon, *V. P.*	.....
		O. B. Copeland, *Cas.*	John B. Bacon, *Act.*
VA.	Nat. Bk. of Fredericksburg.	C. W. Wallace, *P.*	Chas. Wallace.*
"	Bank of Lawrenceville, Lawrenceville.	R. Turnbull, *P.*	E. Dromgoole.
		P. I. Bostwick, *V. P.*	R. Turnbull.
WASH.	First Nat. Bank, Puyallup.	Fred. S. Meeker, *Cas.*	W. H. Nichol.
W. VA.	Bank of Kingwood	Jas. W. Parks, *Cas.*	F. Heermans.
WIS.	Milwaukee National Bank, Milwaukee.	John D. Inbusch, *P.*	.....
		John P. Murphy, *V. P.*	.....
		John F. Cramer, *2d V. P.*	.....
		Geo. W. Strohmeyer, *Cas.*	.....
		William F. Filter, *Asst.*	.....
"	Citizens Nat. B., Stevens Point.	G. E. McDill, *Cas.*	.....
WYO.	Bank of Commerce, Sheridan.	L. H. Brooks, *P.*	.....
		B. F. Perkins, *Cas.*	J. L. Larimer.
ONT.	Western Bank of Canada, Tilsonburg.	F. Biette, *Mgr.*	C. L. Rennie.
N. B.	Bank of Nova Scotia, Newcastle.	Blair Robertson, *Agt.*	.....
N. S.	Union Bank of Halifax, Little Glace Bay.	A. D. MacRae, *Agt.*	W. C. Harvey.
P. E. I.	Bank of Nova Scotia, Charlottetown.	John Pitblado, *Agt.*	D. C. Chalmers.

* Deceased.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from October No., page 315.*)

State.	Place and Capital	Bank or Banker.	Cashier and N. Y. Correspondent.
COL.	Georgetown. $50,000	Bank of Clear Creek Co. (Re-opened) Chas. R. Fish, *P.*	Kountze Bros. Jesse M. Copeland, *Cas.* Fred P. Dewey, *Asst.*
DAK. N.	Carrington. $10,000	Carrington State Bank. Chas. H. Davidson, Jr., *P.*	..... E. L. Davidson, *Cas.*
ILL.	Manito. $10,000	Peoples Bank. Conrad Luppen, *P.*	Hanover National Bank. Elmer E. Randolph, *Cas.*
"	Normal. $50,000	First National Bank. John W. Aldrich, *P.*	..... Chas. C. Schneider, *Cas.*
IOWA.	Ackley.	Bank of Ackley. John C. Lusch, *P.* Frank Martin, *V. P.*	Knauth, Nachod & Kuhne. Samuel Y. Eggert, *Cas.*
MICH.	Watervliet.	Parsons & Baldwin.	.....
NEB.	Omaha. $50,000	McCague Savings Bank (Re-opened) Mark C. Acheson, *P.*	First National Bank. Thomas H. McCague, *Cas.* L. D. Spaulding, *Asst.*
"	Red Cloud. $15,000	Peoples Bank. James L. Miner, *P.*	..... Walter A. Sherwood, *Cas.* Hugh Miner, Jr., *Asst.*
OHIO.	Ada. $12,500	Ada Savings Bank. Justin Brewer, *P.* Frederick Maglott, *V. P.*	Chase National Bank. James Bastable, *Cas.* Clyde Sharp, *Asst.*
"	Glouster.	Citizens Bank. F. J. Wilson, *P.*	..... David Edwards, *Cas.* Chas. W. Wilson, *Asst.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
OKL T.	Woodward.....	Exchange Bank.....	Chase National Bank.
	$25,000	Linton J. Usher, *P.* P. Doyle, *V. P.*	John M. Pugh, *Cas.*
PA.	Blairsville.....	Blairsville National Bank.. Jno. H. Devers, *P.*	..... Robert M. Wilson, *Cas.*
R. I.	Providence.....	C. Franklin Nugent & Co.	Lewis G. Tewksbury. Edward M. Dexter, *Cas.* Geo. R. Hanaford, *Asst.*
S. C.	Kingstree.....	Snow & Co.....	Chase National Bank.
	$10,000		
TENN.	Nashville.....	Bank of Nashville.....	.....
	$50,000	Selden R. Williams, *P.* W. A. Wray, *V. P.*	
VA.	Rocky Mount...	Merchants & Farmers Bk..	.....
	$100,000	Jas. H. Dudley, *P.* Jas. J. Carper, *V. P.*	G. H. T. Greer, *Cas.* James C. Greer, *Asst.*
WIS.	Amherst.....	International Bank.....	Nat. Bank of North America.
	$25,000	Benjamin Burr, *P.* H. M. Nelson, *V. P.*	Jacob O. Foxen, *Cas.*
ONT.	Kingston.....	Standard Bank of Canada.	..... W. D. Hart, *Agent.*

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(*Continued from October No., page 318.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4919	Blairsville National Bank..... Blairsville, Pa.	John H. Devers,	Robert M. Wilson,	
4930	First National Bank. ..... Normal, Ill.	John W. Aldrich,	Charles C. Schneider,	$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 October, 1893.

MO.....Stanberry.....First National Bank, by A. L. Tomblin and associates.
OKL. T.Enid.....First National Bank, by H. T. Smith and associates.

PROJECTED BANKING INSTITUTIONS.

CAL....Anaheim.....Citizens Bank established.
FLA....Orlando.....Reynolds & Co., Bankers; capital, $25,000. W. H. Reynolds, President; B. H. Kuhl, Cashier.
GA.....Hapeville.....Mutual Banking Co. chartered.
ILL.....Jacksonville....Central State Bank; capital, $100,000. Incorporators: Lloyd W. Brown, John C. Andras, John I. Chambers, E. B. Adams, D. R. Browning.
IOWA...Sioux City.....Inter Ocean Banking Co.; capital, $1,000,000. Incorporators: C. W. Burrett, Jr., and H. J. Froelich.
" ..Wolcott.....Wolcott Savings Bank; capital, $30,000. H. H. Lind, President; Henry Kohl, Cashier.
MICH...Albion.....Commercial and Savings Bank. John G. Brown, President; L. B. Allen, Vice-President; P. M. Dearing, Cashier.
" ..Detroit.....Frederick Marvin has resigned as Cashier of the Third National Bank of Detroit, and will open a broker's office.
" ..Forestville.....A new bank will be established at Forestville.
MO.....Ash Grove.....Swinney Banking Co.; capital, $20,000.
PA.....Lebanon.....A new State bank, with $100,000 capital, will be started at Lebanon.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from October No., page 318.)

COL....Ouray.....First National Bank authorized to resume business.
IND ....N. Manchester..First National Bank in hands of receiver.
IOWA...Ackley.....Ackley Bank (Lusch, Carton & Co.) succeeded by Bank of Ackley, private.
KAN....Cuba.....T. F. Seymour & Co. out of business.
KY.....Louisville.....Kentucky National Bank authorized to resume business.
MICH...Climax.....Exchange Bank assigned.
MINN...Mantorville.....Bank of Mantorville assigned.
" ..Rochester.....Union National Bank authorized to resume business.
MO.....Kansas City....National Bank of Kansas City authorized to resume business.
" ..Kansas City....Jarvis Conklin Mortgage Trust Co. closed.
MONT ..Wh. Sulp. Spgs.First National Bank authorized to resume business.
NEB....York .....First National Bank authorized to resume business.
N. MEX.Socorro.....Socorro National Bank reported closed.
N. Y... Lockport .....Merchants Bank reported closed.
OHIO...Ada.....Citizens Bank succeeded by Ada Savings Bank.
" ..Findlay.....Farmers National Bank authorized to resume business.
" ..Glouster.....Glouster Bank succeeded by Citizens Bank.
R. I....Providence.....Sheldon & Binney reported suspended.
" ..Providence.....Merchants Savings Bank reported in liquidation.
" ..Providence.....Wilbour Jackson & Co. reported suspended.
TENN...Clarksville..... Farmers & Merchants National Bank has gone into voluntary liquidation; business transferred to Clarksville National Bank.
" ..Dayton.....First National Bank in hands of receiver.
" ..Nashville .....Safe Deposit Trust & Banking Co. reported assigned.
WASH. Ellensburg.....Ellensburg National Bank authorized to resume business.
" ..Port Townsend.Port Townsend National Bank in hands of receiver.
WIS....Racine.....Union National Bank authorized to resume business.
WYO...Sundance .....First National Bank in hands of receiver.

DEATHS.

AYER.—On October 11, aged seventy-five years, THOMAS P. AYER, President of Winchester Savings Bank, Winchester, Mass.

CROUSE.—On October 6, aged sixty-five years, JNO. S. CROUSE, Cashier of First National Bank, Red Hook, N. Y.

LIVINGSTON.—On September 29, aged ninety-one years, FREDERICK LIVINGSTON, President of First National Bank, Peterborough, N. H.

NEWTON.—On October 8, aged sixty-one years, D. C. NEWTON, President of First National Bank, Batavia, Ill.

RYLE.—On October 9, aged forty-two years, PETER RYLE, President of Silk City Safe Deposit & Trust Co., Paterson, N. J.

TALIAFERRO.—On October 4, aged thirty years, BRYAN TALIAFERRO, Cashier of First National Bank, Jacksonville, Fla.

WALLACE.—On October 1, aged fifty-three years, CHAS. WALLACE, President of National Bank of Fredericksburg, Va.

WILDMAN.—On October 16, aged eighty-eight years, FREDERICK S. WILDMAN President of Savings Bank of Danbury, Conn.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, OCTOBER, 1893.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... ...reg.	Quarterly—Mar.	98	98	96	96
4s, 1907.....reg.	Quarterly—Jan.	110	111¼	110	111
4s, 1907 ....coup.	Quarterly—Feb.	111	111¼	110	111
6s, cur'cy, 1895, reg.		102	102	102	102
6s, cur'cy, 1896, reg.	Jan. & July.	104	104	104	104
6s, cur'cy, 1897, reg.		106	107	106	106
6s, cur'cy, 1898, reg.		109	109½	109	109
6s, cur'cy, 1899, reg.		111	111	111	111

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	2½	2⅛	2⅛
Canadian Pacific	75½	75½	73¼	—
Canada Southern	—	53¾	46	52
Central of N. J	—	120¼	106	—
Central Pacific	20	21	20	—
Ches. & Ohio	16⅜	19⅝	15⅜	19⅝
Do 1st pref.	—	—	—	—
Chic. & Alton	—	136	136	—
Do pref.	—	—	—	—
Chic., B. & Q	82½	87⅝	77⅛	85⅜
Chic. & East'n Ill	—	58	54½	58
Do pref.	—	98½	93	—
Chic., M. & St. P.	59¾	68¾	56½	66¾
Do pref.	—	121	114½	—
Chic. & N. W.	99	107¼	98½	106⅜
Do pref.	—	140	138	—
Chic., R. I. & P.	64¼	72½	59¾	70½
Chic., St. P., M. & O.	34	39⅞	33	38¼
Do pref.	—	112½	105	—
C., C., C. & St. L.	35	38⅛	30½	36⅞
Do pref.	—	80	74	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	—	28	23	25
Col., H. Valley & Tol.	20	23½	19¼	22⅞
Del. & Hudson	120	131⅞	119	130¾
Del., Lack. & W.	149¼	171½	146½	170
Den. & Rio Grande	—	10⅜	9½	—
Do pref.	29¼	31	27¾	28¼
East Tenn. V & G	—	½	½	½
Do 1st pref.	—	—	—	—
Do 2d pref.	—	2½	2½	—
Evansville & T. H.	—	83¾	75	80
Illinois Central	93	98	91	95
Lake Erie and Western	—	19	15	17¾
Do pref.	67	71	66	69¼
Lake Shore	121⅞	129½	119¾	128
Long Island	—	97½	92¾	—
Louisville and Nashville	51	53	43⅜	51
Louisville, N. Alb & Chic.	15	16⅜	10⅜	11¼
Manhattan Consol	125	135	122¼	133
Mexican Central	—	6	6	—
Michigan Central	92	102½	90	100½
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	13	9¾	—
Do pref.	—	34¾	28	—
Mo., Kan. & Texas	—	13⅛	10⅝	—
Do pref.	19½	23⅝	18¾	23
Missouri Pacific	23½	29⅝	20¾	27⅜
Nash., C. & St. L.	—	60	58½	—
N. Y. C. & Hudson	101	104	100	103½
N. Y., C. & St. L.	—	18	13	17¾
Do pref.	—	68	55	65
N. Y., L. E. & W.	14	16	13¼	14½
Do pref.	—	32	29	—
N. Y. & New Eng	29½	36⅞	26½	34
N. Y., Ont. & W.	14¾	18⅛	14¼	17¼
N. Y., Sus. & W.	—	16⅞	13	16¼
Do pref.	43	49½	41¼	48
Norfolk & Western	—	—	—	—
Do pref.	—	22	20	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	7	8	6	7⅝
Do pref.	—	25¼	18¾	23
Ohio & Mississippi	—	15	15	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	40	26	29
Oregon Short Line	9	9	5½	—
Pacific Mail	—	19¾	14	19¾
Peoria, Decatur & Evansville	—	8⅞	5	—
Philadelphia & Reading	18⅜	23¾	15⅞	22⅜
Pullman Palace Car Co.	167	177	166	176⅛
Rich. & W. P. Term	3⅝	4¼	2⅝	3⅞
Rio Gr. Western	—	—	—	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	—	108	108	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	—	28¼	25⅛	—
Do pref.	—	—	—	—
St. Paul, M. & M.	—	106	102¾	—
Southern Pacific Co.	18⅜	19⅜	17⅝	19⅜
Texas & Pacific	6¾	9	6⅛	8¼
Union Pacific	20⅝	21	15⅝	19
Wabash, St. Louis & Pacific.	7	9	6⅞	8
Do pref.	13¼	17¾	14⅛	16⅝
Wisconsin Central	—	6¼	4⅞	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	34¼	39¼	33½	38¼
Nat. Lead Trust	27¼	29⅝	25¼	28¼
Tenn. Coal & Iron	15½	17	14	16¼
Express—Adams	—	145	140	144¼
American	—	117	110	115
United States	—	56	50	56
Wells-Fargo	—	135	125	129¾
Sugar Refineries	88⅞	105½	86½	103
Do pref.	87	94	86	93⅛
Western Union	81¼	93⅞	80¼	91⅛
Wheel. & Lake E.	—	16⅞	12¾	16¼
Do pref.	—	55⅛	42½	53½

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVIII. DECEMBER, 1893. No. 6.

THE NEW CURRENCY.

The repeal of the Silver Bill has given a fresh interest to the question, In what manner shall more currency of some kind be provided for the country? While that act was in operation all the circulation was furnished that business required; though there was a class who clamored for more, and who are never satisfied with the amount whatever it may be. All, however, having the welfare of the country at heart, were quite in accord in believing that the silver currency furnished all the increase that the legitimate wants of business required. It is true those who assumed that the National debt would be paid in a few years have not lost sight of the question of a future issue to take the place of a National bank circulation, which it was believed was doomed with the extinction of the bonds that formed its basis. But now, the situation is entirely changed; the silver currency has come to an end. At present, the only new supply is by the National banks, and also the gold derived either from our own mines, or coming from foreign sources.

In the first place it may be remarked that this question is by no means a pressing one. No one need be in haste to find a way of increasing our circulation, so long as business continues in a depressed condition. The enormous idle deposits are unanswer-

able proof that at present at least there is an ample currency for all classes and interests. No more could probably be used, if it were furnished. In a time like this money is abundant for those who can furnish good security while for those who do not possess good security it is very dear, and can hardly be had at any price. No amount of additional issues would relieve the wants of borrowers who are now obliged to pay high rates of interest in order to obtain money, for, as we have just remarked, the difficulty with this class is not a lack of money for them, but a lack of credit on their part. Whenever this can be furnished, the money will be readily forthcoming at very reasonable rates of interest. It is true that when money is plentiful lenders are sometimes inclined to take more risks than they would at other times, and this is one of the vices of inventing any kind of money which can be easily and cheaply obtained. Set the paper mills going, as one class would like to do, so that money could be easily and cheaply made, and doubtless it would be loaned to every one on his own terms. But, of course, we all know the end of such things. Sooner or later the confidence of the community in the issuer goes, and then the paper currency with which he has flooded the country ceases to have any value. This has been the history of cheap and easy paper money issues at all times, and any scheme whereby such an issue can be legalized will doubtless run the same course.

Under the present policy of paying for the silver notes in gold, the Government has issued all the paper money which it can float safely on the gold in its possession. It is generally believed that with the repeal of the Silver Law, the silver certificates now in circulation will continue to circulate without difficulty, but while the law was in operation, of course, it was seen that the redemption fund was constantly growing smaller in proportion to the paper issued by the Government. We need not at this late day criticise the action of the Government in paying its silver notes in gold; or whether if the policy had been boldly adopted in the beginning of paying them in silver, the market price of that metal would have been better maintained. But one fact is certain, that if the Government would now adopt the policy of paying for the silver certificates in silver at its market value in gold, the effect of the policy would be practically to add the silver to the gold redemption fund in the possession of the Government. Instead of a redemption fund of eighty-five millions of gold held by the Government for that purpose, there would be several hundred millions—an ample fund to secure all the notes outstanding. In our judgment, this is one of the first things that Congress ought to do with our currency. Nor would such a measure affect unfavorably the price of silver. None would be put on the market by such

a change in the law or policy of the Government. Such a measure would inspire new confidence in the ability and honesty of our Government; impare in no way the prospects or business of silver production, and strengthen the Treasury by practically adding a large sum that would be immediately available for redemption purposes.

The Government need be in no haste to increase the circulation in any way until there is a revival in business. Until this comes, there is no need of more money, as there will be no real use for it. The only effect would be to increase the quantity, possibly revive speculation, and in the end injure, instead of improve the business of the country. This, therefore, is an important fact to be kept in mind in dealing with this question.

One of the modes of increasing our circulation, which finds favor in many quarters, is to adopt the Canadian system of bank-note issues, which was described in a recent number of the MAGAZINE. No one who is familiar with that system will question its perfection for Canada; but it does not follow that the same system of banking would work equally well in this country. Different countries and peoples often require different systems. One reason why the Canadian system works so admirably in Canada is that the bankers are conservative and highly intelligent. There is far less speculation among them than among ours, and they are better bankers. Of course, there are many excellent bankers here, but there are also many of the other kind. No one will question that whatever system of circulation may be adopted in this country, the older and more conservative bankers will exercise proper prudence; but the difficulty springs not from the old banks, not from the well-managed institutions, but more especially from those who are not now engaged in banking, but who would at once do so if there was any prospect of making money speedily by some new-fangled system of cheap and easy money issues. This is the same class of people who are always looking around to find the way to make a fortune in a day. No country is exempt from them. But our country especially during the last twenty-five years has had more than its full quota of this class of persons who, having exhausted all their schemes for making money, are now turning to the National Government in the hope of securing the repeal of the ten per cent. tax on circulation, and thereby prepare an easy way to issue notes which shall circulate as money, very much as was done thirty or forty years ago in the Western and Southwestern States. There should be no encouragement given to this class. Nothing could be worse than to repeal the ten per cent. tax, and thus prepare the way for this class to operate. And nothing is more certain than this, if the tax were repealed they would certainly succeed in some of the States and Territories in having laws enacted whereby they

could launch their schemes, and prey once more on the credulity and ignorance of the people. The worst suffering from the scheme would not be borne by the more intelligent nor the rich, but by the poorer people, who have no knowledge of banks or the methods by which they are conducted, or of the laws regulating the currency. Neither Congress nor the States can afford to establish any system whereby such a wrong or injury can be perpetrated.

Finally, the easiest and most prudent method of enlarging the paper circulation is, we contend, to permit the National banks to hold in addition to the Government bonds, other securities as a basis for their issues. There are to-day thousands of millions of good bonds, issued by states and municipalities and railroad companies, which afford an ample security for circulation. Congress might wisely specify from time to time the issues which banks could hold for this purpose, and if this policy were adopted, it would be much simpler than any other. There would be less speculation; there would be less danger in every regard than would follow the abandonment of a system which, on the whole, has worked so well to return to the old State system which worked so poorly. For it must not be forgotten that all of the new State bank schemes, notwithstanding the changes and improvements suggested, are after all essentially the old schemes that have been tried and found wanting. Nor is there any reason for supposing that, if they were revived, they would work any more effectively than they did before. It is true that the people have grown wiser than they were half a century ago, but this fact proves absolutely nothing with respect to their conduct. Undoubtedly, State banks could be established which in theory would be perfect enough, but by reason of the difficulties above mentioned, they would break down more quickly probably than they did before. Why not attempt the simpler method, instead of venturing once more on the wild sea of experiment?

Silver Exports.—One of the consequences of suspending the purchase of silver by the Government will be the renewal of silver exports, for doubtless all of the more valuable silver mines will continue to be operated the same as ever, after wages have been reduced and other economies have been effected. With continued production, therefore, and no public market, producers must look elsewhere for buyers. During the last fifteen years the most of our silver has been consumed at home, but hereafter it ought to figure as a very considerable item in our exports. Thus, it will be a desirable addition toward restoring the balance of trade; besides, there is no product which we can better afford to send away.

A REVIEW OF FINANCE AND BUSINESS.

RELAPSE AFTER EXCITEMENT AND SUSPENSE.

Silver Repeal came too late to save fall trade; and, after such excitement as the country experienced last summer; followed by such suspense and anxiety as was endured, during the first two months of autumn, a reaction and relapse, after it was ended, was as inevitable, in the business of the country, as it would have been, in the case of an individual, after such protracted strain, both mental and physical, as to produce exhaustion and prostration. when it should cease.

This is what has been experienced, the past month; and, those who had expected the repeal of the Silver Law, to cure all the damage its operations had wrought for six months, in one, have been disappointed and discouraged. As well might a sick man, who had barely passed the crisis in a fatal disease, expect to get out of bed and resume his usual labors on the following day. Indeed, it takes as much longer to restore to healthy and natural action, the business of a country, than of an individual, after it has been disorganized and demoralized by panic, as it does to destroy its confidence and credit in the first instance. Such enormous and general losses and shrinkage in values, as were suffered by the people of every class, throughout the country, during and since the panic of last summer, cannot be recovered from in a month, nor in the six months it required to make them; and, if a year shall overcome these losses sufficiently to enable the country to resume the business interrupted when the panic came, it will be a rapid recovery, indeed. But it will take more than a year, of general prosperity, to make good the losses of the past half-year. Panics come in a day; but they wholly disappear, only after years. This is the penalty the country is paying, and still must pay, for its costly experiment in silver legislation. But there are

OTHER CAUSES FOR THE PRESENT STAGNATION.

The depression that followed the panic of 1873, did not disappear until 1878; its depths not having been reached, until the spring of 1877. This was the most protracted panic the country has ever seen, there having been only a temporary recovery during those five years, from 1873 to 1878. This was due to a culmination of complex causes, national and international, growing out of the general return of peace and normal values, after a decade of war, and its inflation of prices, beginning in 1861, in this country and lasting till 1865; followed in 1866 by the Austro-Prussian war; and ending

in 1870–71 with the Franco-German war. This was succeeded by six years of peace, and then the Turco-Russian war of 1877–1878. Added to this, short crops for three successive years occurred in Europe, which caused an enormous export demand for three abundant harvests in succession in this country, which lifted it out of the depression of 1873–78. The panic of 1884 followed the Grant & Ward period of kite-flying, and general speculation and inflation in everything, resulting from the wonderful prosperity that succeeded the era of high prices and enormous export demand for our agricultural products from 1878 to 1882. Since then, both exports and prices have steadily declined, except during short crop years in Europe, until the lowest figures on record for both, had been reached, within the past two years. It was in the depths of this agricultural depression, that this year's silver panic occurred. Prices of wheat were abnormally low before it struck us. Indeed, so low, that a clique in Chicago had undertaken to bull the previous crop, because it was cheap. The failure of this combination caused prices to go lower after, than before their unsuccessful attempt. The panic has since compelled farmers to sell a still smaller crop, at still lower figures, in order to raise money, faster than Europe could take it. The result, is the largest amount of wheat in sight ever known; and, with the late tight money market, prices were still further forced down, until below the lowest previous record of two years ago, when cotton and other export staples reached the lowest prices since statistics of these trades were kept. Hence general business had long been decreasing in value, if not in volume, as a result of this

WIDESPREAD AGRICULTURAL DEPRESSION,

which alone would prevent a sudden recovery of general business from the effects of the panic, as big exports and high prices made it possible, in 1878. For, small crops and low prices mean the impoverishment of the agricultural classes, which constitute over one-third of our population. This of itself, would have made hard times, had no panic occurred, as the prosperity of these classes is always followed by general prosperity, in a country like ours, whose chief staples of export are agricultural products. The effect of this is seen on manufactured goods, the demand for which has been unusually small from all parts of the country, because the farmers have little money left from their crops to spend, after paying interest on their farm mortgages and their old debts from the previous bad years. Cotton planters have been more favored than grain growers, as they got good prices for last year's crop, although at the expense of quantity. But prices have receded again with everything else, and the heavy movement of this crop, as well as of grain at declining prices, proclaims the same

necessity South as West among the agricultural classes. Of course, this state of affairs is giving the railroads more than the usual proportion of their crop traffic at this season; and, thereby keeps up their earnings, as predicted in last month's review, better than expected. But it is at the expense of their earnings from this source, for the last half of the crop year, which cannot fail to be materially reduced, from the present volume not only, but below the same period a year ago. By January 1st, therefore, a sharp falling off in the crop movement is likely; and it must continue until another crop comes to market, after July next, unless this year's crops have been more grossly underestimated, even than generally believed in the trade, and than indicated by the abnormally heavy movement of almost every crop to date. Unless, therefore, the railroads get increased traffic of other kinds, there must be a falling off in earnings after the end of this year, as passenger traffic will certainly be lighter than usual, after the rush to the World's Fair, for three months' past, and with continued poor general business. Where any increased traffic is to come from, when the farmers are too poor to buy anything more than the necessaries of life; and the working classes too poorly employed to buy more than the necessities, it is difficult to see.

AN ERA OF LOW PRICES AND ITS CAUSES.

During the period from 1861 to 1871, when one or more of the five chief commercial nations of the world, excepting Great Britain, were at war; with the usual decreased production of agricultural staples and the increased consumption or waste and destruction of crops, prices of all food and feed products rose enormously, and with them the cost of living and of manufactured goods. Hence England, which was abnormally busy supplying the latter to the combatants, experienced as great inflation of values as those nations themselves, on a gold basis, without incurring the enormous losses of war that must be made up later by increased taxation. Hence the war boom lasted longer there, than elsewhere; while values throughout the commercial world were greatly inflated. As this country was the first to feel the effects of this war period inflation, she was the first to experience the collapse, and hence the panic of 1873. Then followed the collapse in Germany and France, and depression in their agricultural and manufacturing industries, that resulted in both countries adopting a protective tariff, as a remedy. England did not feel the effects of the return to a peace basis of values until later, for the reason given above. But it came, and with increased force, because of her greater dependence upon other nations for a market for her products. The effects of the era of universal peace among the great commercial nations, after the Turco-Russian War, began to be felt in

1881–1882; and the depression, following a steady decline in prices, that then set in, has been almost continuous since; and, as general as it has been severe. This was the inevitable result of the world's coming back from a war and inflation, to a peace basis of production and values, as the former is always greater per capita of population in times of peace, than in war, because of the greater proportion of that population engaged in peaceful pursuits. At the same time, consumption remains stationary, except for increase of population, which is greater in peace than in war, or falls off because of the cessation of war waste and destruction of crops and property. Hence it will be seen that there has been one great and general underlying reason for the agricultural, industrial and commercial depression, the world over, since 1881–82, when the era of general peace and of lower prices for everything began. and probably ended with the Silver panic. That this is the chief of the "other causes" of the depression that preceded and followed this last panic, is evident, from the fact that it exists in all the other commercial nations, great and small, though not as severely as here, where the Silver question had nothing to do with it. Other great and almost as universal causes have been the steady and rapid introduction of labor-saving machinery, in the last decade; as well as cheaper transportation, by the extension of railways, into hitherto inaccessible regions of agricultural production, by which the area under cultivation has been enormously increased.

WHAT AILS THE STOCK MARKET?

It is these facts that prevent a Bull stock market, notwithstanding the usual forerunner of one, in the active and increasing demand for bonds and dividend stocks, from investors, since their idle money can scarcely be loaned any longer, even at 1½ per cent. The first result of the final passage of the Silver Repeal Bill was, the same in this, as in all other speculative markets, namely, a break in prices; for, it had been anticipated, two months before it occurred, and had, as usual, been more than discounted. Speculators who had any money to speculate with, bought something that had broken heavily during the panic, on the belief that when the cause of that panic and break in prices had been removed, previous values would be restored. This was as impossible as for water to turn and run back up hill, because it had run down, after being let out of the reservoir that had held it, by the dam giving way. Yet everybody was disappointed, all the same; and, after waiting a while for a rally, only to see a dull dragging market, they became discouraged and threw over their purchases, on a narrow market; and hence the depression, that has characterized trade generally, all the month. This, and the

Bear operations of professional speculators, who are influenced by the unsatisfactory prospects of the railroads for the next six months, have been the controlling influences in the market for railway shares, while their bonds have advanced on the investment of idle money noted above. But the leaders of the "Industrial" shares—"Sugar" and "Whiskey"—have been subjected to another influence, that has but slightly affected the markets for railroad stocks, or even for commodities, as yet; namely, the proposed reduction in the tariff on sugar, and an increased tax on whiskey. The former has broken heavily, on reports from Washington as to what the Ways and Means Committee will recommend to Congress on this subject; and, rallied, on contradictions of the same; while the Trust managers are using both to manipulate the market while apparently unloading on the public. Whiskey Trust stock, on the other hand, was advanced early in the month on reports from Washington that the same committee would recommend an increased internal tax on their products. But, toward the close, this was denied, on account of the enormous stock of whiskey already manufactured and held by the Trust, which would get the benefit of the tax, and not the Government for nearly a year to come.

PROBABLE FATE OF THE "INDUSTRIAL" STOCKS.

The belief is general, however, that the policy of the Committee toward Trusts generally, which are protected by the present tariff, will be to reduce the rate sufficiently to break up the monopolies that have been able to entrench themselves behind the tariff, either by home or foreign competition, or both. At all events this is what the country expects and demands. Hence these "Industrial" shares and their backers have been on the ragged edges, and they will remain gambling stocks, until they are forced to their natural level of competition, upon which basis their values must eventually be adjusted, before the people of the country at large, whom they now tax so heavily, will give them peace. This of course makes the tariff reduction a menace to all such Industrial properties and interests as are Trusts, and rightfully; for it never was the intention of the people of this country, of any party, to build up monopolies by an unnecessary and heavy tax upon themselves. With enormously watered capitalizations, the Trusts have forfeited their right to equal protection, by their abuse of it, and are not entitled to a duty that will pay a fair return on more than one-third of their capitalization as a rule; or, at most, one-half. Hence any one that buys these "Industrial" stocks; and any bank that lends money on them, at present, runs the risk of seeing their present income cut down under the new tariff to a point that will practically wipe out their dishonest over-capitalization and squeeze the "water" out of it,

as they have squeezed dividends on this "water" out of the people. This is what the latter expect; and they will not be content, until it is done, by this Congress, or by some other, if this fails to keep its pledge.

IMPROVING CONDITIONS AND PROSPECTS OF TRADE AND MANUFACTURE.

About all there was left of fall trade, after the final repeal of the Silver Law, was that of the holidays, into which we have practically entered, although earlier than usual, because it has been forced, by forced sales of goods that could not be sold to the regular country trade in the regular way, and have been slaughtered at what they would bring for cash. This applies more to woolen goods, and especially to the clothing trade, in which hitherto strictly wholesale houses have been forced to sell to the retail trade at wholesale prices in order to work off their stocks made on orders from the country trade last spring and summer that were afterwards canceled. Yet in the face of these discouraging evidences of continued depression, there have been many signs of improvement, the latter half of the month, in a number of great industries, that promise a general business revival after the New Year. Among these, the largest auction sale of cotton goods ever held in the country, was the most successful, not only in the amount of goods sold (which were not equal to the wants of buyers), but in the prices obtained, which were equal to the previous regular prices at private sale, and in the case of some goods, higher. The steel rail industry has also shown a decided improvement in demand; though at concessions in prices that would have been made before had there been enough demand to warrant. Other branches of this trade report an increased demand, though as a whole it is not yet active. But a larger number of iron manufactories and woolen mills have started up within the month, than in an equal time, since the panic; and the market for raw materials has also felt the effect, especially that for wool, which has been unusually and generally active the latter part of the month; and, at steady or improved prices. The cotton goods trade and manufacturers are evidently getting into better shape, else the late auction sale could not have resulted so unexpectedly well.

With the iron, woolen and cotton industries and trade looking up and the raw material for the same in more active demand at steady prices, it cannot be that similar conditions do not prevail to a greater or less extent in less important industries; and, with small stocks on hand, it is reasonable to suppose that a greater portion of all the manufacturing industries of the country will start up after the New Year if not before, now that money

is abundant and easy, on any fair security, credit and confidence restored by the repeal of the Silver Law, and money seeking profitable as well as safe investment again, without enough investments to employ it. These certainly are the premises from which we are in the habit of drawing conclusions favorable to improvement in trade, both in activity and prices. Tariff revision may be holding back some industries, as is always the case when the uncertainty of change awaits them; and they delay plans for the far future, until this uncertainty is removed. This should and probably will be before the holidays, by an agreement on the schedules of the proposed tariff, although it may not be passed for weeks thereafter. But when manufacturers know what to expect then they can go to work and adapt themselves to the changes. When this is done there will exist the most favorable conditions for a general and permanent business revival that this country has seen in years, unless the usual indices of returning general prosperity are at fault.

THE MONEY MARKET

has ceased to be a doubtful factor in the future any longer, and it is now as distinctly favorable to a general recovery of business as it has been a source of danger for more than a year past. This is what Silver Repeal has already done; and, it will soon undo the damage it did, by the withdrawal of the usual bank accommodations last summer from the entire business of the country. With the largest bank reserves on record (over seventy millions of dollars of surplus) and all but eight millions of dollars of the gold exported since January last, returned, there appears to be nothing possible in the future of the money market except what is decidedly favorable to all branches of business. For there is now more than enough money to go around and restore every industry in the country, and in every section of it, to unusual activity. Money on long or short time or call, at almost borrower's terms, and on collateral, or one or two name paper, is now seeking employment, and going begging at that. If anything could be more favorable to a general business revival it has never been seen in this country, so far as the money market, present and prospective, is concerned.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Guaranty of Deposits.—It is reported that at least two bills have been prepared for introduction into Congress providing for the creation of a guaranty fund for the benefit of National bank depositors. It is not proposed by either of these bills to make the Government a guarantor, but rather a trustee of the fund which the banks will create for that purpose. In the September number of the MAGAZINE there is an elaborate article on this subject. As then stated, the difficulty with a plan of this kind would be the unwillingness of all the banks to co-operate in furnishing a fund of this character. If, on the other hand, Congress should require all banks to contribute to it, this would certainly cause ill feeling among them. The object of this fund, it must be remembered, is to provide against mishaps through bank failures, and it is hardly fair that a bank which is managed with great prudence should be put in the same class with a bank which takes much greater risks in lending its resources. Surely conservative banks ought not to be required to contribute towards the establishing of a fund which must go sooner or later to pay the creditors of the other kind of banks. As then stated, a plan dividing the banks into two or three classes, each class perhaps raising a fund for its own use, would be more just as well as feasible. The creation of such a fund is very desirable, but instead of creating it for the banks of the whole country, why could not a somewhat narrower operation be given to it and the same end be accomplished? To give more point to our remark, why could not the banks belonging to the Clearing House in New York, for example, agree to establish such a fund for their own members? If such a plan were adopted, then the Clearing House banks would exercise more care in increasing their membership, or of retaining those whose methods of doing business were not in harmony with the others. It is well known that in a general kind of way a Clearing House association does exercise oversight over their members. Occasionally an examination is made into the affairs of a suspected member, which is threatened with expulsion if it does not mend its ways. Such an oversight and power on the part of the Clearing House has a most admirable effect, for the withholding of the privileges of the Clearing House from a member would be equivalent to saying to the world that something was the matter with the institution, and its customers would not be slow to heed the warning. Now, why cannot all the banks belonging to the Clearing House in every city establish such a fund, and if this were done it would

have the effect desired on the banks which were not members, namely, their methods would be improved in order to become members of the Clearing House and thus avail themselves of its privileges. We cannot help thinking that the possibilities of the Clearing House as a means of regulating the banks, and of creating and maintaining more conservative management among them have not been fully understood and exercised. Surely such a supervision, followed by the establishing and maintenance of a fund to respond to the losses of depositors, would greatly strengthen such institutions and in every way render them more worthy of the confidence of the community.

The Condition of the National Banks.—The number of National banks reported as suspended for the year ending with October will be one hundred and sixty. Several of these, however, had suspended before the appointment of the present Comptroller of the Currency. Since the repeal of the Silver bill, at the close of August, only a few bank failures have occurred, and the period of suspensions therefore covers June, July and August. As all know, many of the banks that suspended were obliged to do so in consequence of the sudden demand for money and the difficulty of realizing on their assets. Many of them have already opened their doors, but sixty-eight were reported at the end of October as in the possession of the receivers or of the examiners. The transfer of a bank from an examiner to a receiver is, in most cases, an admission that it is not likely to re-open, but it is said that this presumption will be overcome in some cases, and that several of the sixty-eight banks in this list will resume within a short period. The statement of the condition of the National banks in the various States shows that in nearly every case there has been a decrease in individual deposits and an increase in the per cent. of reserve held since July 12, the date of the last statement before that of October 3. The individual deposits have probably improved since the statement of October 3 was made, but the figures are of some interest as a contribution to the history of the panic and the way in which it affected different communities. The largest withdrawals of deposits seemed to have taken place in States where banking facilities are smallest, and where the system has obtained a less secure footing than in the great commercial cities. This appears strikingly in the falling off of deposits in the table given (p. 414) in Alabama, Arkansas, Florida, Indiana, Kansas, Mississippi, Tennessee, and especially in South Carolina and Texas. The State of Michigan is also a striking illustration of the distrust of the banks outside the great centers, while the city of Detroit shows a much smaller per cent. of loss, and New York, Boston, Chicago, Milwaukee and Louisville show an actual increase

of deposits and a quick recovery from the original feeling of distrust. The following list gives the individual deposits and per cent. of reserve both on July 12 and October 3:

	October 3.		July 12.	
	Individual Deposits.	*Per Cent. of Reserve.*	*Individual Deposits.*	*Per Cent. of Reserve.*
Alabama	$3,356,197	34.09	$5,053,800	25.28
Arkansas	1,266,608	39.26	1,760,468	34.15
California	8,620,272	28.09	7,887,988	28.83
San Francisco	3,554,567	31.71	3,556,458	28.92
Colorado	18,477,482	34.85	18,290,606	24.59
Connecticut	28,675,409	34.01	31,835,577	32.77
Delaware	4,602,939	30.73	4,397,371	26.65
Florida	3,217,392	29.61	4,617,747	26.02
Georgia	4,182,989	30.83	4,555,995	25.52
Idaho	1,302,609	25.83	1,581,663	20.94
Illinois	37,151,607	33.06	44,630,002	28.14
Chicago	67,681,124	45.46	66,433,366	30.61
Indiana	26,499,725	37.40	31,533,692	30.41
Iowa	23,588,390	31.90	25,913,397	26.63
Des Moines	1,036,115	34.04	1,256,917	28.85
Kansas	16,683,300	38.98	19,463,850	33.17
Kentucky	10,092,702	26.50	11,555,578	21.98
Louisville	4,530,957	31.30	4,335,692	25.26
Louisiana	1,248,276	29.15	1,647,932	25.23
New Orleans	12,301,072	20.19	14,682,795	27.64
Maine	12,889,665	32.87	13,133,657	29.91
Maryland	9,602,618	26.28	9,953,629	23.08
Baltimore	20,951,366	31.27	22,787,256	34.18
Massachusetts	65,918,322	28.49	69,478,723	25.24
Boston	90,245,302	33.80	89,711,636	29.81
Michigan	23,345,911	28.75	27,000.691	26.00
Detroit	8,145,618	28.91	8,491,415	24.80
Minnesota	12,532,543	30.16	14,707,538	26.68
St. Paul	7,167,692	37.17	9,390,272	27.79
Minneapolis	7,403,824	29.07	7,859,188	27.21
Mississippi	1,221,100	40.07	1,462,808	34.01
Missouri	6,220,405	30.45	7,256,354	25.28
St. Louis	13,616,078	31.95	15,606,472	22.60
Kansas City	6,359,634	38.12	8,312,352	23.11
St. Joseph	2,941,865	37.81	3,239,659	26.52
Montana	6,958,461	31.66	13,410,309	17.97
Nebraska	12,119,399	31.49	14,076,988	28.38
Omaha	7,572,192	34.86	8,058,301	30.34
Lincoln	1,580,576	25.11	1,986,846	20.50
Nevada	363,512	22.90	464,775	30.40
New Hampshire	7,930,699	32.05	7,963,414	27.38
New Jersey	47,375,320	29.51	49,250,358	24.67
New York	86,523,641	25.82	92,651,484	25.30
New York	249,606,107	35.17	246,736,850	25.30
Albany	6,497,430	36.25	6,889,752	31.95
Brooklyn	12,004,475	32.28	12,647,531	27.01
North Carolina	3,332,824	20.75	3,554,470	30.50
North Dakota	4,636,294	22.27	4,707,600	18.29
Ohio	51,793,100	28.94	56,617,175	26.08
Cincinnati	16,889,946	35.97	18,393,221	31.77
Cleveland	15,756,601	30.96	16,440,965	28.54
Oregon	6,915,593	25.46	8,069,306	22.98
Pennsylvania	99,037,665	28.14	105,935,847	25.40
Philadelphia	84,688,009	32.84	89,042,094	30.39
Pittsburg	29,049,573	29.30	31,008,069	24.37
Rhode Island	16,780,164	30.87	17,499,315	27.70
South Carolina	3,058,352	20.30	5,041,550	35.22
South Dakota	3,560,492	26.86	4,103,251	24.36
Tennessee	10,455,984	35.64	12,579,532	29.81
Texas	25,747,560	33.88	32,463,783	30.88
Vermont	7,956,147	31.48	8,667,836	30.38

	October 3.		July 12.	
	Individual Deposits.	*Per Cent. of Reserve.*	*Individual Deposits.*	*Per Cent. of Reserve.*
Virginia	$11,889,504	23.28	$13,701,298	25.71
Washington	7,009,614	25.02	8,997,734	27.38
West Virginia	5,622,070	30.74	5,875,236	24 05
Wisconsin	18,872,300	32.43	22,809,186	28.79
Milwaukee	7,592,227	45.54	6,463.030	33.37
Wyoming	1,769,406	22.97	2,005,140	23.15
Arizona	440,511	45.10	554,900	46.27
Indian Territory	423,538	48.87	475,235	37.12
Oklahoma Territory	591,812	46.99	644,524	39.55
New Mexico	1,208,019	26.11	1,563,088	24.61
Utah	2,713,189	40.49	3,024,650	34.56
District of Columbia	742,192	51.20	889,146	38.83
Washington	7,431,693	41.89	8,514,860	32.60

The Seigniorage on Silver.—The last report of the Director of the Mint showed that the net profit on the coinage of silver for fourteen years, ending with June 30, 1892, was $72,736,065. To this sum should be added $1,500,000 more, so that the present value is nearly $75,000,000. This sum represents the difference between the price paid for the silver purchased by the Government and its legal value, or value when coined into dollars. This value, however, is really fictitious; the silver purchased is worth much less than it was at the time of purchasing it. Tested by correct principles, the $60,000,000 of surplus which the Government had two years ago, and which Congress was so anxious to reduce, did not in reality exist, and was composed of this fictitious silver valuation. It was at one time reported that the Secretary of the Treasury was inclined to coin the silver in order to get these $75,000,000 as a means to discharge the public indebtedness. Happily he has abandoned this project, and Congress doubtless will approve of his course.

The Income Tax.—It is currently reported that one of the modes of providing the revenue needed by the Government, should the taxes on imports be largely reduced and the revenues from that source be lessened, is to re-impose the income tax. Elsewhere will be found an elaborate account of the establishing and working of the former income tax system. First of all, it may be remarked that in dealing with this question of revenue the members of Congress do not seem to find any way of reducing the expenditures of the Government. This would seem to be good proof that whatever sins their opponents may have committed, on the whole they administered the Government as cheaply as could be done with due regard for the needs of the people. Assuming that expenditures cannot be greatly lessened, then the only question confronting Congress in the event of reducing the revenue from imports, is to find a new source of revenue. This must come either in the way of income

taxation or from an increase of internal duties. Those who have studied the question the most carefully, who are most familiar with the methods of taxation by other Governments, do not hesitate to declare that the proper sources from which to draw a new supply of revenue are tobacco, spirituous liquors and beer. A small tax on beer, which no one would feel, would raise thirty millions, and a slight additional tax on tobacco and whiskey would raise all the needed revenue. But the ordinary voter is an object of so much fear that the members of the Ways and Means Committee hesitate to adopt this very simple and feasible method of increasing the revenue. The imposition of the income tax is fraught with a great variety of evils. Perhaps the most serious objection is that by this plan only a few are to pay the tax. This is taxation in the worst form. Such a tax, imposed on a few, would encounter serious opposition, and doubtless correct returns would be avoided in every possible manner. Any form of taxation which does not, either directly or indirectly, diffuse itself among the people is contrary to the fundamental principles of the Government, It is established for all, rich and poor alike; one class needs it as much as another, and it is neither fair nor just to impose the duty of maintenance on a few. Furthermore, a Government which is not sustained by all commands less respect, and is in every sense poorer and less efficient. Then the creation of a new army of officials will certainly not please the people. Especially is this the case when the needed revenues can be obtained by simply drawing more copiously from a few springs which would not be seriously felt by any one, and which would not require the expenditure of a single dollar or an additional person to collect.

The Bank of England.—Even the best managed banks do not always escape. The Bank of England, however, has been managed with so much prudence that mismanagement in its affairs was such a remote possibility that the shock is all the more severe. It appears that the duty of making investments is confided wholly to the cashier, who has abused the confidence reposed in him by lending large sums to companies with which his son was connected. How far, if at all, bad motives can be attributed to him is not known, but the natural desire for his son's success in his various enterprises has led to the investment of the bank's money in very different ways from those which would have been otherwise chosen. The extent of the losses to the bank are not yet known, but some estimates are very large figures, while others put the loss at less than $500,000. The value of the stock has been somewhat affected by this unwelcome discovery, and the cashier was summarily deposed from an office which he had filled with great credit for twenty years.

Short Term Treasury Bills.—In view of the deficits of the National Government one of the expedients suggested to relieve it from embarrassment is to issue obligations running for a short period, as is the practice with foreign Governments. Of course, the people would not tolerate any plan of increasing the permanent indebtedness of our Government in a time of peace. They would insist either on a reduction of expenditures or an increase of revenues, so that all bills could be promptly met. As we have already shown, Congress made a serious mistake several years ago in reducing the revenue on the theory that a large surplus existed. The most of this was derived from the seigniorage on silver, and was not a real surplus. Congress went too far, both in the direction of reducing the revenues and of increasing the expenditures. The bills now proposed may serve a very good purpose, but Congress should provide before the end of the next session for the raising of an ample revenue to meet all the needs of the Government.

SILVER IN INDIA.

The question is both interesting and important: What will be the probable course of India in absorbing silver? During the last thirty-seven years the imports of both gold and silver into India are given in the following table:

	Net Imports	
Years.	*Gold.*	*Silver.*
1856-60	£16,091,219	£50,362,475
1861-67	44,916,091	77,471,915
1868-72	21,209,664	28,975,368
1873-77	7,552,016	16,607,397
1878-82	9,831,643	35,788,395
1883-87	20,005,311	39,853,159
1888	2,992,481	9,918,541
1889	2,813,934	10,072,226
1890	4,615,303	7,291,917
1891	5,636,172	10,631,352
1892	2,413,792	6,390,714
Total	£138,077,626	£293,363,459

By this table it will be seen that from 1856 to 1892 India accumulated £138,000,000 of gold and £293,400,000 of silver, or a total of £431,400,000 of precious metals. Of this vast sum about one-third was gold, and two-thirds of silver.

It will be noted that between the years 1868 and 1877 there was a diminution in the imports of silver. This was chiefly due to the increased use of bills of exchange, drawn by the India Council, which is the branch of the Government of India residing in England. These are drawn on Calcutta or Bombay. It may be explained that large sums of money are due annually from India for the payment of interest on the Indian debt, or railway and

canal loans, military expenses, pensions, etc. The India Council draws bills for this indebtedness and sells them to persons in London who have similar payments to make in India. Thus, the amount of silver that must be sent from England to India is diminished by the amount of such bills that are sold. In 1869, the amount was only £3,700,000, but in 1876 it had increased to £14,000,000, and in 1892 it was £17,000,000.

The extent to which the precious metals are hoarded in India, or used for other than coinage purposes, may be learned from a comparison of the previous table with that which follows, showing the coinage of India (gold and silver separately) since 1856. This comparison shows (estimating the pound sterling at $5) that, since 1856, about 683 million dollars' worth of gold and about 168 million dollars' worth of silver have gone to India and remained there, which is not represented in the coinage:

Years.	*Coinage*—*Gold.*	*Coinage*—*Silver.*
1856-60	£536,528	£47,524,439
1861-67	449,787	63,976,380
1868-72	144,765	19,402,467
1873-77	78,477	20,069,164
1878-82	77,776	40,084,013
1883-87	53,044	30,868,192
1888	.....	7,860,726
1889	22,609	5,137,847
1890	23,051	5,843,291
1891	.....	9,049,893
*1892	10,000	10,000,000
Total	£1,396,037	£259,816,412

* 1892 figures estimated.

It is often asked what becomes of the vast sums of gold and silver that are sent to India, but the answer from all quarters is the same, that it is largely used by the natives for gold and silver ornaments. All writers upon India are agreed that by far the largest part of this surplus has gone to feed the insatiable passion of the natives for gold and silver ornaments. Thus one writer says: "In every large village there is a silversmith, or some one who works in silver, and as soon as a man gets a few rupees he employs a silversmith to come to his house and make the ornaments there, who brings his little implements required for manufacturing it, and there the rupees are made into ornaments." Another writer says: "When a man (in India) gets a considerable amount of silver ornaments he will sell these for the purpose of converting them into one gold ornament; because it adds to his prestige in the village if one individual of his family has a large gold armlet, or other ornament." Moreover, the records of the old Benares Mint show that, in times of famine, the greater part of the silver taken to that mint to be coined was always in the shape of various ornaments; and it is also a matter of record that, during the three years of scarcity, 1878-80, no less than $16,000,-

000 in silver ornaments were taken to the mints for coinage. This is one of their methods for keeping their surplus. In times of famine or want, enormous quantities of these ornaments are brought to the mint to be converted into money.

It is the opinion of those who have studied the question the most carefully that the radical changes in the silver policies of Great Britain and of this country will not seriously affect the desire of the people in India to continue their old habit or ways of accumulating silver. The population of that country is supposed to be 300,000,000, while the paper money in circulation is only about $125,000,000, the most of which is in the two chief Presidencies. Trade over a large part of the country is still largely conducted by barter, while the use of silver as a medium of exchange is coming to be more generally recognized throughout these districts. It will be many years before the ways of this people will change in these regards, and doubtless, as heretofore, India will furnish a vast reservoir wherein hundreds of millions of gold and silver will disappear from circulation. For when these metals reach that destination they come back only in small quantities and in the ways above described. The silver producers, therefore, need not be too despondent, for the use of silver for wares, mechanical and other purposes, will doubtless continue to be very great for a long period by the people of India.

PRESENTMENT AND DEMAND OF NEGOTIABLE INSTRUMENTS.

[CONCLUDED.]

PROTEST AND NOTARIES PUBLIC.

The object of a protest is to have proof of the presentment and demand for payment, and that the parties to the instrument were duly notified. But protest originally pertained to foreign bills of exchange, and even now the requirement is imperative only of them. "A protest is not necessary to charge the indorser of a promissory note, and the intervention of a notary is sanctioned, not enjoined, by the statute, which makes his act evidence of demand and notice of dishonor. When the holder, therefore, chooses to employ him instead of a private person, the law of responsibility between them is the law of principal and agent, or master and servant." (*Parke* v. *Lowrie*, 6 W. & S. 507; *Bellemire* v. *Bank*, 4 Wh. 105.) As it is an easy and cheap method of furnishing evidence of these matters, the practice has long been very general of protesting inland bills and promissory notes that are not duly paid.

Indeed, the custom to treat inland bills and notes in the same manner as foreign bills has become so well-nigh universal that in common parlance the term means the taking of such steps as are required to charge the indorser. For the same reason, the word protested, sometimes employed in giving notice of dishonor to indorsers of inland bills and notes, clearly implies demand, non-payment and consequent dishonor of the bill or note in all cases in which protest is necessary. (*Annville National Bank* v. *Kettering*, 106 Pa. 531, 534.)

As a protest is not necessary to charge the maker of a note, no legal inference can be drawn from the omission to make such protest respecting the time at which the note came into the hands of the holder. (*Pearce* v. *Austin*, 4 Wh. 489.)

A notary is sometimes disqualified from acting. If he is a shareholder in a bank he cannot perform his duties in presenting and protesting a note to which his bank is a party. (*Bank* v. *Porter*, 2 W. 141.)

In many States the sending of notices is not an official duty of a notary, but it is in Pennsylvania. The notice may be sent by the holder, but if a notary public is employed to make presentment, his employment includes the notifying of the indorsers. And when his notice is duly certified, and is not contradicted or questioned, it is presumed to be legal. (*Fitler* v. *Morris*, 6 Wh. 406; *Stuckert* v. *Anderson*, 3 Wh. 116; *Kase* v. *Getchell*, 9 H. 503; *Browne* v. *Philadelphia Bank*, 6 S. & R. 484; see *Bennett* v. *Young*, 6 H. 261.) But the facts stated therein may be rebutted. (*Fitler* v. *Morris*, 6 Wh. 406, 415; *Stuckert* v. *Anderson*, 3 Wh. 116.)

Judicial notice is taken of his seal, as he is an officer recognized by the commercial world. (*Mullen* v. *Morris*, 2 Pa. 85, 86.) Nor is his protest invalid if his seal does not conform in every respect to the requirements of the Act of 1791, for this act is directory. (*Jenks* v. *Doylestown Bank*, 4 W. & S. 505; Purdon's Dig., p. 1,096, § 7.)

When an instrument is received which is to be protested, the notary must make a demand on the party primarily liable at his usual place of business within business hours. (*Baumgardner* v. *Reeves*, 35 Pa. 250, 255.) He must then give notice of the presentment and non-payment to the indorsers. His duty in these regards has been a frequent, if not always profitable, theme for controversy. Many an indorser has tried to shield himself by trying to show that he did not receive notice, and that this was due to the notary's neglect or lack of wise and diligent inquiry.

The holder must put the notary in possession of the proper intelligence. Says Mr. Justice Knox: "It is the duty of a holder to give the notary information as to the residence of the drawer or indorser; and if it is unknown to the holder, he

must inquire of those whose names are upon the note or bill, as to the residence which he does not know. If there are none such, he must use due diligence to ascertain them. It will not do for the holder to put the note or bill in the hands of a notary at the place where it was drawn without affording him any information as to the residence of the maker, or that of the indorser, and then for the notary, without inquiring from him, to return the note without demand or notice. The holder is the one most likely of all persons to know the place of residence of those to whom he looks for payment, and due diligence requires that he should give the information to his agent, whom he employs to make demand from the maker and give notice to the indorser; or if he neglects to do so, that the agent should inquire of him where the parties reside. In the absence of all evidence, we cannot presume that the inquiry would be fruitless." (*Smith* v. *Fisher*, 24 Pa. 222, 224.)

Consequently a notary is not excused in sending a notice of the non-payment of a bill to the drawers to the wrong place if the holder knew where they lived, for his knowledge must be regarded as the notary's. Said Mr. Justice Huston, in *Fitler* v. *Morris* (6 Wh. 415): "The payee and holder of the bill . . . did know, and if he intended the notary to act as his agent, he was bound to tell him to what place to send his notice; even some inquiry and answer not satisfactory will not justify a notary or party in directing to a wrong place. . . . Where the holders know the place of residence, it will not do to allege ignorance on this point in the notary or his clerk who in giving notice is so much the plaintiff's agent that what they know they are bound to inform him." He can employ another person to give the notice for him. (*Tillotson* v. *Cheetham*, 2 Johns 63.) And when the notice has not been given by himself but by another employed for that purpose, who informs him that he has performed the service, the jury are to judge whether the notice has been given or not. (*Stewart* v. *Allison*, 6 S. & R. 324.)

What is a proper demand by the notary? The delivery of a note payable at a bank by the cashier to a notary for protest on the last day of grace, and a presentment by him at the bank on the day following, is sufficient. (*Brittain* v. *Doylestown Bank*, 5 W. & S. 87.) But in such case there need be no demand at all if the indorser has waived notice of non-payment at the time of indorsing. (*Ib.*)

A visit to the maker's place of business, during business hours, for the purpose of making a presentment, and which is closed, is equivalent to an actual presentment and demand; and a notarial certificate, setting forth such facts, may be given in evidence under a declaration averring an actual presentment and demand. (*Ib.*; *Berg*

& Co. v. *Abbott*, 83 Pa. 177; *Baumgardner* v. *Reeves*, 11 Casey 250.) And a presentment at the maker's usual place of business, during business hours, and no one answers, is a sufficient demand to charge the indorser; for the maker is bound to have a suitable person there to answer inquiries, and pay his notes, if there demanded. (*Baumgardner* v. *Reeves*, 35 Pa. 250.) But if the facts do not show an actual presentment and demand, and reliance is on a legal equivalent, for example, the removal of the maker from the country, then these facts must be averred in the declaration. (*Smith* v. *Bank*, 5 S. & R. 318; *Lehman* v. *Jones*, 1 W. & S. 126.)

A demand by a notary in the street of an acceptor of a bill, payable generally, is not a sufficient demand—it should be made at his place of business. But if the notary, on his way to that place, meets the acceptor, informing him of where he is going and for what purpose, and the acceptor offers that if he will go there he will give a check on a broker, this will amount to waiver of demand at the place of business. And a subsequent tender to the holder cannot vary the right of the parties. (*King* v. *Holmes*, 1 Jones 456.*)

A note was received by a bank in Philadelphia for collection which was handed to a notary for protest. He testified that he had no distinct recollection of what he did, but doubtless pursued his usual practice, which was invariably, when the residence of the drawer and indorser was not on the note, to inquire of the clerks of the bank and look in the directory, and inquire of persons that he knew to ascertain their places of residence. Unable to find the drawer and indorser, the note was returned to the first bank. It was declared that he had not shown proper diligence. (*Smith* v. *Fisher*, 24 Pa. 222.)

The notary makes a certificate of his work. The Legislature of Pennsylvania has enacted that "The official acts, protests and attestations of all notaries public (acting by the authority of this Commonwealth), certified according to law, under their respective hands and seals of office, may be read and received in evidence of the facts therein certified, in all suits that now are or hereafter shall be depending, provided, that any party may be permitted to contradict, by other evidence, any such certificate." (Jan. 2, 1815. Purdon's Dig., p. 1,096, § 11.) By this statute his protest of a promissory note is *prima facie* evidence of the facts contained therein, and they stand as proved until they are repelled by contradictory evidence. (*Jenks* v. *Doylestown Bank*, 4 W. & S. 505; *Bennett* v. *Young*, 18 Pa. 261; *Stewart* v. *Allison*, 6 S. & R. 324;

* Under the practice of exchange brokers in Pittsburgh of closing their business at five o'clock, the acceptor of a bill held by such broker has a right to pay it at any time before that hour; but payment of the bill does not invalidate the protest of it, if made at any time after three and before five P. M. (*Ib.*)

Browne v. *Philadelphia Bank*, 6 S. & R. 484.) And his certificate is evidence of the facts therein set forth, although the notary when examined has no recollection of them. (*Sherer* v. *Easton Bank*, 9 Casey 134.) Furthermore, he may prove that facts to which he has certified were obtained by hearsay. (*Stewart* v. *Allison*, 6 S. & R. 324.) In interpreting his certificate, its effect is to be determined by the court, but as evidence of facts, like all others, these are to be determined by the jury. (*Sidwell* v. *Evans*, 1 P. & W. 383; *McGee* v. *Northumberland Bank*, 5 W. 32.)

"The official acts, protests and attestations of all notaries public, certified according to law, under their respective hands and seals of office, in respect to the dishonor of all bills and promissory notes, and of notice to the drawers, acceptors or indorsers thereof, may be received and read in evidence as proof of the facts therein stated, in all suits now pending or hereafter to be brought: Provided, That any party may be permitted to contradict by other evidence any such certificate." (Dec. 14, 1854, Purdon's Dig., p. 1,096, § 12. See *Baumgardner* v. *Reeves*, 35 Pa. 250, 255.) And when his acts have been duly certified, and are not contradicted or questioned, they are presumed to be legal. (*Kase* v. *Getchell*, 9 H. 503; *Browne* v. *Philadelphia Bank*, 6 S. & R. 484; see *Bennett* v. *Young*, 6 H. 261.)

This statute was not intended to enlarge the official duties of notaries, but merely to furnish the means of authenticating such acts as were within their official capacity before. (*Bennett* v. *Young*, 18 Pa. 261, 263.) As Mr. Chief Justice Gibson has said: "Though generally, if not universally employed on such occasions, the official character of a notary extends only to the protest, and not to the hunting up of the parties." (*Bellemire* v. *Bank*, 4 Wh. 113.)

On several occasions the validity of a notary's certificate has been questioned. Thus, in the case of a note payable at the Lebanon Bank, the notary certified that he exhibited at said bank the original note, etc., and "demanding payment, received for answer that no provision was made there for the payment thereof, of which I gave notice in writing to the indorsers of said note." In the absence of other evidence concerning the character of the notice, it was held that the certificate was *prima facie* evidence that personal notice was given, though, in fact, the indorsers sued lived in Danville, Montour County, in this State. (*Kase* v. *Getchell*, 9 H. 503; *Browne* v. *Philadelphia Bank*, 6 S. & R. 484; see *Bennett* v. *Young*, 6 H. 261.)

A notarial certificate of protest, which states that during business hours the notary went with the note to the place of business of the maker, in order to demand payment, and found the same closed, and no one there to answer respecting the note, is evi-

dence of the facts therein set forth; it is not necessary to state the place at which the presentment was made. (*Baumgardner* v. *Reeves*, 35 Pa. 250.) But if a party has no place of business, or residence, or has removed, the certificate must set forth the nature of the inquiries made to ascertain his existence, in order to show due and reasonable diligence to make demand. (*Ib.*)

If a certificate contains other facts than those relating to the protest, facts, for example, concerning his search and inquiry for the maker of a note, these are not evidence, because a notary has not official duty of this character to perform, and the act does not contemplate that he will do this or make any record thereof. (*Bennett* v. *Young*, 18 Pa. 261.)

The facts in his certificate may be rebutted. (*Fitler* v. *Morris*, 6 Wh. 406, 415; *Stuckert* v. *Anderson*, 3 Wh. 116.) And the notary himself may explain, or even contradict, his own certificate. Says Mr. Chief Justice Gibson: "The certificate of protest is, undoubtedly, made evidence by the act of assembly, but only for the sake of convenience; and it would be highly dangerous, and going far beyond the object of the Legislature, to declare it to be conclusive." (*Craig* v. *Shallcross*, 10 S. & R. 377.) He may even be compelled to testify against the truth of his certificate. (*Parry & Co.* v. *Almond*, 12 S. & R. 284.)

An *ex parte* affidavit of a notary's clerk cannot be given in evidence after his death to prove notice of non-payment of a promissory note to the indorser. (*Farmers' Bank* v. *Whitehill*, 16 S. & R. 89.) Still stronger is the reason for excluding all evidence of a clerk's intention to serve notice on an indorser. (*Ib.*)

Formerly a foreign notary's protest and certificate of notice was not admissible as evidence that notice had been given (*Schoneman* v. *Fegley*, 7 Pa. 433); but only the fact of protest; nor was the certificate admissible to prove that payment had been demanded. (*Struthers* v. *Blake*, 30 Pa. 139; *Etting* v. *Schuylkill Bank*, 2 Pa. 355.) But now, by statute the certificate of a notary in another State of the non-payment of a bill or note is admissible in evidence in an action thereon (*Starr* v. *Sanford & Co.*, 45 Pa. 193; see *Morris* v. *Fitler*, 6 Wh.), nor need the certificate appear to be the transcript of any other record concerning the notice. (*Starr* v. *Sanford*, 45 Pa. 103.)

Waiver of Demand and Notice.

Demand and notice of the non-payment of a negotiable note may be waived on or before the day of maturity by the indorser, either orally or in writing, or by acts clearly calculated to mislead the holder and prevent him from treating the note as he would otherwise have done. (*Annville National Bank* v. *Kettering*, 106 Pa. 531, 533; *Barclay* v. *Weaver*, 19 Pa. 396, 401; *Huchen-*

stein v. *Herman*, 34 Leg. Int. 232; *Day* v. *Ridgway*, 17 Pa. 303, 308; *Williams* v. *Probst*, 10 W. 111; *Scott* v. *Greer*, 10 Pa. 103; *Ridgway* v. *Day*, 13 Pa. 208.) And when a written waiver of demand and notice accompanies the indorsement, or is given by the indorser before maturity of the note, its legal effect is well understood, nor can there be any doubt when the language clearly imports or implies the same thing. (*Ib.*)

When an indorser has waived this right, he is put in the same position as if the protest had been made and notice of it duly given to him, and when there is no contradictory evidence of the waiver, it is proof of demand and refusal.*

In strictness of terms a waiver of protest is an agreement made before or at the time of maturity of the note, and a promise to pay made after maturity, notwithstanding there had been no protest, is a new undertaking. But this undertaking is still primary on the part of an indorser, and not a mere promise to pay the debt of another. (*Uhler* v. *Farmers' National Bank*, 64 Pa. 406.)

If a drawer, after full knowledge of the fact of an omission to make due presentment, promises to pay the bill, it will amount to a waiver of such presentment and bind the promisor to pay the bill, and such promise may be express or implied from circumstances. (*Jamison* v. *Wolverton*, 22 Leg. Int. 293.) "His ignorance of the law would not render the promise void. For, if with knowledge of the fact of demand not having been made, he makes a promise under the supposition that he will still be liable at law, it will be valid. But the promise ought to be clear, and made out by unequivocal testimony. One, on being sued, says that he does not know of any defense; this is no promise or waiver of his legal objection. And if an indorser, under ignorance of the facts, pay the amount of a bill or note, he may recover it back in an action for money had and received." (Duncan, J., *Richter* v. *Selin*, 8 S. & R. 438.)

What acts are to be regarded as a waiver? This question has often arisen. Whatever doubts may have been expressed by the courts in other States over the effect of the words "protest waived" written on a note by an indorser, or his separate request in writing not to protest it, in this State these words are a waiver of both demand and notice. (*Ib.*; *Huchenstein* v. *Herman*, 34 Leg. Int. 232.) In this case the court said: "A waiver of protest before maturity of a note is a waiver of all the steps leading to it, and includes demand and notice of non-payment. . . . To waive the mere act of the notary, and yet suffer the duty of making demand and giving notice of its result to remain, would scarcely be thought of by business men." (*Ridgway* v. *Day*, 1 Harris 208; *Brittain* v. *Doylestown Bank*, 5 W. & S. 87.)

* (*Day* v. *Ridgway*, 17 Pa. 303; *Scott* v. *Greer*, 10 Barr 103; see criticism of this case in *Annville National Bank* v. *Kettering*, 106 Pa. 535.)

If an indorser should authorize the maker of a matured note to draw on him for the amount needed in payment, this act would operate as a waiver of protest. (*Lititz National Bank* v. *Siple*, 145 Pa. 49; *Uhler* v. *National Bank*, 64 Pa. 406; Moyer's Appeal, 87 Pa. 129; *Annville National Bank* v. *Kettering*, 106 Pa. 531; *Oxnard* v. *Varnum*, 111 Pa. 193.)

The offer of a renewal note, with the same makers and indorsers as the original note, prior to the maturity of the original note, operates as a waiver of protest. The offer shows that the indorsers did not expect that the original note would be paid at maturity, and therefore they could not have been injured by the failure to give notice of its non-payment. (*Jenkins* v. *White*, 147 Pa. 303.)

The indorsement on a note "I hereby guarantee the payment of the within note without protest," is an express waiver of demand and notice of non-payment, and releases the indorser. (*First National Bank* v. *Hartman*, 110 Pa. 196; *First National Bank* v. *Shreiner*, 110 Pa. 188.) The liability of indorser who is thus relieved is not revived by his subsequent guaranty. (*Ib.*)

When an indorser admits his liability and asks for indulgence to arrange the matter, this is a waiver of notice of demand and dishonor. (Moyer's Appeal, 87 Pa. 129; *Sherer* v. *Easton Bank*, 9 Casey 134.)

There is no presumptive waiver of notice when there is no waiver of recourse to the maker. (*Kramer* v. *Sandford*, 4 W. & S. 328.) And if an indorser holds collateral security to indemnify him for his indorsement, he is as much entitled to notice as any other indorser. The security in his possession raises no presumption that he has waived his right to receive notice. The rule is founded on solid reasons, for the security may be inadequate to protect him, and where it is, notice is just as essential for his protection as for the protection of any other indorser. (*Kramer* v. *Sandford*, 4 W. & S. 328.)

A maker of a judgment note containing a "waiver of all rights under the bankrupt laws of the United States" is not thereby estopped from using a subsequent discharge in bankruptcy as a defense to his liability. The waiver is regarded as contrary to public policy. (*May* v. *Bank*, 109 Pa. 145. Another reason for disregarding the waiver in this case was, it was not interposed in time.)

INDORSEES.

The innocent holder of a promissory note, draft, or other instrument, by discount or purchase before its maturity, may recover of the maker, or acceptor, or other parties thereto, if having no notice of any defenses between them; and even the non-receipt of a consideration by the maker or drawer, if known by the holder,

will constitute no defense. (*Boggs* v. *Lancaster Bank*, 7 W. & S. 331; *Eckert* v. *Cameron*, 43 Pa. 120.)

Nor will the purchase of paper for less than its face value render the purchase less *bona fide*. (*Moore* v. *Baird*, 30 Pa. 138; *Seib* v. *Lanigan*, 1 Leg. Record, 117; *Gaul* v. *Willis*, 2 Casey 259; *Wycoff* v. *Longhead*, 2 Dall. 92; *Musgrove* v. *Gibbs*, 1 Dall. 216.) But if such a purchase is merely to evade the operation of the usury law, then it is not a legal transaction. (*Gaul* v. *Willis*, 2 Casey 259.)

Nor is a mere general notice by the maker to a person who is about to buy paper that he has a defense enough to put him on inquiry. (*Heist* v. *Hart*, 73 Pa. 289.)

Possession of a note is *prima facie* evidence of the possessor's right to demand and enforce payment. And if a holder has passed it away before it was payable, and has afterward come into possession thereof by a proper chain of blank indorsements, his possession is *prima facie* evidence that he has paid for the same. (*Weakly* v. *Bell*, 9 W. 273, 278; *Gorgot* v. *McCarty*, 2 Dall. 144, s. c., 1 Yeates 94; *Pigot* v. *Clark*, 1 Salk. 126.)

The indorsee of a promissory note may maintain an action of debt against the maker, and recover on a statement of his cause of action. But the statement must contain an averment of the indorsement of the note by the payee to the plaintiff; without such averment, a judgment thereon would be erroneous. (*Camp* v. *Bank*, 10 W. 130.)

"The indorsee of an inland bill rests his action on the custom of merchants, and not on any statute of England or Pennsylvania. . . . An action by the indorsee of a bill was in use before either of [the statutes of William or Anne], and therefore neither of them gives him an action, although they give him some advantages which he had not before." (Tilghman, Ch. J., in *Ridgway* v. *Farmers' Bank*, 12 S. & R. 266.)

An indorsee cannot bring an action in the name of the payee, for his interest has been entirely transferred. (*Jones* v. *Martins*, 13 Pa. 616.)

In an action against the indorser of a promissory note on his contract of indorsement, the plaintiff must show the defendant's technical liability as an indorser. (*Citizens' National Bank* v. *Prollit*, 24 W. N. 83, 1889.)

An indorsee cannot be affected by declarations of the maker of which he had no knowledge, and which were made before the note had any existence. (*Eckert* v. *Cameron*, 43 Pa. 120.)

THE INCOME TAX.

As the imposing of an income tax is a possibility, in consequence of the need of additional revenue and the inability to obtain it from imports, the following history of the enactment of the former law, taken from the *Philadelphia Press*, will be interesting to our readers.

The first act for the establishment of an income tax was enacted in the first session of the Thirty-seventh Congress, and appears as Section 49 of the act of August 5, 1861 (Stat. Vol. 12, p. 292), and known as the Stevens-Morrill act.

That Congress was convened in "extraordinary session" on July 4, 1861, by President Lincoln, by proclamation issued on April 15, 1861, "on account of the opposition to and obstruction made to the execution of the laws of the United States in certain Southern States by combinations too powerful to be suppressed by the ordinary course of judicial proceedings or by the powers vested in the marshals by law."

The House of Representatives promptly organized by the election of Galusha A. Grow, of Pennsylvania, as Speaker, and Emerson Etheridge, of Tennessee, as Clerk. Four days after the Speaker announced the appointment of the standing committees, the Committee of Ways and Means being constituted as follows, viz.: Thaddeus Stevens, of Pennsylvania, as chairman; Justin S. Morrill, of Vermont; John S. Phelps, of Missouri; E. G. Saulding, of New York; William Appleton, of Massachusetts; Erastus Corning, of New York; Valentine B. Horton, of Ohio; John A. McClernand, of Illinois, and John L. N. Stratton, of New Jersey.

On July 16 Mr. Stevens, from said committee, reported a bill (H. R. 54) "to provide increased revenue from imports to pay interest on the public debt and for other purposes," and on the following day submitted a resolution, which was adopted, providing that all debate on said bill in Committee of the Whole should cease in one hour after its consideration was commenced, when the committee should then proceed to vote on such amendments as were pending or might be offered, and then report the bill to the House with such amendments as had been agreed to.

The House proceeded to its consideration on the following day, when Mr. Vallandingham submitted a substitute therefor repealing all of the act of March 2, 1861, entitled "An act to provide for the payment of outstanding Treasury notes, to authorize a loan, to regulate and fix the duties on imports, except the first, second, third and fourth sections, and re-enacting the tariff act of March 3, 1857, with certain modifications." After extended debate on that and the following day, during which amendments reducing the duty on tea and coffee were offered, the Committee of the Whole, on July 18, reported the bill to the House, with amendments (the substitute of Mr. Vallandingham having been rejected), when Mr. Stevens offered a substitute for the bill as reported, being substantially the original bill as reported from the Ways and Means Committee. The several amendments of the Committee of the Whole were agreed to except the one reducing the duty on coffee from 5 to 3 cents per pound. That amendment was rejected by yeas, 63; nays, 71, and the substitute of Mr. Stevens was agreed to by yeas, 82; nays, 48, and the bill was then passed without division.

A SUBSTITUTE OFFERED.

On July 24, Senator Simmons, of Rhode Island, reported the bill back with an amendment striking out all after the enacting clause and insert-

ing a substitute, the details of which were explained by Senators Simmons, Hale, of New Hampshire, and Fessenden, of Maine. In the course of the debate Senator Fessenden stated that he was prepared to support an income tax.

On July 26 the bill was proceeded with, and again, on the 29th, when the following amendment, reported as Section 8 from the Committee on Finance (proposing an income tax), was reached, viz.:—

"That, from and after the first day of January next, there shall be levied collected and paid upon the annual income of every person residing in the United States, whether such income is derived from any kind of property, or from any profession, trade, employment or vocation carried on in the United States or elsewhere, or from any source whatever, if such annual income exceeds the sum of $1,000, a tax of 5 per centum on the amount for such excess of such income above $1,000: Provided, That upon such portion of said income as shall be derived from interest upon Treasury notes or other securities of the United States, there shall be levied, collected and paid a tax of 2½ per centum. Upon the income, rents or dividends accruing upon any property, securities or stocks owned in the United States by any citizen of the United States residing abroad, there shall be levied, collected and paid a tax of 7½ per centum, excepting that portion of said income derived from interest on Treasury notes and other securities of the Government of the United States, which shall pay 2½ per centum. The tax herein provided shall be assessed upon the annual income of the persons hereinafter named for the year next preceding the time for assessing said tax, to wit., the year next preceding the 1st of January, 1862, and the said taxes, when so assessed and made public, shall become a lien on the property or other sources of said income for the amount of the same, with the interest and other expenses of collection until paid."

There was but little debate on the amendment, only Senators Simmons, Howe, of Wisconsin, and Clark, of New Hampshire, participating, in which Mr. Simmons stated that the committee had followed the law, rule and practice in England, which had had this tax for fifty years, and the amendment was concurred in without division. On July 30 the bill was passed by yeas, 22; nays, 18, the income tax not cutting any figure in said vote.

MR. STEVENS' BILL.

In the meantime Mr. Stevens, of Pennsylvania, had reported from the Committee on Ways and Means of the House another bill (H. R. 71) "To provide additional revenues for defraying the expenses of the Government and maintaining the public credit by the assessment and collection of a direct tax and internal duties," which bill was considered several days, the discussion relating more directly to the subject of a direct tax, which was fixed at $30,000,000, and an income tax. The bill was taken up July 24, and the debate was participated in by Messrs. Stevens, Morrill, Conkling, Colfax, Cox, Bingham, McClernand, Lovejoy, Pike and others, at the close of which, on motion of Mr. Conkling, the bill was recommitted to the Committee on Ways and Means, with instructions to inquire into the expediency of amending the sections imposing a direct tax so as to provide that it should be assessed and collected in the same manner as State and Territorial taxes were assessed and collected. On July 25 Mr. Stevens reported back the said bill with the statement that the Committee on Ways and Means were "unable to devise any provision that will be constitutional which would carry into effect the instructions of the House."

The bill was then referred to the Committee of the Whole and made

a special order. The Committee of the Whole then proceeded to consider the bill (*Globe*, p. 269), the contention mainly being as to whether slaves were to be considered as "persons" or "property." The bill was further considered on the 26th and 27th (*Globe*, pp. 280, 299), and on the last named date was again recommitted to the Committee on Ways and Means on motion of Mr. McClernand, of Illinois, with instructions to report a substitute reducing the amount of direct taxation one-half and increasing or extending the list of personal property on which internal duties were laid in order to make up the deficit.

On July 29 Mr. Horton, of Ohio, from the Committee on Ways and Means, reported back the bill with a substitute, which reduced the direct tax from $30,000,000 to $20,000,000, with a provision that each State should collect its quota in its own way; increased or added new internal revenues, and provided for an income tax of 3 per cent. on all incomes which exceeded the sum of $600 per annum. The substitute was debated at great length. A motion made by Mr. Colfax to recommit with certain instructions was rejected, the substitute adopted, and the bill passed, by yeas 77; nays 60 (*Globe*, p. 331). The provision in respect to income tax was not specially contested, no separate vote being had thereon.

FIRST BILL IN CONFERENCE.

The bill was sent to the Senate, where it was referred to the Committee on Finance and not acted on. The bill first passed (H. R. 54) in the meantime had been placed in conference, the conferrees on the part of the House being Thaddeus Stevens, of Pennsylvania; Justin S. Morrill, of Vermont, and Erastus Corning, of New York; and on the part of the Senate, I. F. Simmons, of Rhode Island; Jacob Collamer, of Vermont, and Jesse D. Bright, of Indiana. Of this distinguished group of men only Mr. Morrill survives. On August 2 Mr. Stevens submitted the conference report in the House (which was not signed by Senator Bright), and after a brief debate it was agreed to by yeas 89, nays 39, not a strictly party vote. The report as adopted was a complete substitute for the original House bill and included many of the Senate provisions in a modified form, the income tax as it passed the Senate being reduced about one-third, on the theory that, as a direct tax had been imposed on property, it was proper to fix the income tax so as to equalize the burden as far as possible.

The exemption of $1,000 was reduced to $800 and the tax of 5 per cent. thereon was reduced to 3 per cent. The rate of 2½ per cent. on income derived from interest on Treasury notes or other securities of the United States was reduced to 1½ per cent. The rate of 5 per cent. on rents, dividends, securities or stocks owned in the United States by any citizen residing abroad was increased from 5 to 7½ per cent., excepting that portion derived from interest on Treasury notes and other securities of the United States, which were required to pay but 1½ instead of 2 per cent., and a proviso added at the end of Section 49 relating to deductions of National, State and local taxes.

The report was adopted on the same day by the Senate by yeas 34, nays 8, the section (9) imposing an income tax, being as follows:

That from and after the first day of January next there shall be levied, collected and paid, upon the annual income of every person residing in the United States, whether such income is derived from any kind of property, or from any profession, trade, employment or vocation carried on in the United States or elsewhere, or from any source whatever, if such annual income exceeds the sum of $800, a tax of 3 per centum on the amount of such excess of such income above $800: Provided, That

upon such portion of said income as shall be derived from interest upon Treasury notes or other securities of the United States, there shall be levied, collected and paid a tax of 1½ per centum. Upon the income, rents or dividends accruing upon any property, securities or stocks owned in the United States by any citizen of the United States residing abroad, there shall be levied, collected and paid a tax of 5 per centum, excepting that portion of said income derived from interest on Treasury notes and other securities of the Government of the United States, which shall pay 1½ per centum. The tax herein provided shall be assessed upon the annual income of the persons herein named for the year next preceding the time for assessing said tax, to wit., the year next preceding the 1st of January, 1862, and the said taxes, when so assessed and made public, shall become a lien on the property or other sources of said income for the amount of the same, with the interest and other expenses of collection until paid: Provided, That in estimating said income all National, State or local taxes, assessed upon the property from which the income is derived, shall be first deducted.

WHAT WAS ENACTED.

The act of July 1, 1862 (Stat. at Large, Vol. 12, p. 473), repealed so much of the act of August 5, 1861, as related to income tax (Sections 49,50—except so much as related to the selection and appointment of depositories—and 51) and in lieu thereof enacted the following, viz.:—

SEC. 90. That there shall be levied, collected, and paid annually, upon the annual gains, profits, or income of every person residing in the United States, whether derived from any kind of property, rents, interests, dividends, salaries, or from any profession, trade, employment, or vocation carried on in the United States or elsewhere, or from any other source whatever, except as hereinafter mentioned, if such annual gains, profits, or income exceed the sum of $600 and do not exceed the sum of $10,000, a duty of 3 per centum on the amount of such annual gains, profits, or income over and above the said sum of $10,000, a duty of 5 per centum upon the amount thereof exceeding $600; and upon the annual gains, profits, or income, rents, and dividends accruing upon any property, securities, and stocks owned in the United States by any citizen of the United States residing abroad, except as hereinafter mentioned, and not in the employment of the Government of the United States, there shall be levied, collected and paid a duty of 5 per centum.

SEC. 91. That in estimating said annual gains, profits, or income, whether subject to a duty, as provided in this act, of 3 per centum, or of 5 per centum, all other National, State and local taxes, lawfully assessed upon the property or other sources of income of any person as aforesaid, from which said annual gains, profits, or income of such person is or should be derived, shall be first deducted from the gains, profits, or income of the person or persons who actually pay the same, whether owner or tenant, and all gains, profits, or income derived from salaries of officers or payments to persons in the civil, military, naval, or other service of the United States, including Senators, Representatives, and Delegates in Congress, above $600, or derived from interest or dividends on stock, capital, or deposits in any bank, trust company, or savings institution, insurance, gas, bridge, express, telegraph, steamboat, ferry-boat, or railroad company, or corporation, or on any bonds or other evidence of indebtedness of any railroad company, or other corporation, which shall have been assessed and paid by said banks, trust companies, savings institutions, insurance, gas, bridge, telegraph, steamboat, ferry-boat, express, or railroad companies as aforesaid, or derived from advertisements, or on any articles manufactured, upon which specific, stamp

or *ad valorem* duties shall have been directly assessed or paid shall also be deducted; and the duty herein provided for shall be assessed and collected upon the income for the year ending the thirty-first day of December next preceding the time for levying and collecting said duty, that is to say, on the first day of May, eighteen hundred and sixty-three, and in each year thereafter; Provided, That upon such portion of said gains, profits, or income, whether subject to a duty as provided in this act of 3 per centum or of 5 per centum, which shall be derived from interest upon notes, bonds, or other securities of the United States, there shall be levied, collected, and paid a duty not exceeding 1½ per centum, anything in this act to the contrary notwithstanding.

AMENDED IN 1864.

This act remained in force until amended by the act of June 30, 1864, entitled "An act to provide ways and means for the support of the Government, and for other purposes" (Stat. at Large, Vol. 13, p. 218). This act was a "mixed act," that is to say, both a customs and internal revenue law. By Sections 116 to 123 (pp. 281-285) many changes were made by increasing the sources of income, changes of rate, and time of assessment and collection, together with deductions allowed. Numerous changes of an administrative character were also made.

The above act, which was passed in the first session of the Thirty-eighth Congress, was further amended in the second session by the act of March 3, 1865 (Stat. at Large, Vol. 13, p. 469).

The amendments will be found on pages 479, 480 and 481, an analysis of which appears elsewhere. The act of March 10, 1866 (Stat. at Large, Vol. 14, p. 4), declared the meaning of certain portions of the act of June 30, 1864, in respect to the income tax, and the act of July 13, 1866 (Stat. Vol. 14, p. 98), amended said act striking out Sections 3, 4, and 5, and substituting new matter relating to the form character of returns, etc.

The act of March 2, 1867 (Stat. Vol. 14, p. 471), further amended the act of June 30, 1864, (pp. 477, 478, 479 and 480), as stated elsewhere, all these amendments being in the Thirty-ninth Congress, the last act in relation to the income tax being that of July 14, 1870 (Stat. Vol. 16, p. 256), Section 6 of which fixed the date of expiration of the tax.

Owing to the late time of its taking effect, says Librarian Spofford in the "American Almanac" for 1878, the income tax brought into the Treasury but a small sum prior to the year 1864, when there was collected under the head of income tax a little over $15,000,000. By the act of March 3, 1865, the income tax law was amended so as to increase the 3 per cent. to 5 per cent. and the 5 per cent. tax on incomes over $10,000 was changed to a 10 per cent. tax upon the excess over $5,000 income, the exemption of $600 remaining the same. The most of the tax for the year 1865, however, was collected under the original law and brought into the Treasury the sum of $21,000,000 for the fiscal year 1864-65. The following year, 1865-66, the war having ceased, and the country being in a high state of development in all its resources, the income tax rose to a point the highest ever reached in the history of the tax. The returns for the fiscal year ending June 30, 1866, showed a total revenue from the income tax of $60,547,832.43. This was but little diminished in the following year, 1866-67, when the net revenue from the income tax footed up $57,040,640.67.

The income tax was further amended March 2, 1867, so as to increase the exemption then standing at $600, up to $1,000. At the same time all discrimination as to the taxing of large incomes a higher rate was abolished and the tax fixed at 5 per cent. on all incomes in excess of $1,000.

The act also contained the limitation or proviso that the taxes on incomes should be levied and collected until and including the year 1870, and no longer. Under this modified tax there was collected in the year 1868 the large sum of $32,027,610.78; in 1869, $25,025,068.86, and in the fiscal year ending June 30, 1870, $27,115,046.11.

AGITATION LEADS TO REPEAL

The agitation against the income tax, which led finally to its repeal, was perhaps far more owing to the excess of the rate charged than to any real objection to the tax itself. Special Commissioner David A. Wells, in his report on the revenue system for the year 1869, set forth the fact that an income tax of 5 per cent. was greater than had ever been imposed by any other nation, except in time of war or in extraordinary National exigencies. He recommended the reduction of the tax from 5 per cent. to 3 per cent. on all incomes over $1,000, accompanying the suggestion with an expression of opinion that an assessment of 3 per cent. would probably yield to the Treasury a sum almost, if not quite, equal to that collected at 5 per cent. The reason assigned for this was that while the reduction of the rate would afford a great and welcome relief to the classes then paying it, it would at the same time bring within reach of the income tax law great numbers who had hitherto avoided giving in their receipts at all, or had made imperfect or fraudulent returns, in order to escape the excessive tax.

"A tax of 5 per cent.," said Commissioner Wells, "is evidently too high for revenue purposes." He also recommended that the exemption from the income tax on account of rent, in addition to the $1,000 exemption, should be fixed at the maximum of $200. The existing law as construed in collection permitted any one to deduct the full amount paid for rent from his annual income. Evidently no claim could properly be made for the exemption of rent to any large extent which would not be equally valid in support of the exemption of any other class of expenditure. Certainly high rents are as much a luxury as any other form of expenditure, and are as little to be considered in exemption from income taxation.

The same report of Commissioner Wells (being the last during his term of office) set forth the doctrine that through an income tax a larger proportion is contributed to the revenue by the classes best able to afford it than by any other method of taxation whatever. These classes owe most to the protection of the Government, and it is certainly a wide departure from the true doctrine and methods of taxation that they should be exempted from the burdens of its support, with the single exception of the tax on consumption through the tariff, which they bear in common with the poorest in the community.

In meeting the proposition, then seriously advocated in many quarters, that the income tax should be wholly removed. Mr. Wells called the attention of the country to the fact that the tax was paid during 1868 by only 250,000 persons out of the entire population of almost 40,000,000, and yet that the returns of these persons represented an aggregate income of not less than $800,000,000. Even allowing for the families of these 250,000 contributors, it is evident that only about a million of the population were interested in having the tax repealed, while the remaining 39,000,000 out of 40,000,000 of people in the United States were interested in having it maintained.

Both the Secretary of the Treasury and the Commissioner of Internal Revenue supported the recommendation of Special Commissioner Wells in 1869-70, that the income tax should be retained, although willing to have it reduced to a uniform rate of 3 per cent. on incomes exceeding

$1,000, with a proper minimum exemption on account of the rent of a family. The question came up in Congress two or three times before the impending expiration of the income tax by limitation of law. After something of a contest in the Forty-first Congress, the tax was renewed for one year only, by act of July 14, 1870, the rate at the same time being reduced to 2½ per cent. The exemption was increased to $2,000, so that nobody paid the tax for the year 1870-71, except those in such easy circumstances as to be in receipt of more than $2,000 per annum.

OPPOSED BY MR. SCOTT.

On December 6, 1870, at the commencement of the third session of the Forty-first Congress, Mr. Scott, of Pennsylvania, introduced a bill (S. 1083) repealing in effect the income tax, which bill was referred to the Committee on Finance.

On December 15 following Mr. Sherman reported said bill adversely with others of similar import. Said bill was placed on the calendar and was taken up for discussion on January 25, 1871. Its passage was advocated by Senators Scott and Conkling and it was opposed by Senator Sherman in an elaborate speech. On the following day the bill was again taken up and its passage urged by Senators Buckingham, of Connecticut; Cole and Casserly, of California; Johnston, of Virginia; Corbett, of Oregon; Sherman, of Ohio, and Carpenter, of Wisconsin, and opposed by Senator Morrill, of Vermont. The bill was then passed by yeas 26, nays 25, not a party vote.

On the following day Mr. Hooper, of Massachusetts, as a question of privilege, presented a resolution in the House of Representatives returning said bill to the Senate, "with the respectful suggestion on the part of the House that Section 7 of Article I. of the Constitution vests in the House of Representatives the sole power to originate such a measure."

Mr. Randall, of Pennsylvania, made the point of order that the resolution did not present a question of privilege, which point was overruled by Speaker Blaine in an elaborate ruling. The resolution was then adopted, the yeas and nays being refused thereon. The Senate insisted on its right to originate such a bill, and after debate adopted a preamble and resolution affirming that ground and asked a conference with the House on that resolution. The House agreed to the request, and the conferrees were appointed, Messrs. Scott, Conkling and Casserly on the part of the Senate and Messrs. Hooper, of Massachusetts; Allison, of Iowa, and Voorhees, of Indiana, on the part of the House.

The conferrees were unable to agree, and the managers on the part of each House made separate reports. The report to the Senate was made by Mr. Scott and appears in the *Globe* of March 2, 1871, p. 1873. The report to the House was made February 27 by Mr. Hooper, and is printed as House Mis. Doc.—, third session, Forty-first Congress. The entire ground was elaborately discussed, the Senate insisting on its right to originate such a bill and the House denying it. On February 7 Mr. Hooper reported a bill (H. R. 2994) to repeal the income tax, and two days later moved to go into the Committee of the Whole on the state of the Union to consider said bill. His motion was rejected by yeas 104, nays 105, and no further action was had on either Senate or House bill.

The income tax, therefore, expired by limitation imposed by Section 6 of the act of July 14, 1870, which levied said tax "for the years 1870 and 1871, and no longer."

The following table, compiled from the annual reports of the Commissioner of Internal Revenue, is taken from the "American Almanac" for 1878, edited by A. R. Spofford, Librarian of Congress, and with some

addenda is given as a matter of statistical information properly a part of the history of the income tax. The payments from the year 1874 to 1884, inclusive, are not separated, the total being for said years but $199,038.

AMOUNT OF REVENUE FROM INCOME TAX FROM 1863 TO 1884, INCLUSIVE.

Compiled from the annual reports of the Commissioner of Internal Revenue.

Income over $600 and not over $10,000 (*a*), duty of 3 per cent	$17,814,171
Over $10,000 (*a*), duty of 5 per cent	16,494,561
From property of citizens residing abroad (*a*), duty of 5 per cent	230,471
From interest on United States securities (*a*), duty of 5 per cent	212,414
Over $600 and not over $5,000 (*b*), duty of 5 per cent	58,078,597
Over $5,000 (*b*), duty of 7½ of 1 per cent. on excess over	60,851,011
Over $1,000 (*c*), duty of 5 per cent. on excess of all in civil, military, or naval service	94,848,692
Over $2,000 (*d*)	16,097,921
From bank dividends and additions to surplus, duty of 5 per cent	27,854,024
From bank profits not divided or added to surplus	1,279,690
From canal companies' dividends, etc.	1,785,812
From insurance companies' dividends, etc	5,689,070
From railroad companies' dividends, etc	21,416,739
From railroad companies' interest on bonds	9,987,845
From turnpike companies' dividends, etc	237,325
From salaries of United States officers and employes	14,029,995
Total (*e*)	$346,964,366

(*a*) Act of July 1, 1862. (*b*) Act of March 3, 1865. (*c*) Act of March 2, 1867. (*d*) Act of July 14, 1870. (*e*) Total for 10 years, 1874 to 1884, $199,038.

The following table, given as a matter of comparison, shows the revenue of Great Britain during the years 1863 to 1873, inclusive, collected severally from excise license, etc., stamps, and property and income tax, together with the total gross revenue from all items. The period above given is selected, as but $199,038 was collected in the United States on account of the income tax after the year 1873:

Year.	*Excise licenses, etc.*	*Stamps.*	*Property and income tax.*	*Total gross revenue all sources.*
1863	£17,155,000	£8,994,000	£10,567,000	£70,604,562
1864	18,207,000	9,317,000	9,084,000	70,209,065
1865	19,558,000	9,530,000	7,658,000	70,313,787
1866	19,788,000	9,560,000	6,390,000	67,812,292
1867	20,670,000	9,420,900	5,700,000	69,434,568
1868	20,162,000	9,541,000	6,177,000	69,600,218
1869	20,462,000	9,218,000	8,618,000	72,591,992
1870	21,763,000	9,248,000	10,044,000	75,434,252
1871	22,788,000	9,007,000	6,350,000	69,945,220
1872	23,326,000	9,772,000	9,084,000	74,708,314
1873	25,785,000	9,947,000	7,500,000	76,608,770

NOTE.—On incomes from £100 to £150, 1861-'63, 6d. on the pound. On incomes of and above £150, 1861-'63, 9d. on the pound. On incomes of and above £100 with abatement of £60 on incomes under £200, 1864-'65, 6d.; 1865-'67, 4d.; 1867-'68, 5d.; 1868-'69, 6d.; 1869-'70, 5d.; 1870-'71, 4d.; 1871-'72, 6d.; with an abatement of £80 on incomes under £300, 1872-'73, 4d.; 1873-'74, 3d.

A sketch of the history of the income tax in Great Britain since 1873 would be interesting as showing the variation of rates, the changes by way of exemption, and, more particularly, the changes in the administrative machinery for the collection of this tax, but would be foreign to the purpose of this article, which has been hastily prepared, in view of the general belief that the Committee on Ways and Means of the House of Representatives now giving hearings on the subject, will report in an internal revenue bill a section imposing an income tax.

THE DUTIES OF THE TELLER IN A CANADIAN BANK.*

There are many points to be noted by a teller with regard to the payment of checks, but the first and most important of all is that there are sufficient funds at the credit of the drawer to meet them. A check should, therefore, be certified by the bank's ledger-keeper or bear the initials of an official signifying to the teller that the check is good. Being duly certified, the teller should see that the signature of the drawer is genuine. Some think this is unnecessary, inasmuch as the certification by the ledger-keeper or other officer is sufficient authority to the teller to pay the check, provided it is otherwise in order, but a teller should *always* examine the signature, and he should be sufficiently familiar with those of the bank's customers to quickly detect a forgery.

A check must be dated. It may be dated either on, before, or after the date it is issued, but it would seem that if a check is not dated at all and contains no statement of a date when it is to be paid, it is never payable and the bank could not be held liable for refusing it. An ante-dated check is payable immediately. A post-dated check is payable on or at any time after the day of date.

Checks written payable to bearer pass by mere delivery. *Prima facie*, the holder is the owner, and indorsement is unnecessary. If drawn payable to order, a check should be indorsed by the payee, and the teller should see that his signature corresponds exactly with the name written in the check. If there are several indorsements each one should correspond with the name to whom the check is made payable by the preceding indorser. All indorsements should be written in *ink*. Stamped indorsements should not be taken, except when there is an understanding between the bank and a customer that such is his accepted method of indorsing. If a check is made payable to a person who cannot write, he should put his mark on the back of the check in the presence of a witness, who should sign his name to it as such.

The indorsement being in order, the teller should see that the party presenting the check is the proper person to whom payment is to be made. If he does not know the payee, the latter should be identified, either by introduction through a mutual acquaintance, or in writing by a person whose signature is known to the teller.

The next point to take note of is the amount of the check. If that written in the body does not agree with that in the figures, he must pay the *written* amount.

The check being certified, properly signed, dated and indorsed, the amount correct and the party presenting it being the one to whom the drawer, or previous indorser, intended the money to be paid, the teller should receive it and pay over the cash. It should then be stamped *paid* and canceled. The signature, however, should not be defaced, as it is the only evidence the bank possesses to show that payment was made on the genuine signature of the drawer. This is important, as a dishonest depositor might deny his signature if badly mutilated or defaced.

In addition to checks, there are other forms of payment, which will be dealt with separately, but the one fundamental condition governing them all, is that the bank holds sufficient funds to meet the payments demanded, and that the teller has the proper authority to cash them.

* Prize Essay awarded by the Canadian Bankers' Association to D. M. Stewart, of the Canadian Bank of Commerce, in New York.

Promissory notes are drawn payable at a certain specified time, three days being allowed for grace, and when domiciled at a bank and presented for payment, the teller should see that the date of such presentation is the correct due date. Notes payable on demand have no days of grace.

Drafts and bills of exchange are drawn on demand, at sight, or payable at a certain time after sight, or after date. When drawn payable at sight the due date will be the third day after date of acceptance. If drawn payable with interest, or exchange, or both, these amounts should be added to the face amount of the bill. Bills of exchange drawn in sterling or other foreign currency should be converted at the current rate and paid in the same manner as checks. The rules governing payment of checks as regards date, certification and indorsement, also apply to notes, drafts, and bills of exchange.

When a letter of credit is presented and only a portion of the amount it is drawn for is required, this sum should be indorsed on the back of the credit and receipted for by the payee. The teller should read the letter and see that the instructions are complied with. This also applies to checks drawn under a letter of credit. When a letter of credit is nearly exhausted, the teller making the last payment should see that it is indorsed thereon as above, and that the total payments agree with the amount for which the credit was originally drawn.

Branch bank and correspondents' drafts should be compared by the teller with the advices usually sent forward from the place of issue, to see that they are in order before paying them.

Coupons form another kind of payment, and almost the only thing to note about them is that they are not presented before due. The date of payment, however, is usually plainly printed on the face, and they are always payable to bearer.

Post-office orders and money orders bear printed instructions as to how they are to be paid, and these of course should be complied with.

When paying a deposit receipt the teller should compare the signature of the indorser with that on file with the bank, and make sure that the holder is the proper person to receive the money.

Instructions by the drawer of a check or other instrument with regard to payment *must* be complied with, or the bank may be held liable in case of any loss arising.

Alterations or additions to a check, note, or any other form of payment whatsoever, should be authorized by the original drawer, and without such authority payment should be refused. The parties' initials constitute the generally accepted authority for any changes in date, amount, etc., and these should be carefully examined to see that they are really those of the proper person.

DEPOSITS, ETC.

When a person makes a deposit with the bank for the first time, the teller should see that his full name, occupation and address are written upon the deposit slip, and that a specimen of his signature is left with the bank. It is usual to specify on this slip the denominations of which a deposit in cash is made up, and the teller should check these as he counts the bills and see that the total of the deposit slip agrees with the amount of cash he has received. Care should be taken not to receive counterfeits, and if any are found they should be immediately stamped "counterfeit," and deducted from the amount of the deposit. Coin should also be scrutinized, and all spurious ones branded as such. Mutilated and light-weight coins should only be taken at a discount, if at all, and mutilated *foreign* coins should not be taken as part of a deposit under any circumstances.

In addition to cash, short-dated drafts, checks, etc., are often deposited as cash, and, as these are frequently drawn on other banks and parties, the teller must have authority for receiving them. He must see that they are in order as to date, indorsement, etc., as stated above with regard to the same items if paid out by him over the counter in cash. The deposit being in order, the slip should be initialed by the teller and handed to the ledger-keeper, who gives the customer the bank's receipt in a pass-book.

Persons not regular customers of the bank, and not desiring to become such, but who for some reason and on some isolated occasion desire to leave a sum of money in the custody of the bank, usually obtain a "deposit receipt," which is simply the written acknowledgment of the bank that it has received a certain sum of money on deposit. The teller should see that it is properly drawn and that the depositor leaves a specimen of his signature with the bank. This is sometimes taken upon the stub of the book from which the receipt is detached, and when paid the receipt is again attached to its original stub. In addition to the signature as a future means of identification, it would be well also to put down a description of the appearance of the depositor, such as the color of eyes, hair, etc.

When money is received for payment to some party located elsewhere, the bank's receipt should simply state that so much money was received from ——— on that day and for that purpose. If the amount is to be paid by telegraph, the teller should ascertain whether the sender or receiver is to pay the charges. If the former, he should see that the telegram is prepaid and collect the amount, together with the bank's commission, if any.

When money is deposited for the payment of a draft or note, the bank's receipt will be the bill itself duly canceled. If documents are attached, the teller should see that they are properly indorsed over to the owner before delivering them up.

The relation a teller bears to the interests of a bank is very important; the principal part of the business of a bank, viz., the paying and receiving of money, is transacted through him, and he is constantly in direct contact with the bank's customers or their representatives, and perhaps no officer in a clerical position has greater opportunities for promoting the bank's interests than the teller. Courtesy, civility and attention are his chief requisites. He should always do his utmost to please the bank's customers, never taking self into consideration while they are awaiting his attention. It often happens that a customer will come in just as the teller is in the middle of a long line of additions, and while it is sometimes annoying and aggravating to be interrupted, the ideal teller will at once drop his calculations and serve the customer. Prompt attention to the wants of customers is certain to enlist and to hold their good-will. If engaged in conversation with his fellow clerks, or even with a senior officer, he should not hesitate to at once discontinue it in order to attend to a customer when one puts in an appearance at his wicket. Nothing looks worse than to see a man waiting for his check to be paid, or his deposit to be received, until the cashier finishes his story or hears the end of what is being said by someone else. Laughing, joking, or nonsensical conduct during business hours is apt to give customers a bad impression, and, apart from that, they should not be indulged in under any circumstances. The teller should be earnest and serious (though by "serious" I do not mean sullen or disagreeable), for it is a well-known fact that a serious man is more readily trusted than one of a giddy temperament. He should be "all things to all men." He

has to deal with people of every conceivable disposition, and his object should be to try and please them all. With the talkative man he can readily exchange words, with the sullen he can be retiring, remembering that the customer in deep mourning does not care to be joked with, any more than the talkative and light-hearted care to be addressed as mourners.

If a customer comes in a few minutes after banking hours, he should not be taunted with the fact that he is "too late to-day." If possible, the teller should try to accommodate him, and if he cannot, it is easy to inform him of this in a manner that will not cause any offense.

Ladies seem to have a "perfect horror" for a bank nowadays, but there should be no reason for it. When they come to do business at the bank they should not be stared at or in any way made to feel uncomfortable. The rule should be to pay their checks, and receive their deposits, and act toward them in a gentlemanly manner. Most of the important banks in the United States have "ladies' departments." Every customer is entitled to civil treatment, and by being accommodating and attentive to every one, a teller may be said to be serving his employer well, at least in so far as he is dealing with the bank's customers' just requirements.

Many people come to the bank for "change," and it is always well to accommodate them. They may never bring any business to the bank, but there is no telling what influence they may have on others, and it never does any harm to be obliging.

Outside of the bank a teller should be very particular as to his habits and manner of living, and should be absolutely above suspicion. The public generally have very little idea as to the inside working of a bank, and many imagine that the bulk of its wealth is at the disposal of the teller, and he is naturally looked upon as a very responsible man. In the interests of the bank, therefore, he should conduct himself with the utmost propriety while off duty. He should shun drinking and gambling resorts and all places of questionable character, for if known to the public to be a frequenter of any of these, he is sure to be looked upon with distrust, and no bank can afford to have in its employ tellers in whom the public have no confidence. No one cares to leave his money in the custody of a bank whose officers are seen gambling, drinking, or otherwise misconducting themselves, and not infrequently is the standing of a bank judged by the character of its officers. Another point to be remembered by every teller is to keep out of debt. By reason of his position he becomes well known to the public in his neighborhood, and is generally identified with the bank, and he should, therefore, conduct his financial and other affairs in such a manner as to avoid all possibility of the name of his employer being associated with his own in anything dishonorable or wrong. Of course good business men, and especially city merchants, are guided as to the standing of a bank by its management and its (published) reports and statements, but the general public are more often governed by their opinions of the bank officials they come in contact with, and thus it often happens that one bank (especially in country places) will do perhaps double the amount of business of a competitor who stands ten times as high, all because the people of that section place more confidence in or have more friendship for the staff of the weaker institution.

I have tried to show how, inside and outside of the bank, a teller may advance the interests of his employer, but it would be impossible to lay down any set rule to be followed. A man must be governed by circumstances and surroundings, and must exercise his own judgment in deal-

ing with people, but a genial, agreeable and obliging teller, willing to inconvenience himself for the sake of the bank's customers, cannot fail, *ceteris paribus*, to be successful himself, and a promoter of the interests of his bank.

THE NEW YORK CLEARING HOUSE.

The report of the loan committee of the New York Clearing House, recently presented by the chairman, Mr. F. B. Tappen, contains a valuable history of the issuing of Clearing House certificates which have all been redeemed. The report reviews at length the circumstances attending the formation of the committee on June 15, in view of the disturbed financial condition of the country and as a precautionary measure. The report continues:

"The first issue of certificates under the above resolution, $2,550,000, was made on June 17. The first cancellation of certificates, to the amount of $100,000, took place on the 6th day of July. The committee have met daily up to the present time, and have held 105 meetings. The aggregate amount of certificates issued was $41,490,000. The greatest amount outstanding was $38,280,000 on August 29, and continued at that amount until September 6. The amount of collateral received by the committee, in a round sum, was $56,000,000, 72 per cent., or $40,000,000, being in bills receivable; 28 per cent., or $16,000,000, being in stocks and bonds. The total number of pieces deposited with, and examined by the committee was 11,029; 4,049 pieces were also examined as substitutions.

"It has been frequently stated, and feared by some, that the amount of certificates issued during the present crisis was in excess of the amount issued, in proportion to the deposits held by the banks, during any previous panic. On examination of the figures, however, we find that this has not been the case, as in 1873 the deposits were $152,640,000, and loan certificates, $22,410,000, being 14.7 per cent.; in 1884, on deposits of $296,575,300, certificates were issued to the amount of $21,885,000, being 7.3 per cent.; in 1890, on deposits of $376,746,500, $15,205,000 certificates were issued, being 4 per cent.; in 1893, $374,010,100 deposits, certificates $38,280,000, being 10.2 per cent. The greatest amount of certificates, in proportion to deposits, was issued in 1873. Had the same proportion of loan certificates been issued in 1893 as was issued in 1873, the amount would have reached the sum of $55,000,000.

"The percentages of loan certificates used in the payment of balance have been as follows: In June 9 per cent., in July 78 per cent., in August 95 per cent., in September 30 per cent., in October —, being a total of certificates used in the payment of balance of $299,273,000. The amount of interest paid on certificates has been $535,513.33. The expenses of the committee for stationery, clerk hire, etc., have been $562.27. All of this work has been accomplished without loss to the association."

The report having been presented, Mr. A. B. Hepburn, president of the Third National Bank, offered the following preamble and resolution:

"Whereas, A grave crisis threatened the financial, commercial and industrial interests of this country during the spring and early summer, and this association, by the issuance of Clearing House loan certificates to the amount of $41,490,000, enabled the associated banks of the city to afford relief to needy bank and business interests throughout the United States, and thereby averted widespread disaster; and

"Whereas, The arduous duties attending the issuance and cancellation of these obligations were gratuitously performed by the loan committee, without loss to the association, and in a manner indicative of a high order of ability and judicious discrimination; therefore, be it

"Resolved, That this association record its appreciation of the valuable services rendered by the loan committee during the trying times of the panic, and that the thanks of the association be tendered to the gentlemen composing said committee, viz.: George C. Williams, Frederick B. Tappen, J. Edward Simmons, Henry W. Cannon, Edward H. Perkins, Jr., and W. A. Nash, for the marked ability and judgment displayed by them in the administration of their trust.

"Resolved, That this preamble and resolution be spread upon the minutes of the association and a copy thereof, suitably engrossed, be presented to each member of the loan committee."

Mr. Hepburn concluded his remarks upon his resolutions as follows:

"The practical effect of the action of this association was to add over forty millions to the currency, the commercial life-blood of the nation—currency, if I may be permitted the term, sustained by the united credit of the banks of this city. The proof of the wisdom of your action and the value of the relief afforded is evidenced not alone by the immediate surroundings, but by the expressed approval of representative commercial bodies throughout the country. It was my privilege recently to attend a convention of Ohio bankers, and a resolution extending thanks to the New York banks was offered, and, after earnest discussion, unanimously adopted. We all rejoice in the approval of our fellow-men, and in this instance we can surely console ourselves with the reflection that we met a trying emergency in a manner so judicious and wise as to win the commendation of financial and commercial interests."

General Thomas L. James, of the Lincoln Bank, seconded the resolutions and said:

"I had hoped that some lasting testimonial, showing the appreciation of this body for the marvelous skill, wisdom and high courage with which the members of this loan committee have discharged their duties, without one single error, might be given, so that, not only they, but their children after them, might have visible evidence of our appreciation of their services during this time of financial storm and tempest; still, after all, these resolutions, being a permanent record on the minutes of this association, will tell the story of what they then did, with cold and accurate impartiality; so that those who come after us, if they are similarly beset, can take courage and profit by imitating their wise example."

Mr. McAnerney, of the Seventh National Bank, also desired to second the resolution, and said:

"While the great commercial exchanges, the press and all whose opinions are of value, have approved the action of the associated banks, financial cranks and irresponsible political demagogues have used every influence in their power to destroy confidence and prejudice people of the West and South against financial systems and institutions of the Central and Eastern cities. Men may differ as to financial methods, they may honestly entertain and express their convictions regarding gold, silver and bi-metallic standards, but when political demagogues, who unworthily fill high places in the counsels of the Nation, seek to maintain their political ascendancy by denouncing men and institutions that are struggling to prevent commercial distress and financial ruin, they deserve the rebuke they have just received from their colleagues and the American people.

"Most of the gentlemen assembled here to-day are veterans who have

passed through several periods of financial distress. While I have the honor of representing one of the oldest banks in the association, I am personally a raw recruit in the panic business. My experience during the past four months has led me to the conclusion that stopping panics is rather an unpleasant and unprofitable business.

"The year of 1893 will ever be memorable in the history of our country. By common consent it had been designated as a year of carnival and festivity in honor of the great Columbus and the discovery of America, yet gloom and depression prevailed; our securities returned from abroad, our actual money disappeared through foreign shipments and the hoarding of our own people. The new administration was powerless, and in this helpless and drifting condition the people waited the action of the New York Clearing House administration, which, representing capital and surplus of more than one hundred and forty millions, deposits of over four millions and daily exchanges of more than one hundred and twenty millions, must needs be the rallying point in the restoration of confidence. Public hope and expectation was not long deferred or disappointed."

The resolutions were unanimously adopted by a rising vote.

DECLINE OF THE GET-RICH-QUICK ASSOCIATIONS.

The People's Five-Year Benefit Order, by far the largest of the remaining assessment endowment orders in this State, is in court upon an application for the appointment of a receiver. From the facts which have been presented and which are likely to be brought out by the close of the hearing, it is the belief of the Insurance Commissioner that the receivership will be granted. The disclosures already have been in the line of what has been brought out regarding other assessment endowment concerns which have gone to the wall, and with the exposure of their methods there seems a strong probability that this strongest of the survivors will go the way of its predecessors. Should a receiver be appointed, Commissioner Merrill says that applications would surely be made for the closing up of the orders which remain, and that there would be little or nothing left for the Legislature to act upon on the subject when it meets. He looks for the passage of a bill to close them up immediately, and to prevent the formation of any more. It is not conceivable that people of this generation should embark in such folly again, but it is felt that the statute-books ought to bear witness to the existence of this form of offense which the Legislature legalized, and that hereafter no door should be left open to their admission. It is the opinion of the Insurance Commissioner also that the prohibition will extend to the foreign companies, which was not true of either the Bennett or the Anderson bills, which were pushed in the Legislature for closing up the orders summarily. The Iron Hall having become a wreck, the Order of Tonti is the sole foreign survivor, and that already has its legal difficulties. Hence it will be in no condition to fight against its fate, and there seems, on the whole, to be no doubt that our State will soon be entirely rid of these swindling concerns. If the forecast of the Commissioner is correct, then the orders are about to pass forever from public view.

Since the publication of the last semi-annual report of the Commissioner in July regarding these orders, there have gone to pieces the Abraham Lincoln Benefit Association, the American Protective League, the Catholic Crusaders of the Holy Cross, the Knights and Ladies of

Columbia, the Order of Ægis, the Order of the Helping Hand, the Order of Safety, and the Union Endowment; while these others are in trouble: the Commercial Endowment Association, the People's Five-Year Benefit Order, and the United Reserve Fund Associates. The People's Five-Year Benefit Order is far ahead of any other in membership. By its last report it has 16,285 members, while the nearest to it was the Order of Ægis (now dead) with 9,061, and next was the American Protective League (also dead) with 5,562. The largest survivor is the Order of World, with 5,548 members on June 30 last. Nearly all the sixteen remaining orders are small in comparison, and it is believed that it will be utterly impossible for them to hold their membership together, still less to take in new members. These few are all that is left of the fifty-three orders, to which number their list grew when they were most flourishing.

It is not a year yet since the decline of the craze began to show itself. In round numbers the membership at the end of 1891 was 71,000. After that came the determined onslaught against the system in the Legislature. It failed for the time, owing to the tremendous pressure, political and otherwise, which the orders were able to exert. But the exposures had their effect upon the public, for the membership at the end of last June was about 67,000. Since the adjournment of the Legislature, and since the clear revelation of their character which was made, accompanied by the falling of the first few leaves, such as the Royal Ark and the Golden Lion, the additions to membership have stopped, and as soon as that happens the game is up. It has been admitted at the present hearing upon the People's Five-Year Benefit Order that the lapses were what kept the order. But, with old members dropping out and no new ones coming in, it is only a question of a short time before the order must close its business. So the future has nothing in store for them but immediate annihilation. The foolish people who paid in their money will get such part of the small assets as the receivers can find to distribute among them, but the proportion is sure to be small.—*Boston correspondence of the New York Evening Post.*

FEES FOR PROTESTING PAPER.

Mr. T. G. Montague, president of the First National Bank of Chattanooga, in his address as president of the Tennessee Bankers' Association at the last convention, said: "Our courts, in some instances, have sustained practices of extortion upon the creditor class by the allowance of excessive claims in favor of attorneys, assignees and receivers for services in cases of insolvency, often many times the amount that similar services would ordinarily command if a contract in advance could have been executed. It may not be practicable by law to limit such allowances, but a certain percentage upon the amounts saved to general creditors would seem but just and equitable. A notary public is commissioned and equipped for work at an expense of less than $10. The fees allowed for protesting paper may seem a small matter, and yet the debtor can be saved one-half of this expense and this work will be equally well done. The cost in Tennessee will average $2.50 to $3 for each instrument protested. The average in New York is not over $1.50—50 cents each for the protest and copy and 25 cents for each notice is sufficient. Whatever in legislation or practice impairs contracts or imposes unnecessary delay or undue costs in the collection of obligations, prevents capital from coming to the State and makes higher rates for its use necessary, so as to provide against extraordinary contingent expenses."

THE GIVING OF CREDITS BY BANKS.

No firm or individual can pay high rates of interest and make money unless there is a capital to work on.

The responsibility of the borrower should always be carefully considered, his record and standing in the community, what his reputation is, does he make a success of his undertakings, what his financial condition is.

We as banks are obliged to show up under oath our condition, and if any of us are weak, or if disaster strikes us and takes away from our capital, the whole list of depositors and all of the borrowers who have margins rush in to get what is theirs.

We should certainly strive to protect our stockholders, just as they would try to protect themselves.

Mercantile agencies are, to some extent, our guide in the matter of giving credit, but we cannot always strictly rely upon the accuracy of their reports. This is said with due regard and respect for their faithful attempts to protect us; it would be much better if we would now and then confer together and have a free exchange of our ideas and views regarding commercial paper. Suppose some of us here told another that the bank he represented had loaned "A." $5,000, and the party receiving the information was doing the same thing on paper, and still another was doing likewise—not by any means an improbable proposition—it is certainly most likely that some of us would think that "A." was borrowing rather heavily. Such cases do exist and may need attention. The only remedy for such evils is a free and open interchange of ideas, opinions and confidence. A statement of any such parties' assets and liabilities might throw a light most welcome to us upon his condition and business methods.

The customer who "flies a kite" is just another to whom our attention should be directed. Have any of you ever heard of the valued customer who draws at five days' sight or thirty days' sight, as the case may be, upon some friend, and either has that friend do the same thing from his end, or else inclose him his check to meet the acceptance when due? It certainly must be owned by you that wind is the only thing that will make a kite fly. And yet all of us see it every day, we live through such experiences every hour, so to speak. These "kites" are birds of evil omen, and we should avoid them. Referring to the matter of credits given upon drafts with bills of lading attached. It has no doubt occurred to us all, in cases where the goods have not been actually received by the agent signing such bills of lading, that the corporation is not responsible; recent decisions confirm this statement. And yet every day banks and bankers are advancing large sums of money upon such papers. Do we make sufficient diligent inquiry before we make such advances, or do we rely too much upon the party offering such drafts?

Overchecking against an account is still another lax way some of us may have of extending credit. It should never be allowed. If such occasioned overdraft is unintentional, it evidences, to a certain extent at least, a carelessness on the part of our depositor, which is inexcusable. If intentional, thinking he stands so well with his bank that it will not throw out his check, why then such an overdraft almost amounts to what is commonly known among the slang words of our language as "cheek." We should never allow the overdrafts—such accounts are

not worth having. Security should always be demanded against such transactions.

Sympathy or friendship may at times lead some of us to extend more credit than we should. A bank official during his hours of active service, as the representative of his stockholders and during the transaction of a strictly business proposition, should endeavor always to forget that party stands on intimate relations with him, better had he forget that he had any friends at all, than to sacrifice one iota of his official obligation. Thus he may, perchance, save his bank from loss.—*A paper read by J. H. Hunter, cashier of the Savannah Banking and Trust Co. at the Georgia Bankers' Convention.*

NOTICE TO CASHIER—EFFECT—PLEDGE OF STOCK —SUBSEQUENT LOAN TO STOCKHOLDER.

SUPREME COURT OF ALABAMA.

Birmingham Trust & Savings Co. v. *Louisiana Nat. Bank.*

Complainant bank made a loan to a citizen of the same city as defendant trust company on a pledge of stock of the latter. The cashier of defendant attested the transfer of the certificates of stock, and they were forwarded to complainant in an envelope bearing the stamp of the company. At the same time the trust company, through its cashier, drew on the broker, who was in the same city as complainant, for the proceeds of the loan, remitting the draft to complainant for collection, with instructions to collect and deposit to the credit of the trust company in another bank, which was done. The borrower was at the same time credited with the draft, and debited on the books of the trust company with charges on account thereof. The correspondence which complainant had with defendant's cashier was with him in his official capacity and not as an individual. *Held*, That defendant was affected with its cashier's knowledge of the loan made by complainant, so that it could not claim a lien on the pledged stock for advances afterwards made by it to the owner thereof.

The fact that the advances by defendant were made after the cashier's death, by officers who had no knowledge of the loan made by complainant, was immaterial.

STONE, C. J.—The controlling, if not the sole, inquiry in this case is whether the Birmingham Trust & Savings Company has a lien on the shares of its capital stock, the subject-matter of controversy, to secure the payment of the debts contracted with it by Boddie, the original holder and owner of the stock. The certificates were issued to him, and he remains registered as owner and holder on the books of the company. The question is, will the asserted lien prevail over his prior pledge of the stock to the appellee, to secure the payment of a debt contracted on the faith of the pledge? The common law regards shares of stock in private corporations as personal property, capable of alienation or descent in any of the modes by which that species of property may be transferred. Thus regarding such shares, a lien or equity in favor of the corporation to charge them with a debt due from the shareholder would not be implied. Where the rights of third persons, accruing by purchase, or pledge from the shareholders, accrue, the recognition of such lien or equity would find no sanction in the rules of the common law. It discountenances all secret liens or trusts, as tending to fraud, to the embarrassment of trade, and to insecurity in the safe and speedy transfer of property. (1 Jones, Liens, § 375; Ang. & A. Corp. § 355; Cook, Stocks & S. § 521.) There is, however, much of equity and justice in such a lien, growing out of the relations which exist between the

corporation and its shareholders, and it has become a very general legislative policy to confer it either by a general law, applicable to all corporations, or by a provision in the charters of particular corporations. As between the shareholder and the corporation, and all others than *bona fide* purchasers without notice, a by-law or rule of the corporation may very naturally and reasonably create such lien. This proposition is supported by the weight of judicial authority. (Cook, Stocks & S. § 552; *Cunningham* v. *Insurance & Trust Co.*, 4 Ala. 652.) The statutes declare: "Shares or interests in the stock of private corporations are personal property, transferable on the books of the corporation in such manner as is required by the by-laws or by the rules and regulations of the corporation." It is made the duty of every private corporation to require transfers of its stock to be made or registered on its books, and all transfers, hypothecations, mortgages, or other liens of and on the stock, if not so made or registered, are invalid as to *bona fide* creditors, or subsequent purchasers without notice. The stock is the subject of levy and sale under attachment or execution, as is other personal property; and on the stock the corporation has a lien for any debt or liability incurred to it by the shareholder, before notice of a transfer, or of a levy thereon. (Code §§ 1669-1674.) So far as the statute declares the shares personal property, it is simply affirmative of the common law. (Ang. & A. Corp. § 557.) The requirement that a transfer of them must be made or registered on the books of the corporation does not prohibit a transfer in other modes, or render a transfer otherwise made absolutely invalid. It is invalid only as to the particular parties mentioned in the statute. A transfer not made or registered on the books of the corporation may not pass the legal title. But it is not intended to establish a rule applicable only to this particular species of property, prohibiting the creation therein of equities binding the legal title, or requiring that at all times the legal and equitable title must be united in the same person. When such equities are created, the corporation is bound to regard them from the time it receives notice of their existence. (*Duke* v. *Navigation Co.*, 10 Ala. 82; *Planters' & M. Mutual Ins. Co.* v. *Selma Savings Bank*, 63 Ala. 585; *Campbell* v. *Iron Co.*, 83 Ala. 351, 3 South. Rep. 369; *Bank* v. *Hartwell*, 84 Ala. 379, 4 South. Rep. 156; *Winter* v. *Gas-Light Co.*, 89 Ala. 544, 7 South. Rep. 773.) It is the protection of *bona fide* creditors, and of subsequent purchasers, the statute contemplates, and the protection of these only in the event there is want of notice of a prior transfer, hypothecation, mortgage or lien. The lien which the corporation can assert and enforce against a prior transfer of the stock, though the transfer may create only an equity, binds the legal title of the shareholder by the very terms of the statute. Like the protection extended to *bona fide* creditors or subsequent purchasers, it is dependent on a want of notice of the transfer, if the debts or liabilities were incurred by the shareholder. The lien, being created by statute, is limited in operation and extent by the terms of the statute, and can arise and be enforced only in the event and under the facts provided for in the statute. If there is a levy on the stock, or a transfer of it, subsequent to the incurring of a debt or liability to the corporation by the shareholder, the levy or transfer is subordinate to the corporation's lien. But if the debt or liability does not precede the levy or transfer, the lien is subordinate, and must yield, unless the corporation dealt with the shareholder without knowledge or notice. Having knowledge or notice, in fair dealing the corporation could not extend credit to the shareholder, relying upon the lien to displace whatever of right the levy or transfer may have conferred.

The pledge to the appellee preceded in point of time the exclusion of

credit to Boddie, and the creation of the debts for the security and payment of which the trust and savings company now attempts to assert a statutory lien on the stock. The material inquiry is, therefore, whether the company at and prior to the creation of the debts is chargeable with notice of the pledge. The fact is undisputed that Hudson, the cashier of the company at the time of the pledge, had knowledge and notice of it, and was in fact an active participator and agent in the creation of the debt it was intended to secure; and the fact is undisputed that all the correspondence and intercourse the appellees had with him were had in his official capacity and relation as cashier, and were not had with him in his private, individual capacity. Nor can it be disputed that the correspondence, intercourse and dealing were in accordance with the general usage, practice and course of business of banking institutions, and within the general apparent line of duty and authority of the cashier of such institution. He is the executive officer, held out to the public as having authority to act according to the general usage, practice and course of business of such institutions; and his acts and dealings within the scope of such usage, practice and course of business bind the corporation in favor of those dealing with him, not having other knowledge. Notice received, or knowledge acquired by him, while engaged in the transaction of business according to such usage and practice, is substantially notice to and the knowledge of the corporation. (*Everett* v. *U. S.*, 6 Port., Ala., 166; *Bank* v. *Steele*, 10 Ala. 915; *Merchants' Bank* v. *State Bank*, 10 Wall. 650; *Case* v. *Bank*, 100 U. S. 454) The general rule, applicable alike to individuals and to corporations, is that the knowledge acquired, or the notice received by an agent, which will affect and bind the principal, must have been acquired or received by the agent doing some act within the line of his duty and authority. Whether, as between Boddie and the trust company, the transaction in which Hudson was engaged was the negotiation of the loan from the appellee to Boddie or the collection for Boddie of the proceeds of the loan, is not material. It may or may not be within the usual scope of the business of a banking institution to negotiate loans. The negotiation of loans, is, however, a function and power expressly conferred by the charter on the trust and savings company. The power existing, the negotiation becomes business of the company, which may be transacted as other ordinary business is transacted. It falls within the line of duty and authority intrusted to the cashier as the executive officer to whom the management and transaction of the ordinary business of the company is intrusted. (1 Mor. Priv. Corp. § 359 *et seq.*; 2 Amer. & Eng. Enc. Law p. 118.) There is no other officer of whom the public at large would so readily expect the exercise of such function and power; no other with whom it would so confidently deal in reference to its exercise. Whether there was a by-law or resolution of the board of directors expressly imposing the duty or delegating the authority, in the absence of knowledge or notice thereof, is not a matter of importance when the rights and dealings of third persons are involved. Whoever deals with an agent or officer of a corporation within the scope of the apparent powers of such agent or officer, is not affected by the secret instructions of the corporation, or the secret limitations which may have been placed upon his power. (2 Mor. Priv. Corp. § 593 *et seq.*) Nor is it important whether it be true or not true that in no other instance than this did Hudson ever negotiate a loan. If the negotiation of loans was within the scope of his authority and duty as cashier under the usages, practice and course of business of banking institutions, it was the right of the appellee to rely on this apparent authority in dealing with him in his

official capacity. If, in his capacity of cashier, Hudson negotiated or aided in negotiating the loan for Boddie, and in the course of the negotiation acquired knowledge and received notice of the pledge, that knowledge was also acquired, and the notice also received, in the course of the collection for Boddie of the proceeds of the loan, and it cannot be doubted that in making the collection he acted wholly for the company, and within the line of his duty and authority. There are but few functions of a banking institution more frequently exercised than that of making collections, especially at places distant from the locality of the bank. The collection of necessity is made through the medium of correspondence, and the conduct of its correspondence is surely, according to the usages and practice of banking institutions, within the line of the duty and authority of the cashier. The loan having been negotiated, a pledge of 300 shares of the capital stock of the trust and savings company was the required security for its repayment. Hudson attested the transfer of the certificates of stock, and they were forwarded to the appellee in an envelope bearing the stamp of the company. At the same time the trust company, through Hudson, its cashier, drew upon Seixas, the broker in New Orleans, for $24,162.50, the net proceeds of the loan, remitting the draft to the appellee for collection, with instructions to collect and deposit to the credit of the company in the Whitney National Bank of New Orleans. The collection and deposit were made, of which the company were promptly informed. On the same day the certificates of stock were forwarded to the appellee, the draft was drawn, and Boddie was credited with the draft and debited on the books of the company with charges on account thereof, $62.50. Whatever may have been the knowledge acquired or the notice previously received by Hudson in this particular transaction, by the collection from Seixas of the proceeds of the loan he acquired full knowledge, and received full, actual notice of the pledge of the stock to the appellee. That knowledge and notice were the knowledge of and notice to the company. The collection of the money for Boddie was ordinary business of the company, and such business, according to the usage and practice of banking institutions, is transacted by and through the cashier. It is only through its officers and agents that a corporation acquires knowledge or receives notice; and, though knowledge acquired or notice received by an officer or agent, while not engaged in transacting the business of the corporation, may not affect or be imputed to it, yet, if it is acquired or received while engaged in the sphere of his official duty and authority, the knowledge or notice becomes the knowledge of and notice to the corporation; otherwise knowledge and notice could never be traced to the corporation, and the utmost insecurity in dealing with it would follow. As against corporations, there are peculiar and urgent reasons for a stringent enforcement of the general rule that knowledge acquired or notice received by an officer or agent within the scope of the agency is deemed notice to the principal, as "the corporation cannot see or know anything except by the intelligence of its officers." (*Bank* v. *Whitehead*, 36 Amer. Dec. 186, notes.)

It is insisted that, although Hudson, in his relation and capacity of cashier, acquired knowledge and received notice of the pledge, the knowledge and notice is not imputable to the company to affect such transactions had with Boddie which were conducted by other officers and agents subsequent to Hudson's death, and who were without such knowledge or notice. This insistence is founded in misapprehension of the principles of law, and of its true theory. The knowledge and notice an agent acquires and receives in the transaction of the business of the

principal is not personal, pertaining to the agent only. The legal principle is thus tersely expressed: "Notice to an agent is notice to the principal." (Wade, Notice, § 672.) And the theory of the principle is that, if the principal had in person transacted the business, he would have acquired the knowledge or received the notice the agent acquires and receives, and therefore is chargeable with such knowledge and notice (*Sooy* v. *State*, 41 N. J. Law, 400); and upon general principles of public policy it is and must be presumed that the agent communicates to the principal the facts of which he acquires knowledge or notice. If the communication is not made, it is the fault or neglect of the agent, which must be visited on the principal, rather than upon strangers dealing with the agent, within the scope of the agency. (Story, Ag. § 140.) The trust and savings company, being chargeable with knowledge and notice of the prior pledge to the appellee, is not entitled to assert a lien on the stock for the security of the debts subsequently contracted by Boddie. We find no error in the record, and the decree of the chancellor is affirmed.—*Southern Reporter.*

POWERS OF BANK OFFICERS.

SUPREME COURT OF NEBRASKA.

Bank of Commerce v. *Hart.*

The cashier of a banking corporation has, by virtue of his office, no authority to accept in payment and discharge of a debt due the bank certificates of the capital stock of an insurance company.

A banking corporation organized under the laws of this State has no power to become a stockholder in an insurance company.

The acts of the directory of a banking corporation, in dealing with and investing the funds of the stockholders to bind the bank, must be confined to the expressed purposes for which the bank was incorporated, and to purposes necessarily incidental thereto in the successful conduct of its legitimate business.

RAGAN, C.—The Bank of Commerce sued Hart on a note for $20,000, executed and delivered by him to the bank. The defense of Hart, so far as the same is material here, was that on March 30, 1888, he paid on said note $14,105.46, with which payment the bank has not credited him. Hart claims to have made this payment by the sale of certain shares of stock in an insurance company to the bank through one Johnson, its cashier, who promised at the time to credit the note when it should be returned from New York, where it then was. The bank claims that the sale of said stock, if made, was to Johnson individually, and not to the bank; that it had no interest or part in said sale; that the same, if made, was without its knowledge or consent; and the purchase of the stock by its cashier, if made for the bank, was in excess of his authority, and void. The jury, by its verdict, allowed Hart the credit he claimed, thus, in effect, finding that the purchase of the insurance stock was made by the bank. Assuming, for the purpose of this opinion, that the evidence in the record supports this finding, we then proceed to inquire whether the cashier exceeded his authority in using funds of the bank in the purchase of this stock. In *Sandy River Bank* v. *Merchants', etc., Bank*, 1 Biss. 146, the facts were: The cashier of the Mechanics' Bank settled an account of $22,000 with the cashier of the Sandy River Bank by paying $10,000 cash and giving $12,000 private paper, which the cashier of the Sandy River Bank accepted in payment, and gave a

receipt in full. The Sandy River Bank brought its action against the Merchants & Mechanics' Bank on the account. The latter pleaded payment by the contract with the cashier. The question in the case was whether the cashier had authority to receive in payment anything but money. In the course of the opinion delivered the judge said: "A cashier of a bank is ordinarily the executive officer of the bank. He is the agent through whom third persons transact their business with the bank. . . . The bank holds him out to the world as having authority to act according to the general usage, practice, and course of business, and all acts done by him within the scope of such usage, practice, and course of business bind the bank as to third persons who transact business with him on the faith of his official character; and perhaps it may be presumed without proof, and merely from his office, that he is authorized to receipt and discharge debts, deliver up securities on payment or discharge of the debt for which they are held. . . . But still his authority is a limited authority. When a party claims a discharge from a debt due the bank not by payment, but by giving other or different notes, bills, or securities which the cashier has agreed to take and release the debt, his authority, like that of any other agent, must be shown by proof. As a general rule, the jury have no right to infer that the cashier of a bank, as such, has authority to compromise and discharge debts without payment, or by taking other securities, but the authority from the bank must be shown expressly or by necessary implication, or it must be established by the particular usage, practice, or mode of doing business of the bank, or it must be ratified or acquiesced in by the bank, in order to be binding." In *U. S.* v. *City Bank of Columbus*, 21 How. 356, the facts were: The cashier of the Columbus bank gave to one of its directors, Miner, a letter to Secretary of the Treasury of the United States, to the effect that Miner had authority to contract in behalf of the bank for the transfer of money for the Government. Relying upon this letter, the Secretary of the Treasury made a contract with Miner for him to transfer $100,000 of the Government's money from New York to New Orleans. Miner received the money, but never delivered it. The United States brought suit against the Columbus bank to recover the money. The Supreme Court of the United States decided that the action could not be successfully maintained, as the cashier of the Columbus bank had no authority to make such a contract, and there was no proof that the board of directors had authorized it. In the course of the opinion, Justice Wayne said: "The court defines a cashier of a bank to be an executive officer, by whom its debts are received and paid, and its securities taken and transferred; and that his acts, to be binding upon the bank, must be done within the ordinary course of his duties. The term 'ordinary business,' with direct reference to the duties of a cashier of a bank, occurs frequently in . . . reports of decisions in our State courts, and in no one of them has it been judicially allowed to comprehend a contract made by its cashier without express delegation of power from the board of directors to do so, which involves the payment of money, unless it be such as has been loaned in the usual and customary way. Nor has it ever been decided that a cashier can purchase and sell property, or create an agency of any kind, for a bank, which he had not been authorized to make by others to whom has been confided the power to manage its business, both ordinary and extraordinary." The power of this bank to purchase stock in an insurance company, if it exists at all, is an extraordinary power, and one not confided to the cashier, but belonging to the directory. In *Bank* v. *Bailhache*, 65 Cal. 329, 4 Pac. Rep. 106, it is said: "The power to make a settlement of defalcation to a bank, and accept a deed of real estate

in satisfaction and release, is the function of the board of directors, and not of any individual director or officer." It has also been decided that, in the absence of special authority, the cashier of a bank could not release the surety from a note owned by the bank (*Bank* v. *Rudolf*, 5 Neb. 527; *Bank* v. *Haskell*, 51 N. H. 116); that, in the absence of special authority or established usage, the cashier has no power to compromise claims due his bank (*Bank* v. *Kohner*, 8 Daly 530); that he had no authority to bind his bank by issuing a certificate of deposit to himself (*Lee* v. *Smith*, 84 Mo. 304); nor bind the bank by any official indorsement of his own note (*West St. Louis Sav. Bank* v. *Shawnee County Bank*, 95 U. S. 557).

The cashier of the Bank of Commerce, then, as the executive officer of the bank, was clothed with authority to collect all debts due the bank, but this means collections in money. If a cashier may discharge the debts due his bank by exchanging the evidences of them for stocks of an insurance company or a gas company, then he can, under the name and charter of the bank, conduct an entirely different business, and use the funds of his stockholders for a purpose for which they were never subscribed, and in violation of the law of the bank's creation. The purposes for which the Bank of Commerce was organized, as expressed in its articles of incorporation, were to receive deposits of money, and pay the same out on proper vouchers, to loan money on personal security, to issue drafts or letters of credit, to buy and sell securities of every kind, and do a general banking business. Had this charter expressly provided that the corporation might invest its funds in stocks of insurance companies, and deal generally in stocks of other corporations, such a provision would have been contrary to the laws of the State, and void; but there is no provision in the bank's charter which by any reasonable construction can be construed into an authority to purchase and hold the stocks of any other corporation. True, it says "to purchase securities of every kind," but certificates of stock are not securities, within the meaning of this provision, nor such as the word imports in commercial or banking phraseology. "Securities," as here used, means notes, bills of exchange, and bonds; in other words, evidences of debt, promises to pay money. We conclude, therefore, that the cashier, by virtue of his office, had not the power to accept the stock of the insurance company in payment of the debt due the bank, but that power, if it existed, was lodged in the directory, and, as it had not expressly authorized the cashier thereto, he exceeded his powers in agreeing to accept, on behalf of his principal, the insurance company, stock in payment of the debt due from Hart to the bank, and that the latter is not bound thereby.

The powers of the directory to ratify the purchase of the insurance company's stock, and bind the bank thereby.—In *Mechanics & Workingmen's Mut. Sav. Bank & Bldg. Ass'n* v. *Meriden Ag. Co.*, 24 Conn. 159, it is said: "The first question is whether the defendants, being a joint-stock corporation, organized for a specific purpose, had power to become a stockholder in the association of plaintiffs. The purpose for which the agency company united, as expressed in their articles of association, was to do a general insurance agency, commission, and brokerage business, and such other things as are incidental and necessary to the management of that business. So far as that business was concerned, the proper officers of the company had power to act and bind the company, but, if they had departed from that business, and entered into contracts not authorized by the company, such contracts would not be binding. The subscription to the stock of a building association has no legitimate connection with the business of an insurance agent, commis-

sion merchant, or broker, and was not, therefore, authorized by the defendants' articles of association. But when the directors of the company subscribed for stock in a building association, whatever may have been their motive, . . . they transcended the powers conferred upon them, and departed from the legitimate business of the company." In *Franklin Co.* v. *Lewiston Sav. Bank*, 68 Me. 43, it is said: "If a corporation can purchase any portion of the capital stock of another corporation, it can purchase the whole, and invest its funds in that way, and thus be enabled to engage exclusively in a business entirely foreign to the purpose for which it was created. A banking corporation can become a manufacturing corporation, and a manufacturing corporation can become a banking corporation. This the law will not allow, and it has been held that notes given by a manufacturing corporation for the purchase of shares in a bank are not collectible." In Cook on Stock, Stockholders & Corporation Law (section 316), it is said: "A banking corporation has at common law no power to purchase or invest in stocks of another corporation, whether that other corporation be itself a bank or of a different business. The bank is organized for the purpose of receiving deposits and loaning money, not for the purpose of dealing in stocks. Any attempt to engage in such transactions is a violation of its charter rights, and of its duties towards the stockholders and the public." In *Bank* v. *Jones*, 95 N. Y. 115, Chief Justice Ruger said: "The question involved in this case . . . is the right of a bank corporation, chartered under the laws of this State, to subscribe for the stock of a railroad corporation. It is clear that a bank corporation cannot enter into a contract of this character unless it has authority under its charter to become a subscriber for the stock of railroad corporations, and thereby assume the obligations to which such stockholders are subject. The plaintiff is a moneyed corporation, organized under chapter 260 of the Laws of 1838, and authorized by that statute to carry on the business of banking by discounting bills, notes, and other evidences of debts, by receiving deposits, by buying and selling gold and silver bullion, foreign coins, and bill of exchange, and by loaning money on real and personal property. The Legislature intended by the act in question to inaugurate in this State an entirely new system of banking, and thereby undertook to provide for the establishment of moneyed corporations, which should furnish to the public a safe and reliable circulating medium for the transaction of its business, and secure solvent depositaries for the custody of such moneys as were needed for current use by business people. The language employed in the act . . . excludes by necessary implication the capacity to carry on any other business than that of banking, and the adoption of any other methods for the transaction of such business than those especially pointed out by the statute. The spirit of the law, as well as sound policy, forbids these institutions from risking moneys intrusted to their care in doubtful speculations or enterprises. For these reasons we are of the opinion that plaintiff was not only precluded by public policy, but was not authorized by the statute under which it was organized, to enter into any agreement as a stockholder in a railroad corporation."

The learned judge who presided at the trial below charged the jury as follows: "(*a*) In investigating the question as to how far, if at all, the bank was bound by the acts of Johnson in the premises, you will be governed entirely by the testimony which has been adduced before you on the trial. If you shall find from the testimony either that Johnson, in his negotiations with Hart, and his final agreement with him for the purchase of the shares of stock in the insurance company, was acting under authority conferred upon him in that behalf by the board of direct-

ors of the bank, or that subsequent to the transaction the directors approved of and ratified what has been done by Johnson, acting in his capacity as cashier of the bank (if you shall find that in such transaction he did act as such cashier), and accepted the fruits of such transaction, then, in that case, the bank would be estopped to deny the authority of Johnson in the premises, and would be bound by his acts in that behalf. (*b*) If, on the other hand, you shall find from the testimony that Johnson did not have authority from the board of directors of the bank to negotiate for and purchase the shares of stock in the insurance company referred to in the testimony, and that the directors did not subsequently approve and ratify the acts of Johnson relating thereto, nor accept and retain the fruits of such negotiation and purchase, then, and in that case, the bank would not be bound by what Johnson did relating to such negotiation and purchase, and, in such case, the plaintiff would be entitled to your verdict for the amount of the note sued on, and interest." This charge proceeded upon the theory that, though the purchase of the insurance company's stock by the cashier was unauthorized, yet the board of directors could have afterwards ratified and adopted it, and bound the bank by it. We do not assent to this doctrine, as applied to this case. It is doubtless true that the bank could legally take the stock of another corporation as security for a debt previously contracted. Possibly it might make a loan on the strength of the stock as security at the time. On this point the authorities are not in harmony, and, as it is not material here, we do not decide. An emergency might arise when a bank's board of directors would be justified in taking the stock of another corporation in settlement, adjustment, or compromise of a doubtful claim or debt, acting in the honest belief that only by so doing could a serious loss to the bank be averted. None of these reasons, however, existed in the case at bar, or, if they did, the record before us does not disclose them. The cashier had no authority to bind the bank by buying the insurance company's stock. The board of directors had no authority to authorize him to do so; and, if the cashier bought such stock in behalf of the bank, the directory had no authority to ratify the purchase, and thus bind the bank. But, assuming that this charge states the law correctly, there is no evidence in this record that the board of directors ever authorized the cashier to purchase this insurance stock, and there is no evidence in this record that the board of directors ever ratified such a purchase, if made, or that the bank accepted the fruits of the transaction; and the jury could not, from the evidence, so find either. We conclude, then, that the powers of a directory of a bank in dealing with and investing the funds of the stockholders are limited to the purposes for which the bank was incorporated, and to purposes necessarily incidental thereto, in the successful conduct of its legitimate business. We are constrained to say that the verdict of the jury is not supported by the evidence, and that the judgment of the court is contrary to the law of the case. The judgment of the District Court is therefore reversed, and the case remanded for further proceedings. The other commissioners concur.—*Northwestern Reporter.*

STATUTORY LIABILITY OF A NATIONAL BANK STOCKHOLDER.

CIRCUIT COURT, S. D. CALIFORNIA.

Pauly v. *State Loan & Trust Co.*

A corporation which holds certain shares of stock in a National bank as collateral security for a loan, and is carried on the registry of the bank as the holder of such stock "as pledgee," is not subject, on the bank's insolvency, to the statutory liability of a stockholder.

ROSS, D. J.—The plaintiff, as receiver of an insolvent National bank, brings this suit against the defendent bank to recover the amount of an assessment on 200 shares of the stock of the insolvent bank, originally taken by the defendent as collateral security for $12,500, with interest thereon, loaned by defendant to J. W. Collins and S. G. Havermale upon that security and upon the promissory note of Havermale, indorsed by Collins. At the time of the loan Collins was president and Havermale one of the directors of the California National Bank, of San Diego, and each was the registered owner and holder of 100 shares of its stock. The bank was then carrying on its ordinary business, and, so far as known to the defendant and the public, was perfectly solvent. Upon the making of the loan, and for the purpose of securing its repayment with interest, Collins and Havermale each indorsed in blank his certificate for 100 shares of the stock in question to defendant, and thereupon, and upon the application of the defendant to the bank whose stock was thus represented and assigned, that bank took up the two certificates issued to Collins and Havermale, and in lieu of them issued to the "State Loan & Trust Co. of Los Angeles, as pledgee," two certificates for 100 shares each.

The defendant thus stood upon the registry of the National bank as the holder of 200 shares of its stock "as pledgee," and so stood at the time the bank became insolvent. The indebtedness to defendant for which the stock was given as security, though reduced in amount to $10,000, continued, and the question presented for decision is whether, under such circumstances, defendant is liable for an assessment upon the 200 shares of stock for the creditors of the insolvent bank. The statute providing for the association of persons for carrying on the business of banking provides, among other things, as follows:

"The capital stock of each association shall be divided into shares of one hundred dollars each, and be deemed personal property, and transferable on the books of the association in such manner as may be prescribed in the by-laws or articles of association. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all the rights and liabilities of the prior holder of such shares; and no change shall be made in the articles of association by which the rights, remedies or security of the existing creditors of the association shall be impaired." (Rev. St. Section 5,139.)

By Section 5,151 of the Revised Statutes, it is declared:

"The shareholders of every National banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares,"

—With certain exceptions, not applicable to the present case.

Section 5,152 is as follows:

"Persons holding stock as executors, administrators, guardians or trustees shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be if living, and competent to act and hold the stock in his own name."

The precise question involved was not presented in any of the numerous cases that have been cited by counsel. But, in my opinion, the doctrine of the case of *Anderson* v. *Warehouse Co.*, 111 U. S. 479, 4 Sup. Ct. Rep. 525, carried to its logical conclusion, exempts the defendant from the liability with which it is sought to be charged. In that case the Supreme Court, while declaring it to be 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 the creditors as a shareholder, whether he be the absolute owner or 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, and that it is also 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, said it knew of no case that held that a mere pledgee of stock is chargeable where he is not registered as owner.

In that case the Philadelphia Warehouse Company had loaned money on certain shares of the stock of the First National Bank of Allentown, which afterwards became insolvent. One William Kern, who was a member of the firm of W. H. Blumer & Co., and to which firm the loan was made, was the registered holder of 490 shares of the stock of the bank, and as security for the loan he caused 450 shares standing in his own name on the books of the bank to be transferred, and a certificate to be issued therefor in the name of T. Charlton Henry, president—Henry being president of the Warehouse Company. As soon as that fact became known to the directors and members of the executive committee of the company, they deemed it inadvisable to have the stock stand in the name of the president, and accordingly the certificate was thereupon transferred, under the seal of the company and the signatures of its president and secretary, to Denis McCloskey, an irresponsible person, and a porter in its employ. With this assignment the certificate was presented by the company to the bank, with the request for the issuance of a new certificate in the place of it in the name of McCloskey, and accordingly the stock was transferred to McCloskey on the books of the bank, and a new certificate issued in his name and delivered to the Warehouse Company. McCloskey never had possession of the certificate, and at the request of the company he executed in blank an irrevocable power of attorney for the sale and transfer of the stock. He subsequently died, and after his death the stock was transferred on the books of the bank, at the request of the company, to another one of its employes, who was also an irresponsible person, and who indorsed thereon an irrevocable power of attorney for its transfer, and in whose name it stood at the failure of the bank. All of this was done with the avowed purpose on the part of the company to avoid incurring liability as a shareholder of the bank. The circumstances of the case were such as to satisfy the court that the company acted throughout the transaction in good faith, and without any fraudulent intent.

Such being the facts, the court declared the law to be that the Warehouse Company never was the owner of the stock; that its transfer was only by way of pledge, and that the company was bound to return it

whenever the debt for which it was held should be paid; that 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. "Those who examined the list of shareholders," said the court, "would have found the name of McCloskey or of Ferris as the registered holder of 450 shares. There was nothing on the books of the bank to connect them, or either of them, with the Warehouse Company, and therefore no credit could have been given on account of the apparent liability of the company as a shareholder. If inquiries had been made, and all the facts ascertained, it would have been found that either Kern or Blumer & Co. were always the real owners of the stock, and that it had been placed in the name of the persons who appeared on the registry, not to shield any owner from liability, but to protect the title of the company as pledgee. Blumer & Co. and the bank were fully advised who McCloskey was, and of his probable responsibility, when they allowed the transfer to be made to him, and they undoubtedly knew who Ferris was when the stock was put in his name after McCloskey's death. 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 the 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. As between Blumer & Co. and the Warehouse Company, Blumer & Co. or Kern were the owners of the stock, and the company the pledgee. As between the company and the bank or its creditors, the company was a pledgee of the stock, and liable only as such. The creditors were put in no worse position by the transfers that were made than they would have been if the stock had remained in the name of Kern or Blumer & Co., who were always the real owners. To our minds, the fact that the stock stood registered in the name of Henry, president, from December 27th to January 10th, is, under the circumstances of this case, of no importance. The Warehouse Company promptly declined to allow itself to stand as a registered shareholder, because it was unwilling to incur the liability such a registry would impose. It asked that the transfer might be made to McCloskey. To this the owners of the stock and the bank assented, and from that time the case stood precisely as it would if the transfer had originally been made to McCloskey instead of Henry, president, or if Henry had retransferred to Kern or Blumer & Co., and they had, at the request of the company, made another transfer to McCloskey."

It seems to me there was stronger ground for holding the Warehouse Company liable in the case from which the quotation has been made than there is for holding the defendant in the present case liable. Here it is not pretended that there was any fraudulent conduct on the part of defendant. There that claim was made, and it constituted the ground of the dissenting opinion of two of the justices of the court. If the holding of the stock as pledgee rendered the Warehouse Company liable under the statute, it could not have relieved itself of that liability by causing the stock to be placed upon the books of the bank, and a certificate therefor to be issued in the name of one of its irresponsible employes; for the same case declares it to be well settled that a liability

incurred cannot be so avoided. The Warehouse Company was without any liability, because, being pledgee only, it was not the real owner of the stock, and it was not liable as the apparent owner because it did not appear upon the records of the bank as such apparent owner, and hence no one could have been misled by its acts.

Applying this reasoning to the case at bar, the defendant bank must be held not liable. If, as held in *Anderson* v. *Warehouse Co.*, a pledgee is not liable because not the real owner of the stock, it is manifest that the record of the truth upon the books and certificate of the bank that the stock is held in pledge cannot render such pledgee liable. Any and every person dealing with the bank is thereby apprised that the pledgee only holds the stock as security for some debt or obligation, and that the real owner of it is the pledgor, to whom he must look for the statutory liability.

It results that there must be judgment for the defendant, and it is so ordered.—*Federal Reporter.*

LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENT — INDORSEMENT BEFORE MATURITY. — Where the payee of a note indorses it before maturity, the maker is not excused from its payment at maturity because of his garnishment after the indorsement and before maturity by a creditor of the payee. [*Levy* v. *Du Bose*, Tex.]

NEGOTIABLE NOTE — ASSIGNMENT BEFORE MATURITY. — Notwithstanding a negotiable promissory note may be executed and made payable at a future date to the order of the payee only as collateral security for a running account of the maker with the payee, the fact of its having such future and contingent consideration does not make same liable to equities between said parties in case the payee should have assigned same to another holder, for value, before maturity. [*Pavey* v. *Stauffer*, La.]

PRINCIPAL AND SURETY—RELEASE.—A provision in a building contract that the last of several installments shall be paid when the house is completed operates as a security to the owner for the execution of the contract, and a surety of the contractor is entitled to the benefit thereof, and is discharged from liability to the extent that he is deprived of such security by the owner in anticipating payment to the contractor. [*Pickard* v. *Shantz*, Miss.]

NATIONAL BANKS—LIMITATIONS.—Under Rev. St. U. S., § 5,198, providing that where a National bank knowingly charges usurious interest for discounting a note, the person who has paid such interest may recover back "twice the amount of interest thus paid," provided such action is commenced within two years from the time the transaction occurred, the limitation runs from the time such note is discounted and the usurious interest reserved from the proceeds. [*Bobo* v. *People's Nat. Bank of Shelbyville*, Tenn.]

GARNISHMENT—ANSWER OF GARNISHEE.—Where the garnishee in its answer sets up that the check in its possession, alleged to be the property of defendant, had been transferred by defendant to A. before the garnishment, it is reversible error to permit the garnishee to show on the trial that the check had been assigned to B. before the garnishment. [*John R. Davis Lumber Co.* v. *First National Bank of Milwaukee*, Wis.]

NEGOTIABLE INSTRUMENT.—An action at law may be brought on a promissory note, payable on demand, immediately after its delivery and before any actual demand has been made. [*Agens* v. *Agens*, N. J.]

NEGOTIABLE INSTRUMENT—INTEREST.—Where a promissory note, by its terms, was made payable on or before three years after date, with interest at 8 per cent. per annum after date until paid, the interest does not become due or payable until the maturity of the note. [*Ramsdell* v. *Hulett*, Kan.]

NEGOTIABLE INSTRUMENT—PAROL AGREEMENT FOR REBATE.—A parol agreement made by a mutual life insurance company with a policy holder at the time that the latter executes his premium note, payable four months after date, that the maker should have a rebate of 30 per cent. of the face of the note, is not contradictory of the written obligation, and, in an action by such company against the maker, an affidavit of defense setting up such parol agreement is sufficient. [*Michigan Mut. Life Ins. Co.* v. *Williams*, Penn.]

NOTARY PUBLIC—FALSE ACKNOWLEDGMENT—DAMAGES.—Plaintiff, on representations of J. that he was the agent of K., who owned certain land, took a mortgage on the land, purporting to be signed and acknowledged by K., and delivered to J. a check for $1,000, payable to K. J. presented the check to a bank and received payment thereon, the check being indorsed by K. The acknowledgment of the deed was false and the indorsement of K.'s name on the check was a forgery. Held, in an action by plaintiff to recover the value of the check against the notary who took the false acknowledgment, that plaintiff had no right of action, in that the bank, having paid the check under a forged indorsement, acquired no rights therein against plaintiff and could not charge the amount paid against plaintiff's account. [*Hatton* v. *Holmes*, Cal.]

NEGOTIABLE INSTRUMENT—NOTE—INDORSER AFTER MATURITY.—An indorser of overdue notes is not liable thereon in the absence of demand on the maker within a reasonable time after the indorsement and notice of non-payment. [*Beer* v. *Clifton*, Cal.]

NEGOTIABLE INSTRUMENT—RELEASE OF SURETY.—An agreement to extend the time of payment of a note, in consideration that the maker will pay the payee a certain other matured debt owing by the former to the latter and pay the interest on the note, is *nudum pactum*, and the surety on the note is not thereby released. [*Beasley* v. *Boothe*, Tex.]

NEGOTIABLE INSTRUMENTS—WAIVER OF PROTEST.—Where indorsers of a negotiable promissory note tell the holder before maturity not to do anything with the note, and that they will pay it, it is unnecessary, in order to charge them as such indorsers, that formal demand of payment be made on the maker, and notice given to the indorsers of his failure to pay, but demand and notice will be deemed waived. [*Markland* v. *McDaniel*, Kan.]

PAYMENT—APPROPRIATION.—A running account, although composed of items partly secured and partly not, is so far one debt that the creditor has no election, in the absence of any appropriation by the debtor, as to which item he will credit; the payment going by force of law to the oldest items. [*Dunnington* v. *Kirk*, Ark.]

NEGOTIABLE INSTRUMENT—NOTE GIVEN ON SUNDAY.—A note executed and delivered in Michigan on Sunday, in payment of goods sold and delivered there, though payable in Ohio, where the vendors live, is governed by the laws of Michigan, and is void, under How. St. § 2,015. [*Arbuckle* v. *Reaume*, Mich.]

PRINCIPAL AND AGENT—NOTICE.—Where the owner of property authorizes an agent to exchange it for other property, and "to sell and contract with the purchaser for said premises according to the price and terms of payment above written, or any price or terms which" may be agreed on, such agent is a general agent, and notice to him of an infirmity in the title of the property taken in exchange is notice to the principal. [*Hickman* v. *Green*, Mo.]

TAXATION—NATIONAL BANKS.—Under Rev. St. U. S. § 5,219, which authorizes the taxation of National bank shares to the owner or holder, but which empowers the Legislature of each State to determine the manner and place of taxing such shares, the State has a right to resort to the bank as a garnishee for the collection of its claims against the stockholders for taxes, and the Legislature may require the assessment of the stock to be made to the bank *in solido*. [*First Nat. Bank* v. *Chehalis County*, Wash.]

NEGOTIABLE INSTRUMENTS—HOLDERS FOR VALUE.—One to whom a note is indorsed as collateral security for a pre-existing debt is not a holder thereof for value, and takes subject to the equities between the original parties. [*Peigh* v. *Huffman*, Ind.]

NEGOTIABLE INSTRUMENT—PROTEST.—The general rule is that where a bank delivers a note or bill to a notary public for demand, protest and notice, it will not be liable for the default of the latter. [*Wood River Bank* v. *First Nat. Bank*, Neb.]

NEGOTIABLE INSTRUMENT—INTEREST.—A note made payable with interest, without specifying the rate, or the time from which the interest is to be computed, carries interest from the date of its execution at the legal rate fixed by law; and a note containing the words, "with the interest at the rate of one and one-quarter," but nothing more to indicate the rate, is governed by the same rule. [*Salazar* v. *Taylor*, Colo.]

NEGOTIABLE INSTRUMENTS—TRANSFER AFTER MATURITY—EQUITIES.—A *bona fide* purchaser, for value, of an overdue negotiable instrument, holds it subject only to such equities as attach to the instrument itself at the time of the transfer, and not to offsets before or after acquired, of which he has no notice. [*Davis* v. *Noll*, W. Va.]

BANKS AND BANKING—PROTESTING NEGOTIABLE PAPER.—When a bank receives commercial paper for collection there is an implied undertaking on its part that, in case of its dishonor, it will take all steps necessary to protect the holder's rights against all previous parties to the paper; and an allegation that the holder instructed the bank to do so only states what the law implies, and changes neither the issues nor the burden of proof. [*Jagger* v. *National German-American Bank*, Minn.]

NEGOTIABLE INSTRUMENT—DEFENSES.—Where defendant gave his notes to the agent of a foreign insurance company, individually, for the renewal of premium notes previously given, and the agent advanced his own money to the company for defendant, it is no defense, in an action on the notes, that the company had not complied with the provisions of law, so as to entitle it to do business in the State. [*Russell* v. *Jones*, Ala.]

NATIONAL BANKS—CERTIFICATION OF CHECKS.—An indictment under the act of July 12, 1882, ch. 290, § 13, amendatory of Rev. St. § 5,208, which makes it a misdemeanor for "any officer, clerk or agent of any National banking association" to "certify any check" drawn by any person who did not then have on deposit money to meet the same, need not allege delivery of the check, by the bank after the certification. [*United States* v. *Potter*, U. S. C. C. Mass.]

INQUIRIES OF CORRESPONDENTS.

ADDRESSED TO THE EDITOR OF THE BANKER'S MAGAZINE.

FORGED NOTE.

A party obtained a discount of a note signed by two sureties. When due, it was renewed, being confessedly signed by all the same parties, though the payee bank did not see the renewal note signed, but being satisfied that the signatures were genuine. This was the usual course and custom of the bank. When this second note matured it was renewed in like manner, the payee bank being satisfied that the signatures were genuine, and the usual "paid" stamp was stamped upon the old note and it was given up as had been done before. The maker showed the note thus taken up to his sureties. When the last renewal came due, it was decided that the signatures of the sureties were forgeries, and judgment was rendered in their favor, though every expert testified to the genuineness of their signatures. Can a recovery now be had on the last genuine note against the sureties, the maker having become insolvent and absconded, or is the delivery of the genuine note a sufficient defense to the sureties, the bank having acted in the whole transaction according to its usual custom?

REPLY.—The bank has an unquestionable right to recover on the original note. The payment of a genuine note by giving a forged one, either through renewal or otherwise, is no payment, and therefore the original note remains in full force. In *West Philadelphia National Bank* v. *Field* (143 Pa. 473–479), Mr. Justice Sterrett said in a case of this kind: "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* (75 Pa. 400; *Mount* v. *Scholes*, 120 Ill. 394; *Clift* v. *Moses*, 112 N. Y. 426." In the West Philadelphia National Bank case, the bank sued on a note which had been originally discounted by the plaintiff for the indorsers, A. and B., and the proceeds were paid to B. When it matured he obtained from the plaintiff by giving in exchange therefor another note made to the order of A. and B. by C. Subsequently the last mentioned note was renewed by a note for the same amount by the same maker to the same payees. The maker, C., testified that these two notes were forgeries. The bank recovered on the original note. We do not perceive any principles relating to the rights of sureties which affect the right of the bank to recover in this case.

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

1893.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
Nov. 4..	$402,383,300 .	$97,116,500 .	$66,750,100 .	$447,412,600 .	$14,409,900 .	$52,013,450
" 11..	402,986,000 .	98,644,900 .	73,118,800 .	455,739,900 .	14,356,300 .	57,728,725
" 18..	401,732,800 .	99,924,300 .	81,717,200 .	464,684,100 .	14,076,600 .	65,470,475
" 25..	405,201,700 .	100,993,600 .	88,669,500 .	475,311,700 .	13,831,900 .	70,835,175

The Boston bank statement is as follows:

1893.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*
Nov. 4.....	$159,126,000 ..	$10,300,000	$8,612,000	$148,507,000	$9,317,000
" 11.....	160,436,000	10,581,000	9,113,000	147,390,000	9,321,000
" 18.....	161,406,000	10,648,000	9,056,000	149,780,000	9,286,000
" 25.....	162,228,000 ...	11,070,000	8,935,000 ..	148,355,000 ...	9,211,000

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

1893.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Nov. 4	$99,472,000	$28,124,000 ...	$94,440,000	$6,075,000
" 11.	98,747,000	28,531,000	94,399,000	6,053,000
" 18	97,832,000	29,746,000	96,389,000	6,058,000
" 25	97,256,000	31,282,000	96,794,000	6,038,000

BANKING AND FINANCIAL ITEMS.

General.

WOMEN EMPLOYES IN BANKS.—There are several banks in the country whose leading officers are women and which have been managed with much success. Probably the time is soon coming when they will occupy many of the minor positions. Experience with them in counting-rooms and in many other places has shown their fitness for such work. A writer is now engaged in ascertaining to what extent they have been employed, their fitness, etc., and is desirous of collecting all the information she can respecting their employment. Any information that any person may desire to send to her will, if received at this office, be sent to its proper destination.

NATHAN PARKER, president of the Manchester National Bank, of New Hampshire, is said to be the oldest bank officer in active service in the United States. He celebrated his eighty-fifth birthday recently by giving a dinner to the employes of his bank.

TO REGULATE NATIONAL BANKS.—The Cox bill for the regulation of National banks which has passed the House provides that no National bank shall make any loan to its officers, directors or any of its employes, until the proposition for such a loan, stating the amount, terms, security, etc., shall have been submitted in writing to the meeting of the board of directors or of the executive committee of the board, at which meeting the applicant shall not be present, and the loan must be approved by a majority of the members present constituting a quorum. The bill also provides that no officer, director, or employe shall be allowed to overdraw his account, and that all loans to officers, directors or employes shall be reported to the Comptroller of the Currency. Such a law will interfere with the monkeying with bank funds which has been carried on in some institutions, and in some cases may seem to work hardship, but it is a measure of protection for the banks and the public, and ought to become a law. In many National banks the regulations embodied in the bill have long been in force, but such regulations should be universal.

STATE BANK CIRCULATION.—The following letter has been addressed by the eminent president of the American Exchange National Bank of New York, Mr. George S. Coe, to the President: Believing that the currency system of our country, no less than its coined money, requires most careful revision before it can be properly re-established, I venture to suggest what seems to me indispensably necessary for any paper system to possess before it can perform the office belonging to it, of interchanging the larger part of the industries of the nation. First—That all paper instruments, conveying from one person to another the value they represent, should, like a bank check or bill of exchange, that performs essentially the same office, be continually presented to the place of issue for payment, so that for every transaction so closed, there may as often follow through the bank a new one to meet any local need in the movement of annual or more frequent crops. Any system that keeps outstanding and repeating itself in open market, irrespective of commercial demand, an indefinite amount of circulating notes month after month, from seed time to harvest, both in summer and in winter, does not meet the National and necessary requirement for a legitimate and flexible currency. Second—That frequent and absolute redemption of its expressed value in coined money is essential to all sound commercial currency, whether emitted by a bank or otherwise; and every deviation from this rule manifestly involves an inherent defect or irregularity. Third—That to perpetuate in time of peace an inadequate or irredeemable instrument, justified only in time of war, if ever, and which does not subserve the healthful purpose of conveying the full coined value to both parties in a commercial transaction, is nothing less than a legalized fiction; and the continuation of such a system is demoralizing to every individual concerned and to the Government itself. Fourth—That the withdrawal from use of one form of paper currency by the sub-

stitution of another requires the serious and deliberate attention of the coming Congress. And without disturbing the National system, whatever currency shall hereafter exist in the country must possess substantially the following characteristics: It should for safety originate with the Comptroller of the Currency in order to restrict the intended amount by some central authority, who should also have power to examine the condition and credit of the issuing bank. He should issue registered notes to prevent counterfeiting and to characterize the proper form and design for each institution and locality. Every bank must be prohibited by a rule that no one can receive more than 75 per cent. of circulating notes to its capital. That the capital shall be liable to payment by each shareholder of another amount equal to his respective holding. That the notes of one bank held by another shall always be promptly sent home for redemption, and that the notes of every bank shall be made a preferred debt over all other claims in case of failure. That a sum of 1 per cent. per annum shall be held by the Comptroller as trustee of a sinking fund, until the aggregate reaches 5 per cent. to insure the redemption of the circulating notes of each bank. With these essential conditions uniformly adopted for public safety, it matters little whether a bank be under the State or the Federal authority. All the States are indissolubly bound together in respect to currency by the strongest ties of interdependence, and so dealing with each other, they must necessarily be subjected to the Federal direction upon subjects of mutual interest. Neither in coined money nor in currency can they declare themselves absolutely independent of each other. The free movement and interchange of crops, mechanical productions and miscellaneous industries. have always proved most reliable bases for the issue of commercial currency. If any new proof were wanting, the successful use of Clearing House certificates in the recent financial crisis has clearly shown that the general principles supporting the commercial fabric must necessarily proceed together. The time to establish both a solid and an elastic system, with the least direct Government responsibility, and alike possessing permanent elements, is now most propitious. It could not be more so, and if the peculiar occasion be lost, it may never recur. Until these conditions, everywhere recognized as indispensable to sound banking, are adequately attained, it is the part of wisdom not to disturb the existing prohibitory tax, until the country shall have substantially secured the great object of a sound and consistent currency, which every good citizen will devoutly keep in view, in order the sooner to reach the same end which the prohibition was intended to subserve. Or if in any repeal of the tax, the conditions suggested are imposed upon note currency, the public interest would be equally well promoted.

REPEAL OF THE STATE BANK TAX.—A recent number of the *Trade Review* has some interesting facts bearing upon the advisability of repealing the law taxing State bank notes. For instance, Nebraska has 525 State banks, the most of any State. Kansas comes next with 445, and then Missouri has 422; the average capital of the three combined 1,412 banks being only $30,000 each. In contrast, New York has but 192 State banks; Pennsylvania 84, and Ohio 85; the average capital of the 361 older State banks being $121,000 each. This gives some idea of what may be expected from the greatly disproportioned number of State banks in the younger States, should the tax be taken off, and each of the many States authorize its banks to issue circulating notes unrestricted except by such legislation as Nebraska or Kansas might enact.

	STATE.			NATIONAL.		
	No.	*Capital.*	*Average.*	*No.*	*Capital.*	*Average.*
Nebraska	525	14,032	26,000	135	13,268	99,000
Kansas	445	10,860	24,000	142	12,442	87,000
Missouri	442	18,265	42,000	81	24,140	30,000
	1,412	43,157	30,233	358	49,850	72,000
New York	192	32,538	170,000	325	85,898	264,000
Pennsylvania	84	8,799	104,000	375	71,187	190,000
Ohio	85	7,550	89,000	239	45,115	190,000
	361	48,887	121,000	939	202,200	218,000

THE ATTENTION OF BANKERS AND BROKERS, having occasion to pass upon street railway securities as collateral, is called to the card of Mr. Edward E. Hig-

gins, expert in street railway values and economies, to be found in this number. Mr. Higgins has had a long and intimate experience among the street railways of the United States, and is personally familiar with the conditions under which a large number are operating.

VALUE OF NEW YORK BANK SHARES.—While the Chemical National is undoubtedly the richest of New York banks, to be a stockholder in which is to have financial standing at once, few of the city banks that pay any dividends at all pay so little on the market price of the stock. The book value is $2,540 a share (par $100), but the last sale was at $4,452½, and even though the bank pays 150 per cent. per annum in bi-monthly dividends, that amount is only a trifle more than 3 per cent. upon the market value of the stock. The Fifth National, which has the next highest value per share among all New York banks, pays over 4 per cent. The last sale of stock was at $540 for $100 shares, and $2,000 is now bid. Upon the investment the Fifth Avenue pays best of all, for the rate is 80 per cent. per annum, the last sale being at $625, with $2,000 now bid, amounting to 12 per cent. on the price. The smallest book value shown for any of the banks was for the National Union, now in liquidation. The new Federal Bank has the smallest deposits—$53,000—but $125 is bid for the stock. The Southern and the Tradesmen's National are the only banks whose stock is offered at par. The business done at the New York Clearing House is larger than any other in the world, London and Paris not excepted.

BANK OF FRANCE NOTES.—The life of a Bank of France note is about two years, it being issued so long as it is usable. In the matter of destroying their notes set apart for cancellation, a new departure has been made by the Bank of France. The former practice was to incarcerate their doomed notes for three years in a large oak chest before submitting them to conflagration. Thereupon, a huge fire was set aflame in an open court; the notes were thrown into a sort of revolving wire cage, which was kept rotating over the fire, and the minute particles of the note-ash escaped into the air through the meshes of the cage and darkened the atmosphere all around. The burnings took place daily and were of a certain amount. Now the practice is to have about twenty cancellations of notes each year, at uncertain times, and as the needs of the service determine. A hole is punched in each of the notes, which are also stamped as follows: "Canceled the ——— by the branch at ———, or the Head Office of the Bank of France." The notes are then marked off in the registers of bank notes issued, according to their numbers and descriptions. A committee of the bank directors are present at their destruction. The canceled notes are no longer burned, but are now reduced into pulp by means of chemical agents. Each destruction of notes averages about 600,000 of all kinds, and about 12,000,000 notes are annually destroyed. The Bank of France has been little troubled of late with forgeries. The greatest forger it ever had was deported to Cayenne, and in attempting to escape got stuck in a swamp and was eaten to death by crabs.—*Chambers' Journal.*

A CHINESE BANK NOTE.—In the British Museum there is a very old and very rare Chinese bank note. It was issued in the reign of Hung-Woo, the founder of the Ning dynasty, who died in 1398. The face value of the note is about a dollar, but it is one of the only issue of paper currency ever guaranteed by the Chinese Government. (Only another similar note is said to be in existence, being in possession of the Oriental Society of St. Petersburg.) Its value to native bankers and note collectors all over China is well known. The late governor of Hongkong, Sir John Pope Hennessey, bought the note about twelve years ago at an auction of the effects of a deceased captain of one of the Chinese customs cruisers, who had amassed a large collection of Chinese coins and notes, among which was this Ning bank note.—*Chambers' Journal.*

UNCLAIMED DEPOSITS.—The public administration of the estate of one William Doyle, who died in Boston in 1824, leaving a bank deposit of $60 in the Provident Institution for Savings, which has only recently come to light and which amounts with the accumulations to over $2,000, will attract attention to a curious side of savings bank history. It has been known for a long time that there are in the Boston banks large sums of money deposited by persons whose heirs are ignorant of the little fortunes standing to their credit. On these deposits the savings banks

have of course been earning a greater or less margin of profit. An investigation of the subject revealed a total sum of several hundred thousand dollars which had not been diminished, or increased by deposits, for a long period of time. In several instances the sums were over $3,000. Many of the names were evidently names of humble foreigners, those of Portugese sailors forming a notable proportion. By a legislative statute compelling the banks to publish annual lists of the unclaimed deposits, with the amounts and residences of the depositors, attorneys have been enabled to recover portions of this money for the heirs of the depositors. It must be said that the task is not easy, as the bank officials, fearful of imposture, afford only meagre assistance to those pursuing inquiries. But there is an element of romance as well as of prosaic advantage in these researches among old Boston records, which has led in many instances to a greater expenditure of time and energy than the results would otherwise warrant. The rich uncle in California or the forty-second cousin who owned an estate in Scotland is scarcely a more fascinating connection than the possible grandfather who went off to the war and died, leaving a rolling snowball in the shape of a wad of bills deposited in one of the savings banks.

NATIONAL BANK TAXATION.—Judge Archbald, of Scranton, Pa., forwarded to the Prothonotary of Franklin County his opinion in the case of the National Bank of Chambersburg *v.* William Gelwicks, *et al.* The case was one involving the right of the State to collect from the National banks the 4-mill tax which it imposes on securities for money at interest whether held by individuals or corporations, State or National. Up to 1891 no attempt was made by the State to collect this tax from National banks, but in that year the revenue law was so amended as to subject these banks to the tax. Attention was first called to this by Judge Rice, of Luzerne, in the case of the Wilkesbarre Bank *v.* Wilkesbarre, and, relying on that case, the Auditor-General instructed the county commissioners throughout the State to assess and collect from the National banks in their respective counties the 4-mill tax on the securities held by them. The assessor of the Fourth ward, William L. Gelwicks, accordingly demanded of the National Bank of Chambersburg a statement of the securities held by it in order to assess the tax. The bank, on the ground that such State taxation was illegal, filed a bill to restrain its assessment. Judge Stewart granted a preliminary injunction against the assessment, and after the defendants had answered the bill the cause was argued before Judge Archbald, who now makes the injunction permanent, holding the tax to be illegal. The judge holds that the National banks are agencies of the National Government, and that, as Congress has allowed them to be taxed by the States only in two particulars (on their real estate and shares), a tax upon their personal property is beyond the State's power. "The question with which we are met," he continues, "after the disposition of these preliminaries is one of considerable moment, involving, as it does, no less a matter than the relations of Federal and State Governments. It is to be approached, therefore, with more than ordinary concern and considered with great care and circumspection. On the one hand, if the tax be declared unlawful, it withdraws from the reach of the State a vast amount of property held not only by this, but by other National banks, which would ordinarily be subject to its sovereign power, and which is in a large measure indebted to that sovereignty for its safety and value, if not for its very existence. While, on the other hand, if the tax be sustained an agency of the Federal Government may be unduly subjected to State control and its efficiency as such seriously, perhaps fatally, impaired. Upon a full consideration of the case, I am, therefore, of the opinion that the acts of the defendants complained of in the bill, which are directed toward subjecting the plaintiff bank to a tax on its personal property, are unlawful and should be enjoined. The bill is sustained and the plaintiff is adjudged to be entitled to the relief therein prayed for with costs."

TALE OF A BANK BOOK.—Many strange stories have been told in which bank books have figured to a very considerable degree. A down-town business man has come to the front with one that is far from being uninteresting. In September this gentleman received a letter from his brother in the country and on opening it he found it to contain bank book No. 116,807 of the Bank for Savings, at No. 107 Chambers street. The gentleman opened his eyes in a surprised way at this relic of the past, for the bank in question no longer exists. An

examination of the book showed that there was in it a memorandum showing that the father of the gentleman who had written the letter had opened an account in the name of his son in 1849. The last deposit had been made in December, 1850, and the aggregate amount of deposits was $29. In his letter the gentleman up the country says that he discovered the book in a collection of old papers, and sent it on to see if it was still of value. The New York business man at once made an investigation. He found that the "Bank for Savings" had long ago been merged into the Bleecker Street Bank, and that its accounts were kept methodically and well was shown by the fact that the accountants had no difficulty in identifying this deposit made forty years ago. This being done they at once, with that nonchalance that is characteristic of men found in institutions where millions are handled, made in red ink under the record of the $29 deposit this entry: "July, 1890. Interest, $259.50." So the book that had for forty years lain forgotten among rubbish of the past turned out to be a very valuable article. As a witness to the beauties of compound interest it ought to be of value.

COMPTROLLER ECKELS ON THE BANKS.—At the November monthly dinner of the Boston bankers, Comptroller Eckels, in describing the events of the last few months, said: "Between May 4 and October of this year the withdrawals in individual deposits in National banks alone were $299,000,000 and of banks and bankers' deposits to the amount of $79,000,000—a total of $378,000,000. To meet this drain the banks were compelled to call in loans, thus depleting the resources of active trade to the extent of $318,000,000 and from banks and bankers to the amount of $51,000,000, while to their borrowings was added $37,000,000. In the light of these figures, apart from the statistics of a like nature which could be added from State, savings and private banks, who can doubt but that the shrinkage in deposits on the one hand, contributing only to the fund of hoarded money and the calling in on the other of loans necessitated by the demands of depositors withdrawing such vast sums from the activities of business, contributed more than all else to the stagnation from which we have suffered? The most serious feature of the whole matter was the withdrawal of small amounts by depositors who were not borrowers and whose accounts, as is well known to all bankers, are most valuable in the banking business and constitute a most staple and important addition to the fixed capital of commercial banks, and is the fund which is used to meet the current demands of the business of each community. This fact alone is sufficient to refute the charge that the financial stringency was the result of a bankers' panic, were it possible to believe that a body of intelligent, shrewd and prudent business men could be capable of setting in motion the machinery which would accomplish their own distress and ruin."

EASTERN STATES.

MIDDLETOWN, CT.—Two finely executed portraits have found a permanent and most suitable place in the directors' room of the Middletown National Bank. They are faithful portraits of two of Middletown's honored and leading citizens, who, in bygone years, held high positions of active service and influence in this community and in the State, and did much to develop and promote the material and social interests of the town and vicinity. These portraits, painted by the well-known artist, Charles Noel Flagg, of Hartford, are from old-time portraits of Elijah Hubbard, the first president of the Middletown Bank, who was really the originator of the bank, and its largest stockholder at the time of its organization in the year 1801, and of his son, Elijah Hubbard (father of the late Henry G. Hubbard) who was the third president of the bank, each holding office from the date of his appointment to the time of his decease. Many people now living remember distinctly the handsome, striking face and bearing of the latter, who died in 1846; and they will be pleased to see this lifelike representation of one who was so well known and highly esteemed in his day: It is well that the memory of such men should be perpetuated, and it is through the graceful thoughtfulness and generosity of a direct descendant of these worthy men that the bank is put in possession of these valuable, lasting memorials. The portrait of the late John H. Watkinson, who was so well known by every one, and who was the immediate successor of Mr. Hubbard as president of this bank, is, by the kind interest and consideration of his family, to find a place beside these two, and it is hoped that the group of por-

traits may be complete at no distant day by the addition of the picture of Nehemiah Hubbard, who was the second president, holding the office from the year 1808 to the time of his death. An engraved likeness of this highly esteemed and well remembered citizen is familiar to many of our people. He was a man of influence in his day and greatly beloved and respected. It is well that the four men who so intelligently and ably administered the affairs of this bank for so long a period, should be kept in grateful remembrance by succeeding generations.

FRAMINGHAM, MASS.—The Framingham National Bank has this year reached its sixtieth birthday. It was incorporated as a State bank March 25, 1833, and so existed for thirty-one years, till 1864, when it became a National bank, and has since been maintained as such. Its capital is $200,000, and it is officered as follows: President, J. J. Valentine; vice-president, Franklin E. Gregory; cashier, Fred L. Oaks; directors, J. J. Valentine, F. E. Gregory, Walter Adams, S. B. Bird, T. L. Barber, H. L. Sawyer, Clifford Folger. Mr. Valentine, before becoming president, was for twenty-six years clerk and cashier of the bank, and Mr. Oaks was cashier of the South Framingham National Bank before the consolidation. At present Lyman H. Hooker is teller, and Miss J. Bessie Smith and Wallace H. Frankland are clerks. The bank was located at Framingham Centre till 1888, when it was removed to South Framingham, having bought the business of the South Framingham National Bank. The bank has very handsome and commodious quarters in the Manson building, at the corner of Concord and Park streets, and when it was moved in there was provided with a large new Damon safety vault, one feature of which is the large number of safety deposit boxes which are rented. The Framingham Savings Bank is also an old and firmly established institution which first had its home in Framingham Centre. It was chartered there in 1846 and was removed to South Framingham in 1884. It occupies spacious quarters on the second floor of the Manson building, which were fitted especially for it when the building was erected. Its deposits aggregate a very large sum and its strength is well known. Its officers to-day are: President, Franklin E. Gregory, of Framingham; vice-presidents, Samuel B. Bird, of Framingham, J. Henry Robinson, of Southboro; Adrian Foote, of Ashland; treasurer, Frank F. Morrill; trustees, F. E. Gregory, S. B. Bird, F. C. Stearns, E. F. Kendall, L. F. Fuller, Walter Adams, J. S. Cullen, S. H. Williams, F. F. Morrill, of Framingham, J. Henry Robinson, of Southboro, Adrian Foote, of Ashland, Franklin Grout, of Sherborn, and Nahum Goodnow, of Sudbury; board of investment, F. E. Gregory, S. B. Bird, J. H. Robinson, Adrian Foote, F. C. Stearns, E. F. Kendall, L. F. Fuller. The Farmers' and Mechanics' is another solid institution of savings whose record has been a good one and whose prospects are bright. It was organized in 1883 on April 23, and opened for business on June 4 of that year. The bank has never lost a dollar and has paid good dividends from the start. At the inception of the bank, Willard Howe was made president, George E. Cutler treasurer, and S. G. Davenport clerk, and these gentlemen still fill the offices to which they were first elected. The bank is under control of the following officers: President, Willard Howe; vice-presidents, A. C. Blanchard, D. T. Bridges, J. R. Entwistle; trustees, W. Howe, H. L. Sawyer, J. W. Bullard, Chas. D. Lewis, S. G. Davenport, D. T. Bridges, Geo. E. Cutler, Franklin Enslin, S. A. Phillips, J. R. Entwistle, W. M. Ranney, J. T. Whitney; treasurer, Geo. E. Cutler; clerk, S. G. Davenport. A semi-annual dividend of two per cent. was declared on October 3, the last quarter-day.

BOSTON.—The bankers of Boston have their organizations as well as men of other occupations. Some of them are for one purpose and some for another, but the one that gathered about the festive board at the Quincy House recently is knit together by the ties of fraternity, sociability and mutual help. In other words, the Bank Officers' Association of Boston is an organization banded together for promoting acquaintance, developing methods for mutual improvement, to provide help for the sick and a benefit for the families of deceased members. The association was formed in 1885 and now has a membership of 532, a recent boom having added 162 members in six months. The responsibility for this growth is placed by the other officers upon Mr. E. A. Stone, who has been its secretary from the beginning and to whom the great success of the organization is due. Mr. Stone has been in the Franklin Savings Bank for upward of twenty years, and is looked

upon as well posted in financial matters in general and particularly well up in questions pertaining to savings banks. The president of the association is Mr. George B. Ford, cashier of the Commercial National Bank. He was born in Boston, was educated in her schools and banking institutions, and has been in his present position since 1888, and the president of the Bank Officers' Association for three years. The committee in charge of the recent banquet were the president and Messrs. J. D. Ferguson, L. W. Barlow, A. L. Bacon, J. J. McCluskey and John Hunneman. About 450 sat down to the finely decorated tables, those on the immediate right and left of President Ford being Rev. Minot J. Savage, Congressman McCall and National Bank Examiner Alfred Ewer. The company present represented about $400,000,000, according to the arithmetic of the secretary, but it was a light-hearted and merry crowd in spite of weighty cares, and it caught on to the airs rendered by the glee club and orchestra, under the leadership of H. W. Asbrand, with a musical accompaniment that showed that the "boys" had left their cares behind. President Ford began the speechmaking by facetiously discussing the question of where the association should go to hold its next meeting if the applications for membership should continue to roll in, and concluded that it might have to charter Mechanics' Hall. Mr. McCall at the outset said that he had not come to make a speech, but to see what manner of men the bankers of Boston were. He had been hearing them characterized by such men as Senator Peffer and Jerry Simpson and the "long distance" talker of the West, and had learned that their chief occupation was to make long time loans at a high rate of interest to Western people, then contract the currency so as to get back about double the value loaned. This has been the burden of their speeches, and, said Mr. McCall, "I wanted to see how the Shylocks they pictured really look." The speaker then proceeded in a serious vein to compliment the banks upon the way that they had stood the pressure of the last few months. He characterized their conduct as little short of heroic, and added that their standing must have convinced thinking men that the business of the country is so linked together that the interests of one section cannot suffer without the interests of other sections suffering also. Had the banks here not stood the strain there would have been far greater distress and trouble in the West than it has just experienced. The next speaker was Rev. Minot J. Savage. After the warm applause that greeted him had subsided, Mr. Savage indulged in story telling for a few moments, capping it all with the story of the man who, during the financial stringency of the summer, said that he was so "short" that his corns made his head ache. He then proceeded to discuss seriously, "as a preacher," he said, the true relation of a business man to his business, which is that he make it a means, not an end. He did not believe in a man continuing in business after he had obtained a competency, nor while he is in business in so applying himself to it that he knows nothing else and can appreciate nothing else. He pictured what might be accomplished by 1,000 men in Boston, who, having retired from business, but who had cultivated an interest in parks, libraries, art, pure politics, education, etc., should set themselves at work together to secure for Boston the best they could in these several lines. He declared that there would be no resisting them, and that the question of the business management of municipal affairs would be settled. Other brief speeches closed the best attended and most enthusiastic meeting that the organization has yet held.

BRISTOL, N. H.—The Bristol Savings Bank now occupies its new quarters in the new bank block. The building is three stories high, built of brick with Concord granite trimmings. It faces forty-two feet on Central square and sixty-four feet on North Main street. It is a substantial and fine structure and an ornament to Bristol.

NASHUA, N. H.—The richest banking quarters ever opened up in this city were recently occupied for the first time by the New Hampshire Banking Company in Whiting block. It is a marvel of elegance and beauty. The public part is finished in beveled whitewood with mosaic floor. From the counter rises grille work and plate glass in rich designs. The ceiling and walls are frescoed and tinted in salmon with brass combinations, gas and electric lights making a harmonious whole. The officers' portion is fitted with oak desks and chairs, with the flooring of the same material. The directors' room at its rear also is finished in oak and

furnished in rich, heavy furniture and center carpet. There the prevailing color of the frescoing and tinting is peacock blue. It, together with the outer office, has all the latest improvements needed for the business, and also like the outer room is large in size. The fittings were furnished by Roby & Swart. The fireproof vault, of the latest pattern, with burglar-proof safe is just south of the directors' room facing the outer door. The company, one of the best and most progressive in the city, now has quarters any bank in the State might well be proud of, and is in itself an evidence of the growth of that company, built up by conservative methods.

NEW YORK CITY.—Hon. Henry W. Cannon, president of the Chase National Bank, a few days since delivered a lecture on Banking and Currency to the students of Union College. He remarked that for obvious reasons coin cannot be used as a basis for bank note circulation. No profit would be made by a bank putting out circulation against coin, and the method would not provide additional currency, as coin can at any time be used as money. Next to coin and bullion the debt of a sound Government is considered the best basis for circulation, as Government bonds can be readily converted and the bank notes redeemed from their proceeds. The redemption of the debt of the United States and the gradual reduction of interest thereon has for some years reduced and restricted the issuance of circulation by National banks. Furthermore, under existing statutes, banks are permitted to issue circulation only to the extent of 90 cents on a dollar of bonds deposited, and are compelled to pay a tax of 1 per cent. per annum on circulation outstanding. Inasmuch as the least the Government can do is to redeem its securities at par, there would be no risk in permitting National banks to issue circulation to the par value of their bonds and the present tax on circulation is excessive and frequently restricts new issues to a considerable extent. It is necessary during certain periods of each year that large amounts of currency from various money centers should be distributed throughout the country in order to make advances on maturing crops and for other purposes. At other certain seasons the return flow of currency to the centers makes it possible for our business to be properly and safely conducted with a less volume of currency outstanding. For this and other reasons it is believed that bank notes should form a large part of the circulation of our country, on the theory that notes can be issued when needed and redeemed when they have performed their function. The direct issues of paper money by the Government are immediately paid out after their redemption and, therefore, do not furnish a flexible currency for the use of the people. Recently some discussion has arisen as to whether or not the prohibitory tax of 10 per cent. imposed on State bank notes should not be repealed in order that bank notes may again be issued by banks organized under the laws of the various States. In my opinion such a course would not be wise under existing conditions. It is true that the redemption of the debt of the United States, and the gradual reduction of interest thereon and the tax imposed, has reduced and restricted the issuance of circulation by National banks, but, from present indications, while the interest on the public debt is not liable to materially increase, the redemption and payment of the bonds now outstanding will be postponed, and, very likely, the revenues of the Government may be somewhat curtailed, and it may be necessary for the United States to make a further issue of securities. At all events the bonds now in existence amount to a very considerable sum and would serve as a basis for National bank circulation for some time to come, and if banks were permitted to issue circulation to the par of their bonds and the tax somewhat reduced, our country would continue to be provided with a large amount of flexible currency in the shape of bank notes, which would probably be sufficient in volume, in addition to the direct issues by Government now outstanding, to meet our requirements for some time in future, and, in my opinion, bank notes based upon Government bonds, issued under one general law, under the supervision of the National Government, furnish a much better circulating medium than any bank notes which might be issued under the laws of the various States, no matter how well the latter might be secured.

NEW YORK CITY.—Leslie Chase, who was formerly a member of the firm of Chase, Seligsberg & Co., bankers and brokers, returned from France recently in order to see his friends and enjoy a visit to Gotham. In the office of Seligsberg & Co. he received an ovation and many queries as to whether he would remain in

America permanently. Over six years ago he went to St. Servan, France, on account of ill health and by the advice of his doctors. It was then that he severed his connection with the firm mentioned. He has improved wonderfully in health and has, as it were, taken a new lease on life. When he returns his friends will miss him.

NEW YORK CITY.—Mr. Frederick D. Tappen, president of the Gallatin Bank, and chairman of the Clearing House loan committee when the panic of 1893 was broken by the issue of Clearing House loan certificates, which were a device of his invention as far back as 1873, has recently received a token from the loan committee which engineered the banks through the panic of last summer of the high appreciation in which the members held Mr. Tappen as a colleague. There were present at the presentation ceremony besides Mr. Tappen, Edward H. Perkins, Jr., president of the Importers' and Traders' National Bank; George G. Williams, president of the Chemical National Bank; J. Edward Simmons, president of the Fourth National Bank; Henry W. Cannon, president of the Chase National Bank, and William A. Nash, president of the Corn Exchange Bank, who constituted the Loan Committee, and George F. Baker, president of the First National Bank, who is one of the new members of the Clearing House Committee elected last October. Mr. Simmons made the speech of presentation, and Mr. Tappen responded, modestly disclaiming the credit given to his services. The token selected as the gift to Mr. Tappen was a piece of historic silver, a testimonial tankard presented by the directors of the Bank of England, in 1696, to Sir John Houblon, the first governor of the bank, in recognition of his services through the panic of that year. Macaulay tells an interesting story of the circumstances. The National Land Bank, which was organized under William of Orange to help his treasury in the war with France, had failed on account of the hostility with the goldsmiths. King William was in the direst necessities for the sinews of war, and the financial condition of England was appalling. At one time the discount rate was only 6 per cent., at another 24 per cent. A £10 note which had been taken in the morning as worth £9 was often worth less than £8 at night. The Duke of Portland was sent by the King from the seat of war in Flanders "to obtain money at whatever cost and from whatever quarter." The despairing Council of Regency had recourse to the Bank of England, organized only two years before, and £200,000 was the very smallest sum which would suffice to meet the King's pressing needs. The capitalists holding chief sway in the Bank of England were in bad humor, for it had become necessary for the directors to make a call of 20 per cent. on their constituents and submit it to more than 600 persons entitled to vote. Shrewsbury, the Prime Minister, wrote to the King regarding the decision to appeal to the Bank of England: "If this should not succeed, God knows what can be done. Anything must be tried and ventured rather than lie down and die." Macaulay tells the result in these words: "On the 15th of August, a great epoch in the history of the bank, the General Court was held. In the chair sat Sir John Houblon, the governor, who was also Lord Mayor of London, and, what in these times would be thought strange, a Commissioner of the Admiralty. Sir John in a speech, every word of which had been written, and had been carefully considered by the directors, explained the case and implored the assembly to stand by King William. There was at first a little murmuring. 'If our notes would do,' it was said, 'we would be most willing to assist; but £200,000 in hard money in a time like this'..... The governor announced explicitly that nothing but gold or silver would supply the necessity of the army in Flanders. At length the question was put to a vote, and every hand in the hall was held up for sending the money. The power of Louis XIV. was broken and England and Holland preserved their liberties." The tankard bears an inscription commemorating Sir John's influence and decision at this crisis in English history in these words: "The gift of the directors of the Bank of England, to Sir John Houblon, Governor, Lord Mayor of London, in token of his great ability, industry and strict uprightness at a time of extreme difficulty, 1696." The new inscription reads: "The gift of the Loan Committee of 1893, of the New York Clearing House, to Frederick D. Tappen, Chairman, in token of his great ability, industry and strict uprightness at a time of extreme difficulty. 1873, 1884, 1890, 1893. New York, November, 1893." The four years recorded in the new inscription mark the times when the New

York banks, by their resort to the issue of Clearing House loan certificates, mitigated the prevailing conditions and stayed the extreme horror of panic. The tankard is understood to have come into the possession of the First National Bank through its vice-president, James A. Garland, and was formerly presented by President Baker to the Loan Committee to mark the recognition of the valuable services of Mr. Tappen at a crisis in some respects without parallel in the history of the United States.

BUFFALO, N. Y.—In the action brought by directors of the Empire Savings Bank against the trustees of the Old National Savings Bank to recover $438,000, on the ground that the theft could not have been committed but for the neglect of the directors, Justice Lambert has given judgment dismissing the defendant's demurrer and holding the trustees liable for the amount of Treasurer Dann's stealings.

LITTLE FALLS, N. Y.—Full of honors and crowned with the esteem, good-will and respect of his neighbors, Albert G. Story died on the first of November, while transacting his usual duties in his private office in the National Herkimer County Bank. He was born in Cherry Valley, October 19, 1812. His father was for many years proprietor of a stage route on the Albany turnpike. He gave his son a good education, such as the public schools in that vicinity afforded. He also took a course in the Union College. At the conclusion of his school course Mr. Story entered the Central Bank of Cherry Valley. In 1833 he was called to a position in the Herkimer County Bank. He soon rose to the position of teller, and six months later was made cashier of the bank. He occupied this position until February 22, 1867, when he was made president to succeed the late Col. William H. Alexander. For nineteen years he continued in this responsible position, directing the affairs of that great financial institution with rare ability and intelligence. Owing to feeble health, due to his advancing years, he relinquished his post as executive of the bank in 1886. The attachments of the place were, however, too strong for him to wholly relinquish his connection with the bank, and he has since been connected with its affairs. Mr. Story was a man of unswerving fidelity and unquestioned integrity. In his long career as a banker, nothing but praises for his honesty and his financial ability have been spoken by people with whom he dealt. Faithful to every trust, true to every duty, always working with a purpose and devotion deserving of the highest encomium, it can be truly said that Albert Story was the highest type of a servant, citizen and man. For nearly fifty years Mr. Story has been associated with W. G. Milligan in the bank which, by their wise, careful and prudent management, has become one of the largest, soundest and strongest in the State. Between the two there existed a bond of friendship and companionship which was cemented still more firmly by each advancing year. It is pathetic to think of this good, white-haired old man passing to his Maker in the presence of the man with whom he was so closely associated, and while both were engaged in their regular duties in the great financial institution in which they both had passed the best part of their lives.

SYRACUSE, N. Y.—The Utica *Herald* says that the announcement that the control of the Bank of Syracuse has passed from those in whose hands it has been since the organization of the institution, will occasion considerable surprise in financial and commercial circles. The control, however, is in new hands as the result of the consummation of negotiations which have been pending for some time, and which have been closed within the last two days. The Palmer interest, which has controlled the bank for the nine years of its existence, is about to retire through the sale of a large block of the stock to Lyman C. Smith by Manning C. Palmer and his friends. Mr. Palmer, who has been the bank's president since its organization, is about to retire, and his place will be taken, it is said on excellent authority, by John Dunn, Jr., who has been the vice-president. Fred C. Eddy, who has been cashier for the same period, it is said, will continue in the same position. President Palmer told a *Herald* reporter that he had transferred to Mr. Smith sufficient stock to give to the latter, who was before a stockholder and director of the bank, a controlling interest in the bank. The capital stock of the institution is $125,000, and the block which has just been transferred to Mr. Smith, said Mr. Palmer, amounted to 490 shares, or $49,000 in par value of stock. With reference to his retirement from the bank, Mr. Palmer said: "I feel that my outside interests

ought to have my attention. I have worked hard to make the bank a success, and my efforts have been rewarded. The bank is on a solid basis. I feel, however, that my duties here have absorbed more of my time than I ought to permit in justice to a proper care to my other interests, and I take the present opportunity of withdrawing that I may look exclusively after my private affairs. My real estate interests especially shall receive my attention in the future." It is learned that those who have parted with their holdings of the bank's stock are, besides M. C. Palmer, his brothers, Alva W. Palmer of Syracuse and George Palmer of Saltville, Va., Salem Hyde and Charles M. Crouse. Mr. Smith has also bought part of the stock owned by P. D. Cheney of Oneida. Four vacancies on the board of directors will be filled as a result of the sale of stock, M. C. and A. W. Palmer, Mr. Hyde and Mr. Crouse being on the present board. The Bank of Syracuse, which, aside from the Commercial Bank, is the youngest institution of the kind in the city, began business in May, 1884, and has had a remarkably prosperous existence. Its capital stock upon its organization was made $125,000, and it has remained at that figure, although there has been from time to time more or less discussion of the question of increasing the capital stock. The authorized capital is $500,000. The institution has from the start been accumulating a surplus, which, according to the July statement, was about $85,000, and which now is said to amount to from $93,000 to $95,000, and which forms part of the bank s working capital. Besides the officers already named, J. William Wilson, W. S. Peck, Charles P. Clark and Bruce S. Aldrich are on the board of directors. The price paid by Mr. Smith for the stock he has bought was $150 a share. On the basis of the bank's resources the stock is said to have a value of $176. For the first year and a half of business the bank paid no dividends, but in 1886 the payment of dividends at the rate of six per cent. per annnm was begun, and of late years ten per cent. has been paid. An interested stockholder recently spoke in a very complimentary manner of Mr. Palmer's management of the bank, and said that the president withdrew with the best of feeling on the part of all interested. The gentleman was sure that the transfer was the result only of a desire on the part of Mr. Palmer to relieve himself of the burden of responsibility and a desire on the part of Mr. Smith to make a good investment.

MIDDLETOWN, PA.—One of the handsomest bank buildings in the State is that of the National Bank of Middletown, on which the builders have just put the finishing touches.

SCRANTON, PA.—The Third National Bank of Scranton announces that it has increased its surplus from $230,000 to $240,000. The Third National is one of the most solid and substantial institutions in the State.

NEWPORT, R. I.—The work of enlarging and decorating the counting-room and directors' apartment of the Savings Bank of Newport is nearing completion. Attention has already been called to the change made in the front of the building, which now is lighted by large plate-glass windows flanked by supporting pillars of rough-finished brown stone, and to the striking entrance of the same material capped by a large stone over the arch, bearing the name of the bank cut in raised letters on its face. Inside the door there is a small lobby of polished paneled mahogany, and swinging doors give entrance to the counting-room. Across the middle of the apartment from side wall to side wall extends a mahogany partition about seven feet in height. The lower portion is beautifully finished in panels and carvings, while between the fluted Corinthian pillars rising to the heavy cornice are finely wrought grilles of polished metal. Where there are placed revolving tables for the payment books and the plate-glass receivers for the handling of money, the metal tracery projects inward to form small alcoves. Elsewhere in the other panels it curves about the frames holding large squares of beveled plate glass. Doors at either end give entrance to the space reserved for the bank officials. The floor outside the partition is of mosaics in graceful patterns, that within is of hard wood. The walls are painted yellow, delicately tinted with pink towards the base. They are paneled with carefully wrought tracery in gilt and embossed ornaments in colors. The same general style of ornamentation is observed in the decoration of the ceiling, which is divided into huge panels of the heavy carved mahogany floor beams and moldings. The apartment is brightly lighted by the large windows which were placed in both of the side walls. At the rear of the room rise the thick

walls of the safe to the ceiling. Its heavy steel doors open out into a passage way on the left which leads to the directors' room behind it. This is also finished in the same style as the counting-room as to woodwork, walls and ceiling. It will be carpeted. An opening through the floor gives entrance to the basement where there are ample accommodations for the conveniences provided.

VERMONT.—The Report of the State Inspector of Finance, Hon. W. H. Dubois, is just issued. It shows the savings banks and trust companies of Vermont to be in a sound and flourishing condition. In view of the financial depression in the country it is gratifying to note that no failure has occurred among the savings institutions in this State during the period covered by the Inspector's report. On this point Inspector Dubois says: "The spring and summer months of the present year have been a time of great uncertainty and anxiety in financial matters throughout the country, but through all the time of the great currency stringency and numerous bank and other failures from day to day for the several months, the savings institutions of Vermont have met their obligations with promptness and with little, if any, inconvenience to their depositors. This has been accomplished with less disturbance and less sacrifice than in similar institutions of other States, and is due largely, I believe, to the good management of the officers of our banks and the intelligence and forbearance of our people." The important features of the report, which covers the period of twelve months ending June 30, 1893, are these: Total number of depositors 89,115, an increase of 8,375 during the year. The total amount of deposits is $27,262,929.69, an increase of $2,588,187.93 during the year ending June 30, 1893. The average to each depositor is $305.93, an increase in average amount over one year ago of 33 cents. The amount loaned on mortgages of real estate in this State is $5,356,498.63, an increase of $314,123.30. The amount loaned on mortgages of real estate elsewhere is $9,943,110.83, an increase of $935,317.86. Loans on personal security amount to $2,908,062.97, an increase of $251,713.63. Loans to towns, villages, etc., are $374,517.12, an increase of $126,413.72. Loans with bank stock as collateral are $234,777.59, an increase of $33,268.58. Loans on other collateral security amount to $726,459.10, which is an increase during the year of $51,247.14. There has been the large increase of $1,248,816.69 in the amount invested in State, county, city, town, village and other bonds, the amount of such securities now held by all the banks being $7,936,611.02. The cash on hand and deposited in banks June 30 was $1,362,108.52, an increase of $15,899.78. The surplus reserve required by law to be set aside and held by the savings banks is $686,205.01, an increase during the past year of $52,834.17, while the total accumulations of all the savings banks and trust companies, including the lawful reserve and interest, amount to $1,490,703.18, an increase of $225,851.08. The savings banks and trust companies have paid taxes to the State during the year to the amount of $172,323.49, an increase of $18,367.53 over 1892. The depositors in savings banks have been credited with dividends on their deposits during the year, amounting to $776,207.44, an increase of $75,869.56. Eleven banks have paid 4 per cent. and nine 4½ per cent. to their depositors. Of the 14 trust companies paying dividends to their stockholders, two have paid 3 per cent., one 4 per cent., one 5 per cent., seven 6 per cent., one 8 per cent. and two 10 per cent., or an average of a fraction over 6 per cent. on the capital stock of $700,000 of these fourteen trust companies. The Lamoile County Savings Bank and Trust Company has allowed its earnings since it commenced business to accumulate, and has not paid dividends to its stockholders. The Ludlow Savings Bank and Trust Company and the Barre Savings Bank and Trust Company have but recently commenced business, and consequently have not paid dividends to stockholders. The amount invested in mortgages elsewhere than in this State, mostly in the West, is $9,943,110.83. The report for 1890 shows that 56 loan and investment companies of other States, mostly in the West, were doing business in Vermont that year. In 1891 but 26 such companies were licensed, and in 1892, 18. The number now licensed is 12.

WESTERN STATES.

CHICAGO, ILL.—On the 2d of November Mr. James W. Scoville, president of the Prairie State National Bank, died at Pasadena, Cal., where he had lived for the past six years. He was born in New York, a farmer's son, without early educa-

tional advantages, and acquired his education through his own efforts after becoming a young man. He accumulated most of his fortune through judicious investments in real estate, in and around Chicago. He became connected with the banking business in 1869 and made a successful manager, carrying the institution with which he was connected safely through the dangers of the period of the Chicago fire of 1871 and the various financial crises since that date. His public benefactions were numerous, chiefly in library and educational institutions, providing facilities for young men who, like himself, had the ambition to learn, without early opportunity. Mr. Scoville was a trustee of Beloit College, but he never visited Beloit after his first residence there until on the occasion of President Eaton's installation, which was after an absence of forty years. Then he subscribed $1,000 toward giving the college a new start. A few months later President Eaton broached the subject of a new academy to him, but he said he was not prepared to do anything in the matter, but after the completion of the Oak Park Library Building he voluntarily proposed to President Eaton to build an academy to cost $25,000, which he said had long been a dream of his, and he always expressed satisfaction over his investment.

SIOUX CITY, IA.—The Security National Bank and the National Bank of Sioux City are to be consolidated. The new bank will be the Security National, with $750,000 capital stock, in charge of the present corps of officers, and occupying the present quarters. The National Bank of Sioux City will continue in operation possibly a month longer, when its business will be wound up. The retiring directors of the National Bank of Sioux City are: H. L. Warner, M. C. Davis, C. Q. Chandler, A. J. Rederich, A. L. Stetson, R. J. Chase, P. L. Lindholm, C. R. Marks and James F. Toy. The retiring officers are: H. L. Warner, president; M. C. Davis, vice-president; C. Q. Chandler, cashier. The new directors elected are: Eri Richardson, W. P. Manley, F. M. Case, T. S. Martin, H. C. McNeil, N. Desparois. C. L. Wright, R C. A. Flournoy and H. H. Case. The new officers are: W. P. Manley, president; C. L. Wright, vice-president; F. M. Case, cashier. The National Bank of Sioux City was organized about three years ago with $1,000,000 capital, which was reduced last July to $900,000. It was found to be a stronger institution than the demands of the city warranted, and it was because of this fact that the consolidation was finally agreed on. The Security National was organized in 1884 by W. P. Manley, who has managed it since, and for the past two years has been its president. The bank started with $100,000 capital, which was increased January 1, 1889, to $200,000, and January 1, 1893, to $250,000. The surplus and undivided profits bring the total up to $325,000. The consolidation will make the Security the strongest bank in Sioux City, as well as in the State of Iowa. The Security National has uniformly been one of the most profitable and substantial banks in the city. The consolidation is regarded with favor by the banking community, because it reduces the number of institutions and improves the chances of making them profitable.

LANSING, MICH.—Bank Commissioner Sherwood has issued an abstract of the reports made by the State and National Banks as to their condition at the close of business October 3. The total deposits of the 159 State banks amounted to $54,737,225.88. Since May 4 the deposits have fallen off $10,795,832 05, or 16.7 per cent. The 100 National Banks show a still greater falling off, proportionately. The decrease since May is $9,198,864.46, or 22.6 per cent. The total deposits in all the banks, both State and National, on May 4, amounted to $106,223,471.88, on October 3 to $86,228,755.37. The funds on hand have increased $1,092,528.64. The State banks have called in nearly a million and a half of their reserves in the past five months. Total increase of capital stock and surplus in the State banks since May 4 is $801 513.65.

CINCINNATI, O.—Of all the capitalists in this city, says the *Commercial Gazette*, none excites so much interest as Charles H. Kilgour, the bachelor millionaire. To the public Mr. Kilgour is thought of as an old man; but this cannot be true, as he is but fifty-eight, or two years older than his brother John. It might, incidentally, be remarked that one reason the public has attributed years to Mr. Kilgour is that from his very young manhood his name has been identified with large business interests to such an extent that when his works are mentioned people at once jump to the conclusion that he must be old to have accomplished so much. Mr. Kilgour

might be called the father of Queen City corporations, and to-day is the power behind the throne in five or six big commercial organizations. He is the man who introduced the street car and the telephone. He also is responsible for the building up of Walnut Hills, more so, at least, than any other one man. He is given the credit of making the Little Miami Railroad what it is, and his intense faith in the ultimate prosperity of the city has made him a power in many municipal matters. It is to Mr. Kilgour that the general public owe more than they do to any one else for their accommodations, and yet in all his work he looked out for No. 1, and to-day, despite the hundreds of experiments he has made and the thousands of dollars he has lost in new enterprises, he stands as a millionaire, who can be called a banker, a bondholder, a seeker after modern improvements, and withal he is a recluse, living with a servant or two in a large house that he has occupied all his life. He works, reads and studies while the earth turns on its axis and he knows it not. So intent is he on his business interests that should he be looking over his ledger and his house catch fire, he would not move till he had completed the task begun. No social event comes along to interrupt his plan of life, no theatre can cause him to spend an evening out, and no amount of pulling on his bell will get him to open his door after six o'clock, unless the visitor is an immediate relative or a business employe. In build Mr. Kilgour is a massive man. He is tall and heavy. His face looks more like that of a farmer than a banker, and his hair and beard, not very well attended to at all times, sometimes gives him a shaggy appearance. Often when approached he is gruff, yet to his intimate friends he is pleasant, and despite his years he enjoys congenial and convivial company. Mr. Kilgour, while in Columbus years ago, had his picture taken for the first, last and only time in his life. While his relatives have told him that they would give $10,000 for one good photograph now, he refuses, and even the arguments of the *Commercial Gazette* were not delusive enough to allow of a picture being secured. "I am not a public man," said Mr. Kilgour when asked about his photograph, "and it would cause me pain to see myself in print, for I am afraid some one might think me self-conceited, and I try to be just the reverse." Speaking of physical infirmities, it would seem that Mr. Kilgour has more than his share. Three times he has suffered from paralysis, yet the combined attacks were not powerful enough to more than slightly affect his step. It is true he walks with a cane and his progress is slow, but with his troubles he manages to get along very well and attend to his one chosen line—business. It is said that while most of his tastes are simple, Mr. Kilgour is a confirmed epicure and is one of the best judges of still wines in this vicinity. Another disadvantage the subject of this sketch has labored under all his life is his poor eyesight. He is near-sighted to such a degree that he cannot read with his eye four inches away from the printed page. A piece of money must be held within three inches of the eye to detect the engraving on it, and, though laboring with this peculiar disability, Mr. Kilgour is a great reader, and carefully scans every daily newspaper and the regular monthly magazines. He is considerable of a scholar in his way, and keeps abreast of the times, particularly in mechanical and scientific inventions. As an instance of his pertinacity, it might be mentioned that he has visited every oculist of note in the world in his endeavor to secure glasses that would enable him to see as other people. Some years ago he heard of a German oculist that he thought might be able to treat him, and he took a train for New York the next day, and in a few hours was on his way to Europe. He saw the oculist, tried his glasses, and failing to accomplish what he wanted, came home and settled down to business again. Through all their business career John and Charles Gilgour are said to never have had a quarrel.

EAU CLAIRE, WIS.—The Chippewa Valley Bank, of Eau Claire, will increase its capital stock to $100,000.

SOUTHERN STATES.

BALTIMORE, MD.—The new building for the Merchants' National Bank is designed in the Renaissance style of architecture. It will be seven stories high, with a mezzanine floor between the banking story and the Holliday street end. The banking-room is entered on Water street, near the corner of South street, through a handsome portico supported by richly carved columns and pilasters. The outside entrance doors are of bronze, ornamented in relief. The vestibule is finished in mahogany, with a double set of doors on the right and left. The

banking-room will contain a wide space for use of the public, with settees and depositors' desks. Ladies will have a room in the rear set aside for their convenience, containing easy chairs, lounge and writing table, with a toilet-room adjoining. The center of this large room, taking in the entire width of the lot and 95 feet in depth, will contain the banking space, with the book and money vaults made according to the latest and most improved ideas in this work. There will be space for four tellers and about thirty clerks. The South street end will be occupied by a reception or waiting-room, the president's office and the board-room. This room will be broken up by enriched pilasters and girders and will have mosaic marble floors and walls and gilded ceiling. The basement will contain a large lunch-room for clerks with open fireplace, the whole room to be lined in marble, besides a marble-lined toilet-room and lavatory. Adjoining these will be the record room or commercial library of the bank, also finished in marble and mahogany. The rest of the basement will be taken up by storage-rooms, fuel cellar, boiler-room and engine-rooms for running the elevators and electric lighting. The entrance to the office building is also on Water street, near the corner of Holliday street, and is similar to the bank entrance. The entrance, vestibule and hall will be finished in variegated imported marbles, as will also the first flight of stairs. All will be handsomely carved and polished. The public spaces throughout the building will have marble mosaic floors. Opposite this entrance will be three high-speed passenger elevators of the latest improved pattern, inclosed by ornamental bronze screen-work. A feature will be the bronze arcades around the stairs on the second and third floors. The ceiling of the entrance hall will have bronze ribs and marble panels, all enriched. The upper floors will have fine iron and marble stairways and toilet-rooms. The office proper will be finished in oak, containing vaults, wash-hand-basins, gas and electric light, telegraph calls, telephone and speaking tubes.

FT. WORTH, TEXAS.—A meeting of the executive committee of the Texas State Bankers' Association was held in the president's room of the State National Bank on the 15th of November, to devise a programme for the next annual meeting of the association, the second Tuesday of May, 1894. President T. J. Groce, of the executive committee, who is also president of the Galveston National Bank, called the meeting to order, and Secretary J. E. Longmoor, cashier of the First National Bank of Rockdale, kept the minutes. The other members of the committee present were A. S. Reed, cashier of the Ballinger National Bank and vice-president of the association; J. G. Lowdon, president of the Abilene National Bank; J. M. Worsham, cashier of the First National Bank of Greenville, and John C. Harrison, cashier of the State National Bank of Fort Worth. It was decided to invite one of the most eminent financial authorities in the United States to come and deliver an address of a popular nature on economic subjects. The committee also selected the subjects for discussion at the association meeting and assigned the speakers.

FOREIGN.

CANADA.—The Bank of Montreal contemplates the erection of a handsome stone building for their branch in Victoria.

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

QUOTATIONS:	Nov. 6.	Nov. 13.	Nov. 20.	Nov. 27.
Discounts	6 @ 7	5½ @ 6½	4½ @ 5	4½ @ 5
Call Loans	2	2	1 @ 2	1 @ 2
Treas. balances, coin	$57,931,848	$58,508,280	$59,054,492	$61,317,239
Do. do currency	18,952,563	22,458,704	23,825,337	24,244,682

Sterling exchange has ranged during November at from 4.83½ @ 4.86¾ for sight, and 4.80½ @ 4.83¾ for 60 days. Paris—Bankers' 5.21⅞ @ 5.17½ for sight, and 5.23¾ @ 5.20 for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.83 @ 4.84; bankers' sterling, sight, 4.85¾ @ 4.86¾; cable transfers, 4.86½ @ 4.87¾. Paris—bankers', 60 days, 5.20 @ 5.19⅜; sight, 5.18⅛ @ 5.17½. Antwerp—Commercial, 60 days, 5.22½ @ 5.21⅞. Berlin—Bankers', 60 days, 94 15-16 @ 95; sight, 95 9-16 @ 95⅝. Amsterdam—Bankers', 60 days, 40 1-16 @ 40 ⅛; sight, 40 5-16 @ 40⅜.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from November No., page 397.)

	Bank and Place.	*Elected.*	*In place of.*
CAL.	First Nat. Bank, Los Angeles	Frank A. Gibson, *Cas.*	....
DAK. N.	Bank of Willow City	G. M. Marshall, *Cas.*	J. M. Watson.
FLA.	First Nat. Bank of Florida, Jacksonville.	R. C. Cooley, *Cas.*	B. Taliaferro.*
ILL.	Corn Belt Bank, Bloomington.	A. M. Richards, *Cas.*	A. S. Eddy.
		C. J. Moyer, *Asst.*	.....
IND.	Decatur National Bank, Decatur.	P. W. Smith, *P.*	T. T. Dorwin.
		Daniel Weldy, *V. P.*	P. W. Smith.
"	First National Bank, Frankfort.	W. P. Sidwell, *Cas.*	D. J. Barner.
		N. J. Gaskill, *Asst*	W. P. Sidwell.
"	First Nat. Bank, Martinsville	A. E. Graham, *P.*	H. Satterwhite.
"	Citizens Nat. Bank, Muncie	C. M. Turner, *Cas.*	Will M. Marsh.
IOWA.	First Nat. Bank, Marshalltown	J. P. Woodbury, *P.*	George Glick.
"	First Nat. Bank, Muscatine	S. M. Hughes, *Asst.*	.....
"	Nat. Bank of Sioux City, Sioux City.	W. P. Manley, *P.*	H. L. Warner.
		F. M. Case, *Cas.*	C. Q. Chandler.
KAN.	First Nat. Bank, McPherson	A. E. Dwelle, *Cas.*	W. S. Bukey.
"	McPherson Nat. B., McI'herson	W. S. Bukey, *Cas.*	H. H. Champlin.
"	First National Bank, Norton.	F. S. Hazelton, *Cas.*	C. M. Sawyer.
		C. J. Shimeall, *Asst.*	.....
"	Nat. Bank of St. Mary's	Amos B. Pool, *V. P.*	Geo. F. Anderson.
ME.	Camden Nat. Bank, Camden	H. L. Alden, *P.*	D. H. Bisbee.*
MD.	Peoples Bank, Baltimore.	J. H. Judik, *P.*	Wm. S. Carroll.
		H. S. Platt, *V. P.*	J. H. Judik.
MASS.	Martha's Vineyard Nat. Bk., Edgartown.	David Mayhew, *P.*	J. T. Pease.
"	First Nat. Bank, Haverhill	C. E. Dole, *Cas.*	E. P. Noyes.
"	Nat. Bank of Commerce, New Bedford.	Chas. W. Clifford, *V. P.*	Wm. J. Rotch.*
"	Orange National Bank, Orange.	John W. Wheeler, *P.*	G. A. Whipple.*
		Levi Kilburn, *V. P.*	J. W. Wheeler.
"	Nat. Mt. Wollaston B., Quincy	Chas. A. Howland, *P.*	E. B. Pratt.
"	Hampden Nat. Bk., Westfield	Fred H. Sackett, *Cas.*	Chas. L. Weller.
MICH.	First Nat. Bank, Saginaw	A. P. Bliss, *V. P.*	Chas. W. Wells.*
MINN.	German-American Nat. Bk., St. Cloud.	John M. Swartz, *Cas.*	Chas. Dueber.
		Chas. Dueber, *Asst.*	A. H. Reinhard.
"	Nat. German-American Bk., St. Paul.	J. W. Lusk, *P.*	Joseph Lockey.
		G. Willins, *V. P.*	Wm. Lindke.
		Joseph Lockey, *Cas.*	J. W. Krapfel.
MO.	Amer. Nat. Bk., Kansas City	J. R. Dominick, *Asst*	.....
"	State National Bank, St. Joseph.	S. McDonald, Jr., *Cas.*	E. Lindsay.
		A. H. McDonald, *Asst*	S. McDonald, Jr.
"	Continental Nat. B., St. Louis	Van L. Runyan, *Asst.*	W. H. Graham.
"	Nat. Bk. Republic, St. Louis	W. H. Graham, *Cas*	John Caro Russell.
"	International Bk., St. Louis	Geo. A. Held, *Asst.*	F. A. Hekman.
NEB.	Farmers Nat. B., Pawnee City	J. T. Trenery, *V. P.*	.....
"	First National Bank, York	Geo. W. Post, *P.*	F. O. Bell.
		F. Baldwin, *V. P.*	F. B. Daggy.
		E. J. Wightman, *Cas.*	H. C. Kleinschmidt.
N. J.	Nat. Newark Banking Co., Newark.	Jas. P. Dusenberry, *V. P.*	.....
		H. W. Tunis, *Asst.*	.....
"	Orange Nat. Bank, Orange	Charles M. Decker, *P.*	T. J. Smith.
N. MEX.	National Bank of Deming	John Corbett, *V. P.*	James A. Lockwood.
N. C.	First Nat. Bank, Salisbury	Wm. Blackmer, *Cas.*	I. H. Foust.
OHIO.	First National Bank, Lima	S. S. Wheeler, *P.*	S. A. Baxter.
PA.	First National Bank, Easton	Henry Fulmer, *V. P.*	.....
"	Farmers Bank, Lebanon	John B. Rauch, *P.*	A. Reinochl.*
"	Penn National Bank, Reading	A. J. Brumbach, *V. P.*	.....
"	Sellersville Nat. B., Sellersville	C. D. Fretz, *P.*	Chas. N. Cressman.
R. I.	N. B. of N. America, Providence	S. E. Carpenter, *Cas.*	C. E. Jackson.

* Deceased.

	Bank and Place.	Elected.	In place of.
TENN...	First Nat. Bank, Fayetteville...	H. K. Bryson, *P.*.....	J. D. Tillman.
" ..	Peoples Nat. Bank, Pulaski ...	John D. Flautt, *2d Asst*....	.....
TEXAS..	First National Bank, Atlanta.	A. C. Smith, *V. P.*.....	W. A. Howe.
		B. F. Ellington, *Cas.*.....	J. W. Campbell.
" ..	Palestine National Bank, Palestine.	John R. Hearne, *P.*.....	J. W. Osment.
		A. S. Fox, *V. P.*...	John R. Hearne.
WASH .	Puget Sound Nat. Bk., Seattle.	E. C. Neufelder, *V. P.*....	A. B. Stewart.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from November No., page 398.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
CAL....	Anaheim.....	Citizens Bank.....	....
	$100,000	H. Cahen, *P.*	L. Goldwater, *Cas.*
FLA....	Orlando.....	State Bank.....	National Park Bank.
	$12,600	Louis C. Massey, *P.*	Ingram Fletcher, *Cas.*
			Chas. S. Johnson, *Asst.*
ILL....	Abingdon.....	J. Mosser & Co.....	.....
		John Mosser, *P.*	C. G. Mosser, *Cas.*
IOWA...	Cincinnati.....	Farmers & Merchants B'k.	....
	$20,000	N. A. Robertson, *P.*	J. V. Leseney, *Cas.*
" ..	Emerson.....	Farmers Bank.....	.....
	$10,000	M. L. Evans, *P.*	R. M. Shipman, *Cas.*
" ..	Keokuk.....	State Central Savings B'k.	Fourth National Bank.
	$100,000	Wm. Logan, *P.*	J. C. Weaver, *Cas.*
		C. H. Mellen, *V. P.*	H. T. Graham, *Asst.*
KAN....	Minneapolis....	Citizens National Bank....	Hanover National Bank.
	$50,000	V. D. Rees, *P.*	Joseph W. Smith, *Cas.*
		F. C. Rees, *V. P.*	E. M. Morris, *Asst.*
ME.....	Portland.....	Mason & Merrill.....	.....
MASS...	Boston.....	Blodget, Merritt & Co. ...	.....
MICH...	Albion.....	Commercial & Savings B'k.	Chase National Bank.
	$21,810	John G. Brown, *P.*	Palmer M. Dearing, *Cas.*
		Sylvester B. Allen, *V. P.*	
" .	Brooklyn.....	Exchange Bank.....	.....
	$25,000	(Wm. S. Culver)	
" ..	Sparta.....	Bank of Sparta.....	.....
		(Wilmer H. Heath)	
MO.....	Licking.....	Bank of Licking.....	.....
			J. A. Craven, *Cas.*
" ..	Novelty.....	Novelty Savings Bank....	.....
	$5,000	L. E. Townson, *P.*	J. S. Anderson, *Cas.*
		W. L. Caldwell, *V. P.*	
OKL T..	Enid	O. County Bank.....	.....
	$10,000	Samuel F. Spencer, *P.*	B. F. Buffington, *Cas.*
" ..	Enid.....	Merchants Bank.....	Merchants Exch. Nat. Bank.
		Ed. L. Dunn, *P.*	Chas. A. Bright, *Cas.*
		D. Hills, *V. P.*	
PA.....	Cooperstown...	Citizens Bank.....	National Park Bank.
		W. J. Bradley, *P.*	W. J. Lapsley, *Cas.*
TENN ..	Maryville.....	Bank of Blount County...	.....
	$20,000	John W. Cates, *P.*	Thomas F. Cooper, *Cas.*
		L. M. Kidd, *V. P.*	John M. Clark, *Asst.*
WASH.	Everett	Puget Sound Nat. Bank...	(Re-opened) Hanover Nat. B'k.
	$50,000	A. J. Hayward, *P.*	A. S. Taylor, *Cas.*

PROJECTED BANKING INSTITUTIONS.

CAL....San Francisco...California Guaranty and Trust Co.; capital, $100,000. Stockholders: M. J. Morley, F. O. Zeigler, S. C. Hargreaves, C. W. Nevin, and Wm. Proudfoot, of San Rafael, and others.

CONN..New Haven....New Haven Banking Co.; capital, $100,000. J. D. Dewell, President; S. H. Street, Vice-President; Dwight W. Tuttle, Secretary; Hiram Jacobs, Treasurer.

" ..New Haven....Tyler Trust Co., William Todd, President.

FLA....Jacksonville....Savings and Trust Co. of Florida; capital, $50,000. Henry Robinson, President; W. J. Harkisheimer, Vice-President; Wm. Rawlinson, Cashier.

" ..Jasper.....Blackwell & Co., Bankers. B. B. Blackwell, Manager.

GA.....Atlanta.....Bank of America; capital, $20,000. Incorporators: C. L. Delbridge, Clark Howell, Sr., C. K. Buzbee, Thomas J. Delbridge, C. A. Godfrey, C. H. Orr.

" ..Statesboro.....Bank of Statesboro; capital, $25,000. Col. D. R. Groover, President; H. S. Blitch, Cashier.

ILL... .Jerseyville.....Theodore F. Chapman will open a banking house.

MD.....Baltimore.....Paine & McLaran, Bankers and Brokers.

MASS...Boston.....C. N. Barnard and E. W. Gilbert have formed a banking copartnership.

MICH...Brooklyn.....W. S. Culver has opened a new bank.

MINN...Morgan.....State Bank of Morgan; capital, $25,000. Hans Mo, of Sleepy Eye, President; H. M. Bail, Cashier.

MO.....Joplin..... ...International Bank; capital, $100,000. George A. Case, President; Wm. Sergeant, Cashier.

N. J....Jersey City.....Bankers and Traders Company; capital, $50,000. Stockholders: Frank La Forge, Edwin H. Hinman, and Henry G. Nettleton.

N. Y....Forestville.....F. R. Green, of Fredonia, and W. F. Smallwood, of Ripley, are starting a bank at Forestville.

" ..Jamestown.....A Loan and Trust Company, with $100,000 capital, is being formed. Those interested are E. B. Crissey, F. P. Todd, C. W. Mace, Samuel Briggs, W. T. Falconer, Chas. E. Morse.

" ..Watertown.....Watertown Savings Bank. B. B. Taggert, President; J. C. Streeter, Vice-President; A. Goodale, Secretary; Wooster Sherman, Treasurer.

N. C....Wilmington....L. L. Jenkins, of Gastonia; John S. Armstrong, of Culpeper, Va.; W. H. Sprunt, Wm. Calder, Jas. H. Chadbourn, Jr., of Wilmington, will start a National bank at Wilmington, with $100,000 capital.

OHIO...North Amherst.North Amherst Savings Bank; capital, $50,000. Incorporators: A. C. Moore, A. C. Steele, Henry A. Platt, H. G. Redington.

PA.....Cooperstown...Citizens Bank of Cooperstown started.

TENN...Maryville .....Bank of Blount County. Incorporators: S. T. Past, W. T. Parham, J. W. Cates, Sr., E. B. Walker, T. F. Cooper and others.

" ..Nashville. .....Landis Banking Co. Incorporators: A. L. Landis, John T Landis, John Burrow, W. S. Wells, Lulan Landis.

W. VA.West Union....New bank opened for business.

WIS....Portage.....R. A. Sprecher has started the German-American Bank here.

" . Racine.....M. M. Secor is establishing the First National Bohemian Bank of America.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during November, 1893.

MICH...Petoskey.....First National Bank, by James R. Wylie and associates.
MINN...Montevideo.....First National Bank, by M. E. Titus and associates.
MO.....Stanberry.....First National Bank, by A. L. Tomblin and associates.
OHIO...Coshocton.....Coshocton National Bank, by T. E. Roche and associates.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from November No., page 399.)

DAK. S. Webster City. .Webster City Bank business transferred to Farmers & Merchants Bank.
IND....Muncie.....Citizens National Bank has resumed business.
IOWA...Keokuk.....State Bank and Central Savings Bank have consolidated as State Central Savings Bank.
KAN....Hutchinson.....Hutchinson National Bank is in hands of receiver.
" ..Minneapolis....First National Bank has gone into voluntary liquidation.
" ..Minneapolis....J. W. Smith & Co. succeeded by Citizens National Bank.
KY.....Middlesborough.Coal and Iron Bank reported closed.
ME.....Portland.....Fred E. Richards & Co. succeeded by Mason & Merrill.
MD.... Baltimore.....Brown & Lowndes succeeded by Lowndes & Redwood.
MONT ..Great Falls ....Montana Trust Co. closed.
OHIO...Xenia.....Central Bank sold out to Xenia National Bank.
" ..Middletown....Gunckel Banking Co. reported assigned.
PA.....Hyndman.....National Bank of South Penn has been authorized to resume business.
TEXAS..Wharton .....First National Bank has gone into voluntary liquidation.
WASH..Buckley.....Buckley State Bank reported closed.
" ..Fairhaven.....First National Bank location changed to New Whatcom, and title changed to Bennett National Bank of New Whatcom.
" ..Slaughter.....First National Bank has gone into voluntary liquidation.

DEATHS.

CLEMENT.—On November 24, aged eighty-six years, CHARLES CLEMENT, President of Clement National Bank and State Trust Co., Rutland, Vt.

CRATER.—On November 24, aged seventy-three years, PHILIP W. CRATER, Cashier of National Newark Banking Co., Newark, N. J.

LESLIE.—On November 21, aged fifty-nine years, GEORGE LESLIE, Cashier of National Bank of Newbury, Wells River, Vt.

SCOVILLE.—On November 2, aged sixty-eight years, JAS. W. SCOVILLE, President of Prairie State National Bank, Chicago, Ill.

SLEE.—On November 21, aged seventy-five years, ROBERT SLEE, President of First National Bank, Poughkeepsie, N. Y.

WHIPPLE.—On October 23, aged sixty-eight years, GEORGE A. WHIPPLE, President of Orange National Bank, Orange, Mass.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, NOVEMBER, 1893.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly Mar.	96	96	94½	95
4s, 1907 ... reg.	Jan.	111	113	111	112½
4s, 1907 ... coup.	Feb.	111	113½	111	113½
6s, cur'cy, 1895, reg.		102	103	102	103
6s, cur'cy, 1896, reg.	Jan.	104	105½	104	105
6s, cur'cy, 1897, reg.	&	106	108½	106	108
6s, cur'cy, 1898, reg.	July.	109	111½	109	111
6s, cur'cy, 1899, reg.		111	113½	111	113

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	2¾	2¾	2⅛	2⅛
Canadian Pacific	—	73½	72	—
Canada Southern	52¼	53½	49¼	53¼
Central of N. J.	119⅜	120½	115	119
Central Pacific	—	20¾	19	19¼
Ches. & Ohio.	21⅜	21⅞	18¼	19⅞
Do 1st pref.	—	—	—	—
Chic. & Alton	—	—	—	—
Do pref.	—	—	—	—
Chic., B. & Q.	84¼	84¼	78⅛	82⅜
Chic. & East'n Ill.	—	62	57½	—
Do pref.	—	100	98	99½
Chic., M. & St. P.	66⅞	66⅞	62⅛	66½
Do pref.	—	121¼	118	—
Chic. & N. W.	106	109½	102¼	106⅝
Do pref.	—	140	138¼	139¼
Chic., R. I. & P.	70⅜	71⅜	65¾	71⅜
Chic., St. P., M. & O.	39⅞	39⅞	36⅛	39⅞
Do pref.	—	117	110½	—
C., C., C. & St. L.	36⅞	37¾	34⅛	37¾
Do pref.	—	81	81	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	25	25	23	—
Col., H. Valley & Tol.	22¾	22¾	20¾	—
Del. & Hudson	130¾	138⅝	128½	136½
Del., Lack. & W.	172	175	165¾	—
Den. & Rio Grande	—	10⅞	10⅛	—
Do pref.	28½	32⅞	27⅞	32⅞
East Tenn. V & G.	—	¼	¼	—
Do 1st pref.	—	—	—	—
Do 2d pref.	—	—	—	—
Evansville & T. H.	—	85	70	—
Illinois Central	94	94¼	91¼	93¾
Lake Erie and Western	—	18⅛	16¾	17⅛
Do pref.	—	70	68	68⅜
Lake Shore	127¾	130⅞	126⅛	129¾
Long Island	—	99	96⅜	99
Louisville and Nashville	51¾	51¼	46½	51¼
Louisville, N. Alb. & Chic.	11¼	11¼	9¼	9¾
Manhattan Consol	133⅞	133⅞	125	128
Mexican Central	—	—	—	—
Michigan Central	103	103¼	99½	102½
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	12¼	13⅞	11⅛	—
Do pref.	34¼	39	34	38½
Mo., Kan. & Texas	12⅞	14½	12¾	14⅜
Do pref.	23¾	26¾	22½	26¾
Missouri Pacific	27¾	27¾	23⅞	27⅛
Nash., C. & St. L.	—	75	65	—
N. Y. C. & Hudson	—	103⅝	101	103
N. Y., C. & St. L.	17¼	17⅞	15½	—
Do pref.	65½	69	65½	—
N. Y., L. E. & W.	14⅜	15¼	13½	15⅛
Do pref.	—	32	28½	32
N. Y. & New Eng.	35	35	25¼	31½
N. Y., Ont. & W.	17½	17½	16⅜	17⅜
N. Y., Sus. & W.	16¼	18½	15¾	17
Do pref.	49¼	52½	47⅜	48½
Norfolk & Western	—	—	—	—
Do pref.	—	21½	19¾	21⅛

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific.	7⅝	7⅝	6½	—
Do pref.	—	23½	20⅞	23
Ohio & Mississippi	—	—	—	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	—	—	—
Oregon Short Line	—	—	—	—
Pacific Mail	18¾	19	16¼	17
Peoria, Decatur & Evansville	8¼	8¼	6¾	7
Philadelphia & Reading	22¼	23	19½	21¾
Pullman Palace Car Co.	175	175¾	170½	174
Rich. & W. P. Term.	3⅞	3⅞	3	—
Rio Gr. Western	—	20	15	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	—	110	107½	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco.	—	—	—	—
St. Paul & Duluth	—	26⅝	25½	—
Do pref.	—	90	90	—
St. Paul, M. & M.	—	106½	105	106¾
Southern Pacific Co.	19	19⅜	18½	19⅜
Texas & Pacific	8⅜	9⅛	7⅝	9½
Union Pacific	18⅞	20⅝	17	20⅝
Wabash, St. Louis & Pacific.	8½	8½	7¼	8
Do pref.	17⅛	17⅛	15	17
Wisconsin Central	—	6⅝	6½	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	38½	38½	29	31⅝
Nat. Lead Trust	28¼	28¼	22¾	24
Tenn. Coal & Iron	16	16	15	15¾
Express—Adams.	144	150	144	150
American.	113¼	117½	113	—
United States.	—	54½	51	—
Wells-Fargo	—	129	120	124
Sugar Refineries	102⅜	102½	80	85
Do pref.	92	92½	81½	84½
Western Union.	90⅜	91½	85⅞	91½
Wheel. & Lake E.	15⅞	15⅞	14¼	15⅜
Do pref.	52⅞	52⅞	51	52½

THE

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AND

Statistical Register.

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DECLINING PRICES—THE FUTURE.

There has been a heavy decline in the value of almost all products, both of the soil and of manufactories during the last few years. The decline has not been uniform in time, nor equal in amount among the various products. For several months the price of farm products has been declining more rapidly perhaps than at any former period in the history of American agriculture. Farmers everywhere are despondent, while many manufacturers have no more hope. The long story of bankruptcies is the conclusive proof of what is happening, nor does the end appear to be near. If all could see the worst, there would be some relief, but no one predicts when the decline will end.

Probably in this decline some have gained, but it is easier to discover the losers. First of all, the debtors are serious sufferers by these changes. Their indebtedness is more difficult to bear in consequence of the inability to get as much for their products as they could at the time of contracting their debts. When wheat sold for a dollar a bushel, a farmer who gave a mortgage on his farm for a thousand dollars, might easily enough have paid the interest if prices had remained the same, but in consequence of the decline in the price of wheat to seventy-five cents, his debt in effect has increased one-fourth and the interest charge as much.

A railroad company, for example, that has issued bonds expecting that the rates for carrying will remain the same, or if declining that the income from the constantly increasing quantity will more than make up the difference, suffers no less than the farmer by the change. When one considers the vast amount of indebtedness in this country, he cannot help realizing what a serious burden is thus put on the debtor. This vast indebtedness has been contracted because of the unbounded hopefulness of the people in the future of our country. Farmers have believed that the price of their products would not fall, while the demand for them would continually increase. Railroad companies have believed that the settlement of the country would continue, and that their business would expand. Manufacturers have added to their mills or built new ones believing, like all other producers, that the country would need all of their products. This general hopefulness has prevailed throughout our country for a long period, and has been one of its most marked characteristics. It has been the source of our wonderful enterprises, most of which have been justified by their success. But a change has now come over this pleasing scene; the horizon seems to be closing in on every side for a long winter. If manufacturers could only see the end they doubtless would take fresh heart, and project new enterprises.

There are those who believe that the goal of all progress consists in reducing prices. They think this is the synonym of prosperity, of true growth and development. Now, in some cases this is true. For example, an iron mountain is discovered whereby ore which formerly cost $2.00 a ton to extract from the earth, can be extracted for 75 cents. The reduction, doubtless, is a real gain to society, because the owner's profit may be just as great, perhaps greater, than it was before, while the manufacturer, on the other hand, is able to produce at less cost, and the consumer, in turn, buys his product at less cost. When this is the case, all are gainers, but, on the other hand, whenever the reduction is caused by lessening wages, or by diminishing unduly the profits of any particular class, then society is not the gainer. For example, if as a consequence of the proposed tariff the farmers in this country cannot produce wool at any profit whatever, but at a loss, they will be obliged to abandon the business, and surely they will be unable to perceive, either directly or indirectly, how they are benefited by the change. All, therefore, depends on the mode of making these reductions. If a person is making only a fair profit and this is annihilated by any change in the tariff, or by any other circumstance, he is the loser; nor is it clear that any other person makes a corresponding gain. If the price of whatever he produces is correspondingly reduced, so that he possesses no greater purchasing power than before, it is

difficult to understand wherein this gospel of a lower price has made him a whit better off than he was before.

There is another change, very marked indeed, as a consequence of reducing profits below a normal minimum, the reduction not only in the remuneration of labor, but in dispensing with it whenever this is possible. In other words, whenever a manufacturer's profit becomes very low or disappears, then he must do something to diminish the cost of production. In most cases he is more inclined to reduce in every other direction than in the remuneration paid to his men. He is more inclined to invent machinery whereby he can dispense with them altogether, and this is the natural and inevitable result which always springs from an excessive or large reduction in profits. Labor in the end seriously suffers.

If these premises be true, it is very difficult to discover wherein a radical change of our tariff system will benefit any one. Every one well knows what has happened in consequence of the impending change. Manufacturers do not know what is coming, and are unable to prepare for the storm. Some things, indeed, are known. The farmers know that, if the tariff is taken off of wool, in most parts of our country it means ruin to their industry. In some other directions, if the proposed tariff is enacted this will be the inevitable result. In most industries at present a condition of uncertainty prevails. It is just to say of those who have prepared this measure that they believe one consequence will be an increase in production by the conquest of some foreign markets. They have contended for years that, if the cost of production was less, we could send our goods abroad and consequently, in a time like this, when the home consumption is very light, our manufacturers could continue to manufacture with less interruption. If this would be the result of diminishing the cost of production, if some foreign markets could be conquered, if, for example, we could wrest the South American markets from Germany and England and permanently hold them, this would be indeed a conquest worth perhaps a heavy sacrifice. It may be that we could even afford to endure the losses which we are now experiencing if in the end we were sure of attaining this result. But will this movement be successful? Nothing is clearer than this, that Germany especially is determined to hold all the markets she has gained, and if possible gain more. If we exported very much to the South American countries, Germany, Belgium and England would immediately reduce the cost of producing their exports, either by cutting wages or in other ways, and thus our success would be only temporary. For, however great may be our need of having foreign markets, no one can question that the similar need of the nations mentioned is still greater. Their

home markets are quite inadequate to keep their labor employed. These countries must produce for others, or else a condition of things will follow far more serious even than the condition which is now confronting the American people. Therefore, the wresting permanently of any foreign market from these nations is well-nigh impossible. And why need we do this? The free-trader is constantly accusing the protectionist of selfishness in trying to get too much, but is not the free-trader guilty of the same inconsistency, but only in another form? The protectionist says: "Give me my own market and I will be content." The free-trader says: "I want not only my own market, but some of the neutral markets of the world." If the protectionist's demand is selfish, is not that of the free-trader still more so?

But while foreign markets cannot be conquered in this quick and easy fashion, we differ from those who believe that as a consequence of the change our own markets will be very seriously imperiled. It is true that in some branches perhaps our industries will be ruined. If the tariff is removed from cotton ties, as is proposed, doubtless that industry will become extinct, and probably if the tariff on tin is reduced as proposed, those who are now engaged in its manufacture will be obliged to close their works. But it is not true that the most of our manufactories will close, whatever may be the tariff reductions. There was a time indeed, when such a reduction as is now proposed would have had that effect, but that day has passed. Our country has become rich, and is full of adequate skill, and, therefore, however great the changes may be, our chimneys will continue to smoke in spite of all tariffs. Probably many concerns, possessing inadequate capital and credit, would be obliged to close, but they would be re-organized and continued as before. Our industries will live. The foreign manufacturer who believes that the change will be helpful to him is surely deluding himself; this will not be the case with a few exceptions. Here and there one may profit by the changes; but in general our iron and steel industries, our woolen, worsted, cotton and silk industries, all the more important ones will live, whatever may be the changes introduced in the method of importing and taxing goods.

But again we ask, if the foreign markets cannot be conquered, who will be the gainers by the changes proposed? It is very difficult to show what interest or class will profit by them. On the other hand, the losses are apparent. Congress, therefore, ought to move slowly in attempting such a radical measure. As we have already said, the true goal of prosperity is an equalization of profits, a fair profit for all classes and all industries, and whenever prices are thus adjusted they should remain. It is an unwise thing to change them and reduce them to a lower

level simply for the purpose of having a change. The debtor class will be far worse off than they are now, heavy losses from failures will be everywhere experienced, and in the end increased foreign trade will not come, and we shall be confined to our own markets as closely as we are now. Foreign competition will never be less keen, and any policy which aims at an invasion of foreign markets for the reasons given is sure to prove very costly and unsuccessful.

This subject is vitally important to the banking interest. Banks profit most when the industries are most profitable. The decline in the surplus of the banks is a telling fact concerning the business of the last six months. The returns collected for "The Banker's Almanac" tell a sad tale of diminished earnings. This means that banks everywhere have encountered heavy losses. They are the result of the inability of manufacturers and others to pay their obligations. These institutions, therefore, are vitally interested in maintaining a hopeful condition of business, and all plans and schemes which look to a radical change should be, as doubtless they generally are, discountenanced by them.

State Commissions.—Of late years there has been a considerable increase in the number of commissions authorized by Congress for the purpose of making some investigation, but the States have been slower in imitating the conduct of Congress, with the exception of New York, which seems to have been a splendid imitator of the Congressional ways. Twelve years ago the total yearly cost of the State Commissions was only $67,000, but since that time the cost has steadily increased until at the beginning of the present year the amount is nearly $1,200,000. Since January, 1880, these commissions have received from the State Treasury nearly $7,000,000. They have eaten into the receipts of the State from corporations and inheritance tax laws and thus taken the money which should have been devoted to decreasing the direct State taxation. This is an evil which calls for prompt correction. Perhaps, the States elsewhere could do something in the same line of economy, and certainly Congress could retrench in this direction very considerably. No doubt most of the investigations bring forth some useful fruit, but in most cases, doubtless, it could be collected at far less expense than through these costly commissions.

A REVIEW OF FINANCE AND BUSINESS.

THE OLD YEAR ENDS IN GLOOM,

both in financial, and commercial, as well as in industrial circles, as the feeling of depression that succeeded the Panic has returned, in view of the continued stagnation in business generally. The better feeling and improvement that followed the Repeal of the Silver Law has given way to a sentimental despondency, based upon fear rather than upon judgment. And public opinion, like a man, when he gives way to fear, is a very unsafe thing to follow. Public fear, is but little better than panic and men when stampeded by fear, are more unreasoning and senseless than animals. It is time the country got its second sober thought and recovered its judgment. As stated a month ago the depression is general, the commercial and industrial world over, owing to causes then explained, resulting in a general reduction in values, by reason of a steady reduction in the cost of production of almost every staple of commerce and necessity of life as well as its luxuries. This process has been going on for a decade and its effects are now culminating, together with those of bad legislation in this country, by reason of which the depression has been more emphasized here than in other countries. Yet it exists in nearly as acute form in Europe, as it does here, since the Panic itself passed away, showing that it is due to general, rather than special causes, such as have been charged with the responsibility for the present state of trade here.

UNCERTAINTY IS THE CHIEF OBSTACLE TO BUSINESS RECOVERY

in this country; uncertainty as to the future, partly due to the natural distrust and lack of confidence that always succeeds panic, and partly to pending industrial legislation, which promises a change from the present status, which is always detrimental to business because it causes suspense until the changes are made, and this of itself produces stagnation and stagnation, depression. But that these proposed changes are the sole cause, or even the chief cause of the present state of trade is utterly disproven by the fact that Europe, and especially England, is in as bad condition financially, commercially and industrially as we are. It is always thus, pending legislation affecting business. It was so when the McKinley Bill was before Congress, only we had not been through a Panic, just prior thereto, and that bill was not an additional straw on the community's back, as its proposed Repeal is now: or, as the doubt of Silver Repeal was last fall, neither of which would have been necessary, had not the original laws

been passed. The Wilson Bill is the natural consequence of the McKinley Bill, as the Silver Repeal Bill was of the Sherman Law. Had neither of these laws been passed, there would have been no necessity for the changes that have been made; and hence no depression, due thereto. This country would have felt the depression that prevails abroad, but to a less extent rather than greater, had it not been for this fact, because like a young person, it has more vitality and quicker rallying power. Hence most of this artificial or

SENTIMENTAL DESPONDENCY IS UNFOUNDED

and aggravates unnecessarily the situation, which will improve permanently, so soon as the proposed changes are over. Indeed there has been marked and quite general improvement already, in face of this impending change, since the Panic subsided; and, the renewed failures and embarrassments of business firms, banks and corporations, during the past month were due to the approaching yearly settlement day, when the losses of last summer, must be liquidated.

This is all there is in the late increase of failures; it is the coming to light of failures that really occurred during or after the Panic, were bridged over at the time, and have not been able to recover, because of dull fall trade, which was killed by the protracted delay in the Repeal of the Silver Law. To exaggerate these failures and attempt to unsettle business confidence again, either from fright or for political effect is as suicidal to the interests responsible for it, as it is unwise and unpatriotic. When the change is once made (and the sooner the better) everybody will then adapt their business to the new conditions and enter upon its prosecution vigorously, and this will end both the despondency and stagnation. For, while many business men and corporations may now, through honest fear, or doubt; or for "moral effect" upon the country and the constituents of members of Congress, restrict their operations, none of them will do so after the Tariff Repeal Bill has passed. Fright and humbug will both give way to business and all go to work to recover the losses of the past year; and, before the coming year is ended, the prediction is here ventured, that the country will have forgotten that we had a Panic last summer, a Silver Struggle last autumn, and a Reduction in the Tariff this winter. Nobody will keep his mills closed after the latter bill is disposed of, on sentiment, or for effect, when there is anything to make in running them, and, equally, no industry is going to be exposed to competition that will make it impossible to run with profit. Parties, like men, are governed by self-interest; and the interest of the majority is the true and permanent interest of the individual; and any individual

who has interests that are opposed to those of the majority, has some privilege that he is not entitled to and that is detrimental to the general interest to continue. That this is the spirit in which the changes will be made in the Tariff is already made plain. Hence the passage of the bill now before Congress, after it has been amended and revised, upon the above policy, will remove the chief stumbling-block in the way of business, and from it, will date a steady and general recovery in business, as nothing can be as bad as the present uncertainty and consequent fear.

THE OUTLOOK FOR THE NEW YEAR

is, therefore, decidedly more hopeful, notwithstanding the gloom in which the old year ends. The financial and commercial situation is sound, in spite of private failures and receiverships of railroads and banks that were bankrupt long ago, and ought to have suspended when they failed. Money is easy, except for long investments; sterling exchange has as suddenly fallen near the gold importing point, as it rose to the exporting point, at the end of last month, without enough being exported to make a drop in the bucket, much less any effect on the money, or other markets. This, too, while our exports have been running low; for our imports are correspondingly light, in expectation of lower duties, as well as the withdrawals of goods already imported, from bond. Herein lies the most unfavorable feature of the situation, as both these causes reduce seriously the normal revenues of the Government and hence, it has been compelled to intrench further upon the Gold Reserve. This, however, will, no doubt, be speedily remedied by giving the Secretary of the Treasury the authority for which he has asked, to issue bonds, to bridge over the deficit between its revenues and expenses for the next six months.

When the Tariff, and Revenue Bill along with it, shall have been passed, however, the cause of this deficit will soon disappear, as the withdrawals of goods from bonds and increased imports, will restore this source of revenue, which is now practically suspended. Financially, therefore, the future appears as sound as possible, while the commercial situation is equally sound, despite the late failures from dry rot. The past year has been one of unusual caution and conservatism. In fact, of over-caution, so that everybody is carrying as little sail as possible, and that closely reefed. Stocks of goods are light in all hands, unless it be the manufacturers, and even these have been reduced by the reduction in production for six months past. The large number of unemployed people, of course, has seriously reduced consumption, as is always the case after, as well as during Panics. But even there, the minimum has already been reached, while the shrinkage in values has caused the general liquidation that also follows Panic. The

chief need now, is to increase consumption, which means the increase of trade and with it increased production, and consequently increased employment, which, in turn, increases consumption, activity and production again, until the normal supply and demand are again restored.

THE STATUS OF PRODUCTION.

In this connection, it is necessary to get some data, as to the present production, in order to judge of how long it will take to bring these natural conditions about, and hence, normal business and prosperity. The *Journal of Commerce and Commercial Bulletin* recently published a carefully compiled list of industries of all kinds that had started up in the past two months. It says: "There was a net increase of thirteen in the number of furnaces in blast December 1, as compared with November 1, and compared with October 1, there was an increase of sixteen in the number of furnaces, and nearly seventeen thousand tons in the weekly capacity of furnaces in blast.

"The dispatches day by day bring news of the closing down of mills, but they also bring news of a very different character; and the mills starting up outnumber those shutting down." Following, it fills half a column with a list of works resuming, and thus concludes:

"The enumeration above is not a complete list by any means, and it is offset in part by the shutting down of factories. But manufacturing establishments would not be starting up in so many different lines and localities, if business were so dead, as it is altogether too customary to represent it. The truth is, that our manufacturing is very uneven; there is a period of great activity, stocks are piled up, production runs away ahead of consumption, and then there is a shutting down and a period of prostration until consumption catches up. These relapses are little noticed by the general public, because they do not generally happen in so many lines of production at once; in fact, they do not generally occur in all the establishments of a single line at once. But if there were no other disturbing influence, the present idleness of factories, would, in a considerable measure, be accounted for by the constantly recurring necessity of stopping production till the accumulation of stocks has been worked off. In every staple line of production, we have machinery capable of producing considerably more than the American people can consume, or will consume at current prices. In other words, there is not employment enough for all our plants, worked up to their full capacity, and the manufacturers either pool their business, or some of them go without orders, or with orders for only a part of their plant."

TEXTILE INDUSTRIES.

In regard to the situation in the woolen and cotten industries, *Textile World* recently said: "We have heard it predicted for two months past, that most of the mills starting up would have to shut down again very soon; we have thought so ourselves from the logic of events, but, contrary to these predictions, each week sees steady increase in the amount of machinery in operation. This gain may not, of course, hold on much longer, but it has been the case for the past six weeks, and we confess, has surprised us. No doubt, many mills are simply getting out samples, but there are many more running on orders." This appears to have had particular reference to the woolen mills, but not to be confined to them, for it says: "Inconsistent as it may appear with the general feeling of depression in the trade, there are, however, more mills running to-day than there were three months ago, and the reports of mills starting continue to exceed those stopping from week to week. When it is considered that few manufacturers would have the hardihood to run their mills except on orders in these times, there must be a great many goods ordered to keep these mills running; more than the tone of current dry goods reports would lead one to suppose." And it concludes with these remarks: "Much of the sense of deep depression, that at present characterizes the business world, is due to the fact that the manufacturers lack the capital or the disposition to go on manufacturing a year or two in advance of consumption."

From the foregoing, it is difficult to harmonize the statements published in the commercial and political press, but there is no question as to which is to be believed, when they contradict each other. There would appear to be a good deal of talk for "moral," or rather, political effect on Congress, that is not based upon facts. This is a season of "shut downs" every year, to take stock, make repairs and changes in business, as well as to close up the business of the past year. In ordinary times, no note in the press is made of these stops. But now, they are all advertised, and with exaggerations and gloomy predictions for the future, that would make one unused to this "playing to the galleries" (Congress) suppose all the mills in the country had, like grandfather's clock, stopped to start no more.

THE RAILROAD SITUATION,

on the other hand, has rather gone back than improved the past month. With the close of navigation, the usual bone of contention was thrown into the Trunk Line Association and rate cutting followed, to see which road would get the most, at the lowest rates, of the light Eastbound freight movement. This broke

out early in the month, and as usual, was fixed up by a new truce, which means that the majority will observe the schedule and charge the advance after the new year until some of the association breaks out of the traces again to get something to do. The rush of flour from the Northwest at the close of navigation has given an unusual amount of that class of freight during December. But it has now mostly come forward and corn is now the chief reliance of both Eastern and Western roads for East-bound business.

Receiverships have been the order of the day, until the Atchison with its 10,000 miles of track, and the New England with its default on January interest, are added to the Northern and Union Pacific and Erie, while the Central Pacific is likely to break its lease to the Southern Pacific on account of its inability to pay the dividends guaranteed. The trans-continental roads appear to be having an especially hard time, and the end is not yet. Huntington, who controls the Southern Pacific, has sold out his Chesapeake & Ohio and further defaults on the first of the year are expected and rumored on the Stock Exchange. Thus the year ends up in gloom on the Street, as well as in railroad and investment circles.

THE INDUSTRIALS AND MONEY MARKET.

The Industrials have been about the liveliest shares on the market, as they have been worked on Washington "inside information" of what the rates of the new Tariff would be on the articles, in which they were severally interested. Sugar, whiskey, and tobacco have led in this see-saw, up and down, according as the inside manipulators were "fixed" on the market. Investors have pulled out of both stocks and bonds, and the latter have suffered in prices with the former, railroad bonds as well. The Bank Reserve only showed a falling off one week, when gold exports reduced the reserve about half a million. But since then it has increased again with the accumulation of idle money here, for which rates have been almost nominal on call and easy on short time, though permanent loans for industrial plants and enterprises are still hard to obtain. The bank statement of the 23d showed in loans and discounts an increase of $865,000. The loans then stood $82,500,000 below the deposits; which shows a still extraordinary disparity between the wants of borrowers and the ability of the banks to lend. The circulation of the National banks continues to decline, the week's reduction being nearly $200,000. The reduction in this item, within the last two months, has been over $1,500,000, showing that the banks have no disposition to make permanent the large issues put out during the Panic; and that indisposition implies that it does not pay them to issue

notes under the conditions prescribed by the National Banking System.

This is the situation in the East. In the West, conditions are about the same as shown by the following from Chicago: "The absence of a borrowing demand from mercantile sources is marked, and is attributed in the main to the character of collections, which are said to have improved so much that merchants are enabled not only to meet their engagements without borrowing, but the majority are said to be accumulating good deposit balances. The active shipping demand for packing house products also prevents the usual winter demand for advances on that class of property, and the requests from grain-carriers are of moderate proportions. There is, of course, a large amount of money tied up in the 42,000,000 bushels of wheat held here, at Minneapolis, and at Duluth, but this was long since paid for, and the fresh arrivals from now forward are expected to be light."

THE AGRICULTURAL SITUATION.

As stated in previous reviews, the outlook for business from the agricultural sections is not good, as they have obtained such low prices for small crops that they have little surplus to spend, and we shall have to wait for another crop to make good times there, no matter what the industrial situation may be. On this point, the following from a representative Chicago merchant is of interest: "Our trade the past thirty days has kept up surprisingly well. Merchants buy goods as they want them and pay satisfactorily. In regard to the situation of the Northwest and the Mississippi Valley, at the present time, it is quite serious. The great products, wheat and corn, especially wheat, have never been so cheap as at this time, for thirty years. The business of the country has not, and will not for some time to come, return to its regular channels, for several reasons. First, the agriculturist is not in position to buy as he has in years past. Confidence has not been restored as yet. All money has found its center in the great cities. Our banks have more money now than they have had any time for many years, yet they find it impossible to loan it on satisfactory security on account of the stagnation of business. But we must not forget that consumption is slowly, yet surely, going on, so that we may expect to see brighter times in the future, especially if the grain markets of the world advance."

THE IRON INDUSTRIES.

The figures given below show the pig iron department of the iron trade to be improving in activity, and it can scarcely be that this increased production of raw material has been without an im-

proved demand in face of a proposed reduction in the Tariff. Beside, the increased activity at the Carnegie works, and Mr. Carnegie's own statement, are all in the same direction. There have been some good-sized orders for steel rails placed the last month, though at low prices, and that the indications are in favor of a further revival of the demand, is shown by such reports as the following from Cincinnati:

A dispatch from Upper Sandusky, O., says: "The Pennsylvania Railroad Company, according to a report among railroad men here, has given an order for 48,000 tons of steel rails. This, they assert, is for a double track on the Pittsburgh, Fort Wayne and Chicago Railway, between Crestline and Chicago, which is all that remains of single track." This report has not been denied, and is probably true.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Report of the Secretary of the Treasury.—The report of Secretary Carlisle is a very different kind of document from that which the people have annually read for many years. Instead of an enormous surplus with an extended discussion concerning its reduction, we are treated to a story of a very different kind. The surplus has disappeared and a considerable deficit, and which is constantly growing, is the unwelcome fact now set before the people. It may be said, however, partly in the way of explanation of the present situation, that the surplus which Congress a few years ago tried so hard and so successfully to abolish, was never so great as many supposed; and if Congress had possessed a more adequate comprehension of the subject, doubtless that body would have acted more slowly in applying methods for its reduction. However that may be, the deficit is now confronting the people, and Secretary Carlisle has recommended a way for meeting it. This is not by an increase of taxation, which would yield an additional revenue, but by the issue of bonds for a short term of years. The strangest thing about this recommendation is the quantity of bonds which he would authorize and the length of time they are to run. $200,000,000 is a very considerable sum to add to the present indebtedness, and there is no possible excuse or justification for doing anything of the kind. Doubtless the deficit must be provided for speedily; but it is clear enough that obligations running from one Congress to another are quite enough to cover the present emergency. First of all the revenues must be increased, or else the expenditures must be diminished. As we showed in last month's issue, it seems very difficult to

apply the pruning knife to any considerable extent, and therefore we may regard the expenditure side of the account as nearly fixed. In no branch of the Government is there a large excess of expenditures of a wasteful or extravagant kind. Doubtless many of the custom houses which do not yield any revenue might be closed. The customs surveyorships could be abolished, and probably a careful study of our expenditures would reveal a considerable number of weak spots in which savings could be effected, but the entire aggregate of these economies would be only a few millions. Therefore the only thing for Congress to do is to grapple with the question of increasing the revenues. If, as seems to be the determined policy of the Government to reduce the tariff on imports, the revenue will be diminished, even if the quantity imported is very considerably increased. Consequently, some other mode of making up the deficit must be adopted. The new sources must be either from internal revenue or from income. The announcement of taxing incomes has been made several times with variations. The last form was on corporations. It was supposed that this would be a more palatable form of taxation. No sooner was the announcement made than a storm of opposition arose from an unexpected quarter, namely the State Governments. At present, most of the States derive their revenues from this source. The State of New Jersey, for example, gets enough revenues from the railroads to pay all of the expenses of the State. Sooner or later Congress will learn that there is only one thing to do, namely, to impose a higher tax on beer and spirituous liquors, and perhaps an additional tax on sugar. If these taxes are imposed, or increased, the revenue therefrom would begin to flow into the Treasury very speedily; indeed, it might be provided that the income from these sources should be obtained quite as soon, if not sooner, than the reduction from the loss of import duties, and, if so, there seems to be but little excuse for issuing many bonds. If these deductions are correct it follows that there is little occasion for authorizing the issue of only a few millions of bonds, to run perhaps for a year, or at longest for a very short period.

The Checking Out of Bank Deposits.—A decision has been rendered by the Supreme Court of Pennsylvania which certainly is not in harmony with those generally rendered on this subject. A man named W. Kerr gave his brother some money to deposit in a bank. He deposited the sum with the bank in the name of "W. Kerr by V. Kerr." The depositor drew out the money and lost it, and the owner sued the bank therefor and recovered. The case was appealed to the Supreme Court, which decided by a vote of four to three that the judgment of the lower court must

be sustained. Mr. Justice Dean, who rendered the opinion, declared that when a bank knows who is the owner of money it has no right to permit another to check it out without the owner's authority, and that the addition of the agent's name to the owner's in opening the account made no difference, because that was a mere statement by which the name was known to the bank and is without any other significance. If this is true as a principle, it applies to accounts of all agents, trustees or other representative persons. A deposit by A. B., Agent, or in trust for C. D., or any one of the numerous accounts in which one person's money is deposited by and drawn out by another, must put upon the bank the liability to see that the agent or trustee accounts for the money to the owner thereof. There was a vigorous dissent in which Justice Mitchell said that when the owner of the money put it in the hands of another and invested him with the power to make the terms he made, the bank ought not to be held liable until the owner gave notice that the power was being exceeded or had been revoked. This decision certainly is contrary to a long line which holds that when money is deposited by an agent in his name he can withdraw the same, and that the bank is fully protected in paying it to him. When an account is thus kept the principal, of course, has the right to withdraw it and also to stop the bank from paying the same to the agent, but unless the bank receives a notification to this effect, it has always been regarded as protected in paying a deposit thus made to the agent. In savings banks a large number of deposits are kept in the name of some person as trustee, and these institutions never inquire who is the principal, or demand any authority from him for their payment. It is, indeed, extraordinary that a court should decide that an agent has authority to deposit money for the principal, but none to withdraw it, for this is the effect of this decision, unless there are some facts in the case which do not appear in the report that we have read. It will certainly be a great surprise to the banking world to learn that an account thus kept in the name of an agent, or to which an agent's name is attached, cannot be safely conducted or kept in the agent's name. The effect of this decision practically is that a bank cannot safely keep an account with a person as an agent; he simply has authority to deposit money for his principal, but its withdrawal must be by the principal himself. It is quite certain that the courts of other States are not likely to follow in the wake of this decision.

Bank Reserves.—A very interesting editorial appeared in a recent number of the *Montreal Gazette* on this subject. It is well known that under the Canadian system of banking there is no law regu-

lating the amount of reserve which a bank must keep. On the other hand, each banker is permitted to exercise his own judgment in this regard. Indeed, "the Canadian banking law permits to the banks a freer hand in the regulation of their reserves than that of any other country. Hence, when the Canadian practice is contrasted with that of England, of Scotland, of the United States, of Australia, the inquirer is naturally struck with the small percentage of reserves carried in this country, and reaches the conclusion that a danger signal ought to be hoisted. He forgets, however, that our currency system is essentially different from that of any other nation; different in the dual respects of elasticity and security. In volume it is practically unlimited, and it is bulwarked by the whole assets of the bank of issue plus a redemption fund lodged with the Government. When the reserves against the deposit liability come to be considered, however, a debatable ground is at once entered upon, a debatable ground 'twixt theory and practice. At present the law enjoins the retention of no special reserve. The matter is left entirely to the discretion of the banker, subject to the sole limitation that 40 per cent. of the cash in his till shall consist of Dominion notes. If he has $1,000 of cash on hand, at least $400 of the amount must be in legal tender notes." It is an old question with bankers whether the amount should be fixed by law or whether each banker should be left to exercise his discretion. It is true enough that experienced and conscientious bankers are quite capable of determining the proper amount that should be kept, but law is made in most cases to restrain those who might go wrong, and in this country it is unquestionably true that the regulations in the National Banking law have been exceedingly useful, and have acted as a restraining influence on bankers who otherwise would have been inclined to go too far toward lending their resources. There is one marked difference between the two systems; in the Canadian system, a bank can issue notes which are well secured without delay, and therefore when more than the usual amount of deposits is demanded, it is easy to provide the means of payment. Under our system, no such flexibility or means of increase exists. It must also be said that under our system bankers who do not believe in this regulation have again and again violated the law, and therefore it has not always been effective in keeping them within the lines of prudence and safety. On the whole, however, it seems to have been the experience of the majority of Canadian bankers that the regulation is a good one. It may be added that Canadian bankers as a class are more intelligent and conservative than American bankers and therefore they can be trusted to exercise this power more fully than those on this side of the line. Let no one infer from this that there

are not American bankers quite as able and successful as those who live in Canada or any other country, especially in the larger American cities, but many American banks have been organized by men possessing no banking experience, and as tenders to serve other enterprises, and this is one of the reasons why so many of them have had such a disastrous history. Surely for bankers of this type, in whatever country they live, the most stringent regulations are needful to keep them within the bounds of prudence.

Growth of the National Bank System.—The report of the Comptroller of the Currency was something of a surprise in the way of showing that notwithstanding the number of failures among the National banks during the year there was, on the whole, a considerable increase. The growth before the panic began more than offset the decrease in the number of banks which failed during that period. As the failures have now come to an end, probably the increase will continue, especially in the newer sections of the country. The dividends that have been already declared by the receivers of the National banks in many cases show that the losses to the depositors will be very slight, and we have no doubt in the end that even the stockholders will recover a considerable portion of their capital.

A Monetary Commission.—A few months ago, the New York Clearing House proposed that a committee should be appointed by the Federal Government to examine into all the currency systems of the world for the purpose of obtaining information that would be helpful in dealing with this problem in the future. A resolution was introduced into the Bankers' Convention at Chicago, of a similar nature, but no action was taken thereon. While, in a general way, we know something about the various banking and State systems of money issues in England, France and other countries, this information is in no complete form, and after all is only known by a few people. Its collection need not be costly, and if diffused in a popular form, would serve an excellent purpose. Doubtless there are many who desire to know more about the currency systems of the principal countries of Europe, who, at present, have only a very imperfect knowledge on the subject. If Congress is not inclined to authorize a commission to study into this subject, the consuls in the various countries could do something in the way of collecting this information. Surely it would be a very timely subject for the Bankers' Association to investigate.

Repeal of the National Bank Tax.—The Sub-Committee of Ways

and Means, by the narrowest vote, has rejected the proposition to repeal the ten per cent. tax on State bank circulation. All of the Southern votes were in favor of the repeal. It is believed that the decision of the Sub-Committee will be sustained by that of the entire Committee of Ways and Means. The conviction seems to be growing that it would not be prudent to repeal the tax without some modification; but the outcome of the question is still in the dark. It may be that after much discussion Congress will do nothing, as has been the case in dealing with nearly all bank questions for the last fifteen years.

The Failed Italian Banks.—The downfall of the Italian Ministry, in consequence of the close connection of so many of its members with the bank frauds, has given an unusual prominence to them. For a considerable period rumors were rife of great irregularities in the conduct of the Bank of Rome, and these continued until finally an investigation was ordered. A report was recently made which went to the bottom of things. It was believed that so many high in power were interested in these affairs, that the committee would not see everything, but in this regard those inculpated were disappointed. The books of the Bank of Rome are full of the most astounding entries. These are said to embrace not less than one hundred and seventy names of the most prominent public men in Italy. These entries prove that vast sums were advanced under the most frivolous pretexts. One item is for 8,000,000 francs advanced to the "German Agency," and is debited to the "accommodation" fund. This "German Agency" seems to have an unlimited capacity for swallowing up millions. It is supposed to be but a cloak for ministerial thieves. Another entry calls for an "accommodation" loan of 500,000 francs to a newspaper which had always been quite conspicuous in defending the policy of the bank. A Neapolitan paper charges Giolitti with having received 300,000 francs in one lump, not to mention smaller sums at various times. Tontongo, the governor of this Bank of Rome, succeeded in sending the most compromising correspondence to some friends in the Vatican, which, of course, is impregnable to the detectives. Still a mass of correspondence was found, numbering not less than 3,744 pieces. Through this is revealed a very interesting state of affairs. The collection embraces letters in confidence from members of the parliament, from government officials, high and low, from ladies, both of the demi- and beau-monde, and even notes from young girls. The contents of all voice but one desire—to secure loans, small or large. Other banks and financial institutions throughout the kingdom have been almost as badly managed as the Bank of Rome.

Gold and Silver Using Nations.—One of the special features introduced into the Mint report this year by the new Director, Mr. Preston, is a statement of the financial standing of the various countries upon a gold or a silver basis or upon a bi-metallic basis. The distinctive gold countries do not include the United States or France, but embrace Great Britain, the German Empire and the Empire of Austria-Hungary. The countries of the Latin Union are all put with the United States under the gold and silver standard countries, while Russia, India and most of the South American States are put under the head of distinctively silver countries. The fiscal and financial status of the various groups is indicated in the following summary table:

	Gold Stan.	*Gold and Sil.*	*Sil. Stan.*
Population	214,278,000	224,672,000	845,721,000
Revenue	$1,497,630,000	$1,902,650,000	$1,193,923,000
Expenditures	1,515,542,000	1,864,773,000	1,151,953,000
Debt	8,621,994,000	13,206,611,000	3,747,900,000
Imports	4,560,644,000	4,203,809,000	995,634,000
Exports	3,311,023,000	3,851,957,000	1,395,967,000
Silver stock	505,000,000	1,601,962,000	1,904,000,000
Silver production	28,565,000	86,593,000	81,448,000

The full details of the table by countries are too elaborate for a magazine column, but the per capita in each case can be more readily given, and shows the difference in debt and in foreign trade between the countries using gold and those which are limited to silver. The table is as follows:

GOLD STANDARD COUNTRIES.

Countries—	*Rev. per capita.*	*Exp. per capita.*	*Debt per capita.*	*Imports per capita.*	*Exp'ts per capita.*
Australasia	$33.71	$35.78	$220.32	$82.04	$82.97
Austria-Hungary	5.37	5.36	30.18	2.46	2.67
Brazil	8.09	8.00	41.17	10.14	12.39
Denmark	7.16	8.07	22.89	41.08	30.54
Egypt	7.32	6.98	75.92	6.73	13.81
Finland	4.59	4.59	6.77	11.60	7.62
German Empire	5.79	5.86	5.46	21.20	16.08
Great Britain	11.62	11.48	85.89	60 66	36.32
Canada	7.97	7.52	59.97	24.82	20.36
Newfoundland & Labrador	9.96	9.24	26.74	34.69	37.56
Norway	6.87	6.87	15.54	29.87	17.46
Portugal	10.69	11.01	98.22	11.47	7.31
Sweden	5.41	5.41	14 40	21.04	17.00
Turkey	2.07	2.40	22.14	2.57	1.44

GOLD AND SILVER STANDARD COUNTRIES.

United States	$5.76	$5.72	$23.09	$13.78	$14.91
Belgium	10.84	10.72	72.81	98.12	89.55
Greece	9.14	8.81	66.22	12.39	9.49
Italy	10.33	10.75	72.77	7.17	5.57
Switzerland	4.56	4.83	21.19	95.56	78.49
France	16.57	16.19	154.08	29.88	23.81
Algiers	2.17	2.10	.....	13.00	11.06
Tunis	2.76	2.76	22.24	4.90	5.72
Spain	8.23	8.17	69.85	10.92	14.14
Cuba	12.45	12.25	140.37	7.52	17.47
Netherlands	11.13	11.85	97.60	117.94	99.15
Japan	2.06	1.91	7.58	1.55	1.95
Haiti	8.21	8.00	15.81	10.11	14.24
Argentine Republic	21.51	17.73	128.50	15.86	22.84
Chili	21.04	16.24	35.65	21.97	22.13

SILVER STANDARD COUNTRIES.

	Rev. per capita.	*Exp. per capita.*	*Debt per capita.*	*Imports per capita.*	*Exp'ts per capita.*
Russia	$5.50	$5.44	$18.21	$2.36	$4.48
India	1.08	1.01	2.70	1.04	1.38
England in Asia	2.99	3.01	3.51	41.17	36.03
China	.22	.18	.06	.34	.34
Central American States—					
Costa Rica	14.35	13.45	53.70	20.62	20.94
Guatemala	4.57	4.50	9.20	3.92	7.33
Honduras	2.68	2.60	95.27	....	5.00
Nicaragua	9.50	10.56	8.00	6.12	5.31
Salvador	6.70	6.70	9.07	2.88	6.36
South American States—					
Colombia	3.18	3.24	7.96	2.09	3.21
Ecuador	1.91	2.01	5.26	3.52	3.47
Venezuela	3.74	3.27	9.41	6.94	8.38
Peru	1.62	1.62	102.77	3.38	2.94
Paraguay	3.16	5.91	48.05	3.28	5.77
Uruguay	11.43	12.85	159.70	16.22	20.38
Bolivia	1.50	1.54	2.20	2.54	3.80
Mexico	3.58	3.54	11.51	3.53	6.62

The world's production of gold and silver for the past twenty years makes a convenient table for reference, and, as now presented, gives somewhat different figures for 1892 from those given in the annual report on production compiled early in the present year by Director Leech. This table is as follows:

Calendar Years.	*Gold.*	*Silver. Coining Val.*
1873	$96,200,000	$81,800,000
1874	90,750,000	71,500,000
1875	97,500,000	80,500,000
1876	103,700,000	87,600,000
1877	114,000,000	81,000,000
1878	119,000,000	95,000,000
1879	109,000,000	96,000,000
1880	106,500,000	96,700,000
1881	103,000,000	102,000,000
1882	102,000,000	111,800,000
1883	95,400,000	115,300,000
1884	101,700,000	105,500,000
1885	108,400,000	118,500,000
1886	106,000,000	120,600,000
1887	105,775,000	124,281,000
1888	110,197,000	140,706,000
1889	123,489,000	162,159,000
1890	118,848,700	172,234,500
1891	126,183,500	186,446,800
1892	138,861,000	196,458,800

THE LAW OF EVIDENCE RELATING TO FORGED PAPER.

The receiving of a note whose indorsement is forged is no payment of a genuine note, nor an extinguishment of the right of action against the maker or indorsers. (*Second National Bank* v. *Wentzel*, 151 Pa. 142; *Ritter* v. *Singmaster*, 73 Pa. 400; *West Philadelphia Bank* v. *Field*, 143 Pa. 473.*) Thus, an indorsed note was discounted by a bank for the maker; at maturity it was replaced by a similar note on which the indorsements were forged; and the second note was also replaced by another note with forged indorsements. Nevertheless, the taking of the renewals did not extinguish the original note, though it had been delivered to the maker and destroyed. (*Ib.*) And a copy of the original note, which was in the possession of the notary who had protested it for non-payment, was admitted for the purpose of proving the original. (*Ib.*) In the West Philadelphia Bank case against the maker of a negotiable note, the bank proved that it had discounted the note for the payor and indorser to whom on maturity it had delivered the note on receipt of a new note for a similar amount, but with the name of another maker which was a forgery. The indorser, to whom the note was surrendered in exchange for the note with the name of the maker forged, had fled the country. Thus was laid sufficient ground to excuse the non-production of the note, and to authorize secondary evidence of its contents. Both before and after the note in controversy was surrendered to the indorser, the maker declared that it was all right. This was regarded as sufficient evidence for the jury to find that the maker's signature to the note was genuine. (*West Philadelphia National Bank* v. *Field*, 143 Pa. 473.) The note having been made for the accommodation of the payee and indorser, the maker was entitled to protection against the possibility of an innocent holder coming into possession of it. (*Ib.*) *Bigler* v. *Keller*, 8 W. N. 323.)

* The holder of an indorsed note who discovers that the indorsement was forged by the maker may take his property and appropriate it in payment of the note without discharging the *bona fide* indorser of another note given by the maker in the holder's possession. But the holder in thus laying hold of the maker's property must make no composition of the misdemeanor. *Brittain* v. *Doylestown Bank*, 5 W. & S. 87.

The execution of a note in the plaintiff's possession, and evidence of the handwriting of the firm indorser, in the absence of evidence of any other firm of the same name, is *prima facie* evidence of identity. *Clark* v. *Freeman*, 25 Pa. 33.

In an action on a single bill, to which the defense was forgery, evidence may be admitted by the plaintiff to show that before and after its date, the maker was trying to borrow money. *Stevenson* v. *Stewart*, 1 Jones 307.

Notice of the forgery within a reasonable time after its discovery and an offer to return the note, are necessary to maintain an action for the recovery of the money, unless the note possesses no value, or the right to insist on its return has been waived. (*Rich* v. *Kelly*, 30 Pa. 527; *Roth* v. *Crissy*, 30 Pa. 145; *Ritchie* v. *Summers*, 3 Yeates 543, reversed, 30 Pa. 147, note.) But the omission by one whose signature is forged to seek the holder and proclaim the forgery immediately on its discovery is not such an acquiescence as will estop him from subsequently setting up the forgery as a defense to an action on the instrument, unless the holder shows that he has suffered from the omission. (Zell's App., 203 Pa. 314.) Nor is this requirement concerning notice in Pennsylvania affected by the laws of April, 1849, relating to forged paper. (*Rich* v. *Kelly*, 30 Pa. 527.)

The common law presumed that the drawee of a bill was acquainted with the signature of the drawer, and, therefore, if he voluntarily paid a bill to a *bona fide* holder for value it could not be recovered from him. (*Levy* v. *Bank*, 1 Binn. 27; s. c. 4 Dall. 234.) This rule, however, was changed in Pennsylvania by statute in 1849. Since that time, "whenever any value or amount shall be received as a consideration in the sale, assignment, transfer or negotiation, or in payment of any bill of exchange, draft, check, or promissory note, or other instrument, negotiable within this Commonwealth by the holder thereof, from the indorsee or indorsees, or payer or payers of the same, and the signature or signatures of any person or persons represented to be parties thereto, whether as drawer, acceptor or indorser, shall have been forged thereon, and such value or amount by reason thereof erroneously given or paid, such indorsee or indorsees as well as such payer or payers respectively shall be legally entitled to recover back from the person or persons previously holding or negotiating the same the value or amount so as aforesaid given or paid by such indorsee or indorsees, or payer or payers respectively, to such person or persons together with lawful interest thereon from the time that demand shall have been made for repayment of the same." (Purdon's Dig., p. 168, § 5.)

From that date, therefore, the drawee has recovered the money paid to the presentors. (*Tradesmen's Bank* v. *Third National Bank*, 16 Sm. 435; *Chambers* v. *Union National Bank*, 78 Pa. 205; *Corn Exchange National Bank* v. *National Bank*, 78 Pa. 233.) Nor does the bank's right to recover the money from the one to whom it was paid depend on his right or ability to recover from the forger. (*Corn Exchange National Bank* v. *National Bank*, 78 Pa. 233.)

Thus, an Indiana bank drew on a Philadelphia bank in favor of the cashier of a New York bank. The draft was stolen, the name of the cashier was forged as indorser, and the instrument was

passed to the defendants in payment of goods, and was indorsed by them and deposited in the Philadelphia bank to their credit. Twenty-one days afterward the Philadelphia bank, having discovered the forgery, demanded payment of the draft and recovered. (*Chambers* v. *Union National Bank*, 78 Pa. 205.) In another case a forged check was deposited on Saturday with a bank which was delivered to the drawee bank on Monday in the exchanges through the Clearing House, and the depositor drew against the deposit on that day after the completion of the exchanges. On Tuesday the drawee bank notified the other of the forgery and demanded payment and recovered. (*Corn Exchange National Bank* v. *National Bank*, 78 Pa. 233.) The defense of negligence in not discovering the forgery was interposed in these cases. In the Corn Exchange Bank case the forged check was of a different color from those usually drawn by the firm, and was not perforated. These facts, the court remarked, if evidence at all of negligence, were too unimportant to justify the submission of the question to the jury.

Finally, a rule of the Philadelphia Clearing House, that, on the discovery of checks received in the morning exchanges to be not good or informal, they must be returned by noon of the same day, does not apply to forged paper. (*Corn Exchange National Bank* v. *National Bank*, 78 Pa. 233.) And likewise another rule, that "errors in exchanges shall be adjusted by the banks concerned, and checks not good shall be returned to the bank depositing them before one o'clock, P. M.," applies only to an overdrawn account. (*Tradesmen's National Bank* v. *Third National Bank*, 16 Sm. 435, 436.) Therefore, a check on a bank, payable to the order of the drawers, which passed to another bank and was paid through the Clearing House, and which two days afterward was discovered to be a forgery, was recovered after a demand had been made for repayment. (*Ib.* The Act of 1849 reverses the rule established in *Levy* v. *Bank*, 1 Binn. 27.)

Evidence of the genuineness of a paper in controversy may be compared with other well authenticated writings of the same person. (*Travis* v. *Brown*, 43 Pa. 1; *Farmers' Bank* v. *Whitehill*, 10 S. & R. 110; *Lodge* v. *Pipher*, 10 S. & R. 110; *Baker* v. *Haines*, 6 Wh. 284.) The comparison, however, must be made by the jury. (*Travis* v. *Brown*, 43 Pa. 1; *Farmers' Bank* v. *Whitehill*, 10 S. & R. 110; *Lodge* v. *Pipher*, 11 S. & R. 334.*)

* A mere comparison of handwriting with others which are proved to be by the same person is not allowed as a means of getting the proposed writing before the jury, but is a legitimate way of attacking such a writing as false or forged, especially when there is other evidence casting suspicion thereon. The writing that is to be judged and the standard must go before the jury for their comparison. Experts may be called to aid the jury with their opinions. *Guffey* v. *Deeds*, 29 Pa. 378.

The comparison cannot be allowed as independent proof; it can only be used as corroborative. After evidence has been given in support of a writing, it may be corroborated by a comparison with a writing of unquestioned authenticity. (*Baker* v. *Haines*, 6 Wh. 283; *Vickroy* v. *Kelley*, 14 S. & R. 372; *Callan* v. *Gaylord*, 3 W. 321; *Lodge* v. *Pipher*, 11 S. & R. 333; *Farmers' Bank* v. *Whitehill*, 19 S. & R. 110; *Bank* v. *Jacobs*, 1 P. & W. 161; *Haycock* v. *Greup*, 57 Pa. 438; *Bank* v. *Whitehill*, 10 S. & R. 110; *Travis* v. *Brown*, 43 Pa. 1, 9; *Foster* v. *Collner*, 107 Pa. 305; *Aumick* v. *Mitchell*, 1 N. 211.*)

In one of the cases, in which the defense was forgery, before proving its execution the plaintiff offered in evidence records for the purpose of showing signatures of the defendant as samples from which the jury might make comparisons after the court became satisfied that the note was sufficiently proved by such means to be submitted to the jury. Though an objection was made to its admission, the plaintiffs called two experts, who testified to the genuineness of the signature, using the records above mentioned as the standard for comparison. The note was then given in evidence, and the court instructed the jury that evidence might be given by experts in the examination of signatures by comparison to say whether they were genuine or not. This was declared to be erroneous, as evidence by comparison of handwriting was not permitted as independent proof, and that the comparison must be made by the jury. (*Aumick* v. *Mitchell*, 82 Pa. 211; *Travis* v. *Brown*, 7 Wright 9; *Haycock* v. *Greup*, 7 P. F. Smith 438; *Bank* v. *Whitehill*, 10 S. & R. 110; *Lodge* v. *Pipher*, 11 S. & R. 333; *Philadelphia & West Chester Railroad Co.* v. *Hickman*, 4 Casey 318; *Guffey* v. *Deeds*, 5 Casey 378; *Baker* v. *Haines*, 6 Whart. 284.)

Two kinds of witnesses may testify concerning the handwriting in controversy, those who are familiar with that of the person whose handwriting is questioned and experts. The initial question with the first class is, what familiarity does the law pronounce a proper qualification for such a witness; and when this is determined, what is the nature and effect of his evidence. He must have some actual knowledge of his handwriting. (*Taylor* v. *Sutherland*, 24 Pa. 333.) In one case a witness declared that he knew the handwriting of the person whose name was signed to the note in controversy from having witnessed his will, which was either signed or acknowledged in his presence, and that to the best of his knowledge the signature was in that individual's handwriting. (*Cabargo*

* "Evidence touching the genuineness of a paper may be corroborated by a comparison to be made by a jury between that paper and other well authenticated writings of the party; but mere experts are not admissible to make the comparison, and to testify to their conclusions from it." Thompson, J., Rockey's Estate, 155 Pa. 453, 456.

v. *Seeger*, 17 Pa. 514.) In another case after a witness had testified to seeing the signature of the maker of a note which he admitted to be genuine, he was permitted to give his opinion concerning the genuineness of the maker's signature to the note in controversy. (*Second National Bank* v. *Wentzel*, 151 Pa. 142.*) But when his knowledge of the handwriting of a person is acquired by simply observing him write several times for the purpose of testifying, he is incompetent to give an opinion of the genuineness of the writer's signature. (*Reese* v. *Reese*, 90 Pa. 89.)

Letter press copies of letters are not competent to establish a standard for comparison of handwriting. To authorize the admission of a writing for this purpose, the proof must come from a person who saw him write, or must consist of an admission by the party of its genuineness, or other evidence of equal authority. (*Baker* v. *Haines*, 6 Wh. 284; *Depue* v. *Place*, 7 Pa. 428; *Travis* v. *Brown*, 7 Wr. 9; *Cohen* v. *Teller*, 93 Pa. 123.)

It may be remarked that such a witness truly makes a comparison, but it is one between the paper in controversy and other writings that he has in mind. Says Mr. Justice Woodward: "Nor can he make any other comparison. Other papers cannot be introduced containing the signature of the person in controversy, and a comparison be made by him between the signature to these and the signature to the disputed one. To do this is to invade the province of the expert; to convert him into one, which can never be done." (*Travis* v. *Brown*, 43 Pa. 1, 15, 16.)

After evidence had been given of the handwriting in controversy, the testimony of an expert may be admitted in corroboration. (*Burkholder's Executors* v. *Plank*, 69 Pa. 225; *Guffey* v. *Deeds*, 29 Pa. 378; *Foster* v. *Collner*, 107 Pa. 305; *Travis* v. *Brown*, 43 Pa. 1; *Aumick* v. *Mitchell*, 1 N. 211.) He, too, compares writings, but unlike the other kind of witness, the genuineness of the test writings, with which the comparison of the forgery is made, is established by others. Indeed, he will not be an expert, as Mr. Justice Woodward says, "if he have knowledge of the handwriting of the party, because his judgment of the comparison will be influenced more or less by his knowledge, and will not be what the testimony of an expert should be, a pure conclusion of skill." (*Travis* v. *Brown*, 43 Pa. 13, 14.†)

* Proof of the handwriting of the maker of a promissory note, and the testimony of a witness that he had corresponded with "Bradner & Co., of New York," and from his knowledge of their signatures thus acquired, his opinion was that the indorsement was made by "Bradner & Co.," was sufficient to let the note go to the jury. *Clark* v. *Freeman*, 25 Pa. 133.

A witness who is called to authenticate a paper cannot be asked whether, to the best of his impression, the paper is in the handwriting of the party. *Carter* v. *Connell*, 1 Wh. 392.

† It is irrelevant to ask an expert in what light he, as a banker, regards the

The test documents that are to be compared should be established by the most satisfactory evidence before their admission to the jury. (*Travis* v. *Brown*, 43 Pa. 1.) Having these tests before him, the expert can testify his belief or opinion concerning the signature in controversy, that it is natural or feigned, simulated or forged, and also the rules or reasons which have guided him in forming his conclusions. (*Travis* v. *Brown*, 43 Pa. 1; *McKinney* v. *Nolf*, 9 Cent. 804.) And if it is alleged and denied that the body and signature of an instrument are in the same handwriting, an expert may be asked whether, in his opinion, the two parts were written by the same person. (*Reese* v. *Reese*, 90 Pa. 89; *Fulton* v. *Hood*, 10 Casey 365.)

In weighing the effect of his testimony, it will not overcome that of positive witnesses testifying from their own knowledge of the transaction itself. (*McKinney* v. *Nolf*, 9 Cent. 804.)

In further elucidation of this subject it may be remarked that both classes of witnesses are able to testify at all only by making comparisons. The historical or remembering witness makes a comparison with signatures which are retained by his own memory, the expert makes a comparison with signatures whose genuineness are established by other persons. An expert must be disinterested, and for that reason must not be familiar with the disputed writing; the witness who testifies from memory must be exactly the reverse, and possess knowledge of the writings of the person who is the subject of dispute in order to testify. But both make comparisons, form opinions and express them; they are not, however, final in any case, for the jury also must make a comparison, from which duty, by neither expert nor any other kind of witness, can they be relieved.

Does the showing of notes to the maker or indorser before negotiation cut off his defense of forgery? If he has paid other forged notes or recognized them to be valid, he is not thereby prevented from setting up this defense. (*Cohen* v. *Zeller*, 93 Pa. 123.) But if this defense is interposed, it may also be shown that the indorser recognized the note with his indorsement as valid, and that this fact was made known to the plaintiff who bought the note on the faith of this knowledge. (*Ib.*) If he is shown a promissory note held by a bank and admits that his signature as maker is genuine though it is a forgery, he will not be estopped in an action on the note from proving the forgery. (*Second National Bank* v. *Wentzel*, 151 Pa. 142.) The admission does not operate as an estoppel because the bank has already parted with its money,

note. So is his opinion that the face of a note is of a suspicious character, but he can point out any irregularity on its face, any fact tending to show a change or alteration. *Foster* v. *Collner*, 107 Pa. 305.

and its conduct is therefore not affected by his declaration. (*Ib.* 146.)

If a note, payable to two payees, is indorsed only by one of them, who forges the indorsement of the other, there can be no recovery on the forged indorsement though he received the proceeds. (*Foster* v. *Collner*, 107 Pa. 305.)

THE ALTERATION OF INSTRUMENTS.

As the law presumes that the maker of a negotiable instrument issued it free from all blemishes and alterations (*Heffner* v. *Wenrich*, 32 Pa. 423), whenever the instrument is apparently defective, or is proved to be so, the holder must show that it was thus issued, notwithstanding the general presumption of his innocence, before it can become evidence. (Nagle's Estate, 134 Pa. 31; *Neff* v. *Horner*, 63 Pa. 327; *Hill* v. *Cooley*, 46 Pa. 259; *Simpson* v. *Stackhouse*, 9 Pa. 186; *Kennedy* v. *Lancaster Co. Bank*, 18 Pa. 347; *Paine* v. *Edsell*, 19 Pa. 180; *Southwark Bank* v. *Gross*, 11 C. 80; *Hartley & Co.* v. *Corboy*, 150 Pa. 23; *Heffner* v. *Wenrich*, 32 Pa. 423; *Clark* v. *Eckstein*, 22 Pa. 507; *Miller* v. *Reed*, 27 Pa. 244; *Fulmer* v. *Seitz*, 68 Pa. 237; *Neff* v. *Horner*, 63 Pa. 327; *Craighead* v. *McLoney*, 99 Pa. 211; *Marshall* v. *Gougler*, 10 S. & R. 164; *Miller* v. *Gilleland*, 7 H. 119.) Says Mr. Justice Woodward (*Heffner* v. *Wenrich*, 32 Pa. 425): "The policy of the law is against all tampering with written instruments, and especially commercial paper. He who takes a blemished bill or note, takes it with all its imperfections on its head. The very fact that he received it is presumptive evidence that it was unaltered at the time. The maker of a note cannot be expected to account for what happened to it after it left his hands, but a payee or indorsee who takes it condemned and discredited on the face of it, ought to be prepared to show what it was when he received it." And if he can give no explanation, and the alteration is material, it cannot be admitted and there can be no recovery. (Hood's Appeal, 7 At. 137; *Hill* v. *Cooley*, 46 Pa. 259.) The reason for the rule is public policy to insure its protection from fraud and substitution. (*Neff* v. *Horner*, 63 Pa. 327.) By thus forfeiting the instrument on the discovery of the fraud, the motive is taken away for making the alteration. (*Ib.*)

The jury are to decide whether an alteration was made, and if it was, whether it was done before or after the defendant parted with the note. (*Heffner* v. *Wenrich*, 32 Pa. 423.)

An immaterial alteration does not affect the instrument. (*Gardiner* v. *Sisk*, 3 Pa. 326; *Sharpe* v. *Bellis*, 61 Pa. 69; *Struthers*

v. *Kendall*, 41 Pa. 214; *Latshaw* v. *Hiltebeitel*, 2 Penny. 257; *Larsey* v. *Church*, 4 W. & S. 346.) What, then, is an immaterial alteration? As the addition of president or agent to one's name without disclosing the principal binds the agent, the erasure of it is immaterial, for he still remains bound. (*Sharpe* v. *Bellis*, 61 Pa. 69.) *Sharpe* v. *Bellis* (61 Pa. 69) presents an interesting application of this principle. A., the treasurer of a company, drew a note in blank and obtained the indorsement of B., "Pres't," for a debt due by the company to C., B. having refused to indorse as an individual. B.'s name was inserted as payee by A., who also erased the "Pres't." It was then given to S., who knew nothing concerning the erasure, but did know of B.'s relation to the company. B. was not liable. If, however, S. had not known of B.'s official relation to the company, and the "Pres't" had been retained, B. would have been personally liable, for the reason that when an agent does not disclose his principal's name, he binds himself.

While the rule is declared to be more stringent which applies to negotiable than to non-negotiable paper (*Neff* v. *Horner*, 63 Pa. 327; *Stephens* v. *Graham*, 7 S. & R. 505; *Simpson* v. *Stackhouse*, 9 Pa. 186; *Paine* v. *Edsell*, 7 H. 178; *Miller* v. *Reed*, 3 C. 244), the voluntary alteration of a sealed note or other instrument to the maker's injury avoids it unless this is done with the assent of the parties. (*Neff* v. *Horner*, 63 Pa. 327; *Marshall* v. *Gougler*, 10 S. & R. 164; *Barrington* v. *Bank*, 14 S. & R. 422; *Foust* v. *Renno*, 8 Pa. 387; *Henning* v. *Werkheiser*, 8 Pa. 518; *Smith* v. *Weld*, 2 Pa. 54.) Nevertheless, on several occasions the alteration of the instrument was declared to be immaterial. Thus in a bond given to pay $100 in four annual payments, in which the first was to be made in seventeen months after date, with interest on the whole, an alteration, by the insertion of the words in italics, was regarded as immaterial. (*Gardiner* v. *Sisk*, 3 Pa. 326.) R., one of two sisters, R. and C., agreed to lend money to S., who with his surety executed a sealed note drawn to the order of C., and S. took the note to R. S. then, without the knowledge of the surety, erased the Christian name of C. and inserted that of R., and, on receipt of the money, delivered the note. It was held in an action by C. to the use of R. against S. and the surety, that the alteration was immaterial. (*Latshaw* v. *Hiltebeitel*, 2 Penny. 257.)

Alterations which are regarded as immaterial have sprung from legislation (Acts of April 6, 1830, and April 11, 1848), obliterating the common law distinctions between instruments joint and those which are joint and several. An alteration, therefore, of a negotiable note made by two, by interlining the words "or either of us," is not such a material alteration in this State as will avoid the note. (*Miller* v. *Reed*, 27 Pa. 244.) The distinction between

joint and joint and several contracts, always had regard to the remedies, and the parties were bound according to the tenor of the instrument to which they put their signatures; it was evidence against each of them, but the discharge of one by taking action against the other, is the peculiarity which the statutes have taken away. (*Ib.*)

A spoliation by a stranger, or an accidental alteration through mistake, does not impair the instrument. (*Neff* v. *Horner*, 63 Pa. 327.)

Passing by the subject of immaterial alterations, let us consider what is a material alteration. Every alteration in a negotiable instrument without regard to the motive (*Marshall* v. *Gougler*, 10 S. & R. 164; *Biery* v. *Haines*, 4 Wh. 20; *Henning* v. *Werkheiser*, 8 Pa. 518,) whereby its identity is changed is material, unless it was made with the assent of the parties who otherwise would be affected (*Neff* v. *Horner*, 63 Pa. 327; *Barrington* v. *Bank*, 14 S. & R. 424),* even in the possession of a subsequent holder for value except the one who made the alteration. (*Struthers* v. *Kendall*, 41 Pa. 214, 219; *Kepler* v. *Mount Carmel Sav. Bank*, 97 Pa. 420; *Stephens* v. *Graham*, 7 S. & R. 505; *Hartley & Co.* v. *Corboy*, 150 Pa. 23; *Simpson* v. *Stackhouse*, 9 Pa. 186; *Heffner* v. *Wenrich*, 32 Pa. 423; *Hill* v. *Cooley*, 46 Pa. 259; *Clark* v. *Eckstein*, 22 Pa. 507; *Miller* v. *Reed*, 27 Pa. 244; *Paine* v. *Edsell*, 19 Pa. 178; *Fulmer* v. *Seitz*, 68 Pa. 237; *Neff* v. *Horner*, 63 Pa. 327; *Craighead* v. *McLoney*, 99 Pa. 211; *Marshall* v. *Gougler*, 10 S. & R. 164; *Barrington* v. *Bank*, 14 S. & R. 424.) It is evident that any tampering with the instrument which imposes upon the party a burden or peril, which he would not else have incurred, is an injury to him, and therefore material. It is a mistake to infer that whether the pecuniary liability is increased or the time of payment changed is the test. In these respects the party may be no worse, yet his rights and remedies on the instrument may be seriously affected. Wherever this is so, it does not matter that the alteration was entirely honest, and with no fraudulent intent. This will be often found to be the case, where the note or instrument has been executed by several parties. But it may be in other instances, as where attesting witnesses have been added to an instrument for execution. (*Marshall* v. *Gougler*, 10 S. & R.

* Two of the three makers of a note consented to a material alteration after its execution. A judgment was obtained against the non-consenting maker. In an action by the holder against the consenting parties, evidence of their consent to the alteration was admissible, provided the holder had no knowledge of the want of consent of the third maker. (*Myers* v. *Nell*, 84 Pa. 369.) To show that the note as altered was what it should have been originally, it was competent to prove a declaration made by the non-consenting maker that if the note had been properly drawn at first there would have been no trouble. (*Ib.*)

164.) An alteration of the date of a promissory note by the payee, whereby the time of payment is retarded, avoids the note. (*Stephens* v. *Graham*, 7 S. & R. 505.) The noting of the residences of indorsers after their names on a bill of exchange does not affect its identity, nor avoid it as to any of the parties. (*Struthers* v. *Kendall*, 41 Pa. 214.) The chief test of liability on an altered instrument is whether its identity remains. (*Kountz* v. *Kennedy*, 63 Pa. 187.) If the alteration be fraudulently made, or with an illegal intent, or the original words cannot be restored, or any party has been injured by the alteration, the party that made it must abide by the consequences, otherwise he may restore the note to its original form. (*Kountz* v. *Kennedy*, 63 Pa. 187.)*

Passing from the most general rule, we will describe the more specific rules for determining alterations, though "after all that has been said," as Mr. Chief Justice Thompson has remarked, "each case must stand much more on its own facts than upon the rules announced in any given case." (*Kountz* v. *Kennedy*, 63 Pa. 187.)

First, then, the alteration is none the less material because the motive was worthy, or the maker's liability not increased. Even if the alteration was beneficial to him, it may be material. The law presumes that the maker in some way is to suffer. (*Heffner* v. *Wenrich*, 32 Pa. 473; *Craighead* v. *McLoney*, 99 Pa. 211.) In *Jordan* v. *Stewart*, 23 Pa. 249, the court said: "But when a contest occurs, and the instrument is offered in evidence, the question at once arises, whether the alteration is beneficial to the party offering it; if it be not, as in the instance of a bond or note altered to a less sum, the *prima facie* presumption is unchanged; if it be, as was the case here, we do not presume a forgery, but we hold the party offering it in evidence and seeking advantage from it, bound to explain the alteration to the satisfaction of the jury." (See *Nesbitt* v. *Turner*, 155 Pa. 429.)

One of the most frequent alterations is the date, which is regarded as material and fatal to a recovery against the maker. Though the courts have not always maintained the same rule, on most occasions they have declared that the alteration of the date is material and prevents a recovery from the maker, or from the indorser, if the alteration was made without his consent, even though the instrument was in the possession of an innocent indorsee. (*Stephens* v. *Graham*, 7 S. & R. 505; *Kennedy* v. *Lancaster Co. Bank*, 18 Pa. 347; *Miller* v. *Gilleland*, 19 Pa. 119; *Getty* v. *Shearer*, 20 Pa. 12; *Clark* v. *Eckstein*, 22 Pa. 507.) But the addition of a date at the end of a note is immaterial, if the maker assented to the change. (*Wilson* v. *Jamieson*, 7 Barr 126.)

* Said Thompson, Ch. J.: "The restoration was not a fraud on the indorser, for it left the note as it was when the indorsement was made."

Some illustrations may be given. An action was brought on a joint and several note which had been signed by the maker and a surety. The date had been altered, which was a material alteration. If this was done innocently after it came into the payee's possession, he could not recover against the surety, but he could recover on the original consideration against the maker. If the alteration by him was fraudulent there could be no recovery against either. (*Miller* v. *Stark*, 148 Pa. 164.)

In another case by the payee against the surety in a note under seal, it was held that the alteration of the date of the note from 1836 to 1838, made at the request of the payee in the presence of the surety, but without his assent, avoided the note as to the surety. (*Miller* v. *Gilleland*, 19 Pa. 119. See *Marshall* v. *Gougler*, 10 S. & R. 164.)

If, however, the date has been left blank, which is afterward added by the payee, this is not a material alteration (*Barber* v. *Aregood*, 4 Kulp 142; *Kepler* v. *Mount Carmel Sav. Bank*, 97 Pa. 420), for the law presumes that the maker intended that all blanks should be filled. (*Ib.*) Thus, A. signed his name to a blank paper and gave it to B., for whom he had agreed to be a surety to C., for borrowed money. B. obtained the money, and wrote a joint and several note, and also his own signature, and put a seal thereon above the signature of A., and also a seal to A.'s signature. It was held in an action against B. alone, he could not avail himself of these circumstances as a defense. (*Patterson* v. *Patterson's Ad.*, 2 P. & W. 200.)

The alteration of a promissory note by the payee after its execution without the maker's authority, by the addition of a particular place of payment, will prevent a recovery from the maker. (*Southwark Bank* v. *Gross*, 35 Pa. 80; *Hill* v. *Cooley*, 46 Pa. 259; *Simpson* v. *Stackhouse*, 9 Pa. 186.) But if the place of payment is left blank, the presumption is that the indorser knew that, unless the blank was filled, it could not be used for the purpose intended, and therefore the maker was authorized to fill in the place of payment. (*Worrall* v. *Gheen*, 3 Wr. 496; *Wessell & Co.* v. *Glenn*, 108 Pa. 104; *Kepler* v. *Mount Carmel Sav. Bank*, 1 Ont. 420.) And the same rule applies to a bond. (*Wiley* v. *Moor* 17 S. & R. 438.)

The erasure and substitution of names are material alterations. (*Smith* v. *Weld*, 2 Pa. 54.) But if a blank is left in a single bill at the time of its execution for the name of the payee, with an intention that it should be filled when the money is borrowed, and an authority to do this is given by the obligor, and the money afterwards is obtained and the name is inserted, this is not a material alteration. (*Stahl* v. *Berger* 10 S. & R. 169.)

An alteration in the sum, though, for the benefit of the obligor

avoids the writing. (*Stephens* v. *Graham*, 7 S. & R. 508.) The reason is the law presumes the alteration to be beneficial to him who makes it, though it may not appear to be so. (*Ib.*) But one who executes a note as a surety, and gives it to the principal for execution and delivery to the payee, but who, before so doing, alters the amount from a greater to a less sum, cannot take advantage of the alteration. (*Ogle* v. *Graham*, 2 P. & W. 132.) Nor does the execution of it by one of the payers in the presence of one witness, and by the other in the presence of another, affect its validity, although it purports to be executed by both, in the presence of two subscribing witnesses. (*Ib.*)

To have a person wilfully sign his name as a witness after its delivery is a material alteration and avoids it. (*Fisher* v. *King*, 153 Pa. 3; *Robb* v. *Clemson*, 10 S. & R. 424; *Marshall* v. *Gougler*, 10 S. & R. 164; *Craighead* v. *McLoney*, 99 Pa. 211; *Neff* v. *Horner*, 63 Pa. 330; *Getty* v. *Shearer*, 20 Pa. 12; *Biery* v. *Haines*, 5 Wh. 563; *Monroe* v. *Monroe*, 93 Pa. 520.) The application of the rule does not depend on the injury done in the particular case; the true ground is public policy, to insure the protection of instruments against fraud and substitution. (*Ib.*; *Neff* v. *Horner*, 63 Pa. 330.) "If there be a material alteration by the payee, after delivery, wilfully, however innocent the intention, or however slight the prejudice to the maker, the instrument is avoided." Dean, J. (Fisher Case, p. 9.)

If however, a person in attempting to indorse a note writes his name as, and in the place of a witness, he does not cause a material alteration which will avoid it. (*Fisher* v. *King*, 153 Pa. 3.)

In one case after the execution of a single bill, two persons, who were not present at the execution, put their names thereto as witnesses, at the obligee's request, who was about to assign the same. If this is done by mistake and with the intention of witnessing the assignment, the instrument is not invalidated. But if is done to authenticate the bill, it would not have had this effect. (*Marshall* v. *Gougler*, 10 S. & R. 164; see *Biery* v. *Haines*, 4 Wh. 17; *Miller*, v. *Gilleland*, 19 Pa. 119; *Getty* v. *Shearer*, 20 Pa. 12.)

An alteration of the interest clause is material. (*Craighead* v. *McLoney*, 99 Pa. 211.) As interest on a note begins from maturity unless otherwise expressed (*Ludwick* v. *Huntzniger*, 5 W. & S. 51; *Miller* v. *Gilleland*, 7 H. 119), doubtless the discovery of this rule was the reason for adding the interest clause in many cases. In one of them an indorsed note was altered after delivery by adding "with interest," with the maker's consent, but which not having been paid at maturity, was restored to its original condition, and the indorser was sued thereon and compelled to pay.

(*Kountz* v. *Kennedy*, 63 Pa. 187.) In another case two of the three makers of a note consented to a material alteration by adding the interest clause after its execution. A judgment by default was obtained against the non-consenting maker. In an action by the holder against the consenting parties evidence of their consent to the alteration was admissible. (*Myers* v. *Nell*, 84 Pa. 369.) In another case F. agreed to lend money to S. at twelve per cent. interest. S. delivered to F. a note signed by himself and others as his sureties. Afterwards F., discovering that nothing appeared in the note about interest, told S., who directed F. to insert that it was with interest, who did so in S.'s presence. The sureties could not be held. (*Fulmer* v. *Seitz*, 68 Pa. 237.) In another surety case P., and others as his sureties, executed a sealed note to H., which he would not receive unless "interest semi-annually" were added. P. inserted these words above the signatures, without the knowledge of the sureties. The note could not be enforced against them. Again, if a note, made by two co-promisors payable at a future time, has been altered by adding "at eight per cent. interest" after its execution and delivery, with the consent of one of the co-promisors, this is a material alteration. (*Craighead* v. *McLoney*, 99 Pa. 211. The holder is incompetent to testify to the co-promisors' consent to the alteration if he died before the beginning of the action. *Ib.*) But an alteration in the rate of interest in a bond after its maturity will not affect the holder's right to recover thereon. (*Burkholder* v. *Lapp's Ex.*, 31 Pa. 322.)

If the sizing or face of a note or bank check at the place where the date and amount is written has been removed and the date or amount afterward written thereon, this is a material alteration. The writing of material words on paper which has been previously blurred or defaced, does not import an alteration, but if the words are crowded or cramped into a small space that is defaced, the manifest appearance is that of an altered instrument and the burden of proof is on the holder to explain. (Nagle's Estate, 134 Pa. 31.)

There is an important qualification to the rule relieving the makers and indorsers of negotiable instruments from liability where alterations have been made by other parties. The maker must exercise such care in drawing the instrument that alterations cannot be easily made and readily detected. If he has been negligent in these regards, he must answer for his negligence by paying for it. (*Zimmerman* v. *Rote*, 75 Pa. 188; *Phelan* v. *Moss*, 17 Sm. 59; *Brown* v. *Reed*, 79 Pa. 370; *Leas* v. *Walls*, 101 Pa. 57; *Garrard* v. *Haddon*, 76 Pa. 82.) Says Mr. Justice Sharswood: "If the maker of a bill, note or check issues it in such a condition that it may be easily altered without detection he is liable

to a *bona fide* holder who takes it in the usual course of business before maturity. The maker ought surely not to be discharged from his obligation by reason or on account of his own negligence in executing and issuing a note that invited tampering with. The maker would [not be] to a *bona fide* holder on a note fraudulently altered, however skillful that alteration might be, provided that he had himself used ordinary care and precaution. He would no more be responsible upon such an altered instrument than he would upon a skillful forgery of his handwriting." (*Brown* v. *Reed*, 79 Pa. 370, 372.) This principle has been applied on several occasions, In one of the cases a condition or agreement was printed on the margin of a note, which was cut off. This was not regarded as a notice to a *bona fide* holder for a valuable consideration who had received such a note after the separation had been made without any knowledge that it had been done, and therefore he was not bound thereby. (*Zimmerman* v. *Rote*, 75 Pa. 188; *Phelan* v. *Moss*, 17 Sm. 59.)

In another case of a check there was a small space after the figure for the amount and the written amount, so that eight was transformed into eighty. This was not regarded as negligence by the maker. (*Leas* v. *Walls*, 101 Pa. 57.) Said the court: "In the common experience of men very few persons write their words so closely together that a single letter cannot be added at the end of one of them without attracting attention."

In *Worrall* v. *Gheen* (39 Pa. 388, 396), a maker of a promissory note which had been drawn for $50 and indorsed for his account by another, afterward altered it to $150 by taking advantage of vacant spaces left in the printed form. The alterations were so well executed that they would not excite the attention of an ordinary man of business. In an action against the indorser to recover the full amount, the holder obtained judgment for only $50. Said Mr. C. J. Lawrie: "We know not how we can say that a man can be chargeable with a contract because he did not use proper precaution in guarding against forgery in any of the thousand forms it may take. We know of no way of saving purchasers of negotiable paper from the necessity and the consequences of relying on the character of the man they buy it from, if they do not take the trouble of the original parties."

Should not the same principle apply to an accommodation indorser? He is regarded in a general sense as a joint maker, and if a note is so carelessly written that it can be easily altered, why should he not be answerable for the consequences quite as much as the maker? It is true that the accommodation indorser in the Worrall case (39 Pa. 388) escaped, but the soundness of the decision has been questioned, and if the above principle is correct, it well may be. In many cases the note is really made for

the benefit of the indorser, he receives the proceeds, and is expected to discharge the obligation. Why, then, is not his duty as imperative to have the obligation drawn in a proper and secure form as that of the maker?

If the alteration of a note is doubtful the jury are to decide whether it has been made or not. (*Clark* v. *Eckstein*, 22 Pa. 507.) Thus the last figure in the date of a note was blotted and there was an erasure at the side of it; but whether the attempted erasure was the blot or figure was a proper question for the jury to decide. (*Ib.*)

If the alteration is apparent then the burden of proof is on the holder or producer of the note to prove that it was made lawfully. (*Clark* v. *Eckstein*, 22 Pa. 507; *Worrall* v. *Gheen*, 3 Wr. 388.)

CONVEYANCE OF LAND TO A BANK BY ITS PRESIDENT.

CIRCUIT COURT OF APPEALS, FIFTH CIRCUIT.

First National Bank of Sheffield et al. v. *Tompkins.*

Where a bank acquires title to real estate by conveyance from its president, who held the land under a deed reciting full payment of the purchase money, and it has no actual knowledge that the purchase money was not in fact paid, it is an innocent purchaser without notice, and is not chargeable with constructive notice because of the knowledge of its president.

A conversation by a grantor with a director of a bank, in which the former states that he is willing to convey a half interest in certain land to the president of the bank, with the understanding that such president was to deed the whole interest to the bank, and that the president or the bank was to pay him by giving him credit upon notes then running against him in the bank, does not amount to notice to the director that the grantor intends to retain a vendor's lien, but rather imports a notice that no such lien is to be retained.

Appeal from the Circuit Court of the United States for the Northern Division of the Northern District of Alabama.

In Equity. Bill by Henry B. Tompkins against the First National Bank of Sheffield, Ala., and Charles D. Woodson to enforce and foreclose a vendor's lien. Defendant Woodson having died pending the suit, Richard W. Austin, administrator, was substituted in his stead. Decree for complainant. Defendants appeal. Reversed.

PARDEE, Circuit Judge.—On the 15th December, 1889, the appellee filed a bill in the Circuit Court against the appellants to enforce and foreclose a vendor's lien on one undivided half interest in and to lots numbered 13 and 14, block No. 62, on Montgomery avenue, in the city of Sheffield, county of Colbert, in the State of Alabama; and therein alleged that, being the owner in full fee simple of said one undivided

half interest, he did, on the 5th April, 1887, or some date subsequent thereto, execute a deed to said one undivided half interest to Charles D. Woodson, then president of the First National Bank of Sheffield, with the understanding and agreement that said two lots were to be deeded by said Woodson to said bank; that the price to be paid therefor was, as expressed in said deed, $4,000; that no part of said purchase price of said interest was ever paid by said Woodson or by said bank; that the said Woodson,as president of said bank, acting for and by authority of the board of directors of said bank, had full knowledge, as did said bank itself, that the purchase was made by Woodson for the bank; that the purchase money has never been paid, in whole or in part; that no note was taken for said purchase price of $4,000, because it was understood and agreed that it was a cash transaction, and that the purchase price would shortly be paid, with interest at 8 per cent. per annum; that the deed dated the 5th April, 1887, was not actually acknowledged and delivered until the 23d of October, 1888. It was further alleged in said bill that on the 6th day of April, 1888, said Woodson, who held title to the other one undivided half interest in said two lots, deeded the whole interest in said lots to the bank, and that at the time said bank accepted the deed said Woodson, the president of the bank, as well as the bank itself through its proper officers and board of directors, had actual knowledge or were put upon legal notice that the said undivided one-half interest had not been paid for in whole or in part; and, further, that he, Tompkins, is not now indebted to said Woodson or to said bank in any sum whatever. The prayer of the bill was for a decree subjecting the undivided half interest in said two lots to the payment of the vendor's lien. Discovery under oath from the defendants was expressly waived.

To the bill, Charles D. Woodson answered, admitting the conveyance and the price, but denying that no part of the price was paid to complainant by defendant. On the contrary, he says:

"The full amount of said purchase price, to wit, four thousand dollars ($4,000), was by this defendant paid to and received by complainant before said deed was made, or was by defendant paid out on complainant's account at his instance, or upon his request before that time; and when said deed was made defendant was not indebted to the complainant in the sum of four thousand dollars on account of the purchase of said interest in said two lots, or in any sum at all."

Defendant Woodson further admitted that he was the president of said bank, and so remained until the 30th day of November, 1889, when it went into the hands of a receiver, to be wound up as provided by the laws of the United States. The said answer denies that in making the purchase Woodson acted for, or by authority of, the bank, or for its board of directors, or that the bank had full knowledge or any knowledge of defendant's action in the premises; and he says that the purchase was entirely an individual matter between complainant and the defendant, with which the bank or its board of directors had nothing whatever to do. But when he conveyed said lots to the bank he stated to its board of directors that said purchase money had been fully paid, and that he conveyed to them the unincumbered fee-simple title to said lots, and said bank had no knowledge or notice of any claim thereon of complainant, and, in fact, complainant had no claim on said lots at that time, nor since; and he avers that the complainant now owes the bank more than $7,000, money borrowed by him from said bank since the said deed was made, for which he executed his notes, which notes are unpaid, and which are now held by the said bank or its receiver.

The bank answered, admitting that the complainant owned at one

time a one-half interest in the property described in the bill; the conveyance to Charles D. Woodson; that Woodson was the president of the bank, and had conveyed the whole property to the bank, but alleged full payment of the purchase money to complainant before the deed was put to record; that the deed from complainant to Woodson was the only evidence and information which was presented to the bank of the ownership of the undivided half interest sued for, and the board of direct ors relied upon the recitals of the deed from complainant to said defendant as being true, and that at the time of the purchase from Woodson of the lots, which were for the purpose of erecting a bank building, the bank did not have any notice or information of any character whatever of any unpaid balance of purchase money upon the property in question; that Woodson assured the directors at the time the bank purchased the property that the recitals of the deed made by the complainant to him were true, that the entire purchase money was settled and paid. Further answering, the bank says that at the time the said Woodson made and executed his deed to the bank the bank paid said Woodson $5,000, as is stated in said deed, and had no knowledge or information or notice of any outstanding title, equity or adverse interest of any kind or description; and there was no fact within the knowledge of the bank which could or did put the bank on inquiry as to the title to said property, and the bank relied on, and was entitled to rely on, the *bona fides* of the record of the deed from the complainant to said Woodson and from said Woodson to the bank.

On final hearing in the Circuit Court, a decree was rendered in favor of the complainant, recognizing his lien on the lots in question to secure the payment of $4,000, with interest thereon, aggregating $5,813.33, and ordering the bank to pay said sum, with interest and costs, within a short day, and, in default thereof, that the undivided half interest in the property be sold by a special master to pay the same. From this decree the First National Bank of Sheffield and R. W. Austin, administrator of the estate of Charles D. Woodson, deceased, appealed to this court, assigning errors as follows: (1) In decreeing complainant was entitled to the relief prayed for in the bill; (2) in decreeing that the defendant had a vendor's lien on the real estate described in the bill and in the decree; (3) in decreeing that the defendant Woodson was indebted to the complainant in the sum of $5,813.33 and interest thereon; (4) in failing to render decree dismissing the bill; (5) in not holding and decreeing that the purchase money sued for had been paid; (6) in not holding that the defendant bank was an innocent purchaser of said real estate described in the bill for value and without notice of complainant's claim.

The view we take of the facts in the case as shown by the evidence renders it unnecessary to consider any of the errors assigned except the last. It is undisputed that on the 23d October, 1888, Tompkins, by warranty deed, conveyed to Charles D. Woodson his undivided half interest in and to the lots in question, and therein recited that it was "for and in consideration of the sum of four thousand (4,000) dollars cash, in hand paid by C. D. Woodson, of Colbert County, Alabama, the receipt whereof is hereby acknowledged, have this day bargained, sold," etc.; that by warranty deed acknowledged and delivered on the 13th day of December, 1888, C. D. Woodson, for and in consideration of $5,000, paid by the First National Bank of Sheffield, conveyed the whole of the two lots in question to the First National Bank of Sheffield, and that the consideration named in the last-mentioned deed was paid in cash. The case shows that the bank had no notice of the transaction between Tompkins and Woodson save what was contained in the deed from

Tompkins to Woodson, unless the bank was chargeable with notice by reason of the fact that Woodson was president of the bank.

It is true that the complainant testifies that a few days prior to the delivery of his deed to Woodson he had a conversation with James R. Crow, at that time a director of said bank; in which he told said Crow that he was willing to make a deed to Woodson; with the understanding that Woodson had already deeded, or was to deed, the whole interest in the lots to the bank; that he was to make a deed for the consideration of $4,000; and that Woodson was to pay him, or the bank was to do so, by giving him credit for that amount upon the notes then running in his name in said bank. If this evidence of the complainant is given full force, it cannot be taken as giving any notice to Director Crow, much less to the bank, with regard to any intention of the complainant to retain a vendor's lien on the property thereafter to be conveyed. It rather imports a notice that no vendor's lien was to be retained. In *Bayley* v. *Greenleaf*, 7 Wheat. 51, Chief Justice Marshall said:

"To the world the vendee appears to hold the estate divested of any trust whatever; and credit is given to him in the confidence that the property is his own in equity as well as in law. A vendor relying upon his lien ought to reduce it to a mortgage, so as to give notice of it to the world. If he does not, he is in some degree accessory to the fraud committed on the public by an act which exhibits the vendee as a complete owner of an estate on which he claims a secret lien. It would seem inconsistent with the principles of equity and with the general spirit of our laws that such a lien should be set up in a court of chancery to the exclusion of *bona fide* creditors."

And in that case the court held that a vendor could not enforce his lien for unpaid purchase money against trustees for the creditors of the vendee to whom the land has been conveyed without notice of the lien. The Supreme Court of Alabama has decided in many cases that the vendor's lien will not prevail against *bona fide* purchasers paying the purchase money without notice. (*Burch* v. *Carter*, 44 Ala. 115; *Scott* v. *Griggs*, 49 Ala. 185; *Hudgens* v. *Cameron*, 50 Ala. 379; *Lambert* v. *Newman*, 56 Ala. 623; *Thurman* v. *Stoddard*, 63 Ala. 336; *Ware* v. *Curry*, 67 Ala. 274.) In the case of *Whelan* v. *McCreary*, 64 Ala. 319, Mr. Chief Justice Brickell, speaking for the court, declares the law of Alabama as follows:

"Whoever gives value, or enters into transactions by which his position is materially changed, and from which change loss must ensue, on the faith that the vendor of real estate, or person with whom he deals, has, as the title papers exhibit, a clear, legal title, will be protected against outstanding and latent equities, of which he has no notice. A mortgagee taking a security for a contemporaneous loan or advance falls within the rule, and is entitled to protection. (*Boyd* v. *Beck*, 29 Ala. 713; *Wells* v. *Morrow*, 38 Ala. 125.) The only notice, actual or constructive, of Mrs. Whelan's equity, which is attributed to the insurance company, is imputed, because notice, it is insisted, is traced to Williams, one of the directors, active and instrumental in making the loan to Cunningham and McCreary, and taking the mortgage. Whatever facts may have been known to Williams which ought to have excited inquiry on his part came to his knowledge while he was acting as the agent of Cunningham, in a transaction in which the insurance company had no interest. The rule is settled in this State that a corporation will not be affected by notice which one of its directors or other officer may have received when not acting for the corporation, but in the transaction of his own private affairs, and under such circumstances that its commu-

nication to other officers of the company is not to be expected. (*Terrell* v. *Bank*, 12 Ala. 502.) If the facts were stronger for the imputation of notice to Williams than are found in the record, notice could not be imputed to the insurance company."

The case of *Barnes* v. *Gaslight Co.*, 27 N. J. Eq. 33-37, involved a question with regard to notice very similar to the case in hand, and the chancellor held as follows:

"That the defendants are *bona fide* purchasers for valuable consideration is not denied. Their title is not impugned, except on the ground of notice, and the claim to relief is based on the allegation that at the time when the conveyance was made by Mr. Potts to them he was their president, and this fact is relied upon as of itself sufficient to establish notice to them of all the facts which the bill charges were within his knowledge. The general proposition is undoubtedly true that notice of facts to an agent is constructive notice thereof to the principal himself, where it arises from, or is at the time connected with, the subject-matter of his agency. The rule is based on the presumption that the agent has communicated such facts to the principal. (Story, Ag. § 140.) On principles of public policy the knowledge of the agent is imputed to the principal. But the rule does not apply to a transaction such as that under consideration; for, in such a transaction, the officer, in making the sale and conveyance, stands as a stranger to the company. (*Stratton* v. *Allen*, 16 N. J. Eq. 229.) His interest is opposed to theirs, and the presumption is, not that he will communicate his knowledge of any secret infirmity of the title to the corporation, but that he will conceal it. Where an officer of a corporation is thus dealing with them in his own interest, opposed to theirs, he must be held not to represent them in the transaction, so as to charge them with the knowledge he may possess, but which he has not communicated to them, and which they do not otherwise possess, of facts derogatory to the title he conveys."—Citing in support of the same, *Bank* v. *Cunningham*, 24 Pick 270; *Kennedy* v. *Green*, 3 Mylne & K. 699; *in re* European Bank, L. R. 5 Ch. App. 358; *in re* Marseilles Extension Railway Co., L. R. 7 Ch. App. 161; Ang. & A. Corp. 8; *Winchester* v. *Railroad Co.*, 4 Md. 231. To the same effect, see 1 Mor. Priv. Corp., 2d Ed., § 540; 1 Morse, Banks and Banking, § 104. As, when the bank bought the property, the record showed a perfect title in Woodson, with the purchase price fully paid, and as the bank had no actual notice of outstanding secret equities, and was not charged with constructive notice of any such equities because of any knowledge of Woodson, its president, of whom it acquired the property, it follows that the bank was an innocent purchaser without notice, and, as such, acquired the property divested of any vendor's lien which may have existed in favor of Tompkins as against Woodson. For this reason the decree of the Circuit Court should be reversed, and the case remanded, with instructions to dismiss the bill, with costs, and it is so ordered.—*Federal Reporter.*

NATIONAL BANKS—ACTION ON NOTE—EVIDENCE—USURY.

SUPREME COURT OF WASHINGTON.

Yakima National Bank v. *Knipe.*

There is a presumption that a note offered in evidence is in the same condition as when signed, though it shows on its face that the original draft has been changed. (*Wolferman* v. *Bell*, Wash., 32 Pac. Rep. 1017, followed.)

In an action by a National bank plaintiff may prove that it is a corporation *de facto* by parol evidence that it is carrying on a general banking business as a National bank authorized by the general laws of the United States, under the name by which it has sued; the court taking judicial notice of such laws.

Where the indorsee of a note in an action against the maker joins the payee and indorser as a defendant, only slight proof that plaintiff is the real party in interest is necessary, as the indorser would be bound by the judgment, and no injury could result to the maker; and in such case, introduction of the note indorsed in blank is *prima facie* sufficient.

There is an established rate of interest in Washington (10 per cent.), and the fact that by special contracts different rates may be collected does not affect the question, and therefore a National bank may charge that rate.

In an action on a note providing for an attorney's fee, where no evidence is introduced by defendant, and none but the note itself by plaintiff, the construction of the note is for the court, and defendant is not injured by the fact that the court, instead of estimating the attorney's fee and instructing the jury to include it in their verdict, adds it to the verdict himself.

HOYT, J.—This action was brought to recover the amount alleged to be due upon a certain promissory note made by the defendant Knipe to defendant Dorffel, and by him indorsed to the plaintiff. The defendant Knipe, in his answer, after making certain general denials, set up two affirmative defenses and one affirmative partial defense. The first of said affirmative defenses was that the note had been altered after delivery, without his consent. The second was that the plaintiff was not the real party in interest. The partial defense was that a portion of the amount due upon the note had been paid by defendant Dorffel. These affirmative defenses were severally put in issue by the reply. When the case was called for trial the plaintiff offered in evidence the note sued upon. The defendant Knipe objected to its introduction in evidence on several grounds. The one upon which most stress seems to have been placed, and to which the attention of the court was especially called, was that the note showed upon its face that it had been changed after it was originally written, and that, such being the fact, it could not be put in evidence until there had been some explanation as to such change. The court overruled such objection, and the note was received in evidence, and this ruling presents the principal question involved in this appeal.

The question thus presented is an important one, and the authorities are not harmonious in regard thereto. It is, however, no longer an open one in this court. Substantially the same question was raised in the case of *Wolferman* v. *Bell* (decided March 9, 1893), 32 Pac. Rep. 1017, and we held that there was a presumption that an instrument in writing was in the same condition when signed that it was when offered in evidence, and that such presumption was not changed by the fact that the instrument showed upon its face that the original draft thereof had been

changed. The special concurrence of three of the judges in the opinion would seem to indicate that only a minority of the court had held as above stated. Such, however, was not the case, as a majority of the court concurred in what was thus held, and limited their concurrence on account of what was said upon other questions. Such holding is decisive of the question under consideration, and, as we are satisfied with what we then held, it follows that, in our opinion, the note, when received in evidence, made a *prima facie* case against the defendant, so far as this principal question was concerned.

There were, however, several other objections made to the introduction of said note, and as to the action of the court in instructing the jury. The questions thus raised can well be discussed in a general way, and without passing upon each objection separately. One of such objections was that no legal proof of the fact that the plaintiff was a corporation had been introduced. Upon this question, when all the pleadings are taken together, it is doubtful whether or not it was necessary for the plaintiff to prove such fact. The second affirmative defense above mentioned, when interpreted in the light of the reference therein made to the partial affirmative defense, seems to qualify the denial of incorporation made in thefirst part of the answer. But whether or not this be so, we think the proof offered was sufficient to *prima facie* establish the fact of incorporation. This court will take judicial notice of the general laws of the United States, and, such being the fact, we think it was competent for the plaintiff to prove by parol that it was carrying on a general banking business as a National bank authorized by the general laws of the United States under the name by which it had sued. We are unable to see any reason why a corporation *de facto* may not be proven by this kind of testimony.

Another contention of appellant was that there was no proof that the plaintiff was the real party in interest. Under the affirmative allegations in his answer the appellant might well be held to have admitted that the plaintiff was the owner and holder of said note, notwithstanding the fact of the general denial in such answer; but in the absence of such admission in the pleadings, the note when introduced in evidence by the plaintiff, with what purported to be an indorsement in blank thereon, *prima facie* established the fact that the plaintiff was the owner and holder thereof. Especially is this true where, as in this case, the indorser is made a party to the action against the maker. No other person than such indorser and the plaintiff are shown to have had any connection whatever with the note; and since any claim which the indorser might make thereto would be fully determined by the adjudication in the action, it follows that no possible injury could result to the maker by reason of the action being prosecuted in favor of the plaintiff instead of in favor of the payee. Under such circumstances, the court should demand only slight proof to establish a *prima facie* case, and when the note was introduced in evidence, indorsed in blank, such *prima facie* case was made out. In fact, many courts have held that the production upon the trial of a promissory note made to order was *prima facie* proof of the title of the holder who was not the payee named in the note, even although it did not purport to have been indorsed.

It is further objected by the appellant that the amount of the verdict was excessive, for the reason that no interest should have been allowed, as the stipulation for 10 per cent. interest was in violation of the National banking law. We think, however, that under the legislation of this State there is an established rate of interest, which is 10 per cent., and that the fact that by special contracts different rates may be

collected does not affect the question as to said 10 per cent. being the established rate of the State. This being so, it follows that the National bank could properly charge that rate.

This disposes of all the questions excepting that growing out of the action of the court in taking the question of the assessment of the amount due by the terms of the note as attorneys' fees from the jury, and assessing it himself, and adding it to the amount of the verdict; but this, if error, was not such an error as should reverse the case. There was no proof introduced on the part of the defendants, and the only proof on the part of the plaintiff outside of that as to its incorporation was the note itself; and as the construction of said note was a question of law for the determination of the court, there was no question of fact excepting as to such incorporation to go to the jury. Under these circumstances, it would have been entirely competent for the court to have estimated the amount of interest and of the attorney's fee, and to have instructed the jury, if they found the question of incorporation to have been proven, to return a verdict in the amount so estimated by him to be due upon the note. Hence defendant was not injured by the fact that as to the attorney's fee the court itself determined the amount, and added it to the verdict, instead of instructing the jury to include it as a part thereof. Upon the whole record we find no reversible error, and the judgment must be affirmed.

Dunbar, C. J., and Scott, J., concur.—*Pacific Reporter.*

BANK COLLECTIONS.

SUPREME COURT OF MINNESOTA.

West v. *St. Paul National Bank.*

A bank receiving an indorsed note before maturity for collection is required to take the proper steps to fix the liability of the indorser.

In an action by the owner of the note for neglect of that duty, resulting in the discharge of the indorser, the question of the solvency of the maker is material as affecting the measure of damages.

Insolvency may be shown *prima facie* by proof of general reputation. Proof of insolvency within a reasonable time after the maturity of the note *held* admissible.

The fact that lands mortgaged by the maker to the plaintiff to secure the note were of a value in excess of the sum for which she bid off the same at a foreclosure sale *held* not available in mitigation of damages.

DICKINSON, J.—The plaintiff was the holder of a promissory note for $1,150, executed by one Onken to one McMenemy, and by the latter sold and indorsed to the plaintiff before maturity. It was secured by a mortgage of real estate. Long before the maturity of the note the plaintiff delivered it to the defendant bank for collection, as we must now consider the fact to have been. When the note matured, in August, 1891, the bank did not protest for non-payment; and for want of notice the indorser, who was solvent, was discharged. In June, 1892, the plaintiff foreclosed her mortgage by advertisement, she being the purchaser at the sale for $870. This action was commenced in November, 1892, to recover the difference between the amount for which the plaintiff bid off the property—less the expenses of the foreclosure—and the amount of the note, the action being founded upon the neglect of the bank to take the necessary steps to charge the indorser. In receiv-

ing the note for collection the bank assumed the duty of taking the proper steps to fix the liability of the indorser. (*Borup* v. *Nininger*, 5 Minn. 523, Gil. 417; *Jagger* v. *Bank*, Minn., 55 N. W. Rep. 545.) For a neglect of that duty it would be responsible to the extent of the damages suffered thereby. If the maker of the note were solvent, so that the note could be collected from him, the damages resulting from the discharge of the indorser would be merely nominal. Hence, as the plaintiff must prove the extent of the damage, the question of the solvency of the maker, Onken, became material. (*Borup* v. *Nininger*, *supra*.) The fact that one is insolvent may be established by proof that such is his general reputation in the community where he resides (*Nininger* v. *Knox*, 8 Minn. 140, Gil. 110; *Burr* v. *Willson*, 22 Minn. 211; *Angell* v. *Rosenbury*, 12 Mich. 241, 251; *Bank of Middlebury* v. *Town of Rutland*, 33 Vt. 414; *State* v. *Cochran*, 2 Dev. 63), or, it may be added, where he is engaged in business. The proof of the financial irresponsibility of the maker of this note was meager, and not wholly satisfactory; but we regard it as *prima facie* sufficient. It appeared that in the fall and winter of 1891 he was living in Duluth, but it was not shown how long he had lived there. There was evidence going to show that at that time he was reputed to be insolvent, and that such had been his reputation since the spring of 1891. It is said that a general condition of insolvency is not inconsistent with ability on the part of the debtor to pay a particular debt, or on the part of the creditor to enforce payment. This is true, but proof of insolvency is evidence, *prima facie*, of the inability of a creditor to enforce payment; and the mere possibility that the plaintiff might have enforced collection of the note from the maker does not forbid her recovery for the negligence of the defendant in allowing the discharge of the indorser, admitted to have been solvent. (*Lamberton* v. *Windom*, 18 Minn. 506, 514, 515, Gil. 455.) While the plaintiff did not institute legal proceedings to enforce payment from the maker, the defendant, while it held the note for collection, and at or after maturity, demanded payment by mail, which demand the maker disregarded. We think that proof of this demand and of the maker's insolvency was sufficient to justify the plaintiff in calling upon the defendant to respond in this action.

Some of the appellant's assignments of error are based on the erroneous theory that because the cause of action arose in August, when the indorser was discharged, the proof of the insolvency of the maker of the note should have been confined to that time. The proof of the maker's insolvency was not necessary to establish a cause of action, but to show the extent or measure of the resulting damage. The plaintiff was not bound to sue the maker immediately upon the maturity of the note, even though he were then solvent; and if the maker became insolvent thereafter—at least, if within such time as the plaintiff might have reasonably allowed to pass without instituting legal proceedings—such insolvency would afford a basis for the measurement of damages resulting from the discharge of the indorser. Hence there was no error in receiving proof of the insolvency of the maker some four months after the maturity of the note.

The defendant was responsible to the extent of the difference between the amount realized by the foreclosure sale—that is, the amount for which the plaintiff bid off the property, less the proper expenses to be deducted therefrom—and the amount of the note; and the fact that the land may have been worth more than the sum bid was not material. (*Borup* v. *Nininger*, 5 Minn. 523, 552, Gil. 417.) The plaintiff was not charged with fraud or want of good faith in respect to the foreclosure. As a purchaser she was at liberty to fix the price for which she would

take the property, subject to redemption. It may be added, although we do not think that this is important, that when this action was tried the time for redemption had not expired, and, if redemption should be made, plaintiff would not acquire title to the land, but would only have paid to her the amount for which she had purchased, with interest. Order affirmed.—*Northwestern Reporter.*

CHECK PAYABLE TO FICTITIOUS PAYEE.

APPELLATE COURT OF INDIANA.

Meridian National Bank of Indianapolis v. *First National Bank of Shelbyville.*

Where a check is drawn, payable to a person under a fictitious name, in payment for property which it afterwards appears he has stolen, and the bank at which it is payable certifies the check, a bank which subsequently cashes such check, on its being indorsed by the payee with his fictitious name, acquires a valid title thereto, which it can enforce against the certifying bank; it appearing that, though the payee acted all through under a fictitious name, yet the check was received by the identical person to whom its drawer intended to deliver it, and was by him indorsed in the name in which it was issued to him, and he, as was intended by the drawer, received the benefit of it.

Appeal from Superior Court, Marion County; J. W. Harper, Judge.

Action by the First National Bank of Shelbyville against the Meridian National Bank of Indianapolis to recover the amount of a check cashed by plaintiff, which check had been certified by defendant. From a judgment for plaintiff, reversing a judgment of the lower court in favor of defendant, defendant appeals. Affirmed.

GAVIN, J.—The appellee brought this suit in the Marion Superior Court upon a check certified by appellant. The case was tried at special term, and, on special findings of facts and conclusions of law by the court, judgment was rendered in favor of appellant. On appeal to the general term this judgment was reversed, and from that reversal appeal is taken to this court. The facts found, so far as material to the questions presented in this court, are as follows: "First. Heretofore, to wit, on the night of the 3d of September, 1890, William C. Milburn, with another, stole from George W. Ray, near the town of Franklin, Johnson County, Ind., two (2) head of steers, and drove them to the Indianapolis stock yards for sale, arriving there early in the morning. At that time the firm of Stockton, Gillespie & Co., live-stock brokers and dealers, had an office at, and were engaged in business in, the Indianapolis stock yards situate near the city of Indianapolis, Ind. Mr. Stockton had the transaction now to be stated early in the morning of the 4th of September, 1890. Milburn, who was a stranger to Mr. Stockton, requested him to sell the cattle. Stockton called a buyer near by, and asked for a bid, which was made at $3.25 per hundred pounds. Stockton replied that was not enough, and started off on an errand of business, when Milburn said to him (Stockton) to sell the cattle, as that price was as much as he expected to receive, and he was in a haste to leave the city on the early train. Without complying with this request, Stockton stepped away for a few minutes on a matter of other business, and returned, when he found Milburn turning the cattle out of a pen in which they had been placed, to be taken to the scales and weighed, which was done. Thereupon Stockton gave a memorandum of the weight and price ($3.25 per hundred pounds) to Milburn, who carried it

to Mr. Gillespie, in the office. A computation was made, showing that the cattle came to the sum of $68.15. Gillespie asked Milburn, who was an entire stranger to him, what was his name, when he answered 'W. C. Smith,' and thereupon Gillespie made out the following check: 'No. 1,372. Indianapolis, Sept. 4th, 1890.' Meridian National Bank. Pay to the order of W. C. Smith sixty-eight dollars and fifteen cents ($68.15). Stockton, Gillespie & Co.' Neither of the members of said firm then had any knowledge, other than as given aforesaid by Milburn, as to what was his proper name. Milburn and his confederate at once left the office. Stockton was suspicious that the cattle had been stolen, from the haste manifested in their sale, as above stated, and because an employe and solicitor of the firm, who had met Milburn and his confederate when they drove the said stock into the yard, told him (Stockton) that Milburn had given to him (said solicitor), as his (Milburn's) name, that of Davis; and so he did not ship that day the said two (2) steers, but kept them until about noon of the day following, to wit, September 5, 1890, when Mr. Ray came to the stock yards, and identified the cattle as his own in the presence of Mr. Stockton. Second. Early in the morning of the 4th of September, 1890, Milburn, who was an entire stranger to the officers of the Meridian National Bank, presented said check, unindorsed, at the said bank, to Mr. Wocker, one of the tellers, for payment. Mr. Wocker then informed him, as he was a stranger, that he must identify himself, which he said he could not do, as he was not acquainted in the city of Indianapolis. Thereupon it was suggested (but whether by Wocker or Milburn, Mr. Wocker, who was the only witness, was unable to recollect) that the check should be certified, and then it could be used at Franklin. At the defendant's bank he represented his name to be W. C. Smith. Thereupon the bank aforesaid made a certificate on the face of the said check as follows: 'Certified $68.15. Meridian National Bank. Wocker, Teller'—and the check was delivered back to Milburn. Third. During the afternoon of said September 4, 1890, Milburn and some other person, during banking hours, went into the bank of the plaintiff, at Shelbyville, Ind., and presented the said check to the cashier of that bank, and asked him to purchase it. The cashier did not know the person presenting it, nor the person with him. He was busily engaged in the business of the bank, and thought the face of the person with Milburn was familiar, but did not then know, nor did he know at the trial, the name of such person. Looking at the check, he saw that it was certified, but that it was not indorsed, but relying upon the certification, he thereupon asked the holder of the check to indorse it. He and the person with him turned about to a writing counter across the banking room, and soon returned with the check indorsed upon the back 'W. C. Smith,' and passed it to the cashier; and thereupon the cashier paid Milburn $68.15, and in the evening mail inclosed the said check to the banking house of S. A. Fletcher & Co., its Indianapolis correspondent, for collection. Fourth. On the 5th of September, and before the presentation of the check to the Meridian Bank for payment, the drawees of the check, having learned that the cattle were stolen, countermanded the payment of the check; and the Meridian Bank, on the 6th of September, refused to pay the same when presented to it through the Clearing House, through which it had passed on the 5th, and the check was returned to the plaintiff in the action below. Sixth. At the time Mr. Wocker certified the said check he charged the same against the account of Stockton, Gillespie & Co., who then, and for a long time prior thereto, kept their deposits in that bank, and had a certified check account. Eighth. Milburn had never been known in the community where he had lived by any other name than that of W. C. Milburn."

It seems to be well established that as a general rule the certification of a check in the hands of a payee, the body of which is unaltered, releases the drawer from further liability, and creates a direct liability from the bank to the payee, while as between the bank and the drawer it operates as a payment, to that extent, on his account; and although, prior to its being certified, the check may be countermanded by the drawer, after its certification it has passed beyond his control, and he no longer has power to countermand its payment. (Daniel, Neg Inst. §§ 5, 1601-1603; Morse, Banks, § 414; Van Schaack, Bank Checks, 91, 92.) Whether or not the liabilities of the certifying bank may, under certain circumstances, extend even further, we need not now determine. It is said in *Born* v. *Bank*, 123 Ind. 78, 24 N. E. Rep. 173, "that the drawer of a check is released if the holder, instead of presenting it for payment himself, procures it to be certified by the bank upon which it is drawn. If the holder elects to procure the certification of the check it becomes in his hands substantially a certificate of deposit. By his own hand he makes the bank his debtor, and releases the drawer of the check."

The principal question upon which the rights of the parties in this case depend is whether or not the indorsement of the check by Milburn under the assumed name of Smith, and without identification, was such an indorsement as was effectual to pass to the appellee the title to the check. If it was, it will then be unnecessary for this court to determine a number of the propositions advanced by counsel on each side. The position of counsel for appellant may best be stated in their own language: "In other words, the Shelbyville Bank's contention is that the acceptance of an unindorsed check implies three things: (1) That the signature of the maker is genuine; (2) that the maker has money to his credit which the bank will retain until the check is presented for payment; (3) that the holder is the payee, and is entitled to receive the money—while the contention of the Meridian Bank is that the certification of the check, unindorsed, does not waive, but is subject to, identification and legal indorsement (Daniel, Neg. Inst. § 1607 *a*), and that as the check was given for stolen cattle, and was not made payable to the real person, William C. Milburn, but to no person, without its knowledge and for a fraudulent purpose, the indorsement was invalid, and the same, in law, as if it had been passed over the counter of the Shelbyville Bank unindorsed, in which case the transferee takes it subject to all equities and defenses." Under the view which we have taken of this case, it is not required of appellee, in order to sustain the judgment of the court below, that he should maintain the proposition No. 3, as stated by appellant's counsel. Neither is it necessary that we should determine whether or not it would be permissible to the bank, on the ground of want of consideration or fraud, as between the payee and the drawer, to defend against a check certified by it after it has passed into the hands of an innocent holder, even though unindorsed. It is settled law that the *bona fide* assignee by indorsement for value takes such paper freed from any equities existing between the original parties. (Daniel, Neg. Inst. §§ 1608-1652; Morse, Banks, § 419; Van Schaack, Bank Checks, 63-89.) Under the facts of this case, we think that the indorsement of the check by the man to whom it was actually issued, and by whom the drawer intended that the money should be received, was an effectual indorsement to pass to the Shelbyville Bank the title to the check, and the indorsement was not, as to it, invalidated by reason of the payee acting under an assumed and fictitious name, when he was not really impersonating any other individual. The check was intended for a person, not a name. Names possess neither person-

ality nor existence. They but serve to identify individuals. The check was received by the identical person or individual to whom its drawer intended to deliver it, and was by that person indorsed in the name in which it was issued to him. Even the drawer did not have in mind, as the payee, any other or different individual, whom he erroneously believed the person to whom he delivered the check to be. That it is the identity of the person, and not of the name, which controls the right to the check, is shown by some of the cases cited by counsel—those of *Graves* v. *Bank*, 17 N. Y. 205, and *Bank* v. *Holtsclaw*, 98 Ind. 85, where a check or draft was drawn and intended to be sent to one man, but by some mistake was received by another, of the same name, who transferred it; but his transfer was held to pass no right to the paper, even in hands of an innocent holder, because, although the names were the same, the persons for whom the paper was intended were different. An action may be maintained upon an instrument, although executed to the party by a name other than his right one, if it was really intended to be executed to him. (*Wooster* v. *Lyons*, 5 Blackf. 60; *Leaphardt* v. *Sloan*, *Id.* 278; *Rhyan* v. *Dunnigan*, 76 Ind. 178; *Hasselman* v. *Development Co.*, Ind. App., 27 N. E. Rep. 318.)

In support of their proposition that the indorsement of this check was a mere forgery, and therefore invalid and ineffectual, counsel rely largely upon the case of *Armstrong* v. *Bank*, 46 Ohio St. 512, 22 N. E. Rep. 866, as affording, to use their own expression, "a full discussion of the point under consideration." There one Grimes fraudulently represented himself to be the agent of one Brown, a fictitious person, and by false representations obtained from Armstrong a check payable to his supposed principal, Brown. Grimes indorsed the fictitious name, "William Brown," on that check, and presented it to the bank, who paid it. It was held, giving to the case the construction most favorable to appellant, that the charge against Armstrong on account of the check should be canceled, regarding the indorsement as a forgery. There is between that case and this one in hand a marked distinction, in this: that there Armstrong, the drawer of the check, did not intend to make the check payable to the man to whom she delivered it, and who afterwards indorsed it, but to another and a different person, whom she supposed to exist, although he really had no existence. There the drawer did not intend, by the name used as that of the payee, to designate the man to whom she delivered the check, and who afterwards negotiated it. There it was not intended by the drawer of the check that the person to whom she delivered it, and who negotiated it, should receive the proceeds of the check. Here it was plainly intended that the man to whom the drawers delivered the check should be the beneficiary of it. The case of *Dodge* v. *Bank*, 30 Ohio St. 1, 5, upon which the Armstrong case is largely founded, recognizing the principle by which we govern this case, says that the bank paying the check on the forged indorsement "had the right to show, if it could, that the person to whom the check was delivered was in fact the person whom the drawer intended to designate by the name of Frederic B. Dodge." Counsel for appellant have cited no case which comes any nearer to the question in hand than the Armstrong case, nor have we been able to find any favorable to them. Several general statements are taken from the text-books, to the effect that to sign the name of a fictitious or non-existing person is a forgery, citing Byles, Bills, 333; Daniel, Neg. Inst. §§ 136, 1345; 1 Bish. Crim. Law, 432; Chit. Bills, 182 (158). We do not think that any of these statements are really intended to meet such a case as we have here. On the contrary, it is said in one of the sections of Daniel, referred to (§ 136): "For this reason bills and notes payable to fictitious payees are not

tolerated, and will never be enforced, save when in the hands of a *bona fide* holder, who received them without knowledge of their true character." At section 138 Daniel expressly states his view that an innocent holder is entitled to enforce the paper although a fictitious indorsement may intervene. In Chitty on Bills, pages 181, (158), the language is used immediately preceding that relied upon by counsel: "Where a bill is drawn in the name of a fictitious person, payable to the order of the drawer, the acceptor is considered as undertaking to pay to the order of the person who signed as drawer; and therefore a *bona fide* indorsee may bring evidence that the signatures of the supposed drawer to the bill and to the first indorsement are in the same handwriting." An examination of the cases cited in support of the texts where these statements are made will show that none of them are of the same character as this. In the main they are cases where the paper was the creation of the party assuming the fictitious name, and was then by him indorsed to others, where quite a different rule might well govern from this, in which the paper set afloat is the creation of another, by whom it was intended to accomplish the very results which it did produce; that is, to pay so much money to the man to whom the check was delivered.—It may also be noticed that the cases supporting these text-book citations are mostly old English cases, found in Russell & Ryan's English Crown Cases, and Leach's English Crown Cases, and they do not seem to be followed, to the extent of counsel's application, at least, by even the English courts. In *Queen* v. *Martin*, Cockburn, C. J., quotes with approval from Dunn's case, 1 Leach 58: "That, if a person give a note entirely as his own, subscribing it by a fictitious name will not make it a forgery; the credit there being given to himself, without any regard to the name, or without any relation to a third person." (21 Alb. Law J. 91.) In *Com.* v. *Baldwin*, 11 Gray 197, it is held that signing a promissory note in the name of a fictitious firm, of which the writer claimed to be a member, was not forgery.

Whether, however, the offense of Milburn, in this transaction, be termed a technical forgery, or not, both sound reasoning, as it appears to us, and the authorities, recognize the right of the Shelbyville Bank to enforce its title to this check through this indorsement in controversy. In *Phillips* v. *Im Thurn*, 114 E. C. L. 694, in an action by the indorsee of a bill against the acceptor, it was held that the acceptor could not defend on the ground that the bill was payable to, and indorsed by, a fictitious payee, of which fact the acceptor had no knowledge. It was urged there, as here, that the indorsement was a fiction and a nullity, and therefore could not convey title. *Merchants' Loan, etc., Co.* v. *Bank of the Metropolis*, 7 Daly 137, resembles this case in many of its details. One Stearns, representing himself to be F. W. Frothingham, bought a piano of the Steinways, gave in payment a raised check payable to F. W. Frothingham, and received back, for the balance of the check above the purchase price, Steinway's check, payable to himself by this assumed name of Frothingham. This check he procured to be certified, payment being refused for want of identification, and then transferred it to the Merchants' Bank for value. The court held the indorsees obtained a valid title to the check and could enforce it. The Supreme Court of Massachusetts, while recognizing the general rule that a forgery may be committed by the use of a fictitious name (*Com.* v. *Costello*, 120 Mass. 358), recognize also the principle that an indorsement in an assumed name may be effectual to convey title to the check. (*Robertson* v. *Coleman*, Mass., 4 N. E. Rep. 619.) In that case a man stole a team, sold it, and received in payment a check payable to Charles Barney—his assumed, but not his real, name. This

check he indorsed to an innocent holder without any real identification. Payment was refused, and the holder brought suit against the drawer. The court says: "The name of a person is the verbal designation by which he is known, but the visible presence of the person affords surer means of identifying him than his name. The defendants, for a valuable consideration, gave the check to a person who said his name was Charles Barney, and they made it payable to the order of Charles Barney, intending thereby the person to whom they gave the check," etc. The court further says it is clear "the person they dealt with was the man intended by them as the payee of the check, designated by the name he was called in the transaction, and that his indorsement of it was the indorsement of the payee of the check by that name." This case is approved and followed in *Bank* v. *Shotwell*, 35 Kan. 360, 11 Pac. Rep. 141, the court saying: "So, in this case, Shotwell, for the notes and mortgages received by him, sent the draft to a person who said his name was Daniel Guernsey, and whose name Shotwell believed to be Daniel Guernsey, intending thereby the person to whom he sent the draft. The National Bank of Emporia received this draft, for a valuable consideration, in good faith, from the same person whom the bank believed to be Daniel Guernsey, and who indorsed the draft by that name. . . . Shotwell and Lobdell dealt with the false Daniel Guernsey as though he were the real Daniel Guernsey. Such person, it is true, obtained the draft from Shotwell by fraudulent letters and representations, but the National Bank is not responsible for the letters and representations of the false Daniel Guernsey. . . . The National Bank of Emporia paid the draft to the person to whom it was sent by Shotwell, and such person received the money from the bank thereon." These cases go further than it is necessary for us to go in this case. In Bolles, Banks, § 233, the rule is thus laid down: "A bank is also liable to the *bona fide* holder of a certified check, though obtained from the drawer by fraud, and drawn to the order of a fictitious person, if indorsed to the holder by the person to whom the drawer intended that payment should be made." The principle which governs in this case is approved in *Metzger* v. *Bank*, 119 Ind. 359, 21 N. E. Rep. 973. In that case one Lord owned certain land. Hornaday, falsely pretended to be Lord, opened communication with Metzger, and offered to sell him the land. Metzger, believing he was Lord, prepared a deed, and caused it to be sent to the Franklin Bank, with instructions to have it signed by Lord, and pay the purchase price. The deed was executed by the false Lord, returned to Metzger, who accepted it, supposing it to be genuine, and reported back to the bank that it was all right, and the bank paid Hornaday the money. The fraud was afterwards discovered by Metzger. The court says: "But did not the appellee transact the business intrusted to it in accordance with the instructions received, and pay the money to the person that the appellant intended should receive it? We are of the opinion that it did." As is held in *Bank* v. *Shotwell*, *supra*, we do not deem the failure of the Shelbyville Bank to require identification to be an important factor in this case, for the reason that the money was undoubtedly paid by it to the identical man designated as the payee by the drawer. There being no mistake as to the identity in fact, it is immaterial whether the identity was properly shown to the bank or not.

Our conclusion, then, from all the cases, is that the loss on this check should fall on the bank which certified it, and through it upon its drawers, who first set it afloat. As they dealt with the payee of the check as Smith, and had no intention, when executing the check, of delivering it to any person other than the man who actually received

it, the Shelbyville Bank was justified in accepting his indorsement, and can hold the certifier of the check for it. The judgment of the Superior Court in general term is affirmed with costs.—*Northeastern Reporter.*

INSOLVENCY—TRANSFER OF DEPOSIT—SET-OFF.

SUPREME COURT OF MICHIGAN.

Stone v. *Dodge.*

In an action by the receiver of an insolvent bank, organized under Laws of 1887, Act No. 205, against a debtor of the bank, for money due at the date of suspension of the bank, defendant cannot set off a certificate of deposit obtained from a creditor of the bank, after its suspension, and before application for a receiver, it being provided by section 47 that all assignments of deposits, either for its use or the use of its stockholders or creditors, either after the commission of an act of insolvency or in contemplation thereof, with a view to the preference of one creditor over another, shall be void.

McGRATH, J.—The Central Michigan Savings Bank was organized under Act No. 205 of the Laws of 1887, with a commercial department and a savings department. On the 18th of April, 1893, said bank, being unable to meet the then current demands upon it, closed its doors, and conducted no business thereafter. On May 4, 1893, the commissioner of the banking department of the State filed a bill in the Circuit Court of Ingham County, alleging the insolvency of said bank, and praying for the appointment of a receiver for said bank. On May 8, 1893, plaintiff was appointed such receiver, and qualified as such. Plaintiff brought this suit to recover the sum of $3,529.27 due the bank upon the day of its suspension. Defendant was allowed to set off against this claim a certificate of deposit dated July 19, 1892, for the sum of $4,000, issued to Nellie F. Butler by said bank, and which defendant purchased April 23, 1893, and judgment was rendered for defendant. Plaintiff appeals.

The sole question in the case is whether, in an action by the receiver of an insolvent banking corporation against a debtor of the bank to recover the sum due at the date of the suspension of the bank, the defendant may set off a certificate of deposit procured by him from a creditor of the bank, after its suspension, and before an application was made for the appointment of a receiver. There can be no doubt that the certificate of deposit in this case would, in a proper case, be a proper subject of set-off. It is well settled in a suit by a receiver of an insolvent bank upon a note or obligation due the bank the defendant will be allowed to set off his deposit or a certificate of deposit held by him at the time of the suspension of the bank. (*Dickson* v. *Evans*, 6 Term R. 57; *Pedder* v. *Preston*, 9 Jur., N. S., 496; *Bank* v, *Rosevelt*, 9 Cow. 409; *Ogden* v. *Cowley*, 2 Johns. 274; *McLaren* v. *Pennington.* 1 Paige 112; *Miller* v. *Receiver*, *Id.* 444; *In re* Receiver of Middle District Bank, *Id.* 585; *Smith* v. *Fox*, 48 N. Y. 674; *Bank* v. *Tartter*, 4 Abb. N. C. 215; *Berry* v. *Brett*, 6 Bosw. 627; *Jordan* v. *Sharlock*, 84 Pa. St. 366; *Farmers' Deposit Bank* v. *Penn Bank*, 123 Pa. St. 283, 16 Atl. Rep. 761; *Kentucky Flour Company's Assignee* v. *Merchants' Nat. Bank*, Ky., 13 S. W. Rep. 910; *Receivers* v. *Gaslight Co.*, 23 N. J. Law, 283; *Platt* v. *Bentley*, 11 Amer. Law Reg. 171.) None of these cases, however, support the defendant's contention; indeed, so far as the question here involved is discussed, they are opposed to that contention. In *Smith* v. *Fox*, *supra*, *Jordan* v *Sharlock*, *supra*, *Bank* v. *Tartter*, *supra*, *Clarke* v.

Hawkins, 5 R. I. 219, *Receivers* v. *Gaslight Co.*, *supra*, and *Platt* v. *Bentley*, *supra*, defendants were allowed to set off amounts which they had on deposit at the time of the bank's suspension. In *Clarke* v. *Hawkins*, however, the court expressly held that the sum of "$667, claimed by the defendant against the bank, as a bill holder to that amount, cannot be allowed to him in set-off; the whole of the bills, so far as we can learn from the evidence, having been purchased by him, subsequent to the injunction against the bank, at a discount of fifty cents on the dollar. The injunction against the bank, like the death of the deceased insolvent (*Irons* v. *Irons*, 5 R. I. 264), must at least fix a period back of which claims against either cannot be purchased, carrying with them the equitable right of set-off against the claims for which the purchaser is liable to the estate of the insolvent bank or of the insolvent decedent in the hands of their respective administrators." In *Dickson* v. *Evans*, Lord Kenyon says: "It would be most unjust, indeed, if one person who happens to be indebted to another at the time of the bankruptcy of the latter, were permitted by any intrigue between himself and a third person so to change his own situation as to diminish or totally destroy the debt due to the bankrupt by an act *ex post facto*. In cases of this sort the question must be considered in the same manner as if it had arisen at the time of the bankruptcy, and cannot be varied by any change of situation of one of the parties." Ashhurst, J., in the same case, says: "Much fraud and great injustice would be introduced if any other rule than that laid down by Lord Kenyon were to prevail." Grose, J., adds the following: "One object of the act was to prevent a debtor of the bankrupt going about the country for the purpose of purchasing the bankrupt's notes after the bankruptcy, and then pretending that he was a creditor at the time of the bankruptcy." In *Pedder* v. *Preston* the corporation of Preston opened an account at plaintiff's banking house, and afterwards, becoming invested with the functions of a board of health, opened a second account. Plaintiff's bank stopped payment. One of the accounts was overdrawn, and suit was brought to recover the amount of the overdraft. *Held*, That the other account owned by the same municipality could be set off. In *Bank* v. *Rosevelt* it was held that a set-off existing against a bank when it stops payment was allowable, but bills obtained by the debtors of a bank after it has stopped payment, though before a receiver is appointed, are not admissible as a set-off. *In re* Receiver of Middle District Bank, 1 Paige, 585, is to the same effect. In *McLaren* v. *Pennington* the court say: "In relation to his set-off, there can be no doubt of his equitable right to be allowed for any demand which he had against the bank at the time of the repeal of its charter. If he has purchased up the bills of the bank, or procured the assessment of other claims since that time, he cannot avail himself of them, but must come in for his distributive share with the rest of the creditors." In *Miller* v. *Receiver*, Miller had a deposit in the bank in his name, and also held $1,150 of the bills of the bank, drawn from the bank on his account before the bank stopped payment, and the court held that the debtor was entitled to any equitable set-off which he had at the time the bank stopped payment. In *Ogden* v. *Cowley*, in a suit brought on a note by the assignee of a bankrupt, it was held that the defendant could not set off a check issued by the bankrupt, bearing date before the bankruptcy, without further proof that the check came into his hands prior to the bankruptcy. In *Berry* v. *Brett*, plaintiff was receiver of an insurance company, which in the course of its business had liquidated the claim which defendant sought to offset. In the Penn Bank case, at the time of its suspension, the Farmers' Deposit Bank (defendant below) held

the check of the cashier of the Penn Bank. In *Kentucky Flour Company's Assignee* v. *Merchants' Nat. Bank*, the bank, to which plaintiffs' assignors were indebted, was allowed to apply the deposits sued for to the liquidation of that indebtedness.

The only case called to my attention which goes to the extent of the claim made by counsel for the defendant is that of *Moseby* v. *Williamson*, 5 Heisk. 278. The case was decided upon the ground that under the bankrupt law a banker was not insolvent unless he "stops or suspends fraudulently for a period of fourteen days;" and "in analogy to this rule as to bankruptcy" the court was unable to see "upon what ground the insolvency of a bank can be assumed from the simple fact of closing its doors for two or three days, or until some such step as filing a bill to have its insolvency determined has been taken." In the case of *Smith* v. *Moseby*, 9 Heisk. 501, the same court held that when a defendant, who is sued upon a note by the receiver of an insolvent bank, which has failed, and filed a bill asking to be wound up, offered as a set-off a certificate of deposit given by the bank, the burden is upon him to show that he received it previous to the filing of the bill by which the assets of the bank were impounded for the benefit of its creditors. In the case of *Marr* v. *Bank*, 4 Cold. 471, in 1862, the bank was removed, by order of the Confederate officers commanding at Memphis, further South. After the war the assets of the bank, amounting to $25,000, were brought back, and were held by the officers of the bank, but they did not assume to continue the business of the bank. In the meantime plaintiff had recovered judgment against the bank upon the notes or bills of the bank, aggregating $27,320. Executions had issued upon these judgments, which had been returned *nulla bona*, and plaintiff sought by bill in equity to obtain a discovery, and the application of the assets to the payment of his judgments. The court, however, held that the bank was insolvent; that its assets were held by the officers of the bank in trust for all the creditors; and that no diligence on the part of a single creditor could defeat the right of the others to a *pro rata* distribution of the fund.

I have been unable to discover any statute in Tennessee similar to our own relating to the winding up of the affairs of a banking corporation, or restricting the right of the corporation after an act of insolvency. The insolvency of corporations does not generally, of itself, extinguish the power of the company to manage its assets, or fix the lien of creditors upon the specific property in hand. Mor. Corp. § 786. A corporation, being a person in law, has the same rights, and is subject to the same obligations, as an individual, unless the act of incorporation varies those rights and liabilities. Persons dealing with a corporation, whose powers are restricted by its organic law, are charged with a knowledge of such limitations, and are bound thereby. The act under which the bank in the present case was organized subjects banking corporations to State supervision. It regulates the manner in which the business shall be done. A commissioner is provided for, and every bank organized thereunder is subject to the inspection and supervision of such commissioner. Upon the refusal of a bank to submit its books, papers, and concerns to inspection, such commissioner may institute proceedings for the appointment of a receiver. A bank desiring to go into liquidation must first give notice to the commissioner. No consolidation of banks can be had without the consent of the commissioner. Section 55 provides that "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." Upon the appointment of the receiver it is made the duty of the commissioner to cause notice to be published, calling upon all persons having claims to present the same to the receiver. Section 57 provides for dividends under the direction of the commissioner, and requires the receiver to make ratable dividends of the moneys realized by him on the claims proven and determined, and the remainder of the proceeds, if any, after the costs and expenses of such proceeding, and all debts and obligations of the bank are satisfied, shall be paid over to the stockholders. Section 47 provides that "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." The primary purpose of these provisions is the protection of depositors and other creditors, and the provisions of the act should receive a liberal construction to effectuate that object. The object of section 47 is to secure a proportionate division of the assets of the bank between its creditors, and to prevent preferences. By force of this section, upon the commission of an act of insolvency the assets of the bank become actually impounded for the benefit of creditors. If a debtor can connive with his particular friends who may happen to have deposits in the bank, and a number of the debtors might do the same thing, the very object of this provision may be frustrated. It cannot be contended that the officers of the bank, after its suspension, could have received this certificate of deposit, and surrendered defendant's obligation. That obligation was an asset of the bank, and the effect of that transaction would have been to prevent its application in the manner provided by the act. The law will not allow or compel the receiver to do what it expressly prohibits the bank from doing. (*Diven* v. *Phelps*, 34 Barb. 224; *Venango Nat. Bank* v. *Taylor*, 56 Pa. St. 14.)

In *Diven* v. *Phelps* the bank suspended business, closed its doors, and was insolvent on the 21st of September. The receiver was appointed November 9 following. In the meantime defendant had procured certain bills of the bank, which he undertook to offset to a claim in favor of the bank. The court says: "The bills, having been obtained after the bank had suspended and become insolvent in effect, could not, I think, be used as a set-off. The bank could not then have paid this demand in any way. It was absolutely prohibited by suit from so doing. If the bank, before the appointment of a receiver, had given up the

defendant's note in satisfaction of his claim as holder of the bills, the transaction would have been void, and the note thus given up might have been recovered of the defendant as part of the assets belonging to such bank or the creditors thereof. Before the defendant procured his bills, the bank held the note against him, and, the latter, being insolvent, the note belonged equally to all the creditors of such bank. If the defendant could be allowed to purchase or receive the bills of the insolvent bank, and with them satisfy, and thus take from the assets, this amount, or any other, the policy of the statute, which is to secure perfect equality among all the creditors of insolvent corporations of this description, would be entirely defeated." In the course of the opinion the court refers to 1 Rev. St. p. 591, § 9. That section is as follows: "No such conveyance, assignment or transfer, nor any payment made, judgment suffered, lien created, or security given, by any such corporation when insolvent, or in contemplation of insolvency, with the intent of giving a preference to any particular creditor over other creditors of the company, shall be valid in law; and every person receiving, by means of any such conveyance, assignment, transfer, lien, security, or payment, any of the effects of the corporation, shall be bound to account therefor to its creditors or stockholders, or their trustees, as the case shall require." In the case of the Venango Bank, Taylor owed the bank $35,000. One Rynd had in the bank a deposit of $44,000. The bank, being insolvent, stopped payment. The next day Rynd assigned his deposit to Taylor. *Held*, That Taylor could not set off the deposit against his indebtedness to the bank, as it would give a preference to one creditor of the bank after the act of insolvency. The court discuss the act of Congress of June 3, 1864, and especially section 52 of that act, which is substantially the same as section 47 of our own statute, above quoted. The court say: "The bank is a creature of the act, depending upon it for all its powers, and controlled by all the restrictions the act imposes. . . . It provides a system for closing the affairs of an insolvent bank, the design of which is to place all creditors, except the Government and note holders, on an equal footing. Its purpose is to disallow preference of one creditor over another, and it denies the power to make such preference at any time after an act of insolvency." Section 52, read in connection with section 50, "admits of no doubt that the purpose of Congress was to secure all the assets of the bank existing at the time of its act of insolvency for ratable distribution. We cannot assent to the argument that it was intended for no more than to avoid all acts of the bank itself, all voluntary transfers by it with the view of giving preference. Its language is general, as applicable to legal as to voluntary transfers. If the deposit can be set off against the bond debt, what is it but a transfer of the bond debt to the satisfaction of the creditor, thus giving him preference? It is not contended that the bank was not prohibited from doing this, but it is insisted the transfer may be accomplished by an adverse proceeding at the suit of Rynd for the use of Taylor. It is not denied that Rynd, had he made no assignment of the claim, could not have obtained payment of the debt due him by calling upon the bank after its doors were closed, and when it suspended payment. The bank was not at liberty to transfer to him either their claims against Taylor or any of their assets, or to pay him any money; and, if so, can the same thing be secured by a hostile proceeding? Will the law compel a payment or a transfer which the law prohibits a debtor from making? If Rynd could in no way have obtained payment of the deposit due him except through the Comptroller of the Currency, how could he give to Taylor, by his assignment of the deposit, any right which he did not himself

possess?" It is not pretended that the bank was not insolvent in fact at the time it suspended payment. In the Venango Bank case the only evidence of insolvency was the suspension of the bank. In *Diven* v. *Phelps*, *supra*, it was held that under the statute cited a recovery might be had whether the party receiving the payment knew of the insolvency or not. (*Brouwer* v. *Harbeck*, 9 N. Y. 589; *Robinson* v. *Bank*, 21 N. Y. 406.) It was held in *Gillet* v. *Moody*, 3 N. Y. 479, that stopping payment is of itself sufficient evidence of the insolvency of a bank, and when there is nothing to rebut the presumption, the evidence of insolvency is conclusive. In *Dodge* v. *Mastin*, 5 McCrary, 411, 17 Fed. Rep. 660, it was held that the ordinary acceptation of the term "insolvent," when applied to a bank, means "inability to meet its liability in the usual course of business." In *Markson* v. *Hobson*, 2 Dill. 330, it is said: "A bank suspending payment and closing its doors against its creditors declares to the world a proclamation of its insolvency." Insolvency is frequently defined as inability to make payments as usual, or as they mature, or according to the undertaking, or in the ordinary course of business. (Webst. Unabridged Dict.; And. Dict. 552; Wait, Insolv. Corp, § 28; *Bayly* v. *Schofield*, 1 Maule & S. 338; *Sacry* v. *Lobree* 84 Cal. 41, 23 Pac. Rep. 1088; *Walton* v. *Bank*, 13 Colo. 265, 22 Pac. Rep. 440; *In re* Dalpay, Minn., 43 N. W. Rep. 564, 6 Lawy. Rep. Ann. 108, and note.) Whatever may be the rule as to when a bank may be said to be insolvent, the closing of its doors and suspension of its business must be deemed *prima facie* evidence of insolvency, and it is clear that such an act is "an act of insolvency," under section 47, above given. In the present case, at the time of the transfer of the certificate, the bank had remained closed for a period of five days. The judgment must be reversed, and judgment entered here for plaintiff, with costs of both courts. The other justices concurred.—*Northwestern Reporter*.

LEGAL MISCELLANY

NEGOTIABLE INSTRUMENT—POSSESSION BY MAKER AFTER MATURITY.—The possession of a promissory note by the maker after maturity thereof is *prima facie* evidence of payment. [*Smith* v. *Gardner*, Neb.]

NEGOTIABLE INSTRUMENT—NOTICE OF PROTEST.—Where a notary sent a notice of protest of a note addressed to the indorser to the payee, whose bookkeeper duly mailed it to the indorser, stamped, and with direction to return if not delivered in five days, and the letter was not returned, it was sufficient evidence that the notice was sent and received. [*Swampscott Mach. Co.* v. *Rice*, Mass.]

NEGOTIABLE INSTRUMENT—BURDEN OF PROOF.—The plaintiff sought to recover upon a promissory note, which was set out at length in the petition, and appeared to bear a specified rate of interest. The defendants' answer was a general denial, duly verified; and they claimed at the trial that the note had been altered, and that the provisions therein for interest had been added to the note, without consent, since its execution: *Held*, under the issues formed, that the burden was upon the plaintiff to prove the execution of the note as alleged in the petition, and that under the verified general denial the defendants were properly permitted to offer proof of the alteration. [*J. I. Case Threshing Mach. Co.* v. *Peterson*, Kan.]

NEGOTIABLE INSTRUMENTS—NOTICE OF DISHONOR.—Plaintiffs, doing

a banking business, after abandoning a practice to give notice of the dishonor of notes by mail notwithstanding that the indorser and holder lived in the same town, could not rely on such custom, even though it continued to prevail among other banks. [*Isbell* v. *Lewis*, Ala.]

NEGOTIABLE INSTRUMENTS—TRANSFER BY AGENT.—If one who is known to be an agent for the negotiation of his principal's draft transfer the draft to a third person in payment of the agent's debt, that person will acquire no title to the draft, however honest his actual intention may be. [*Dowden* v. *Cryder*, N. J.]

ALTERATION OF INSTRUMENT—EVIDENCE.—In an action by a bank against a surety on its cashier's bond, it appeared that when the bond was offered in evidence it showed on its face that the words "28th February" were written over an erasure, and the figure "3" was written over the last figure, "1," in the year 1871, of the date line. It also appeared that in 1871 defendant was a married woman, but in 1873 was a widow: *Held*, that it was not error to exclude such bond before proof that it was executed after the erasures was made. [*Nesbit* v. *Turner*, Penn.]

ATTACHMENT—FOLLOWING TRUST FUNDS.—A treasurer of a township deposited its money in a bank, which subsequently made an assignment for the benefit of its creditors. The township brought suit against the bank and assignee to have a trust in the assigned property declared in its favor for the amount of the debt, and subsequently attached property which the assignor had conveyed prior to the assignment, and also property which it thought had not passed by the assignment: *Held*, that the attachment was not inconsistent with the attempt to follow the property as a trust fund. [*District Tp.* v. *Bank*, Iowa.]

NEGOTIABLE INSTRUMENTS—CONSIDERATION.—Where the vendee of one who has acquired the title of a settler on public lands under Rev. St. Art. 3,937, providing for State donation of homesteads, afterwards obtains a patent by virtue of the possession of himself and his vendor's grantor, the right he obtained from his vendor is a sufficient consideration for note given such vendor for part of purchase price. [*Savoy* v. *Brewton*, Tex.]

NEGOTIABLE INSTRUMENTS—FRAUD—CUSTOM AND USAGE.—Where a check is payable to a named person as bearer, and the payee indorses it in blank, and delivers it to a bank, and receives credit for it, in an action by the indorsee against the maker, evidence that, by a custom among bankers, where a check is drawn on a bank and presented to another bank, it is passed to the credit of the customer, but that the credit so given is treated as a receipt for the check, and not as a payment, is inadmissible, as the indorsement and check evidence the agreement between the payee and indorsee, and the transfer of the check is governed by the law merchant. [*Shaw* v. *Jacobs*, Iowa.]

NEGOTIABLE INSTRUMENT—MATERIAL ALTERATION.—In an action on a note by a purchaser before maturity, defendant pleaded an unauthorized alteration in the note. Plaintiff filed a general denial to the answer, and on the trial placed the note in evidence and rested. Defendant showed that the payee had made unauthorized alterations by filling in interest blanks left by defendant: *Held*, that the burden of proving that defendant was guilty of such negligence in leaving the blanks in the note as would estop him from denying liability was upon plaintiff, and that plaintiff did not assume the burden. [*Conger* v. *Crabtree*, Iowa.]

NEGOTIABLE INSTRUMENT—PROMISSORY NOTE.—Where, after the

maturity of a note, there are independent business transactions between the maker and payee, which are unsettled at the time action is brought on the note, the fact that there was a balance due the maker on such transactions, which ought to have been indorsed on the note, does not constitute a partial payment thereon, so as to prevent the running of the statute of limitations against the note prior to the time that such transactions ceased, in the absence of any agreement by the maker that it should be so indorsed. [*Sears* v. *Hicklin*, Colo.]

PRINCIPAL AND SURETY—NON-NEGOTIABLE NOTE.—A person, on being asked to lend money, was unable to do so, but filled in and signed a non-negotiable note as surety, making it payable to a definite person, and directed the maker to apply to him. The payee was also unable to make the loan, and the maker, in the payee's presence, delivered the note to plaintiffs, who advanced the money: *Held*, in an action on the note, that, the note being non-negotiable, plaintiffs were bound to make inquiries, and were charged with notice that the purpose for which the surety signed it failed when the payee declined to make the loan, and the surety was not liable. [*Janes* v. *Benson*, Penn.]

BANKS AND BANKING—USURY.—To entitle a party to the benefit of Act 1882, § 2, providing a forfeiture of double the amount of usurious interest, a counterclaim must set up such claim in an action to recover the sum loaned, or an independent action must be brought to recover such penalty. [*Loan & Exch. Bank* v. *Miller*, S. Car.]

CORPORATIONS—LIABILITY OF STOCKHOLDERS.—In order to charge persons as subscribers to the capital stock of a corporation, it must be shown that they subscribed to the stock of the particular corporation on account of which the liability is claimed, or that they have in some manner recognized their liability as such stockholders. [*Harrison Nat. Bank of Cadiz* v. *Votaw*, Kan.]

NEGOTIABLE INSTRUMENT—DENIAL OF SIGNATURE.—Under Code, § 2,730, providing that the signature to a written instrument on which suit is brought shall be deemed genuine and admitted unless the person whose signature it purports to be shall deny its genuineness under oath, a denial of the execution of a note, in an action against the executor of the person alleged to have executed it, includes a denial of the genuineness of the signature. [*Smith* v. *King*, Iowa.]

NEGOTIABLE INSTRUMENT—INDORSEMENT—VENUE.—Code, § 2,586, provides that, with certain exceptions, personal actions must be brought in a county wherein some of the defendants actually reside. Section 2,581 provides that, when a written contract is to be performed in any particular place, action for a breach thereof may be brought in the county wherein such place is situated: *Held*, that the blank indorsement of a note payable at a particular place does not require the indorser to pay at that place, and unless, therefore, he is a resident of the county, no action can be brought against him therein. [*Davis* v. *Miller*, Iowa.]

BANKS—PURCHASE OF NOTES.—A banking corporation engaged in the general business has, in the absence of any restriction in its charter, the power to buy notes outright. [*Salmon Falls Bank* v. *Leyser*, Mo.]

BANKS—USURY.—A bank made a loan, and took therefor the borrower's note, payable in six months, which it discounted at 6 per cent. per annum. The borrower orally agreed to open an account with the bank, and in default thereof to pay the bank 2½ per cent. on the loan as "commission." The money lent belonged to the bank, and there was no agent or broker employed in the matter: *Held*, That the agreement

to pay the 2½ per cent. was usurious, under Rev. St. 1879, ch. 74, which declares that no person shall receive interest at a greater rate than 8 per cent. per annum. [*Union Nat. Bank* v. *Louisville, N. A. & C. Ry. Co.*, Ill.]

NATIONAL BANKS—ULTRA VIRES.—A National bank cannot loan its credit or become an accommodation indorser. [*National Bank of Commerce of Kansas City* v. *Atkinson*, U. S. C. C., Kan.]

NEGOTIABLE INSTRUMENT—SURETY—ALTERATION.—A note delivered by a surety, with all blanks filled, including blank for the payee, who is named, merely as an individual, cannot afterwards be altered, without the surety's consent, by writing "cashier" after the payee, thus making it payable to a bank. [*Hodge* v. *Farmers' Bank of Frankfort*, Ind.]

TAXATION—NATIONAL BANK SHARES.—Our tax laws do not authorize the deduction from the value of shares in a National bank, entered on the duplicate for taxation, of legal, *bona fide* debts owing by the holder of such shares of stock. [*Niles* v. *Shaw*, Ohio.]

THE BANKS IN 1861.

The following address was delivered by Mr. William S. Knox, at Lawrence, Massachusetts, to a local association:

Time comprising that of a generation has passed away since the secession of the Southern States brought upon the country the war of rebellion, which called for unheard-of sacrifices of men and treasure on the part of the loyal North. It may not be unprofitable to consider the attitude of the banks of the country to the Government at the breaking out of this conflict; those institutions which are quite often spoken of as soulless corporations, actuated in their operations by greed, and seeking to avail themselves of the crises in human affairs for their own aggrandizement.

At the beginning of the secession movement, the banks of the country had recovered from the severe contraction and depression of 1857. From 1854 to 1857 the establishment of State banks advanced with rapid strides. Much has been said of late of State banks, their organization and method of business. It is not my purpose to discuss the various systems of the different States; some of them were doubtless as good as any legislation which did not provide for the absolute guarantee of their note issues could make them; others were as vicious and rotten as reckless and rapacious Legislators could create.

On January 1, 1857, the note circulation of these banks reached high-water mark: the sum of $214,778,822. On the 13th of October, of the same year, the banks of the country suspended specie payment.

A time of suffering and severity for all classes followed. But the reckless system of banking, commonly called "wild cat," had prevailed in the more sparsely settled States, while the banks in the large commercial centers were sound and had been conducted on conservative principles. Indeed, the "Suffolk bank system," so called, which at one time comprised an association of five hundred New England banks, has never been excelled as a practical and secure method of banking. On account of the inherent soundness and strength of the banks in the great cities, they speedily recovered from the disasters of 1857; for while on January 1, 1857, the notes and deposits of the banks of the country were $445,130,134, in 1860 the notes and deposits equaled $460,904,606.

In the autumn of this year, Mr. Lincoln was elected President. Between this time and his inauguration, great changes occurred. Many Southern States seceded, many Southern Senators and Representatives withdrew, public property was diverted and turned over to the Southern States, and the greater portion of the regular army designedly placed at distant stations in the territories, by a traitorous Secretary of War, where it was impossible to render any service that might be required at Washington.

Mr. Lincoln found the Treasury empty. The new Congress, speedily called together in extra session, authorized loans for the support of the Government—but soon occurred the battle of Bull Run, and confidence in the stability of the Government, a prerequisite to its ability to borrow money, was shaken. Loans could not be made to relieve the necessities of the Government. In this hour of darkness and distrust, the Administration turned to the banks as the only source from which immediate help could come.

The Government possessed no banking machinery; it had only the independent Treasury, through which the revenues were collected and paid out in coin. Had the United States Bank been in existence, the resources of the people in exchange for United States bonds could have been made available for the operations of the Government, by the ordinary method of banking. But this institution had been uprooted by the same policy and the same view of the Constitution as that which upheld and justified secession.

The Government turned to the banks of the North. It found them loyal to the core. While the regular army was scattered, and known to be largely unreliable from sympathy with the South, and the men enlisted for three months to put down the Rebellion were returning home in disaster and defeat, the banks, when appealed to, never hesitated to cast their fortunes and all their fortunes. Not only were the banks loyal, but they were ready. They had scented the danger from afar, and through the exciting summer and autumn of 1860 their position had been greatly strengthened by the contraction of loans and the increase of coin reserves. How well able the banks were to respond to the call upon their loyalty, is shown by the fact that immediately following the battle of Bull Run the banks of New York, Boston and Philadelphia had in circulation and deposits $142,581,956, and against this sum held in coin assets $63,165,039, or forty-five per cent. of all liabilities.

Such was the condition of the banks of the money centers of the loyal North, when, immediately succeeding the battle of Bull Run, Secretary Chase came to New York. At that time Washington was surrounded by enemies, and the route between Washington and New York intercepted by rebels, so that the Secretary could not come by way of Baltimore, but reached New York by a circuitous route. And there a conference was had with representatives of the leading banks of the country. No doubt was felt of the loyalty of the people of the North and their willingness to lend their saving in small amounts to the Government for its support. But how was the loan of these savings to be made immediately available? Who were to advance these vast sums needed to relieve the necessities of the Government, relying upon the loyalty of the people, and taking the chance of the future military success of the Government, the only thing that could make the continuous loans required possible?

This the banks were asked to do, and this they unhesitatingly did. They agreed to take fifty millions more in sixty days, and fifty millions more in another sixty days, and offer them to their customers and the

people of the country generally, at the same terms and without charge. This noble response, when the life of the nation hung in the balance, placed at once in the hands of the Government vast financial resources, which would go hand in hand with the vast military operations which were soon projected. The capital of the banks associated together in this undertaking equaled one hundred and twenty millions, an amount greater than that of the Bank of England and the Bank of France, both of which institutions had furnished the means for maintaining vast armies upon all the battlefields of Europe.

The great financial power placed at the disposal of the Government by this agreement was enlarged and solidified by the method of business adopted by the associated banks, of considering the average coin reserve of these banks as a single sum in reserve for the issues of all, and the adoption of Clearing House certificates. The great services rendered by those associated banks is additionally manifested, that their advances to the Government were made, and the money actually paid out to its numberless creditors, long before the Treasury notes were received by the banks and before they were ready for delivery.

But of as great value to the Government as were the advances made by the banks was the example of confidence in the Union and its perpetuity which they furnished the people of the country and the nations of the earth—an example which confirmed the doubtful and the hesitating, and which at once committed the boundless resources of the Northern people to abide the issue of the conflict.

The agreement of the banks to take one hundred and fifty millions of the Government loan in the time stated was carried out by them with entire success. The associated banks, through their correspondents, made all the banks of the Northern States, some twelve hundred in number, their agents for the sale of Government securities over their own counters, thus reaching into every city and town and hamlet. And the Government assisted in this effort by issuing the notes in denominations to suit all classes, the rich investor or corporation who could loan millions, and the laborer who could loan the scanty savings from his daily wages. The Government further aided this effort by suspending in part the requirements of the Independent Treasury Act, by making the banks depositories of the public moneys. The banks carried their agreement to success, notwithstanding the fact that the Government would receive nothing but coin for its loans and refused to deal with the banks as their ordinary customers, by drawing drafts for its requirements which could have been paid in the ordinary course of business between banks.

During this dark period the banks were furnishing the nation with coin at the rate of more than a million dollars a day. This coin was the sustenance of union and freedom, and upon it as much as upon the sacrifices of the men who took the field, all we now have and enjoy as a prosperous and united nation depended.

So perfect was the machinery brought into play by the banks, the amounts paid with such great rapidity, so great was the resultant stimulus to trade, that the coin advanced upon each issue of the loan found its way back to the banks through the operations of the mercantile community in about one week. So that, after the whole amount of one hundred and fifty millions had been taken, the banks of New York, which had furnished eighty millions as their proportion of the whole, had on hand on the 7th of December, 1861, $42,318,610, while on the 17th of the previous August, before the first payment was made, they had $49,733,990, a loss of only $7,415,380; and the loss of coin reserve in the banks of Boston and Philadelphia had been in the same proportion.

It is not my purpose to follow further the relation of banks to the Government during the war of the rebellion. On the 30th day of December, 1861, the banks suspended specie payment, and the Government also. The chief cause of this suspension upon the part of the banks was that the Government had commenced to pay out demand notes, which, while the banks were compelled to receive them and give them circulation, diminished thereby the strength of their coin reserve. The suspension of specie payments by the banks and the Government led necessarily to the issue of legal tender notes, the irredeemable greenback, by which the war was thereafter carried on. Gold went to a premium, and coin was thereafter unknown in circulation for many years.

It has been claimed by many that had the Government been willing to deal with the banks as their ordinary customers dealt, the entire operations of the war might have been carried on without the suspension of specie payments and the giving to the country of an irredeemable paper currency. But into this controversy it is not my purpose to enter. My sole purpose has been to call your attention to the conduct of the banks of the country when appealed to by the nation in the hour of its great tribulation, and to show from facts of history known to us all that they exhibited an example of exalted patriotism excelled only by those who offered up their lives at the country's call.

It may be said that it was for the interest of the banks to unite in the nation's support, and that if they had not thus united they themselves must have gone down in the general crash, but such a view would be superficial and incorrect. The purpose of the South was alone to secure its independence; if that should be acknowledged it had no purpose to make war on the North. It is not clear that the independence of the seceded States would have injured the North commercially. The very institution which the South sought to establish and perpetuate made it clear that they intended to remain substantially an agricultural people and producers of raw material, and that the North would have remained the great manufacturing and trading section which it is now, and would have had the South for its best customers. Indeed, the wisest statesmen of the South recognized from the outset that, on account of the close territorial connection of the two sections, which were only divided by an imaginary line, in the event of the Southern success there would of necessity have been a commercial union of some sort between the two nations.

It should be said further that if the banks had not united for the nation's support the Government would at once have been forced to the issue of an irredeemable paper currency which would have doubled the value of the large coin reserves held by the banks, and by the great stimulus to trade which would have resulted, largely increased the business of the banks. It is undoubtedly true that the banks by the change from State to National, and on account of the low price of Government bonds and the high rates of interest prevailing, were enabled during the latter period of the war and that succeeding its close to make money very fast. But in the summer of 1861 this could not be foreseen. The idea of National banks was not then mentioned or thought of. The simple issue presented was—the life of the nation was endangered, a call for help was made, and I believe the impartial student of history must say that the banks considered that call in the spirit of patriotism and sacrifice.

THE CHEMICAL BANK OF NEW YORK.

The following account of this famous bank is taken from the Toledo *Commercial:*

Government bonds are very good things to own, but how would you like to have your money invested in stock of the Chemical Bank? There are 3,000 shares, and when the bank was organized they cost $100 apiece. The few fortunate holders of these shares to-day draw dividends of 150 per cent. on them.

Government bonds pay four per cent. a year. As securities they are little better than Chemical Bank stock. As long as the Government at Washington still lives, so long, probably, will the Chemical Bank of New York continue on its uninterrupted course of prosperity. It is the strongest bank in America.

Its capital stock is $300,000, and it pays out in dividends annually $450,000. It could just as well pay out a million a year for several years. It has a surplus of over $7,000,000. The stockholders, however, are very well satisfied with the dividends as they are. In 1888, when the rate of the annual dividend was increased from 100 per cent. to 150 per cent. one of the largest holders of stock made a strenuous objection.

"I'd rather see my money kept in the bank," said he. "I cannot invest it anywhere else where it will earn so much for me."

Wall street goes wild when Manhattan or some other stock goes up to 160. Yet a $100 share of Chemical Bank stock is quoted at 4,900. It is many months since a sale has been made. Stockholders in this bank seldom die and never want to sell.

A Close Corporation.

It is only when some one does die or some vast estate is finally settled up that a share of stock is likely to change hands. Long before the time for the actual transfer it has been determined who is to be the fortunate buyer. No outsider has the ghost of a show. The bank is the closest kind of a close corporation. Its stockholders are few in number and the number grows fewer every decade. It is and always has been the policy of the bank to keep its control in a very few hands. So every share of stock is carefully located, and when there is seen a remote possibility of a share changing hands, there is a consultation, the outcome of which is a decision that this faithful officer or that wealthy director is to have an opportunity of increasing his holding.

The number and the identity of the men who own the 3,000 shares today is a bank secret. But the largest holders are known to be Robert and Ogden Goelet, James A. Roosevelt, President George G. Williams, Cashier William J. Quinlan, Jr., Daniel W. Bishop, son of Japhet Bishop, one of the original incorporators, and Frederick W. Stevens, the lawyer, who married Joseph Sampson's daughter. Old Joseph Sampson was one of those who aided in the organization of the Bank and Chemical Company in 1824. The Bishops were cousins of Miss Catharine Wolfe, who died the richest woman in America. Her father was John David Wolfe, a member of the first board of directors.

There are men in this city, says the New York *World*, who have been in control of millions ever since they attained their majority, and whose hair is now streaked with gray, who have never signed a check except on a Chemical Bank blank. They would no more think of doing business with another financial institution than a young Astor would think of

violating the family tradition that real estate exists to be bought and not sold. It was part of their early business training. A man whose family has been identified with the Chemical is more likely to change his religion than his bank.

This tends to conservatism, of course. With a different set of men in actual control of the bank it might breed old fogyism. But there is not a trace of cobwebs about the way the Chemical Bank does business. Its methods are and always have been careful and deliberate, but never selfish. Protection to the depositors is the first consideration. The bank has at all times been ready to stand by the country and its business men and financial institutions when danger threatened. Its immense strong boxes have enabled it to be generous in times of stringency. The interests of the stockholders have never suffered through this policy.

Paid Gold in 1861-65.

During the civil war the Chemical was the only bank in the city which redeemed its notes in gold. All the other banks suspended specie payments, but the Chemical gave the holder of its note for $1 a gold dollar that cost $2.80. "As good as gold" and "as good as a Chemical Bank note" became synonyms in the business world.

In the panic of 1884, when the deposits of every other bank in the city fell off, the Chemical not only held its own, but showed an increase of deposits. Timid men withdrew their money from other institutions and carried it to the Chemical. During the financial stringency this last summer, when the Clearing House committee of the associated banks issued nearly $35,000,000 of certificates, the Chemical put its strong boxes at the disposal of its weaker neighbors, but it never took out a dollar of certificates itself. Nearly all these certificates have been retired now, but the Chemical still holds more than a million and a half of them. These certificates are a good asset to-day, however doubtful they may have been two or three months ago. They bear 6 per cent. interest.

The Chemical has about 2,800 depositors, and not a Wall street broker or speculator among them. The bank is out of the Stock Exchange atmosphere. It is doubtful if President Williams and Cashier Quinlan glance at the busy ticker twice a day in ordinary times. The down-town banks that keep the accounts of Stock Exchange brokers have tickers placed in the president's offices and the tape is an object of great interest and solicitude to them. The fluctuations of the market do not disturb the serenity of the Chemical's officers. Their deposits are stable. A man who keeps a balance of $100,000 for a week, and then runs it down to $2.50 in a day, and the next day comes in with $50,000 which may not be disturbed for several months is not *persona grata* at the Chemical Bank.

No Style About It.

With all its wealth and reputation, its building is unpretentious, it being but three stories high and its value being put down in the bank statement as $250,000. Alongside of it towers the twelve-story building of the Shoe and Leather Bank.

The Chemical people are not at all disturbed by their modest appearance. The dingy old building is their home, and they have no intention of moving. They speak of the great pile next door, the Shoe and Leather building, as "the chimney," but they always add something kind about the less wealthy and prosperous bank.

"They are very nice, those Shoe and Leather people," they say,

apologetically. "We have nothing but the kindliest feelings for them. But we must have our little joke about 'the chimney,' you know."

There is a storm door in front of the bank that has stood there all through the hot summer months. There is no imposing sign on the building, and only a modest lettering, "Chemical Bank," on the windows. The bank has only twenty-five feet frontage, and this makes just room inside for a narrow aisle, leading to the president's and cashier's desks in the rear, and a busy beehive of desks behind a high railing, where the tellers stand and count money all day long.

Recently another building, adjoining on the rear, with several windows on Chambers street, was bought and altered so as to be made part of the bank. There is very good light and air in this addition, and there the majority of the clerks and bookkeepers do their work.

Cashier Quinlan hasn't even a roll-top desk. He wears an office coat during business hours that cost 50 cents. If you talk to him through a great open window, big enough for two desperadoes to leap though at once—provided they have been born brave enough to make an assault upon the vaults of the Chemical Bank—you will see lettered upon a glazed window, "President's room." A hand points to a little room at the south corner of the building, the door of which always stands open. There is no porter to take in your card, no private secretary to come out and inquire your business. If you want to see President Williams you just walk in and see him. That's all.

He is a millionaire many times over. He stands at the head of the strongest financial institution in America. He is the president of the associated banks in the greatest reserve city in the country, the representative of more millions of money than a dozen czars can count. His office door is never closed.

Where It Got Its Name.

The name Chemical is an odd one for a bank. John Morrison was in the drug business in this city in 1823. Nearly a quarter of a century before the Manhattan Company had obtained a charter from the Legislature giving a banking privilege in connection with an industrial project. Morrison went to Albany, asked for a similar charter and got it. With him the manufacture of chemicals was the main idea. The banking privilege was only a side issue. A factory was built on the North River, near what is now Thirty-fourth street. A banking house was opened on February 24, at No. 216 Broadway.

For twenty years the company cashed drafts and made chemicals. In 1844 the original charter expired, and a new one was obtained under the banking laws of the State. On February 26th of that year the Chemical Bank, with John Quentin Jones as president, in place of John Morrison, was created by the rehabilitation of the manufacturing company's banking business, and a transfer of accounts from the old to the new, with a subscribed capital stock of 3,000 shares at $100 each. In the new directory were John David Wolfe, C. V. S. Roosevelt, Bradish Johnson, Robert and Peter Goelet, Robert McCoskery and Joseph D. Sampson, the rich auctioneer, and the father of the present Marquise de Talleyrand-Perigord. From that day prosperity has marked the bank's career.

Depositors were encouraged. Investments were made only upon mature deliberations and most abundant security; the principle being that no dividends should be paid. All the earnings were to go into a surplus, then facetiously alluded to by one of the stockholders as the "rainy day fund."

Its Enormous Dividends.

The disturbance of 1861 told upon banks throughout the country, and the assistance extended by the Chemical to its depositors was of immense value. It paid no interest on deposits, but it took care of what was intrusted to it, and in 1867 a dividend of 60 per cent. was paid. Again, in 1872, there was an increase of a clean 100 per cent., in six payments of 15 per cent. and an extra 10 at the close of the year. Since 1888 the dividend has been 25 per cent. every two months.

The bank moved to its present home in 1850. It has never occupied the two upper floors of its building, and never has or never will rent them to tenants. It refuses to share its home with any one alse. In this it is like the Bank of England and other famous institutions across the water.

President Jones died in 1878, and Mr. Williams succeeded him. He had been with the bank since 1841. William J. Quinlan, Jr., whom Mr. Williams chose as cashier, has been an employe since 1861. The policy of the bank has been from the beginning to help those who trusted to its integrity and to reward those who helped preserve it. There are eighty-six employes of the bank now. Every one of them hopes to be president or cashier some day.

Most banks believe there is an element of strength in a large directory. Many of them have thirteen directors. The Chemical has only five—President Williams, Cashier Quinlan, James A. Roosevelt, Robert Goelet and Frederick W. Stevens.

THE POSTAL SAVINGS BANK.

The savings of a wage-earner represent both economy and toil. They are not the perquisites of speculation or the dividends resulting from a profitable investment. As a rule, something from the comforts and in some cases the necessaries of life have been spared in providing for the future. Aside from the social and moral effects of this thrift, it adds not only to the wealth, but the stability of a Government or nation. If there is anything next to public morals or liberty of which the nation should be the custodian it is the savings of the wage-earner. It is true that much has been done in this matter in a local and fractional sense, but it is equally true that, in many instances, confidence has been abused and the hard-earned savings of the poor have been misappropriated and found their way across the Canada line or into speculations that have left the banker a pauper and sent the depositor to the poor-house. To remedy this possible contingency and develop the virtues of foresight and economy some of the more progressive Governments of Europe have established what is known as the Postal Savings Bank.

The American nation is reaching conditions in which such a system is becoming necessary. Of frauds on public confidence, and of pauperized victims, we have had a generous crop, with the cold fact still staring us in the face, that legislation has not killed off all the rascals or made secure the deposits of the thrifty and industrious. Giving the average financier credit for being as honest as his neighbor and with no intention of defrauding his patrons, the exceptions have been sufficiently numerous to warrant protective measures. In recognition of this fact the Postmaster-General instituted inquiries into the nature, scope and results of the postal banking system, as adopted by Great Britain, France, Belgium, the Netherlands, Italy, Sweden, Austria-Hungary, Russia and

Finland. These inquiries included the dates of establishment, rates of interest, disposal of deposits and in fact all essential details of the now famous system. From these official reports we learn that so far back as 1860 the Postal Savings Bank was inaugurated in Great Britain. For the fiscal year ending March 31, 1891, the deposits numbered 8,776,566, amounting to £20,990,692, as compared with 8,101,120 deposits, amounting to £19,814,308, in the preceding year. The total number of post-offices open for the transaction of savings bank business on December 31, 1890, was 9,681, an increase of 328 over the preceding year.

Belgium followed the British example in 1865. The deposits in 1890 numbered 1,466,113, and amounted to 150,906,657.11 francs. In the Netherlands the Postal Savings Bank system was established by a law of May 25, 1886. In 1889, the latest year for which statistics are given, there were 504,933 deposits, amounting to 11,479,594 florins, as compared with 445,799 deposits, amounting to 9,282,802 florins, in 1888.

France fell into line in 1881, the deposits in 1891 numbering 1,949,571, amounting to 261,999,132.15 francs. Italy adopted the system in 1875, the deposits in 1889 numbered 2,106,559 and totalized at 181,528,710 lires. Postal Savings Banks were established in Sweden in 1883, the deposits in 1890 having a census of 276,452 and footing a total of 7,671,711 crowns. Austria indorsed the system in 1883, with Hungary following suit in 1885, in both instances the results showing the appreciation of the people in increasing patronage and totals. Russia and Finland came next on the scene, repeating the old story of success, Finland making a showing in 1889 of 31,204 deposits, amounting to 764,309 marks.

Rates of interest and the minimum and maximum of deposit differ in the countries named. Securities also vary with the stability of the various Governments, while the opportunities of deducting savings from scanty wages range from zero upwards. Be these variations what they may the system adopted has been beneficent and protective. Its adoption in this country would, without a doubt, repeat the European experience, and would probably save some of our frugal and industrial wage-earners from finding the hands of old age with nothing but four fingers and a thumb in the pockets of victimized industry.

GLASGOW SAVINGS BANKS, SCOTLAND.

The savings banks of Glasgow are now patronized by 235,000 people. That means one person in three—old and young, rich and poor—has a bank account. Consul Brown, in a report to the State Department, doesn't believe this marvelous result is paralleled in any other city. The system is different from anything known in the United States. There is a great central savings bank. Besides this there are 215 penny banks. The big bank encourages the penny banks. It furnishes to them the necessary blanks and stationery for doing business and receives the deposits. These penny banks are for the most part attached to Sabbath schools and churches. The penny deposits at the close of last year amounted to $100,000. They were credited to 75,000 youthful depositors. The 600 officers of the penny banks perform their duties without pay. They are men who find sufficient compensation in the fact that "thousands upon thousands of people, especially young people, are familiarized with the idea of saving, and are taught to form habits of economy and thrift."

The big savings bank receives deposits as low as a shilling. It has

now $30,000,000 on deposit. Last year it paid over $600,000 interest on its deposits. Since its establishment fifty-three years ago, the bank has paid in interest over $10,000,000. The affairs are managed by a board of trustees and managers. Not less than ten trustees and thirty managers are allowed by law. As a matter of fact there are more than a hundred gentlemen interested as officers of the bank. These include the mayor, the sheriff, the member of Parliament. They all serve without pay. A committee of management, consisting of twenty-four gentlemen, has immediate charge of details. The only salaries are those paid to the acting accountant, the cashier, the secretary and the clerks.

Is the system safe? The annual statement of the bank for the year ending November 20, 1890, is a good answer. That shows $27,000,000 of the $30,000,000 deposits to be invested in Government securities. These securities bear interest at the rate of 2¾ per cent. The bank pays its depositors 2½ per cent. This one-quarter of 1 per cent. difference pays all expenses. This is the whole scheme. The Savings Bank of Glasgow is as sound as the Government. Thus the National debt is made a blessing. The total expense account for the year ending November 20 was only $50,000. This included salaries, rent, printing, fuel and miscellaneous.

When the year closed, November 20, the accounts numbered 151,434. Of these, 22,167 depositors had less than £1 to their credit. Those who had balances between £1 and £10 comprised the largest class. They numbered 51,011. In its army of small depositors the savings bank realizes the purpose of its existence.

Methods peculiar to itself are followed by the bank. Five transactions a minute can be made. Money is paid whenever wanted. Six branches are located in different parts of the city. Any depositor can step into any of these branches and lodge his money to be put to his credit where his account is kept. It is part of the plan to keep the bank conspicuously before the people. Notices are posted prominently showing where and at what hours deposits can be made.

When the depositor enters he hands his pass-book to one of the entering clerks. This clerk enters in the book the date and sum. The book is passed to the accountant or assistant. By this official the sum is posted in the ledger, and as evidence of the fact his initials are put opposite the entry in the pass-book. At the same time that he does this the accountant credits on the margin of the ledger the interest from the date of the deposit to the 20th day of November following. The next official to receive the pass-book is the cash-book keeper. He enters in his cash-book the surname of his depositor and the sum of his deposit. The depositor hands his money to the teller, who initials the pass-book and returns it to the depositor.

When the depositor draws out his money the same routine is gone through with. In addition, the depositor signs a receipt instead of a check. The signature is compared with that which the bank already possesses. When there is doubt about one of these 150,000 depositors questions are asked. The bank may insist on a delay of twenty-one days if considered necessary to make sure of identification. Such is the Glasgow system. It has worked well for half a century. The canny Scotch can give the rest of the world pointers on a successful savings bank.

BANKING AND FINANCIAL ITEMS.

General.

WALKER'S CURRENCY PLAN.—One of the most aggressive and determined advocates of financial reform in the House of Representatives is Representative Walker (Rep., Mass.) He has now prepared a plan, which has been sent to the House Committee on Banking and Currency, looking to the creation of an independent bank currency, to replace all Government paper issues. The details of this plan are concisely outlined by Mr. Walker as follows:

1. The United States Government to be completely relieved from any responsibility for the current redemption of any circulating Government or bank currency notes whatever, and thereby relieved of all expense and risk of maintaining any coin redemption fund or coin measure of value, risk and expense of both to be devolved upon the banks by the operation of the bill. The bill to be so drawn as to cause each and every bank to assume proportionately the current redemption of a new greenback and practical destruction of the legal tender note in its present form. The banks to accept a new greenback in place of the present one and be responsible only for its current redemption, and the United States Government to be responsible for its final redemption.

2. The United States Government, in the interest of the safety of the banks, in order to protect the people from loss, to exercise, as now, and extend its thorough supervision over all banks and make public their condition.

3. The banking bill to be so drawn as to cause each and every bank to assume proportionately the current redemption and practical destruction of all Treasury notes.

4. The banking bill to be so drawn as to cause each and every bank to assume proportionately the current redemption and practical destruction of the excess of silver certificates and to cause silver dollars to an equal amount to be covered into the Treasury as bullion, but to leave in circulation, as now, every coined silver dollar we now have that the people can be induced to use.

5. To provide for the absolute safety of every circulating note.

6. Circulating notes shall be free of cost, except for printing, etc.

7. The volume of circulating notes to be sufficiently elastic to expand to meet the extremest demands of the people and contract automatically, so as never to exceed in volume the amount needed.

8. Circulating currency notes to be so issued as not to increase the interest paid on loans of capital, as is the case under existing law.

9. They shall be uniform.

10. They shall be so issued and re-issued as to be forced back to the bank issuing them and where most needed.

11. The United States Government shall act simply as custodian of coin and issue certificates of deposit thereon, as now.

12 The United States Government on special occasions to provide temporary safeguards to deposits to dispel fear, in order to prevent the paralysis of business by the withdrawal of individual deposits from clearly solvent banks because of unreasonable fear.

13. All existing banks may reorganize immediately, or at the expiration of their charters, under the act.

THE FOUNDER OF THE BANK OF ENGLAND.—The recent trouble in the Bank of England, due to the unwise investments of the cashier of England's greatest moneyed institution, recalls the career of the projector and founder of the famous bank, and discloses the singular fact that he, too, fell through unwise speculation. William Paterson—not the historic "Billy," concerning whom a certain never-answered question was once asked—but the man who really projected the Bank of England, was a poor and obscure Scottish adventurer. He was the son of a tenant farmer of Dumfrieshire. He was born in 1658, and was educated for the ministry, but at seventeen, having been caught carrying provisions and information to the celebrated Presbyterian refugee, Balfour of Burley (familiar to all readers of Scott's

greatest romance, "Old Mortality"), he was so persecuted that he fled from his home, and traveling through England as a peddler settled first in Bristol, and then emigrated to America. He made his home in the Bahamas and other of the West India Islands, and was by turns a missionary preacher and a buccaneer. He saw the possibilities of Spanish America if peopled by English folk and backed by English capital, and he conceived the grand idea of forming on the Isthmus of Darien (or Panama) a free commonwealth based on Scottish blood and Scottish energy. He, too, was one of the first to suggest the idea of a Panama Canal. Returning to England he endeavored to interest King James in his scheme, and, failing there, pressed it unsuccessfully upon the German and Dutch powers. Giving up his scheme, for the time, he went to London and engaged in business, in which he was very successful, while his busy brain was full of plans for investment and metropolitan improvement. In 1690 he formed the Hampstead Water Company, and in 1694 his plan for a National bank was adopted and the Bank of England was founded. Paterson was one of the original directors, but could not agree with his colleagues and withdrew from the management. He founded what was known as the Orphans' Bank (the stock being the debt due "the city orphans" by the corporation of London), and in 1695 actually set on foot the "Scottish Company of Trade and Colonization in Africa and the Indies" (commonly known as the Darien Company). So popular was the enterprise in Scotland that the subscriptions, it was said, "sucked up all the money in the country." But it proved a disastrous failure. In 1698 twelve thousand emigrants sailed to Darien to people the proposed Scottish cities of New Edinburgh and New St. Andrews; but sickness, disputes and lack of food broke up the enterprise, in which, at the last, Paterson was allowed to have no voice because of some alleged irregular financiering. Broken by dissensions and besieged by the Spaniards the Darien Colony went to pieces, and the investment was an utter loss. At a later day Paterson was foremost in forwarding the union between England and Scotland, but died in poverty and neglect in 1719. He was a vigorous writer on financial topics, but his plans were so vast and his schemes so "big" that people were first enthusiastic and then afraid. He was, like Cashier May who has just been deposed from the great bank that Paterson founded, strictly honest and incorruptible, but a "risky" financier. His visions of success were too rosy; and though the Bank of England is a monument to his energy and ability, even in that enterprise he was a loser, while the unfortunate Darien Company wrecked thousands of lives and fortunes.

Eastern States.

Wilmington, Del.—The quaint old banking house of the National Bank of Delaware, which was incorporated as a State bank in 1795, has, in its outward appearance, so little in common with modern banking houses that it is often mistaken for the City Hall, and sometimes for a hotel. These mistakes are of course made by strangers, and are possibly caused by the fact of its being near the City Hall and near the old time site of the Indian Queen Hotel. Cashier Baird of the bank said recently that he had men walk into the bank and ask him if he was the mayor of the city, and on inquiring what they wanted he had learned that they had mistaken the bank building for the City Hall. On one occasion a man walked into the bank and asked what time dinner would be ready. These mistakes were evidently made by absent-minded people to whom the desire to find the mayor of the city or the need of a dinner had driven all thought of locality temporarily out of their minds. The making of them, however, is proof that the old building has little of the characteristics of the modern banking house. The building is the only one of the banking houses of the city that has not been remodeled and improved in outward appearance. In this respect it is one of four of the old-time semi-public buildings on Market street which have retained their original appearance. In relation to these buildings it is the third in point of age. The oldest of these semi-public and public buildings, is the First Presbyterian Church, now occupied by the Historical Society of Delaware, which dates from 1740; the second one is the City Hall, dating from 1798, and the fourth is Sharpe's Hotel, at the corner of Front and Market streets, which was erected in 1825. The Bank of Delaware was erected in 1815 and has been occupied as a banking house since 1816. The bank

was organized in 1795 and for twenty-one years occupied a building at the northwest corner of Fourth and Market streets. The first meeting of the stockholders of the bank was held June 5, 1795. Immediately after this meeting a committee consisting of Joseph Warner, William Hemphill and Samuel Canby, which had been appointed to secure a banking house, purchased the property at Fourth and Market streets of James Lea for £1,000, and on August 17th following the bank opened for business. The site of the present banking house was purchased in 1815 for $5,000. It was then occupied by a store kept by Moore & Robinson, and $500 was paid to this firm to secure its immediate removal. The erection of the building began at once and was completed in 1816. The increase in the value of this property, caused by the growth of the city, is indicative of how some of the great fortunes of American millionaires have grown through the increased value of city real estate. It is not at all probable that these early bankers, astute business men as they were, could have dreamed of the present value of the property they bought for the bank. Counted by its Market street front it is worth $1,000 a foot, or $60,000. This valuation is based on an offer made to the bank directors of $1,000 a foot for a portion of their land. The Bank of Delaware is one of the oldest banking institutions of the country, and is probably the second in point of age among the existing banks, the Bank of North America of Philadelphia being the first.

NEW HAMPSHIRE.—At a meeting in Concord on the 20th of December, the following officers were elected by the New Hampshire Banking Association:

President—G. Byron Chandler, Manchester.

Secretary—A. H. Hale, Manchester.

Treasurer—W. P. Fiske, Concord.

Vice-Presidents—V. C. Gilman, Nashua; H. M. Plumer, Rochester; F. D. Hutchins, Lancaster; F. T. Sawyer, Milford; George H. Adams, Plymouth; O. W. Tibbetts, Laconia; George N. Farwell, Claremont; Samuel D. Lewis, Newport; G. A. Litchfield, Keene; M. L. Morrison, Peterborough.

Executive Committee—O. C. Hatch, Littleton; Henry Abbott, Winchester; Wm. F. Thayer, Concord.

The society has $247 in the treasury and will hold a grand banquet in January at Boston, when many accessions to membership are expected.

NEW YORK CITY.—Eugene Kelly, the banker, has announced his intention of retiring from business. The well-known firm of Eugene Kelly & Co., in which Joseph A. Donohoe, of San Francisco, and Mr. Kelly's two sons, Eugene, Jr., and Edward, are partners will be dissolved in the spring. Advanced age and failing health are Mr. Kelly's reasons for leaving active business life. "We shall not continue the extensive business relations we now have with all parts of Europe, this country, South America and Mexico," said Eugene Kelly, Jr., "but we will concern ourselves after the change principally with the management of our private property and certain accounts of old clients of the house." Eugene Kelly's fortune is variously estimated at from $10,000,000 to twice that amount. But his great wealth is by no means his claim to public notice. His benefactions to the Roman Catholic Church have been bountiful, while his devotion to all Irish interests, and especially to the Home Rule movement, has made him no less renowned. Mr. Kelly was born eighty years ago in County Tyrone, Ireland.

NEW YORK CITY.—George C. Magoun, the well-known member of the Wall Street banking firm of Baring, Magoun & Co., died on the 20th of December at his New York home. Mr. Magoun was born August 23, 1841, in Cambridge, Mass. He prepared for Harvard at the Cambridge High School, but later gave up the idea of entering college in favor of a business career. Mr. Magoun began his business experience at the age of eighteen years as a clerk of Lawson, Valentine & Co., varnish manufacturers, and in 1865 he went into the office of Kidder, Peabody & Co., bankers, of Boston. In 1868 he came to New York to start a branch of the Boston banking firm at No. 33 Wall Street. On February 24, 1881, he was admitted to membership in the Stock Exchange. On July 1, 1886, the New York firm of Kidder, Peabody & Co. was formed, with F. H. Peabody, O. W. Peabody, Frank G. Webster, Frank E. Peabody, and Charles E. Peabody, of the Boston concern, and George C. Magoun, George F. Crane, and Herbert L. Griggs, as partners. The firms in both New York and Boston were backed by the

capital of Baring Brothers, of London, probably the largest banking house for merchants in the world. The Barings dealt largely in railroad securities also, and for years were identified with the development of the Atchison, Topeka & Santa Fe Railroad system. It was their boast that no one ever lost money through investments recommended by them, and this record was unchallenged until the collapse of November, 1890. The failure of Baring Brothers led to a re-organization of their American connections. The New York house of Kidder, Peabody & Co. was dissolved, and on May 1, 1891, the present firm of Baring, Magoun & Co. was formed, the partnership consisting of Thomas Baring, George C. Magoun, George F. Crane, Herbert L. Griggs, and Cecil Baring. Mr. Magoun's prominence in the public eye dated from this re-organization of the firm in 1891. His connection with the Atchison, Topeka & Santa Fe Railroad constituted his principal claim upon the public attention as a banker and railroad manager. Previous to that year the American connections of Baring Brothers were overshadowed by the eminence of the English banking house. The prestige of the London firm carried through in 1889 the re-organization of the Atchison Company. That road was compelled to pass its dividend in January of that year, and it was menaced with a receivership and foreclosure. By the strenuous efforts of the Barings this result was avoided, and the company was re-organized by agreement of the floating debt creditors and bond-holders without the intervention of a receiver. The collapse of Baring Brothers on the heels of the re-organization threw the burden of financing the Atchison upon American bankers, and Mr. Magoun then became prominent in the management of the company. He was chairman of the board of directors, with especial charge of the company's financial affairs, and he held that position at the time of his death Mr. Magoun, in 1862, married Miss Adelaide Louisa Tisdale, of Taunton, Mass. They had three sons.

BROOKLYN, N. Y.—There is perhaps no better thermometer of the comfort of the working people than the savings banks. When work is plenty and money promptly paid each pay-day the thrifty workmen take their savings to the banks and put them by for a rainy day. On the other hand, when times are dull, the deposits fall off largely, and as the conditions grow worse the drafts upon the money already deposited increase. This is the condition which now confronts the savings institutions of Brooklyn. The hard times are being felt. The drafts daily exceed the deposits by from $1,000 to $2,000 in the larger banks. President Huntington of the Dime Savings Bank said recently: "Comparing the present situation with that which confronted us a while ago, it does not seem like anything serious. It shows, however, just how badly off many thrifty people are, for they are the ones who are causing the increase in the drafts, and they have nothing to deposit." President Morgan, of the Brooklyn Savings Bank, said that there was a falling off in the deposits and no corresponding decrease in the amounts drawn out.

MAUCH CHUNK, PA.—Among the deaths last month was A. W. Leisenring, the president of the First National Bank of Mauch Chunk. He was born in Lehighton in 1826. The family moved to Mauch Chunk in 1833. His father, John Leisenring, Sr., and his brother, Hon. John Leisenring, Jr., were closely and intimately identified in those days with the Lehigh Coal & Navigation Company. The deceased took to banking. He was one of the originators of the Mauch Chunk Bank in 1855, and when it was chartered a National bank in 1864 he was made its president and held the position to the day of his death. He was also connected with the First National Bank of Hazleton and the First National Bank at Shenandoah.

PITTSBURGH, PA.—The annual election of the Bankers' and Bank Clerks' Mutual Benefit Association was held in the Oil Exchange. The voting was very lively and over one hundred clerks and bankers attended. The officers elected are: President, John M. Chaplin, manager Pittsburgh Clearing House; vice president, George W. Crawford, Damond National Bank; treasurer, E. E. Duff, People's Savings Bank; recording secretary, W. P. Barker, Union National Bank; corresponding secretary, F. D. Young, M. & M. National Bank; directors, Robert Wardrop, Tradesmen's National Bank; W. P. Knight, Fifth National Bank; R. J. Stoney, Jr., First National Bank, Sewickley; W. M. Boggs, First National Bank, Allegheny; J. W. Fleming, T. Mellon & Sons; John M. McBride, Whitney &

Stephenson; R. C. Johnston (unexpired term), First National Bank; trustees, A. J. Lawrence, A. J. Lawrence & Co., and Jas. H. Willock, First National Bank, Birmingham.

WESTERN STATES.

CHICAGO, ILL.—Since the rate of interest has been reduced from 4 to 3 per cent. by the Chicago savings banks, the matter has come up for discussion in the local Clearing House, but no definite conclusion was reached. It is thought by some that eventually the reduction will be made, although not in the immediate future. The banks feel that the rate of interest now paid on savings is excessive, as many of the Eastern banks pay no interest on deposits. Quite a diversity of opinion is expressed, however, and it is anticipated that some of the banks consider it necessary for their protection to maintain the present rate, in order to retain many of the deposits which would otherwise go to the National banks, or even associations.

LANSING, MICH., December 27.—State Banking Commissioner Sherwood has issued certificates of authority to do business to the following new banks during the present year:

Ithaca Savings Bank, Ithaca, $35,000; Lilley State Bank, Tecumseh, $40,000; First State and Savings Bank, Evart, $15,000; State Savings Bank, Gaylord, $15,000; Kalamazoo County Bank, Schoolcraft, $20,000; State Savings Bank, Grand Ledge, $25,000; Tecumseh State Savings Bank, Tecumseh, $26,000; Dexter Savings Bank, Dexter, $20,000; Ullrich Savings Bank, Mt. Clemens, $100,000; People's Savings Bank, Belding, $35,000; People's Savings Bank, Ironwood, $50,000; McLellan & Anderson Savings Bank, Detroit, $150 000; Adrian State Savings Bank, Adrian, $100,000; Blissfield Savings Bank, Blissfield, $15,000; Commercial Savings Bank, St. Joseph, $25,000; Union Trust & Savings Bank, Flint, $200,000; First Commercial & Savings Bank, Wyandotte, $50,000; Commercial & Savings Bank, Albion, $35,000. These eighteen banks have an aggregate capital of $956,000. Last year twenty-one new banks, with a capital of $1,296,000, were organized. The commissioner considers the showing made this year an excellent one, considering the fact that it wasn't a first-rate year for the banking business.—*Detroit Free Press*.

BUCYRUS, OHIO.—Twelve years ago the Monnett & Co. Bank opened for business in the Tobias room on North Sandusky avenue. At that time the bank was officered by E. B. Monnett, president; George Donnenwirth, vice-president; M. W. Monnett, cashier, and W. A. Blicke, assistant cashier. These officers served the bank well and established a successful business. On January 1, 1887, after five years, the bank changed their officers by electing Geo. Donnenwirth, president; J. H. Malcolm, vice-president; J. H. Robinson, cashier, and W. A. Blicke, assistant cashier. These officers served until January 1, 1892, when a slight change was made, Judge J. C. Tobias being elected vice-president, and the name of the bank was changed to the Bucyrus City Bank.

SOUTHERN STATES.

GEORGIA AND A STATE BANK CURRENCY.—The Georgia Legislature has passed what is called the Calvin-Veach bill, which provides for the issue of a State bank currency.

There are very good reasons why it should be the duty of the Senate to kill this bill and not uselessly encumber the statute books of Georgia with utterly useless and impracticable legislation. We have no doubt that the Georgia Senate will maintain its well-established reputation for defeating harmful, unwise or useless legislation by putting a quietus on this measure

The first section of the bill provides that it shall take effect from and after its passage. This, of course, would subject any bank that circulated any of the notes under its provisions to the 10 per cent. tax. It is not likely that any of the conservative bankers of Georgia would care to pay such high price for the privilege of using such notes in their business. We presume this proposed defiance of the law is intended to rebuke Mr. Cleveland for not making some recommendation about the State bank tax in his message, but the Legislature has no right to put the State of Georgia in such a ridiculous attitude.

Some of the able advocates of this measure, and we presume all of them, affect

to believe that the 10 per cent. tax is unconstitutional and may be brushed aside by the Georgia Legislature, but acts of Congress are not brushed aside in that way. The law has stood on the books a long time, and it will remain there until it is repealed.

Another controlling objection to the Calvin-Veach bill is that it practically opens the way for wild-cat or fiat money, which, while it might be a good thing for bankers who care to take advantage of it, would be a wrong on the people which ought not to be permitted.

Section VI. provides that one-half of the capital stock of the bank shall be set apart and kept on deposit in the vaults of said bank as a fund for the redemption of the bills issued by said bank, and shall be used for no other purpose.

Section VII. provides that the remaining half of the capital stock shall be invested in valid county, municipal, State or United States bonds. One-half of this sum must be invested in valid State bonds or bonds of the United States.

Section VIII. provides that these bonds shall be deposited with the treasurer of the State.

Section XI. provides that the fund set apart in the banks' vaults, and these bonds deposited with the State treasurer, and all other assets of the bank shall be kept in pledge for the redemption and payment of the circulating notes issued, and as additional security the shareholders of said bank shall be made liable to the extent of the amount of their stock, at the par value thereof, in addition to the amount invested in such shares, which liability shall be an additional security for the redemption of the circulating notes.

With this as a basis of security, section IX. provides for the issue to banks complying with the conditions of the act, such an amount of circulating notes as will be equal to three times the amount of United States legal tender coins or currency deposited in said banks under section VI. of this act.

The additional available security for the redemption of these notes will be the other half of the capital stock, invested in State and Government bonds, and deposited with the treasurer. The security for every third dollar issued is outside, and must be made out of the shareholders, the best way possible.

RICHMOND, VA.—A bill has been introduced in the House of Representatives providing for the organization of State banks of circulation. It provides for the organization of State banks of circulation, the circulation to be secured by a deposit of State bonds with the treasurer of the State of Virginia, and the act is to take effect when the United States statute imposing a tax of 10 per cent. on the circulation of State banks is repealed. The act provides in detail for the organization and conduct of the State banks and the circulation is so well guarded and protected that it is believed that it will answer two purposes; first, it will provide a local circulating medium and supplement the present currency, and second, provide a market for Virginia State bonds, and enhance their value, and cause the interest to be paid and kept within the State, instead of going, as at present, to parties outside of the State.

FOREIGN.

MONTREAL, QUE.—A special meeting of the members of the Canadian Bankers' Association was held at the office of the association in this city. The object of the meeting was to elect a president. Some time ago it was thought best to have a Western man at the head of the association, but the Toronto bankers suggested a Montrealer, and the position was offered to E. S. Clouston. Mr. Clouston declined the honor, and at the recent meeting the association held to its first decision by urging B. E. Walker, general manager of the Canadian Bank of Commerce, at Toronto, to become its president. Mr. Walker accepted and thanked the members for the honor conferred upon him.

THE FRENCH SAVINGS BANKS.—If we are to judge from the report of the French State savings banks, showing an excess of 34,000,000 francs in deposits over withdrawals during the year 1892, State savings banks are a success in France. The postal savings bank has been repeatedly recommended by postmasters general in this country, always to remain unacted upon in the committees of Congress. The postal savings bank is one of the crying needs of the Post Office department.

THE MICROBES OF BANK NOTES.—Two Havanese bacteriologists, Drs. Acosta and Grande-Rossi, conceived the idea, surely an original one, of studying the microbes of bank notes. They have published the result of their researches on the notes of the Spanish Bank of Havana. They have proved, in the first place, that the weight of these notes increases in the course of their circulation, by reason of the addition of foreign matter. At the end of a certain time the bacteriological analysis demonstrated a considerable increase in the number of microbes. In two cases the number rose to more than 19,000. The physicians discovered specially the presence of a septic bacillus, which rapidly kills animals inoculated with it. This, to speak properly, is the specific microbe of the bank note, and Talamon thinks that the name *bacillus septicus aureus* could be justly given to it. Messrs. Acosta and Grande-Rossi have, besides, recognized distinctly in the bank notes examined by them eight pathogenic species, among which were the bacillus of tuberculosis, that of diphtheria, and the streptococcus of erysipelas. The two bacteriologists do not say what were the denominations of the notes they experimented with. It may be supposed, however, that they did not use notes of 1,000 or even 100 francs. If the notes were of that size it will be difficult to verify their experiments in all laboratories, the means of which in general do not permit such prodigality. What use can the Havanese make of their bank notes that they become such receptacles of microbes? Messrs. Acosta and Grande-Rossi declare that the children of Havana are accustomed to carry bank notes in their mouths. It is easy to believe that the adults carry them elsewhere.

Sterling exchange has ranged during December at from 4.85¼ @ 4.88 for sight, and 4.83 @ 4.85 for 60 days. Paris—Bankers' 5.18¾ @ 5.16¼ for sight, and 5.20 1 6 @ 5.18¾ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.83¾ @ 4.84½; bankers' sterling, sight, 4.85¼ @ 4.87; cable transfers, 4.86½ @ 4.87½. Paris—bankers', 60 days, 5.20 1-16 @ 5.19⅜; sight, 5.18⅛. Antwerp—Commercial, 60 days, 5.22½ @ 5.21⅞. Berlin—Bankers', 60 days, 94 13-16 @ 94 15-16; sight, 95½ @ 95⅝. Amsterdam—Bankers', 60 days, 40⅛ @ 40 3-16; sight, 40⅜ @ 40 7-16.

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

1893	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits*	*Circulation*	*Surplus.*
Dec. 2..	$409,490,100	$104,368,800	$93,564,400	$487,345,200	$13,658,200	$76,096,900
" 9..	412,343,600	104,909,500	94,850,500	492,802,300	13,602,100	76,565,425
" 16..	415,421,900	103,548,200	96,508,400	495,551,100	13,456,400	76,168,825
" 23..	416,287,000	104,520,700	98,129,000	498,847,700	13,256,500	77,937,775
" 30..	417,606,900	106,316,400	101,108,200	506,437,800	13,111,900	80,815,150

The Boston bank statement is as follows:

1893.	*Loans.*	*Specie.*	*Legal Tender*	*Deposits.*	*Circulation.*
Dec. 2.....	$164,212,000	$11,255,000	$9,166,000	$154,005,000	$9,164,000
" 9.....	165,744,000	11,424,000	9,340,000	156,837,000	9,099,000
" 16.....	165,959,000	11,765,000	9,695,000	157,082,000	9,025,000
" 23.....	166,318,000	11,957,000	10,054,000	156,851,000	8,844,000
" 30.....	165,945,000	12,590,000	10,021,000	158,104,000	8,867,000

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

1893.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Dec. 2.....	$97,374,000	$32,212,000	$98,571,000	$6,062,000
" 9.....	97,773,000	32,520,000	98,905,000	5,688,000
" 16.....	97,967,000	32,199,000	99,738,000	5,323,000
" 23.....	97,905,000	32,581,000	97,487,000	5,323,000
" 30.....	97,307,000	33,337,000	100,930,000	5,320,000

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

QUOTATIONS:	Dec. 4.	Dec. 11.	Dec. 18.	Dec. 23.
Discounts.....	4½ @ 5	4 @ 5	4½ @ 5	4½ @ 5
Call Loans..	1 @ 2	1 @ 1½	1 @ 1½	1 @ 2
Treas. balances, coin.....	$61,378,686	$61,384,839	$62,752,229	$61,716,819
Do. do. currency.....	25,649,585	27,013,349	27,887,013	28,586,710

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from December No., page 477.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
CAL.	San Diego.....	Blochman Banking Co....	.....
	$20,000	Abraham Blochman, *Mgr.*	Lucien A. Blochman, *Cas.*
COL.	Golden.....	Wood, Wilson & Rubey...	Nat. Bank of North America.
"	..Greeley.....	Union Bank..... (Re-opened)	Nat. Park Bank.
	$100,000	Bruce F. Johnson, *P.* Jesse S. Gale, *V. P.*	
"	..Ouray	First National Bank.....(Re-opened)	Chemical Nat. B'k.
	$50,000	L. L. Bailey, *P.* J. E. McClure, *V. P.*	Elisha B. Knox, *Cas.*
"	..Silverton.... ..	Bank of Silverton..... (Re-opened)	Hanover Nat. B'k.
	$30,000	Gustavus H. Stoiber, *P.* James M. Gundry, *V. P.*	James H. Robin, *Cas.*
ILL.	..Carmi	First National Bank.....	.....
	$50,000	James A. Miller, *P.*	Thomas W. Hall, *Cas.*
"	..Mansfield	Commercial Bank.....	Kountze Bros.
	$10,000	Wm. H. Firke, *P.* Andrew J. Langley, *V. P.*	James C. Langley, *Cas.*
"	..Virden.....	Farmers & Merch. Bank..	Hanover National Bank.
		Wm. A. Shriver, *P.* J. E. Hutchison, *V. P.*	Ollin R. Rohrer, *Cas.*
IND. T.	..Paul's Valley ..	Bank of Paul's Valley.....	National Park Bank.
	$30,000	Calvin J. Grant, *P.*	J. Duncan Imboden, *Cas.*
"	..Wynnewood....	Bank of Wynnewood.....	United States National Bank.
	$25,000	Noah Lail, *P.*	J. F. Beeler, *Cas.*
IOWA.	...Aurora	Aurora Savings Bank.....	.....
	$10,000	C. H. Jakway, *P.* S. R. Berryman, *V. P.*	Allan A. McIntosh, *Cas.*
"	..Brush Creek...	First Commercial Bank....	.....
		J. J. Kauffman, *P.* Henry Eckart, *V. P.*	John A. Eckart, *Cas.*
"	..Letts.....	Citizens Savings Bank....	.....
	$20,000	John Huff, *P.* H. N. P. Small, *V. P.*	Wm. M. McCormick, *Cas.*
KAN.	...Mound City....	Farmers & Merchants B'k..	Hanover National Bank.
	$10,150	H. A. Strong, *P.* D. A. Crocker, *V. P.*	H. C. Reese, *Cas.*
MICH.	...Lansing	Ingham Co. Sav. B'k..... (Re-opened)	Hanover Nat. B'k.
	$101,000	H. J. Downey, *P.* E. L. Robertson, *V. P.*	John A. May, *Cas.* L. Adelbert Baker, *Asst.*
MINN.	..Dassel	Bank of Dassel....	Chase National Bank.
	$16,000	Cassius M. Buck, *P.* John Rudberg, *V. P.*	Elmer E. McGrew, *Cas.*
MO.	....Memphis.....	Farmers Exchange Bank...	Hanover National Bank.
	$25,000	Horace G. Pitkin, *P.*	Albert H. Pitkin, *Cas.*
"	..Potosi	Washington Co. Bank....	....
	$10,000	James Long, *P.* Edmond Casey, *V. P.*	John F. Evans, *Cas.*
"	..Trenton	Trenton National Bank...	.....
	$75,000	William E. Austin, *P.*	Robert M. Cook, *Cas.*
MONT.	..Big Timber.....	Big Timber National B'k..	.....
	$50,000		J. A. Hall, *Cas.*
OKL. T.	Alva.....	Bank of Alva..... (Eli P. Williams)	.....
"	..Enid.....	Citizens Bank.....	.....
		Henry T. Smith, *P.* Calvin F. Mason, *V. P.*	H. H. Anderson, *Cas.*
"	..Pawnee.....	Farmers & Citizens Bank.	.....
		D. L. Pruitt, *P.* J. M. Alexander, *V. P.*	C. L. Berry, *Cas.*

State.	*Place and Capital*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
OKL. T.	Pond Creek.... $25,000	Bank of Pond Creek..... C. Q. Chandler, *P.*	National Bank of North America. J. W. Berryman, *Cas.*
"	..Santa Fe.....	Bank of Commerce..... Jamison Vawter, *P.*	..... John J. Blanchard, *Cas.*
"	..Santa Fe..... $10,000	Bank of Santa Fe..... Edson B. Eastman, *P.* F. L. Flint, *V. P.*	Chemical National Bank. Robert G. Bracken, *Cas.*
TEXAS.	Wharton.....	R. T. Ervin & Co.... ...	National Park Bank.
WASH	Auburn..... $40,000	Bank of Auburn..... Richard Jeffs, *P.* John P. White, *V. P.*	Hanover National Bank. George S. Fitch, *Cas.*
"	..Friday Harbor. $25,000	San Juan County Bank .. Leander Clark, *P.* A. L. Gould, *V. P.*	..... Joel A. Gould, *Cas.*
WIS....	Iola.....	Bank of Iola.....	Chas. W. Guldager, *Cas.*
"	..New Glarus.... $12,000	Bank of New Glarus..... Fred Kundert, *P.* Thomas Hefty, *V. P.*	..... Thomas C. Hefty, *Cas.* B. A. Kundert, *Asst.*

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from December No., page 476.*)

	Bank and Place.	*Elected.*	*In place of.*
ALA....	Bank of Selma.....	H. F. Cooper, *Cas*.....	A. P. Wade.
ARIZ...	Farmers & Merch'ts B., Tempe.	C. A. Taylor, *Cas*.....	F. G. Dodson.
CAL....	Bank of Lake, Lakeport.	Charles Goodwin, *P*..... D. C. Rumsey, *V. P*.....	D. C. Rumsey. .....
COL....	German Nat. Bank, Denver....	C. Kunsemiller, Jr., *Cas*...	Chas. M. Clinton.
CONN...	Savings Bank of Danbury	J. W. Bacon, *P*.....	F. S. Wildman.*
FLA....	Citizens Nat. B'k, Pensacola....	R. M. Bushnell, *Cas*.....	John E. Maxwell.
ILL.....	Livingston Co. Nat. B., Pontiac.	D. C. Eylar, *Cas*.....	M. H. Greenbaum, *Actg.*
IOWA....	Farmers Loan & Trust Co., Alta.	H. T. Saberson, *Cas*.....	J. F. McCall.
"	..Alvord Savings B'k, Alvord	G. W. Holmes, *P*.....	H. C. Curtis.
"	..Farmers Savings Bank, Britt..	P. F. Cooper, *Cas*.....	E. P. Healy.
"	..State Bank of Dows.....	R. W. Birdsall, *P*.....	J. H. Carleton.
"	..First National Bank, Fort Madison.	Jos. A. Smith, *V. P*..... J. A. S. Pollard, *Cas*.....	Chas. Brewster. J. C. Brewster.
"	..Fort Madison Savings Bank, Fort Madison.	Jos. A. Smith, *P*.....	W. H. Kretsinger.
"	.Commercial Savs. B'k, Milford.	C. E. Blackert, *Cas*.....	W. F. Carlton.
"	..State Bank of Rock Valley.....	R. C. A. Flournoy, *P*.....	W. P. Manley.
"	..Farmers & Merchants Bank, Sioux Rapids.	W. E. Brown, *P*..... M. C. Struble, *Cas*..... F. F. Faville, *Asst.*	D. D. Brown. W. E. Brown. .....
KAN....	State Bank of Bern.....	Will R. Guild, *Cas*.....	Chas. H. Herold.
"	..Burlington N. B'k, Burlington..	I. A. Hamman, *Act. Cas*...	C. H. Race.
"	..Farmers State Bank, Hillsboro.	E. Burkholder, *P*..... J. S. Hirschler, *V. P.*	H. M. Thorp. .....
"	..Bank of Lucas, Lucas.	A. J. Francis, *P*..... Ed. C. Oman, *Asst*.....	John Hall. .....
"	..Bank of St. Francis, St. Francis.	W. C. Willits, *Cas*..... Charles W. Campbell, *Asst.*	W. J. Rice. .....
"	..Bank of Waverly.....	Chas. N. Converse, *Cas*....	E. T. Duvall.
KY.....	Bank of H. Y. Davis & Co., Cave City.	S. D. Caldwell, *Cas*.....	Hardin Y. Davis.
"	..Hart Co. Dep. B'k & Tr. Co. Munfordville.	W. B. Craddock, *V. P*..... Geo. D. Mentz, *Cas*.....	Geo. D. Mentz. J. P. Rowlett.
ME.....	Bar Harbor Bkg. & Tr. Co., Bar Harbor.	L. B. Deasy, *P*.....	A. P. Wiswell.

* Deceased.

Bank and Place.	*Elected*	*In place of.*
MASS....Wachusett Nat. Bank, Fitchburg.	Geo. E. Clifford, *P.*	O. H. Lawrence.*
	Walter G. Corey, *Cas.*	Geo. E. Clifford.
	Herbert G. Morse, *Asst.*	Walter G. Corey.
MICH...Third National Bank, Detroit.	J. L. Hudson, *P.*	H. P. Christy.
	W. J. Gould, *V. P.*	J. L. Hudson.
" ..Iosca Co. Savs. B'k, Oscoda...	R. S. Dodds, *Cas.*	Edwin F. Holmes.
MINN...Security Bank, Atwater	Henry Stene, *Cas.*	Lars A. Vik.
MONT ..Montana Nat. B'k, Helena	T. A. Marlow, *P.*	John T. Murphy.
MO.....Bank of Canton	H. J. McRoberts, *P*	Ben. H. Smith.
" ..Bank of Hannibal	J. T. Nelson, *Cas.*	Geo. D. Biggs.
" . Bank of Hillsboro	W. R. Donnell, Jr., *Cas.*	Chas. A. Shortridge.
" ..Kidder Savs. Bank, Kidder....	O. D. Van Note, *Cas.*	J. T. Stagner.
" . Bank of Lockwood	Z. T. Lawrence, *Cas.*	W. S. Wheeler.
" ..Bank of Montrose, Montrose.	J. H. Wilson, *P.*	J. N. Ballard.
	J. N. Ballard, *Cas.*	H. S. Marvin.
" ..Pacific Bank, Pacific	A. F. Mauthe, *Cas.*	G. H. Gross.
" ..Union Trust Co., St. Louis....	Geo. A. Madill, *P.*	C. S. Greeley.
N. Y... Juliand Bank, Greene.	Joseph E. Juliand, *P.*	.....
	Wm. F. Russell, *V. P.*	.....
" ..Bank of Richmondville	A. D. Frasier, *P.*	.....
OHIO...First Nat. B'k, Cincinnati	Jos. Rawson, *V. P.*	.....
" ..Lancaster Bank, Lancaster.	Henry Musser, *P.*	S. J. Wright.
	Wm. L. Martin, *Asst.*	.....
" ..Portsmouth N. B., Portsmouth.	C. B. Taylor, *Act. Cas.*	W. C. Silcox.
PA. ....First Nat. B'k, Catawissa	W. M. Vastine, *Cas.*	.....
" ..Citizens Nat. B'k, Corry	Martin Stark, *V. P.*	L. W. Olds.
" ..First Nat. Bank, Mauch Chunk.	E. B. Leisenring, *P.*	A. W. Leisenring.*
" ..Citizens Nat. Bank, Muncy....	H. V. Peterman, *P.*	E. M. Green.
" ..Centennial N. B., Philadelphia.	E. M. Malpass, *Asst.*	.....
TENN ..Clearing House Ass'n, Memphis.	C. W. Schulte, *P*	S. P. Read.
TEXAS..First National Bank, Georgetown.	A. J. Nelson, *P.*	Emzy Taylor.
	J. E. Cooper, *V. P.*	A. J. Nelson.
UTAH ..First National Bank, Provo.	Walter R. Pike, *V. P.*	S. S. Jones.
	D. A. Swan, *Cas.*	W. H. Dusenberry.
VT.....First Nat. B'k, St. Johnsbury..	A. H. McLeod, *V. P.*	Chas. W. King.*
" ..Nat. B. of Newbury, Wells River.	Nelson Bailey, *Cas.*	George Leslie.*

* Deceased.

PROJECTED BANKING INSTITUTIONS.

ALA....Greensboro ....New bank organized with $50,000 capital. Col. Clarence Derrick, President; James A. Blunt, Cashier.

GA.....Grantville.....$25,000 has been subscribed for a new bank at this place.

ILL.....Normal.....G. G. Johnson has started a bank.

KAN....Fredonia.....State Bank of Fredonia; capital, $20,000. Directors: W. S. Woods, of Kansas City; John S. Gilmore, J. R. Willits, A. D. Crooks and Chas. L. Morton, of Fredonia.

" ..Tecumseh.....Tecumseh State Bank; capital, $30,000. W. S. Search, President; John S. Smith, Vice-President; C. J. Brown, Cashier.

" ..Topeka.....Accounting Trust Co.; capital, $50,000. Directors: F. O. Popenoe, E. Wilder, E. F. Ware, E. B. Merriam, C. S. Gleed, P. I. Bonebrake, F. G. Willard.

MICH...Bay City.....Fidelity Trust Co. James Gray, President; William M. Kelly, Secretary and Treasurer.

" ..Tecumseh.....Lilley State Bank. L. Lilley, President; A. L. Brewer, Vice-President; L. P. Tribon, Cashier.

MINN...Grand Rapids..First State Bank; capital, $20,000. W. C. Gilbert, President; A. P. White, Cashier.
MO.....Arrow Rock....Bank of Arrow Rock; capital, $5,000. Incorporators: G. P. Martin, C. M. Southerlin.
" ..Kansas City....James T. and Wood Thornton will open a private banking house in the Alamo Building.
NEB....Oakdale .....Oakdale Bank sold out to C. W. Priestley.
N. Y...New York .....Asa P. Potter will open a private banking house on Wall Street.
" ..Pleasantville...A bank of deposit and savings bank will be opened here.
" ..Richmondville..Discount and Deposit Bank; capital, $25,000. Directors: Wm. E. Lewis, Jas. H. Brown, A. D. Frazier, Melvin W. Harroway, Milo N. Bradley, John Holmes, H. Stanley Lewis.
PA.....Cooperstown...Citizens Bank. Wm. J. Lapsley, Cashier.
TEXAS..Leonard .....New bank opened. Apply to J. O. Kuyrkendall.
VA. ....Luray.....New State bank will be established.
WIS....LaCrosse .....Security Savings Bank; capital, $50,000. L. W. Foster, President; Hugo Schiek, Vice-President; Henry P. Magill, Cashier.
" ..Milwaukee.....Plankinton Bank is to be reorganized under a new name, with State Treasurer Hunner as President.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during December, 1893.

MINN...Fairmont .....First National Bank, by C. H. Little, Freeport, Ill., and associates.
MO.....West Plains....First National Bank, by L. M. Catron and associates.
NEB....York.... .....City National Bank, by John R. Pierson and associates.
OHIO...Akron .....Akron National Bank, by J. Park Alexander and associates.
PA.....Meadville ..... Old First National Bank, by Arthur L. Bates and associates.
TEXAS..Fort Worth....National Live Stock Bank, by M. C. Hurley and associates.
VT.....Swanton .....Peoples National Bank, by D. G. Furman and associates.
VA. ....Onancock.....First National Bank, by William M. Powell, Baltimore, Md., and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from November No., page 398.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4931	Citizens National Bank..... Minneapolis, Kan.	V. D. Rees,	J. W. Smith,	$50,000
4932	Big Timber National Bank.... Big Timber, Mont.		J. A. Hall,	50,000
4933	Trenton National Bank..... Trenton, Mo.	William E. Austin,	Robert M. Cook,	75,000
4934	First National Bank..... Carmi, Ill.	James A. Miller,	Thomas W. Hall,	50,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from December No., page 479.)

NEW YORK CITY.....St. Nicholas Bank closed.
COL....Golden.....Jefferson Co. Bank succeeded by Woods, Wilson & Rubey.
" ..Julesburg.....State Bank reported assigned.
DAK. N.Minot.....Citizens Bank reported liquidating.
ILL....Chicago.....Chicago Trust & Savings Bank in hands of receiver.
" ..Lostant.....A. J. Newell & Co. have discontinued business.
" ..Mansfield.....Mansfield Bank succeeded by Commercial Bank.
IOWA...Brush Creek...Brush Creek Bank (A. Rawson) succeeded by First Commercial Bank.
" ..Conway.....Conway Exchange Bank (Nelson & Johnston) now N. P. Nelson, Proprietor.
" ..Madrid.....Citizens State Bank now Madrid Bank, private, same officers and correspondents.
" ..Maynard.....Bank of Maynard (C. H. Vorhes) now C. H. Vorhes & Son, Proprietors.
" ..Whitten.....Bank of Whitten discontinued.
KAN.. Caldwell..... First National Bank has gone into voluntary liquidation.
KY.. ..Beattyville.....Farmers Bank assigned.
MASS...Randolph.....Randolph National Bank has gone into voluntary liquidation.
MICH...Centreville.....First National Bank has gone into voluntary liquidation.
MINN...Dassel.....Buck, Hoover & Co. succeeded by Bank of Dassel.
MONT ..Helena.....Montana National Bank has been authorized to resume business.
MO.....Corder.....Columbian Bank has discontinued business.
" ..Trenton.....First National Bank has gone into voluntary liquidation.
" ..Trenton.....Grundy Co. Nat. Bank has gone into voluntary liquidation.
NEB....Grand Island...Citizens National Bank in hands of receiver.
" .York.....York National Bank has gone into voluntary liquidation.
N. Y....Greene.....Juliand Bank has been incorporated.
" ..Richmondville .Bank of Richmondville has been incorporated.
ORE....Portland.....Oregon National Bank in hands of receiver.
PA.....Pittsburgh.....R. Patrick & Son reported closed.
W. VA..Huntington....Commercial National Bank, title changed to Huntington National Bank.
WASH..Tacoma.....Tacoma National Bank has been authorized to resume.

DEATHS.

GALLUP.—On December 13, aged sixty-five years, WILLIAM P. GALLUP, President of Meridian National Bank, Indianapolis, Ind.

KOZMINSKI.—On December 2, aged fifty-six years, CHARLES KOZMINSKI, of the firm Chas. Kozminski & Co., Chicago, Ill.

LEISENRING.—On December 6, aged sixty-seven years, A. W. LEISENRING, President of First National Bank, Mauch Chunk; First National Bank, Hazleton, and First National Bank of Shenandoah, Pa.

MAGOUN.—On December 20, aged fifty-two years, GEORGE C. MAGOUN, of the firm Baring, Magoun & Co., New York City.

ROBINSON.—On December 19, aged fifty years, THOMAS W. ROBINSON, Cashier of Mount Morris Bank, New York City.

SCHELL.—On December 24, aged seventy-four years, EDWARD SCHELL, President of Manhattan Savings Institution, New York City.

WARREN.—On November 13, CHARLES M. WARREN, Cashier of National State Bank, Terre Haute, Ind.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, DECEMBER, 1893.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly Mar.	95	95½	95	95
4s, 1907 ... reg.	Quarterly Jan.	112½	114¼	112½	112½
4s, 1907 ... coup.	Quarterly Jan.	113½	115¾	113½	113½
6s, cur'cy, 1895, reg.	Quarterly Feb.	103	103	101	102
6s, cur'cy, 1896, reg.	Jan. & July.	105	105	103½	104
6s, cur'cy, 1897, reg.	Jan. & July.	108	108	106	107
6s, cur'cy, 1898, reg.	Jan. & July.	111	111	109	110
6s, cur'cy, 1899, reg.	Jan. & July.	113	113	111	112

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	2	1	—
Canadian Pacific	74⅝	75⅜	70½	—
Canada Southern	53⅛	54¾	47½	48⅜
Central of N. J.	—	118	112	—
Central Pacific	—	19	18	—
Ches. & Ohio.	19⅞	20½	14½	16⅜
Do 1st pref.	—	—	—	—
Chic. & Alton	—	—	—	—
Do pref.	—	—	—	—
Chic., B. & Q.	81½	81½	73¼	75⅞
Chic. & East'n Ill.	—	—	—	—
Do pref.	—	99¾	96½	—
Chic., M. & St. P.	66⅞	66⅞	56¼	57¼
Do pref.	—	121⅞	116	—
Chic. & N. W.	106¾	106¾	97	98½
Do pref.	139½	139¾	139½	—
Chic., R. I. & P.	71¼	71¾	62½	63½
Chic., St. P., M. & O.	40	40½	32½	34
Do pref.	—	118	114½	—
C., C., C. & St. L.	37	39⅝	34⅜	35½
Do pref.	—	90	85	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	24	26¾	22½	23¼
Col., H. Valley & Tol.	—	22¼	18⅜	—
Del. & Hudson	136½	136½	127½	130
Del., Lack. & W.	—	168¼	157¾	—
Den. & Rio Grande	—	11	9	—
Do pref.	34⅝	34¾	30¾	—
East Tenn. V & G.	—	—	—	—
Do 1st pref.	—	—	—	—
Do 2d pref.	—	—	—	—
Evansville & T. H.	—	70	48	—
Illinois Central	94½	94½	89	—
Lake Erie and Western	17¼	17¼	14½	—
Do pref.	68½	69	61½	—
Lake Shore	128¾	129	119½	120¼
Long Island	—	102⅛	99	—
Louisville and Nashville	52⅛	53⅞	39¾	44½
Louisville, N. Alb. & Chic.	—	11	8½	8¾
Manhattan Consol.	—	129½	120½	123¾
Mexican Central	—	6¼	6¼	—
Michigan Central	102½	102½	96¼	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	13⅛	13⅛	8⅞	9
Do pref.	—	37½	25	27
Mo., Kan. & Texas	14½	15	13	13
Do pref.	27	27⅛	22⅝	—
Missouri Pacific	27⅞	27⅞	20⅜	21½
Nash., C. & St. L.	—	73	71	—
N. Y. C. & Hudson	103½	103½	97¼	99
N. Y., C. & St. L.	16⅝	16¾	13	—
Do pref.	—	68	68	—
N. Y., L. E. & W.	15½	16	13½	14¼
Do pref.	33¼	33¾	31½	—
N. Y. & New Eng.	32	32	9¾	12¼
N. Y., Ont. & W.	17½	17½	14½	14⅞
N. Y., Sus. & W.	17	17¼	13⅞	14¼
Do pref.	48¼	49	41	—
Norfolk & Western	—	—	—	—
Do pref.	21⅜	22⅝	19	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	7	7	4	4⅝
Do pref.	24	24⅛	18⅛	18¾
Ohio & Mississippi	—	—	—	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	32	25	—
Oregon Short Line	8½	8½	4¾	—
Pacific Mail	—	16½	13	—
Peoria, Decatur & Evansville	—	7	4½	—
Philadelphia & Reading	21¾	21⅞	17	17½
Pullman Palace Car Co.	174	174	162	162½
R. & W. P. 2d as't pd.	—	3⅜	2½	—
Rio Gr. Western	—	16½	15	—
Do pref.	—	—	—	—
Rome, W. & Ogd.	—	—	—	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	27	28	27	—
Do pref.	—	90	86	—
St. Paul, M. & M.	—	107	105	—
Southern Pacific Co.	19⅜	22⅜	19	20⅝
Texas & Pacific	9¼	9¼	6¾	7⅛
Union Pacific	23⅜	23½	16⅝	18
Wabash, St. Louis & Pacific.	8	8	6¼	6¼
Do pref.	16⅞	17⅛	12¼	13¼
Wisconsin Central	—	6	4½	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	31	31	26½	28¼
Nat. Lead Trust	23¾	26	21	23
Tenn. Coal & Iron	15½	17⅝	14	14½
Express—Adams	—	156¼	149	150
American	117	117	111	—
United States	—	54	49½	—
Wells-Fargo	124	132	122	—
Sugar Refineries	83	84⅞	78⅝	82
Do pref.	83	85½	81½	—
Western Union	92	92½	81	82⅞
Wheel. & Lake E.	15⅜	15⅞	12¼	13¾
Do pref.	52⅝	54⅞	47	—

THE

BANKER'S MAGAZINE

AND

Statistical Register.

VOLUME XLVIII. FEBRUARY, 1894. No. 8.

BANK EDUCATION.

One of the most important undertakings by the American Bankers' Association is an elaborate investigation into the subject of commercial education, with especial reference to bankers. The investigation was conducted by direction of the Association, by Professor E. J. James, of the University of Pennsylvania, who has examined into the systems of instruction pursued in the commercial schools of Europe. The report is timely and also very stimulating. It shows what has been done abroad; how far European schools of this character have advanced, and which is also proof of their worth and estimation by those who have adopted and sustained them. Most of these schools are sustained either by the State, cities, or other municipal bodies, and fill a very important place. The situation here is somewhat different from that in Europe. Courses of instruction or schools must have a more local character; but it would seem that the time has come when at least several of these in the East and West might be organized and sustained. More work of this character has been done in the Wharton School—a department of the University of Pennsylvania—than perhaps in any other, yet it is just as easy to establish schools of this character in other large

cities. The time has surely come for industrial or special education. The need of it is more keenly felt than ever before. We have at last come to see that to make a proficient mechanic or a proficient banker he must have the best theoretical education combined with the practical. A comprehensive education of a theoretical character develops and stimulates the mind. So schools of this character are multiplying everywhere, and there is no reason why courses of instruction relating to commerce and banking should not be organized and sustained. Within a short time several great institutions like the Armour Institute in Chicago, the Drexel Institute in Philadelphia, and the Pratt Institute in Brooklyn, have been organized with numerous courses of instruction, the object of which is to fit those who pursue them for pursuing trades and occupations whereby they can earn a livelihood. There is no reason why courses in banking should not be established in all of these institutions.

In some of the larger cities the feasibility of organizing courses of lectures for the benefit of their clerks has been considered by bankers. In most of these places there are associations of clerks, and it has been thought that such instruction might be given to them. This plan has been in the minds of many bankers who have been especially interested in the welfare of their clerks. The objection, however, generally raised has been that they live a great distance apart, and it would not be easy to get them together for evening instruction. And yet we think this difficulty has been somewhat exaggerated; at all events the experiment is worth a trial. It is undoubtedly true that many bank clerks, like others, are without ambition and take more interest in seeing the hands of the clock move than in moving their own. Only the smaller number doubtless have any desire to become proficient in their work; yet in a large city the number of this class is quite enough to form a considerable class for instruction, and it is well worth the while for bankers to consider what can be done for them. Either instruction should be organized separately for them in connection with their associations, or else some movement ought to be made toward organizing courses of instruction in connection with the schools that now exist. We believe that the time is soon coming when in the one direction or the other there will be instruction given in the theory, practice and law relating to banking. Surely such instruction is greatly needed, and there is no reason why it should not be given; all the means exist today needful for the experiment.

A REVIEW OF FINANCE AND BUSINESS.

THE WHOLE COUNTRY STILL WAITING ON CONGRESS.

There has been little change in the general business situation during January. The same conditions exist still, that did a month ago, except that the old year's business, with its losses, has been settled up, and the country gotten ready to enter upon the business of the new, so soon as its Congress will graciously permit it. But, so far, it has refused, and everybody, as well as every enterprise and industry, is anxiously, impatiently and angrily waiting to see what our law-breakers are going to do about it.

The first month of the New Year has shown but slight and slow improvement in any branch of business and added another of suspense, to the four last months of the old year, during which the business of the country has waited for the action of Congress on legislation, affecting its most vital interests. These five months, added to the four preceding ones of panic, and to the previous three months of fear and preparation for the impending disaster, complete a year of the worst times this country has seen, since 1876–77. It is needless to explain the causes, which have been gone over and repeated in this article the past year; except to call renewed attention to the almost impossibility of securing legislation, affecting business interests, without political, financial, commercial or industrial revolution. And, even these, are no longer conclusive, and final, after they have been accomplished, either by the popular uprising of the people, by violent panic or protracted stagnation and depression, all of which we have experienced the past two years.

THE HOUSE A WORSE OBSTRUCTIONIST THAN THE SENATE.

The Silver Senators, no doubt, honestly represented the States or localities that elected them, in fighting the repeal of the Sherman Law. So the Populists equally claim to represent the sentiment of the people that elected them, by insisting on tacking an unpopular Income Tax Bill (which, however just and meritorious, was not an issue in the campaign that elected them) to the Tariff Repeal Bill, which *was the* issue, even though the former shall defeat the latter. But these Populists were elected on the National Tariff issue, with the party that is commissioned to repeal it; and, they have not even the excuse of the Silver Senators, that they are representing their constituents, no matter what the local or State issues may have been, on which the former were elected. The result, however, is the same. If it were simply in questions of

party politics, that this refusal of sections occurs, to carry out the compact by which they came into the Union of States, it would not be so serious a matter. But this diversity of opinion and of interests, between sections, is unfortunately greater on business and economic questions than on any other; and, such being the case, these contests become more bitter, because sectional, until local, self-interest is fast coming to overshadow great National issues that should be settled upon a broad, statesman-like and constitutional basis, of the greatest good, for the greatest number.

That these sectional differences are growing greater, and the antagonisms engendered thereby, more bitter, instead of less, as our country grows greater, and the interests of its people more diversified, cannot be denied; nor that National legislation in the general interest of the whole is becoming more difficult each year, with its growth, in extent and population.

What then is the trouble? Have we grown too fast, to consolidate our strength; or, are the interests of new communities naturally antagonistic to those of older ones; or yet, of the country to the city; of the producer to the consumer; the agricultural to the commercial classes; the capitalist to the debtor; and, finally, of capital itself to the labor by which it was created? The answer of the true political economist, as well as of the philanthropist and of history, is that the greater the general good and prosperity, the greater that of the individual. But neither the economics, nor the ethics of our times are founded upon Humanitarianism, nor the Golden Rule; but upon the cornerstone of self, self-interest, self-aggrandizement, power and wealth, at the expense of everybody else. It is these purely selfish interests, that have become irreconcilable, by becoming so diversified, which have brought our National Government into its present impotency.

These are the causes of its failure to longer execute the will of a majority of the people. The remedy is more difficult to suggest; but, like all evils, the cure for which, there is no precedent, it will be found, when they can no longer be endured; and, there is no cause for despondency, as to the fate of our Ship of State, which has been righted by the good sense and backbone of the American people, after greater storms than this promises to be. Yet, the suffering and misfortune incident to this slow curing process, through which the country is now going, might have been avoided by an ounce of prevention. Americans will scarcely admit that we have grown too great, to hold our wide Empire intact, by the bond of common weal. Yet it was this (after dissensions at Rome had subverted) that disintegrated the Roman Empire; which, though more scattered, and, its populations less homogeneous, was scarcely greater in extent or more populous than ours; while its industries, and their varieties could not compare with

those of the United States; much less, its internal and foreign commerce.

WHICH OF TWO REMEDIES WILL BE NECESSARY?

We may, however, be compelled to modify the relations between our General, and these sectional, or State Governments, somewhat upon the lines of those existing between England and her semi-independent Colonies, in order to allow greater freedom in local self-government; for, it is opposed to the theory of our very institutions, to further centralize power in the General Government. But one or the other of these policies may have to be adopted, if the business of this country is to be left to the tender mercies of Congress, hereafter; and sacrificed, as our finances were by the Senate for months last year; and, as our industries have been for the past two months, and seem liable to be, for months to come, this year, by the lower branch of Congress. The tendency of our National Government, has, at different periods, been, in both these directions. It was towards decentralization, after the Revolutionary period, and up to the Civil War, beginning in Secession. From that time, until 1876, it was strongly towards centralization, until the alarm of the people, at the encroachments of the Federal power, and of military methods, turned the tide in the opposite direction, in which it is still running, since the tyranny of party has been broken, and the people, as well as their representatives, have come to act individually and independently.

CONDITION OF NATIONAL BANKS.

The December reports of the condition of the National banks of the country, to the Comptroller of the Currency, show some striking contrasts to those of a year ago, before normal conditions had been disturbed by the anticipation of the panic. On the 9th of December, 1892, the individual deposits of our National banks aggregated $1,764,456,177. The next statement issued nearest to the extreme panic strain, July 12th, showed a shrinkage in individual deposits to $1,556,761,230. The withdrawal of deposits in August was undoubtedly still heavier; for on October 3d, the date of the next report, the total of individual deposits was still as low as $1,451,124,330.

Last month's statement reports the total holdings on this account at $1,589,399,795; which is materially less than last July. A year ago the total coin and paper money held by the National banks was $318,641,595. In July these reserves had sunk to $289,254,850. In August they must have sunk still lower. Yet on December 19, 1893, the aggregate had risen to $414,135,407. Hence, between July and December the net gain in the money holdings of the National banks was 70 per cent., of which $60,-

000,000 represents the increase in legal tender Government notes. The last bank statement showed that total deposits in New York Clearing House banks had increased $177,000,000 since August, and that the cash holdings of these banks had increased threefold, while the loans had increased less than $12,000,000. There are now in the banks of New York City deposits of $547,694,400, much of it bearing interest to depositors, and of this sum $129,000,000 is not in use at all.

THE STOCK AND OTHER EXCHANGES

simply reflect the general situation, as above described, and have done so all the month, with the tendency in prices rather down than upward, though few important changes in values of anything have occurred. Spot trade is entirely of the hand-to-mouth character, and speculation, as well as investment, is dead, as shown by the continued increase in the banks' reserves—the surplus running above 100 million dollars, or beyond any accumulation of money known in the history of the country. This is partly due to the low prices of commodities, which require less money to hold or handle, than ever before, while nobody wants to borrow and everybody to lend money, because neither borrower nor lender dare use it. Banks are being compelled to stop, or reduce interest on deposits, in consequence, until there really is no longer a market for money, and it ceases to be a factor in finance or trade. Even cheap money does not stimulate speculation, because of the uncertainty of the future of business and of values affected by the Tariff. Neither money rates, gold exports, and imports, nor sterling exchange, are longer factors in the stock or other markets. All is dead and waiting for Congress to put new life into the business of the country, or admit its inability to do so, and leave what life is left. To add to the stagnation, our export trade in breadstuffs has been smaller since the new year, instead of larger as expected, and, of course, the import trade is at a standstill in anticipation of a proposed reduction in the Tariff.

EXCEPTIONAL CASES OF IMPROVEMENT.

There has been, therefore, scarcely a feature of interest or important change in any branch of trade, except that industrial concerns are more generally running at the end of the month, than since the panic last summer stopped them. One other exception has been an active market for Sugar Trust securities, which have been sold down by insiders, outsiders and investors alike, on the amendment of the House to the Wilson Bill, putting all sugars on the Free List, and thus depriving the Trust of its unnecessary and exorbitant protection on its refined product. Still another has been an unexpected improvement in railroad earnings, by

reason of an unusually early and free movement of corn, both to Chicago and the seaboard. But the latter has fallen off at the end of the month, owing to a restoration of freight rates by the Trunk Lines, which were so badly cut in December, in order to start this corn crop, which was their main reliance for East-bound freight, the stocks of wheat at the seaboard being ample to supply export demand until opening of navigation. Provision exports, as well as of cotton, have partially made up for the deficit in wheat and flour; but even these have been checked by the scarcity of ocean freights, as there has not been enough demand for freight room either way to bring in many outside steamers, while the regular lines held rates just as high as they could, and not tempt charters from the other side. The local dry-goods retailers have been running a race to see who could sell their goods first, at the lowest price, in anticipation of lower duties, and in order to work off holiday stocks and get cash. But there seems to be a lull, since doubts of the passage of the Tariff Bill are taking place of the certainty, with which it was regarded until the close of the month.

H. A. PIERCE.

An International Gold Clearing House.—The transportation of gold from one country to another is a costly process, and various schemes have been proposed from time to time for dispensing with the transportation of the yellow metal. Thus, for instance, from June 30, 1878, to July 1, 1893, there was a difference of only $10,000,000 between the amount of gold imported and exported; yet in that time $1,000,000,000 had been moved, or $498,000,000 one way and $502,000,000 the other. The cost of transporting $500,000,000 of gold back and forth across the Atlantic, practically to settle a balance of only $10,000,000, is about $3,800,000. The cost of freight and insurance may be counted at ¼ of one per cent. or in round numbers $2,500,000, and an average of ten days' interest on $1,000,000,000, at 5 per cent. would be $1,369,900. In some years during the period covered the imports and exports were very nearly the same amount. We have no doubt that bankers will continue to study this question until some less costly method is devised for settling balances than now exists by the use of the old-fashioned method of transporting gold from one country to another. Since communication has become so frequent, and credit is so firmly established among the great banks and bankers of the world, there ought not to be any serious difficulty in the way of providing gold depositories and issuing certificates against the gold deposited for circulation instead of using the gold itself.

FINANCIAL FACTS AND OPINIONS.

Bank Thefts.—The plan adopted by the receiving teller of the St. Nicholas Bank to rob that institution, shows how easily the thing can be done when one has the inclination. Every banker knows that it is easy enough to place more guards around their officials, but this means two things. First, more time for doing business, and, secondly, greater expense. Our National Government is a good example of what may be done in the way of placing safeguards around those engaged in receiving and disbursing public moneys. We often hear criticisms concerning the red-tape methods of the Government, but these were adopted as a system of checks on the various officers who are thus employed. Every one knows, who has ever looked into the system, that many of them could be eliminated, as they are not indispensable to the transaction of the business. The office of naval surveyor in the large ports is a good illustration. From one point of view he is entirely superfluous, as he simply goes over or verifies the work of the clerk. If any mistake or error has been committed, or any wrong perpetrated, it is supposed or hoped that the surveyor will find it out; and the office is maintained solely on this theory. And it is said in defense of its maintenance that it has served a useful purpose in this way. Now, in managing a bank the more hands through which money passes in its receipt and disbursement, the more elaborate must be the combination in order to commit fraud. If, for example, money received by a receiving teller must pass through two or three hands before reaching the vaults, then all of these persons must conspire before any robbery can be done in the receipt of money. In some trust companies the money is thus required to pass through at least three hands. But, of course, each additional officer adds to the slowness of the process as well as something to the expense, and banks instead of adding these checks prefer to take the risks of theft or misdoing. They know well enough that checks can be devised in many ways, which, though not insuring absolute safety, would render the perpetration of thefts more difficult. Experience teaches every bank what can be done in these matters, but as long as they continue to take the risks instead of imposing new checks doubtless thefts and misdeeds will continue to multiply.

Government Bond Issues.—At last the Secretary of the Treasury has determined to issue bonds. Some fear that although the bonds are to be paid in gold, persons will present greenbacks to the Treasury therefor, and thus the gold be drawn out perhaps as

rapidly as it is received. If this operation should take place, the Treasury would not be much better off than it is now. Besides, if the revenues continue to decline the gold must be paid out at no distant day in any event. If the gold comes from the banks, they will be depleted to this extent, and, therefore, less able to withstand a drain from the other side. The *New York Tribune* thus remarks on the subject:

Secretary Carlisle has decided to offer ten-year five per cent. bonds "on a three per cent. basis" to the amount of $50,000,000. As between the three classes of bonds authorized he has chosen sensibly. It is to be presumed that he has assurance that the bonds offered can be sold on such terms, as it would have been a grave mistake to expose the public credit to the risk of failure in the proposal made. The bonds authorized in 1875 have one advantage, that they were formally declared by the Government to be payable, principal and interest, in gold, though at that time there was not in the country silver coin enough to pay even a small fraction of the bonds issued, nor was there any law authorizing additional silver coinage. But now the Treasury holds 360,000,000 of standard silver dollars, and can add $50,000,000 under a construction of law which many Democrats favor. Whether the present Administration will feel warranted in pledging the faith of the Government that interest and principal of bonds that may now be sold shall be paid in gold, whereas the language of the act provides for payment "in coin," is not yet clear. Without such a pledge the purchaser of bonds at any high figure will by his act exhibit strong confidence in the defeat of the Democratic party, and in the return to power at the earliest possible day of the party which for thirty-three years has stood for honest money and honest payment of debts.

India Bills.—The policy of the Gladstone Government in dealing with silver in India seems to have broken down. There is no way of permanently fixing the value of silver by any single Government, the more that combine in doing this the greater is the possibility of accomplishing it, but surely no single Government, not even Great Britain, can do much unaided and alone. Many regarded the plan of the Indian exchequer as fruitless, and its speedy failure is therefore no surprise. But the end has come, and silver now in India must run its course and be governed by its market value, as it is in this country and elsewhere. What will be the outcome of this no one can tell, but the general impression seems to be that the Gladstone Government will establish a gold standard for India. When India brought out its new currency scheme last summer the Indian Office made 16d the rupee, the minimum rate for bills, but owing to the inability to sell at the established rate, had finally to reduce its minimum to 15¼d the rupee. Even at this reduction sales have recently been very small. In the first week of January the Indian Office secured the right from Parliament to issue a loan of £10,000,000, the proceeds to be used in the settlement of its sterling obligations. This leaves the Office free to sell its bills at a lower rate, but does not nec-

essarily mean that they are to be sold for whatever they will bring as some bullion dealers have argued. The immediate effect, however, will be to make Council drafts compete with silver bullion in settlements of Indian accounts. The tendency will be in this event to depress silver, but probably to stimulate India's export trade. Shipments of silver to India from London so far this year have been light, the aggregate being only about £350,000.

Superintendent Preston's Annual Report.—In the annual report of Hon. Charles M. Preston, State Superintendent of Banks in New York, which has just appeared, a good account is given of the panic encountered by the State banks and of their operations during this trying period. The resources and liabilities of the banks on the 19th of September were $251,560,578. A fuller statement is the following:

RESOURCES.

	Sept. 19, 1893.
Loans and discounts, less due from directors	$154,141,095
Due from directors	6,233,577
Overdrafts	198,252
Due from trust companies, State, National and private banks and brokers	17,625,939
Real estate	6,295,448
Bonds and mortgages	2,084,731
Stocks and bonds	8,772,478
Specie	13,801,617
United States legal tender notes and circulating notes of National banks	13,949,318
Cash items	19,416,368
Loss and expense account	813,809
Assets not included under any of the above heads	8,227,216
Add for cents	730
Total resources	$251,560,578

LIABILITIES.

Capital	$33,237,180
Surplus fund	16,577,615
Undivided profits	11,247,803
Due depositors on demand	163,836,881
Due to trust companies, State, National and private banks and brokers	19,173,081
Due individuals and corporations other than banks and depositors	585,059
Due Treasurer of the State of New York	553,456
Amount due not included under any of the above heads	6,349,140
Add for cents	333
Total liabilities	$251,560,578

The increase of capital of these banks amounted to $200,000 during the year. The net increase in State bank capital during the year was $703,480.

The outstanding circulation of banks incorporated under the laws of this State is:

Chemung Canal Bank	$13,506
Delaware and Hudson Canal Bank	705
Livingston County Bank	9,300
Manhattan Company	44,721
Onondaga County Bank	9,747
Total	$77,979

The Superintendent has made several recommendations, some of which may be noticed. One of them provides that the whole

capital stock of a bank shall be paid before the institution is authorized to begin business, for the reason that experience has shown that the balance of unpaid capital is not in truth always paid as the law requires. He asserts that banks thus organized have been required to pay the full amount of their capital, but have disregarded his request; and that there is no way in which the Superintendent can enforce a compliance with the law except by reporting to the Attorney General, who then could proceed against the institution as a delinquent corporation. This he regards as a harsh and disastrous remedy. It seems to us, however, that if a bank is not willing to comply with such a plain and necessary provision of the law, it is the best reason imaginable why it should not exist, and therefore the Attorney General would be doubly justified in putting an end to its existence. If those who have organized it are not willing to furnish the capital required by law, surely they ought not to be permitted to live and impose on the public by giving the impression that the institution has more capital than it really possesses. The Superintendent also suggests an amendment to the Banking Law, that no officer or employe of a bank should borrow any of its funds without first making an application of the board of directors, and the favorable action of at least a quorum of such board on application. He declares that during the last fiscal year more than one bank has suspended in consequence of making loans to the president and cashier of large sums of money with their own paper as security, which proved to be worthless. He also recommends that the Banking Law should provide that every bank whose surplus or undivided profits does not equal 20 per cent. of its capital stock shall be required to set apart from time to time from its net earnings, before declaring a dividend, at least 10 per cent. of such profits, until such time as such surplus or undivided profits equals 20 per cent. of its capital stock. It frequently happens, among the smaller banks of the State, that after paying expenses and declaring a dividend there is not sufficient margin of profits left out of which to pay losses which necessarily befall every bank; and it frequently occurs that in the examination of these banks their capital stock is found to be more or less impaired. By the enactment of the provision above suggested this difficulty would be largely avoided, and the banks of the State would be in a much more satisfactory condition.

In my annual report of 1892 I recommended an amendment to the Banking Law, providing for a law which should prescribe a uniform mode of original entry of accounts by the banks of this State, and what I then said upon this subject I wish to reiterate, as the experience of the last two years has only tended to strengthen the views then expressed. I am convinced that the interests of the public would be better served, and the efficiency of the department materially improved, if a uniform

method for the original entry of deposits in every bank and trust company were made compulsory, and that the Superintendent should not only have the right to prescribe such method, but that it should also be made a part of his duty by statutory enactment.

The adoption of such a provision, coupled with a provision enabling the Superintendent to enforce the observance of the same, would materially add to the efficiency of bank examinations, and lessen the cost thereof. The same provision should also include, in addition to banks of deposit and discount, all other institutions of this State under the supervision of the Banking Department.

The practice of a bank loaning money on the security of its own capital stock should be prohibited for the reasons: First, that whenever it become necessary to resort to the collateral for the collection of the debt, and the bank is compelled to become the owner of its own stock, its capital (while it remains the owner) is in fact reduced by just so much; and, second, in the case of insolvency the value of the collateral is reduced to the extent of the impairment or insolvency. This has been found in practice to work disastrously to the depositors in a number of instances in the last two years. I recommend that the Banking Law be amended in this particular.

Forms of Paper Money.—The discussion by Secretary Carlisle in his annual report of the forms and denominations of existing issues of paper money may lead to new legislation. The idea that the silver certificates should for the most part be put into small denominations and the legal tenders should furnish notes of large denominations has received the approval of many who have been studying the best way for the country to carry its accumulation of silver. It was a part of the policy of Treasurer Jordan, although he was no enthusiast in favor of silver, to get it in circulation among the people. Two provisions of law were made in 1886 upon this point—one providing for the issue of silver certificates of small denominations, and the other prohibiting the use of any part of the appropriation for the Bureau of Engraving and Printing "for printing United States notes of a larger denomination than those that may be cancelled or retired." The first provision, for the issue of small silver certificates, became a permanent law and is still in force. It puts no limitation upon the substitution of one denomination of notes for another, and is not objectionable to the Treasury officials. It is in pursuance of this provision that the Secretary has been able to direct that "as rapidly as the opportunity is afforded, the amount of such certificates of denominations less than ten dollars shall be increased by substituting them for larger ones to be retired." The opportunity for making such a change has not been great because of the small working margin in the Treasury, and the necessity that any money which might be available should be used to meet the immediate demands for any particular denomination of notes. The evidence that no radical change has yet been made in the direction suggested by the Secretary is furnished by the following com-

parison of the silver certificates of different denominations outstanding on November 30, 1893, and June 30, 1892:

Denomination.	*November 30, 1893.*	*June 30, 1892.*
One dollar	$20,834,576	$27,311,775
Two dollars	15,406,041	17,125,837
Five dollars	91,420,130	102,431,714
Ten dollars	107,049,791	110,590,751
Twenty dollars	61,468,236	44,062,796
Fifty dollars	14,304,310	11,715,810
One hundred dollars	22,409,920	15,797,620
Five hundred dollars	599,500	1,181,000
One thousand dollars	646,000	1,393,000
Total	$334,138,504	$331,614,303

The provision suspending the substitution of United States notes of larger denominations for those cancelled or retired was originally simply a restraint upon the use of the appropriation for the year, but it has been re-enacted in each successive appropriation bill, and is a part of the Act of March 3, 1893, governing the expenditures of the present year. Mr. Carlisle will probably ask that the provision be abandoned in the sundry civil bill for the next fiscal year, beginning July 1. This will leave him free to put the legal tender notes into larger denominations, and fill their places with silver certificates of smaller denominations. He has full power already in regard to the Treasury notes issued under the Sherman Law, and the removal of restrictions in the case of other forms of money will enable him to meet every emergency as it arises. That the Treasury Department has had some success in transferring legal tenders into large denominations, in spite of the provision of the appropriation bill, is shown by the following comparison of the amounts of small notes outstanding on November 30, 1893, and June 30, 1886:

Denomination.	*November 30, 1893.*	*June 30, 1886.*
One dollar	$3,530,587	$17,603,922
Two dollars	2,875,940	18,204,369
Five dollars	61,538,414	85,629,219
Ten dollars	91,973,905	66,658,661

Increase in the Production of Gold.—The decline in the value of silver, and closing of the less productive mines, have stimulated the search for gold. The consequence is a very considerable increase in the production. The estimate of the Mint Bureau for the year 1893 is nearly $150,000,000, which is almost as much as the production for any year in the world's history. The failure of the international monetary conference, and the abandonment of the silver purchase policy by the Government, have also powerfully operated in favor of stimulating gold production, not simply in this country, but everywhere. The Mint Bureau figures are not complete, but indicate an increased production in Colorado, Arizona and New Mexico. It is believed, too, that an increase will be shown in California, Oregon

and Washington. Something of an increase has occurred in Mexico, and it is believed that a much larger amount will be coming from that source when the discouragements to the employment of foreign capital are lessened. The production of silver in Mexico has been one of the most important industries in the State, and has, of course, felt the full effects of the decline in the value of silver, and naturally, therefore, those who are engaged will turn more attention to gold mining. The greatest supply, however, of new gold is from the South African mines. There has been an increase from $15,000,000 in 1891 to $20,000,000 in 1892, and more than $30,000,000 in 1893. Furthermore, it is believed that the production of these mines will be largely increased in the near future. The Mint Bureau has requested special reports on these newly-discovered gold fields from our consular officers. In the meantime, the unofficial reports and such data as are obtained of the actual production and of the supplies in clear sight are enough to revive and give color of truth to the ancient stories that have been rejected as mythical. By these reports, the climatic conditions encountered in these newly-discovered mining districts are not unfavorable, and everything points to the rapid development of what appear to be practically inexhaustible supplies of gold procurable at a high rate of profit.

Mr. Coe's Retirement.—No bank president in the United States is perhaps so well known by reputation as Mr. George S. Coe, who has just retired from the presidency of the American Exchange National Bank. He entered the bank as vice-president in 1856, and became president in 1860, and has rendered a service to his bank, the city, the Government and the country at large, probably not surpassed by any other bank officer in the country. Mr. Coe first suggested the use of Clearing House certificates in November of 1860, and in August of 1861, at a meeting at John J. Cisco's office, called by the Secretary of the Treasury, Salmon P. Chase, Mr. Coe suggested that the leading banks should unite to take the United States Government loan. The movement was at once started by the American Exchange Bank and the Bank of Commerce, resulting in the banks of New York, Boston and Philadelphia loaning to the Government of the United States one hundred and fifty million dollars. The new president, Dumont Clarke, was born in Newport, R. I., in 1840, of good old colonial stock. The founder of his family in this country was Richard Clarke, one of the first settlers of the colony of Rhode Island. Mr. Clarke was educated at Newport, and began business in 1858, in the Bank of Rhode Island, an institution with which the Clarke family have been identified since the foundation of the bank in 1795. Mr. Clarke's grandfather was president of the

bank, and he was succeeded by Mr. Clarke's father. On the death of the latter, in 1862, Mr. Clarke's uncle succeeded to the presidency and he himself became cashier of the bank. After a visit to California, in 1863, Mr. Clarke, deciding to come to New York, entered the American Exchange Bank as check clerk. He afterward became confidential clerk, and in 1868 assistant cashier. In 1884 he was made cashier, and in 1887 vice-president. If any man in the United States, therefore, is fitted to be president of the American Exchange National Bank it is Dumont Clarke. It is greatly in Mr. Clarke's favor, too, that he has had the counsel and experience of George S. Coe, the retiring president.

Gold and Silver Exports and Imports.—The United States Treasury statement for the full year 1893 shows that while the total outward movement of gold exceeded that of 1892—having reached $79,767,354 against $76,532,056 in the preceding year—the return movement which set in during the latter half of the year attained such proportions that the net export of the yellow metal was only $7,004,965, as compared with $59,081,110 in 1892. The full figures compare as below:

	Exports.	*Imports.*	*Net Exports.*
1893	$79,767,354	$72,762,389	$7,004,965
1892	76,532,056	17,450,946	59,081,110
Changes	$3,235,298	$55,311,443	$52,076,145
Per cent. of change	4.2 p. c.	316.9 p. c.	88.1 p. c.

The exports were at their height early in the year, and were followed by heavy imports, while in the concluding quarter of the year there was comparatively little movement in either direction. Silver exports, on the other hand, were pretty steadily maintained throughout the year, and show a large increase over 1892, as will be seen from the following:

	Exports.	*Imports.*	*Excess of Exports.*
1893	$46,230,439	$18,274,804	$27,955,635
1892	35,975,834	21,726,252	14,249,582
Changes	$10,254,605	$3,451,418	$13,706,053
Per cent. of change	28.5 p. c.	15.9 p. c.	96.2 p. c.

The silver movement is still maintained, and the present indications are that the exports will continue heavy for some time to come. The exports of general merchandise last year showed a decrease of $62,272,637 from 1892, but the decrease in imports was still greater, amounting to $64,185,274, so that the excess of exports—$99,402,342—was larger by $1,912,637 than in 1892.

Income Tax.—The Committee of Ways and Means of the House, it seems, favors the taxing of incomes, but, as all know, a great deal of opposition has already developed to this form of taxation. It is believed, however, that such a bill will pass the House.

Some interesting figures have been given by the Commissioner of Internal Revenue, showing the amount of tax derived from income of all sources under the law of 1862, from 1863 to 1873 inclusive:

Year.	*From Personal Income.*	*From Corporations.*	*From Salaries of U. S. Officers and Employes.*
1863	$455,741 26	$1,589,935 28	$696,181 71
1864	14,799,313 88	3,656,244 79	1,705,124 63
1865	20,400,671 69	8,519,527 00	2,826,491 82
1866	60,547,882 43	8,716,881 91	3,717,394 69
1867	57,040,640 67	7,943,796 69	1,029,991 98
1868	32,027,610 78	8,384,426 18	1,043,561 40
1869	25,025,068 86	9,204,824 46	561,962 52
1870	27,115,046 11	9,551,301 09	1,109,526 42
1871	14,434,949 39	3,940,438 81	787,262 55
1872	8,416,685 87	5,725,611 26	294,564 65
1873	3,927,252 76	1,017,517 14	117,541 72
Total	$264,190,863 70	$68,250,504 61	$13,889,604 09

The most noteworthy feature of this showing is the proportion between the taxes yielded by the salaries of Government functionaries and that yielded by the incomes of private citizens. In 1863 the servants of the Government actually paid to the tax collector nearly half again as much as all private persons together. In 1864 they paid in about one-eighth as much as their fellow citizens in private life; in 1865 about one-seventh; in 1866 about one-sixteenth; in 1867 about one-fifty-fifth; in 1868 about one-thirtieth; in 1869 about one-forty-fourth; in 1870 about one-twenty-fourth; in 1871 about one-eighteenth; in 1872 about one-twenty-eighth; and in 1873 about one-thirty-third. This shows a wide range, to be accounted for in part by the fact that Government salaries are pretty steadfast, while private incomes vary with every turn of the financial or commercial tide. But the thing to be noted especially is the fact that the ratio reached its very lowest point in 1867, when the amount collected from public servants compared with the amount collected of private citizens as one to fifty-five, whereas the numerical proportion of public servants to persons not in public employ was not higher than one in sixty-five. It was a period of lively trade and daring speculation and inflated values. Government salaries averaged no better than now, but private incomes were immensely swelled on paper. By any reasonable calculation the Government's employes ought not to have been taxed more than one-seventieth or one-eightieth as much as the private citizens, even allowing the latter to charge off a considerable share of their actual income on one pretense and another. No year, moreover, approached 1867 in this particular. The nearest to it was 1869, with the proportion of one to forty-four. In the other years it never fell lower than one to thirty-three, and for five years it ran higher than one in twenty. One of the objections to this bill is that it is class legislation of the worst form.

Those having any means whatever should be required, in proportion to their ability, to sustain the Government. When this duty or burden is put on a class then dangers begin. It is believed that the bill will find a quietus in the Senate, and that ultimately the needed revenue to carry on the Government must come from imposing an additional tax on sugar and possibly a higher one on imported liquors. The best tax to impose would be on beer, but the brewing interest seems to be powerful enough to have its way, and so there is no probability that such a tax will be laid although its justice must be apparent to every one.

Should Exchanges be Abolished?—The Boston *Commercial Bulletin* declares that many of the merchants in the country unhesitatingly advocate the abolition of the Stock Exchanges in the large cities, and that in times of panic and depression especially they should be closed to prevent the bears from destroying credit. The remarks of this paper on the subject are worth quoting:

The claim of the business man is, that the Exchanges have a tendency to upset trade, for if times are hard, they are made more so, by bear speculators, and if prosperous, the opportunity is seized to create undue inflation, from which the reaction is inevitable. In the matter of grain, the effects upon the farmer who produces it, from the speculation in futures, are very adverse and there can be no question of the advantage accruing to the producer, if such men as Hutchinson, Pardridge and Cudahy were not permitted the opportunity to gamble in wheat and corn to the extent of millions of dollars.

The claim that the exchange system is necessary for the marketing of the grain and cotton crops is untenable. How is it that wool, potatoes, and hay are marketed? It is notorious that the quotations on the Cotton Exchange have not represented the actual market—what the spinners are paying—for long periods together, and its predictions of future prices are no more infallible than bets on other things are prone to be. The course of prices on the Exchanges are more often the result of manipulation—a practice often covering the dissemination of false statements rather than any reflection of actual conditions.

The mercantile community complains with reason, that financial institutions whose business it should be to advance credits to their customers desiring it for legitimate purposes, are too often drawn into the vortex of stock-market speculations, and misemploy their funds to support or assist in such speculations, to the disadvantage of those in regular trade. It would certainly seem that the chances of such overwhelming shrinkages of credit as were witnessed last summer, would be smaller without Stock Exchanges than with them. Then, too, it is a well-known trick in New York to acquire a sort of a corner on funds and then to mark up rates, which disturbs the whole course of affairs, and ends, as the schemers desired, in a drop in security values.

The claim is made that Wall Street is almost alone responsible for the development of the Western country with its enormous enterprises. That claim is an incorrect one, for it is an impression in this part of the country, that Boston and New England established the two greatest railway systems of the West, the Atchison and the Chicago, Burlington & Quincy, to say nothing of the Union Pacific, and that without any es-

pecial aid from Wall Street. Wall Street is not necessary, and never has been, to market good bonds, but the New York Stock Exchange is absolutely necessary to float stocks of little intrinsic value and to conduct ruinous speculations in them.

Furthermore, the claim is not an idle one, that Wall Street places a premium upon all sorts of dubious inflation schemes. Without Wall Street we should probably not have the Industrials or Trusts in their present grossly "watered" condition. Trusts might be formed, but it would be with smaller capitals, the present ones plainly showing evidence that they were inflated with an eye to the Wall Street end of the business. We should scarcely have had the wretched collapse of the National Cordage Company without the Stock Exchange. It is useless to say that all these things do not adversely affect general business, because they do.

PAYMENT OF NOTES AND OTHER OBLIGATIONS.

A note is not paid by accepting a check unless it was taken in absolute payment. Consequently, if the check is not paid on due presentation, the liability of maker of the note remains (*Cannonsburg Iron Co.* v. *Union Nat. Bank*, 6 At. 574), for the check is of no higher character than the note, which certainly was not money. (*Brown* v. *Scott*, 51 Pa. 357; *League* v. *Waring & Co.*, 85 Pa. 244; *Miller* v. *Lotz*, 15 Pitts. L. J. 139; *Cannonsburg Iron Co.* v. *Union Nat. Bank*, 6 At. 594, 1886.)*

And the same rule applies to notes and other instruments that are taken from the makers or other parties. A creditor's acceptance, therefore, from his debtor of his own note, or the note of a third person for an antecedent indebtedness, is not an absolute, but only conditional payment. The debtor remains liable should he not pay the note. (*Hunter* v. *Moul*, 98 Pa. 13; *Leas* v. *James*, 10 S. & R. 307; *McGinn* v. *Holmes*, 2 W. 121; *Weakly* v. *Bell*, 9 W. 273, 280; *McIntyre* v. *Kennedy*, 5 Casey 448; *Brown* v. *Scott*, 51 Pa. 357; *Reed* v. *Defebaugh*, 24 Pa. 495; *Heath* v. *Page*, 48 Pa. 139; *Kearney* v. *First National Bank*, 129 Pa. 582; *League* v. *Waring & Co.*, 4 N. 244; *Holmes* v. *Briggs*, 131 Pa. 233; *Cannonsburg Iron Co.* v. *Union Nat. Bank*, 34 Pitts. L. J. 93; *Hart* v. *Boller*, 15 S. & R. 162; *Oliphant* v. *Church*, 19 Pa. 318; *Tyson* v. *Pollock*, 1 P. & W. 381; *Kean* v. *Dufresne*, 3 S. & R. 233; *Jones* v. *Johnson*, 3 W. & S. 276; *Davis* v. *Desauque*, 5 Wh. 530; *Oliphant* v. *Church*, 7 H. 318; *Reed* v. *Defebaugh*, 12 H. 495; 8 C. 494;† *Levan* v. *Wilton*, 135 Pa. 61.) If a note be taken by

* "The mere taking a promissory note does not of itself create a legal presumption that it was taken in satisfaction of a previously existing indebtedness, nor establish an agreement to give further time." Ch. J. Hutchinson, *Mercer* v. *Woodwell*, 107 Pa. 520.

† If, for a note indorsed by A., a new note is given without his indorsement which is applied in payment of the old one, this is paid. *Slaymaker* v. *Gundacker's Ex.*, 10 S. & R. 75.

a creditor, who indorses it, and gets it discounted for the benefit of the drawer, and is obliged to take it up after protest, this is not such a parting with the note as thereby to effect an extinguishment of the precedent debt. (*Keane* v. *Dufresne*, 3 S. & R. 232.)

Whether the instrument thus received is to be regarded as payment is a question of intention, which must be ascertained by the jury. Unless the intention is proved, the instrument does not operate as payment. (Kemmerer's Appeal, 102 Pa. 558; *Hart* v. *Boller*, 15 S. & R. 132; *Brown* v. *Scott*, 51 Pa. 357; *Seltzer* v. *Coleman*, 32 Pa. 493; *Jones* v. *Shawhan*, 4 W. & S. 257; *Hutchinson* v. *Woodwell*, 107 Pa. 509, 520; *Mason* v. *Wickersham*, 4 W. & S. 100; *Jones* v. *Johnson*, 3 W. & S. 276; *Oliphant* v. *Church*, 19 Pa. 318.*) Says Mr. Chief Justice Woodward: "Payment is a matter of agreement; whatever the parties intend for payment is payment." (*Heath* v. *Page*, 48 Pa. 144.)

The extinguishment of a security is not to be implied merely from the creditor's acceptance of a new one voluntarily given by other parties for the same debt. (*Potter* v. *McCoy*, 2 C. 458.)

These principles have been applied in numerous cases. The facts have often varied, but the courts have had no difficulty in applying them. Doubtless, in many of these contentions, the resisting party has had less doubt of the law than of his desire to delay the fulfillment of his obligation. A few of the cases in which the conditions on which the second instrument was given may be noticed. In one of them a higher security for a debt was given by a different party and for a different sum; this was presumed to have been given only as collateral security and not in satisfaction of the debt. (*Jones* v. *Johnson*, 3 W. & S. 276; *Oliphant* v. *Church*, 19 Pa. 318.) In another, the acceptance of a security of equal degree, either from the debtor with or without a surety, or from a stranger alone at the debtor's instance, did not extinguish the first debt. (*Weakly* v. *Bell*, 7 W. 273, 280.) In a third case a note taken by a creditor and discounted at a bank which applied the proceeds to the maker's credit, but which was afterwards paid by the creditor, was not such a parting with the note as to extinguish the precedent debt. (*Kean* v. *Dufresne*, 3 S. & R. 232; see *Oliphant* v. *Church*, 19 Pa. 318.) In another case an indorser of a draft paid the same, and a prior indorser gave a note for the amount, which was also paid by the other indorser at maturity. He sued on the draft and recovered, the court regarding the instrument as not having been extinguished. (*Oliphant* v. *Church*, 19 Pa. 318.)

* Notes of a third person taken for a precedent debt, except by a special agreement to the contrary, are not payment until the proceeds are received. *McGinn* v. *Holmes*, 2 W. 121; *Tyson* v. *Pollock*, 1 P. & W. 381.

When a note is taken for an antecedent debt and a receipt in full is given, the presumption is that the receiptor intended to discharge the debt. (*Walker* v. *Tupper*, 152 Pa. 1; *Jones* v. *Shawhan*, 4 W. & S. 257; *Seltzer* v. *Coleman*, 32 Pa. 493.) The receipt negatives the presumption that would otherwise be created that the note was only a conditional payment which did not discharge the debt until it was paid. But this presumption is not conclusive, and the question still exists for the jury to consider whether the note was given in payment of the original debt, or merely as additional security. (*Sykes* v. *Gerber*, 98 Pa. 179.)* The receipt itself is only *prima facie* evidence of complete payment, and may be explained by parol evidence. (*Gue* v. *Kline*, 13 Pa. 60.) On one occasion a check which was taken by the holder of a note, on the day of its payment, drawn by the maker and a third person, and dated six days afterwards, and which was to be in full satisfaction of the note if it was paid, suspended the remedy on the note and discharged the indorser. (*Okie* v. *Spencer*, 2 Wh. 252.) And the debtor of a company who gave his individual note to the president in full satisfaction of the debt, the proceeds of which were received, was declared to have paid his debt. (*Dougherty* v. *Hunter*, 54 Pa. 380.)† If an action is brought on such a note and judgment is rendered thereon, an action cannot afterward be sustained on the original debt. (*Sykes* v. *Gerber*, 98 Pa. 179.)

Whenever a check or other instrument is received as absolute payment, the burden of proving this is on the debtor. (*Holmes* v. *Briggs*, 131 Pa. 233; *McGinn* v. *Holmes*, 2 W. 121; *McIntyre* v. *Kennedy*, 29 Pa. 448; *Brown* v. *Scott*, 51 Pa. 357; *League* v. *Waring & Co.*, 85 Pa. 244; *Hunter* v. *Moul*, 98 Pa. 13; *Kearney* v. *First Nat. Bank*, 129 Pa. 582; *Cannonsburg Iron Co.* v. *Union Nat. Bank*, 34 Pitts. L. J. 93.) And the failure of the creditor to give prompt notice of the dishonor of the check, and his retention of it and the collection of a dividend thereon from the drawer's estate, raises no presumption that it was taken as absolute payment. (*Holmes* v. *Briggs*, 131 Pa. 233.) Only such facts can be introduced as tend to prove common law or actual payment, either in money or by the transfer of shares in action or other property which is accepted as money. (*Steiner's Ad.* v. *Erie Dime Sav. & Loan Co.*, 98 Pa. 591.)

* The acceptance of a due bill in settling an account and the giving of a receipt in full for the due bill is only *prima facie* evidence of settlement, and may be explained by parol evidence. *Gue* v. *Kline*, 13 Pa. 60.

† A legatee of an estate agreed with the executor to waive his legacy in consideration of receiving the executor's note. When received, the legatee acknowledged in writing that this was to be in full "when paid" of all demands against the estate. By accepting the note he did not substitute the executor's personal responsibility for that of the estate. *Durling* v. *Neigh*, 15 S. & R. 113.

When a joint debtor insists that separate notes shall be substituted for the joint debt and in satisfaction thereof, the burden of proof is thrown on him to show that he is discharged from the original liability. He must show a special release, or that the original bill or debt was surrendered to him, and even then the other party may rebut this position by showing that no discharge was intended by these acts. In such cases the real question is the intention to substitute the new contract for the old. (Kimberly's Appeal, 7 At. 75; *Davis* v. *Desauque*, 5 Wh. 538; *Mason* v. *Wickersham*, 4 W. & S. 100; *Bowers* v. *Still*, 49 Pa. 65, 73.)

When a debtor thus transfers a note drawn to the creditor's order, but does not indorse it, he is not entitled to notice of dishonor, and can only escape liability by showing that the neglect of the holders to give him such notice has actually occasioned loss to him. If this can be proved, then he is relieved from liability to the extent of the loss he has sustained. (*Hunter* v. *Moul*, 98 Pa. 13.) Nor will the exchange of such a collateral for another security, which ultimately proves worthless, change the debtor's liability unless it is shown that the exchange has resulted in a loss to the owner of the collaterals. (*Hunter* v. *Moul*, 98 Pa. 13, 17; *Girard Fire & Marine Ins. Co.* v. *Marr*, 10 Wr. 504.)

But when a debtor pays a vendor with the note of a third person, which has been given to him for a real consideration, and is passed to the vendor by indorsement, he can only recover on the note; to recover against the indorser he must show that the note was regularly dishonored. (*Shriner* v. *Keller*, 25 Pa. 61.) The maker of a note made solely for the accommodation of the purchaser, and which he indorses to the vendor of goods, is regarded as a surety for the indorser; in an action, therefore, against him, he cannot defend that the vendor held the note and never demanded payment of the maker (*Ib.*) If a note is taken by a vendor by agreement that he will collect the same if he can, within a stipulated period, he is required to do nothing more than to call on the maker within the time and request payment, he is under no obligation in the event of refusal to sue him. (*Martin* v. *Pennock*, 2 Pa. 376. When a promissory note is given by a purchaser to a vendor, the presumption is that it was given for an existing debt. *Ruch* v. *Fricke*, 28 Pa. 241.)

The acceptance of a note for the amount secured by a mechanic's lien will not prevent the filing of a lien (*Kinsley* v. *Buchanan*, 5 W. 118), but if a receipt is given at the foot of the account "in full of the above," this is evidence of a satisfaction which destroys the lien. (*Jones* v. *Shawhan*, 4 W. & S. 257; *Shaw* v. *Church*, 3 Wr. 226; *Weakly* v. *Bell*, 9 W. 273; *Bank* v. *Potius*, 10 W. 150.)

When a promissory note has been given for part of the debt

for which a mechanic's claim has been filed, the amount may be recovered by the claimant holding the note which had been dishonored. (*Johns* v. *Bolton*, 2 Jones 339.)

In Shaw's case (*Shaw* v. *First Associated Ref. Presbyterian Church*, 39 Pa. 226) material men took notes from a contractor and receipted "in full" for material "delivered to the church." They filed their lien against the church and proceeded thereon before the notes became due and recovered. Notwithstanding the receipt the jury found that the notes were not taken in satisfaction of the debt and there was no implied agreement that the creditors would not sue for the original debt before the maturity of the notes.

And if a note is taken payable at a future day on account of the creditor's claim, the law raises no implication that he has agreed to give time until the maturity of the note for the payment of the original debt; if such an agreement, therefore, was made, it must be proved. (*Buck* v. *Wilson*, 113 Pa. 423, 430.) This principle was applied in the following case: A. was indebted to B. on a book account, for which he gave five notes. These, however, did not extinguish the original debt. When two of the notes became due, B. sued A., not on them, but on the account, and recovered judgment for the amount of the two notes. He subsequently sued on the account and sought to recover for the amount of the three notes, but failed in his action. (*Buck* v. *Wilson*, 113 Pa. 423.)

When a bill is accepted in payment and discharge of the original debt, it forms a new cause of action, as though the debt had arisen from an entirely different transaction. (*Darlington* v. *Gray*, 5 Wh. 487, 500.) Even when it does thus form a new cause of action, a verdict and judgment in an action for goods sold for which a bill of exchange was given is not conclusive against the holder's right to recover thereon. (*Ib.*)

In short, the acceptance of a new note for an old one or other form of debt, which is due for the payment of the same sum at a future day, is to be deemed as a collateral security and therefore does not imply an extension of time by the acceptor, and consequently does not release any party to the note or other debt first given. (*Shaw* v. *First Associated Ref. Presbyterian Church*, 39 Pa. 226, 236.)

Moreover, if the maker, unable to pay his note, should have authority to draw on the payee and indorser for the amount, this would not justify either the maker in drawing for a larger amount, or the bank at which the note was payable in accepting a draft thus drawn. As the indorser would not be required to pay the draft, the note, therefore, would not be paid, and nothing having been done to fix the indorser's liability, he would be discharged. (*Lititz Nat. Bank* v. *Siple*, 145 Pa. 49.)

A principal cannot receive payment from his agent and repudiate his conduct in the manner of making it. Thus A. informed B. of his intention to draw on him at Philadelphia and remit funds by way of Mobile in payment. B. declined to accede to A.'s wishes. Nevertheless, B. drew and remitted funds to B.'s agent at Mobile on B.'s account. The agent purchased a draft with this and other funds and sent the same to B., who applied it in payment of T.'s debt. As B. had been informed with whose money the draft had been purchased, he could not receive the money and repudiate A.'s conduct. (*Pearl* v. *Clark*, 2 Pa. 350.)*

Fractions of a day cannot be regarded in making payment. Thus A. gave a due bill to B. to protect him from liabilities that he might incur for A. and judgment was entered thereon. Two days afterward B. signed notes for A., and afterwards on the same day C. entered a judgment against A. In distributing A.'s estate the notes and C.'s judgment were paid *pro rata*. B.'s liability could not be carried further back than the date of his notes, and these and C.'s judgment were regarded as judgments entered on the same day. Said the court: "If these notes had been judgment notes and entered on the same day, or if judgment for this amount had been confessed and judgment entered on that day, but before the entry of the C. judgment, there can be no doubt but that no priority could have been claimed, for in such cases there are no fractions of a day." (*Metzler* v. *Kilgore*, 3 Pa. 245; Classon's Appeal, 101 C. 363.)

When a part of a note or other instrument is paid several effects may follow. A payment of part of a debt, either principal or interest, before it can be legally demanded, is a sufficient consideration to support an agreement to give time. (*Hartman* v. *Danner*, 24 Sm. 36; *Manufacturers & Mechanics' Bank* v. *Bank*, 7 W. & S. 340.) But a payment after maturity of the debt has not the same effect, for the reason that in a legal sense it is neither a benefit to the creditor, who is entitled to the whole, nor an injury to the debtor, who ought to have done this and more without any promise from the creditor. (*Hartman* v. *Danner*, 24 Sm. 36; *Weidman* v. *Weitzel*, 13 S. & R. 96.) For the same reason, payment of part of a debt, though received in sat-

* A duly authorized agent employed another to perform a service for his principal, and gave to him a note in the name of the principal for the amount due. It was held that the note was evidence of the fact and extent of the principal's indebtedness. The note was an acknowledgment in writing by the agent, made in the due course of his agency of the amount owing by the principal. *Chorpenning* v. *Royce*, 58 Pa. 474.

An agent having undertaken gratuitously to collect a note and book-account, surrendered them to the debtor, from whom he took a new note to himself for their amount. It was held that this extinguished the original debt, and the agent was liable for its amount to the principal. *Opie* v. *Serrill*, 6 W. & S. 264.

isfaction, if without a release under seal, will not have the effect of extinguishing the whole. (*Hartman* v. *Danner*, 24 Sm. 36; *Lowrie* v. *Verner*, 3 W. 319; *Savage* v. *Everman*, 20 P. F. Smith 319.)

A payment by one of several joint debtors inures to the benefit of all of them as a credit on the debt. (*Goldbeck* v. *Kensington Nat. Bank*, 147 Pa. 267.)

By arrangement with a bank and with the knowledge of S., a note for $6,000 drawn by B. in favor of S. and indorsed by him, was discounted for B. on condition that $1,000 should remain to be paid on the note when due. About the time of the discount B. gave his check for $1,000 to the cashier, which was not charged to his account. Shortly afterward B made an assignment and was subsequently adjudged a bankrupt. This was regarded as a part payment, reducing S.'s liability to $5,000, as if the note had been given for that sum. (*First Nat. Bank* v. *Gish's Assignees*, 72 Pa. 13.) The transaction was not regarded as a preference, and therefore was not a violation of the bankrupt law. Nor was the transaction a violation of the usury law.

When the payor sends money through the mail, the risk of loss is his unless the holder requested its transmission in that manner. If he should make such a request, then he would assume the risk. (*First National Bank* v. *McManigle*, 69 Pa. 156.)*

When the holder of a note has received a debt as conditional payment, what is his duty in attempting its collection in order to retain his right to recover on his original note against the maker should he fail to collect the debt thus transferred? (*Kilpatrick* v. *Home B. & L. Assn.*, 119 Pa. 30; *McIntyre* v. *Kennedy*, 29 Pa. 448, 455.) The acceptance of the debt implies that due diligence will be used in presenting it for payment, and if a loss occurs in consequence of neglect to do this, the check will operate as payment. (*Ib.*)

If a note or bill is taken in satisfaction of a precedent debt no other duty is imposed on the creditor than to use reasonable diligence in obtaining payment or acceptance, by a reasonable presentation, and giving notice of its dishonor to the debtor from whom it came, if he is a party thereto. But if he is not a party to it, a notice to him is immaterial, unless he has sustained actual loss from not having one. (*McLughan* v. *Bovard*, 4 W. 308.)

On one occasion C.'s note was taken by A., the holder of a note against B., as payment on condition that it should be paid

* The note in suit and a previous note in renewal were of the same amount as the original note on which the payment was alleged to have been made; this was an admission by the parties that the money remitted had not been received by the bank. *First National Bank* v. *McManigle*, 69 Pa. 156.

at maturity. It was not paid and A. proceeded with his suit against B. and obtained judgment. B. complained that A. had not used due diligence in prosecuting C., but the court held that he was not required to take any trouble or risk to recover the money of C. (*Ormsby* v. *Fortune*, 16 S. & R. 302; see Dyott's Estate, 2 W. & S. 463; *Leas* v. *James*, 10 S. & R. 307.)

Notes are sometimes to be paid in merchandise. When they are thus payable in a stipulated article, grain for example, the property therein will pass and the notes be paid by depositing the grain at the place and within the time fixed for its delivery. (*Zinn* v. *Rowley*, 4 Pa. 169; *Case* v. *Green*, 5 W. 262.) But when the delivery is not made in fulfillment of the promise, then the liability of the debtor to pay in money becomes absolute. (*Church* v. *Feterow*, 2 P. & W. 301; *Moore* v. *Kipp*, 78 Pa. 96.) In *Musgrove* v. *Gibbs*, 1 Dall. 237, McKean, Ch. J., said: "It is well established that the receipt of one thing in satisfaction of another is a good payment." "And under the plea of payment, evidence of payment in specific articles, not money, is constantly received in our practice." (Woodward, Ch. J., *Heath* v. *Page*, 48 Pa. 144, citing *Hamilton* v. *Moore*, 4 W. & S. 570; *Richabaugh* v. *Dugan*, 7 Pa. 394.) Payment in counterfeit bank paper is a nullity. (*Ramsdale* v. *Horton*, 3 Pa. 330.)

When a debtor has only one debt, there is no question concerning the application of any payment, but if he has two or more debts, and no application has been made by himself, several questions may arise. Of course, he may apply it himself, but if he does not, then the creditor can do so. (*Logan* v. *Mason*, 6 W. & S. 9; *Watt & Co.* v. *Hoch*, 25 Pa. 411.) When a draft has been given to the creditor, he is as much bound to apply the proceeds as directed, as though the debtor had given money. (*Moorehead* v. *West Branch Bank*, 3 W. & S. 550.) But when the creditor has made the application, it cannot be changed to conserve the equity of a surety, or the presumptive intention of the debtor. (*Logan* v. *Mason*, 6 W. & S. 9.)

The debtor must make the application at the time of payment. (*West Branch Bank* v. *Moorehead*, 5 W. & S. 542, 544.) And his intention is a question of fact which may be collected from the nature of the transaction. (*Ib.*)

When neither debtor nor creditor has made an application the law has established some rules.* The first is that if the debts

* W. gave a note to A. and B. for services which they had rendered. Afterwards W. and N. made an agreement with B. for a larger sum for the same services, B. also agreeing to keep W. clear of liability on the previous note. B. received the sum stipulated and the services were rendered by A. and B. The payment was considered with respect to A. as having been paid on the note so far as this was necessary to discharge it. *Kelly* v. *Evans' Adm.*, 3 P. & W. 387.

bear interest and any is unpaid, the payment must be applied first to that and then, if a balance remains, to the principal. (*Moore* v. *Kiff*, 78 Pa. 96; *Spiers* v. *Hamot*, 8 W. & S. 17.) This rule was wrongly applied in the following case: K. gave M. ten notes, one of which was payable annually in consecutive order without interest on which judgment was entered. At the same time he gave ten other notes for the interest which was payable yearly. K. made payments to M. from time to time, which were not appropriated by either party. More than six years after the interest notes were due, in a *scire facias* proceeding on the judgment, the lower court held that as the interest notes were barred by the statute the payments must be applied to the debt. This, however, was erroneous, as the interest notes were not barred and therefore the law applied the payments to them. (*Moore* v. *Kiff*, 78 Pa. 96.) It is to be presumed in the absence of any actual appro priation, that a debtor paying money intends to apply the payment to a debt then payable and bearing interest, rather than to one not payable and not bearing interest. (*Seymour* v. *Sexton*, 10 W. 255.)

If there are several items, the payment must be applied to the oldest. (*Souder* v. *Schechterly*, 91 Pa. 83; *Pardee* v. *Markle*, 111 Pa. 548, 555.) Again, if there are several claims secured in different ways, the law applies the payment to the last secured claim. (*Pierce* v. *Sweet*, 9 Casey 151; *Reed* v. *Reed*, 22 Pa. 144; *Hollister* v. *Davis*, 54 Pa. 508; Johnson's Appeal, 37 Pa. 274; *Pardee* v. *Markle*, 111 Pa. 548, 555.) But if there is a surety for the debtor, he may insist on an application of the first rule and regard himself as bound or discharged accordingly. (*Pierce* v. *Sweet*, 9 Casey 151; *Berghaus* v. *Alter*, 9 W. 386.) But he cannot require a general payment to the last debt, and thus relieve his liability therefor to the exclusion of the earlier items. (*Specht* v. *Commonwealth*, 3 W. & S. 324; *Pardee* v. *Markle*, 111 Pa. 548, 556.)

When payments are made generally on a bond, payable in installments, to discharge no particular installments, it will not be applied by law to those which are payable in the order of their dates. Nor can the payments be defalked against installments falling due subsequently after the bringing of an action thereon. It is a question of appropriation, not of set-off. (*Seymour* v. *Sexton*, 10 W. 255.)

When the maker of a note has funds at the bank where it is payable at maturity, and no other party is liable thereon, the bank may exercise its discretion in applying them on the obligation. (*Mechanics & Traders' Bank* v. *Seitz*, 150 Pa. 632, 637, second trial, 155 Pa. 191; *Commercial National Bank* v. *Hennin-*

ger, 105 Pa. 496, 500.) The bank may take the risk of collecting the note, and permit the depositor to withdraw his deposit.*

But if the note has been indorsed, the bank has no discretion and must apply the maker's deposit on his obligation; though its neglect or mistake to do so does not relieve the maker from payment. (*Hecksher* v. *Shoemaker*, 47 Pa. 249.) This is quite analagous to the rule which requires a creditor who has in his hands the means for paying his debt to apply it, and if he does not, but gives it up, the surety is discharged. (*Everly* v. *Rice*, 20 Pa. 297; *Fegley* v. *McDonald*, 8 Norris 128; *Commonwealth* v. *Vanderslice*, 8 S. & R. 452; *Boschert* v. *Brown*, 22 P. F. Smith 372; *Ramsey* v. *Westmoreland Bank*, 2 P. & W. 203; *Bellas* v. *Miller's Adm.* 8 S. & R. 457; *Silgreaves* v. *Bank*, 13 Wright 359.) The note is in effect a draft on the bank in favor of the holder and discharging the indorser. (See reason for this rule 150 Pa. p. 637.) (*Commercial National Bank* v. *Henninger*, 105 Pa. 496; *German National Bank* v. *Foreman*, 138 Pa. 474; *Mechanics & Traders' Bank* v. *Seitz*, 15 Pa. 632. The contrary doctrine was maintained in the earlier case of *People's Bank* v. *Legrand*, 103 Pa. 309, 314, 316, in which Green, J., remarked: "The free use of checks for commercial purposes would be greatly impaired if the banks could only honor them on peril of relieving indorsers, without an investigation of the state of the depositor's liabilities upon discounted paper.") Nor will a notice from the maker to the bank forbidding the application of his deposit to the note justify the bank in neglecting to charge the same at maturity. (*German National Bank* v. *Foreman*, 138 Pa. 474.) Such neglect will discharge the indorsers. (*Ib. Commercial National Bank* v. *Henninger*, 105 Pa. 496.) The notice will not have the effect of converting the deposit into a special one and placing it beyond the control of the depositor. (*Ib.*) And the maker's account with the bank is admissible in evidence in a suit against the indorser to show that he had a sufficient deposit on the day of the maturity of his notes to pay them. (*Commercial National Bank* v. *Henninger*, 105 Pa. 496.)

But when a depositor has made a special application or appropriation of his deposit and notifies the bank of his action, it cannot charge off a note against his deposit. "This arises from the fact that a man may do what he will with his own so long as he retains control over it." (*Ib.* 480.)

Again, if the maker's deposit is insufficient for this purpose,

* A bank promised to pay a note due by a third person to A. bank if it would not proceed on the same. The debtor was liable to both banks on other notes which were compromised with him including the note in controversy. It could not hold B. bank for the amount of this note. *Metropolitan Nat. Bank* v. *Merchants & Manufacturers' Bank*, 155 Pa. 20.

must the bank apply it in part payment of his obligation? This question has not been answered. Perhaps the same rule should be applied to a note which is applicable to a check. If so, the deposit must be paid whenever the holder is willing to receive the same. (*Bromley* v. *Commercial National Bank*, 9 Phila. 522.)

A note which is presented at the bank where it is payable after maturity may next be considered. It has been decided that the bank is not required to pay it for the protection of the indorser. (*People's Bank* v. *Legrand*, 103 Pa. 309; *Huckstein* v. *Herman*, 1 Walk. 92.) If, therefore, the application is not made, the indorser is not discharged. (*Ib.*) Generally, we believe, banks decline to pay them, usually through fear of subjecting themselves to liability. But no prohibitory rule has been established.

As a note may be discounted by a bank at which it is not payable, the question has arisen, has the discounting bank any duty to perform to discharge a note which is not paid by the maker at the time and place where it is payable? And the answer is, it may appropriate the funds in its possession belonging to any previous party in payment, but this is not a positive requirement. (*Mechanics & Traders' Bank* v. *Seitz*, 150 Pa. 632.) Says Mr. Justice Williams in a recent case: "The general rule is well settled that while the bank may appropriate funds in its hands belonging to any previous party to the note, to the payment of it, when payment is not made at the time and place named, yet it is not bound to do so. The note may be treated as, in effect, an order or check authorizing the bank to apply the deposit to the payment, but the deposit is not payment in law." (*Ib. Seiger* v. *Second National Bank*, 132 Pa. 307.) And if the bank does not apply the maker's deposit to the payment of his note the indorser is not relieved from liability. (*Seiger* v. *Second National Bank*, 132 Pa. 307.)

As the maker is liable to the indorser, he cannot require the bank to appropriate the indorser's funds in any case to the payment of his own note. (*Mechanics & Traders' Bank* v. *Seitz*, 150 Pa. 632.) "He has no business with the state of accounts between the indorser and the bank; but it is his duty to relieve the indorser by the payment of the note in accordance with its terms." (Williams, J. *Ib.*)

The maker of a note cannot require the holder which is a bank, to appropriate the payee's money to its payment, even if the note was given by mistake, and the maker is really not liable to the payee, which was known by the bank after the transfer had been made. (*Sloan* v. *Union Banking Co.*, 67 Pa. 470.)

A mistaken entry of payment will not thus operate, and render a note subject to equities between the maker and payee when none existed before. Thus, the payee of a corporation note was

indorsed to its president who had the same discounted by the bank in which he kept his deposit before maturity. The note was not paid by the maker and was returned to the indorser's bank and charged to his account. Afterward a correction was made by direction of the cashier by crediting the amount to the indorser's account. It was decided that the charging of the note was not a payment that divested the title of the bank, and that the subsequent credit was not to be regarded as a new purchase of the note and rendering it subject to equities between the maker and payee. (*Mechanics & Traders' Bank* v. *Seitz*, 150 Pa. 632.)

A bank holding a promissory note at maturity has no right to appropriate in payment the deposit of a mere guarantor, for his liability is postponed until the other parties have been exhausted; but the deposit of an indorser who is liable may be applied. (*First National Bank* v. *Shreiner*, 110 Pa. 188.) On the other hand, if the maker's balance is insufficient at maturity to pay his note, the bank is not required for the guarantor's protection to apply a subsequent deposit by the maker to the discharge of the note. (*Ib. People's Bank* v. *Legrand*, 103 Pa. 309.)*

Occasionally a special agreement is made with a bank whereby it agrees to pay the note of its depositor and is to be reimbursed from subsequent deposits, or the proceeds of other paper. Thus C., a depositor in a bank, requested the institution to pay a debt for him, promising to apply his deposits in payment. The bank paid the debt and C. gave his note for the amount with an agreement to adjust the balance in a short time. It was held that his deposit had been applied to the note, and that in a suit on the note only the balance unpaid could be recovered. (*Chase* v. *Petroleum Bank*, 16 Smith 169.) After the payment of C.'s debt by the bank, his deposit belonged to the institution and could not have been withdrawn by him, nor attached by his creditors.

When a note is payable at a bank it need not be shown that the cashier was there all the business hours on the day of payment in order to receive it; the presumption is that he performed his duty. (*Brittain* v. *Doylestown Bank*, 5 W. & S. 87.)

* If a debtor to a bank, which has a lien on his stock, owes less than the value of it, the bank may hold the whole till the debt is paid. *Sewall* v. *Lancaster Bank*, 17 S. & R. 284. Under the act of March, 1814, regulating banks, a bank could refuse to permit the transfer of a debtor stock, even though his note was not payable when the transfer was requested, if the debtor and the indorser were then insolvent. *Grant* v. *Mechanics' Bank*, 15 S. & R. 139.

In an action by a bank against a customer, evidence is admissible of the custom of a bank to enter payments on account of an indorsement on the indorser's bank-book, in order to rebut the presumption that would otherwise arise that the entry was a deposit and not a payment. *Sherer* v. *Easton Bank*, 9 C. 134.

If a bank takes a draft as money and agrees to pay the note of the person who delivered it, the holder of the note who has assented to the arrangement may recover the amount of the note from the bank. (*Commercial Bank* v. *Wood*, 7 W. & S. 89.) And if the draft was received as money the failure of the drawer before presentation of the note for payment does not relieve the bank for the amount. (*Ib.*)

When a creditor has the means of satisfaction, either actually or potentially, in his hands, or within his control as security, and does not choose to retain, but relinquishes the same, the debtor's surety is discharged. (*Hutchinson* v. *Woodwell*, 107 Pa. 509. 520: *Reed* v. *Garvin*, 12 S. & R. 100; *Everly* v. *Rice*, 8 H. 297; *Boschert* v. *Brown*, 22 Smith 372.)

The acceptor of a bill cannot be discharged by any construction of law, and though the holder proceed against the indorser and receives a part of the money due from him, he is not thereby prevented from resorting to the acceptor for the balance. And the same rule applies to the maker of a promissory note. (*Robertson* v. *Vogle*, 1 Dall. 252; Doug. 235; 2 Wilson 263.)

If the maker or acceptor of a note or bill, which is made payable at a bank, pays the money into the bank to the credit of the payee and leaves it, is he discharged? (*Fitler* v. *Beckley*, 2 W. & S. 458.) He certainly ought to be. The law should require no more of him.

A. having accepted two bills of exchange for nearly the same amount, on the same day, sent his clerk to the person in whose hands they both were, as agent of two different holders, to take up one of them; but the clerk took up the other, and brought it to A., who struck out his name as acceptor. Shortly afterward he wrote his name again under the acceptance, and sent it back to the agent, who received it and gave up the other bill. It was held that the bill first taken up was paid, and that the indorsers were discharged. (*Bogart* v. *Nevins*, and others, 6 S. & R. 360.)

"The corporation which issues a coupon bond is in the position of a maker of a promissory note, not of the drawer of a check or bill of exchange. (4 Smith 130.) There is no obligation on the holder to present and demand it within a reasonable time. The same rule applies to the coupons as to the bond. In fact he may hold on to the coupons just as long as he can hold on to the bond without requiring payment. The coupon is nothing but an acknowledgment of interest due, and it is but an incident of the principal." (*Williamsport Gas Company* v. *Pinkerton*, 95 Pa. 62.) (Payment, above case, see Bank Collections.)

The indorser of a negotiable note discounted by a bank and by it transferred to an assignee before maturity for full value, has no

right when payment is demanded by the holders to pay the note in the depreciated currency of the bank after it has failed. (*Housum* v. *Rogers*, 40 Pa. 190.)

The indorsement by the obligee on a single bill that it shall be of no effect after his decease, is not a cancellation or release of the debt if it was made without consideration and the bill is retained (*Albert's Ex.* v. *Ziegler's Ex.*, 29 Pa. 50); natural affection would not be a sufficient consideration. (*Kennedy's Ex.* v. *Ware*, 1 Pa. 445; *In re* Campbell's Estate, 7 Pa. 100.) But the delivery of the bond to the obligor or a third person with the intention and direction to cancel it will extinguish the debt. (*Albert's Ex.* v. *Ziegler's Ex.*, 29 Pa. 50.)

As the holder's possession of a bill or other instrument is *prima facie* evidence of ownership, because the presumption is that it was honestly acquired (*Robinson* v. *Hodgson*, 73 Pa. 202),* "it is not always easy to decide whether a bill or other instrument in the possession of the acceptor or maker has been paid and his liability thereon is discharged or not. An indorsed bill, note or check is *prima facie* evidence of payment. (*Connelly* v. *McKean*, 64 Pa. 113.) In *Connelly* v. *McKean*, the drawer had stipulated that the draft in controversy should be paid to the order of the payees, and he had a right to their indorsement as his voucher against them. A payment by the acceptor without such indorsement in blank would render it necessary for him to prove actual payment to them."

Likewise, possession of an order by the drawer, though payable to a particular person and not indorsed by the payee, is *prima facie* evidence that it has been paid. (*Zeigler* v. *Gray*, 12 S. & R. 42; *Weidner* v. *Schweigart*, 9 S. & R. 385; *Mitchell* v. *Fuller*, 15 Pa. 268.) In *Birkey* v. *McMakin*, A. made a note payable to T. who indorsed the same and it was afterward indorsed by J. and B. Four years after its maturity and after the death of B., it was found among his papers. This was evidence that the note belonged to him. (64 Pa. 343.) In a suit, however, by A., a survivor, it was shown that B. had given credit for the amount of the note in A.'s account against J. and B. This was regarded as an appropriation of the amount to that account. (*Ib.*) A.'s book of original entries against B. and J. was properly introduced as evidence.

A note, unindorsed by the payee, was found in the papers of the plaintiff's decedent. In an action thereon against the maker the question whether the payee had left it with him for discount or for collateral security was properly left to the jury. The ver-

* In an action againt the acceptor of a bill, the acceptor's possession of it is not evidence of payment to a subsequent indorsee; this must be proved by other evidence. *Gorgerat* v. *McCarty*, 2 Dall. 144.

dict under the charge of the court for the plaintiff, determined that the note had been left as collateral security. (*Hollohan* v. *Mix*, 134 Pa. 88.)

A note in the maker's possession before it is due is not evidence that he has paid it, for the law does not presume that he will pay his obligations before they have matured. (*Mishler* v. *Reed*, 76 Pa. 76; *Eckert* v. *Cameron*, 7 Wr. 120.) And when the maker offers for discount an indorsed note on the day of its date and before maturity, the law does not infer from the indorsement and the maker's possession of it that the note had either been paid or extinguished; the inference is that the indorsement was made for the accommodation of the maker and the note was left with him to raise money thereon. (*Eckert* v. *Cameron*, 43 Pa. 120; *Burbridge* v. *Manners*, 3 Campb. 193.)

On the other hand, a bill or note which has once been in circulation and is overdue, and is in the possession of the acceptor or maker, is presumed to be extinguished. The reason is because it was his duty to take it up when it fell due, and therefore from his possession of it after that time it may be inferred that it has fulfilled its office. (*Eckert* v. *Cameron*, 43 Pa. 120.) An executor, though, who is a payee of a note given by his decedent which is overdue at the time of his death, must show clearly that he holds the same by a hostile title, and not merely as an executor. (Hoffer's Estate, 156 Pa. 473; McGeary's Appeal, 5 Cent. 855; McMahon's Estate, 132 Pa. 179.)*

An obligor's indorsement on a single bill many years after its date promising to pay at a specified time, would be evidence to rebut the presumption of payment arising from the lapse of time (*Postens* v. *Postens*, 3 W. & S. 127), but would not be to revive a sealed instrument which had been barred by the statute of limitations. (*Ib.* 2 R. 251.)

A voluntary payment cannot be recovered. K. purchased bills on London at one hundred and eighty days' sight by giving his note payable in a year, on the maturity of which the amount was to be adjusted in a stipulated manner. At the maturity of the first note an adjustment was made, a new note was taken which after several renewals was paid, and an action was then brought to recover the interest paid after the maturity of the first note until the maturity of the bills. He failed to recover because, so the court held, he was bound by agreement to pay the notes at maturity, and also because the payments had been voluntary. (*Keener* v. *Bank*, 2 Pa. 237.)

A voluntary payment of money without fraud or constraint

* Promissory notes of a testator found among the papers of his executor many years after his death afford a reasonable presumption that they were paid by the executor. *Bracken* v. *Miller*, 4 W. & S. 102.

through ignorance of the law cannot be recovered. (*Natcher* v. *Natcher*, 47 Pa. 496; *Ege* v. *Koontz*, 3 Pa. 109; 3 W. 327; 9 Pa. 318; *De la Cuesta* v. *Insurance Company*, 136 Pa. 62; *Harvey* v. *Girard National Bank*, 119 Pa. 212; *Peebles* v. *Pittsburgh*, 101 Pa. 304.) When, therefore, an attachment suit is settled by the transfer of the notes attached to the attaching creditor who afterward collects them, the amount cannot afterward be collected by the debtor whether the claim for which the atachment issued was well founded or not. (*Ib.*) It can only be recovered when the payment was made from a mistake, misconception or ignorance of fact. (*Ege* v. *Koontz*, 3 Pa. 109.)

INDORSEMENT BY A THIRD PERSON.

SUPREME COURT OF NEBRASKA.

Salisbury v. *First National Bank.*

In *Salisbury* v. *First National Bank*, the Supreme Court of Nebraska considered a controverted question in the law pertaining to commercia paper, viz.: whether a person other than a payee, who signs his name in blank upon the back of a promissory note at the time of its execution and before its delivery to the payee, is as to a subsequent *bona fide* holder for value, liable thereon as a joint maker. The decision of the court was in the affirmative. Norval, J., says:

The question to be considered by this court is this: Were plaintiffs in error liable as makers of said note, or were they chargeable as accommodation indorsers, merely? If the obligation they assumed by indorsing their names upon the back of the note before its delivery to the payee was that of maker, the judgment under review was right; otherwise, not, inasmuch as no notice of non-payment at maturity was given to plaintiffs in error. The kind of liability that the law presumes is assumed by one who signs his name in blank upon the back of a negotiable promissory note at the time of its execution, and before its delivery to the payee, has never been passed upon or decided by this court, and there is a great diversity of holding upon the question by text writers and courts in this country. Several courts of high standing sustain the doctrine for which plaintiffs in error contend, namely, that, where a stranger writes his name across the back of a note before its delivery to the payee, he is liable thereon as an indorser. (*Moore* v. *Cross*, 19 N. Y. 227; *Phelps* v. *Vischer*, 50 N. Y. 69; *Slack* v. *Kirk*, 67 Pa. St. 380; *Clouston* v. *Barbiere*, 4 Sneed, 336; *Jennings* v. *Thomas*, 13 Smedes & M. 617; *Jones* v. *Goodwin*, 39 Cal. 493.) There is another line of decisions which hold that a person so indorsing a note is chargeable, *prima facie*, as a grantor. (*Webster* v. *Cobb*, 17 Ill. 459; *Blatchford* v. *Milliken*, 35 Ill. 434; *Lowell* v. *Gage*, 38 Me. 36; *Sturtevant* v. *Randall*, 53 Me. 154; *Cook* v. *Southwick*, 9 Tex. 615; *Killian* v. *Ashley*, 24 Ark. 512.) The decided weight of authority supports the rule adopted by the trial court in this case, and that is that plaintiffs in error are liable as joint makers. (Story, Prom. Notes, §§ 468, 469; *Good* v. *Martin*, 95 U. S. 90; *First Nat. Bank of Worcester, Mass.* v. *Lock-Stitch Fence Co.*, 24 Fed. Rep. 221; *Bendey* v. *Townsend*, 3 Sup. Ct. Rep. 482; *Chaddock* v. *Vanness*, 35 N. J. Law. 517; *Quinn* v. *Sterne*, 26 Ga. 223

Sylvester v. *Downer*, 20 Vt. 355; *National Bank* v. *Dorset Marble Co.* (Vt.), 17 Atl. Rep. 42; *Robinson* v. *Bartlett*, 11 Minn. 410 (Gil. 302); *Peckham* v. *Gilman*, 7 Minn. 446 (Gil. 355); *Schmidt* v. *Schmaelter*, 45 Mo. 502; *Cahn* v. *Dutton*, 60 Mo. 297; *Melton* v. *Brown* (Fla.), 6 South. Rep. 211; *Wetherwax* v. *Paine*, 2 Mich. 555; *Sibley* v. *Bank*, 41 Mich. 196, 1 N. W. Rep. 930; *Moynahan* v. *Hanaford*, 42 Mich. 329, 3 N. W. Rep. 944; *Flint* v. *Day*, 9 Vt. 345; *Sanford* v. *Norton*, 14 Vt. 228; *Stevens* v. *Parsons* (Me.), 14 Atl. Rep. 741; *Schroeder* v. *Turner* (Md.), 13 Atl. Rep. 331; *Bright* v. *Carpenter*, 9 Ohio 139; *Bank* v. *Baldwin*, 41 N. H. 434; *Perkins* v. *Barstow*, 6 R. I. 505; *Baker* v. *Robinson*, 63 N. C. 191; *Hoffman* v. *Moore*, 82 N. C. 313; *Brown* v. *Butler*, 99 Mass. 179; *Way* v. *Butterworth*, 108 Mass. 509.) Many other authorities to the same effect could be cited. In *Bright* v. *Carpenter*, *supra*, Lane, C. J., observes: "If a person not a party gave his name to a note already existing, his engagement is collateral, only, and he is to be held as guarantor; but if such a person sign his name to such a paper at the time of its execution, without prescribing the limit of his responsibility, he authorizes the holder to treat him as a maker, and is as much bound as if his name was written under that of the principal." Judge Story, in discussing the question in his valuable work on Promissory Notes, at section 409, says: "The principle upon which all these cases turn is the same, and that is to expound the particular transaction, without reference to the form which it has assumed, in such a manner as will best carry into effect the substantial intention of the parties, '*ut res magis valeat quam pereat*,' rather than, by a close or technical interpretation, adhering to the letter to defeat the very objects and purposes for which alone the transaction must have taken place, and thus to make it operate at once as a delusion and a fraud upon the ignorant or the unwary. Nor is there anything novel in this mode of interpretation, applied to this class of cases. It stands upon the principle that two instruments of the same general nature, both executed at the same time, and relating to the same subject-matter, are to be construed together, as forming but one agreement. As he who signs on the face, and he who indorses his name on the back, both promise to do the very same thing, to wit, to pay the money at the specified time, they may, without doing violence to the contract, be deemed as joint makers; and as, in point of form, each promises for himself, the undertaking may be treated as several as well as joint. In respect to the consideration, it has been thought sufficient that the indorsement purports to be 'for value received,' or that the consideration, if not expressed, is established in proof by the contemporaneous facts when the note was made." There is no room for doubt that where a person not a payee places his name upon the back of a note, in blank, before it has passed into the hands of the payee, he may be proceeded against as maker, indorser, or guarantor, according to the circumstances of the case, and the intention of the parties at the time of the transaction; but as between the original parties, at least, parol evidence is admissible to show the real character of the obligation assumed by him; that is, whether his undertaking was that of a joint maker, guarantor, or indorser. We are constrained to adopt the rule sustained by the current of authorities, and the one which is in harmony with the decisions of the Supreme Court of the United States, namely, that when a third person indorses his name upon a note in blank at the time it is executed, and before delivery, the law presumes, in the absence of evidence showing the nature of his undertaking, that he intended to assume the liability of an original promisor. Applying this rule to the case at bar, it will be presumed that the plaintiffs in error, by placing their names upon the back of the paper in suit, intended to incur the

liability of a maker. We do not think the trial court erred in not permitting plaintiffs in error to show the intent with which they backed the note in controversy. The answer was not sufficient to admit of such proof. Besides plaintiff below purchased the paper in good faith, for value, before maturity; and, as against such indorsee, parol evidence was inadmissible to show that the character or limit of the liability of plaintiffs in error was other or different from that which the law presumes it to be.

WHEN PAROL EVIDENCE MAY BE INTRODUCED TO EXPLAIN A BLANK INDORSEMENT.

SUPREME COURT OF NEBRASKA.

Holmes v. *First National Bank of Lincoln.*

A blank indorsement of a negotiable instrument before due, where the transfer is to a *bona fide* holder in the due course of business, establishes a liability which cannot be varied by parol evidence. But between the original parties a blank indorsement may be modified by parol. The entire transaction may be shown by reason of which the indorsement was made, and parol evidence is admissible for the purpose of proving the same.

MAXWELL, C. J.—On the 22d day of January, 1890, J. G. Hutchins and C. H. Hutchins made and delivered to the plaintiff, Holmes, a promissory note for the sum of $3,400, due in 90 days from date, with 10 per cent. interest. Afterwards, but at what time does not clearly appear, Holmes indorsed said note in blank, and waived demand and notice, and delivered the note to the defendant, and this action is upon the indorsement. Holmes, in his answer, alleges: "(1) That the note was given by the makers for building material furnished by him for the erection of certain buildings in the city of Lincoln, on which he had taken a mechanic's lien, which had been assigned to sureties on the note. (2) That the sureties would not consent to a renewal of the note unless he would proceed to foreclose his lien; that thereupon John R. Clark, the president of the bank, proposed to take the note in question and an assignment of the lien, and permit the makers of the note to pay from $200 to $400 per month thereon, and that the bank would carry said indebtedness, and exhaust the property to which the lien attached before bringing an action against Holmes, and he was required to refrain from prosecuting an action on the lien. (3) That Holmes did refrain from prosecuting said lien, and accepted the note in question, and indorsed the same to the bank, it being expressly agreed between Holmes and the bank that it should first exhaust its said security before resorting to an action on the indorsement. (4) That before plaintiff herein brought this action and refusing to foreclose said lien, though then holder thereof, this defendant, for his own protection, and for use of said bank, instituted an action thereon in the name of himself and of said plaintiff in this court against said Hutchins and Hutchins and others, and therein expressly alleged that said plaintiff was entitled to receive all the proceeds of said lien to be applied on said note; and said plaintiff in said action fully affirmed and ratified the same, and claimed the benefit of said lien under the assignment thereof, and in the trial of said action said plaintiff, by its cashier, produced in this court the said note, and its cashier was sworn and testified on behalf of the said plaintiff, and this defendant and plaintiff in said action recovered a judg-

ment of foreclosure of said mechanic's lien against each of said pieces of real estate and improvements: but said judgment has in part been appealed from, and is in consequence thereof not yet realized or collected, but said judgment is yet unreversed, and is in full force and effect, and said action was pending when this suit was commenced, and then undetermined." The reply is a general denial. On the trial of the cause the court directed the jury to return a verdict for the bank, which was done. The proof tends to show the following facts: The note sued on was a renewal of a former note. The indorsers of the original note were J. H. McClay and J. R. Webster. A mechanic's lien was filed and assigned to Webster and McClay, as indemnity against their indorsement. When the note became due, foreclosure was commenced by Holmes. Then Hutchins proposed to Holmes to borrow at the bank for Holmes. Clark, the president of the bank, sent for Holmes, and said, in substance, that he was willing to let Hutchins have the money if Holmes would assign the lien to the bank, and he would release McClay and Webster as sureties. Holmes' counsel advised him not to risk any further delay in collecting from Hutchins but, through the importuning of Hutchins and Clark, the suit was stopped, and Holmes made a transfer of his mechanic's lien to the bank, and delivered the security to Mr. Clark. Hutchins had agreed to pay from $200 to $400 a month until the note was paid, and Clark agreed to take this mechanic's lien as security for the note until such time as it was paid. Clark thought Hutchins would pay the note, and it would get Hutchins out of his embarrassment until he could dispose of his property. There was this agreement that, in indorsing that note, Clark took the lien as security, and if there should ever be any trouble, there would be nothing done until that lien was exhausted. After the note became due, the bank, when about to institute foreclosure suit, discovered a discrepancy in the description of one piece of the property, and Mr. Callahan, the cashier, directed Holmes to begin foreclosure, which was done. The petition in the foreclosure suit founded on the lien and note sued on here was given in evidence; so, also, were the original mechanic's lien and assignments thereof and the decree in the foreclosure suit. The suit on the lien was commenced September 19, 1890,—more than a month prior to the bringing of this action. The principal question in this case is the right to permit proof of a contemporaneous parol agreement to explain or qualify a blank indorsement of a promissory note in an action between the parties.

In *Dye* v. *Scott*, 35 Ohio St. 194, the Supreme Court of Ohio, in an able opinion, discusses the question. It is said: "There are authorities which hold that the contract which the law implies or presumes in such cases is as conclusive and certain as if written out in full, and that parol evidence is not admissible to vary or contradict it. The reason given for requiring such strictness, in substance, is that the indorsement adds to the value of the instrument by giving it currency in commercial transactions, and that its value would be impaired and circulation restricted by admitting oral testimony to vary or contradict the terms of the contract which the law presumes or implies from the indorsement, even as between indorser and indorsee. (See *Bank* v. *Dunn*, 6 Pet. 51; *Dale* v. *Gear*, 38 Conn. 15; *Barnard* v. *Gaslin*, 23 Minn. 192; *Bartlett* v. *Lee*, 33 Ga. 491.) While we sanction the doctrine which upholds the credit and negotiability of commercial paper in the hands of any *bona fide* holder for value, we do not, in order to accomplish this, see the necessity of carrying the doctrine quite so far as it is carried in the cases above cited. As between the indorser and indorsee, we regard the blank indorsement as only *prima facie* evidence of the contract which the law

presumes to arise therefrom. If the indorsement is made upon no other, that contract will control the rights of the parties. If there was a contemporaneous contract between the parties upon which the indorsement was made, both reason and justice require that, as between themselves, the actual, and not the presumed, contract should be enforced; and, as between them, oral testimony should be admissible to prove the contemporaneous contract. This will not necessarily, or even probably, impair the currency or credit of the instrument as commercial paper. Prior parties to it will not be affected, nor will the rights of subsequent indorsees without notice be impaired or limited in any degree. As to all the world except the parties to the special contract, and as between themselves only, the character of the instrument as commercial paper will remain unaffected." To the same effect, *Hudson* v. *Walcott*, 39 Ohio St. 618. In *Bailey* v. *Stoneman*, 41 Ohio St. 43, the court held: "The indorsement being in blank, parol evidence of what was said by the parties in and about the transfer was properly admitted. *Dye* v. *Scott*, 35 Ohio St. 194, followed. (2) The indorsement *prima facie* implied that the indorser assumed its usual obligations, and upon him rested the burden of proving a different understanding and agreement. (3) If the evidence justified a finding that the then understanding or agreement was that the indorser assumed the usual obligation, the fulfillment by E. T. B. of his contract to build applied as a consideration to support the transfer of the note as made." In *Preston* v. *Gould*, 64 Iowa 44, 19 N. W. Rep. 834, this rule was approved, and undoubtedly is the law of the modern cases. A blank indorsement of a negotiable instrument before due, where the transfer is to a *bona fide* holder, in the due course of business, establishes a liability which cannot be varied by parol evidence. But, as between the original parties, a blank indorsement may be modified by parol. At most, it is only *prima facie* evidence of the contract which the law implies therefrom. Between the parties the entire transaction may be shown, although a part of it is in writing and a part rests in parol; that is, what was the actual contract between the parties? And oral testimony is admissible to prove the actual agreement. This does not affect the paper as to third persons who have no notice of this agreement, where the paper is transferred before due for a valuable consideration. (Whart. Ev. §1,059; *Kidson* v. *Dilworth*, 5 Price, 564; *Castrique* v. *Buttigieg*, 10 Moore, P. C. 94; *Bank Co.* v. *Evans*, 4 Wash. 480; *Smith* v. *Morrill*, 54 Me. 49; *Brewer* v. *Woodward*, 54 Vt. 581; *Hamburger* v. *Miller*, 48 Md. 317; *Bruce* v. *Wright*, 3 Hun. 548; *Ross* v. *Espy*, 66 Pa. St. 481; *Hudson* v. *Walcott*, 39 Ohio St. 618; *Bailey* v. *Stoneman*, 41 Ohio St. 148; *Rothschild* v. *Grix*, 31 Mich. 150; *Greusel* v. *Hubbard*, 51 Mich. 95, 16 N. W. Rep. 248; *Hueske* v *Broussard*, 53 Tex. 201; *Preston* v. *Gould*, 64 Iowa 44, 19 N. W. Rep. 834.) In the case at bar the court should have submitted the testimony to the jury, and it erred in directing a verdict. The judgment is therefore reversed, and the cause remanded for further proceedings. The other judges concur. —*Northwestern Reporter.*

BANK COLLECTIONS.

SUPREME COURT OF MICHIGAN.

Finch et al. v. *Karste.*

In an action against a bank for failure to promptly present a draft drawn by plaintiffs on an insolvent firm, an allegation in the declaration that plaintiffs drew the draft, delivered it to a certain collection agency, procured its indorsement, and "caused said draft, so indorsed, to be sent by mail, together with a statement of their account," to the bank for collection, shows such a direct relation of principal and agent between plaintiffs and defendants as will justify a recovery.

The declaration in such an action alleged further that defendants, with knowledge that by diligence they could collect the draft, negligently and fraudulently retained it without trying to collect, and when notified to hand it to attorneys neglected and refused to do so until after the drawee became insolvent, so that it was impossible to collect the claim; and that by reason of the negligence and fraud of defendants plaintiffs lost all opportunity to collect their account, and were greatly injured. *Held*, That the declaration did not fail to show that defendants' failure to perform their duties resulted in loss to plaintiffs, and that it was unnecessary to negative complainants' knowledge of the drawee's impending failure, or their own negligence.

In an action against a bank for fraudulently and negligently refusing to turn over to attorneys a draft in their hands for collection on receiving an order from the drawers so to do until it obtained a mortgage to secure its own claim, it is no defense that the order was received after banking hours on Saturday, and the mortgage was given early Monday morning.

Evidence of the drawee's insolvency after the giving of the first mortgage to defendants, and the return of plaintiffs' claim unpaid, in the absence of proof by defendants that there was further opportunity to collect the debt, raised sufficient inference of loss to go to the jury.

The fact that such draft was improperly indorsed to defendants by a collection agency in whose hands it was placed to be turned over to defendant bank does not excuse the latter for failure to carry out complainants' order as to the disposition of the draft.

Evidence by one of complainants that the draft was not to be collected by the collection agency unless it was impossible to collect it through defendant bank was not improper as involving a conclusion.

It was proper for defendants to show by files and records of the court that after plaintiffs had begun suit attachments were sued out by various creditors against the drawee, and that bonds were given to release the attached property in several of such cases.

It was error to instruct the jury that they had no right to consider whether the draft would have been paid by the drawee if promptly presented by defendants.

HOOKER, C. J. —The voluminous record and the great number of assignments of error in this case forbid the consideration of each assignment separately. The case may be conveniently disposed of upon the following questions: (1) Was the declaration such as to permit the introduction of any proof? (2) Did the evidence leave any question of fact for the jury? (3) Specific questions upon the introduction of evidence. (4) Refusals to give defendants' requests to charge. (5) Alleged errors in the charge as given.

The plaintiffs, a mercantile firm at St. Paul, Minn., had a claim against Peter Johnson & Co., of Ironwood, Mich. To collect it they drew upon Peter Johnson & Co. in favor of "The Champ Collection Agency." This draft was indorsed as follows, viz.: "Pay to order of Bank of Ironwood, Mich., for collection. [Sgd.] John B. Champ &

Co."—and forwarded to the bank, which, failing to collect, was instructed to turn the paper over to certain attorneys in the place. Before doing so the bank took a mortgage upon the assets of Peter Johnson & Co. for a large sum owing from said firm to the bank, whereby plaintiffs claim that they were prevented from collecting their debt. Counsel for defendants objected to the introduction of any evidence under the declaration, claiming, as to the first count, "(1) that the draft was placed in the hands of the Champ Collection Agency for collection, and that the agency was the agent of the plaintiffs, and that privity between the plaintiffs and defendants is not shown; (2) that it does not show that the account was lost to the plaintiffs by the alleged neglect of defendants; (3) that it does not show that the attorneys could have collected or secured the debt if it had been turned over to them; (4) that it does not show that the plaintiffs were unaware of the insolvency of Peter Johnson & Co., and the loss, if any, was attributable entirely to the action of the defendants." In other words, it does not negative the negligence of the plaintiffs. As to the second count it was claimed (1) that it failed to show defendants to be the plaintiffs' agents; (2) that it did not, by express words or necessary implication, negative the placing of the draft in the hands of the collection agency for collection, and that the defendants were acting as the agent of the collection agency, and not of the plaintiffs; (3) that it fails to negative knowledge by the plaintiffs of the insolvency of Peter Johnson & Co.; (4) that it does not show that plaintiffs were without fault or negligence; (5) that it fails to show that Peter Johnson & Co. were indebted to the plaintiffs. This objection was overruled and an exception was taken.

The first point is based upon the proposition that, where a claim is sought to be collected through a bank or collection agency, which selects its own agencies, the bank or collection agency is liable for loss resulting from a failure through the neglect of itself or its agents, and that the redress of the owner is against the bank or agency, and not against the subagent or correspondent of the bank or agency. Cases are cited to sustain this proposition. The declaration (first count), however, alleges that the plaintiff drew the draft, delivered it to the Champ Collection Agency, procured its indorsement, and "caused said draft, so indorsed, to be sent by mail, together with a statement of their account, . . . to the Bank of Ironwood for collection." This allegation is consistent with the claim that the Champ Collection Agency was merely acting under the direction of the plaintiffs. Whatever confusion may have arisen over the relations between the creditor and banks, local and foreign, where paper is left with the former by which it is transmitted to the latter, there is no uncertainty about the rule that a collection agency which assumes to collect a debt is responsible for the negligence of its employes, resident or foreign. Possibly, under some circumstances, both may be answerable to the creditor. But, whether this is so or not, the general rule is well settled that, "if an agent employs a subagent for his principal, and by his authority, express or implied, then the subagent is the agent of the principal, and is directly responsible for his conduct." "But if the agent, having undertaken to transact the business of his principal, employs a subagent on his own account, to assist him, there is no privity between the subagent and the principal." (Mechem, Ag. §§ 197, 513, and cases cited. See, also, *Montgomery County Bank* v. *Albany City Bank*, 7 N. Y. 459; *Bank* v. *Smith*, 3 Hill, N. Y., 560; *Wilson* v. *Smith*, 3 How. 763.) It is competent to employ an agent through another agent, and this declaration is so framed as to permit the introduction of such proof. It does not allege that the Champ Collection Agency, having this claim to collect, employed the

defendants as its agents. It will bear no such construction, and would not admit of proof upon such theory.

Counsel contended, further, that this count does not charge the loss upon the defendants' failure to perform their duties. After alleging that it was the duty of defendants to use due and reasonable diligence, etc., the count proceeds: "Yet said defendants, well knowing that if they had been prompt and diligent they could have collected said account . . . negligently and carelessly and fraudulently and corruptly retained said draft in their possession, without using any diligence or care to collect the same, . . . until October 25, 1890, when said plaintiffs, by their agents, notified said defendants by telegram . . . to deliver the same to Messrs. Hammond and Kissane, attorneys, . . . to collect or secure the same, but the defendants . . . carelessly, negligently, fraudulently, and corruptly neglected and refused to turn over said draft, . . . until . . . after said Peter Johnson had become insolvent, . . . so that it became and was totally impossible to collect the claim of said plaintiffs, . . . and by reason of the carelessness, negligence, fraud, and corruption of said defendants the plaintiffs have lost all opportunity to collect said account, and have been greatly injured," etc. In view of the foregoing we are at a loss to understand how the claim can be seriously made that this count does not show that "the failure of the defendants to perform these alleged duties resulted in any loss to the plaintiffs." This allegation was sufficiently specific to admit of proof that the claim could have been secured had it been promptly delivered to the attorneys, and there was no necessity of negativing plaintiffs' knowledge of Johnson & Co.'s impending failure, or their own negligence. The count also charges fraud upon the part of the defendants in holding plaintiffs' claim until they could secure their own, and in declining to perform their duties. or give plaintiffs information of the situation, until they could secure themselves to the exclusion of the plaintiffs.

The objections to the second count are no better, though, if the first count warranted the introduction of the proof; there is no necessity for discussing the second. This disposes of the first six assignments of error, and of the first six and twenty-fourth requests to charge.

Many of the assignments of error are based upon the proposition that the evidence failed to make a *prima facie* case upon the following essentials: (1) Privity between the parties; (2) negligence on the part of the defendants; (3) loss resulting therefrom.

The question of privity has been discussed in connection with the declaration, and we may dismiss it with the remark that there was some evidence tending to show that the Champ Collection Agency acted for the plaintiffs in sending the draft to the bank selected by the plaintiffs, and at their direction; subsequently communicating plaintiffs' orders, without assuming any other or greater responsibility in the premises. In other words, that their employment was for transmission, as contra-distinguished from collection, of the paper. The weight to be given to such evidence is not a subject for consideration here. If there was any such evidence, the question was for the jury.

The question of negligence also was a proper one for the jury. The evidence shows that the defendants, with full knowledge of the situation, and being personally interested to an extent that involved the entire property of Johnson & Co., disobeyed their instructions to immediately return the draft if not paid; and when directed to hand the claim to attorneys for suit, they neglected it until they had secured a mortgage, which practically made it useless to do so. The claim of counsel that these defendants owed no duty to plaintiffs after what

they chose to call their "banking hours," is an insufficient excuse for not acting at once, and we think there was evidence to go to the jury, not only upon the question of negligence, as commonly understood, *i. e.*, carelessness, but also upon the theory that the delay was intentional, to enable defendants to secure to themselves property which plaintiffs might otherwise have reached.

In this connection we may conveniently digress from the point under discussion to say that the evidence of the relations of defendant Karste to Johnson & Co. and to Mrs. Healy, the agreement to pay certain debts, of which plaintiffs' claim seems not to have been one, the contracts between Mrs. Healy and other members of the concern, and Karste's connection therewith, the subsequent payment to Alder and others of their claims, were circumstances properly admitted to shed light upon the conduct of defendants.

Again, upon the question of plaintiffs' loss, the testimony showed Johnson & Co.'s insolvency, after the giving of the mortgages—at least after the taking of the property under them, four days later, and the return of the claim unpaid. This, in the absence of any proof on the part of defendants that there was an opportunity to collect this debt, raised sufficient inference of loss to go to the jury. It was subject to the right of defendants to show that the loss, if any, was due to other causes, but the question was for the jury.

Counsel contend that the fact that the draft was indorsed "John B. Champ & Co.," instead of "Champ Collection Agency," should have precluded a recovery by plaintiffs. Their own statement of the case practically shows that the indorsement was made by the collection agency, and there is no room to doubt that the different names represented the same concern. But the point is without force for another reason. That draft, whether properly indorsed or not, was sent, with the account upon which it was drawn, to the defendants. Their duty was to collect or return, and later to hand to an attorney. They cannot now shelter themselves behind this question over the indorsement, as it in no wise affected their duty or liability. The refusal of the trial court to compel plaintiffs to elect as to which count they would recover upon was a matter of discretion, with which we see no occasion to interfere. (*Cook* v. *Perry*, 43 Mich. 623, 5 N. W. Rep. 1054.)

Elbert Young was called as a witness on behalf of the plaintiffs, and testified to the transactions between the plaintiffs and the collection agency. He was asked: "Question. Now, as I understand you, Mr. Young, when this draft was put in the hands of the Champ Collection Agency, it was to be transmitted by them to a bank in Ironwood for collection? Answer. It was. Question. In other words, the draft was not to be, as I understand you, collected by an agent of the collection agency in the first instance? Answer. Not unless it was impossible to collect it through the bank." This last answer is objected to as involving a conclusion of law. We think it meant no more than that the arrangement was that this paper was not to be turned over to the attorney or agent of the collection agency if it could be collected through the bank to which it was sent. Doubtless the jury understood it so, and it was a question of fact.

A letter from the Champ Collection Agency to Hammond and Kissane was offered in evidence by the counsel for defendants, and was admitted upon the condition that a preceding letter, to which it referred, should be offered with it. Both were admissible as showing what plaintiffs did in the way of attempting to secure this claim. No injury appears to have been done the defendants by the introduction of the earlier letter.

The files and records of the Circuit Court in a number of cases in attachment against Peter Johnson & Co. were offered in evidence. The record says that these would have shown that "subsequent to the cause of action in this suit a large number of attachments were sued out against Johnson & Co., and levied upon certain property, and that a bond was given in each case for the release of the property, conditioned upon the payment of any judgments to be taken in said causes." Counsel stated that they were offered to show that other creditors had secured their claims. This was excluded upon the ground that the cases were commenced after the cause of action in this case arose, whatever that statement may mean. Plaintiffs' brief implies that it was after this action was begun, but the record does not say so, and we are left to conjecture to know what is meant by the expression "after the cause of action arose." But whatever may be the meaning, we think this testimony was admissible. Had those actions gone to judgment, and the money been made by a sale of the property attached, it would have implied that defendants had property subject to levy, and that by due diligence plaintiffs might have collected their debt. The fact that when the property was attached it was at once secured by bonds in seven or eight cases is a fact that has some weight; and, though the attachment was made after this attachment was commenced, it tended to show that when Johnson & Co. were pushed claims could be collected, even at that late day.

We think the questions of law raised by the requests are covered by the preceding discussion.

The jury returned for instruction, and said to the court: "There is another point which has arisen, and that is, if the bank had used due diligence in presenting that draft, if there is a doubt in our minds, whether Johnson & Co. could have paid. In that case some of us might think that if they had presented the draft it would have been paid, and others of us might think that if they had presented the draft it might not have been paid. Now, I ask the question, has this jury any jurisdiction to decide whether the draft would have been paid or not, or whether we haven't anything to do with that?" To this question the court made answer: "I don't think you have anything to do with that; that is a side issue." It is not for us to decide what constituted the negligence found by the jury, or what they found to be the proof that plaintiffs lost their claim through defendants' fault. If the jury could have found that Johnson & Co. were unable to pay the draft, not only at all times after but at the time of presentation, or the time that it should have been presented as well, they could not properly have charged the loss to defendants' negligence. We can see why this question might not be conclusive, but, on the other hand, we can see how it might be, in the minds of some; and although we think the charge carefully kept in sight and distinguished the principles governing the case, we are reluctantly convinced that this answer to the jury was misleading.

The record in this case contains 750 folios. It contains all of the testimony in the case. The only excuse for incorporating all of the testimony in a bill of exceptions is to enable this court to determine whether or not the case should have been taken from the jury. There are comparatively few cases where such a question ought to arise. In this case it was contended (1) that the proof failed to show that the defendants were plaintiffs' agents; (2) that it failed to show negligence; (3) that it failed to show a resulting loss. Upon each of these, unless it be the first, it is plain that a question of fact arose; and as to the first, which was the main question in the case, if counsel desired the opinion

of the court, a few pages would have sufficed for all of the testimony upon the subject. Again, we find in the record fifty-four assignments of error, one of which raises a question upon each of thirty-four requests to charge, thus practically aggregating eighty-eight assignments of error. These requests to charge seem to cover every proposition that the ingenuity of counsel could suggest, and each is made the subject of an assignment of error, though many of them were given in substance. But the assignments upon the charge as given are more objectionable, if possible, than that upon the requests. Errors are alleged upon the charge, sentence by sentence, consecutively, and very little of the charge is omitted. Assignments should clearly raise the questions of law to be considered. (Rule 12.) By the course taken both counsel and the court are put to unnecessary labor. We think it a proper case for the application of rule 59. The cause will therefore be reversed, but without costs, and a new trial ordered.

Grant, J., did not sit. The other justices concurred.—*Northwestern Reporter.*

LEGAL MISCELLANY

ASSOCIATION—STOCK EXCHANGE—FAILURE OF MEMBER TO PAY DEBTS.—The constitution and by-laws of a stock exchange provide that any member failing to meet his engagements shall be suspended; that if he does not settle within six months his seat shall be sold for the payment of creditors; that the board will take no cognizance of contracts that remain unsettled five days after due, "unless continued by mutual consent;" and that where a member fails to comply with his stock contracts his creditors must report said default to the president of the board within forty-eight hours. No claim, unless so reported, shall ever after be recognized or enforced by the board: *Held*, That the forty-eight-hour limitation applies only to contracts for purchase or sale of stocks in the board, and not to open accounts, where stocks are carried for the debtor for months, assessments paid thereon, interest charged, and dividends credited to the account, etc. [*Rorke* v. *San Francisco Stock & Exchange Board*, Cal.]

NEGOTIABLE INSTRUMENTS—STIPULATIONS FOR ATTORNEY'S FEE.—A provision in a promissory note for the payment of an attorney's fee in case an action should be brought on the note, does not affect its negotiability. [*Second Nat. Bank of Colfax* v. *Anglin*, Wash.]

BANKS AND BANKING—CERTIFICATES OF DEPOSIT—FRAUD OF OFFICERS.—Certain persons, who were directors both of a savings bank and a National bank, procured money from the former on two notes made by a third person to them, and given for the payment of stock of the National bank, issued in the name of such third person for their benefit. They represented that the savings bank would have to carry the notes but a short time, and that the National bank would take care of them. These persons were behind in their accounts with the National bank, and the savings bank allowed them to overdraw their accounts with it to a large amount, which was used in settling their accounts with the National bank. Thereafter the savings bank delivered the notes and the check to the National bank, which issued to it a certificate of deposit for an amount covering the whole amount represented by them: *Held*, That this certificate of deposit was without consideration and void, and any loss accruing to the savings bank by virtue of the transactions was due to the fraud or incompetency of its own officers. [*Murray* v. *Pauly*, U. S. C. C., Cal.]

BANKS AND BANKING—COLLECTIONS.—A bank receiving a certificate of deposit for collection, and mailing it to the bank which first issued it with a request for a remittance, is guilty of negligence. [*First Nat. Bank* v. *Fourth Nat. Bank of Louisville*, U. S. C. C. of App.]

BANKS AND BANKING—COLLECTIONS—INSOLVENCY.—A bank holding a draft for "collections and returns," which accepts a check of the drawee, one of its depositors, and, without separating the amount from the general mass of moneys, charges the same to the drawee, and credits the drawer on its books, holds the money as agent for the drawer, and not as trustee; and after the bank becomes insolvent the drawer is a mere general creditor, and not entitled to priority of payment out of the bank's assets. [*Anheuser-Busch Brewing Ass'n* v. *Clayton*, U. S. C. C. of App.]

BANKS AND BANKING—NATIONAL BANKS—STOCKHOLDER'S LIABILITY.—A person who is entered on the books of a National bank as the owner of stock, but who is admitted to hold the stock in trust for the true owner, is not liable as a stockholder for the debts of the bank, when the true owner has been adjudged so liable, although nothing is realized upon the execution of such judgment. [*Yardley* v. *Wilgus*, U. S. C. C., Penn.]

NATIONAL BANKS—CASHIER.—Rev. St., § 5,136, empowers a National bank to "exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking, by discounting and negotiating promissory notes, drafts, and other evidences of debt; by loaning money on personal security," etc.: *Held*, That the cashier of a National bank has no power to bind it to pay the draft of a third person on one of its customers, to be drawn at a future day, when it expects to have a deposit from him sufficient to cover it, and no action lies against the bank for its refusal to pay such a draft. [*Flannagan* v. *California Nat. Bank*, U. S. C. C., Cal.]

NEGOTIABLE INSTRUMENTS.—An action cannot be maintained against a wife jointly with her husband, on a note executed by him alone, because stock in a corporation for which the note was given was taken and held by them as community property. [*Commercial Bank of Vancouver* v. *Scott*, Wash.]

PARTNERSHIP—SURVIVING PARTIES—BANKING DEPOSITS.—Since the legal title to firm assets, on the death of one partner, vests in the survivor, deceased's administrator has no action against the bank for moneys deposited and checked out by the survivor in the firm's name, and in continuance of their usual course of business, though the bank knew of the death; and it would make no difference that the survivor owned no stock, and was only a nominal partner, unless the bank was charged with notice of those facts. [*Rice* v. *Merchants' & Planters' Nat. Bank*, Ala.]

PRINCIPAL AND AGENT—AGENT'S FRAUD AGAINST PRINCIPAL.—An agent with authority to lend money fraudulently took for his own use a part of his principal's funds, and forwarded to his principal a note by an irresponsible maker for the amount, with bonds of a certain corporation as collateral, representing that he had loaned the amount on the note. The bonds he had fraudulently put into circulation, acting as agent of the corporation: *Held*, That the agent acted adversely to his principal, who therefore was not charged with knowledge of defenses to the bonds.—[*Thomson-Houston Electric Co.* v. *Capitol Electric Co.*, U. S. C. C., Tenn.]

TEN PER CENT. TAX ON THE CIRCULATING NOTES OF STATE BANKS.

In his annual report to Congress on the state of the finances, made December, 6, 1864 (second session, Thirty-eighth Congress), referring to the report of Comptroller of the Currency McCulloch, made under section 61 of the National Currency Act, Secretary Fessenden said:

"The statement exhibits a large and rapid increase, and demonstrates the popularity of the system. The rapid and extensive conversion of State institutions of established character, conducted through a long series of years by men of recognized financial ability, into banks organized under the new system, could not have taken place unless after full and careful consideration as to its safety and superior advantages. If it should be said that perhaps these advantages may be rather to those individually interested than to the community at large, the reply is, that a single uniform currency, possessing the same value throughout the whole country, has been too long a general object of desire to have its importance questioned.

"If to this great and obvious good be added the benefits to Government, in its financial operations, of being freed from all the uncertainties and embarrassments arising from a currency over which it can exercise no control, the advantages of any system which will effect these objects can admit of no debate. The Secretary was not among the first to approve the plan adopted by Congress, and which seems to be receiving the popular sanction. Time and observation of its effects have, however, convinced him that the system, if not without defects, is based upon sound principles, and is entitled to all the benefits of a fair trial; and it is quite apparent that the good to be hoped cannot be fully realized so long as another system, at war with the great objects sought to be attained, shall continue to exist, unchecked and uncontrolled.

"While, therefore, the Secretary would not advise the adoption of unfriendly or severe measures, likely to embarrass the business of the country, especially when the indications are so favorable that the National system will soon replace all of a merely local character, he is yet of the opinion that such discriminating legislation should be had as will induce the withdrawal of all other circulation than that issued under National authority at the earliest practicable moment."

The report of Comptroller McCulloch, made November 25, 1864, stated that there were on that day in existence under the National Currency Act 584 banks, with a paid-in capital stock of $109,000,000 and an outstanding circulation of $66,000,000.

After presenting some details and statements in regard to the conversion of State to National banks, the Comptroller presented objections to the issue of circulating notes by the Government, stating clearly and with great force, the danger of excessive or over issues beyond the needs of commerce and trade, thereby enhancing prices and inducing speculation, while at another time they might be so reduced as to embarrass business and precipitate financial disasters.

Touching the subject of regulating the volume of the currency by preventing excessive issues of State bank circulation, Comptroller McCulloch said:

"As long as there was any uncertainty in regard to the success of the

National banking system or the popular verdict upon its merits and security, I did not feel at liberty to recommend discriminating legislation against the State banks. It is for Congress to determine if there is any longer a reasonable uncertainty on these points, and if the time has not arrived when all these institutions should be compelled to retire their circulation.

"It is indispensable for the financial success of the Treasury that the currency of the country should be under the control of the Government. This cannot be the case as long as State institutions have the right to flood the country with their issues. As a system has been devised under which State banks, or at least as many of them as are needed, can be reorganized so that the Government can assume a rightful control over bank-note circulation, it could hardly be considered oppressive if Congress should prohibit the further issue of bank notes not authorized by itself, and compel by taxation (which should be sufficient to effect the object without being oppressive) the withdrawal of those which have been already issued.

"My own opinion is that this should be done, and that the sooner it is done the better it will be for the banks themselves and for the public. As long as the two systems are contending for the field (although the result of the contest can be no longer doubtful) the Government cannot restrain the issue of paper money, and as the preference which is everywhere given to a National currency over the notes of the State banks indicates what is the popular judgment in regard to the merits of the two systems, there seems to be no good reason why Congress should hesitate to relieve the Treasury of a serious embarrassment and the people of an unsatisfactory circulation."

Mr. McCulloch had been an employe and officer of the State Bank of Indiana from 1833 to 1857, and president of that bank from 1857 to 1863. On May 9, 1863, he was appointed Comptroller of the Currency under the National Currency Act, and resigned on March 8, 1865, to become Secretary of the Treasury, succeeding Secretary Chase. The State Bank of Indiana has the enviable record of being the only western or southwestern bank that did not suspend in the "crash" or "panic" of 1837, nor did it suspend in the crisis of 1857. Under the superior management of Mr. McCulloch it paid annual dividends averaging from 12 to 14 per cent. annually, and also returned to its stockholders nearly double the original investment when it wound up at the expiration of its charter in 1854. For the $1,000,000 invested the State received in profits over $3,500,000.

These facts are stated as illustrating the difference between the two systems of State banking in vogue prior to the war, the "other side" being known as "wild-cat" banking, which had its perfect development in the adjoining State of Michigan, as shown by the "History of Early Banks and Banking in Michigan," by ex-Governor and ex-Senator Felch of that State.

On February 6, 1865, Mr. Morrill, of Vermont, reported, from the Committee on Ways and Means, a bill (H. R. 744) to amend an act entitled "An act to provide internal revenue to support the Government, to pay the interest on the public debt, and for other purposes," approved June 30, 1864. When that bill was under consideration in Committee of the Whole on February 16, Mr. Hooper, of Massachusetts (a member of the Ways and Means Committee), offered an amendment providing that in lieu of existing rates of duty on circulation, there should be levied, after July 1, 1865, a duty of one-quarter of 1 per cent. each month upon the average circulation issued by any bank, etc., and after January 1, 1866, a duty of one-half of 1 per cent., and that "whenever the

outstanding circulation of any bank, etc., shall be reduced to an amount not exceeding 5 per cent. of the chartered or declared capital, said circulation shall be free from taxation." There was also a provision as to the circulation of State banks converted to National banks or assumed by National banks.

Mr. Hooper stated that this amendment had been prepared with great care to carry out the recommendations of Secretary Fessenden and Comptroller of the Currency McCulloch in their last annual reports, and that its object was to put a tax upon the circulation of the State banks which had been converted into National banks, or which had gone out of existence and their circulation assumed by the National banks, which should be sufficient to put a stop to their circulation, the object also being to bring about one system of bank paper throughout the country.

Mr. Wilson, of Iowa (now Senator), submitted a substitute for Mr. Hooper's amendment, embodying its substance, but adding a provision prohibiting State banks or banking associations from issuing notes for circulation after April 1, 1865. Mr. Wilson stated that, though he did not vote for the original National Banking Act, he was in favor—as it was now the established policy of the Government—of making it the exclusive policy of the country so far as banks of issue are concerned.

Mr. Donnelly submitted an amendment to Mr. Wilson's substitute providing that State banks with a capital of less than $50,000 should be taxed the same as National banks.

Mr. Wilson opposed that amendment, and said that the Government having assumed jurisdiction with reference to the currency of the country, Congress had a right to prohibit the States from authorizing the issuance of bank notes as a means necessary to preserve the value of the circulating medium authorized by Congress. He stated that his object was to "drive home for redemption" the issues of State banks. No action was had, and on the following day (*Globe*, p. 832) the subject was resumed. Mr. Miller, of New York, thought the time was too short, and moved to insert January 1, 1866. Mr. James Brooks, of New York, defended the State banks which were born before the Government. Mr. Dawes was in sympathy with Mr. Wilson as to a National currency, but thought the rushing of capital into that system was not desirable. Mr. Kernan, of New York, was opposed to the pending amendments, and thought the Federal Government had no right to destroy the State banks. Another motive, he said, was to force a market for the sale of United States bonds required to secure the circulation of National banks. Amendments offered by Messrs. Morrill and Stevens (of Pennsylvania), relating to circulation of converted banks and the date to be fixed, were rejected.

Mr. Holman defended the Bank of the State of Indiana, which on December 31, 1861, had nearly $6,000,000 in circulation, which it had reduced on December 31, 1864, to $1,500,000, and said the object was to destroy State banks for the benefit of the National banks. Various amendments were offered, agreed to or disagreed to, and the amendment of Mr. Hooper as amended was then disagreed to.

Subsequently (*Globe*, p. 880) Mr. Wilson, of Iowa, offered the following amendment as an additional section, which was agreed to, viz.:

"*And be it further enacted*, that every National banking association, State bank, or State banking association, shall pay a tax of 10 per cent. on the amount of notes of any State bank or State banking association paid out by them after January 1, 1866."

The vote by tellers was close, standing yeas 64, nays 62, and at the close of said day's session the bill was reported with amendments. On the following day, February 18, the House proceeded to consider

the amendments reported, and the said amendment submitted by Mr. Wilson was agreed to by the very close vote of yeas 68, nays 67. (*Globe*, p. 906.)

The affirmative vote was almost solidly Republican, while the negative vote, largely Democratic, included some twenty Republican members, principally from Eastern States, the New York members voting almost solidly against it. Mr. James Brooks changed his vote in order to move to reconsider said vote, and on a motion to table the said motion to reconsider, the vote was a tie, yeas 71, nays 71. Speaker Colfax voted in the affirmative, and the amendment was thus adopted by his casting vote.

On February 24 Mr. Sherman reported said bill from the Committee on Finance with amendments, one being to strike out section 5, which was the Wilson amendment adopted by the House. Senator Sherman stated that a majority of the Finance Committee were in favor of the House proposition, but thought it best to submit the question to the Senate. Senator Ramsey, of Minnesota, offered the Donnelly amendment in the House as an amendment to the section. Senators Hendricks, of Indiana, Johnson, of Maryland, Powell, of Kentucky, and Henderson, of Missouri, favored striking out the section. No Senator spoke in the negative, as Senator Sherman pleaded for a vote, on account of the fact that in two days the Congress expired. (See *Cong. Globe*, pp. 1,238–1,244.)

At the conclusion of Mr. Henderson's speech a vote was taken on the motion to strike out, resulting—yeas 20, nays 22. It was not a strict party vote, several Republican Senators voting yea, but no Democratic Senater voted in the negative. The Senators from Massachusetts and New York voted in the negative, and the act was approved March 3, 1865, this tax being imposed by section 6 of said act.

The original National Currency Act became a law on February 25, 1863, but no circulation was issued until January, 1864. At the date of the passage of that act there were 1,466 State banks, with an aggregate capital of $405,000,000, and an outstanding circulation of $238,000,000.

In 1863 there were in circulation $312,000,000 of United States notes, $16,000,000 fractional currency, and $3,300,000 of demand notes, and about $25,000,000 in specie on the Pacific coast, or a total of $595,000,000.

Under this tax the State bank circulation on October 1, 1865, had been reduced to $79,000,000 and the National bank circulation had increased to $171,000,000. No recommendation was made either by Comptroller of the Currency Clarke or Secretary McCulloch, but in the next Congress (first session, Thirty-ninth Congress) the Committee on Finance reported an amendment to the bill (H. R. 513) to reduce internal taxation, etc., and to amend the act of June 30, 1864, and acts amendatory thereof, striking out all after the enacting clause of section 6 of the act of March 3, 1865, and inserting in lieu thereof the following, viz.:

"That every National banking association, State bank, or State banking association shall pay a tax of 10 per cent. on the amount of notes of any person, State bank, or State banking association used for circulation and paid out by them after the 1st day of August, 1866, and such tax shall be assessed and paid in such a manner as shall be prescribed by the Commissioner of Internal Revenue."

That amendment was adopted without debate or division, and became the second paragraph of section 9 (*bis*) of the act of July 13, 1866. (Stat. at Large, Vol. 14, p. 146.) The act of February 8, 1875 (second session, Forty-third Congress, Stat., Vol. 18, p. 307), again changed the phraseology as to this tax, sections 19 and 20 reading as follows:

"SEC. 19. That every person, firm, association, other than National

bank associations, and every corporation, State bank, or State banking association, shall pay a tax of ten per centum on the amount of their own notes used for circulation and paid out by them.

"SEC. 20. That every such person, firm, association, and also every National banking association, shall pay a like tax of ten per centum on the amount of notes of any person, firm, association, other than a National banking association, or of any corporation, State bank, or State banking association, or of any town, city, or municipal corporation, used for circulation and paid out by them."

The bill in which these sections appear was reported from the Committee on Ways and Means on June 1, 1874 (first session, Forty-third Congress), and passed the House under suspension of rules by a vote of yeas 159, nays 53, after a brief explanatory statement by Mr. Dawes, who said the bill was intended to correct errors of phraseology and revise existing laws. No reference was made to the matter of this tax, and it was not made a political question, Messrs. Cox, Morrison, Randall, and Wood voting yea. The bill passed the Senate with amendments, and was postponed until the second session of that Congress, and became a law on February 8, 1875, as stated, no change being made in said sections.

No further legislation has been had on this subject, and section 19 of said act of February 8, 1875, now appears as section 3,412 of the Revised Statutes, and section 20 as section 3,413, Revised Statutes. The first concerted effort to repeal this tax was made in the year 1872 (Forty-second Congress), when thousands of printed petitions (sent out from New York City) were received from almost every State praying for the removal of all taxes whatever on State and National banking institutions.

On February 18, 1873, Senator Morrill, of Vermont, from the Committee on Finance, submitted an elaborate adverse report thereon. In that report the practice of getting up "machine-made" petitions was sharply criticised. "Is it not apparent," says Senator Morrill, "that the right of petition is cheapened when, instead of being the spontaneous action of the people, it is brought into frequent service under the spur of a system of recruiting agents engineered, if not supported, by one common head-center?" The subject of taxation of banks, etc., was discussed generally, and the conclusion arrived at unanimously that no legislation was required on the subject.

For many years past bills have been introduced in both Houses of Congress for the repeal of this tax, but no action was taken thereon until the last Congress, when bills introduced by Senators George, Harris, and Vance were, on March 1, 1892, reported adversely, the bill introduced by Senator George (S. 2,133) "to repeal the internal revenue tax on the circulation of bank notes issued under State authority" being placed on the Calendar, with the views of the minority submitted by Senator Harris (for Senator Vance), on April 26.

That report discussed elaborately the constitutional right of the States to charter banks, and cited the cases decided by the Supreme Court of *McCulloch* v. *The State of Maryland*, *Briscoe* v. *The Bank of the Commonwealth of Kentucky* (11 Peters, 257), and other cases. After stating that the tax equaled, if it did not exceed, the full amount of the profits of banking, and that its effect was to immediately close all such State banks as banks of issue, the report adds that "it must be admitted that such was the intent and object." That was the exact statement made by Senator Wilson, the author of the law, in the House of Representatives (of which he was then a member) on February 16, 1865, nearly thirty years ago.

Another argument advanced in behalf of State bank circulation was that the expansion or contraction of National bank circulation, which it was asserted had taken place for financial as well as political purposes, would be impossible with State bank circulation. The dangerous results of the centralization of the money power of the land were also suggested. "State banks," says the report, "based upon coin, and issuing two for one, would spring up all over the land, and keep their people supplied at a low rate of interest with a currency satisfactory to them; whilst the cotton of the planter and the wheat of the farmer would furnish all of their exchanges upon distant cities." The minority report was signed by Senators Vance, Harris, and Voorhees, Senator Carlisle adding the following statement:

"I concur with the signers of the foregoing minority report in the opinion that the act of Congress imposing a tax upon the circulation of State bank notes should be repealed, but I am not prepared to say that it would be advisable to establish and maintain such a banking system at this time. In my opinion, this is a question which each State has an undoubted constitutional right to determine for itself, and I favor the repeal of the prohibitory tax in order that this right may be exercised whenever the States may see proper to do so."

Senator McPherson, it is understood, concurred in making the adverse report. On June 30, 1892, Senator Butler made an elaborate speech on the following resolution introduced by him on January 11, viz.:

"*Resolved*, That the Committee on Finance be, and it is hereby instructed to report a bill repealing all taxes on the circulation of State banks of issue."

No vote was taken or reached on the resolution, and no further action was taken in respect to the bill named.

A motion was made in the House of Representatives on June 6, by Mr. Richardson, of Tennessee, to suspend the rules and discharge the Committee on Ways and Means from the further consideration of a bill introduced by him (H. R. 8,502) to repeal section 3,412 of the Revised Statutes, which imposes a tax of 10 per cent. on the circulating notes of State banking associations, and pass said bill.

The motion was supported by Messrs. Harter, of Ohio; Oates, of Alabama; Richardson, of Tennessee, and Tracy, of New York, and opposed by Messrs. Bacon, of New York; Bryan, of Nebraska; J. D. Taylor, of Ohio, and Walker, of Massachusetts.

The motion was lost by yeas 84, nays 118, three considerations specially operating to produce that result:

FIRST. The Chicago convention was but two weeks off, and it was thought best to await the action of the convention on that issue.

SECOND. The argument of discourtesy to the Ways and Means Committee was quite potential; and

THIRD. Many votes, under the lead of Messrs. Tracy and Harter, were cast against the motion for the reason, frankly avowed by the gentleman named, that the bill, if enacted into law, "would destroy the demand for the free coinage of silver."

No Republican voted in the affirmative, while some sixty Democrats voted in the negative.

In his "Considerations on the Currency and Banking Systems of the United States," prepared for the American Quarterly Review of December, 1830, by Albert Gallatin, the constitutional powers of Congress on this subject are fully discussed. As no reference, so far as I have seen, has been made in any discussion in Congress on this subject to Mr. Gallatin's views, expressed at the time the proposition was first made in

Congress in 1830 to tax out of existence the issues of State banks, a brief extract from the Review article will not be out of place. On this point Mr. Gallatin says:

"Congress has the power to lay stamp duties on notes, on bank notes, and on any description of bank notes. That power has already been exercised; and the duties may be laid to such an amount and in such a manner as may be necessary to effect the object intended. This object is not merely to provide generally for the general welfare, but to carry into effect, in conformity with the last paragraph of the eighth section of the first article, those several and express provisions of the Constitution which vest in Congress exclusively the control over the monetary system of the United States, and more particularly those which imply the necessity of a uniform currency.

* * * "Congress may, if it deems it proper, lay a stamp duty on small notes which will put an end to their circulation. It may lay such a duty on all bank notes as would convert all the banks into banks of discount and deposit only, annihilate the paper currency, and render a bank of the United States unnecessary in reference to that object. But if this last measure should be deemed pernicious or prove impracticable, Congress must resort to other and milder means to regulate the currency of the country. (See 'Writings of Albert Gallatin.' By Henry Adams. Vol. 3, pp. 319, 320.)"

The original act of March 3, 1865, and amendatory acts, imposing the tax of 10 per cent. on the circulating notes of State banks, accomplished the purpose of its framers. The entire amount of tax collected is less than $130,000, and fully establishes the fact that it is a prohibitory tax, as has been asserted and as was intended. The largest amount collected in any one year was $28,733, in 1880, and the smallest was $11, in 1870, while in the years 1866, 1871, 1886, and 1891 nothing was collected on account of this tax.

HENRY H. SMITH.

DETECTION OF COUNTERFEIT BILLS.

To the casual observer it is always a wonder that cashiers, bank tellers and others who handle large amounts of paper money are able at a glance to throw out a bad note. On this topic an old bank teller said to a reporter of the *Eagle*, Grand Rapids, Michigan:

"It must be remembered that in the first place the men who handle money as a business are compelled to have a very thorough familiarity with the appearance of every genuine note. Counterfeits do not appear until after the genuine has been some time in use, and every part of it is well known. It is not so wonderful, then, that after this daily familiarity with the appearance of a note the first deviation from it should attract attention. Exactly what it is that does expose, the best experts find it difficult to tell. They say they know it instinctively. They judge not only by the looks of a note, but by the feel of it.

"It is obvious that a counterfeit note must be widely circulated to make it profitable. No sooner does a counterfeit appear than its description is widely published. Those who are likely to suffer by taking counterfeit notes make it their business to be on the lookout for new counterfeits, which are soon distinguishable by some easily discovered mark. A teller knows just what denomination of notes has been counterfeited, and just where to look for the tell-tale marks. He notices the counterfeit as easily as a reader notes a misspelled word. t is no particular effort. It is a habit, and becomes a second nature.

"One and the main reason why counterfeits are easily detected is because in some feature they are almost uniformly of inferior quality. This is, indeed, the main protection of the public. Genuine notes are engraved and printed almost regardless of cost, and the very best materials are used in the engraving and printing. It is done in large establishments with costly materials and the best workmen. It is practically impossible for counterfeiters to do work as well. They must work in secret and at disadvantage, and of necessity cannot have the experience to produce such perfect work. If they get the engraving done nicely they fail in the printing; or, if they get the engraving and printing done well, they fail in securing the proper paper. Of late years there has been a good deal of care taken to get paper manufactured expressly for the notes issued by the Government. The National bank notes are also issued by the Government, so that the sources of supply for exactly that kind of paper are controlled.

"Before the war it was much more difficult than it is now to detect bad money. There were wildcat banks whose notes were of no value of the same name as good banks, and the wildcat notes were of the same form as good notes. Then there were many altered notes from lower to higher denominations. The use of greenbacks, or any backs at all was rare, so that the counterfeiter had but one side of a note to counterfeit. Of late years the paper is covered back and front with the figures of the denomination, so that alteration from a lower to a higher denomination is rare. Before the war, by actual computation, four-fifths of the bank-note issues were counterfeited. There were in circulation in 1860 actually 3,039 different kinds of bad money, and it was estimated that about $60,000,000 of it was afloat.

"When the necessities of the war led to the Government issues of paper money, all these old banks went out of existence, and the old counterfeits went with them. It was a great boon to the business community to have the old stuff wiped out and the new, clean currency put into circulation that was current all over the Union. It was some years before successful counterfeits appeared. The first issue of the National bank notes of the denomination of $5 was practically not counterfeited for fifteen years. Even taking all the denominations of National bank money issued by the Government, the number of these varieties is trifling compared with the immense number of banks before the war whose notes were all different.

"It is true we have more banks now, but it must be remembered that the notes of each denomination issued by all the National banks, or for them, are all alike, except the titles. The changes have been few and many years apart. When a teller learned the appearance of the first notes of the denomination of $1 issued to the National banks, it was some years before he saw a counterfeit, and of course he detected the counterfeit almost by instinct.

"There is little protection for the poor and the ignorant from counterfeit money. They do not rely so much upon their own skill as upon keeping track of the sources from which they receive money. They know from whom they receive a bank note, and if it turns out bad they take it back and get it redeemed. In some degree this protection exists among financial institutions which keep track of the sources of their receipts.

"When it is considered how many million dollars of the same sort are issued by the Government, it is wonderful that the genuine plates are not oftener used for the purpose of printing of unauthorized issues. Of course, it is pretended that the safeguards of the Bureau of Engraving and Printing are so great that no such wrong could be done. But there

is a well-authenticated case where the printer actually did print from the genuine plates without discovery, while being watched by the bank officer. Some years ago there was a famous suit, in which the Government financial agent in New York claimed to have redeemed a certain issue which proved to have been unauthorized, and the experts were very much in conflict as to whether the issue was actually counterfeit or printed from Government plates. It was finally decided by a jury that the issue was counterfeit, although some reputable experts swore that it was printed from Government plates.

"When you look at it a moment it is not nearly so wonderful that a teller should detect a bad note as that a proof-reader should detect bad spelling. It is only another instance of the work of the trained eye. The expert mechanic sees things at a glance that an ordinary observer would not notice."

SELECTION OF LOANS.

The following paper was read by Mr. G. N. Henson, president of the Citizens' Bank and Trust Co., of Chattanooga, at the last convention of the Tennessee Bankers' Association:

The selection of paper for discount is of such momentous importance to every banker, and the subject so intricate and difficult to analyze, that I hesitate to present the scattered thoughts that are in my mind.

Anything like specific rules by which all bankers may be governed in the selection of paper and extending credit cannot be formulated, or, if formulated, would be found impracticable, for the reason that the character and methods of conducting business and habits or customs of the people are dissimilar in almost every locality.

Rules of conducting business in the smaller cities will not be found practicable in the country villages, and methods in use in New York, Boston and Chicago have no application in cities of lesser importance. To illustrate, we are told that commercial houses in New York manufacture, as it were, large lines of paper, and employ a broker to carry it around the streets and offer it promiscuously to the banks and urge its purchase much after the manner of a merchandise broker and book agent. We are further told that business houses in the highest standing, in order to preserve their credit, feel themselves obliged to issue constantly and sell, through note brokers, large amounts of paper, whether they really need the money at all seasons or not; otherwise, the disappearance of the usual volume of their paper from the street would cause a suspicion among bankers that it could not be successfully sold for some cause, and this suspicion would operate to weaken the credit of the company or firm. To attempt this method of borrowing in our section by any business house would be equivalent to opening the door and inviting in the friendly offices of a receiver. A conservative banker in the South would look with the gravest suspicion, not only on any paper offered in this manner, but upon the general credit of the firm issuing it. Again, we are told that millions of dollars are advanced in the West on common dray tickets, for cotton supposed to exist somewhere, and which tickets probably in the East would not be considered worth the time it would take to read them.

However, notwithstanding these differences in customs, lending, as it were, different colors to the value of securities, there are some general rules in selecting paper for discount applicable to nearly all sections. My own experience leads me to give a preference to commercial paper of merchants; that is, paper given for the purchase of goods in the

regular course of trade, and for paper secured by convertible collateral; but even these papers have their objections and pitfalls. In commercial paper, if the indorser should become involved, any paper under discount coming back under protest is likely to prove a loss. In discounting paper of this class the bank has to depend largely on the judgment and care of the merchant and manufacturer in selecting their risks, and in the event of your indorser becoming embarrassed, you are then more or less exposed, depending upon the care that has been exercised in extending credit. Again, one can be imposed upon in discounting commercial paper to as great an extent as in any other form of loans. You seldom know, as a rule, whether the paper that is offered you is issued for accommodation, is a renewal of a long standing and possibly uncollectable indebtedness, or a "kite" between the maker and indorser, since you cannot take the time to investigate all of these points, even if the customer would consent to wait, and which he would not do one time in twenty.

As to loans on good marketable collateral: While this is a very desirable class of paper, it sometimes fails without warning.

In taking paper of this kind the banker, perhaps, relies in many instances too much on the collateral itself; that is, he does not consider the responsibility of the borrower to the extent he should.

The collateral (apparently) most desirable sometimes fails from unforeseen causes originating beyond and entirely outside of the source or principal of the collateral itself; thus a good and solvent bank, whose stock is held by other banks as collateral, may be forced to face a run and be ruined through the failure of a neighbor bank.

The traffic of paying railroads, whose bonds are held by banks as collateral, may be diverted in a day by combinations of connecting and competing lines, and the property soon finds its way through this channel into a receiver's hands.

And again, the cotton in the warehouse or the wheat in the elevator may be lost through fire and failure of the insurance.

It will be found best as a rule to scrutinize closely or decline such paper as the following:

Loans to new manufacturing establishments to complete their works, for the good reason if the company or firm have not sufficient cash capital to pay for their plant, they cannot be expected to operate it successfully.

Short loans to be used in building a house, which the owner expects to pay back by finding a buyer for his property.

Loans to land syndicates or land companies for use in buying lands on speculation (so-called investments).

Loans to syndicates formed for any purpose in which each man is expected by the other to provide his *pro rata* of payment. These loans give much trouble in almost every instance, and often result in costly litigation.

Loans on stock of manufacturing and other corporations having no market value. A good rule when these stocks are offered is to ask yourself, so to speak, who would buy the stock for cash in case of necessity?

Unaccepted drafts (except from the most responsible customers) drawn on out-of-town people for accounts said to be due. Such drafts are a source of great annoyance, and should invariably be entered for collection, unless accompanied with a letter or telegram from responsible people authorizing the same.

Notes given in payment of subscriptions in private corporations, commonly called "stock notes." As a rule they are most difficult notes to

collect. The effect of such loans is to invest the money of the bank in the stock of other corporations. If the borrower has no money for permanent investment then he should not make a tool of the bank, and the bank should not suffer itself to be so used.

Notes of societies, church committees, and school boards. This class of paper may, and generally is, made good enough by indorsement, but it is difficult to collect since, as the saying goes, what is everybody's business is nobody's business, and no one can be found willing to look after the paper at maturity.

Loans for original capital to go into mercantile enterprises. To make such loans is to engage in the mercantile business with all its hazards. If the borrower has no capital with which to start in business he should keep out, or, at least, not hazard the money of the bank.

It is the province of the bank to carry in part the ledger balances of the merchants or manufacturers and their surplus stock at certain seasons of the year, when the nature of their trade requires surplus stock, and not to furnish original capital for every day's business.

The convertibility of stock of merchandise into cash in event of trouble should also be considered in making advances. In winding up the business of merchants and manufacturers the amount that can be realized on different classes of goods will be found to vary widely, especially if same have to be sold under the hammer. The greatest loss will generally be found in the following lines: Drug stocks, jewelry stores, retail hardware stores, millinery stores, plumbers' goods, book stores, and china stores. The machinery and fixtures of manufacturing plants, when torn from their foundation and sold by the piece, will generally yield but a small per cent. of actual first cost, frequently not over 15 or 20 per cent., the first cost of setting and adjusting in that event being entirely lost. This last item is usually figured in the cost of a plant as an asset, but in case of trouble it is worthless. All articles in process of manufacture and patterns in use will also yield but little. These things should all be considered in making advances to corporations and firms, since they generally form a large share of the assets on which loans are based. The matter of personal and family expenses of borrowers should also be observed as far as practicable. A man with but a moderate business and no other visible source of income that attempts to keep up with society by attending theaters, driving fast horses, giving receptions and going all other gaits, will in the very nature of things come to grief, and the banker that makes advances to such persons on insufficient security will sooner or later be called upon to increase the wrong side of his profit and loss account.

The officers of a bank should never assume that their customers and all people who apply to them understand their own business, and know where they are going to get the money to pay back loans granted them. The bank should know when it parts with its money the purpose for which it is to be used, and judge for itself whether or not it can likely be returned. The average man, when pressed on all sides, will not hesitate to take the money of the bank and put it where he knows it will never return to him. Not only will he not hesitate to take the bank's money, but he will resort to the most artful means to procure it, and as a means to the end mislead the bank in any way that he can.

One of the most important things in taking new accounts and making loans is the particular business and locality in which the money is going. If the borrower be a merchant located in a manufacturing district and depending largely on factory trade, his business will be subject to or affected by strikes, closing up of industries, reduction in wages, and other contingencies constantly arising with factory people. His pur-

ticular location on a street also has much to do with the probable result of any advances made him by a bank. Certain lines of business started in certain sections are almost sure to fail, and the successful banker should and must have the foresight to see and discount the final outcome of these undertakings. Then, again, the experience, past record, and peculiar adaptability of the borrower to the line in which he is about to or has engaged should be taken into consideration. A man successful in the past in one line of mercantile business, having sharp competition, is likely to be successful in another and dissimilar line, as general business management has something to do with success, as well as understanding the details of the business. In cities, the success in some particular lines depends very largely upon the stand, arrangement of store room, etc. Among these might be mentioned fashionable retail dry goods, retail jewelry, retail shoe stores, book stores, gentlemen's furnishing goods, and retail tobacco and cigar stores.

Mercantile accounts requiring large accommodations should not be encouraged, for the reason that, as a rule, they are not profitable.

Smaller loans to economical and conservative borrowers, either on collateral or personal indorsement, will in the end prove more satisfactory.

Loans to people who are known to be heavy borrowers at other banks, although prompt of pay, should be limited and closely watched, or, better still, avoided altogether. When such people quit paying, as in a majority of cases they will, it will be without warning, and the losses will be heavy.

Loans upon warehouse receipts honestly issued on staple goods with reasonable margins are very desirable (losses in certain localities in this line notwithstanding), but caution is the price of safety in this as well as other security.

Loans upon warehouse receipts issued by warehouse men engaged in trading and borrowing money should not be encouraged. In case of pressure or desire to profit by speculation, the temptation to over-issue for the purpose of raising money is too great for the average man. Warehouse receipts should in every case call for specific property, with specific marks and located in a specific place.

Receipts calling for wheat, corn, or oats in bulks without bin numbers or means of perfect identification, or for cotton without grade or bale marks, should be declined in every instance. The warehouse man should not only be an honest and capable business man, but should not be engaged in buying or selling generally.

The matter of insurance on stocks of borrowing customers should be inquired into frequently, and when practicable, the condition of the stock itself noticed. The average daily cash deposits of borrowing merchants should also be considered, as they are a pretty sure criterion of the drift of trade.

"Kiting" paper, in whatever form issued, should be avoided in every instance, and the transaction with parties engaged in issuing it limited.

The above are a few of the rules that apply to the selection of paper offered for discount. The subject is too vast to be covered by an article of this length. The successful banker must study the laws of trade and observe the normal and abnormal condition of things about him, and, if he would be progressive and avoid the breakers, he must watch and toil while the other men sleep.

BOOK NOTICES.

World's Congress of Bankers and Financiers. Comprising addresses upon selected financial subjects, and also a series of papers on Banking in the several States and Territories, prepared by delegates specially appointed by the Governors. Chicago: Rand, McNally & Co. 1893.

These addresses are of varying merit. Some of them possess a permanent interest, while others are of a fugitive character. There are either historical or remedial. Some of the historical addresses are of excellent quality; the most noteworthy of which is by Mr. Lyman J. Gage, president of the First National Bank of Chicago, in which the history of banking in Illinois is ably described. Another address of this character, filled with information, is by Mr. George R. DeSaussure, on the history of banking in Georgia. That by Mr. T. E. Sherwood, on the banking and resources of Michigan, though brief, is instructive. In the other class of addresses may be found some noteworthy contributions to the subject. The Gold Standard, by Mr. Horace White, of New York, is an able and timely contribution to one of the most important subjects of the day. Another address, still more striking, perhaps, is by Mr. Richard R. Rothwell, editor of the *Engineering and Mining Journal*, of New York, on Universal Bimetallism, and an International Monetary Clearing House. Banking in Canada is well described by Mr. B. E. Walker, of Toronto; perhaps it is the best description of the Canadian system that can be found in the same space. The papers, as a whole, are worthy of publication in the present form, and we have no doubt that the work will circulate largely among bankers and others engaged in the study of political economy and finance.

A Treatise on Money and Essays on Monetary Problems. By J. SHIELD NICHOLSON, M. A., D. Sc. Professor of Political Economy in the University of Edinburgh. Sometimes Examiner in the Universities of Cambridge, London and Victoria. Second edition revised and enlarged. London: Adam and Charles Black. 1893.

Professor Nicholson is in the front rank of the political economists of the day. His systematic treatise on political economy is a keen competitor with Marshall's among economic students. The work before us is a very concise treatise on money and monetary problems. Perhaps the best known work of the kind is Jevons' "Principles of the Mechanism of Exchange." But Prof. Nicholson's is even more condensed, yet contains a very complete account of the principles relating to money and prices. One of the most noteworthy chapters describes the effects of credit or representative money on prices. In the first portion of the work, which contains eight chapters, after stating the difficulties concerning the study and functions of money, the author describes the early forms of money and the requisites of good coinage, "Gresham's Law and Token Coins," the quantity of money and general prices, the effects of credit on prices, and the influence on the general level of prices in any one country of the general level of prices in other

countries, closing with a description of the effects on general prices of the use of both gold and silver as standard money. The larger portion of the second part is devoted to the discussion of the great problem of bimetallism. We most heartily commend this work to our readers. Bankers who have but little time to study the principles of money will find this a most useful work.

Manual Training in Education. By C. M. WOODWARD, A. B. (Harvard), Ph. D. (W. U.), Thayer Professor of Mathematics and Applied Mechanics, Dean of the Polytechnic School, and Director of the Manual Training School of Washington University, St. Louis, Mo. With illustrations. London: Walter Scott. New York: Charles Scribner's Sons.

The Manual Training School, comprising a full statement of its aims, methods and results, with figured drawings of shop exercises in wood and metals. By C. M. WOODWARD, A. B. (Harvard), Ph. D. (W. U.) Boston: D. C. Heath & Co. 1887.

The time has come when more technical education must be acquired in order to become proficient in any trade or occupation. In another article in this number we have described the report made by the American Bankers' Association, on the subject of providing more complete education for those who intend to engage in banking. In mechanical pursuits, schools are rapidly multiplying in every direction. Professor Woodward was the first to establish a manual training school in this country and has written very extensively on the subject. He has done more to stimulate inquiry and establish these schools than any other person in our country. The books before us are designed as helps to such students in mechanical work. The author has shown in every way his fitness to prepare works of this character. We bespeak for them a wide circulation.

Interest on Daily Balances. We desire to call the attention of those banks and trust companies that pay interest on daily balances, to the "Robinsonian Interest on Daily Balances," the most complete, comprehensive and simple book ever published, for computing such interest. The book is computed on the 365 days basis, and comprises interest at 1, 1½, 1¾, 2, 2¼, 2½, 2¾, 3, 3½, 4, 4½, and 5 per cent. *for one day* on all amounts from $1 to $100,000,000.00, and is taken from the tables as readily as the day of the week is taken from a calendar. Each rate of interest on all amounts is shown at one view, without the turning of pages. The price of the book is $3.00 per copy. We keep it in stock, and will be pleased to furnish copies to parties ordering.

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

QUOTATIONS:	Jan. 9.	Jan. 16.	Jan. 22.	Jan. 29.
Discounts	4 @ 4½	4 @ 4½	4 @ 4½	4½ @ 5
Call Loans	1	1 @ 1½	1 @ 1½	½ @ 1½
Treas. balances, coin	$58,748,216	$57,643,373	$58,947,977	$62,249,178
Do. do. currency	29,343,682	31,235,571	31,750,758	32,721,299

BANKING AND FINANCIAL ITEMS.

General.

AN ARTIST IN BANK NOTES.—The Secret Service Division of the Treasury Department has received an exceedingly clever pen-and-ink counterfeit twenty-dollar bill, and the officers are making a vigorous search for the maker. The counterfeit bill was passed on a New York bank, and was only detected when it reached the Sub-Treasury. The paper was the regular silk fibre paper used only by the Government, and the counterfeit was discovered only by the omission of the word "series." There is no clew to the artist. He is supposed to be the same individual who has for years defied the best efforts of the entire Secret Service force to capture him. His work has always been so perfect that it was almost impossible to detect a bill he made from the genuine engraved article. It is all done with a pen and ink, and on the same quality of paper as is used for the genuine bills. He is certainly an artist. The great difficulty in the way of his detection is that he uses no tools. He sits down and draws a picture, which, when finished, is a perfect imitation of a Government note. Even if he was captured in his room, with a counterfeit bill of his own production in his possession, there might be no evidence to convict him. He could say he received the bill in a business transaction with some one else, and who could gainsay him? It must require a long time for him to complete a single bill with his pen-and-ink drawing, and the skill he displays at his work is an indication that if he devoted his talents to honest employment he would undoubtedly make more money. It must be that he takes a secret satisfaction in cheating the Government.—*Washington Star.*

BANK OF FRANCE NOTES.—The life of a Bank of France note is about two years, it being issued so long as it is usable. In the matter of destroying their notes set apart for cancellation, a new departure has been made by the Bank of France. The former practice was to incarcerate their doomed notes for three years in a large oak chest before submitting them to conflagration. Thereupon, a huge fire was set aflame in an open court; the notes were thrown into a sort of revolving wire cage, which was kept rotating over the fire, and the minute particles of note ash escaped into the air through the meshes of the cage and darkened the atmosphere all around. The burnings took place daily, and were of a certain amount. Now the practice is to have about twenty cancellations of notes each year, at uncertain times, and as the needs of the service determine. A hole is punched in each of the notes, which are also stamped as follows: "Canceled the.....by the branch at..... or the Head Office of the Bank of France." The notes are then marked off in the registers of bank notes issued, according to their numbers and descriptions. A committee of the bank directors are present at their destruction. The canceled notes are no longer burned, but are now reduced into pulp by means of chemical agents. Each destruction of notes averages about 600,000 of all kinds, and about 12,000,000 notes are annually destroyed. The Bank of France has been little troubled of late with forgeries. The greatest forger it ever had was deported to Cayenne, and in attempting to escape got stuck in a swamp and was eaten to death by crabs.

"WHAT caused your bookkeeper's downfall?"

"Lost his balance."—*Rochester Democrat and Chronicle.*

BURNING BANK OF ENGLAND NOTES.—With the Bank of England, the destruction of its notes takes place about once a week, and at 7 P. M. It used to be done in the daytime, but made such a smell that the neighboring stock-brokers petitioned the governors to do it in the evening. The notes are previously canceled by punching a hole through the amount (in figures) and tearing off the signature of the chief cashier. The notes are burned in a closed furnace, and the only agency employed is shavings and bundles of wood. They used to be burned in a cage, the result of which was that once a week the city was darkened with burned fragments of notes. For future purposes of reference, the notes are left for five years before being burned. The number of notes coming into the Bank of

England every day is about 50,000, and 350,000 are destroyed every week, or something like 18,000,000 every year. The stock of paid notes for five years is about 77,745,000 in number, and they fill 13,400 boxes, which, if placed side by side would reach two and one-third miles. If the notes were placed in a pile they would reach to a height of five and two-thirds miles; or, if joined end to end, would form a ribbon 12,455 miles long.

CURIOUS HISTORY OF A BANK NOTE.—Bank notes have curious histories attached to them in the way of human comedy, tragedy and the melodrama. A collector at Paris got hold, some years ago, of a £5 Bank of England note which had somewhat of a tragic interest connected with it. Some sixty odd years ago the cashier of a Liverpool merchant had received in tender for a business payment a Bank of England note which he held up to the scrutiny of the light, so as to make sure of its genuineness. He observed some partially indistinct red marks or words traced out on the front of the note beside the lettering and on the margin. Curiosity tempted him to try to decipher the words so inscribed. With great difficulty, so faintly written were they and so much obliterated, the words were found to form the following sentence: "If this note should fall into the hands of John Dean, of Longhill, near Carlisle, he will learn hereby that his brother is languishing a prisoner at Algiers." Mr. Dean, on being shown the note, lost no time in asking the Government of the Dey to made intercession for his brother's freedom. It appeared that for eleven long years the latter had been a slave to the Dey of Algiers, and that his family and relatives believed him to be dead. With a piece of wood he had traced in his own blood on the bank note the message which was to procure his release. The Government aided the efforts of his brother to set him free, this being accomplished on payment of a ransom to the Dey. Unfortunately the captive did not long enjoy his liberty, his bodily sufferings while working as a slave in Algiers having undermined his constitution.—*Home Journal.*

EASTERN STATES.

CONNECTICUT.—Bank Commissioners Doyle and Buck have presented to Governor Morris their report of the condition of the savings banks, State banks and trust companies for the year ending October 1, 1893. Referring to the savings banks the Commissioners note that during the year they have experienced both prosperity and hard times. The first eight months of the fiscal year were exceedingly prosperous, but in July a panic was started, and its results were immediately felt by the banks. While at first some people were induced to withdraw their deposits on account of groundless fears entertained regarding the soundness of the banks, others were actually obliged through necessity to break in on the savings of years. This was made necessary by the business depression, which threw many out of work. The regularity with which small amounts were drawn out later indicated that the money was needed for the necessaries of life. The Commissioners commend the action of the last general assembly in enlarging the scope of savings bank investments. The aggregate assets of the savings banks increased during the year from $138,659,913.49 to $142,819,170.47, and the surplus from $4,877,184.20 to $5,245,883.27. Loans on real estate and collateral securities have increased $2,739,239.49. Loans on personal security have increased $75,243. Tables of figures in the report furnish some interesting details. The number of depositors having under $1,000. increased by 2,977; between $1,000 and $2,000, by 1,190; between $2,000 and $10,000, by 627, and those having $10,000, by 21. The number of depositors has grown during the past year from 331,061 to 335,879, an increase of 4,818, with an average due each depositor of $398 95. This is on a total of $133,967,220 11 deposits as compared with $130,686,729.28 of deposits in 1892, showing an increase of $3,278,698.50 As compared with the previous year the number of accounts opened decreased 3,868, the number closed increased 5,279, and the amount deposited shows a decrease of $741,352.38, and the withdrawals a decrease of $4,084,518.69. The annual report of the Commissioners of Savings Banks submitted to the Legislature shows there are 330 savings institutions (including 116 co-operative banks) in the State, with assets of $537,105,294, an increase of five institutions and $8,561,217 in assets. The report embraces 186 savings banks and 24 safe deposit, loan and trust companies. Part two of the report, which does not appear as yet, concerns

116 co operative banks and four collateral and mortgage loan companies. The total amount of dividends was $15,655,565, an increase of $1,033,771. The aggregate deposits are $399,995,569, an increase of $6,975,707. The increase in deposits is much smaller than in 1892, the falling off having been undoubtedly due to causes arising from the recent financial depression. The number of deposits made during the year was 1,100,410, a decrease of 73,885 ; amount deposited, $75,427,471, a decrease of $6,8c8,063. The total assets of the 186 savings banks are $424,559,334, an increase of $8,681,171.

MIDDLETOWN, CONN.—On the 12th of January, George W. Burr, one of Middletown's honored citizens, and successful business men, died at his residence. The deceased was born in Haddam in 1816. At an early age, he was called to become a director of the old Meriden Bank. This was his first step in the banking business. He was director in the Middlesex County National Bank in 1854, and was elected president in April 4, 1881, and resigned because of the poor condition of his health, against the wishes of his associates, April 25, 1892. He was elected to the presidency of Middletown Savings Bank, June, 1861, and continued in office until 1881. He was elected a trustee in 1859, and held the office until the time of his death. He was also a director in the Middlesex Mutual Assurance Company for a number of years, which continued until the time of his decease. When his official career commenced at Middletown Savings Bank, the deposits were less than $2,000,000. He remained until deposits increased to $6,000,000. At the direction of Mr. Burr the bank went into United States bonds to a large amount after the war, and disposed of them to a good advantage. He was through several trying ordeals which the bank had in its early history. Mr Burr was a careful and successful business man, having accumulated a large property. He was honorable in all of his business relations, and his "word was as good as his bond."

NORWICH, CONN.—Mr. D. Burrows Spalding, for many years treasurer of the Stonington Savings Bank, has been elected president of the Uncas National Bank of Norwich. Mr. Spalding is one of the most popular citizens of the borough. He is a thoroughly educated business man, and the personification of enterprise, honesty and integrity.

NORWICH, CONN.—The walls of the new building of the old Norwich Savings Society, at Broadway and Main street, in this city, are almost completed, and the structure has been roofed in. The building, which is of a fine, soft, delicate, creamy-looking stone, three stories high, is picturesque in the appearance of its semi-circular facade, with the castle-like features, and it will be, when it is completed, the handsomest and most striking-looking structure in Eastern Connecticut. The bank will occupy the whole building. The Norwich Savings Society is the second richest banking concern in Connecticut and one of the strongest ones in America. It is just seventy years old. Its assets on December 1, 1893, were $10,385,731.51; surplus and profits on the same date $728,101.55. The market value of its assets exceeds the amount at which they are carried on its books by more than $500,000, an excess, however, that is not included in the statement of its assets. In order pertinently to signalize the seventieth anniversary of its beginning as a bank, Secretary and Treasurer Costello Lippitt, of the society, published a statement recently, saying that, "by vote of the trustees, the bank will hereafter receive deposits on the first of each month, to go on interest from that date." Heretofore the society has placed its deposits on interest quarterly.

HARTFORD, CONN.—We desire to call attention to the statement of the United States Bank of Hartford, Conn., 30th December, 1893 which shows a surplus of $235,000, undivided profits, $19,293, in addition to their capital of $100,000, the figures of surplus and undivided profits show a gratifying increase, notwithstanding the state of business through the country the past year.

MAINE.—Few cities in Maine or New England, says the *Lewiston Journal*, have held their own more splendidly than Lewiston and Auburn. Deposits in savings banks, experiencing somewhat the fluctuations of the closing of mills and shops, are to-day multiplying with rapidity, and in one bank in particular the new depositors for this month of January are larger than in any one month in 1893. People who can get it, save more money in hard times than in flush times. They put it away.

All banks in America were drawn upon in August to December. Three banks in Lewiston and Auburn had in January, 1893, deposits to the amount of $3,531,740. January 1st, 1894, four savings banks of these cities had $3,988,554.36. In May, 1893, the deposits in savings banks exclusive of the extensive deposits in trust companies, loan and building associations, etc., were $4,450,893.76. This was the high-water mark with the savings banks. The deposits are considerably over $4,000,000, and at the present rate will again touch the May, 1893, figure within a comparatively short time.

AUGUSTA, ME.—The savings banks of the State, as shown by the returns of the bank examiner, have passed through the financial depression in excellent order. The aggregate of deposits, reserve fund and undivided profits for the six months ending April, 1893, was $57,470,917.07. The following six months, ending in October, 1893, were hard for savings banks, as the weight of the depression was beginning to fall heavily, and many people were so frightened as to withdraw their money from the banks. Yet the aggregate of the deposits, reserve fund and undivided profits during that period amounted to $57,371,831.16, a large falling off. But it should be noted that within the six months the Richmond Savings Bank was closed, which took out $108,285.60. With this considered the gain of the other banks was $9,199.69. The total tax on savings banks for the half-year ending last October will be $203,571.71. For the previous six months it was $202,450,65.

MASSACHUSETTS.—The full bench of the Supreme Court has decided in the case of the Freeman Mfg. Co. and Levi Brown *v.* National Bank of the Republic, holding that the U. S. Rev. Stat. prohibits State courts from issuing preliminary injunctions against a National bank. The Bank of the Republic had eleven notes of the manufacturing company, indorsed by Brown, which it had discounted for the Potter-Lovell Co. The plaintiffs alleged that the discounting had been in violation of agreements, and asked for an injunction restraining the bank from disposing of the notes. The Superior Court issued an injunction, which it subsequently dissolved. Judge Barker of the Supreme Court set aside the decree dissolving the injunction. The full court now decides that the Superior Court had no right to issue the injunction and reverses the decision of Judge Barker.

WORCESTER, MASS.—Great changes have occurred in the directorship of the First National Bank. Edward A. Goodnow, who has been president of the bank twenty-eight years, and director thirty-one, retired from the business yesterday, and a new president and board of directors were chosen. The board of directors expressed their appreciation of the valuable services which Mr. Goodnow has rendered the association. It was moved that the resolve be placed on the records of the bank, and that a copy be furnished the daily papers. The new president is Albert H. Waite, who has for fifteen years been the cashier. Gilbert K. Rand was appointed cashier, after serving fifteen years as teller.

WOODSVILLE, N. H.—At the meeting of the Woodsville Loan and Banking Company directors it was voted to increase the capital stock of the corporation $10,000. No change was made in the board of directors.

NEW YORK.—Superintendent Preston's report on the condition of the State banks for the year ending September 30th last, shows a vigorous condition of the banks. It also shows that while a lack of confidence was displayed on the part of depositors, causing banks to become cautious in discounting notes, their condition was, nevertheless, at the close of the fiscal year, very promising, and no conditions now exist inimical to the prosperity of the banks for the coming year. During the last fiscal year 208 discount banks were in operation throughout the State. Of this number five suspended, having an aggregate capitalization of $1,608,000. The Queen City Bank, one of those forced to suspend, resumed operations after remaining closed for two months, and is now in operation, as the Superintendent says, "with bright prospects of success." Sixteen new banks, including the Queen City Bank and one individual banker, have been organized during the last year, with a combined capital of $2,150,480. These figures show that, notwithstanding the temporary blight which the financial crisis produced, it did not interfere materially with the incorporation of new banks and the extension of the State bank system of New York. This agreeable fact is due as much to the system of supervision existing, as it is to the courage and security which the incorporators evince as to the future.

NEW YORK CITY.—The Importers and Traders' National Bank and the National Park Bank have reduced from 2 to 1 1-2 per cent. the interest allowed on the balances kept with them by out-of-town banks. Other banks will probably follow their example.

NEW YORK CITY.—The Bank of Commerce has bought the building occupied by the Holland Trust Company, and which adjoins the bank on Nassau street. It is probable that a new building will be erected.

AUBURN, N. Y.—Mr. Nelson Beardsley, who died on the 15th of January, was elected president of the Cayuga County Bank in 1843, and on January 9th last entered upon his fifty-first year as its president. He was interested as a stockholder, trustee, or president, in every other incorporated bank in the city, and is a director or stockholder in many of the local manufacturing companies. He was born in Southbury, Conn., May 30, 1807. He graduated from Yale in 1827 with the degree of A. M. in a class remarkable for the subsequent eminence of many of its members, numbering many jurists of renown, professors and presidents of colleges, authors and divines. He commenced the study of law, and in 1830 he was admitted to practice, immediately thereafter, forming a co-partnership with William H. Seward under the firm name of Seward & Beardsley. On the election of Mr. Seward as governor of the State, Mr. Beardsley formed a partnership with John Porter, and the firm did a successful business until outside matters induced Mr. Beardsley to give up the practice of law. Since that time he has been intimately identified with the various banking institutions and business enterprises of the city. The bulk of his wealth, which is estimated at $7,000,000, is in Western railway securities.

BUFFALO, N. Y.—At the annual meeting of the Bankers' Association of Buffalo, recently held, the Clearing House committee made a very interesting report of the year's doings in banking circles. Copies of the report have been printed and are in circulation.

"The year 1893," says the report, "will be memorable in the annals of the Bankers' Association of Buffalo, not only because of the fulfillment of its predictions concerning the results of the vicious silver legislation, which has stained the pages of our financial history, but also because of its successful encounter with the storm of panic and distrust which swept over the land as a result of that legislation."

The issue of Clearing House certificates is then referred to, and the report continues:

"The tabulated statements presented herewith show that these certificates were used during the months of June, July, August, September, October and November to the amount of $10,535,000, and that the balances paid by them during that period amounted to $2,780,000. The total issue was $985,000, and the largest amount outstanding at any one time was $260,000. The extent to which they relieved the currency famine in July and August is shown by the fact that they were used to pay 40 per cent. of the total balances in July and 50 per cent. of the total balances in August. As a further means of economizing the use of currency, your committee, early in August, issued to the banks, rubber stamps, which were put into general use by customers in making their checks payable only through the Clearing House, thus focusing all large transactions as far as possible at that point, where they could be settled by the use of certificates. The certificates were first issued on the 27th of June, and the last one was retired on November 13th, after the passage of the repeal bill by the Senate; they were carried at an expense of $2,105.85 interest. Few of them were used after the 1st of September; the gold coin which had been brought from New York during the currency famine began to circulate so freely that during that month over 23 per cent. of the balances were paid in gold.

"In order to obviate the inconvenience and risk of these gold payments, and at the same time create a local gold reserve as a basis for Clearing House operations, your committee proposed at the October meeting of the association the amendment providing for the deposit with the Clearing House committee of gold coin, to be represented by certificates negotiable only between the members of the association. Under the provisions of this amendment your committee has to report that it has issued its certificates for $450,000 of gold coin, which has been received, counted, marked for indentification, and stored in the vaults of the Marine Bank and Loan,

Trust & Safe Deposit Co. The convenience of these certificates is shown by the use of $1,470,000 of them, or 49 per cent. of the total balances in December.

"The private detective who has been in the employ of the association for some time having resigned early in November, your committee called upon the Commissioners and Superintendent of Police for the protection of their department at the Clearing House, and recognizing the justice of the claim of the banks as large taxpayers for this special protection, they have detailed men for this service during the hour of clearing, so that we now have this additional security of official police protection.

"It is gratifying to note, that, notwithstanding the reverses of the year, the cash transactions at the Clearing House show an increase of $16 412,478.13 over 1892, and the average daily transactions have been $838,858.

"The experiences of the year have, we believe, brought the banks into closer relations of mutual confidence than ever before, and have emphasized the advantages and strength of combined action in that broad and generous spirit which is the true characteristic of sound banking."

BALDWINSVILLE, N. Y.—The Baldwinsville Bank, of Baldwinsville, has increased its capital stock from $50,000 to $60,000.

BUFFALO, N. Y.—If no plans fall through Buffalo will have a lot of fine bank buildings long before the century is out. The Bank of Commerce will soon commence the erection of a new building, the place formerly occupied by the Postal Telegraph Company. The building will be for the exclusive use of the bank, and will be of European design. The building will be equal to two stories in height and will have a granite front. Three sets of steps will lead from the street to a colonnade, from which large doors will open into the bank proper. The interior of the bank will take the form of a rotunda and will be lighted direct from a handsome dome-shaped roof. There will be a gallery rotunda, half way between the floor and the rotunda. In this gallery there will be private rooms for the directors and desks for entry clerks. Fine architectural effects are promised on the new building which will rival some of the finest banking buildings in Europe.—*Buffalo Times.*

BENNINGTON, VT.—The old officers of the First National Bank have been reelected. Hon. Luther R. Graves was chosen president for the thirtieth time. He was also one of the founders of the National State Bank of Troy, and a director in it until about a year ago, when he was obliged to resign on account of ill health.

WESTERN STATES.

MICHIGAN.—The annual report of Banking Commissioner Sherwood states that last year was one of unusual disaster to banking corporations, but that Michigan's State and National banks, with four exceptions, withstood the financial storms and stand as monuments to the ability of the directors and excellency of our banking laws. When it is considered that the State banking law has been in force but four years this a matter of congratulation. Michigan, with 162 banks, was able to pass the ordeal with the loss of but two—the Central Michigan Savings Bank, Lansing, and the Bank of Crystal Falls, L. S. The press of the State assisted nobly in strengthening the confidence in the banks Seldom has its power been better exemplified or more highly appreciated. Despite the unfavorable conditions there have been incorporated eighteen new State banks during the year. Two State and two National banks closed during the year, and the Ingham County Savings, of Lansing, and First National, of Sturgis, re-opened after a short close during the panic. Nine private banks, under no supervision, were closed. The report gives the details and causes of the closing of the above mentioned State banks and of the First State Bank of Hillsdale, which voluntarily liquidated to another bank. At the beginning of the panic nearly all interior banks withdrew their reserves from Detroit. Fortunately for Detroit, the largest banks were attacked first. In the emergencies following, the Detroit directors and those of other cities stood together and passed the ordeals with honor always intact. The experience obtained will doubtless be beneficial to Michigan bankers. The ability of the State banks in panics was demonstrated. Although the propriety of allowing banks to incorporate with savings and commercial departments was doubted at first, the commission

is now satisfied that under careful management they can be conducted as successfully as if separate institutions. Michigan citizens should congratulate themselves that the banking law had been in operation long enough to command respect before the stringency came. The result of forcing the ninety-day rule showed wise provision, although a few depositors gave the required notice. The commissioner holds that the timely issue of Clearing House certificates had much to do with restoring public confidence in the larger cities, releasing a large amount of coin and currency for the legitimate demands of business. Mr. Sherwood calls the Governor's attention to the necessity for State supervision of building and loan associations, and especially of National investment companies. He cites recent cases of disaster of such concerns as illustrative of the necessity for careful legislation. The report closes with a statement of the expenses of the department, which were $9,762, fees received $7,922.

ST. JOSEPH, MO.—The Missouri Valley Bankers' Clearing House Association has been organized. Calvin F. Burnes, of this city, was elected president, Dr. W. S. Woods, of Kansas City, vice-president, Luther Drake, of Omaha, Neb., secretary, and J. Folger, of Leavenworth, treasurer. A constitution and by-laws will be adopted at the next meeting.

KANSAS CITY, MO.—The Missouri Valley Bankers' Clearing House Association met January 17th at 10 o'clock at parlor A of the Coates House. Dr. W. S. Woods, president of the National Bank of Commerce, presided in the absence of Calvin F. Burnes, of St. Joseph, the president of the association. Luther Drake, assistant cashier of the Merchants' National Bank of Omaha, Neb , was secretary. The meeting was a private one, to which only bankers who were members of the association were admitted.

CLEVELAND, O.—Samuel H. Mather, one of the oldest bankers of Cleveland, died after a brief illness, aged eighty. In 1849 Mr. Mather organized the Society for Savings. The bank was started in a room twenty feet square, which was also occupied by an insurance company, and the assets were locked each night in a tin box. The institution now has deposits aggregating $23,000,000, with a surplus of $1,700,000 and undivided profits of $1,000,000. Mr. Mather was the bank's president at the time of his death.

MILWAUKEE, WIS.—The resumption of business by the Wisconsin Marine and Fire Insurance Company Bank is a matter of vast importance to Milwaukee, and its influence will be felt in all directions. It indicates a more healthy financial condition and shows that both the creditors of the bank and the men of wealth who have become stockholders therein have confidence in the return of prosperity. The result cannot fail to be beneficial to both. The expense of winding up the business has now been avoided and in its place comes the profit of resuming business, thus giving an increase of resources out of which to pay the demands, instead of constantly diminishing assets. The closing of the Marine Bank was a heavy blow to Milwaukee, since it had been for half a century the synonym for business stability and security. When such a bank fails the people can have little confidence in anything that remains, but still the city stood the test well and held to her other anchors of safety until the storm blew over. Now that the bank has resumed business with such an aggregation of capital and resources as make success certain, the cloud will be lifted still further. The conditions upon which business is resumed will at once set free a large amount of money that has been locked up since the suspension to the serious disarrangement of the financial condition. The loans which will be made by the bank in the course of its operations will serve to increase the money in circulation. The restoration of public confidence will bring other sums out of hiding and they will get into the stream of daily business transactions gradually until there will be money enough in circulation to answer the needs of the business community. The names of the financial backers of the re-organized bank are enough in themselves to inspire public confidence. They are those of men who are noted for their business shrewdness and capacity, and when such men see their way clear and advance their money in such large sums, it is an indication that there is no danger of loss. The Marine Bank was the victim of unforeseen conditions. In ordinary times it would have had no trouble in carrying all its burdens through successfully, but the storm which struck it was so severe and so protracted that it had to give

way at last. That its suspension was not total failure is due to the indomitable spirit and energy of men who know how certain is the growing prosperity of Milwaukee. The course pursued by the owners of the bank entitles them to the highest credit. They had been unfortunate in business and had lost much money. They could have wound up the affairs of the bank in a legitimate way, allowing the resources to go as far as they would toward paying the liabilities. Such a course would have fulfilled their legal obligations, but they determined that nothing short of full payment and a complete restoration of the honored name of the bank would do.—*Milwaukee Journal.*

MILWAUKEE, WIS.—The First National Bank, in consolidation with the Merchants' Exchange Bank, has begun business under the new arrangement. The First National capital is now $1,000,000, with Frank G. Bigelow at the head as president; William Bigelow, vice-president, and Frank J. Kipp, cashier of the consolidated institution. The working force has been practically doubled, and all were busy issuing new books and receiving accounts and congratulations. The accounts of the Merchants' Exchange and a very large majority of its old customers have been transferred with the bank. The bank did a much larger business than usual and the indications are that this will continue right along. H. H. Camp, Milwaukee's veteran banker, and for many years president of the old First National, retires from active official service for needed rest and change. He remains with the bank as a director.

SOUTHERN STATES.

FLORIDA.—The State Bankers' Association of Florida held its seventh annual session at Tallahassee, on the 21st of January. There was a good attendance of bankers. Mr. J. W. Archibald delivered the address of welcome, to which Dr. E. S. Crill responded. President Hoyt then delivered his annual address. A committee was appointed to draft suitable resolutions on the death of the late Bryan Taliaferro. Mr. D. G. Ambler made an interesting talk on circulation, after which the association was addressed by State Treasurer C. B. Collins. A resolution was adopted to pay the National Bank of Jacksonville the sum of $455, to reimburse it for prosecuting one Williams for passing forged checks on that bank. A motion to appropriate $75 for prizes to employes of banks belonging to the association on questions of bank law, practice, or method, or financial subjects, was referred to the executive committee. The following officers were elected for the ensuing year and the association adjourned *sine die*: President, F. W. Hoyt, president First National Bank, of Fernandina; first vice-president, Frank P. Forster, cashier First National Bank, of Sanford; second vice-president, Alexander McIntyre, cashier First National Bank, of Ocala; third vice-president, Warren Tyler, cashier Polk County National Bank, of Bartow; secretary and treasurer, Thomas W. Conrad, assistant cashier Merchants' National Bank, of Jacksonville; executive committee, B. H. Barrett, cashier National Bank of Jacksonville; Thomas P. Denham, cashier National Bank of State of Florida, of Jacksonville; Arthur F. Perry, treasurer Southern Savings and Trust Company, of Jacksonville.

AUGUSTA, GA.—The National Bank of Augusta has been re-organized, and begins business under new management, with almost an entirely new set of officers. It is unfortunate in these business changes that the promotion and good fortune of one set of men means the displacement and discomfiture of other good men; and that while the new officers are flushed with triumph and full of high resolves, that those who have for long years filled the same positions are thrown out, and, temporarily at least, are cast down. Our congratulations go out to the fortunate ones, and our sympathy to those who have been displaced, together with the earnest wish that their abilities and well established trustworthiness in every walk of life may soon secure them other pleasant and profitable employment. Through long years of service the old officers and employes of the National Bank who have been displaced have proven their fidelity, trustworthiness and capabilities, and it is to be hoped they will not long lack for congenial employment. The consolidation of the Planters' Loan and Savings Bank under the same management with the National Bank, and the installation of new officers, has been prompted, of course, by purely business considerations, and casts no reflections upon anybody.—*Augusta Chronicle.*

PACIFIC STATES.

SAN FRANCISCO.—Among the solid financial institutions of the Pacific Coast, none stand higher, and none command more respect, than the First National Bank of San Francisco, a United States depository. The bank has a capital of $1,500,000, a surplus of $925,000, and a directory that is in itself a tower of strength. The officers of the bank are: President, S. G Murphy; vice-president, James Moffitt; cashier, E. D. Morgan; assistant cashier, Jas. K. Lynch; Directors, S. G. Murphy, James Moffitt, N. Van Bergen, George A. Low, James D. Phelan, Thomas Jennings, John A. Hooper, George C. Perkins and J. Downey Harvey.

OAKLAND, CAL.—The recently published semi-annual statements of the banks of this city shows Oakland to be rapidly growing in wealth. The deposits of the five older banks amount to $10,486,059, or something like $200 for every man, woman and child in Oakland. In view of the great financial disturbance of last summer the evidence of prosperity and thrift exhibited in these statements is simply marvelous and goes far in emphasizing the assertions made at that time, that any lack of confidence in the banks of this city was senseless and unreasonable. The Union Savings Bank, in addition to earning and disbursing to its depositors last year a dividend of 5 per cent., has added some $12,000 to its reserve fund, which is now $72,000. At the first of the year it had over three hundred thousand dollars cash on hand. The affairs of the bank are in the hands of excellent executive officers: J. West Martin, president; W. G. Henshaw, vice-president; A. E. H. Cramer, cashier. At the annual meeting of the stockholders of the bank, held recently, the old board of directors was re-elected with the exception of William S. Richards, who was chosen to fill the vacancy caused by the death of General R. W. Kirkham. At a subsequent meeting of the new board the old officers were re-elected to serve, viz.: J. West Martin, president; William G. Henshaw, vice-president, and A. E. H. Cramer, cashier.—*Oakland Enquirer.*

FOREIGN.

MONTREAL —The Montreal Penny Savings Bank, in which Mr. George Hague, general manager of the Merchants' Bank, is one of the trustees and the moving spirit, is evidently fulfilling its mission successfully. Since its establishment in January, 1885, it has handled over 5,000 accounts, and it has to-day 1,319 depositors with balances at their credit to the amount of $6,600. These depositors are mostly children, who can deposit as little as two cents at a time, and who draw 4 per cent. interest on all sums above $3. Every Saturday night, the treasurer, Mr. A. D. McLean, and his assistant, attend at Welcome Hall, to receive deposits and pay checks, and the money paid in is at once invested in the Merchants' Bank for security. The value of this institution, as a factor in the inculcation of thrift is indicated by the fact that the deposits during 1893 were $4,900, and so thoroughly is its success appreciated by the various Church organizations of the city that other banks of a similar character are projected under their auspices.

MONTREAL.—A local Bankers' Association, in affiliation with the Board of Trade, is being established. The association's constitution is now being drawn up, and the office-bearers will be appointed in a few days. When Mr. Ogilvie, president of the Board of Trade, visited Toronto recently he found the Bankers' Association there taking a more lively interest in the Board of Trade affairs than any other of the affiliated associations. On his return to Montreal Mr. Ogilvie, as president of the board, set to work, with the result that the association has become an accomplished fact. At a meeting of bankers, Mr. E. S. Clouston, general manager of the Bank of Montreal, was unanimously proposed as the association's representative on the Council of the Board of Trade. Mr. Clouston's name will be on all the different tickets, so that his election is assured.

MONTREAL BANKS.—Montreal has much to be proud of in her banking institutions. Not only are the banks sound, stable concerns, but the buildings in which they transact business are among the handsomest of the city's many fine buildings. The four of which descriptions follow will give a good idea of the character of Montreal bank premises:

Bank of Montreal.—The Bank of Montreal stands for all that is solid, sound, and

reliable in banking and commercial circles, not only in Canada, but all over the civilized world. It is only second to the Bank of England in reputation. As befits such an institution, the head office, on Place d'Armes, is an imposing and handsome structure. The front presents a striking appearance, with its rich Corinthian portico of six columns. The entablature contains the arms of Montreal, supported by figures of Commerce, Peace, Art, etc. The main building, beyond the portico, shows a two-story plain front, and runs back a considerable distance. Beside it stands another smaller building, used as the offices of the savings bank department. The interior was entirely renovated in 1886, and now presents a palatial appearance. No expense was spared to render the offices equal, if not superior, to any bank premises on the continent, and with what success is evident to all who have business to transact either with the officers of the bank or with the Montreal branch. The walls are finely painted, and a series of beautiful frescoes are let into the upper portions of the panels. These frescoes are splendidly designed and executed, and are a feature of the building, but it is unfortunate that they are placed in so disadvantageous a position. The floor is composed of mosaic tiling in a simple design. The counters are faced with colored marbles, and a handsome ornamental brass railing runs round the top. The cashiers' and tellers' desks are topped with plate glass, which is also used in the desks provided for the public. The general manager and assistant manager have their offices on the same flat, looking out on St. James street. These offices, together with the others on the next flat, are got up in faultless style. The office appointments are the best that money could obtain. The marble chimney-pieces are very fine, and the whole tone is that of a wealthy, solid establishment. To the right an elevator leads to the upper flat, while a handsome staircase on the left serves the same purpose. The offices upstairs are mainly connected with the business of the head office. The board-room is on this flat, and is one of the finest apartments in the building. The woods used in all the wood-work are of light color, such as pine and cherry, and give the offices a cheerful appearance. The building is lighted entirely by electric light, and the heating arrangements are perfect.

Molson's Bank.—In 1853 this bank commenced business as Molson & Co., in the old Holmes House, next-door to the building in which business is now carried on. In 1855 the bank was incorporated as a joint-stock company under the title which is now so familiar to all commercial men. The annual statement made by the directors in 1864 contains a paragraph in which they refer to the insufficiency of the premises, and state that a new building was in course of erection. On April 1st, 1866, the building which stands on the corner of St. James and St. Peter streets was taken over by the bank officials, and there the business of the bank has since been carried on. The architect was Mr. George Browne. Caen stone is the material used, which is relieved by red granite columns at the sides of the main entrance on St. James street, and also over the entrance. The general appearance of the premises is handsome. The lower portion of the building is occupied entirely by the Montreal branch of the bank. The public offices are large and well-lighted. The counters and desks are of mahogany, surmounted by a neat brass railing. The office of the manager of the branch, Mr. James Elliot, lies to the right on entering the bank, and is handsomely fitted up. The board-room, a fine apartment, is also on this flat. In 1883 this portion of the bank premises was enlarged to meet the growing volume of business. The head offices of the company are situated in the upper part of the building, and are reached from a side entrance on St. James street. They are fitted up in the usual manner, and possess all the facilities for the carrying on of a large banking trade. A *Herald* reporter was recently shown some of the first notes issued by the bank in 1853. They were found in one of the bank vaults. The design is exceedingly neat, and the engraving is carefully done. These notes were signed by the head of the firm, but have been canceled by cutting off the signature. Others, canceled in like manner, were issued in 1855 and subsequently, when the bank had become incorporated. Among the deeds in the possession of the bank are title deeds relating to the site, executed when Montreal was in its infancy, and before there were any notaries public in it.

Merchants' Bank.—The head offices of the Merchants' Bank of Canada, as well as the office of the Montreal branch, occupy a building at the corner of St. James and St. Peter streets. The building, which is four stories in height, ex-

tends back to Fortification Lane, and is occupied exclusively by the Merchants' Bank. The structure is built of Montreal stone, the main entrance being supported by shafts of polished red porphyry at each side. On the ground floor are the public offices, the office of the general manager, Mr. George Hague, and the board-room. The Montreal office is a spacious one, running up through two stories, the height thus gained adding considerably to the appearance. Every convenience is afforded for the expeditious transaction of business by the patrons of the bank and the bank officials. The counters are of mahogany, with a handsome railing around them. The floor is filled in with a tesselated pavement of neat design. The offices of the general manager and the board-room are handsomely finished, and are large, well-lighted, and comfortable. The upper flats contain offices in connection with the various departments of the bank, and of the branches throughout Canada, all of which are neatly fitted up.

Banque du Peuple.—The Banque du Peuple has its head offices in St. James street, opposite to the New York Life Insurance building. Just at present the business of the bank is being carried on in a portion of the lower flat of the building, which is being entirely rebuilt, so as to bring it up to the requirements of the increasing business. The new premises, which will be ready for occupation very shortly, are built of limestone, and present a pleasing appearance. The interior fittings will be of the best description. The Montreal branch will occupy the ground flat, which will be fitted up in good style, and the room at present used will be utilized for passages, waiting-rooms, and lavatories. An elevator will lead to the upper flats, where will be found the board-room, general manager's office, cashier's office, and the other offices necessary to carry on the business of the bank.—*Montreal Herald.*

ST. JOHN.—At the Bank of New Brunswick's annual meeting, the financial statement shows profits, after taxes are paid, of $78,387. From this is paid two dividends of 6 per cent. each, making 12 per cent. on five hundred thousand of stock, with eighteen thousand odd to carry foward. The rest is now $525,000. Cash to the credit of profit and loss account, over thirty thousand. The following directors were elected: James D. Lewis, John Yeats, C. H. Fairweather, S. Jones, W. W. Turnbull, James Manchester and C. F. Woodman. The two latter are new men on the board.

Sterling exchange has ranged during January at from 4.85¼ @ 4.88 for sight, and 4.83¼ @ 4.85½ for 60 days. Paris—Bankers' 5.18⅛ @ 5.16¼ for sight, and 5.20⅝ @ 5.18⅛ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.84½ @ 4.85¼; bankers' sterling, sight, 4.86¾ @ 4.87½; cable transfers, 4.87 @ 4.88. Paris—bankers', 60 days, 5.19⅜ @ 5.18¾; sight, 5.16⅞. Antwerp—Commercial, 60 days, 5.21¼ @ 5.20⅝. Berlin—Bankers', 60 days, 94 13-16 @ 94⅞; sight, 95 3-16 @ 95¼. Amsterdam—Bankers', 60 days, 40⅛ @ 40 3-16; sight, 40 5-16 @ 40⅜.

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

1894.	*Loans*	*Specie.*	*Legal Tender.*	*Deposits*	*Circulation.*	*Surplus.*
Jan 6..	$418,807,600	$111,073,400	$102,354,400	$518,524,600	$13,044,400	$83,796,650
" 13..	418,185,400	118,303,700	106,258,400	527,913,400	12,977,500	92,583,675
" 20..	419,685,900	123,630,100	114,700,900	542,306,200	12,742,200	102,754,450
" 27..	418,771,600	126,895,800	119,070,800	547,694,400	12,677,200	109,043,000

The Boston bank statement is as follows:

1894.	*Loans*	*Specie.*	*Legal Tender*	*Deposits*	*Circulation.*
Jan. 6.....	$167,223,000	$12,888,000	$10,390,000	$164,903,000	$8,770,000
" 13.....	167,536,700	13,386,000	10,874,800	163,192,600	8,716,400
" 20.....	166,087,000	13,607,000	11,016,000	163,213,000	8,694,000
" 27.....	167,720,000	13,661,000	11,483,000	162,191,000	8,568,000

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

1894.	*Loans*	*Reserves*	*Deposits.*	*Circulation.*
Jan. 6	$96,964,000	$34,838,000	$102,823,000	$5,138,000
" 13	96,592,000	35,038,000	102,600,000	5,065,000
" 20	95,071,000	36,171,000	102,283,000	4,917,000
" 27	95,400,000	36,164,000	102,355,000	4,9[illegible],000

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from January No., page 556.)

State.	*Place and Capital*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
CAL.	Riverside.....	Riverside Banking Co... (Re-opened)	Nat. Park Bank.
		A. Keith, *P.*	E. C. Dyer, *Cas.*
		J. A. Brenneman, *V. P.*	O. T. Dyer, *Mgr.*
"	..San Luis Obispo	Andrews Banking Co.....	National Bank of Commerce.
		J. P. Andrews, *P.*	J. W. Smith, *Cas.*
COL.	Sterling.....	Logan Co. Bank.....	National Bank of Republic.
		E. M. Gillett, *P.*	L. T. Gillett.
DAK. S.	Beresford.....	Beresford Exchange Bank.	.....
			H. J. Meidell, *Cas.*
"	..Hot Springs...	Bank of Hot Springs.....	Kountze Bros.
			G. C. Smith, *Cas.*
"	..Hot Springs...	Merchants State Bank.. ..	National Bank of Republic.
	$12,500	David Bennison, *P.*	Charles Marsh, *Cas.*
		G. W. Wattles, *V. P.*	
FLA.	Jasper.....	Blackwell & Co.....	A. T. Bowen & Co.
	$30,000	B. B. Blackwell, *Mgr.*	
GA.	Blakely.....	Bank of Blakely.....	National Park Bank.
	$25,000	D. W. James, *P.*	J. W. Wade, *Cas.*
		Andrew J. Singletary, *V. P.*	
"	..Statesboro.....	Bank of Statesboro.....	.....
	$25,000	D. R. Groover, *P.*	H. S. Blitch, *Cas.*
ILL.	Casey.	Casey Bank.....	.....
		Henry B. Lee, *P.*	Jas. E. Turner, *Cas.*
"	..McLeansboro..	Peoples Bank.....	National Bank Republic.
		John H. Miller, *P.*	Wm. D. Sharpe, *Cas.*
"	..Melvin	Iehl & Co.....	.....
"	..O'Fallon	O'Fallon Bank.....	.....
		(H. Seiter & Co.)	
IOWA.	Audubon.....	Corn Exchange Bank.....	.....
	$50,000	Lois G. Stuart, *P.*	S. D. Thayer, *Cas.*
"	..Marion.....	Farmers & Mer. State B'k.	Chase National Bank.
	$60,000	S. N. Goodhue, *P.*	E. J. Esgate, *Cas.*
		G. W. Toms, *V. P.*	
"	..New Sharon...	New Sharon State Bank...	Hanover National Bank.
		James G. Hammond, *P.*	H. H. Hammond, *Cas.*
		W. T. Hammond, *V. P.*	
"	.Pella.....	Peoples Savings Bank.....	.....
	$10,000	W. Rietveld, *P.*	Herman Rietveld, *Cas.*
		A. Maechter, *V. P.*	
KAN.	Belleville.....	National Bank of Belleville	.....
	$50,000	J. R. Caldwell, *P.*	D. D. Bramwell, *Cas.*
		C. P. Carstensen, *V. P.*	
"	..Burden.....	Eastern Cowley Bkg. Co	Gilman, Son & Co.
	$10,000	S. A. Brooks, *P.*	C. U. Brooks, *Cas.*
		W. N. Mouser, *V. P.*	
"	..Columbus.....	Ritter & Doubleday..... (Re-opened.)	Kountze Bros.
"	..Fredonia.....	State Bank.....	National Bank North America.
	$20,000	Chas. L. Morton, *P.*	A. D. Crooks, *Cas.*
		Jno. S. Gilmore, *V. P.*	M. G. Peyton, *Asst.*
"	..Garnett.....	Bank of Garnett ..... (Re-opened.)	Kountze Bros.
	$50,000	Curtis Worden, *P.*	Walter Latimer, *Cas.*
		J. M. Herriman, *V. P.*	
"	..Gypsum.....	Gypsum Valley State Bank	Chase National Bank.
	$5,000	J. Tinker, *P.*	A. C. Spilman, *Cas.*
		J. E. Sawtell, *V. P.*	
"	..Marion.....	Bank of Commerce.....	Hanover National Bank.
	$6,000	J. S. Good, *P.*	Eli Good, *Cas.*
			Josiah Good, *Asst.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
MICH.	Alpena.....	Alpena Co. Savings Bank.	.....
		W. H. Davison, *P.*	C. B. Williams, *Cas.*
"	..Centreville.....	First State Bank.....	Seaboard National Bank.
	$15,000	John S. Schurtz, *P.*	Frank Wolf, *Cas.*
		W. L. Thoms, *V. P.*	Wm. Frankish, *Asst.*
"	..Clarksville.....	Edwin Nash & Son.....	Chase National Bank.
		Edwin Nash, *P.*	Ernest Nash, *Cas.*
"	..Lakeview.....	S. S. Edgar.....	National Park Bank.
MINN.	Grand Rapids..	First State Bank.....	Mercantile National Bank.
		W. C. Gilbert, *P.*	A. P. White, *Cas.*
		J. P. Sims, *V. P.*	
"	..Waterville.....	Kanne Bank.	National Bank of Republic.
		(A. J. & F. F. Kanne.)	
MISS.	Utica.....	Bank of Utica.....	.....
	$20,000	W. J. Ferguson, *P.*	G. P. Blair, *Cas.*
		W. S. Gordon, *V. P.*	
MO.	Cassville. ...	Farmers & Merch. Bank..	Chase National Bank.
	$22,000	J. W. Le Compte, *P.*	Chas. K. Chanslor, *Cas.*
		L. Beasley, *V. P.*	
"	..Kansas City...	Jas. T. Thornton & Co....	National Bank of Commerce.
"	..Turney.....	Turney Bank.....	. . ..
		W. A. Crouch, *P.*	Walter A. Silvins, *Cas.*
MONT.	Great Falls....	Security Bank. (Re-opened)	National Bank of Republic.
		Chas. M. Webster, *P.*	Hiram A. Pratt, *Cas.*
NEB.	Bassett.....	State Bank.....	Seaboard National Bank.
		J. D. Brayton, *P.*	G. A. Hillburg, *Cas.*
"	..Western.....	Peoples Bank.....	Chase National Bank.
		T. J. Chichester, *P.*	E. E. Butler, *Cas.*
		H. B. Wilkinson, *V. P.*	
N. Y.	Jamestown.....	Union Trust Co.....	Hanover National Bank.
	$100,000	E. B. Crissey, *P.*	Frank Merz, *Cas.*
		Preston C. Houston, *V. P.*	
OHIO.	Hillsborough..	Farmers & Traders Bank..	Hanover National Bank.
	$100,000	J. B. W. Spargur, *P.*	A. Matthews, *Cas.*
		R. S. Evans, *V. P.*	
"	..Hudson.....	Produce Exch. B'kg Co...	(Branch) Southern National Bank.
		W. H. Gabriel, *P.*	Edwin S. Bentley, *Cas.*
		D. H. Kimberley, *V. P.*	A. H. Dittrich, *Asst.*
"	..West Mansfield.	Union Banking Co.....	Hanover National Bank.
	$10,000		E. W. Thompson, *Cas.*
OKL. T.	Alva.....	Alva State Bank.....	....
		C. Q. Chandler, *P.*	W. S. Fallis, *Cas.*
"	..Blackwell.....	Bank of Blackwell.....	.....
		Jamison Vawter, *P.*	W. A. Bowen, *Cas.*
			Frank V. Potts, *Asst.*
"	..Tecumseh	Tecumseh State Bank....	Chemical National Bank.
		W. S. Search, *P.*	C. J. Benson, *Cas.*
PA.	Meadville.....	New First National Bank.	.....
	$100,000	Albert M. Fuller, *P.*	Wm. Thomas, *Cas.*
UTAH.	Provo.....	Swasey & Martin.....	United States National Bank.
		Rodney D. Swasey, *P.*	Herman S. Martin, *Cas.*
			John Marwick, *Asst.*
VA.	Luray.....	Page Valley Bank.....	Chase National Bank.
		J. V. Janieson, *P.*	C. S. Landram, *Cas.*
"	..Onancock.	First National Bank.....	National Bank of Republic.
	$50,000	John P. L. Hopkins, *P.*	Edward A. Herbst, *Cas.*
		F. T. Boggs, *V. P.*	
"	..West Point....	West Point Banking Co...	Southern National Bank.
		H. I. Lewis, *P.*	W. V. Wilkinson, *Cas.*
WIS.	Butternut.....	Ashland Co. Bank.....	.....
		H. L. Besse, *P.*	H. C. Besse, *Cas.*
		Edgar Foster, *V. P.*	
"	..La Crosse.....	Security Savings Bank....	Bank of America.
	$50,000	L. W. Foster, *P.*	Henry S. Magill, *Cas.*
		E. R. Burke, *V. P.*	E. B. Nelson, *Asst.*
"	..Lake Mills.....	Bank of Lake Mills.....	.....
	$30,000	L. D. Fargo, *P.*	Robt. Fargo, *Cas.*
		S. A. Reed, *V. P.*	

State.	Place and Capital	Bank or Banker.	Cashier and N. Y. Correspondent.
Wis....	Marion.....	Bank of Marion.....	.....
		(C. J. Neal & Co.)	Frank Leake, *Cas.*
" ..	Milwaukee.....	Wis. M'rn & Fr. Ins. Co. Bk. (Re-opened)	Hanover Nat. Bk.
	$500,000	Washington Becker, *P.*	John Johnston, *Cas.*
		John L. Mitchell, *V. P.*	

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from January No., page 557.)

Bank and Place.	Elected.	In place of.
N. Y. City.	Hide & Leather Nat. Bank..	Dick T. Ramsay, *2d V. P.*.
"	State Trust Co.....	Francis S. Bangs, *P.*.....Andrew Mills. Wm. A. Nash, *V. P.*.....Wm. Steinway.
Ala....	East Ala. Nat. Bank, Eufaula..	C. P. Roberts, *Asst.*..... .....
Ark....	Gate City National Bank, Texarkana.	W. W. Sanders, *P.*..... ..... E. A. Dryer, *V. P.*.....W. W. Sanders. J. G. Kelso, *Cas.*.....R. C. Carman. R. L. Dalby, *Asst.*..... .....
Cal....	Encinal Bank, Alameda.....	Frank Bradford, *Cas.*.....J. F. Ward.
" ..	Farmers Bank, Fresno.	A. Kutner, *P.*.....Lewis Leach. Alex. Goldstein, *V. P.&Mg.*.W. W. Phillips.
" ..	Los Angeles Nat. Bank, Los Angeles.	Warren Gillelen, *V. P.*.....H. G. Cochran.
" ..	California State Bank, Sacramento.	Fred Cox, *P.*.....N. D. Rideout. W. E. Gerber, *Cas.*. .....A. Abbott. C. E. Burnham, *Asst.*.....W. E. Gerber.
Col....	American Nat. B'k, Leadville..	F. O. Stead, *Cas.*.....F. O. Stead, *Asst.*
" ..	First National Bank, Longmont.	Thomas Butler, *P.*.....Geo. Wyman. J. B. Thompson, *V. P.*.....Thomas Butler.
" ..	First National Bank, Salida.	E. R. Naylor, *P.*.....E. B. Jones. D. S. Cotton, *V. P.*.... ....E. R. Naylor. M. B. Loy, *Cas.*.....D. S. Cotton. Orlando Preston, *Asst.*..... .....
"	Trinidad Nat. B'k, Trinidad...	Henry Schneider, *V. P.*....Caldwell Yeoman.
Conn ..	First Nat. Bank, Middletown..	C. W. Harris, *V. P.*..... .....
" ..	Mechanics N. B., New Britain..	J. B. Talcott, *P.* ....
" ..	First Nat. Bank, New Haven..	T. Attwater Barnes, *V. P.*.. D. Trowbridge.*
" ..	Thames National Bank, Norwich.	S. B. Meech, *V. P.*..... ..... Chas. W. Gale, *Cas.*.....S. B. Meech.
Dak. N.	Merchants National Bank, Grand Forks.	Geo. D. Lay, *P.*.....A. W. Warren. W. D. Smith, *V. P.*.....Geo. D. Lay.
Dak. S.	Citizens Nat. Bank, Madison...	C. W. Wood, *P.*.....Alex. Cameron.
Del....	Citizens Nat. B., Middletown..	J. B. Cozier, *V. P.*.....John A. Reynolds.
Ga.....	National Bank of Augusta, Augusta.	L. C. Hayne, *P.*.....P. H. Langdon. J. T. Newbery, *Cas.*.....A. C. Beane.
" ..	City National Bank, Griffin....	J. Emory Drake, *Asst.* ... .
Idaho..	First National Bank, Kendrick.	Fred. Breyman, *Asst.*..... .....
Ill.....	Atlanta National Bank, Atlanta.	W. S. Dunham, *P.*.....S. H. Fields. B. F. Gardner, *V. P.*.....W. S. Dunham. M. E. Stroud, Asst.....W. .....
" ..	First National Bank, Batavia.	Chas. G. Shumway, *P.*..... ..... Nathan S. Young, *V. P.*...H. N. Wade.
" ..	Lincoln Nat. Bank, Chicago...	E. R. Hall, *V. P.*..... ....
" ..	First Nat. Bank, Farmer City..	C. L. Hoffman, *Asst.*.....C. H. Chisholm.
" ..	John Weedman Nat. Bank, Farmer City.	A. F. Kincaid, *V. P.*.....C. F. C. Weedman. F. S. Weedman, *Asst.*..... .....
" ..	Griggsville Nat. B., Griggsville.	J. A. Farrand, *Cas.*.....Isaac A. Hatch.
" ..	First National Bank, Henry.	John Morgan, *V. P.*.....T. L. Jones. T. L. Jones, *Asst.*.....R. D. Jones.
" ..	First National Bank, Jacksonville.	J. T. Springer, *P.*.....Edward Scott. Chas. Henry, *V. P.*.....J. T. Springer.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
ILL.	Peoples Nat. Bank, Monmouth.	E. D. Brady, *Asst.*	.....
"	First Nat. Bank, Mt. Carroll.	John Mader, *P.*	Uriah Green.
"	Farmers Nat. Bank, Princeton.	E. A. Washburn, *P.*	E. R. Virden.
"	Ricker Nat. Bank, Quincy.	Henry F. J. Ricker, *V. P.*	Willis Haselwood.
		Geo. E. Ricker, *Cas.*	Henry F. J. Ricker
"	Union Nat. Bank, Streator.	L. Swift, *P.*	Milton Hicks.
"	First National Bank, Taylorville.	F. W. Anderson, *P.*	W. W. Anderson.*
		D. D. Shumway, *2d V. P.*	.....
		E. R. Wright, *Cas.*	F. W. Anderson.
"	First Nat. Bank, Toluca.	W. W. Twist, *V. P.*	.....
IND.	First National Bank, Auburn.	D. A. Garwood, *V. P.*	W. McIntyre.
		Chas. McClellan, *Cas.*	D. A. Garwood.
"	First Nat. Bank, Dunkirk.	John W. Rees, *V. P.*	Hial J. Evans.
"	First National Bank, Elwood.	Joseph A. Dehority, *Cas.*	Chas. C. Dehority.
"	First National Bank, Frankfort.	J. W. Coulter, *P.*	D. F. Allen.
		D. W. Osborne, *V. P.*	J. W. Coulter.
"	Indiana Nat. B., Indianapolis.	Geo. B. Yandes, *V. P.*	Wm. Coughlen.
"	Meridian National Bank, Indianapolis.	Fred. Fahnley, *P.*	Wm. P. Gallup.
		Henry Wetzel, *V. P.*	Fred. Fahnley.
"	Citizens Nat. B., Jeffersonville.	Edmonds J. Howard, *P.*	John Adams.
"	First Nat. Bank, Kendallville.	F. L. Bluhm, *Cas.*	Henry C. Bower.
"	First National Bank, Madison.	Richard Johnson, *P.*	.....
"	New Albany National Bank, New Albany.	J. F. McCulloch, *P.*	.....
"	Second Nat. B'k, New Albany.	L. L. Bradley, *Cas.*	E. B. Lapping.
"	Citizens National Bank, South Bend.	Geo. W. Lewis, *P.*	A. Listenberger.
		C. T. Lindsey, *V. P.*	Irving A. Sibley.
"	German Nat. B'k, Vincennes.	Wm. Baker, *P.*	S. Gimbel.
IOWA.	Union Nat. Bank, Ames.	E. W. Stanton, *V. P.*	J. L. Stevens.
"	First Nat. Bank, Carroll.	C. A. Mast, *P.*	C. D. Boynton.
"	Cedar Falls Nat. Bank, Cedar Falls.	J. J. Tollerton, *V. P.*	R. A. Davison.
		W. N. Hostrop, *Asst.*	.....
"	First Nat. Bank, Centerville.	R. M. Hicks, *V. P.*	A. E. Wooden.
"	Clinton Nat. Bank, Clinton.	W. J. Young, Jr., *V. P.*	Geo. B. Young.
"	Davenport Nat. B'k, Davenport.	W. C. Hayward, *P*	S. F. Smith.
"	First Nat. Bank, Davenport.	Anthony Burdick, *P.*	.....
		John L. Dow, *V. P.*	Anthony Burdick.
"	Merchants Nat. Bank, Eagle Grove.	W. S. Worthington, *V. P.*	J. J. Garland.
		John P. Clark, *Cas.*	W. S. Worthington
"	First Nat. Bank, Emmetsburg.	A. H. Keller, *Cas.*	J. J. Watson.
"	First Nat. Bank, Garner.	Wm. Shattuck, *V. P.*	A. C. Ripley.
		Chas. W. Knox, *Cas.*	J. J. Upton.
"	Mills Co. Nat. B'k, Glenwood.	Geo. Mickelwait, *P.*	B. F. Buffington.
"	Grundy Co. Nat. Bank, Grundy Center.	D. M. Moser, *Asst.*	.....
"	First National Bank, Manchester.	H. A. Granger, *V. P*	A. H. Blake.
		E. M. Carr, *2d V. P.*	.....
"	First Nat. Bank, Muscatine.	S. M. Hughes, *Cas.*	T. N. Brown.
"	First Nat. Bank, Sibley.	Fred. Mattest, *Asst.*	.....
"	Iowa State Nat. Bank, Sioux City.	C. M. Swan, *Cas.*	H. H. Clark.
"	First Nat. Bank, Stuart.	M. B. Wheelock, *Asst.*	.....
"	First Nat. Bank, Tabor.	S. D. Davis, *V. P.*	W. H. Wadhams.
"	First Nat. Bank, What Cheer.	J. H. Leathers, *P.*	Edmund Jackson.
KAN.	First National Bank, Dodge City.	G. G. Gilbert, *V. P.*	Wm. W. Munsell.
		J. W. Gilbert, *Cas.*	R. W. Evans.
"	First National Bank, Girard.	W. B. Millington, *Asst.*	.....
"	Midland National Bank, Newton.	W. J. Trousdale, *P.*	Grant Hornaday.
		J. C. Nicholson, *V. P.*	J. H. McNair.
"	Oberlin Nat. Bank, Oberlin.	F. P. Rathbone, *Asst.*	.....
"	First National Bank, Ottawa.	A. W. Benson, *V. P.*	E. A. Skinner.
"	First National Bank, Pratt.	Jas A. Porter, *V. P.*	B. W. Hall.
"	Logan Co. B'k, Russell Springs.	J. R. Childers, *P.*	W. O. Disney.
"	National Bank of Sabetha.	John Lanning, *P.*	A. C. Moorhead.
"	First Nat. Bank, Smith Centre.	F. N. Winslow, *Asst.*	J. H. Hill.
"	Wellington National Bank, Wellington.	John T. Stewart, *P.*	P. B. Spears.
		W. H. Burks, *Cas.*	W. B. Spears.

* Deceased.

	Bank and Place.	Elected.	In place of.
Ky.	Catlettsburg Nat. Bank, Catlettsburg.	John Russell, Jr., *P.*	.....
"	Second National Bank, Louisville.	John W. Green, *P.*	W. R. Belknap.
		Geo. S. Allison, *V. P.*	J. M. McKnight.
"	Second National Bank, Richmond.	J. Stone Walker, *P.*	T. D. Chenault.
		R. E. Turley, *Cas.*	J. Stone Walker.
La.	First Nat. Bank, Lake Charles.	A. J. Perkins, *P.*	Wm. E. Ramsey.
"	Mutual National Bank, New Orleans.	Jos. A. Shakspeare, *P.*	L. C. Fallon.
		T. R. Roach, *V. P.*	L. R. Coleman.
"	Commercial National Bank, Shreveport.	S. Levy, Jr., *P.*	P. Youree.
		P. Youree, *V. P.*	S. Levy, Jr.
Me.	First Nat. Bank, Biddeford	J. E. Etchells, *Asst.*	.....
"	Fort Fairfield National Bank, Fort Fairfield.	J. F. Hacker, *P.*	M. N. Drew.
		M. F. Dorsey, *V. P.*	J. F. Hacker.
"	Merchants Nat. B'k, Gardiner	Harvey Scribner, *V. P.*	J. S. Bradstreet.*
"	Lime Rock Nat. B., Rockland	C. H. Berry, *V. P.*	.....
"	Thomaston N. B., Thomaston	E. A. Robinson, *P.*	C. Prince.
"	Peoples National Bank, Waterville.	J. W. Philbrick, *P.*	.....
		E. G. Hodgden, *V. P.*	J. W. Philbrick.
Md.	Citizens Nat. B'k, Frederick	W. Irving Parsons, *V. P.*	.....
"	Farmers & Mechs. Nat. Bank, Frederick.	D. C. Winebrener, *P.*	Chas. E. Traill.
		Chas. B. Traill, *V. P.*	D. C. Winebrener.
Mass.	Everett Nat. Bank, Boston	Warren Sawyer, P.	B. B. Converse.
"	Manufacturers N. B., Boston	D. J. Lord, *P.*	.....
"	National City Bank, Boston	Chas. F. Allen, *Asst.*	.....
"	First Nat. Bank, Easthampton	John Mayher, *V. P.*	.....
"	City National B'k, Gloucester	Jas. C. Tarr, *V. P.*	.....
"	Hopkinton Nat. B., Hopkinton	Alonzo Coburn, *2d V. P.*	.....
"	National Security Bank, Lynn	George R. Felt, Jr., *Cas.*	D. J. Lord.
"	Palmer National Bank, Palmer.	James B. Shaw, *P.*	L. E. Moore.
		Edwd. Fairbanks, *V. P.*	James B. Shaw.
"	Asiatic Nat. Bank, Salem	W. O. Chapman, *Cas.*	Chas. S. Rea.
"	Mercantile Nat. Bank, Salem.	H. O. Flint, *P.*	Chas. Harrington.
		Leland H. Cole, *Cas.*	Wm. O. Chapman.
"	First National Bank, Worcester.	A. H. Waite, *P.*	E. A. Goodnow.
		G. K. Rand, *Cas.*	A. H. Waite.
"	Mechanics Nat. B'k, Worcester.	M. H. Lowe, *Asst.*	.....
Mich.	First Nat. Bank, Constantine	Geo. I. Crossett, *P.*	J. W. Simons.
"	German-Amer. Bank, Detroit	John S. Gray, *P.*	Edwd. Kanter.
"	Grand Rapids Nat. Bank, Grand Rapids.	Enos Putman, *P.*	Edwin F. Uhl.
		John E. Peck, *V. P.*	F. Godfrey.
"	First Nat. Bank, Ionia	Vernon H. Smith, *P.*	S. A. Yeomans.
		Walter Yeomans, *V. P.*	Vernon H. Smith.
"	First Nat. B'k, Iron Mountain	John Perkins, *V. P.*	.....
"	Merchants Nat. B'k, Muskegon	P. A. Ducey, *V. P.*	W. S. Hofstra.
"	Commercial Nat. B., Saginaw	J. F. Brand, *V. P.*	Amasa Rust.
"	Second Nat. B'k, Saginaw	Waldo A. Avery, *V. P.*	Sewell Avery.
"	First Nat. Bank, Ypsilanti	C. E. King, *V. P.*	H. P. Glover.
Minn.	First Nat. Bank, Breckenridge	Howard Dykman, *Cas.*	Ransom Phelps.
"	Fergus Falls N. B., Fergus Falls.	Thos. W. McLean, *V. P.*	C. A. Daley.
"	Moorhead Nat. B'k, Moorhead	E. E. Hazen, *V. P.*	J. Wagner.
"	First National Bank, Wadena	E. J. Austin, *Asst.*	.....
Miss.	First National Bank, Tupelo	F. Johnson, *Cas.*	F. Elliott.
"	First Nat. Bank, West Point	Isham Evans, *Asst.*	B. Howorth, Jr.
Mo.	First Nat. Bank, Joplin	L. A. Fillmore, *P.*	C. Schifferdecker.
		Samuel Landauer, *V. P.*	O. H. Picher.
"	First Nat. B'k, Lamar	J. R. Fant, *V. P.*	J. B. Waggener.
"	First Nat. Bank, Macon	W. S. Watson, *P.*	Thos. E. Wardell.
"	First Nat. Bank, Mexico	Tony Buckner, *Asst.*	S. J. Buckner.
"	Monticello Sav. B., Monticello	G. W. Marchand, *Cas.*	H. J. McRoberts.
"	Merchants National Bank, St. Louis.	A. L. Shapleigh, *2d V. P.*	.....
		H. Fullerton, *Asst.*	.....
Mont.	Yellowstone National Bank, Billings.	A. L. Babcock, *P.*	E. G. Bailey.
		David Fratt, *V. P.*	A. L. Babcock.
"	Merchants Nat. Bank, Helena	Thos. P. Bowman, *Asst.*	.....
"	Nat. Park Bank, Livingston	Wilbur D. Ellis, *V. P.*	Geo. T. Chambers.
Neb.	First Nat. Bank, Beatrice	A. S. Paddock, *V. P.*	H. W. Parker.
-	First National Bank, Geneva	W. L. Weed, *P.*	Geo. W. Smith.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
NEB...	First National Bank, Hebron..	W. B. Leggit, *Asst*.....	W. H. Ellison.
"	First National Bank, Holdrege.	G. H. Titus, *Asst*.....	.....
"	..German Nat. Bank, Lincoln....	C. H. Boggs, *P*.....	Jos. Boehmer.
"	..First National Bank, Minden.	Otto Abrahamson, *P*.....	Lewis A. Kent.
		Louis Anderson, *V. P*.....	Otto Abrahamson.
"	..First Nat. Bank, Neligh.....	T. A. Black, *P*.....	John J. Roche.
"	..First Nat. Bank, West Point...	C. Hirschmann, *Asst*.....	.....
N. H...	Nat. State Capital B., Concord.	A. B. Cross, *Asst*.....	.....
"	..First Nat. Bank, Peterborough.	W. G. Livingston, *P*.....	.....
N. J....	Atlantic Highlands Nat. B'k, Atlantic Highlands.	C. S. Holmes, *P*.....	Chas. L. Duvale.
		Thos. H. Leonard, *V. P*..	E. C. Curtis.
"	..First Nat. Bank, Elizabeth...	W. P. Thompson, *P*.....	Jacob Davis.
		M. W. Reeve, *V. P*.....	.....
		Ed. L. Tillon, *Cas*.....	Wm. P. Thompson
"	..Hunterdon Co. Nat. Bank, Flemington.	Samuel Higgins, *P*.....	.....
		J. A. Bullock, *V. P*.....	John Shields.
"	..Nat. Newark Banking Co., Newark.	Edward S. Campbell, *V. P.*	J. P. Dusenberry.
		Henry W. Tunis, *Cas*.....	P. W. Crater.*
"	..Nat. Bank of New Jersey, New Brunswick.	H. G. Parker, *Cas*.....	E. S. Campbell.
N. Y....	Albany City N. B., Albany.....	Joseph S. House, *Asst*.....	.....
"	..First Nat. Bank, Binghamton..	W. S. Weed, *V. P*.....	H. Dusenbury.*
"	..National City Bank, Brooklyn.	Chas. T. Young, *P*.....	David B. Powell.
		Eugene Britton, *V. P*.	Chas. T. Young.
"	..Columbia Nat. Bank, Buffalo	Jos. S. Bryant, *2d V. P*....	.....
"	..First National Bank, Cuba.	Geo. H. Eldridge, *P*.....	Wm. P. Stevens.
		A. M. Wellman, *V. P*.....	Geo. H. Eldridge.
"	..First Nat. Bank, Homer.....	C. S. Pomeroy, *Asst*.....	.....
"	..First Nat. Bank, Moravia.....	Wm. E. Keeler, *V. P*.....	M. L. Williams.
"	..First National Bank, New Brighton.	C. H. Ingalls, *P*.....	H. E. Alexander.
		H. C. Alexander, *V. P*....	J. F. Emmons.
		T. H. Spratt, *Cas*.....	C. H. Ingalls.
"	..National Bank of Norwich.....	Harvey Thompson, *V. P*..	John O. Hill.*
"	..First Nat. Bank, Poughkeepsie.	Jacob Corlies, *P*.....	.....
"	..Poughkeepsie National Bank, Poughkeepsie.	S. V. Tripp, *V. P*.....	Geo. Bartholomew.
N. C....	National Bank of Greensboro..	W. S. Hill, *V. P*.....	Lyndon Swaim.
"	..First Nat. Bank, Salisbury.....	G. A. Bingham, *V. P*.....	.....
OHIO...	First Nat. Bank, Belmont.....	S. T. Gregg, *V. P*.....	W. L. Broomhall.
"	..First Nat. B'k, Bowling Green..	J. W. Underwood, *Asst*....	.....
"	..Atlas National Bank, Cincinnati.	Geo. Guckenberger, *P*....	W. B. Kahn.
		Albert Lackman, *V. P*....	Geo. Guckenberger.
"	..Euclid Avenue Nat. Bank, Cleveland.	S. L. Severance, *P*.....	C. F. Brush.
		Kaufman Hays, *V. P*.....	S. L. Severance.
"	..First Nat. Bank, Georgetown...	James H. Dunn, *P*.....	.....
"	..Farmers Nat. Bank, Mansfield..	W. W. Cockley, *V. P*.....	H. R. Smith.
"	..Milford Nat. Bank, Milford....	F. L. Cook, *Cas*.....	W. M. Sanford.
"	..First National B'k, Norwalk.	E. G. Gardiner, *P*.....	F. Vandercook.
		W. H. Price, *V. P*.....	E. G. Gardiner.
		J. S. White, *Cas*.....	D. A. Baker, Jr.
"	..Pomeroy Nat. Bank, Pomeroy..	R. E. Hamblin, *P*.....	H. M. Horton.
"	..Second National Bank, Ravenna.	C. A. Reed, *P*.....	Geo. F. Robinson.
		W. Holcomb, *V. P*.....	C. A. Reed.
"	..Moss Nat. Bank, Sandusky.....	Augustus L. Moss, *Asst*....	.....
"	..First Nat. Bank, St. Marys...	Fred. Dieker, *P*.....	E. M. Piper.
		R. B. Gordon, *V. P*.....	Fred. Dieker.
"	..Northern Nat. Bank, Toledo...	James Secor, *2d V. P*.....	... .
"	..Second Nat. B'k, Youngstown..	John R. Grist, *V. P*.....	.....
"	..Citizens National Bank, Zanesville.	Willis Bailey, *P*.....	H. C. Van Voorhis.
		H. A. Sharpe, *Asst*.....	.....
ORE....	First Nat. Bank, Corvallis.....	W. T. Wiles, *V. P*.....	Z. H. Davis.
"	..First Nat. Bank, Heppner.....	S. H. Spencer, *Asst*.....	C. I. Lewis.
"	..McMinnville Nat. Bank, McMinnville.	N. S. Link, *Asst*.....	.....
"	..Merchants Nat. B'k, Portland.	R. W. Hoyt, *Asst*.....	.....
"	..First Nat. Bank, The Dalles...	Geo. A. Liebe, *V. P*.....	.....
PA.....	Merchants Nat. B'k, Bangor...	Charles N. Miller, *V. P*....	.....

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
PA.....	Bryn Mawr N. B., Bryn Mawr..	Wm. H. Ramsey, *P.*.....	H. Egbert.
"	..Butler Co. Nat. Bank, Butler.	John G. McMarlin, *Asst*...	.....
"	..Merchants National Bank, Carlisle.	John W. Wetzel, *P.*.....	Geo. W. Neidich.
		John H. Wolf, *V. P.*.....	Jas. W. Eckels.
"	..Nat. Bank of McKeesport.....	D. H. Rhodes, *Asst*.....	.....
"	..First Nat. Bank, New Castle...	John Taylor, *V. P.*.....	F. W. McKee.
"	..Mechanics Nat. B. Philadelphia.	M. Newburger, *V. P.*.....	D. Donovan.
"	..Seventh Nat. Bank, Phila.....	Effingham Perot, *Cas*.....	H. H. Paul.
"	..Duquesne National Bank, Pittsburgh.	Edwin Bindley, *P.*.....	W. G. Johnston.
		M. Munhall, *V. P.*.....	Edwin Bindley.
"	. Miners Nat. Bank, Pottsville...	W. Thompson, *P.*.....	..Wm. L. Whitney.
"	..First National Bank, Renovo..	Jacob Meisel, *Asst*.....	.....
"	..First National Bank, Warren...	J. B. Eddy, *V. P.*.....	G. H. Ames.
"	..Wyoming N. B., Wilkes Barre..	Geo. S. Bennett, *V. P.*.....	Chas. A. Miner.
R. I....	Globe Nat. Bank, Providence..	Marsden J. Perry, *P.*.....	.....
"	..Manuf. Nat. B'k, Providence...	N. D. Arnold, *P.*.....	Caleb Seagrave.
TENN...	Dickson B'k & Tr. Co., Dickson.	J. T. Henslee, *Cas*.....	C. M. Lovell.
"	..Elk Nat. Bank, Fayetteville....	John R. Woodard, *2d Asst.*	.....
"	..First Nat. Bank, Fayetteville...	Chas. Waddle, *V. P.*.....	W. B. Martin.
"	..Continental National Bank, Memphis.	C. F. M. Niles, *P.*.....	J. C. Neely.
		Chas. T. Dodd, *V. P.*.....	W. M. Farrington.
"	..First Nat. Bank, Memphis.....	C. W. Schulte, *P.*.....	N. M. Jones.
"	..Memphis Nat. B'k, Memphis.	G. W. Macrae, *P.*.....	H. M. Neely.
		H. M. Neely, *V. P.*.....	D. T. Porter.
		T. J. Latham, *Cas*.....	J. H. Smith.
		H. W. Grantland, *V. P.*...	.....
"	..First Nat. Bank, Nashville...	W. F. Bang, *Cas*.....	H. W. Grantland.
		Roger Eastman, *Asst*.....	W. F. Bang.
"	..Fourth Nat. Bank, Nashville...	J. H. Fall, *V. P.*.....	Jas. Whitworth.
"	..First Nat. B'k, Tullahoma...	J. D. Raht, *V. P.*.....	Jas. G. Aydelott.
		Alan Parker, *Cas*.....	J. D. Raht.
"	..First Nat. B'k, Union City...	Lexie S. Parks, *P.*...	R. P. Whitesell.
		I. S. Brown, *V. P.*.....	Lexie S. Parks.
TEXAS..	First National Bank, Abilene.	Otto W. Steffens, *P.*.....	J. H. Parramore.
		E. H. Sintenis, *Cas*.....	Otto W. Steffens.
"	..National Bank of Commerce, Dallas.	J. M. Harry, *V. P.*.....	.....
		Thos. W. Griffith, *2d V. P.*	.....
		J. D. Estes, *Cas*.....	A. G. Wills.
"	..First Nat. Bank, Eagle Pass..	Wm. Hollis, *V. P.*.....	.....
"	..Eastland Nat. B'k, Eastland...	J. P. Shannon, *P.*.....	W. H. Parvin.*
"	..National Bank of Forney, Forney.	T. H. Dailey, *P.*.....	W. H. Gaston.
		G. T. Bondies, *V. P.*.....	T. H. Dailey.
"	. Galveston Nat. B., Galveston	A. J. Compton, *Cas*.....	L. R. Bergeron.
"	..First National Bank, Gatesville.	Jas. R. Raby, *P.*.....	F. M. Gardner.
		F. M. Gardner, *V. P.*.....	Jas. R. Raby.
"	..First National Bank, Georgetown.	F. W. Carothers, *Cas*.....	Lee M. Taylor.
		R. T. Cooper, *Asst*.....	F. W. Carothers.
"	..Hamilton Nat. B., Hamilton...	J. T. James, *V. P.*.....	J. L. Spurlin.
"	..Sturgis Nat. Bank, Hillsboro...	T. G. Hawkins, *P.*.....	W. W. Sturgis.
"	..First National Bank, Itasca....	J. M. Coffin, *V. P.*.....	R. P. Edrington.
"	..Citizens National Bank, Kaufman.	Alex. E. Carlisle, *P.*.....	Jas. C. Maples.
		Geo. B. Taylor, *V. P.*.....	Alex. E. Carlisle.
"	..First Nat. Bank, LaGrange.....	John B. Holloway, *Cas*....	A. J. Rosenthal.
"	..First National Bank, Paris.	J. F. McReynolds, *Cas*.....	J. T. McDonald.
		W. B. Paul, *Asst*.....	J. F. McReynolds.
"	..Glover Nat. Bank, San Marcos..	E. L. Thomas, *Cas*.....	G. W. Donalson.
UTAH ..	Commercial National Bank, Ogden.	John D. Carnahan, *P.*.....	J. C. Armstrong.
		A. R. Heywood, *V. P.*.....	Henry Conaat.
VT.....	Island Pond Nat. Bank, Island Pond.	L. A. Cobb, *Asst*.....	.....
"	..First National Bank, Orwell....	I. B. Rich, *V. P.*.....	Wm. N. Platt.
"	..Clement Nat. Bank, Rutland...	Wallace C. Clement, *P.*...	Chas. Clement.*
VA.....	First Nat. Bank, Bedford City..	J. A. Clark, *V. P.*.....	J. L. Campbell.
"	..Lynchburg Nat. B., Lynchburg.	J. S. Bell, *V. P.*.....	Jas. Clark.
"	..First Nat. B., Newport News...	W. A. Post, *V. P.*.....	C. M. Braxton.
W. VA.	First Nat. Bank, Fairmont...	A. B. Fleming, *V. P.*.....	J. C. Beeson.
		O. J. Sands, *Asst*.....	.....

* Deceased

Bank and Place.	Elected.	In place of.
W. Va..Huntington National Bank, Huntington.	John Hooe Russel, *P.*.....	George N. Biggs.
	F. B. Enslow, *V. P.*.....	.....
	Jas. K. Oney, *Cas.*.....	Wm. B. Prickett.
	W. B. Prickett, *Asst.*.....	.....
" ..Citizens National Bank, Parkersburg.	C. H. Shattuck, *P.*.....	J. B. Jackson.*
	W. P. Flaherty, *Asst*.....	.....
WASH..Puget Sound Nat. B., Seattle...	R. V. Ankeny, *Cas*	.....
" ..Columbia National Bank, Tacoma.	Geo. L. Dickson, *V. P.*...	.W. G. Peters.
	W. G. Peters, *Cas.*.....	N. B. Dolson.
WIS....Wisconsin Nat. Bank, Milwaukee.	Chas. E. Arnold, *Asst*.....	.....
" ..First Nat. Bank, Ripon.....	Wm. A. Miller, *V. P.*.....	A. P. Harwood.*
" ..First National Bank, Waupun.	Geo. F. Wheeler, *V. P.*...	G. S. Mitchell.
	B. W. Davis, *Cas.*.....	Geo. F. Wheeler.
" ..Keystone N. B., W. Superior.	Chas. S. McDowell, *Cas.*.	.Wilmot Saeger.
WYO...Laramie Nat. Bank, Laramie...	N. E. Cathell, *Cas*.....	L. C. Hanks.

* Deceased.

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(*Continued from January No , page 558.*)

4935	City National Bank.....Erastus E. Brown, York, Neb.	John R. Pierson,	$50,000
4936	First National Bank.....Charles H. Little, Fairmont, Minn.		50,000
4937	Citizens National Bank.....John S. Van Nortwick, Appleton, Wis.	John J. Sherman,	150,000
4938	New First National Bank.....Albert M. Fuller, Meadville, Pa.	William Thomas,	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 January, 1894.

COL....Florence.... ..First National Bank, by S. C. Gill, Denver, Col., and associates.

MO.....St. Joseph.....First National Bank of Buchanan County, by S. C. Woodson and associates.

PA.....Port Royal.....First National Bank, by W. C. Pomeroy and associates.

PROJECTED BANKING INSTITUTIONS.

N. Y...New York City. Integrity Savings Bank opened for business at Avenue B., near Fifth Street. Incorporators: Frank B. Thompson, B. Howard Tuttle, Chas. L. Work, Robt. P. Noah and others.

CONN...Watertown.....Watertown Savings Bank. Burton H. Mattoon, Treasurer.

ILL.....Paxton.....Paxton Bank; capital, $300,000. Proprietors: Rankin, Durham & Co.

" ..Waterloo.....State Bank of Waterloo; capital, $25,000. Incorporators: Jacob Mayes, Chas. Pinkell, Jacob J. Koeningsmark, Chas. Grosse, William H. Horine, Sr.

IOWA...Cedar Falls....$50,000 has been subscribed for a new bank.
ME.....Augusta.....New bank opened, with Frank Smith, Cashier.
" ..Portland.....Union Safe Deposit and Trust Co. Fred E. Richards, President; Frank C. Allen, Treasurer.
MD.....Baltimore.....Commonwealth Savings Bank; capital, $50,000. Incorporators: Franz Ruth, Benj. F. Phillips, Frank K. Bowers, James B. Yeakle, Alfred J. Carr, and others.
" ..Baltimore.....Union Loan and Guarantee Institution; capital. $50,000. Incorporators: J. Q. H. Smith, Albert R. Pendleton, John G. Binford, Edward D. Crook, Wallace L. Ball.
" ..Boonsboro.....A. C. Huffer and George A. Davis are starting a new State bank. Capital, $25,000.
" ..Chesapeake ....Chesapeake Bank and Trust Co. chartered.
" ..Hancock.....Hancock Bank; capital, $25,000. Edmund P. Cohill, President; John Stigers, Cashier.
MINN...Le Sueur.....E. L. Welsh, of Henderson, and H. F. Weiss, of Le Sueur, will start a State bank here.
" ..Mantorville.....Security Bank; capital, $25,000. G. S. Brainard, President; L. M. Blanch, Cashier.
" ..Sacred Heart...New bank started. P. F. Wasstrom, Proprietor.
N. Y... Lockport.....John A. Merritt and John Hodge are organizing State bank.
OHIO...Cincinnati.....Frank X. Reno has started a brokerage business.
" ..Columbus.....Fifth Avenue Savings Bank Co.; capital, $50,000. Incorporators: W. H. Fish, Irwin T. Coe, B. W. Paine, L. R. Smith, David F. Pugh.
" ..Youngstown....Farmers Deposit and Savings Bank. C. F. Kirtland, President; Clark Stough, Vice-President; Mark H. Liddle, Cashier.
VA.....Marion .....H. E. McCoy, of Bristol, Tenn., is opening the Merchants and Farmers Bank at Marion. Capital, $250,000.
WIS....Milwaukee.....Milwaukee Trust Co.; capital, $100,000. Incorporators: Hoel H. Camp, B. K. Miller, Frank G. Bigelow, Robert Camp and others.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from January No., page 559.)

ALA....Fort Payne....First National Bank is in hands of a receiver.
CAL....Escondido.....Citizens Bank reported closed.
" ..Madera.....Bank of Madera reported in liquidation.
" ..Sanger.....Bank of Sanger reported closed.
DAK. N.Willow City....Bank of Willow City reported closed.
DAK. S.Castalia.....Charles Mix Co. Bank reported closed.
GA.....Macon.....Merchants Bank sold out to I. C. Plant's Son.
IDAHO...Geneseo.....First National Bank has gone into voluntary liquidation.
ILL....Carmi.....Carmi State Bank reported closed.
" ..Findlay.....Collison, Atwood & Co. discontinued.
" ..Lewistown.....Bank of Lewistown reported closed.
" ..Manito.....Manito Bank closed.
" ..Rock Falls.....Thos. A. Galt & Son have discontinued their office here.
" ..Staunton .....H. W. Wall succeeded by Wall & Panhorst.
IND.....Galveston.....Galveston Banking Co. reported closing.
IND. T..Purcell.....Bank of Commerce out of business.
IOWA...Atlantic.....Cass Co. Bank in hands of receiver.

IOWA...Buffalo Centre..Buffalo Centre Savings Bank reported closed.
" ..New Sharon...Kramer & Hammond succeeded by New Sharon State Bank.
" ..West Bend.....State Bank reported closing.
KAN....Ellis..... Merchants State Bank closed.
" ..Fredonia.....First National Bank has gone into voluntary liquidation, succeeded by State Bank.
" ..Horton .....Farmers State Bank reported closed.
" ..Norton.....Norton Co. State Bank discontinued.
KY.....Louisville.....Westview Savings Bank closed.
MICH..Detroit.....Third National Bank reported liquidating.
" ..Morrice.....Bank of Morrice (A. B. Clark) reported closed.
MINN...Farmington....Exchange Bank reported closed.
" ..Grand Rapids..Iron Exchange Bank reported closed.
" ..Princeton.....First National Bank has gone into voluntary liquidation.
" ..Zumbrota. ....Bank of Zumbrota in hands of receiver.
MISS ...Summit.....Bank of Summit reported closed.
NEB....Ansley.....Bank of Ansley reported closed.
" ..Dannebrog.....Bank of Dannebrog reported closed.
" ..Rushville .....First National Bank has gone into voluntary liquidation.
N. MEX.Kingston.....Percha Bank reported closed.
OHIO.. Ohio City.....Commercial Bank reported closed.
" ..Ottawa .....Ottawa Exchange Bank reported closed.
" ..Salem.....City Bank of Salem (Boone & Campbell) closing.
PA.....Lilly..... .Lilly Banking Co. reported closed.
" ..Meadville.....Meadville Savings Bank reported closed temporarily.
" . Philadelphia...Bodine & Altemus now Bodine, Altemus & Co.
TENN ..Chattanooga....Southern Bank & Trust Co. reported closing.
" ..Union City.....Farmers and Merchants National Bank has gone into voluntary liquidation.
TEXAS..Colorado.....First National Bank reported liquidating.
" ..Jefferson.....State National Bank has gone into voluntary liquidation.
" .Linden.....Linden Bank reported closed.
UTAH ..Ogden.....Citizens Bank consolidated with Utah National Bank.
" ..Provo.....National Bank of Commerce has gone into voluntary liquidation, succeeded by Swasey & Martin.
VA. ....Shendun.....Valley Bank of Virginia discontinued.
" ..West Point.....Wilkinson, Regester & Co. succeeded by West Point Banking Co.
WASH. Everett.....Fidelity Trust & Savings Bank reported closed.
" ..New Whatcom.Bellingham Bay National Bank has been authorized to resume.
WIS....Milwaukee.....Merchants Exchange Bank consolidated with First National Bank.

DEATHS.

BEARDSLEY.—On January 15, aged eighty-six years, NELSON BEARDSLEY, President of Cayuga County National Bank, Auburn, N. Y.

MATHER.—On January 13, aged eighty years, S. H. MATHER, President of Society for Savings, Cleveland, O.

STARR.—On January 17, aged forty-five years, HENRY B. STARR, Cashier of Central National Bank, Middletown, Conn.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, JANUARY, 1894

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ....reg.	Quarterly Mar.	95	95	95	95
4s, 1907.....reg.	Jan	112	113¾	112	113½
4s, 1907 .....coup.	Jan	112½	113¾	112⅛	113½
6s, cur'cy, 1895, reg.	Feb.	102	102	102	102
6s, cur'cy, 1896, reg.	Jan.	104	104	104	104
6s, cur'cy, 1897, reg.	&	107	107	107	107
6s, cur'cy, 1898, reg.	July.	110	111	110	110
6s, cur'cy, 1899, reg.		112	113½	112	112

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	⅝	1	½	—
Canadian Pacific	—	73½	70½	71
Canada Southern	48⅜	51¼	47	51¼
Central of N. J	—	116¾	111	115
Central Pacific	14¼	15¾	14	14¾
Ches. & Ohio	16½	18⅜	16½	18
Do 1st pref.	—	—	—	—
Chic. & Alton	—	—	—	—
Do pref.	—	—	—	—
Chic., B. & Q	75⅛	77⅞	73¼	77⅛
Chic. & East'n Ill	—	—	—	—
Do pref.	—	96	93½	—
Chic., M. & St. P	56½	60⅜	54¼	59⅝
Do pref.	116	118½	116	—
Chic. & N. W	98¼	104¾	97	104¾
Do pref.	—	140¼	135½	140¼
Chic., R. I. & P	63	68¾	61½	68
Chic., St. P., M. & O	33¼	38	32½	37¼
Do pref.	—	112½	109⅜	—
C., C., C. & St. L	34½	37⅞	31	37⅞
Do pref.	—	82	82	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	—	26½	21	—
Col., H. Valley & Tol	19½	20½	19	19
Del. & Hudson	130½	136	129¼	135⅞
Del., Lack. & W	161¼	170½	161¼	—
Den. & Rio Grande	—	10⅞	10⅛	10⅞
Do pref.	—	32¼	30	32¼
East Tenn. V & G	—	⅜	⅜	—
Do 1st pref.	—	—	—	—
Do 2d pref.	—	—	—	—
Evansville & T. H	—	65	55	—
Illinois Central	90	93¼	89⅞	—
Lake Erie and Western	14½	15¾	13⅞	—
Do pref.	—	67¾	63	—
Lake Shore	120	128	118¾	128
Long Island	100	100	98¾	—
Louisville and Nashville	43¾	47⅛	40⅞	47⅛
Louisville, N. Alb & Chic	8¾	10	8½	9½
Manhattan Consol	123	124	118½	—
Mexican Central	—	—	—	—
Michigan Central	96	99	96	99
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	10	11½	10	10½
Do pref.	—	32	28	—
Mo., Kan. & Texas	—	14¼	12½	13⅜
Do pref.	22¾	25⅜	22¾	—
Missouri Pacific	20⅞	24½	18¼	24½
Nash., C. & St. L	—	—	—	—
N. Y. C. & Hudson	98½	101½	95¾	101⅜
N. Y., C. & St. L.	—	16⅜	14	16⅜
Do pref.	—	74¼	66	74¼
N. Y., L. E. & W.	14½	15½	13¼	15¼
Do pref.	—	33¾	29⅜	33¾
N. Y. & New Eng	10⅞	14¾	7½	12¼
N. Y., Ont. & W	15	16⅛	14¾	16
N. Y., Sus. & W	14	15⅞	14	15¾
Do pref.	41	45	40	44
Norfolk & Western	—	—	—	—
Do pref.	—	20	17⅜	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	4¾	5⅛	4	—
Do pref.	19	19	13⅞	17¼
Ohio & Mississippi	—	—	—	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	24	24	—
Oregon Short Line	4¼	6⅛	4	—
Pacific Mail	—	19	14	18½
Peoria, Decatur & Evansville	—	4¾	3¾	4½
Philadelphia & Reading	18	21	17½	20⅛
Pullman Palace Car Co	162⅜	171¾	162⅜	—
R. & W. P. 2d as't pd	2⅜	3	2	—
Do pref.	—	—	—	—
Rome, W. & Ogd	—	112	110	—
St. Louis, A. & T. H	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	—	25	22⅞	—
Do pref.	—	88	88	—
St. Paul, M. & M	—	103	100	—
Silver Bullion Ctfs	—	67	67	—
Southern Pacific Co	20½	24	20	23¼
Texas & Pacific	7	9	7	9
Union Pacific	18	20⅜	17¾	19¾
Wabash, St. Louis & Pacific	6	7½	6	7½
Do pref.	13⅛	14⅞	12⅛	14⅞
Wisconsin Central	—	4½	4½	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	28¾	29⅜	26¾	28¼
Nat. Lead Trust	22½	28¾	22	28
Tenn. Coal & Iron	14⅞	17	14⅛	16⅜
Express—Adams	150	154¾	150	154¾
American	112	112½	109½	—
United States	49	57	47½	57
Wells-Fargo	122	128	122	—
Sugar Refineries	80½	84⅜	75⅝	77¾
Do pref.	82½	85¼	79¾	81¾
Western Union	83	86½	80⅞	85
Wheel. & Lake E	12⅞	13⅝	12¼	13
Do pref.	47½	50¼	47	50¼

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AND

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BANKING PROSPECTS.

The profits in banking depend largely on the profits in every other kind of business in which banking capital is employed. Indeed, bank dividends are a very good thermometer of business. When times are prosperous and good rates are obtained for money and few losses are incurred, banking profits are large; but in unfavorable times, like the present, when business is dull or unprofitable and losses are frequent, these are borne to a considerable extent by banks, and their profits are correspondingly impaired. Many who denounce banks and the great profits which they make, little realize or comprehend the risks they take and the losses incurred by them. The fact that the risks, even of the most conservatively managed banks, are great, is the reason for that excellent provision in the National Banking Law requiring banks to set aside a portion of their profits until a considerable surplus is acquired. The object of this surplus is to provide for a rainy day, for precisely such a time as all are now experiencing, and the wisdom of this provision has been demonstrated on many occasions. The last edition of the "Banker's Almanac" reveals a sad story of the greatly lessened surplus of banks in every section of the country, and this has been caused by the

losses which they have generally sustained within the last year. No bank has wholly escaped. Too many have utterly perished; in other cases their capital has been impaired; in nearly all of them some portion of their surplus has been eaten away.

The condition of business and of its prospects is always of vital interest to bankers. They share in the general apprehension which now exists concerning business. And with respect to this two or three things may be said. First of all, whether any one can see through the darkness or not, every one knows that the country is nearer the end of these unpleasant times. The country is in very much the condition of a man who is sick, and unable to get up though he is improving, until finally the time comes when he can arise and walk. The country to-day in many ways is convalescing, although so long as business is unable to arise and walk, it will appear to be very sickly. Yet, truly, we are nearing the end, however slowly. A day is surely coming when business will again be in a healthful condition and all capital and all labor will be employed. Our experience in this regard is in no wise different from what it has been in the past. Whatever may have been the cause of the present troubles, the cure in every case has been the same. There must be a restoration of confidence, and when capital has been impaired, more must be collected or created. New demands will then arise and business will resume its old-time prosperity.

One of the gravest uncertainties concerning the future is the tariff, on which something was said in a recent issue. Whether it is wise to enact the proposed measure or not, it is not our purpose here to consider. It is evident that the tariff is to be radically changed in the direction of lower duties on all manufactured commodities, while the duties on many others will be repealed. No one denies that the effects of these changes will be many and serious. Of course, those who believe in the measure are confident that, in the end, the country in general will be better off than it was before; but it can be hardly questioned by any one that, for a considerable period, at least, there will be great uncertainty, as no one can perceive what all the effects will be nor their extent. Clearly, one of the effects will be lessened cost of production. If the tariff on manufactured products is to be largely reduced, of course, manufacturers must discover some way of producing at a lower rate. The benefit of free raw materials, or at a lower rate than was paid before, will be a clear gain to them; but under the proposed tariff it will be needful to reduce the cost of production beyond the benefit thus derived. What the manufacturers will do is not altogether certain. It is generally believed that the rates of wages will be reduced in almost every direction. The proposi-

tion advanced by the Trenton pottery men is to pay every man foreign rates, adding a sum equal to the duty. This is a new proposition, for it would mean an enormous reduction; and yet, if the cost of production must be lessened in order to compete with the producers of the old world, and if protection is to be wholly thrown off, or nearly so, the justice of it is quite apparent. On the other hand, if rates are thus reduced, would not workingmen be obliged to resort to poorer subsistence, less meat and of a poorer quality, poorer houses—in short, poorer everything, and would not the effect of this be to reduce the efficiency of their labor? One of the gains accruing heretofore from the high price of labor has been better living for the workingmen and greater efficiency in their ability and skill. But if the tariff is so radically changed that the cost of production must be materially lessened, undoubtedly one of the first cuts will be in the rate of wages.

Another effect would be in the closing of many of the weaker concerns having less capital and skill than their competitors. In the race or struggle for existence all the weaker ones would doubtless fail, but then it does not follow that they would go out of existence. The country is very rich, there is an abundance of capital to invest in anything containing the hope or expectation of a fair reward, and doubtless many of the failed concerns would be reorganized on a lower basis, and thus be able to enter the arena with good prospects of winning their fair share of business. But what would become of the banks during this period of unsettlement and reconstruction? Their resources are lent largely to persons who are engaged either in production or exchange. Failures in either class mean losses to the banks, and therefore it is quite certain that, during this period of industrial reconstruction, the banks will be subjected to fresh trials from which they can hardly hope wholly to escape. The immediate future, therefore, is not very hopeful to the banking interest. They must expect losses and perhaps heavy ones. The wiser bankers will doubtless exercise more care than usual in making loans; the tendency will be to invest more of their capital on collaterals of other kinds which do not represent manufacturing or industrial enterprises. Still, it will be difficult for them to wholly escape. The industrial world is closely related; each part is related to every other by bands, joints and links of some kind, and loss in any direction will be felt in varying degree in every other.

Those, therefore, interested in banks must expect for some time, at least, smaller profits. They would be shortsighted, indeed, to expect larger ones while every other kind of business is in a state of uncertainty or is unprofitable. They must share in the

gain and loss with others. In the end let us hope that prosperity will come to all, but in the meantime let us bear up under our adversities and realize, as fully as possible, the causes of them, the possibility of escaping from them, and, as far as possible, do whatever can be done to mitigate or lessen them. But losses must come, and only the foolish will think otherwise.

While on this subject it may also be remarked that the prospects of a repeal of the ten per cent. tax on bank circulation are waning. The wiser and more conservative element in Congress will control. All men see, who are capable of seeing anything, that there is a great abundance of capital in the country, and therefore there was never less excuse for creating new banks than exists to-day. There are hundreds of millions of unemployed capital. There is no need, therefore, for creating more banks in order to furnish more capital for industrial enterprises. As we have said before, the only class of any considerable size who are eager for the creation of these institutions, are those who hope to gain by the renewal of the privilege of making paper money, a function which we contend belongs to the State, and which, having been relegated to the National Government and to its institutions, ought never to be withdrawn or given back to the States. How far the Government shall go in creating paper money is another question; but surely, if it is a function of any body, or any power, to issue, it is that of the State, and nothing would be more disastrous than to permit the speculative class—the adventurers who are always ready to prey on the people and wring as much money out of them as possible—to be intrusted with this dangerous power. They desire it only to abuse it, and the lesson of the past that has been taught in the most impressive manner should not be disregarded. Evidently the majority in Congress clearly perceive the dangers, especially at the present time, of intrusting these powers to any class of citizens, under any plea or pretext whatever.

A REVIEW OF FINANCE AND BUSINESS.

SLIGHT CHANGES ONLY, BUT THOSE, FOR THE BETTER.

The second month of the new year has come and gone, without bringing any radical change in the business situation. The best that can be said, is that things have grown no worse, and that the few and slight changes that have occurred, the past month, have generally been for the better. Yet, spring trade has not opened, because of continued delay at Washington, to fix the basis of values upon which the business of the balance of the year must be done. Thus, the first two, of the current twelve months, have been wasted by Congress, so far as new enterprises or a general resumption of ordinary preparations for the future of old industries and operations have been concerned. Nothing but the most immediate and hand-to-mouth wants of producers or consumers have been provided for. This makes two months more of business stagnation, chargeable to Congress, to add to the four last months, of last year, that were consumed by it in the consideration of business legislation. Part of these six months were, of course, necessary to the proper discussion of the proposed changes in our National financial and industrial policies. Yet, half this time was ample. The balance, has simply been wasted by the so-called representatives of the people.

RESPONSIBILITY FOR CONTINUED STAGNATION.

Had there been doubt of the final outcome of the proposed legislation, there might have been excuse for this delay. But there has been none. Neither party has been free from responsibility for this deplorable state of public affairs, nor has one branch of Congress been more culpable than the other. Last month, it was the Lower House; this month, it has been the Senate; and, in both cases, it was the majority, or its committees, in each House, that caused it. Thus, the party in power, so far, has been the chief obstructionist, in the way of the Tariff Bill, as the minority of both parties was last fall, in the path of Silver Repeal. Dishonors are therefore easy, as between the two great parties and the two Houses of Congress. The same obstructive policy was pursued by the party of the majority in the Lower House, toward the imperative relief of the Treasury and the preservation of the National credit; until, in absence of any attempt at legislation for such relief, the Treasurer of the United States was compelled to resort to an old law, for authority to issue bonds, to pay the ordinary expenses of the Government,

and even members of both branches of Congress sought to defeat their sale, by casting doubt on their validity. Had not the New York banks come again to the rescue, a second time, to save the country from financial disaster, caused by Congress, we would have been exporting gold, by this time; and, the conditions of a year ago would be in part renewed, which made the panic of last summer possible.

BUSINESS MEN TIRED OF POLITICAL LEGISLATION.

No wonder, therefore, that the people, of all parties, are getting dreadfully tired of their misrepresentatives at Washington, who seem, in its political atmosphere, to forget entirely the interests of those who send them there; or, who ignorantly, though perhaps honestly, think they can benefit their particular localities, by sacrificing the interests of the whole country. No wonder that Mr. Abram S. Hewitt, speaking from the standpoint of a prominent business man, representing one of the greatest industries in the nation, uttered the prayer of the business men, throughout the country, of both parties, in his recent and already famous speech, when he called upon the South to send statesmen, instead of politicians, to Washington, to legislate upon financial and industrial and commercial questions, affecting the whole people; and, in a broad and intelligent, instead of a narrow and sectionally prejudiced spirit. Mr. Hewitt simply spoke plainly, what every business man has been thinking, for a long time. But he should have made his remarks broad enough to include all sections of the country. It is this spirit that has animated the members of Congress, and the people that have sent them there; both North and South; and East and West; and the country is, and has been suffering, the past year, from the effects, of such legislation. But the people have been sufficiently punished for their lack of patriotism; and, for their National shortcomings, by the disasters of the past year; and they want a new leaf turned over at Washington, such as Mr. Hewitt described. But the remedy he prescribed for these evils, equally, must be applied to the North and the South. Better men must be sent from both sections; statesmen, and not attorneys of local and special interests. In the meantime, further punishment of past sins of omission and of commission, can only be mitigated for the balance of the terms of the present members of Congress, by bringing the pressure of business public opinion, through trade organizations, exchanges and boards of trade of all sections, upon Congress, as was done in the silver struggle last fall, to awe and overwhelm the party spirit, and the party press, on either side of the Tariff question, that would make political capital out of longer delay in reaching a decisive result and an end of the present contest, which still continues the business paralysis caused by the silver panic.

HAVE THE TRUSTS CAPTURED THE SENATE COMMITTEE?

Wall Street has been filled with rumors daily, for two weeks past, of what this committee would and would not recommend to the Senate, in regard to the Tariff, affecting the "Industrial," or Trust stocks, in which the chief speculation on the Stock Exchange, has been, during the whole month, led by "Sugar" and "Whiskey." These rumors, which have been uncontradicted, connect this activity in these stocks with the action, or discussions, from day to day, of this committee, and the Stock Exchange houses with Washington private wires, have done the bulk of the business on orders, or information from "inside sources," as to what duty or tax, would or would not be put on sugar and whiskey. Of course, it is not publicly stated, that the delay in reporting the Wilson Bill to the Senate, is due to the desire of members of the committee in charge of it, for opportunity to speculate in stocks affected by their action. But it is alleged, that some one in the committee, or close enough to it to know what it is doing, all the time, is operating in Sugar and Whiskey stocks, at the New York Stock Exchange, on such information. And there have been knowing winks and nods of mystery and prophets who "told you so," in Wall Street for some time, which profess to explain why the bill is so long delayed in this committee, without definite action, yet, so far as has been officially stated. Commentary is unnecessary upon the esteem in which the members of the Senate are publicly held, in view of a suspicion even, that members of its committee are deliberately holding back, if not changing the Tariff Bill, in the interest of these two most unconscionable Trusts in the country, Sugar and Whiskey, with whose managers they are suspected of operating in the stock market, upon information of what they are doing in secret sessions. If delay by this committee and Washington gambling in Sugar and Whiskey stocks, is continued much longer, the business men of the country, whose interests are kept waiting, are liable to have something beside a suspicion of these committee men, which they will be likely to express in a way that will reach Washington and be heard even by irresponsible, and indifferent United States Senators.

ALL THERE HAS BEEN IN THE WALL STREET MARKETS.

This is practically all there has been of the Stock Exchange markets for the month, no other stocks, but the two above named, having shown any activity. Early in the month there was some selling of Granger stock on renewed cutting of rates of freight west of Chicago. The latter part of the month has seen some quiet selling of the Trunk Line stocks, led by the New York Central, supposed to be for inside interests, on the poor

earnings of the month, which will fall under those of January, no doubt, for the reason that a large amount of corn brought to the seaboard on cut rates made in December arrived during the former month, while very little has come forward this month since the restoration of rates early in the new year. Yet towards the end of February, rate cutting, by the Trunk Lines, began again, secretly at first, but openly before the end of the month, although but little increase in the seaboard receipts had yet been seen. But earnings have fallen badly behind a year ago on the latter lines, as then the general movement of freight was larger than now, while a good deal of material for the structures of the World's Fair Buildings and other freight for that destination was being moved. Travel was also better then than now, it being very light this winter after a panic and the great exodus during and after the Fair. The railroad situation, therefore, is not a rosy one, notwithstanding the movement of crops has been heavier and longer continued than supposed possible, taking the Government estimates of the crops the past year, together with the surplus supposed to have been left over from preceding crops, which were evidently grossly underestimated. But this movement has fallen off materially in February, partly owing to general snow storms over the country, and partly to the continued decline in wheat to the lowest point by far, yet made in the records of the trade. It is to meet this decline in grain, led by wheat, that the railroads have cut rates, hoping to stimulate the movement; for, at the late rates it was impossible to bring grain forward to the seaboard.

THE DECLINE IN WHEAT AND SILVER

has therefore been more talked of in Wall Street than the stock market, outside the "Industrials"; for, upon the future of wheat-raising in this country, for export, the Trunk Lines, as well as Granger roads, are largely dependent for their East-bound traffic, since corn is not an export crop, to any such proportion as wheat, the former being largely fed on farms and shipped in the shape of live stock, or provisions. In this connection, there has been much controversy over the cause of the continued depression in wheat the world over; and, the simultaneous break in the price of silver to a lower record also, than ever before reached, has led to the coupling the two together, the latter as cause and the former as effect. Early in the month the United States was getting in London 73c. gold for its No. 2 red winter wheat; Russia, India, Argentine, and all other wheat-exporting countries were getting for an inferior wheat $1.07 to $1.10 in silver at the then prices of silver and foreign exchange between London and the several countries from which she was importing wheat, all of which are on a

silver currency basis except this country. The above prices in silver, for wheat, were practically the same as the silver countries were getting ten years ago, or before the great depression in the prices of wheat in this country and Europe had set in. Yet the purchasing power of silver in these silver wheat-raising countries, with few and temporary exceptions, has been but little changed.

Hence the Russian, Indian and Argentine farmer is getting about old prices for his wheat, owing to the decline in silver, caused largely by over-production in this country, while the American farmer is getting only about two-thirds the price of ten years ago. The consequence is, that wheat pays as well as formerly, in the silver countries, with their improved and increased means of transportation by rail, with their interior, boundless wheat areas; and they are all constantly increasing their production, while the gold countries of Europe and the United States are being driven out of wheat culture, because they cannot compete with these silver countries, so long as wheat, or silver, or both, are so low as now. It is useless to deny that our agricultural classes are getting poorer and poorer each year, excepting when other countries have short crops; or, that our former supremacy in the wheat markets of the world has been lost, for some cause, or causes, and that the silver wheat-exporting countries have taken it away from us, as we are the only wheat-exporting country of the world that is on a gold basis.

OUR AGRICULTURAL DEPRESSION.

Here lies the worst obstacle to our general business recovery, after the legislation pending at Washington shall have taken the immediate cause of stagnation—suspense and uncertainty—out of the way. After the depression of 1876-77, we had enormous wheat crops for three years and Europe had three lean years in succession. Then the general business recovery was rapid and marked, because the agricultural classes were making money freely, and spending as freely. This year their smaller than average grain crops have, thus far, brought them less than average prices, and barely enough to pay interest on their farm mortgages and debts. They will have little or no money as a rule to buy what they do not produce; and, as a consequence, trade is bound to be poor through the agricultural sections, until another crop at least is raised; even then, the prospect is no better for prices, unless they raise less, and then they will have less to sell, which amounts to the same thing. The only hope for our farmers seems to be in a famine in other wheat-producing nations. But there are now so many competitors, in different countries, with different climates, in the Southern as well as the Northern hemispheres, that a short crop the world over, is almost impossible,

while there is a new one harvested every month of the year in some quarter of the globe. Either existing conditions must change or American wheat raisers, and, possibly, American millers, will be limited to our home markets. The only alternative, which is within our own control, is to reduce the cost of producing wheat in this country, to a point where we can compete with silver countries; and, the only way this can be done, is to reduce the cost of living, by reducing the duties on what a farmer has to buy, to a point that will place him on a parity with his competitors in the markets of the world, where he must meet the wheat of every free-trade country, and where the price is made by his surplus, over home wants, for all that is consumed at home.

American farmers are now between the upper millstone of a high tariff on all they buy, and the nether millstone of cheap silver, which American mines furnish to importing Europe, with which to keep down the price of wheat in the markets of the world, by buying of every free-trade silver country, in preference to ours.

THE LAST BREAK IN THE WHEAT RECORD

was caused immediately by the farmers themselves, who have been free and constant sellers ever since the crop was harvested, as their necessities knew no law, and they had to sell whatever they could, to raise money. After the panic, and especially since the repeal of the Silver Law, Eastern capitalists have been free and persistent buyers on every decline, for investment, until the middle of the past month, when their money began to give out, on a steady decline for months, with but few and temporary rallies, resulting in an average loss of nearly or quite 15c. per bushel. Meantime the visible supply of wheat had kept on increasing nearly two months beyond the usual turning point, and until the Government estimate of a heavy crop shortage had been largely discredited. With the almost total absence of new export business, the investors in wheat lost hope with their money, and one of the most heavy and disastrous liquidations of hitherto strong men financially, began early in the month, in Chicago and here, and did not end until after the middle, carrying prices to a point that brought in Europe at last, which took 2,000,000 to 3,000,000 bushels for prompt and early spring shipment, thus turning the market up a few cents. But with the recovery, Europe pulled out of our markets again and waited till a new break brought our prices back in line with European, where only enough American wheats are bought to mix with other foreign and native wheats, for better milling results. So with American flours. English millers are underselling them in British markets, because they can get these cheaper Indian, Russian, and Argentine wheats, and so we are losing our export flour, as well as wheat, trade with Europe.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

The Gold Production of the World.—The later figures of the world's gold production for 1893 show a larger product than was in the beginning supposed. It appears that the aggregate is likely to exceed $150,000,000. The aggregate gold production given in the Mint Report for 1892 was nearly $138,861,000. This included $33,000,000 for the United States, $33,870,800 for Australasia, $24,806,200 for Russia and $23,706,600 for Africa. Director Preston added to previous estimates a production of $5,000,000 for the Chinese Empire, and made some slight changes. It is now evident that Africa will crowd Russia out of third place in the world's production, and may before long crowd Australasia out of second place. Australasia ranked first in 1892, but she will be surpassed by the United States for 1893, and only the handsome gain made by this country will prevent her falling behind Africa in the near future. It looks now as though the gold production for the United States would reach the value of $36,000,000, and perhaps $37,000,000. The figures of the Mint report for 1892 were $33,000,000; for 1891, $33,175,000, and for 1890, $32,845,000. The returns of deposits at the Mints for conversion into bars have now been received, and show total deposits of domestic gold during 1893 of $36,000,000. This is $4,000,000 more than the deposits of 1892. Nearly all the gold produced in the country is thus deposited, and the difference from year to year is a fair measure of the increase in production. The State of Colorado alone shows an increase in deposits from $3,000,000 to $5,000,000, and California and the other gold regions also indicate a gain. The latest figures of the production of the Witwatersrandt region of South Africa show a total for 1893 of 1,478,476 ounces of ore, yielding a gold product of $25,600,000. This does not include all the mines of South Africa, and the total will probably exceed $30,000,000. It is stated that no less than 2,195 heads of stamps are at work day and night to treat ore which now produces bullion in the Witwatersrandt region of a value of over $2,500,000 per month. The increase in number of stamps compared with 1892 has been 281, and a further number of 250 was added in the last quarter. The increase in the United States and South Africa alone will carry the total for the world close to $150,000,000, if no increase is reported from any other section. The closing of a number of the silver mines in consequence of the diminished value of silver, has turned the attention of silver miners to the production of gold. Already, in Colorado, there

has been a considerable increase as the result of this state of things. It is quite likely that in the near future there will be a very considerable increase in gold production in our country especially, in consequence of the greater attention paid to gold mining. Besides, in California, the law relating to the hydraulic gold mining has been so modified, that the gold mines of that State will be worked more extensively than they have been of late years.

Bank Legislation.—The following bill has been presented to the New York Legislature for action:

SECTION 1. When a check, or draft, bill of exchange, or promissory note, is drawn on, or made payable at a bank, and it pays the same in good faith, and in the ordinary course of business, it shall not be incumbent on the bank, to show that the indorsement of the payee is genuine or authorized, or that any subsequent indorsement is genuine or authorized, in any action or proceeding begun after the lapse of six months from the date of such payment, and the bank shall then be deemed to have paid the check, draft, bill of exchange, or promissory note, in due course of business, and to the legal owner, and shall not be liable therefor, although it shall then, or afterwards, appear that such indorsement or indorsements have been forged, or made without authority.

SEC. 2. When a bank in good faith, and in the ordinary course of business, receives payment of checks, drafts, bills of exchange, or promissory notes, deposited by, or received from a customer, and the customer has no title, or a defective title, thereto, the bank so receiving payment therefor, shall not be liable as indorser thereon, or otherwise, in any action or proceeding begun after the lapse of six months from the date of receiving such payment, to the legal owner of such checks, drafts, bills of exchange, or promissory notes, or to any one claiming title thereto.

SEC. 3. Whenever an action or proceeding shall have been begun within the time prescribed by this act, against a bank for an unauthorized or forged indorsement on any instruments of exchange specified therein, recourse in favor of such bank shall not be discontinued by the provisions of this act.

SEC. 4. This act shall not be construed as denying recourse against any indorser or indorsers of checks, drafts, bills of exchange or promissory notes, other than the bank employed as payer, or as collector thereof.

There is no good reason why this bill should not become a law. The law relating to the liability of banks for forged instruments, especially in the State of New York, is altogether too severe. The holder of a check ought to know better than a bank on which it was drawn whether his signature is a forgery or not, and after it has been returned to him, and he has had a reasonable period to examine it, and either neglects to do so or fails to discover the forgery, he should not be permitted a long period afterwards, on discovering the forgery, to hold the bank, unless in some way or other he can show that the bank has committed a fraud in paying it. The federal law established

by the United States Supreme Court is far more reasonable with respect to liability of banks in such cases. This, also, is followed in many States, but in New York the severest rule possible has been adopted against the banks, and without a single good reason. It is quite time that it should be relaxed in the interest of justice and common sense. Surely, when the maker or indorser of a check or other instrument has had a reasonable time to examine it after payment and does not question the genuineness of it, he ought not to expect that the officer of the bank ought to be wiser than himself in discovering a forgery or mistake. The law apparently is founded on the idea that the bank is endowed with a knowledge nearly approaching to omniscience, and, failing to exercise this, must be held liable. But, as we have already remarked, its knowledge certainly is not greater than that of the maker or indorser himself, and the law should not so regard the institution. This bill, therefore, ought to be enacted without opposition, and we shall be much surprised if it occasions any. The wonder is that such a rule, either by the courts or by the Legislature, has not been established long ago.

The Decline in the Value of Wheat.—Wheat has fallen to a lower point than ever before. At the end of June, in 1893, there was a quotation at 64½ cents, which was the lowest ever known. It was then assumed that the fall was only temporary, and this proved to be true. The great fall of late has been caused, it seems, by the discovery that the yield of wheat last year was much larger than it was supposed to be. It appears that false reports had been industriously circulated concerning the production of the year, but the enormous quantities that were constantly coming in sight finally convinced all that the reports of production were grossly incorrect, and on the discovery of this prices once more began to recede. It has been the belief of the farmers that wheat would return to a dollar per bushel, but it is very evident that this will never be. The truth is that the price of agricultural implements and of everything that the farmer buys has declined very greatly in value. The quantity of land that can be used for wheat-raising is very large; new supplies have been produced in India and South America, and there is no reason, unless wheat is an exception to the general rule or law, why its price should not greatly decline. Within a few years the quantity exported from the Argentine Confederation has rapidly expanded, and it is evident that that market is soon to become one of the great wheat markets of the world. The farmer, therefore, should accommodate himself to this new state of things, and the sooner he does so the better. The old prices will never return, and he must, therefore, in order to make anything, lessen

his cost of production, as all other producers are doing. Doubtless, in many cases, farmers have not done so, supposing that the decline was only temporary; but if what we have said be true, while there may be reaction to some extent, it will not be much, and the farmer, like all others engaged in production, must carefully consider how the cost of wheat-raising can be lessened. This new discovery of the situation, however unwelcome it may be to him, will doubtless have a good effect in the end, as it will lead to economies of various kinds, which will once more change the balance in their favor.

Debts of Great Nations.—Mr. Preston, Director of the Mint, has prepared and published tables of indebtedness of the principal nations, as well as their revenues and expenses, which possess a very considerable interest. The five leading nations in this comparison are the United States, Great Britain, France, Germany, and Russia, to which that of China has also been added. The first table, showing the indebtedness of nations, is the following:

	Population.	*Debt.*	*Debt per capita.*
United States	66,946,000	$1,545,986,000	$ 23.00
Great Britain	38,109,000	3,273,305,000	85.89
France	38,343,000	5,908,055,000	154.08
Germany	49,482,000	1,518,532,000	35.64
Russia	124,000,000	2,268,159,000	18.33
China	402,680,000	25,000,000	.62

Perhaps the most striking thing in this table is the seeming fact that, although Russia has for a long time been known or supposed to be on the verge of bankruptcy, her debt per capita is not only less than the debt per capita of any one of the big European nations, but is also materially less than that of the United States. Russian finance, it should be said, however, is "one of those things that no fellow can understand;" and it would perhaps be as well not to set too much store by the figures in the table, even if they were furnished to our Mint Director by official authority. Of the four really great nations, it will be seen that the United States is easily the least burdened with debt, only $23 of indebtedness standing against every one of her population, as compared with the $35 per capita indebtedness of Germany, and the $86 per capita indebtedness of Great Britain, and the $154 per capita indebtedness of France. This statement of the indebtedness of the nations appears to show France to be in a pretty weak condition, with $154 of debt to every head of her population; but a heavy National indebtedness does not indicate either individual or National poverty. France is not only not a pauperized country by reason of or in spite of her huge National debt, she is, on the other hand, if not a rich, yet a well-to-do country, as may be seen from other con-

siderations. Let us look at the same countries in the matter of their revenue:

	Revenue.	*Revenue per capita.*
United States	$385,820,000	$5 75
Great Britain	442,826,000	11 58
France	635,333,000	16 52
Germany	286,057,000	5 78
Russia	688,311,000	5 55
China	89,880,000	22

France has no more difficulty in raising $16.52 per head of her population to pay the expenses of her Government withal, than Great Britain has to raise $11.58 per capita, or the United States $5.75 per capita. Here, finally, is another aspect in which the leading nations may be compared:

	Imports.	*Exports.*
United States	$ 922,764,000	$998,580,000
Great Britain	2,311,746,000	1,384,344,000
France	278,877,000	229,020,000
Germany	1,048,010,000	794,862,000
Russia	292,240,000	556,563,000
China	138,028,000	138,664,000

One of the delusive things is the attempt to show the ability of nations, or their capacity to pay debts per capita. This is one of the most fallacious of all comparisons. The ability of a nation to pay depends not so much on numbers as on the wealth and general prosperity of the people. Our nation is very rich, the people generally are very prosperous, and they can easily endure the public indebtedness which now exists, but if their revenues were small, or their incomes light, or their business unprofitable, then the burden of principal and interest would be an entirely different matter.

Bimetallism in England.—It is an old story that English manufacturers have a keen realization of the injurious effects of the policy of England in demonetizing or lessening the value of silver. In his recent inaugural address, Mr. Daniel, the newly elected president of the Manchester Association of Engineers, discussed the relation of bimetallism and trade, and described especially the bad condition of the iron and allied trades and the almost entire absence of exports. The demand from British India had ceased altogether for the time, and nearly the same condition existed with other silver-using countries. In short, his conclusion was that the business of the world was in a disorganized state, and England, as the chief manufacturing and exporting country, was necessarily the chief sufferer. The remedy he proposed was a return to bimetallism and an endeavor by Great Britain to establish some form of international agreement. The London *Financial News* says: "Longer persistence in India's currency policy means absolute disaster to the commerce and credit of the country. Nor is India alone involved. The collapse of exchange rates has brought Lancashire business almost to a standstill. The spinners, filled with

dismay, already are beginning to talk of a wholesale stoppage of spindles. The fantastic attempt to impose a gold standard without a gold currency has been a miserable fiasco. The India Council has muddled the allotments of bills as no other public question has been muddled in years. The easiest way to appreciate the gold price of silver would be to renew the conditions under which it was coined into money of an automatic standard for all comers."

GUARANTY.

A contract of guaranty is a collateral engagement for another as distinguished from an original and direct agreement for the party's own act. An obligation is thereby created to pay if the guarantee should be unable to recover the money from the debtor. (*Snevily* v. *Ekel*, 1 W. & S. 203; *Johnston* v. *Chapman*, 3 Pa. 18; *Isett* v. *Hoge*, 2 W. 128.) A guarantor is an insurer of the solvency of the debtor, a surety is an insurer of the debt. (*Kramph's Ex.* v. *Hatz's Ex.*, 52 Pa. 525.) Mr. Chief Justice Lewis has remarked that "a guaranty is an engagement to pay in default of solvency in the debtor, provided due diligence be used to obtain payment from him. (*Johnston* v. *Chapman*, 3 Pa. 18; *Isett* v. *Hoge*, 2 W. 128; *Rudy* v. *Wolf*, 16 S. & R. 81.) The contract of a guarantor differs from that of an indorser. In the latter case the engagement is to pay, if the maker does not, upon demand, after due notice. (8 Wend. 421.) Something more than demand and notice of non-payment is required to support an action on a guaranty. The contract for due diligence requires that a suit be brought within a reasonable time after the maturity of the claim, and be duly prosecuted to judgment and execution, before an action can be sustained against the guarantor, unless in cases where it is shown that such a proceeding could have produced no beneficial result. Where the principal debtor is solvent at the maturity of the debt, no such proceeding is necessary as a foundation to an action on the guaranty. Nor is it necessary, in such a case, to show even a demand on the principal debtor, and notice of non-payment given to the guarantor." (*Brown* v. *Brooks*, 25 Pa. 212.)*

* In *Hoffman* v. *Bechtel*, 52 Pa. 190, 193, Strong, J., said: "The contract of guaranty is peculiar. Unlike that of an ordinary surety, it is collateral and secondary. The creditor must resort in the first instance to the debtor, and the guarantor is liable only after the debtor has proved insolvent, and the creditor has used due diligence to obtain payment from him unsuccessfully." In *Reigart* v. *White*, 52 Pa. 438, Agnew, J., said: "Guaranty is an engagement to pay on a debtor's insolvency if due diligence is used to obtain payment from him."

In suretyship the surety assumes to perform the contract of the principal

"Where the guaranty or promise, though collateral to the principal contract, is made at the same time with the principal contract, and becomes an essential ground of the credit given to the principal debtor, the whole is one original and entire transaction, and the consideration extends and sustains the promise of the principal debtor, and also of the guarantor. No other consideration need be shown than that for the original agreement upon which the whole debt rested." (*Snevily* v. *Johnston*, 1 W. & S., 307, 309.)* And a payee who also guarantees the payment of a note before maturity is liable to the holder without proving an express consideration for the guaranty. (*Campbell* v. *Knapp*, 15 Pa. 27.)

A guaranty must be in writing. This is required by the Statute of Frauds, and the promise to pay must be proved by clear and satisfactory evidence (*Kim's Ex.* v. *Young*, 34 Pa. 60; *McQuewans* v. *Hamlin*, 30 Pa. 215; *Kellogg* v. *Stockton*, 29 Pa. 460; *Unangst* v. *Hibler*, 2 C. 153; *Nugent* v. *Wolfe*, 111 Pa. 471); which is within the province of the jury to determine. (*Kim's Ex.* v. *Young*, 34 Pa. 60.)

"It is difficult," says Mr. Justice Sterrett, "if not impossible, to formulate a rule by which to determine in every case whether a promise relating to the debt or liability of a third person is, or is not, within the statute, but, as a general rule, when the leading object of the promise or agreement is to become guarantor or surety to the promise, for a debt for which a third party is and continues to be primarily liable, the agreement, whether made before or after, or at the time with the promise of the principal, is within the statute, and not binding unless evidenced in writing. On the other hand, when the leading object of the promisor is to subserve some interest or purpose of his own, notwithstanding the effect is to pay or discharge the debt of another, his promise is not within the statute." (*Nugent* v. *Wolfe*, 111 Pa. 480.)

Some cases may now be considered in which the rights of the parties were determined by these rules. In one of them A. requested B. to pay a debt which A. owed to another. It was held that, whether A. owed it individually, or as a partner, it was not within the Act of 1855. (*Oliphant* v. *Patterson*, 56 Pa. 368.) A. introduced an account and a note between other parties and claimed that he had paid the note at B.'s request, and also

if he should not; in guaranty the guarantor undertakes that the principal is able to perform it. If the act which the surety undertakes shall be done be not done he is liable at once, but the guarantor is liable only when insolvency is shown. (*Ib.*)

A guaranty has been declared to be not distinguishable from a general letter of credit, on which an action may be maintained in the name of the person who gives credit on the faith of it. *Aldrichs* v. *Higgins*, 16 S. & R. 212.

* The guarantor of bonds with interest coupons is liable on the separate coupons from the time they are payable. *Philadelphia & Reading Railroad Co.* v. *Knight*, 124 Pa. 58.

proved a remark by A. that the note was owing by him. The court submitted to the jury the question whether A. had recognized them as his debts, and if he had, the recognition was equivalent to previous authority to pay. It was held that this was not a promise to pay the debt of another, and the instruction was correct. (*Ib.*)

In another case in which a wife signed a note for the debt of a third person at her husband's request, who refused to sign but said that he would see it paid, he was not liable thereon on his oral promise. (*Miller* v. *Long*, 45 Pa. 350.)

What is the proper language to describe a guaranty? In *Ayres* v. *Findley* (1 Pa. 501), Mr. Chief Justice Gibson declared that warranty and guaranty are identical in signification and effect, "the one usually, but not always, denoting a covenant in a conveyance, and the other denoting a parol promise." (*Ayres* v. *Findley*, 1 Pa. 501.) "I hereby guarantee the payment of the within certificate" is a guaranty. (*National L. & B. Association* v. *Lichtenwalner*, 100 Pa. 100; *Isett* v. *Hoge*, 2 W. 128; *Johnston* v. *Chapman*, 3 Pa. 18; *Hoffman* v. *Bechtel*, 2 Smith 190; *Woods* v. *Sherman*, 21 Smith 100.) So is the form: "I hereby guarantee payment of the within note without protest." (*Hartman* v. *First Nat. Bank*, 103 Pa. 581; *Zahm* v. *First Nat. Bank*, 103 Pa. 576; *Mizner* v. *Spier*, 15 Norris, 533; *First Nat. Bank* v. *Hartman*, 110 Pa. 196.) But "For consideration received I hereby agree to become security, etc., for the faithful performance" is a contract of suretyship. (*Allen* v. *Hubert*, 45 Pa. 259.) And an order directing a person to give the bearer goods to a specified amount on the writer's account renders the drawer liable as principal and not as guarantor. (*Ueberroth* v. *Riegel*, 71 Pa. 280.) In an agreement for the sale of goods, it was stipulated that a part of the purchase money should be paid in "good obligations," and notes were tendered and received and receipted for, "on payment of goods." It was held that there was no guarantee of the solvency of the makers of such notes. (*Corbet* v. *Evans*, 25 Pa. 310.)

Sometimes a doubt has arisen with whom the contract of guaranty was made. This is important in determining the rights of parties to sue and recover. Thus, a note drawn by H. and for his accommodation, with an indorsement in the name of N., was also indorsed with a guaranty by E., and was discounted by a bank. The bank sued E. The lower court required the bank to prove affirmatively that the contract of guaranty was made with the institution. But, the higher court decided that as N. indorsed for H.'s accommodation, and the bank was the first holder for value. the law implied that the guaranty was made to it. (*Northumberland Co. Bank* v. *Eyer*, 58 Pa. 97.)

A judgment was indorsed as follows: "I guarantee the payment

of the within note, for value received, L. H. Mizner." In an action by the payee of the note, it was held that this was a contract of guaranty (*Isett* v. *Hoge*, 2 W. 128); that M.'s undertaking was an agreement to pay only in case of the insolvency of the makers, or after due diligence had been used to collect the note from them. The making of the guaranty at the time of the execution of the note did not affect its character, but only the consideration by which it was supported. (*Mizner* v. *Spier*, 96 Pa. 533.) Formerly, when a blank indorsement on a non-negotiable note was intended by all concerned as a guarantee, the holder could write over the blank indorsement an engagement to that effect (*Leech* v. *Hill*, 4 W. 448), but this is now forbidden by the Statute of Frauds. Nor can a special guaranty of payment indorsed on a negotiable note be treated as a blank indorsement, and thereby conferring the right on the holder to sue the guarantor in his own name. (*Snevily* v. *Ekel*, 1 W. & S. 203.)

Sometimes a continuing guaranty is given. Thus a firm which was indebted to another was refused credit unless a guaranty was furnished, which was done. This was for goods which were to be delivered "from time to time." It was to be a continuing guarantee." But it did not cover, so the court held, past indebtedness, and was simply prospective in its operation. (*Pritchett* v. *Wilson*, 39 Pa. 421.)

A guarantor of future credit is entitled to notice from the party giving the credit that he was accepted, unless the offer to guaranty and the agreement to accept are contemporaneous. (*Unangst* v. *Hibler*, 26 Pa. 150; *Kay* v. *Allen*, 9 Pa. 320.) Should the guaranty, therefore, contain conditions, as soon as these have been fulfilled, the guarantee must give notice of his acceptance of the guaranty and also the amount of credit he has accorded to it. (*Gardner* v. *Lloyd*, 110 Pa. 278, 279; *Kay* v. *Allen*, 9 Pa. 320; *Emerson* v. *Graff*, 5 Cas. 358; *Patterson* v. *Reed*, 7 W. & S. 144.) In *Stevenson* v. *Hoy*, 43 Pa. 191, an agent forged his principal's signature to a guaranty for a bill of goods which the plaintiff sold to the agent on the credit of the guaranty. The act was declared to be clearly not within the scope of the agent's authority arising from his implied agency.

Though parol evidence is inadmissible to contradict or vary the written terms of a guaranty, such explanation of the subject-matter may be proved as shall give those terms their intended effect, and for this purpose the evidence of the scrivener and subscribing witness is admissible. (*Aldridge* v. *Eshleman*, 46 Pa. 420.) If the words used in the contract are technical, or local, or generic, or indefinite, or equivocal, parol evidence is admissible to explain their meaning by usage. (*Brown* v. *Brooks*, 25 Pa. 211.) And a note drawn by A. to B.'s order and by him transferred to C., may be

shown by parol to be within the meaning of a written guaranty by a third person of the note of A. payable to C. (*Eckel* v. *Jones*, 8 Pa. 501.) But a letter from the principal to the creditor, written at the time of making the contract, is not evidence against the guarantor, to vary the legal effect of his contract. (*Kemmerer* v. *Wilson*, 31 Pa. 110.)

The law implies the due prosecution of the claim at law against the debtor, and that this has failed of success without any default by the party holding the guaranty, before the latter can call on the guarantor. (*Strohecker* v. *Farmers' Bank*, 6 Pa. 41, 44.) Notwithstanding this implication, before the creditor can enforce his guaranty, he must show that he has exercised due diligence to obtain payment from the principal. (*National Loan & Building Association* v. *Lichtenwalner*, 100 Pa. 100; *Campbell* v. *Baker*, 10 W. 243; *Reigert* v. *White*, 2 S. 439; *Hoffman* v. *Bechtel*, 2 S. 190; *Isett* v. *Hoge*, 2 W. 128; *Johnston* v. *Chapman*, 3 P. & W. 18; *Snevily* v. *Ekel*, 1 W. & S. 204; *Brown* v. *Brooks*, 1 C. 210, 212; *Amsbaugh* v. *Gearhart*, 1 Jones, 482; *Woods* v. *Sherman*, 21 Smith, 100, 104; *Mixener* v. *Spier*, 96 Pa. 533; *Roberts* v. *Riddle*, 29 Sm. 468.) A guarantor of a mortgage is not liable on his guaranty if the holder prevents the collection of the debt from the mortgagor. (*Stark* v. *Fuller*, 42 Pa. 320.) And if the debtor has assigned collaterals for his indebtedness, the creditor must use due diligence to collect them without a special request from the guarantor to do so. (*Kemmerer* v. *Wilson*, 31 Pa. 110.)

If, however, the creditor can furnish a good reason for not prosecuting the debtor, then he is excused, and the guarantor's liability continues. The most familiar excuse is the debtor's insolvency. If this, or due diligence is shown, the creditor has fulfilled the law. Whether he has been reasonably diligent is a question of fact which must be determined like any other whenever it arises. (*Woods* v. *Sherman*, 71 Pa. 100; *Allen* v. *Hubert*, 13 H. 259; *Reigert* v. *White*, 2 Sur. 438; *Johnston* v. *Chapman*, 3 Pa. 18 or P. & W.; *Mixner* v. *Spier*, 96 Pa. 533; *Sherman* v. *Roberts*, 1 Grant 261.) When the principal is insolvent at the maturity of the debt, neither judgment and execution, nor demand from him, nor notice of non-payment to the guarantor, are necessary before suing the latter. (*Jones* v. *Scott*, 59 Pa. 179; *Brown* v. *Brooks*, 1 C. 210; *Gibbs* v. *Cannon*, 9 S. & R. 292.) The insolvency may be proved, not only by record, but by parol evidence. (*McClurg* v. *Fryer*, 15 Pa. 293.)

"What is due diligence?" Mr. Justice Strong has asked. "Perhaps it is impossible to define it with any degree of certainty. It must vary with the circumstances of each case, and hence is a question for the jury. (*Rudy* v. *Wolf*, 16 S. & R. 79; 100 Pa. 100; *Johnston* v. *Chapman*, 3 P. & W. 18.) It cannot be less than such

as a vigilant creditor ordinarily employs to recover a debt for which he has no other security than the obligation of the debtor. The guarantor has certainly a right to expect an honest and intelligent effort of the creditor to obtain payment from the person primarily liable." (*Hoffman* v. *Bechtel*, 52 Pa. 190, 193. See also *Brown* v. *Brooks*, 1 Casey, 210; *Reigart* v. *White*, 52 Pa. 438; *Kramph* v. *Hatz*, 52 Pa. 525.) As a general rule the creditor must bring his suit within a reasonable time after the maturity of the claim, and duly prosecute the same to judgment and execution, before an action can be sustained against the guarantor unless it appears that such proceedings could have produced no beneficial results. (*National L. & B. Association* v. *Lichtenwalner*, 100 Pa. 100; *Brown* v. *Brooks*, 1 Casey, 210; *Kirkpatrick* v. *White*, 5 Casey, 177; *Gilbert* v. *Henck*, 6 *Ib.* 209; *Overton* v. *Tracy*, 14 S. & R. 327.)*

As a guaranty of the payment of a note "when due" is broken by non-payment at maturity, the guarantor is then liable on his contract to the creditor, who must either pursue the principal or show that he is insolvent. (*Campbell* v. *Baker*, 46 Pa. 243.) But if the creditor by a subsequent valid contract gives time to the principal, the guarantor, like a surety, will be discharged. (*Campbell* v. *Baker*, 46 Pa. 243.)

The holder's duty to use proper diligence to collect from the principal may be waived by the guarantor. Thus, the obligee in a bond assigned and guaranteed its payment, and after it became due requested the holder not "to put the bond in suit." This was regarded as a waiver of the holder's duty to use due diligence, and rendered the guarantor's liability absolute. (*Ege* v. *Barnitz*, 8 Pa. 304.) And after such a waiver the holder's duty cannot be

* "A guarantor or surety is entitled to reasonable protection. He has a right to expect that the creditor will not wantonly lose or destroy his claim against the principal debtor with a view of falling back upon the liability of the guarantor. For the guarantor promises only to pay the debt of another in case that other does not pay it; and this contract is held to imply some endeavor and some diligence on the part of the creditor to secure the debt from the principal debtor. It is well settled that mere delay by the creditor to proceed against the principal, although requested to do so by the surety, will not, in and of itself, discharge a surety or guarantor. But if the delay operate to the injury of the surety, as if the principal debtor, solvent at the time of the request, become insolvent afterwards, whereby the debt is lost, or if the request of the surety be accompanied with explicit declaration, that if suit be not brought he will consider himself discharged, or if the creditor disable himself from proceeding by a valid agreement for a definite and certain extension, a surety or guarantor will in any of these cases be discharged." Woodward, J., *Stark* v. *Fuller*, 42 Pa. 323, citing *Cope* v. *Smith*, 8 S. & R. 110; *Geddis* v. *Hawk*, 10 *Ib.* 33; *Gardiner* v. *Ferris*, 15 *Ib.* 28; *Erie Bank* v. *Gibson*, 1 W. 143; *Johnston* v. *Thompson*, 4 *Ib.* 446; *Miller* v. *Stern*, 2 Pa. 286; *Greenawalt* v. *Kneider*, 3 *Ib.* 264; *Wetzell* v. *Spangler's Ex.*, 6 H. 460; *Thomas* v. *Mann*, 4 C. 520; *Richards* v. *Commonwealth*, 4 Wr. 149; *Bank* v. *McCallister*, 6 W. & S. 149.

revived or renewed by a subsequent notice from the guarantor to sue. (*Ib.*)

The contract of guaranty, as we have seen, is conditional on the creditor's diligence to collect the debt; but mere delay will not release the surety. (*Kramph's Ex.* v. *Hatz's Ex.*, 52 Pa. 525.) To be released the guarantor must show that the extension of time or other alteration of the contract has injured him (*Follmer* v. *Dale*, 9 Pa. 83), or that he has demanded the instituting of proceedings accompanied with a notice that he will not be bound if his demand is disregarded. (*Kramph's Ex.* v. *Hatz's Ex.*, 52 Pa. 525.)

A creditor, in order to hold a guarantor, may be obliged to exhaust all the property and securities immediately within his grasp, but he is not obliged to pursue all claims which the debtor may have, especially those which are contingent and uncertain. (*Ib.*; *National L. & B. Association* v. *Lichtenwalner*, 100 Pa. 100.)* But if the principal debtor is a corporation, which has become insolvent, the creditor is not bound to enforce the individual liability of the shareholders before resorting to the guarantor. (*National L. & B. Association* v. *Lichtenwalner*, 100 Pa. 100.)

When the guarantee sues the principal debtor and notifies the guarantor of his procedure, he is concluded in a subsequent action on the guaranty; and even when he has not had notice, the record is *prima facie* evidence that the guaranty has been broken, and, consequently, that the guarantor is liable. (*Ayres* v. *Findley*, 1 Pa. 501; *Leather* v. *Poultney*, 4 Binn. 352.) And an award in favor of the maker of a guaranteed note is *prima facie* evidence that nothing was due. (*Ayres* v. *Findley*, 1 Pa. 501.)

A. requested B. to guaranty a note in his place, and warranted the payment. Just before the note became due, he cautioned B. to see that the note was paid or protested, and declared that, if renewed, he would have nothing to do with it. Notwithstanding A.'s declaration, B. renewed the note for a part, with an additional indorser, part having been paid by the drawer. When A. was told what had been done, he said to the holder, "Never mind, I will pay it"; and, speaking of the additional indorser said, "He is as good as the bank, and I will warrant the payment." This note was not paid, was protested, and afterwards was paid by B. It was held in an action by B. against A., that the trial judge properly left to the jury the question whether the plaintiff's proceeding had been ratified, and if it had been he could recover for the money paid to the use of A. (*Hassinger* v. *Solms*, 5 S. & R. 4.)

* The holder of a bond by assignment with a guaranty, who, at the written request of the guarantor forbore to bring a suit against the obligor, who became insolvent and left the State, is not bound, before bringing an action on the guaranty, to resort to a collateral security, unless it is a part of the original contract. *Ege* v. *Barnitz*, 8 Pa. 304.

To fix the guarantor's liability notice must be given to him after the debtor's insolvency, or the failure to collect from him, but when the guaranty is absolute, notice need not be given (*Ege* v. *Barnitz*, 8 Pa. 304, Par. 14) and especially if it was accepted at the time it was given, whether for the extension of a present debt or the creation of a new one. (*Gardner* v. *Lloyd*, 14 Ont. 278, 279; see *Patterson* v. *Reed*, 7 W. & S. 144; *Kav* v. *Allen*, 9 Pa. 320.)

"The same strictness of proof," says Mr. Justice Bell (*Taylor* v. *McCune*, 11 Pa. 460, 464), "is not indispensable to make the guarantee of a bill or note effective as is necessary to sustain an action on the paper itself and therefore the guarantor of a negotiable instrument, who is not at the same time a party to it, according to the custom of merchants is not discharged from his liability by the neglect of the holder to give him notice of the default of the parties primarily liable unless he can show by express evidence, or from fair inference, that he has actually sustained loss by the omission. (*Worrington* v. *Furber*, 8 East 242; *Van Wart* v. *Woolly*, 3 B. & C. 439; *Gibbs* v. *Cannon*, 9 S. & R. 198.) If the party who ought first to be called on was solvent at the time the note or bill matured, and became insolvent afterwards, before notice, an inference of actual damage to the guarantor will be drawn from the want of notice, sufficient in itself to defeat the holder's action. This inference will obtain, until rebutted by proof that, had notice been given, payment could not have been obtained from the original parties. (*Phillips* v. *Artling*, 2 Taunt. 206; *Sumeyard* v. *Bowes*, 5 M. & S. 62.) But if these parties were bankrupt or wholly insolvent before the note or bill fell due, the inference will be that no injury arose from the want of notice, though this inference may also be rebutted by actual proof." (*Holborrow* v. *Wilkin*, 1 B. & C. 10; *Luch* v. *Hill*, 4 W. 448.)

There are occasions when the creditor need not pursue the principal debtor. What are these? First, when he is insolvent at the maturity of the debt, and for the obvious reason that nothing could be recovered. (*McDoal* v. *Yeomans*, 8 Wr. 361.) And in an action on a guarantee the recovery of a judgment against the principal debtor and an execution issued and returned "*nulla bona*" is *prima facie* evidence of the debtor's insolvency. (*Brown* v. *Brooks*, 25 Pa. 211.) Second, when a note is transferred by a debtor to a creditor in payment of a debt, with a guarantee, for example, that it is as good as gold, and will be paid when due, and it proves worthless, the contract is broken as soon as made, and the creditor is under no obligation to pursue the note. (*Koch* v. *Melhorn*, 25 Pa. 89.)

Unreasonable delay also in entering a judgment note by one to whom it has been assigned will discharge a guarantor unless the money could not have been collected or secured by a diligent entry and pursuit of the judgment. (*Miller* v. *Berkey*, 27 Pa. 317.)

Unreasonable delay or neglect to pursue the indorser will also discharge the guarantor. In such a case evidence is admissible to show that the indorser had enough money on deposit to pay the note, and that the holder made no effort to collect it of him. (*Hartman* v. *First Nat. Bank*, 103 Pa. 582; *Zahm* v. *First Nat. Bank*, *Ib.*, 576; see *First Nat. Bank* v. *Shreiner*, 110 Pa. 188.)

When a creditor has received a dividend from the bankrupt estate of the principal debtor he may recover the balance from the guarantor. (*Cake* v. *Lewis*, 8 Pa. 493.) H. on one occasion sold to S. four bonds of G. on which judgment had been entered, and by an indorsement on each of them guaranteed its payment. H. made an assignment for the benefit of creditors, and afterwards S. received from the proceeds of sale of G.'s property under an execution by him, the amount of one of the bonds. It was held that S. was not entitled to receive from H.'s estate a dividend on that bond, for the guaranty was subsidiary to the bond, and was not the principal obligation for which the bond was transferred. Moreover, the judgment entered on the first bond having been paid from the sale of G.'s property, the debt was extinguished. (Smith's appeal, 24 S. 191; Kime's appeal, 3 Casey, 42; Miller's appeal, 11 Casey, 481; Patten's appeal, 9 Wr. 151.)

An assignee of a bond cannot maintain an action on the covenant of a guarantee against the assignor by simply proving a demand of payment from the obligor. He must prove his insolvency, and that due diligence was used to collect the money from him. (*Johnston* v. *Chapman*, 3 P. & W. 18.) Whether the assignment was made before or after the bond became due does not affect the parties; that principle is only applicable to the indorsement of negotiable paper. (*Ib.*)

An action can be maintained only by him with whom the contract of guaranty was made; a subsequent holder, therefore, is denied redress in his own name. (*McDeal* v. *Yeomans*, 8 W. 361.) Nor does any presumption arise that an unnamed holder either in the note or guarantee was a party to the contract. (*Ib.*) Nor can an assignment be made whereby the assignee can sue on the guaranty on his own name. (*Beckley* v. *Eckert*, 3 Pa. 294; *Northumberland Co. Bank* v. *Eyer*, 58 Pa. 97.) When a plaintiff declares on a guaranty of a sealed instrument, the seal must be proved or there will be a variance. (*Scott* v. *Harn*, 9 Pa. 407.)

When the holder of a promissory note, payable to two payees, after its negotiation guarantees the payment of it to a bank, the guaranty does not change the relation of the payees to one another, nor to the drawer, nor relieve them from their original liability to him. (*Steckel* v. *Steckel*, 28 Pa. 233.) And if a note is discounted and afterwards is taken up by a guarantor he has a right to recover from the maker and payee. (*Steckel* v. *Steckel*, 28 Pa. 233.)

If one of several joint guarantors pays the debt for which all were bound, he has a separate right of action against the principal for whom he paid the money, which cannot be defeated by evidence of payment to another of the guarantors. (*Lowry* v. *Lumberman's Bank*, 2 W. & S. 210.) If bonds with interest coupons are guaranteed, the guarantor is liable on the separable coupons from the time they are payable. (*Philadelphia & Reading Railroad Co.* v. *Knight*, 124 Pa. 58.)

WHAT IS MONEY?

Put this question to yourself and see if you can get a satisfactory answer. Put it to your neighbor, then ask every man you meet, and you will find that your answer to yourself is not satisfactory, and that none of your neighbors think as you do about it. When you have experimented in this manner, take up the newspapers and see if any two papers agree; ask your politicians; then turn to the political economists, and you will find agreement nowhere. Why this inability to agree? All people agree that the blood circulates, but all will not agree that money is the circulating medium. All will agree that values fluctuate, and yet a great many will say that money is a standard of value, as if there could be a standard or fixed idea for a contingency or an unfixed idea. There is one idea that prevails, and that is that money is a thing, but the inability to fix upon that thing should at least make people hesitate to accept the idea of money being a thing.

Startling as the idea may appear, the answer to the question must not be a thing, and it will be the object of this article to demonstrate that money is a function.

If the reader will follow me through a course of reasoning from the standpoint of natural law, in which municipal law will be entirely ignored, I will try and fix in the mind a clear conception of what money really is. To do this it will be first necessary to fix by induction, from an observed order of facts, and by deduction, from general principles well understood, the meaning of certain words most intimately associated with money, in the light of which proceeding we will arrive at the investigation of money proper.

The words most intimately associated with money are wealth, value and currency, and in fixing the limits of these words we will find that the field occupied by money is narrowed down so that we can gain a clear view of it, and arrive at a definition to which there can be no exceptions, and one that will cover every case.

For the word wealth I shall use the idea derived from a study of the writings of Mr. Henry George, and it will include only "those products of the earth which by the application of labor are fit for human use." Wealth is thus restricted to a thing, and the idea of a condition is excluded. The general use of the word wealth includes the condition wealthy, and this condition is in turn defined, "as possessing great wealth," thus giving a double meaning, that is, the possession of a thing, as well as the thing possessed under the head wealth.

Wealthy is merely a term of comparison, for if the things we class as wealth belonging to the Astors were by any means taken from them and divided among one hundred thousand people, none of these one hundred thousand would be considered wealthy, but the wealth would be in existence still. So if the total wealth of the United States was divided upon a per capita basis we would be a comparatively poor people, but there would be no less wealth; in fact, we might have one hundred times the wealth that we have, and have it equally divided, and yet we would not be called wealthy. I think it is clear that the exclusion of the condition wealthy from the definition of wealth is necessary.

In the use of the word value, four separate and distinct ideas are included, as follows: properties of matter, gifts of nature that are free to all, general systems or principles, and value proper.

Under the first division, properties of matter, come the properties of gold, such as ductility, divisibility, color, freedom from oxidation; also those properties of quinine that make that drug useful in allaying fevers. It is a fact, no one will deny, that the properties of gold are the same now as they have always been, that the properties of quinine are just as effective in allaying fevers as at any time since its discovery. Another fact that is equally undeniable as the first two, is, that the value of both gold and quinine have changed in the past and will continue to do so in the future, hence it follows that properties and value cannot be covered by the same definition—the properties as fixed and absolute, the value as relative and contingent.

Adam Smith, in his "Wealth of Nations," gives a double meaning to the word value as follows: "value in use, and value in exchange." Under the first division he instances the use of air and water, and under the latter, the use of gold and diamonds. Air and water are gifts of nature in the use of which we have no choice, neither can we manufacture them so as to increase or decrease the supply, and thus change their relations to things that are wealth, and as they are thus outside of the power of humanity to increase or decrease, have certain fixed attributes or properties, and are gifts of nature that are free to all, they cannot be classed as valuable. The error of Mr. Smith is perfectly natural when we

take into consideration the fact that he defines use in terms of value; they are not the same, yet he uses them as being equal to each other. The term use comprehends the term value, the term value is contained in and under the term use, hence to define use in terms of value is to define a whole in the terms of a part only.

In the second use of the term value, he never appears to have grasped the idea that use precedes value, but the idea is conveyed that the value of gold and diamonds came first, and then their use, and this error is also the consequence of the wrong relations in which he places use and value. The value of gold and silver is the consequence of their use, first as ornaments, and then among other uses comes the use as a standard of payment.

The idea of value implies a choice in the use of the different classes of wealth; we may use wool for our clothing, or we may use cotton, or the skins of wild animals. We may take gold in exchange for what we have to dispose of, or we can take any other class of wealth that the man we trade with has to give us in exchange, but whether we will or not we must use air and water, no choice is left us.

From the foregoing I think it is clear that the exclusion of the gifts of nature from the idea of value is also necessary.

The next idea covered by value in the general use of the word is that which includes general principles and systems, such as bookkeeping, weight, measure, currency and the like. Bookkeeping is a system of registering contracts that is free to all, and is applied to every conceivable line of business, yet the principles are the same in all, although the manner of entries may be as varied as the number of individual bookkeepers, but the end to be accomplished is the same, and that is to show the obligation of the debtor and the rights of the creditor. In applying the system, certain other systems and principles are necessary, such as weight, measure, and money, as well as the written characters used in the operation; all of these are free to the use of each individual, and can possess no value. A knowledge of these systems and principles by an individual are useful to him, but no one individual or set of individuals can reduce these principles to private ownership and sell the right to use them.

The units of weight and measure, such as the yard and pound and their sub-divisions, are just as necessary in commercial transactions as the units of money, such as the dollar and its subdivisions, but none of these are of any use except in connection with certain mathematical signs and formulæ. The formula of yards of cloth at dollars per yard expresses no idea, but if we write it 22 yards of cloth at $2.00 per yard a clear idea is expressed, and thus we see in this view of the matter that the numerals 22 and

200 are just as necessary as yard and dollar. Is it not clear, then, that the application of the idea of value to such general systems and principles as weight, measure, bookkeeping, mathematics, written characters and the like, is erroneous? In the succeeding paragraphs I will try and demonstrate that currency and money are also valueless.

The fourth idea included in the word value is that which considers the relations existing between the different classes of wealth. Values fluctuate as these relations change, and the value of any commodity or wealth is what that commodity will exchange in any other class of wealth, and this relation in the commercial world is always expressed in the monetary unit.

The use of the term intrinsic value causes confusion and trouble by its use. The use of the term is caused by the application of the ideal value to the properties of matter. These properties are intrinsic and fixed, but the value is extrinsic and not fixed.

I conclude that the value of any class of wealth, as expressed in the monetary unit, depends not alone on the amount of that class of wealth in existence, but upon the total of all wealth. The attempt of some writers to make a distinction between price and value is futile, insomuch as the price expressed in the monetary unit shows the relations existing between the thing priced and all other wealth.

The amount of wealth that diamonds will exchange for is not dependent alone on the number of diamonds in existence, but upon this number as compared with all other wealth. The present price of cotton will probably express my ideas better. It takes about 80 per cent. more gold to buy the same amount of cotton to-day that it did six months since, but it takes proportionately the same amount of any other class of wealth, so that the deduction that the value of the cotton has advanced is legitimate. If all classes of wealth had advanced in price as regards gold, then it is clear that gold has decreased in value. So it is with any class of wealth, if this class of wealth has changed in value proportionately to all other classes of wealth, then its value has changed, and this change is registered in the monetary unit.

We find the word currency applied indiscriminately to coins, bank notes, bank balances, Government issues, etc. Every Government issue, as well as every bank note and bank balance, or merchant's balance, is a promise to pay coin; every coin is a fractional part of the wealth of the world; hence every promise to pay is a promise to deliver wealth. The written promise and the thing promised cannot be the same thing, for if such was the case, then the very act of making the written promise would at the same time be the consummation of the promise. If the term currency means both the written promise and coin at the same

time, then the absurdity is presented that is above pointed out. I think that it is thus made clear that the term currency cannot include that part of the wealth of the world that is made into coins, but must be restricted so as to include only the written promise to pay. Currency being thus restricted to written promises to pay becomes a representative of debt. Each debt consists of two parts, a right of the creditor to demand the fulfillment of the promise, and a duty of the debtor to meet the obligation. Currency being the representative of debt, it makes no difference how that debt is represented, whether it is in the shape of bank note or bank balance, or Government issue of any description. The definition must cover every conceivable class of domestic exchange, whether payable on demand or at some future time; it must also cover all of the balances as shown by the books of the different classes of business, from the importer and manufacturer down to the balances on the books of the retail merchant. All are the representative of debt, and one class is just as much the currency of the country as the other.

As a representative of a debt currency is nothing more than a system of bookkeeping, in which debts are registered, some in books, and some on pieces of paper that pass from hand to hand, but all ultimately requiring wealth in satisfaction. Every one has the right to the use of this system, and no value can attach to it, for if any currency is lost or destroyed the debt is not cancelled, neither is any wealth lost; it may be harder in the case of a loss of currency to prove the right to demand payment, but the right still exists. From the foregoing I think that it is plain that currency is a registered promise to pay wealth on demand or at some future time in return for other wealth the possession of which has been transferred or is to be transferred. Any issue of paper that fails to promise to deliver wealth is not currency.

In the investigation of the term money, I will consider first the only two definitions that have been used. Adam Smith attempts no definition, but speaks of gold and silver money and paper money. He also speaks of different classes of wealth, such as cattle, tobacco, and so forth, having been used as money. Mr. Carnegie makes the same application, and does not go one step beyond Mr. Smith. He, however, attempts to define money as follows: "A standard of value." A standard represents a fixed idea, such as a standard yard, and does not vary, while the idea of value presents to the mind relations that are continually changing and are anything but fixed; thus we see "a standard of value" is a "fixed unfixity," which definition is absurd. In their use of the word money, Mr. Smith and Mr. Carnegie include the ideas of wealth and currency; in other words, both the thing promised and the written promise, making a definite conclusion in any argument in which the word money is used impossible.

The second definition referred to is that given by Judge Howe, of Indiana, now deceased, who defines money as follows: "A standard of valuation, purchase and payment." This definition covers three separate and distinct ideas, insomuch, as valuation is the process of arriving at the present relations of different classes of wealth, and neither purchase or payment necessarily follow. The purchase may follow after the valuation has been accomplished, and the payment may be made at once or at some future time. The payment may be made in gold or silver, or it may be made in cotton or wheat; hence, Judge Howe's definition, covering, as it does, three distinct ideas, again makes a definite conclusion impossible.

Following the line of development of the human race as outlined by Mr. Spencer, we find it passing from that condition in which every individual performs all of the acts necessary for his direct self-preservation, his indirect self-preservation and the preservation of his offspring, to that condition in which these necessary acts are performed by different persons, as under the present system of a division of labor.

Under the first condition of human affairs, which was during the hunting age, each man made his own weapons of war and of the chase, constructed his own place of living, made his own clothing, and procured for himself everything he ate as well as wore. The first division of labor was most probably that between the man and his wife or female slave, she preparing the food that he had procured. The next subdivision, it is reasonable to suppose, was the making of weapons used in war, as these could have a double use, being necessary in both the war and chase. The hunter who was able to procure the most game, or could make the best defense in case of attack by enemies because he had the best weapons, would naturally be chosen to make weapons for other members of the tribe. So the division of labor would thus naturally widen until it included all of the activities of life.

The proceeds of a day's work as a weapon-maker would not be considered as more valuable than the proceeds of a day's work of the hunter or trapper, for if such was the case, this at once would introduce the ideas of caste which does not come for centuries after; hence the basis of exchange between the weapon-maker and the hunter would be the fruit of one day's labor. The product of one day's labor by the weapon-maker would be practically the same, but the hunter could not show the same result each day. This difference in the product of the different kinds of labor would produce an uncertainty as to the product of the hunter, and something more certain as regards the product of the weapon-maker. The product of the weapon-maker being the more certain, and being in such shape that it could be easily transferred, and

kept for an indefinite time, and being of constant use, at the same time giving the possessor a sense of security, both against all kinds of enemies, as well as giving him the means of procuring food, would give this product of labor a steadiness of value which would gradually make it a standard of payment upon which all exchanges would be based. From this partial glance at the life of the primitive tribes, I think that the conclusion that labor was the original standard of valuation is not a stretch of the imagination, but can be taken as a fact. Labor being the standard by which all classes of wealth were related to each other, a day's labor would be the natural division of this standard, and the product of the day's labor would be the standard of payment. Labor is still the producer of all wealth, and a product of his labor is still the standard of payment. The only change that has taken place is the substitution of the abstract idea of money and its arbitrary divisions for labor and its natural divisions. Referring to Mr. Darwin we find ornament precedes dress in the life of the tribe, but ornament is not abandoned after dress has been adopted, but becomes more fixed if less glaring.

The first ornamentation was in the form of paints on the naked body, then came ornaments attached to the different parts of the body, and as the idea of the tribe advanced in the use of dress, so the ornamentation kept step with the advance, and was adapted to the change, but was not lost sight of, but became more fixed as a practice. The same reasons that caused primeval man to use different ornaments is the cause of the use of ornaments to-day. The idea of beauty then and now are somewhat different, but the central idea of beautifying the person by the addition of ornaments is the same to-day as it was thousands of years ago.

How or when gold and silver first came to be used for ornamentation is of no importance in this article, but the fact remains that it occurred at some time in the remote past, and has continued to the present time. Gold was also used among the ancient Egyptians for the preservation of the teeth, as some of the mummies have been found with the teeth filled with that metal. Gold is mentioned in the Bible about 260 times, twice it is mentioned in connection with payments, and these payments were made by weight. Silver was the ordinary medium of payment, and this passed between the buyer and seller by weight and not by tale. Only divisions of weight are mentioned, and they are the shekel and talent; neither of which were coins originally. The word coin is not mentioned in the Bible. The only time in the Bible in which a specific amount of money is mentioned is in Jer. xxxii, 9, where it says: "I weighed him the money 17 shekels"; the original reads 10 shekels and 7 pieces. Undoubtedly, at this time in history, the abstract idea for money was applied to the two metals,

gold and silver, as it had been centuries before. Coinage is supposed to have been invented about the Eighth Century B. C., but it is certain that the term money had been used in connection with silver one thousand years before this time, which clearly demonstrates the idea that money is not dependent upon the invention of coins, as the world appears to take for granted.

Use being the foundation of all value, the use of gold and silver first as ornaments gradually gave them a value which increased and became more fixed as the different tribes of men adopted ornaments made of these metals.

As the circle of exchange between the tribes increased, and the wants of the different individuals became more numerous, the first standard of payment between the members of a tribe, such as weapons of war and the chase, would no longer suffice, but some class of wealth would be gradually adopted for which there would be a more general demand, and, at the same time, having such properties that it could be easily subdivided, transferred, and, in fact, fulfill as near as possible all of the requisites of a universal medium of payment. The two metals, then, as they do to-day, meet all of these demands, and became gradually the recognized class of wealth that could be exchanged for all other classes. Thus was one more use added to the uses to which gold and silver had already been put; but the use as ornaments that gave them their original value is still the use that gives them the largest part of their value to-day.

The Governments of the world have adopted the metals, gold and silver, as standards of payments, for the simple reason that the people had already done so. The position of the Government is simply that of a warehouseman who weighs and assays the metal and certifies by the stamp to the weight and fineness. Does any one suppose that if, instead of stamping the words ten dollars on a piece of gold, the words two hundred and fifty-eight grains of gold nine-hundredths fine were used, that the piece of metal would be of any less value? The stamp of the Government on the gold guarantees the weight and fineness and nothing more, but the stamp of our Government on silver, at present, promises to redeem same in gold.

From the foregoing it is seen that at all times in the past, as well as the present, some wealth has been and is the standard of payment. Labor was, and is still, the producer of all wealth, hence labor must be the abstract idea to which, primarily, all values are referred in process of valuation.

As long as the natural opportunities of the earth were free to all alike, the product of one day's labor would be so much wealth, the whole of which would belong to the laborer who produced it, but when the time arrived when one man or set of men could

say to others, "These natural opportunities are ours and you must pay for the privilege of producing wealth," then the product of labor that goes to the laborer is not what he produces, but that part of what he produces that the owner or usurper of the natural opportunities sees proper to leave him. Under the first or natural order of things the man who did no work would have no wealth, but under the new or unnatural order, the owner of the natural opportunities, while doing no work, would take all of the product of labor but just sufficient to allow the laborers to live and reproduce.

The product of labor no longer being the reward of labor, labor, as an abstract idea, could no longer be used as a standard of comparison in arriving at the value of different classes of wealth. As there can be no "standard of value," there must be an abstract idea to express the relation of things that are valuable. Weights and measures express arbitrary divisions of matter, without expressing any idea of the relations existing between the total amount of any one class of wealth and all other wealth. This relation was originally expressed through the idea of labor, but this idea no longer being clear for the reasons that have been given, some abstract idea must take its place, and this abstract idea is Money.

The systems of weight and measure do not consist in the labor of weighing or measuring, nor does weight consist of a piece of metal that we call a pound weight; nor does measure consist of the yard stick or the foot rule; these are simply units of the system; neither does money consist of pieces of metal stamped by the Governments and called by different names, such as dollar, pound sterling, and the like. Money, like weight and measure, is a function, and through this function we compare the relations existing between different classes of wealth and arrive at their present value, but weight and measure enter into every transaction of this comparison as much as does money. We cannot arrive at the value of any class of wealth without taking into the calculation the units of weight and measure, and this value when arrived at is expressed in the units of the function, money. This holds just as well for gold and silver as it does for cotton or corn. The unit of money called the dollar is represented by 25.8 grains of gold, in other words, 25.8 grains of gold is an arbitrary division of wealth that is made to represent the arbitrary unit of money, but the value of this arbitrary division of wealth is continually changing. The value of gold as compared with cotton has changed about 80 per cent. in the last six months; we say that cotton has risen in value, but this means that it will buy more of all classes of wealth, gold included, than it would six months ago. The change in value is registered in the monetary unit, but if cotton will now exchange for as much more, proportionately,

of all other classes of wealth as it does for gold, which it will, then we see that gold has no more influence than any other class of wealth. The change in the price of cotton shows a change in its relations to all other wealth. When the producer of raw material takes this raw material to market, before he is ready to make a sale he must find out the weight of what he has to sell. If he has cotton, or wheat, or corn, he takes it to the warehouseman, and gets a certificate of weight; he is then ready to make a sale. If he sells to a merchant who has been making him advances during the season, then after the price of the product has been agreed on, the amount due him is quickly arrived at, and the proceeds placed to his credit on the books of the merchant, and that much currency cancelled. If, however, he owes the merchant nothing, he can use his discretion as to how he will receive his pay; he can demand gold if he wants to, or he can accept bank or Government bills, or he can take a receipt for credit on the books of the merchant, but in any manner in which he takes his pay he takes it in wealth that is, or has been, transferred, or is to be transferred. Wealth is the only payment. The function money is of no more importance in the transactions just given than the function weight, both are necessary in arriving at value. Look at it as we may, the ultimate end of every sale is simply the exchange of wealth, and this exchange is effected through the functions of weight, measure and money. G. W. VOIERS.

ANNUAL REPORT OF THE COMMISSIONERS OF MASSACHUSETTS SAVINGS BANKS.

The Board of Commissioners of Savings Banks recently submitted to the general court the eighteenth annual report of the condition of the institutions placed under its supervision by statute. According to this annual statement there are 330 institutions under the eye of the commissioners, with assets of $37,105,294.14, an increase in institutions of five and in assets of $8,561,217.81.

The report embraces 185 savings banks and institutions for savings, 23 safe deposit, loan and trust companies, one trust and one savings bank in the hands of a receiver. Part II. of the report, which does not appear as yet, concerns 116 co-operative banks, two collateral loan companies and two mortgage loan companies.

The total amount of ordinary dividends for the year was $15,546,430.43; total amount of dividends for the year was $109,135.38; average rate of ordinary dividends for the year was 4.09 per cent.

It is interesting to note the rates of dividends for the past ten years: 1884, 4.15 per cent.; 1885, 4.14 per cent.; 1886, 4.06 per cent.; 1887, 4.06 per cent.; 1888, 4.14 per cent.; 1889, 4.08 per cent.; 1890, 4.08 per cent.; 1891, 4.10 per cent.; 1892, 4.11 per cent.; 1893, 4.09 per cent.

The report shows that the aggregate amount of deposits is $399,995,-

569.81, showing an increase of $6,975,707.73 during the year. This amount is represented by 1,214,493 accounts, an average of $329.35 for each depositor.

The increase in the aggregate of deposits is much smaller than that reported in 1892, and the falling-off is undoubtedly due to causes arising from the financial panic which has swept over the country during the year. Many deposits were withdrawn for investment, many were withdrawn through fear, and some were withdrawn to meet actual demands of subsistence.

The number of deposits made during the year was 1,100,410, a decrease of 73,885; the amount deposited was $75,427,471.03, a decrease of $6,808,063.12.

The number of withdrawals was 953,053, an increase of 132,915, and the amount withdrawn $84,403,075.28, an increase of $10,744,837.36.

The amount withdrawn exceeded the amount deposited by $8,675,-604.26. Dividends to the amount of $15,655,565.81 have been credited to depositors, an increase of $1,033,771.24 during the year. The total assets of the 185 savings banks are $424,579,334.38, an increase of $8,-681,174.94.

The investment in bank stocks has increased but $59,092.15, as against an increase of $636,910.41 in 1892. The decrease in the amount of real estate by foreclosure is $279,140.85. The amount of real estate now held by foreclosure is less than for any year since 1875, and the amount so held has been reduced yearly since 1879, when it amounted to $922,-345.71. Loans on personal security have decreased $5,345,825.04. This result is undoubtedly due to the calling of loans on the part of the banks when they became due during the panic, and it is a good illustration of the familiar principle that when money is needed to pay depositors the loan account is reduced.

The amount placed to the credit of the guarantee fund during the year is $1,197,367.77. The total fund is now $15,748,022.40, or 3.9 per cent. of deposits. Several banks have accumulated this fund until it has reached the limit of five per cent. required by law before it is available to pay losses.

The Stockbridge Savings Bank is the only one in the hands of a receiver. The order of the court was passed April 10, 1891, and since that time two dividends, amounting in all to 50 per cent., have been declared. It cannot now be stated with accuracy what the amount of shortage is. The delay caused by the late receiver's maladministration of the bank has been a source of much dissatisfaction to the depositors, and the foregoing account is made in full to let the public know where the blame belongs.

During the financial stringency which prevailed during the summer, but one institution in the State was obliged to suspend, and this not on account of being unable to meet all its obligations in full, but from an inability to obtain currency to meet withdrawals. In the opinion of the board a great mistake is made by trust companies in allowing interest on small deposits. We strongly recommend the adoption by all trust companies of a limit upon which interest is allowed.

The Suffolk Trust Company was enjoined by the Supreme Judicial Court September 3, 1891. Its assets have been so far collected as to warrant the declaration of a dividend of 30 per cent., which was allowed by the court August 25, 1893.

CURRENCY SYSTEMS OF DIFFERENT NATIONS.

UNITED KINGDOM.

The present Indian monetary system is substantially modeled on that of the United Kingdom, the essential features of which are,—

1. The standard coin to be of one metal, gold.
2. The mint to be open to the free coinage of this metal, so that the quantity of current coin shall be regulated automatically, and not be dependent on the action of the Government.
3. Token coinage to be of a different metal, or metals, subsidiary to the standard coin, legal tender only to a limited amount, and its face value and the price in the standard metal at which it can be obtained from the mint being greater than the market value of the metal contained in it.

It may be added, that, under the Act of 1844, paper money is convertible on demand into gold, its quantity above a fixed amount varying with the quantity of gold against which it is issued.

Lord Liverpool, and other authorities, would have added that the standard metal, gold, should be the principal medium of exchange, but this is no longer the fact. Gold is the standard or measure, but, for the most part, not the medium itself. Though, however, in wholesale transactions, and in a great many retail purchases, gold is no longer the medium of exchange, the use of gold coins is probably greater in the United Kingdom than in most other countries.

As regards the stocks of gold and silver (other than mere token money) in the United Kingdom and in India, such information as we have been able to obtain leads to the conclusions contained in the two following paragraphs:

In the United Kingdom the amount of gold and silver available for the purposes of currency is uncertain, but the mint estimate of the gold in circulation is £91,000,000, of which the amount in banks (including that in the Issue Department of the Bank of England and in other banks against which notes are issued) is stated to be £25,000,000.

There is also the fiduciary issue of notes by the Bank of England and other banks, which at the close of 1892 stood at £27,450,000.

It must, however, be remembered that the gold held by the Issue Department of the Bank of England, and the gold held by the Scotch and Irish Banks in respect of notes issued beyond the authorized limits, cannot be looked upon as an integral portion of the currency, since it cannot be used at the same time with the notes which are issued against it; but the amount is included in the sum of £91,000,000 above mentioned, in order to facilitate comparison with foreign countries which keep a gold reserve against their notes, though not under conditions so strict and specific as those of the English Act of 1844.

INDIA.*

In the Indian currency system, as established in 1835, silver takes the place which gold occupies in the English system. Checks, bankers' money, and other credit, have not, in India, replaced the metallic currency to the same extent as has been the case in England.

The Indian mint is open to the free coinage of silver; the rupee and the half-rupee are the only standard coins, and are legal tender to an

* Subject to the recent alterations.

unlimited amount. It is uncertain what is the stock of rupees in India, but it must be very large; Sir David Barbour says that the amount in active circulation, in which, of course, the hoards are not included, has been recently estimated at Rx. 115,000,000; and by some writers it has been placed much higher. Mr. F. C. Harrison, who has taken great pains in the investigation, puts it at Rx. 134,170,000, besides Rx. 30,000,000 of the coins of Native States.

Gold is not legal tender, and there are no current gold coins.

There is a subsidiary silver fractional coinage, which is legal tender only to the limit of one rupee.

Paper money may be issued to the amount of 8,00,00,000 rupees against securities; and beyond this only against a reserve of coin or bullion deposited. The amount of notes so issued was Rs. 26,40,18,200 on the 31st of March, 1893, and the reserve was constituted as follows:—

Coin	Rs. 17,53,85,744
Bullion	86,82,456
Securities	8,00,00,000

For the purposes of the Paper Currency, India is divided into circles, at present, eight in number. The notes are legal tender for five rupees and upwards within the circle for which they are issued, and are convertible at the office of issue, and (except in the case of British Burma) at the principal city of the Presidency to which the circle of issue belongs.

When we proceed to examine the currencies of other countries, we find that many of the conditions which have been considered essential in the English and Indian currencies are either wanting altogether, or have been replaced by other conditions. The following is a short statement of the most important features in these currencies, and of the stock of gold, silver, and notes, available for currency, so far as we have been able to obtain them, as they stood at the close of 1892; but we must guard ourselves against being supposed implicitly to accept all the figures.

UNITED STATES.

The standard is gold, and the mint is open to gold.

There is little gold coin in circulation, at any rate in the Eastern States, but a large reserve of gold in the banks and in the Treasury.

Stock in the Banks	£82,250,440
" " Treasury	48,852,290
Silver dollars in the Treasury	£70,948,080
" in circulation	12,334,490

and these, or the certificates issued against them, circulate at a gold value at the old ratio of 16 to 1.

There was also in the Treasury, of silver bullion, an amount valued at £17,874,430, against which paper certificates are issued, which circulate at a gold value at the same ratio.

The aggregate paper currency was about £210,000,000.

The silver currency and paper based on silver are accepted as legal tender to any amount, and there is no premium on the gold and gold certificates in comparison with them.

In this case, a very large amount of silver, or certificates representing such silver, has hitherto been kept in circulation at the ratio of 16 to 1. But there is considerable apprehension concerning the difficulties which may arise if the compulsory purchase of silver by the Treasury for currency purposes should continue. Under the Bland Act, passed in 1878, these purchases amounted, as above stated, to about 20,600,000 ounces in the year, whilst under the Sherman Act, which was passed in

1890, these purchases have been increased to an annual amount of 54,000,000 ounces.

CANADA.

The standard is gold; but, though there is a provision for coining gold dollars at the rate of 4.86⅔ to the British sovereign, that is at the ratio of 16 to 1, there is no Canadian gold coin, and little or no gold coin in circulation.

Canada has no mint. Fractional silver currency is supplied from England.

The stock of gold is said to be about £2,400,000.

There are about £3,700,000 worth of Dominion notes of various amounts, from 25 cents up to 4 dollars; and the banks may issue notes for 5 dollars or any multiple thereof, to an amount not exceeding their "unimpaired paid-up capital," such notes being redeemable in specie or Dominion notes; the present issue is about £7,000,000.

The Dominion notes (unless it be for small amounts) are redeemable in "coin current by law in Canada," that is, in such dollars as above mentioned. The American silver dollar circulates at par, at the ratio of 16 to 1, although a Government proclamation was issued in 1870 declaring it to be legal tender up to the amount of 10 dollars, but only at 80 cents per dollar.

Silver is not convertible into gold.

This is a very remarkable case, since, without any gold currency, and without even a mint for gold, dollar notes and silver dollars circulate at the United States gold dollar value.

WEST INDIES.

All the West India Islands and British Guiana have adopted the English currency, gold being the standard, but silver being a legal tender without limit. In practice, British gold is never seen there, but the circulating medium consists of shillings and Colonial Bank notes. Except in British Honduras, no silver dollars are legal tender, but gold doubloons remain legal tender at 64 shillings (the rate fixed in 1838) throughout the West Indies.

In Jamaica and Trinidad, gold doubloons and United States gold coins are not uncommonly seen; they come from the Isthmus and Venezuela, and go to New Orleans and New York in a steady current.

In the Bahamas the United States gold dollar (worth 4*s.* 1.316*d.*) is popularly over-rated at 4*s.* 2*d.*, and consequently Amerigan eagles circulate freely (or did so until notes were introduced).

British Honduras has as its standard the silver dollar of Guatemala, which is a five-franc piece without any gold behind it.

This is an instance of a gold standard without gold, and a silver token currency circulating to an unlimited extent at a value based on that gold standard.

GERMANY.

Germany, in adopting a gold standard in 1873, adopted most of the features of the English currency system. The mint was opened to gold, and a subsidiary silver token coinage was introduced, limited in quantity by reference to population, and legal tender only to a limited amount. The peculiarity of the case of Germany is that £20,000,000 worth of old silver thalers are retained in circulation at a ratio of 15½ to 1, and are legal tender to an unlimited extent. Of the new coinage of gold, the banks hold £34,250,000, in addition to £6,000,000 stored at the fortress of Spandau, while the amount in circulation is estimated to be from £65,000,000 to £70,000,000.

The amount of paper currency issued is £6,000,000 by the Imperial Government, £53,790,000 by the Reichsbank, and £8,950,000 by other banks, making a total of £68,740,000.

On the whole, the German system approximates more closely than any other to our own, though it is said that there are not equal facilities for obtaining gold for export.

SCANDINAVIA.

The standard has been gold since 1873, and the mints appear to be open to gold, but there is little gold in circulation. Bank notes convertible into gold are the ordinary currency.

Silver is only subsidiary token currency. The stock of gold held by the banks appears to be about £5,500,000, and of notes about £13,000,000.

THE LATIN UNION. (*a*) FRANCE.

The mints are open to gold.

Silver coinage, except of subsidiary coins, has since 1878 been, and is now, prohibited under the rules of the Latin Union.

There is a large quantity of gold coin in actual circulation.

The peculiarity of the French currency is the large amount of 5-franc pieces which circulate at the old ratio of 15½ to 1. They are legal tender to any amount, and are accepted as freely as the gold coin. They are not legally convertible into gold.

The stock of currency appears to be as follows :—

Gold, about	£171,000,000
Silver	140,000,000
Notes	132,000,000

The notes of the Bank of France are convertible in gold or silver, at the option of the bank. The bank pays gold freely for home use, but, if gold is required in large quantities, especially for exportation, special arrangement must be made.

There is no difficulty in maintaining either the silver or the notes at their gold value.

Here is a currency which for all practical purposes appears to be perfectly sound and satisfactory, but which differs from our own in most important particulars. It is sometimes called "étalon boiteux" or limping standard; but, inasmuch as the mint is open to gold, and closed to silver, the standard is really gold, whilst a very large proportion of the currency is either inconvertible silver, or notes payable (at the option of the Bank) in silver or gold, maintained without difficulty at the above-mentioned artificial ratio.

(*b*) BELGIUM.

The mint is open to gold.

The rules as to 5-franc pieces, as to the ratio between gold and silver, and as to legal tender, are the same as in France.

The stock of currency appears to be as follows :—

Gold, about	£5,000,000 or more
Silver, 5-fr	8,000,000
Notes	15,000,000

The notes appear to be convertible into either gold or silver at the option of the Bank.

The situation is the same as in France; but inconvenience might be experienced, if the Latin Union were to be terminated, and the several members were obliged, under the conditions imposed by that Union, to liquidate in gold their silver currency held by France.

(c) ITALY.

The mint is open to gold.

The rules as to 5-franc pieces, as to the ratio between gold and silver, and as to legal tender, are the same as in France.

The stock of currency appears to be :—

Gold	£23,600,000
Silver, 5-franc pieces	4,000,000
Notes	57,000,000

There is very little metallic coin in actual circulation; the paper is at a discount, and the exchange below par.

The state of this currency is unsatisfactory, not, however, on account of the artificial ratio between gold and silver, but on account of the want of both metals, owing probably to the state of the finances and credit of the country. The same difficulty would arise as in Belgium, if the Latin Union were terminated.

HOLLAND AND THE DUTCH EAST INDIES.

From 1847 to 1873, Holland and its dependencies had the single silver standard. In consequence of the changes in Germany and other countries in the north of Europe, which adopted the gold standard in 1873, Holland suspended the coinage of silver in that year. Silver could no longer be brought to the Dutch mint, and gold coin could not be issued, because the Dutch Parliament had not agreed on a gold coin or a gold standard. There was a certain quantity of silver coins in circulation, and their value, at this period, was regulated neither by the market value of gold nor by that of silver. The demand for coin was increasing in the years 1873 to 1875; and the result was that, whilst the value of silver, as a metal, was going down in the market, Dutch silver coins were appreciated as against gold. The rate of exchange on London which oscillates now on the gold basis between 12.1 and 12.3 florins to the £ sterling, shrank to 11.12 florins.

In 1875 the gold standard was adopted, at the ratio of 15⅝ to 1, and the Dutch mint was opened to gold; whilst the coinage of silver, except of subsidiary token coins, was prohibited, and remains so at the present time. A considerable quantity of gold coin was minted, which was, however, kept in reserve, and not used for internal circulation. Silver florins, at the gold value, were legal tender to any amount; and with paper florin notes, which were also at a gold value, formed the internal circulation of the country. Neither silver nor paper is convertible into gold; but the Netherlands Bank has always been willing to give gold for exportation. In 1881 and 1882 the balance of trade turned against Holland, and the stock of gold ran down to about £600,000. Under these circumstances, an Act was passed in April, 1884, which enabled the Government to authorize the Bank to sell, at market prices, a quantity of 25,000,000 silver florins, whenever the state of the currency might demand it. This Act has never been brought into operation, but it has restored confidence; the necessary stock of gold, amounting now to upwards of £5,000,000, has been maintained; the Bank gives gold freely for export; and the exchange has continued steady, at from 12.1 to 12.3 florins to the £ sterling. No difficulty has been experienced either in Holland or in her Eastern dependencies. The system of currency has always been, and still is, the same in both. There is no mint, and little or no stock of gold in Java; and, at the same time, the rate of exchange between Java and Europe is always at or about par. It should be added that Java merchants can always do their business with gold countries through Holland.

The stock of currency is as follows :—

	In Holland.	*In Java.*
Gold, about	£5,200,000	£500,000
Silver	11,000,000	2,773,000
Paper	16,000,000	4,250,000

This is a case in which the standard is gold, with little or no gold in circulation. The silver is kept at an artificial ratio much higher than its market value, although neither it nor the paper is convertible into gold except for purposes of export. This artificial exchange is maintained in the Dutch East Indies, where there is little or no gold, as well as in Holland, where there is a limited stock.

AUSTRIA-HUNGARY.

Year.	*Annual Aver. of Exchange on London in Vienna.*	*Average Price of Bar Silver per oz. in London. Pixley & Abell*	*Year.*	*Annual Aver. of Exchange on London in Vienna.*	*Average Price of Bar Silver per oz. in London. Pixley & Abell*
		d.			*d.*
1873.....	110.89	59¼	1883.....	120.00	50 9-16
1874.....	110.91	58 5-16	1884.....	121.89	50⅜
1875.....	111.78	56⅞	1885.....	124.92	48⅝
1876.....	121.32	52¾	1886.....	126.01	45⅜
1877.....	122.17	54 13-16	1887.....	126.61	44⅝
1878.....	118.99	52 9-16	1888.....	124.22	42⅞
1879.....	117.30	51¼	1889.....	119.55	42 11-16
1880.....	117.83	52¼	1890.....	116.05	47 11-16
1881.....	117.83	51 11-16	1891.....	116.80	45 1-16
1882.....	119.60	51⅝	1892.....	119.29	39 13-16

Before 1879 the standard coin was the florin, which was equal to 1-45th part of a pound of fine silver. The mint was open to silver, and silver florins and silver florin notes were legal tender to an unlimited amount. The actual circulation consisted of florin notes, which were inconvertible; their amount was £52,500,000 in 1879, and £69,500,000 at the beginning of 1892. The average exchange on London for £10 sterling was 141.78 in 1861,* after the Italian war. It became 109 in 1865, but rose to 125.98 in 1867, after the Austro-Prussian war. It fell to 110.53 in 1872, continued at 111 till 1875, but rose to 122.25 in 1877, 117.89 in 1878, and 116.63 in 1879. It seems that in the earlier years there had been a premium on silver, the paper money being depreciated below its face value, so that no silver was brought to be coined. But silver fell in price from 59¼ *d.* per oz. in 1873 to 51¼ *d.* per oz. in 1879; the notes ceased to be depreciated; and as the Austrian mint was open to silver, it became worth while to bring silver to the mint to be coined; so that, between August, 1878, and November, 1879, the silver circulation had increased by £7,000,000. Under these circumstances, the Austro-Hungarian Government, in March, 1879, stopped the coinage of silver on private account, but continued coining it at their own discretion. The quantity so coined between 1880 and 1891 appears to have amounted to 125½ millions of florins. This state of things continued till 1891, when the Austro-Hungarian Government determined to propose the adoption of a gold standard, and to open the mint to gold; for which the necessary measures were passed by the Austrian and Hun-

* Table given by M. Soetbeer (*see* Appendix to Gold and Silver Commission's Report, p. 209), which differs slightly from the figures of exchange on London given above, which have been furnished by the Anglo-Austrian Bank.

garian Legislatures in August, 1892. From 1879, when the mints were closed against the private coinage of silver, the average exchange for £10 sterling rose from 117.83 fl. in 1880 and 1881 to 126.61 fl. in 1887, and then fell to 116.80 in 1891, and 119.29 in 1892. The whole oscillation between 1879, when the mints were closed, down to 1891, when the resolution to adopt a gold standard was taken, was less than nine per cent. and at the end of the period it stood at nearly the same figure as at the beginning, though in the meantime the price of silver had fallen by nearly 12 per cent., and in 1891 it was more than 6*d.* per oz. lower than in 1879. The basis for conversion to a gold standard, which appears to have been founded on an average of this exchange, is a ratio of 18.22 silver to 1 gold, or 1 gold florin=2 francs 10 centimes, making 120.1 florins equal to £10. The mint is now open to gold.

The Austrian Government have now at their command a reserve of about 351,000,000 florins (or nearly £30,000,000) in gold, and it appears to be intended that a certain quantity of paper and of silver florins shall be withdrawn from circulation, and that the paper florins remaining in circulation shall be convertible into gold.

This is a very remarkable case. The fall in exchange, which would have accompanied or followed the fall in the market value of silver, has been averted by closing the mints against free coinage of silver. Fair steadiness of exchange has been maintained for more than a decade, although the paper currency was inconvertible, and silver was coined on Government account alone; and, in the end, a law has been passed for the adoption of a gold standard, a gold reserve has been accumulated, and the mint has been opened to gold.

A fractional subsidiary coinage of silver is provided for, but the currency will probably consist, in the main, of paper notes convertible into gold.

BRAZIL.

The case of Brazil is perhaps the most remarkable of all, as showing that a paper currency without a metallic basis may, if the credit of the country is good, be maintained at a high and fairly steady exchange, although it is absolutely inconvertible and has been increased by the act of the Government out of all proportion to the growth of the population and of its foreign trade. The case, it need hardly be said, is not quoted as a precedent which it is desirable to follow.

The Brazilian standard coin is the milreis, the par gold value of which is 27*d.* A certain number were coined, but have long since left the country, and the currency is, and has since 1864 been inconvertible paper. The inconvertible paper was more than doubled between 1865 and 1888, but the exchange was about the same at the two periods, and very little below the par of 27*d.* It had gone down to 14*d.* in 1868, the date of the war with Paraguay, but had risen again, and was in 1875 as high as 28⅜*d.* In 1869, when the quantity of paper money was increased from £12,468,000 to £18,322,000, the mean rates of exchange showed an advance of about 11¾ per cent. Since the revolution which displaced the Empire and established the Republic, the paper issues of the banks were increased by more than £30,000,000 in less than three years, so that the paper issue in 1892 amounted to £51,372,700, and, as the result of this, and of diminished credit, the exchange in that year ranged from 10¼*d.* to 15¾*d.*

RUSSIA.

Concerning the currency of Russia we have less information than in the case of other countries. But it appears that there is little or no

silver or gold coin in the country, and that the currency consists of inconvertible paper roubles, based on silver. The Russian mint is now closed against the coinage of silver on private account. It is an interesting fact that the paper rouble, being in form a promise to pay silver, is now, owing to the fall in silver, exchanged for a higher value in gold than the silver which it promises to pay. Taking silver at 38*d.* per ounce, the silver rouble would be worth 23.774 pence, whilst the paper rouble is quoted at 25 pence. We have already called attention to a similar experience in the case of Austria-Hungary. The phenomenon can, of course, only arise when the amount of the paper currency is limited.—*Journal of the London Institute of Bankers.*

HISTORY OF THE RHODE ISLAND SAVINGS BANKS.

In this period of money scarcity and general business depression the public mind has naturally become possessed with greatly exaggerated notions concerning the solidity or lack of solidity of savings banks. And these fancies take flight and become enlarged ten-fold, when an institution wherein are kept the savings of the people closes its doors and goes into liquidation. The people are too well educated nowadays to create a panic and force a run upon banks in general merely because one small concern goes under. However, when we read day after day accounts of the poor condition of things financial, of failures of banking institutions all over the country, of the smashing of big corporations, and of the hundred and one lesser bankrupts, it isn't to be wondered at that we place our savings in the tea-pot or stocking, hoarding them up in good old New England style, instead of intrusting our hard-earned cash to the bank cashier.

This over-carefulness hardly does credit to one's investigating ability. While there are, no doubt, shaky institutions for savings in these plantations, there are others never more solid, nor more fitted to be the repositories of public trust. The savings bank history of Rhode Island shows but few failures in the past 100 years, comparatively speaking. And during the last forty years, dating from the time the earliest statements of banking institutions were preserved, only seven savings banks failed. These are the Franklin Savings Bank, the Cranston Savings Bank—both ruined with the Spragues—the Union Bank, a recent affair, the Coventry, the Pascoag, the Jackson Institution for Savings, the R. I. Institution for Savings, and the Merchants' Savings Bank, that went into liquidation recently. In the face of these facts, together with the knowledge that institutions of this character have increased and multiplied to keep pace with the rising population, the public mind surely ought to be put to rest concerning the substantial condition of savings banks. Besides these institutions several State banks have gone into liquidation.

It is the purpose of this sketch to give some account of the past forty years' history of Rhode Island banks. The principal source from which information has been gleaned was the People's Savings Bank of this city. This institution possesses a complete set of official bank statements, printed annually by the State since 1853. It very justly prides itself upon possessing the only complete file extant. Even the State Auditor's department does not boast of a complete set of bank statements.

Table showing the number of depositors and amounts deposited in the Rhode Island savings banks from 1853 to 1892 inclusive:

	Depositors.	Amount Deposited.		Depositors.	Amount Deposited.
1853		$3,371,769 11	1873	93,124	$46,617,183 03
1854	20,338	4,104,091 95	1874	98,359	48,771,501 86
1855	23,229	4,834,312 03	1875	101,635	51,311,330 62
1856	27,002	5,797,857 14	1876	99,865	50,511,979 41
1857	27,259	6,079,053 33	1877	99,646	49,567,997 33
1858	27,643	6,349,621 75	1878	93,053	44,266,882 30
1859	31,833	7,765,771 43	1879	93,193	43,095,533 91
1860	35,405	9,163,760 41	1880	97,682	44,755,625 59
1861	34,807	9,282,879 74	1881	102,991	46,771,723 43
1862	37,774	9,560,441 59	1882	112,472	48,320,671 80
1863	40,827	11,128,713 00	1883	120,482	50,127,806 08
1864	44,752	12,815,097 64	1884	115,752	51,079,160 66
1865	45,514	13,533,602 17	1885	116,381	51,816,390 42
1866	52,126	17,751,713 03	1886	119,159	53,284,821 11
1867	59,071	21,413,647 14	1887	120,144	55,363,283 66
1868	63,501	24,408,635 95	1888	123,102	57,699,884 94
1869	67,238	27,067,072 18	1889	127,898	60,479,707 65
1870	72,891	30,708,501 38	1890	131,652	63,719,491 57
1871	79,676	36,289,703 11	1891	136,648	66,276,157 44
1872	88,664	42,583,538 66	1892	142,492	69,906,992 57

In 1853 there were in Rhode Island twelve institutions for savings, viz.: Bristol Institute for Savings, Citizens' Saving Institution, Woonsocket, East Greenwich, Newport and Pawtucket Institutions for Savings; People's Savings Bank, Providence; Provident Institution for Savings, Providence County Savings Bank, North Providence; Savings Bank, Tiverton, and the Wakefield, Warwick and Woonsocket Institutions for Savings. These corporations held deposits ranging in amount from $1,312,822.28, by the Providence Institution for Savings, to $621, held by the Citizens' Saving Institution of Scituate, the whole aggregating $3,371,769.11. The records show some funny statistics. Here is one set: The Scituate bank held deposits amounting to $621; number of depositors, three; largest amount due any one depositor, $310. It stands to reason that the corporation wasn't obliged to employ much of a force of bookkeepers.

In 1854 the list of savings banks was increased to fourteen, the new arrivals being the Citizens' Savings Institution, Woonsocket, with liabilities of $9,967.07; Mechanics' Savings Bank, Providence, with liabilities of $4,252.63, and the Westerly Savings Bank, whose liabilities were $13,319.46. During last year the number of depositors was 20,338, and the amount of deposits $4,104,091.91.

Six new institutions entered the field in 1855, viz.: Coddington Five-Cent Bank of Newport, liabilities $2,137.02; East Greenwich Institution for Saving, liabilities $71,726,13; Kingston Institution for Saving, liabilities, $32,559.11; Westerly Savings Bank, liabilities $71,836.04; Wickford Savings Bank, liabilities $30,591.60; Warren Institution for Savings, liabilities $3,922.50. There were 27,002 depositors last year, and $5,797,857.14 deposited.

Until 1858 no new institutions opened their doors in this State. During that year, however, the People's Savings Bank, of Woonsocket, was incorporated, with liabilities of $11,036.11; also the Phenix Savings Bank, liabilities $3,861.13. The City Savings Bank was organized in 1859, with liabilities amounting to $35,028.20.

The Franklin Institution for Savings, which was one of the four banks in this State to fail during the past forty years, was organized in 1861 under the name of Franklin Five-Cent Savings Bank. It started its

career in an humble manner, comparatively speaking, with $42,888.96 in its treasury, left by 791 depositors, most of them being small ones.

In 1864 the Franklin Savings Bank of Pawtucket came into existence with a following of 408 depositors and $97,242.07 worth of deposits; also the Pascoag Savings Bank, a small institution with twenty-six depositors and a deposit account of only $3,977. The following year saw two new banks, the Union of Providence, now defunct, and the Rhode Island Institution for Savings, also of this city. The former's number of depositors was sixty-three, and the amount deposited $65,427.50, and the latter's, 103 depositors and $28,667.34 deposited. The Hopkinton Savings Bank was formed in 1870. Its list of depositors numbered 155, and the amount they intrusted to the local institution was $12,325.87.

Seven banks opened doors the following year, the Ashaway, Cranston, Merchants, of Providence; National Institution for Savings, Providence; Niantic, Westerly; Producers, of Woonsocket; Citizens, of Providence. The Ashaway Bank started with deposits of $6,906.71 and ninety-four depositors; Cranston with $259,706.96 and 798 depositors; Merchants with $14,638 and fifty-two depositors; Niantic with $135,374.54 and 520 depositors; Citizens with $52,026.25 and 117 depositors; Producers with $173,019.32 and 384 depositors; National Institution for Savings with $38,900 and 125 depositors. It is a curious fact that two of the four savings institutions that have recently closed their doors were started during this year—the Merchants and Cranston. And it is also worthy of note how differently the prospects of the two corporations were at the start. The Cranston Savings Bank, fostered and run by the Spragues, started abundantly equipped with funds and friends, while with the Merchants it was a "squeak and a go" from the start. But they both brought up at the same end—failure.

Three more banks opened for public patronage in 1872. The Coventry Savings Bank of Anthony started with 191 friends, who made deposits of $67,926; the Mechanics of Westerly with 470 depositors and $129,033.90 deposited, and the Smithfield Bank of Greenville with a total amount of $40,041.45 deposited by 138 depositors. The Island Savings Bank of Newport was the newcomer in the field in 1873. It had a following of eighty-three depositors, and boasted of $36,237.41 in its treasury vaults at the close of the year's business. The year 1874 marked the downfall of the two Sprague banks, the Cranston Savings Bank and the Franklin Institution for Savings. Joel M. Spencer was State Auditor that year. In his annual report to the General Assembly he states that "the Cranston's affairs were placed in the hands of a receiver, Alexander Farnum, Esq., on the 17th December, 1873." We are indebted to him for the following report of progress in winding up the bank: Two dividends to depositors have been declared previous to December 2, 1874, as follows: March 10, 1874, 25 per cent., making $550,685.81; June 25, 1874, all accounts not exceeding $25 in amount on the 1st of November, 1873, in full, and 25 per cent. to all others, making $554,449.30, the aggregate of the two dividends declared being $1,105,175.11. Of this sum there remained due at the above date to sixty-seven depositors dividends Nos. 1 and 2, $1,424.65; to sixty-one depositors dividend No. 2. $4,591.13. To the First National Bank of Providence there has also been paid $27,474.80, being 50 per cent. of overdraft, and to the same institution the sum of $90,000 for a collateral loan, making the sum total of payments $1,216,634.13. The receiver of the Franklin Institution for Savings, Winthrop DeWolf, began paying a dividend of 25 per cent. to depositors, November 5, 1874. The amount deposited in the Cranston Savings Bank at the time of its liquidation was $1,103,669.99, and in the Franklin Institution for Savings $2,158,270.60. The

latter institution, with but two exceptions, had the largest number of depositors, 6,552, showing to what extent it received the confidence of the public.

In 1875 the Mechanics' Savings Bank of Woonsocket started business. This institution was accredited with 199 depositors and $21,702.17. The Bristol County Savings Bank entered the field the following year. To start with it had 108 depositors, who left less than $7,000.

In 1882 the Citizens' Savings Bank of Woonsocket ceased business, and made a final dividend to its depositors during the year under a decree of the Supreme Court.

In 1883 three banks—Rhode Island Institution for Savings, Union Savings Bank, and Pascoag Savings Bank—went into liquidation, with liabilities of $147,190.43, $363,416.93, and $16,386.81, respectively. The Pascoag Bank paid the final dividend to its depositors in that year and ceased business. The Coventry Savings Bank of Anthony, a small affair with but $27,846 liabilities, went into liquidation in 1887, and made its final dividend in October of that year.

The Centreville Savings Bank, chartered in May, 1888, began business soon after that date with thirty-six depositors. Its liabilities were $19,321.47. The Merchants' Savings Bank of this city was the last institution to close its doors. One important item in referring to the few failures that have visited Rhode Island savings banks is this: Those which went into liquidation, with the important exceptions of the Cranston and Franklin Banks, never attracted much attention or did large business. The great majority of savings banks have always enjoyed a reputation for solidity and prosperity. As in any business there are weak concerns, but depositors are not forced to patronize them. There are plenty of excellent institutions in this city and State which number among the strongest in the country.

The condition of the Cranston Savings Bank, Lorin M. Cook, receiver, and of the Franklin Institution for Savings, Thomas C. Greene, receiver, as recorded in the returns for 1892, were:

CRANSTON SAVINGS BANK.

Assets.

Amount of cash on hand, including unpaid dividends	$90,315 76
Profit and loss	374,914 45
Total	$465,230 21

Liabilities.

Amount of deposits	$439,059 15
First National Bank	10,982 92
Uncalled for dividends	15,181 14
Total	$465,230 21

FRANKLIN INSTITUTION FOR SAVINGS.

Assets.

Amount of cash on hand, including unpaid dividends	$104,853 03
Profit and loss	286,629 36
Total	$391,482 39

Liabilities.

Amount of deposits	$373,182 35
Uncalled for dividends	18,300 04
Total	$391,482 39

—Providence Journal.

NEGOTIABLE INSTRUMENTS—DEMAND AND PROTEST—LACHES.

COURT OF APPEALS OF NEW YORK.

Sylvester et al. v. *Crohan et al.*

Laws 1887, c. 289, § 1, provides that each Saturday afternoon is a holiday, and that demand of acceptance or payment of commercial paper not paid before noon of that day may be made, and notice of protest given, on the next succeeding secular day. *Held*, That where a sight draft received in New York on Friday was presented to the drawee Saturday forenoon, and at his request was again presented on Monday, when it was protested for non-payment, and notice mailed to the drawers, the payees were not guilty of laches, and the drawers were liable on the draft. (18 N. Y. Supp. 546, affirmed.)

O'BRIEN, J.—On Wednesday, July 29, 1891, the defendants, residing and doing business at Savannah, Ga., for the purpose of paying their promissory note held by the plaintiffs, residing and doing business in the city of New York, which was to fall due two days later, drew and mailed to the plaintiffs a sight draft for $1,263.72, payable to the plaintiffs' order, upon one Becker, a banker in New York. The plaintiffs received this draft through the mail on Friday, July 31st, at 11 o'clock in the forenoon, and, without presenting it to the drawee, indorsed and deposited it to their credit immediately in their own bank, and returned the note to the defendants. On Saturday, August 1st, a messenger of the bank in which the draft had been deposited presented it to the payee for payment between 10 and half-past 10 o'clock in the forenoon of that day, and was directed to leave notice, and present it again on Monday. It was again presented on Monday, August 3d, and payment demanded and refused, and on that day it was protested for non-payment, and notice of protest mailed to defendants. The plaintiffs took back the draft from the bank where it was deposited, and still hold the same. When the draft was drawn and received by the plaintiffs, and when presented on Saturday, and during all of that day, the defendants had funds, not otherwise drawn, on deposit with the drawee, sufficient to pay the draft in full, and other checks or drafts drawn upon him by other parties were paid and honored on that day. On Monday, August 3d, the drawee made a general assignment for the benefit of his creditors, and became insolvent. The plaintiffs' place of business, and that of the bank in which they deposited the draft upon the receipt of the same, and that of the drawee, were all on Broadway, in the city of New York. The plaintiffs brought this action against the drawers of the draft, and have recovered.

The defense, in substance, is that the amount of the draft was lost to the defendants in consequence of the neglect and failure of the plaintiffs to present the same to the drawee for payment in due time. The draft, though made in another State, by parties residing there, was payable here, where the drawee resided, and the legal questions involved are to be determined by the law of this State. (*Bank* v. *Lacombe*, 84 N. Y. 367.) The plaintiffs, the payees of the draft, were bound only to use reasonable diligence in presenting it, in order to charge the drawers, and presentation to the drawee within 24 hours, or the next day, was in time, under the circumstances of this case. (*Burkhalter* v. *Bank*, 42 N. Y. 538; *Railroad Co.* v. *Collins*, 57 N. Y. 641; *First Nat. Bank* v. *Fourth Nat. Bank*, 77 N. Y. 320.) The duty which the plaintiffs owed the de-

fendants with respect to the presentation of the draft is not the same as the duty which the bank in which the draft was deposited owed to the depositors. (*St. Nicholas Bank* v. *State Nat. Bank*, 128 N. Y. 26, 27 N. E. Rep. 849.) Irrespective of the statute, which will presently be referred to, the case stands thus: The plaintiffs presented the draft for payment in due time after they had received it by mail. It was not paid, and therefore, in the absence of some agreement, express or implied, to wait or present it again, the paper was dishonored, and could have been protested, and notice thereof given within a reasonable time thereafter, or on the next secular day. (*Bank* v. *Vail*, 21 N. Y. 485.) The draft was protested on Monday, and notice thereof mailed to the defendants. Aside from the statute, this would seem to be, under the law formerly governing such cases, a sufficient presentation, demand, and notice. The finding is that the draft was presented for payment on Saturday, and therefore there was a demand for payment, because the presentation of a check or draft at the bank upon which it is drawn for payment, when it is due, is a demand. The drawee did not pay, and therefore there was a refusal to pay, though the person who presented it was told to leave notice, and present it again on Monday.

But the rights, duties and obligations of parties to commercial paper of this character are somewhat modified by the recent statute on that subject. (Laws 1887, c. 289, § 1.) It is there provided that every Saturday, from 12 o'clock at noon until 12 o'clock at midnight, shall be a public holiday for all purposes in regard to the presentation for payment, demand and notice of protest of commercial paper. As to the other holidays named in the statute, it is provided that such paper as would otherwise be payable or presentable on any of these days shall be deemed to be payable or presentable on the secular or business day next succeeding such holiday, but in the case of Saturday, a half holiday, it shall be presentable for acceptance or payment at or before 12 o'clock noon of that day. Therefore the draft in question was properly presented up to noon of Saturday. But the following proviso, the meaning of which is not very clear, was added, and seems to apply to the facts of this case: "Provided, however, for the purpose of protesting, or otherwise holding liable any party to, any bill of exchange, check, or promissory note, and which shall not have been paid before twelve o'clock at noon on any Saturday, a demand of acceptance or payment thereof may be made, and notice of protest or dishonor thereof may be given on the succeeding secular or business day: and provided, further, that when any person shall receive for collection any check, bill of exchange, or promissory note due and presentable for acceptance or payment on any Saturday, such person shall not be deemed guilty of any neglect or omission of duty, nor incur any liability, in not presenting for payment or acceptance, or collecting such check, bill of exchange, or promissory note, on that day: and provided, further, that in construing this section every Saturday, unless a whole holiday as aforesaid, shall, until twelve o'clock noon, be deemed a secular or business day." The Legislature, in enacting this statute, curtailed the business day within which this draft could formerly have been presented by one-half, and to that extent limited the opportunity of the holder to demand payment. The intention was to enlarge the time within which the holder of a bill or note could demand payment, and give notice of dishonor. It did not change the time within which the paper fell due, nor when it became dishonored. If it fell due by its terms on a Saturday, the holder could present it up to noon of that day; and if he did, and payment was not made, the paper was dishonored, and protest could then be made, and notice served. But in such case the statute

also permits the holder, at his discretion, in case payment is not made before noon of Saturday, to present it again on Monday, or the next secular day, and, if not then paid, protest must be made, and notice given on that day. The holder of the bill or note due and presentable on Saturday may, if he so elects, rest upon the demand and presentment made before noon of that day, and, if he does, notice of demand and protest given on that day or the succeeding Monday, or next secular day, is good; but if he elects to make demand on Monday, and payment is not made then, he must, in order to hold the indorser or other antecedent parties entitled to notice, give the notice of dishonor on that day. A party whose duty it is to collect or present for payment a bill, note or draft which falls due upon Saturday is not chargeable with neglect or omission of duty because of failure to present it on that day, providing he does present it on Monday, or the next secular day, and then, on that day, gives notice of dishonor, in case of non-payment. This, we think, is what the Legislature intended, and to this extent only has the statute changed the law on this subject, as it previously existed. As the paper in question was again presented on the following Monday, and notice of non-payment given on that day, the defense was not established, and the plaintiff was entitled to recover. The judgment should therefore be affirmed. All concur.—*Northeastern Reporter.*

WHEN DOES THE TIME FOR SUING ON A CHECK EXPIRE?

SUPREME COURT OF NEBRASKA.

Scroggin v. *McClelland.*

The statute of limitations begins to run in favor of the drawer of a check at the latest after the lapse of a reasonable time from the presentment of the check.

The courts of this State will not take judicial notice of the laws of other States, and in the absence of proof such laws will be presumed to be the same as our own.

IRVINE, C.—The defendant in error sued the plaintiff in error in the District Court of Nuckolls County upon a check drawn by plaintiff in error to the order of defendant in error for $746.22, upon Scroggin & Son, bankers, Mt. Pulaski, Ill., and dated November 10, 1882. He alleged presentment and dishonor of the check November 14, 1888. The suit was begun February 20, 1889. The plaintiff in error in answer pleaded: First, the statute of limitations; second, that the check was presented and paid at or about the day of its date; third, matter claimed to operate in estoppel, which it will not be necessary here to notice. The reply amounts to a general denial. The case was tried to the court, a jury being waived, and there was a general finding and judgment for the defendant in error.

One of the errors assigned, and the only one which we shall notice, is that the court erred in not finding that the action was barred by the statute of limitations. This assignment raises the question as to when the statute begins to run upon a bank check in an action against the drawer of the check. A check is in some respects analogous to a bill of exchange, or a note payable on demand. On notes payable on demand, the statute of limitations has been held to run from the date of the note. (*Little* v. *Blunt*, 9 Pick. 488; *Newman* v. *Insurance Co.*, 13 Wend. 267.) Where a drawer of a check had no funds to meet it, it was held that the statute began to run from the date of the check. (*Brush* v. *Barrett*, 82 N. Y. 400.) It is true that the last case was decided upon

the theory that, inasmuch as the drawer had no funds in the bank to meet the check, presentment immediately would have been unavailing, and a cause of action, therefore, arose in favor of the payee as soon as the check was given.

We can see, too, that there is a distinction between a note payable on demand and a check, as an action lies at once against the maker of a demand note without actual prior demand. (*Norton* v. *Eilam*, 2 Mees. & W. 461; *Burnham* v. *Allen*, 1 Gray 496; *Bridge Co.* v. *Perry*, 11 Ill. 467.) Nevertheless, a check is not designed for circulation, but for immediate presentment. (*Bank* v. *Miller*, Neb., 55 N. W. Rep. 1064.) The time within which presentment must be made is quite limited. Ordinarily, when the payee of a check and the bank upon which it is drawn are in the same town, a check must be presented before the close of banking hours, the day after it is received. (See cases cited in note to *Holmes* v. *Briggs*, Pa. Sup., 18 Atl. Rep. 928; 17 Amer. St. Rep. 804.) Otherwise it should be forwarded for presentment the day after it is received by the payee, and presented the day after it is received by the agent for collection. Special circumstances may excuse a greater delay, but no excuse is pleaded or proved for the delay in this case. We think that the statute should be deemed to have begun to run at the latest upon the expiration of a reasonable time for presenting the check, and that a delay for over six years would complete the bar of the statute beyond all question.

It is claimed by defendant in error that delay in presenting the check does not release the drawer unless he has been injured. This is the rule where suit is brought within the period of limitations, but the statute in all cases bars relief. The statute runs in favor of the drawer as well as others.

It is also claimed that the drawer has during the whole period resided in Illinois, and that the statutory period is there ten years. This may be true, but it is neither pleaded nor proved. The court cannot take judicial notice of the law of another State, but, in the absence of proof, it will be presumed to be like that of our own. (*Lord* v. *State*, 17 Neb. 526, 23 N. W. Rep. 507; *Bailey* v. *State*, Neb., 55 N. W. Rep. 241.)

Presuming the law of Illinois to be the same as our own, the action has been barred by the laws of that State at the time it was commenced here, and was therefore barred here. (Code Civil Proc. Sec. 18; *Hower* v. *Aultman, Miller & Co.*, 27 Neb. 251, 42 N. W. 1039.) Aside from the failure of proof upon this point, the pleadings entirely failed to present the issue. Upon the face of the petition the action was barred, and a demurrer would have lain.

Reversed and remanded.

Ryan, C., concurs.

Ragan, C., having been of counsel in the case, took no part in its consideration or decision.

LEGAL MISCELLANY.

BUILDING AND LOAN ASSOCIATION—INTEREST—USURY.—A member of a building and loan association, in consideration of a loan of $1,440 made to him by the association, gave it his note for $2,600, payable on or before the maturity of a certain series of the association's stock, with interest at 6 per cent. until paid: *Held*, That as the date of maturity was not fixed, the aggregate of the excess of principal, together with inter-

est, might not exceed the legal rate of 12 per cent. on the loan made, and the contract was not usurious. [*Abbott* v. *International Building and Loan Association*, Texas.]

BUILDING AND LOAN ASSOCIATIONS—USURY.—Where a member of a building and loan association, holding seven shares of stock, on which he pays $1 per month, on each share, borrows $700 from the association, and gives his note for $1,400, payable at maturity of the stock, with interest at 6 per cent. per annum, and providing for the payment of a "further sum on $14 per month," with nothing to show for what the latter sum is payable, the contract is usurious, the legal rate of interest being 12 per cent. [*International Building and Loan Association* v. *Biering*, Texas.]

CORPORATIONS—INSOLVENCY—DIRECTORS.—The capital of an insolvent corporation in a trust fund for the payment of its debts, and a director of such a corporation, who is also a creditor, cannot take advantage of his superior means of information to obtain a judgment by confession from the corporation, and to secure his debt against other creditors. [*Hill* v. *Pioneer Lumber Co.*, N. C.]

NATIONAL BANK—ATTACHMENT BEFORE JUDGMENT.—The statute of the United States prohibits seizure of property belonging to National banks (irrespective whether they be solvent or insolvent) before final judgment, by virtue of any attachment issued under a State law, and returnable to a State Court. Any such seizure is therefore void, and a bond given by a National bank to dissolve such attachment, served by summons of garnishment, is also void. The giving of such bond is not an appearance in the attachment case so as to make valid a judgment entered upon the bond in that case against the bank and the sureties executing the bond. The judgment is wholly void; and an affidavit of illegality, made and filed by one of the sureties in resistance to a levy upon his property under an execution founded on the judgment, must be sustained. The judgment being wholly void for want of jurisdiction in the court rendering it, affidavit of illegality is a proper defensive remedy. [*Planters' Loan & Savings Bank* v. *Berry*, Ga.]

NEGOTIABLE INSTRUMENT—ACTION BY ASSIGNEE.—Where, after the execution and delivery of a promissory note, a person other than the payee, and not otherwise connected with the note, for a new and sufficient consideration received by himself from the payee, promises to pay the note, and thereupon indorses the same, he thereby makes the debt his own, and such debt is assignable so as to vest in the assignee a right of action in his own name. [*Fisk* v. *Reser*, Colo.]

NEGOTIABLE INSTRUMENT—ADMISSION OF EXECUTION.—In an action on a note, defendant averred in her answer that she "did sign a note similar to the one in the complaint, and that she supposes that said note is correctly exhibited in the complaint"; that under certain promises she signed a note for her husband's debts, "the same being the note herein sued on," and at the time of the signing of "said note" she was a married woman: *Held*, that there were such admissions of the execution of the note as to give defendant the right to open and close. [*Martin* v. *Suber*, S. C.]

NEGOTIABLE INSTRUMENT—USURY—LAW OF PLACE.—A promissory note, payable in the city of New York, with interest from its date at the rate of 8 per cent. per annum, is open to attack for usury by proof that the law of New York limits the rate of interest to 6 per cent. per annum, and declares void all contracts in which any higher rate is stipulated or reserved. [*Odom* v. *New England Mortgage Security Co.*, Ga.]

BOOK NOTICES.

The Political Economy of Natural Law. By HENRY WOOD. Boston: Lee & Shepard, Publishers. 1894.

The general purpose of this volume is to outline a political economy which is natural and practical rather than artificial and theoretical. The author claims for his work that it is independent of professional methods; nevertheless, it aims to be usefully suggestive to the popular mind. The treatise is not scholastic, statistical nor historic, but rather an earnest search for inherent laws and principles. Six years ago the author issued a small book entitled "Natural Law in the Business World," which passed through several editions and which forms the basis of the present work. The author regards conventional political economy as professionally formulated, lacking a practical element which renders it almost useless in actual experience. As it is not fitted into the nature and constitution of man, it is chiefly a mass of fine-spun intellectual abstraction. In treating of the cause of labor he declares that it has been injured by crowding under its banner many fallacies, and especially by the assumption that its interest is antagonistic to that of other social elements. Society is a complex organism, and when one member suffers all suffer. The mischievous doctrine of a necessary diversity is largely responsible for prevailing frictions and antagonisms. Labor and capital, so the author declares, when deeply defined, melt into each other. He further asserts that the labor problem will never be solved by mere sentimental and professional treatment. The laborer often suffers more from the mistaken action of his professed champions than from the natural ills of his condition, and this will continue so long as he is led into a moral and economic antagonism. Artifice can never be substituted for evolution and natural law. The titles of a few of the chapters may be given as indicating the ground covered by the author. These are: "Supply and Demand," "The Laws of Competition and Co-operation," "Combinations of Capital and Labor," "Profit Sharing," "Governmental Arbitration," "Socialism," "The Distribution of Wealth," "The Law of Centralization," "Money and Coinage," "Tariffs," "Corporations," and "Industrial Education."

The recognition of the universality of law is the greatest achievement and inspiration of modern times, and it is no less regnant in social economies than in physical science. Circumstances and conditions change, but the orderly sequences of Natural Law continue uniform. All improvement must come through a better interpretation of the conformity to its immutable lines.

White's Reference Book of Railroad Securities. Compiled from official sources. White & Kemble, New York.

This is a very compact summary of statistics relating to the railroad securities of American railroads. It contains the capital stock, mileage, how this is controlled, a description of the various kinds of bonds, the amount outstanding, when they are due, the rate of interest, when they are paya-

ble, whether payable in gold or currency, the amount of funded debt, the amount per mile of road, the interest, the average rate paid, the amount of capital stock, the gross earnings, the operating expenses and taxes, the number of miles operated, the net earnings, the charges, including interest and sinking funds, the net income, the amount of dividends, the surplus, the number of passengers carried, the earnings from this source, the average rate per mile, the amount of freight carried, the earnings from this source and the average rate per mile, the operating expenses, a comparative balance sheet, including the cost of road and equipment, proprietary roads, investments, liabilities, the range of prices of the bonds and of the stocks, the dividends paid and the names of the officers and the location of the principal offices. These statistics are given of each of the roads. The book contains a little over 500 pages, and unquestionably is the best book of the kind in existence. These statistics appear to be carefully prepared, and are arranged in a very convenient manner for ready reference.

Sterling exchange has ranged during February at from 4.86¾ @ 4.89 for sight, and 4.84½ @ 4.87 for 60 days. Paris—Bankers', 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 @ 4.87; bankers' sterling, sight, 4.88 @ 4.89; cable transfers, 4.88½ @ 4.89¼. Paris—bankers', 60 days, 5.18⅛ @ 5.17½; sight, 5.15⅝. Antwerp—Commercial, 60 days, 5.20 @ 5.19⅜. Berlin—Bankers', 60 days, 95 1-16 @ 95⅛; sight, 95 7-16 @ 95½. Amsterdam—Bankers', 60 days, 40¼ @ 40 5-16; sight, 40 7-16 @ 40½.

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

Quotations:	Feb. 5.	Feb. 12.	Feb. 19.	Feb. 26.
Discounts	4 @ 4½	3½ @ 4	4 @ 4½	4 @ 4½
Call Loans	½ @ 1½	1	1	1 @ 1½
Treas. balances, coin	$88,759,615	$94,459,809	$94,537,433	$94,688,930
Do. do currency	42,798,658	46,173,639	43,440,312	44,010,735

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

1894.	Loans.	Specie.	Legal Tender.	Deposits.	Circulation.	Surplus.
Feb. 3	$419,530,500	$129,558,900	$120,016,200	$551,808,400	$12,602,900	$111,623,000
" 10	432,585,000	107,799,700	111,378,100	534,176,400	12,422,600	85,633,700
" 17	439,328,300	98,587,000	108,447,900	529,992,300	11,975,300	74,536,825
" 24	414,217,600	97,915,600	110,037,500	532,742,400	11,663,600	74,767,500

The Boston bank statement is as follows:

1894.	Loans.	Specie.	Legal Tender.	Deposits.	Circulation.
Feb. 3	$167,945,000	$13,187,000	$11,179,000	$162,408,000	$8,170,000
" 10	168,289,000	11,431,000	10,173,000	162,189,000	8,055,000
" 17	168,968,000	10,253,000	9,852,000	158,570,000	8,012,000
" 24	168,552,000	10,351,000	9,789,000	158,131,000	8,036,000

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

1894.	Loans.	Reserves.	Deposits.	Circulation.
Feb. 3	$95,920,000	$36,601,000	$104,051,000	$4,894,000
" 10	95,949,000	36,224,000	103,664,000	4,880,000
" 17	96,099,000	36,647,000	104,485,000	4,867,000
" 24	96,183,000	37,147,000	105,152,000	4,864,000

BANKING AND FINANCIAL ITEMS.

General.

THE MICROBE OF BANK NOTES.—The greed for riches is spreading. According to the testimony of a German scientist, who has been making searching investigations, it has now taken hold of the microbe. The scientist recently made an inspection of a large number of bank notes, and discovered that on each one of them a microbe family, numbering on the average 20,000 members, had made its home. There are microbes and microbes, of course. Some are innocent and harmless and some are malignant, and the harmless kind predominated on the bank notes. But in some cases the investigator found dangerous varieties, including the bacilli of tuberculosis and diphtheria. Apart from the undesirability of sharing a piece of property with 20,000 tenants holding squatters' claims, there are serious objections to the interchanging of microbes as legal tender for debts. While the danger is not sufficient to cause a widespread and insurmountable objection to receiving paper money, it is enough to suggest whether banks ought not to subject all bills received to a fumigating process that would drive the microbe outlaw from the enjoyment of his ill-gotten wealth. At least, the information ought to suggest a reform to those inadvertent members of womankind who insist upon tucking bills and small change between their teeth while exploring their pockets for car fare.

BANKING FOR WOMEN.—In a bank, a few days ago, two women sat in the cashier's private office in earnest conversation with him. A male customer waited five, ten, twenty minutes. Then they left him—slowly and with many brief returns, as is the way of woman—and got into a handsome carriage which stood in front of the bank. The cashier wore a weary expression.

"That is one of our depositors," he said. "The woman with her is her bookkeeper or private secretary or something. They have come downtown in response to a notice telling madam that her account is overdrawn. She is quite sure that it is not. Women are always right, you know, and the bank is always wrong. She has her check book with her, and she showed me that she ought to have several hundred dollars to her credit according to the balance there. I know that she has not, but I have not been able to prove it to her. She has probably carried an old balance over from one stub to another without deducting the amount of the checks on one stub. I ought to tell her to hunt up the mistake for herself, but that would not do. She would be offended. So I have told her to come back later, and I will spend my evening at the office going over the account with her. You cannot treat women as you would men."

The business of women with the banks of New York pays very well indeed. There is one bank in the shopping district which has on its books accounts with 2,000 women—enough to run the bank by themselves if there were no men depositors. It is not a "woman's bank." There is only one bank exclusively for women in New York. That was described in a recent number of the Sunday *Press*.

But many of the banks of New York make a specialty of catering to women's business, and more than one of them has a woman bookkeeper to attend to women's accounts. A bank which was organized not long ago employed Mrs. Cyrus W. Field, after her melancholy experience in the millinery business, to go among her acquaintances and solicit business, and she now draws a salary and a commission for her work. There are ladies' waiting rooms in some banks, with cheval glasses and Persian rugs and furniture in carved birch and brocade. And the competition among these banks for women's accounts is very lively. All of these are uptown banks, located in the shopping or residence districts. The downtown banks and many of the uptown banks as well do not want women's accounts. They do not decline to take them, but they treat a woman depositor with ordinary business brusqueness, and, accustomed to special consideration from the other sex, she is quickly affronted and soon withdraws her account.

Women do not deposit money for the purpose of saving it. They never increase their accounts by small deposits. This, of course, excludes from consideration the

dime savings banks and the penny funds which are established to encourage the habit of saving. With few exceptions the bank accounts of women are maintained by their husbands for the purpose of providing for household expenses. The man does not want to be worried with household affairs, so he lets his wife worry away her life over a bank account while he keeps his business balance downtown. Usually the husband gives his wife a certain sum each month which she deposits in her bank and draws upon. This custom has become very common of late years.

"The usual deposit is about $1,000 or perhaps $1,500 a month," said the cashier of one bank which handles a great deal of women's business. "Some accounts run up to $2,500 a month. This is intended simply for household expenses and spending money. Nearly all of it is drawn out before the month is up. Does it pay to handle these transient sums? Oh, yes. If the woman starts in with $2,500, and draws the money out in small amounts, her balance will average very well for the month. And women are no worse than men in this. Very few men keep a heavy balance at the bank."

"Is not the woman's business a great source of annoyance?" I asked. "Very great," he answered, with a sigh. "Women want the most impossible and unbusiness-like things done for them. Nine women in ten have not the faintest idea of what they have a right to ask of a bank official. A woman whom I have known for years, the wife of a prominent architect, came to me in great distress. She had bought some goods of a tradesman downtown and paid him for them, taking his receipt. When his bill for the next month came in he had included the goods which she had paid for the month before. She did not like to bother her husband with the matter, she said. Wouldn't I attend to it for her?

"Now, the settlement of that matter was just as far outside my business as it would be for me to help her select a new dress. But what could I do? I said: 'Very well, I will write to the man. Leave the papers with me,' and she went away contented. I have the papers on my desk now. I have written to the tradesman stating the case and telling him to call on me if he has any claim to make. I have not heard from him and probably I will not. But that is a sample of what women ask us to do."

"And to refuse!"

"Is impolitic, if it is not impossible. I have learned from a long experience with women that you cannot tell them that they are imposing on you. I make it a rule always to do what a woman asks of me if possible, and then to tell her she had no right to ask it. I know that the woman has no idea that she is asking what is not right. When you tell her that what she has asked was not a part of your duties, she is always very sorry—sometimes very unhappy about it. Women are usually open to reason if you approach them in the right way. They are no more unreasonable than many men."—*New York Press.*

MISDIRECTED ZEAL.—President of the Kiteflyers' National Bank—What's this item in our statement of assets—ninety-five thousand dollars and twenty-seven cents?

Cashier—Yes, sir. I thought those odd cents would look mighty well.

President—Well, they would look better if the item wasn't "gold coin on hand."—*Life.*

OLD AND NEW COINING.—The striking of medals in the coiner's department of the United States Mint has for years been by means of the screw and fly press. The screw in this press is six inches in diameter, and there are three threads with a pitch of three inches. The double-lever attached to the head of the screw is thirteen feet in length, or six and one-half feet either way from the center of the screw, and upon the ends of the arms are mounted balls weighing about 150 pounds each. Three men are employed in the working of the press, one to arrange the blanks to be struck upon or between the two hardened steel dies, while one at each end of the lever furnish the power to raise the screw, and then by a rapid movement cause the same to descend to the work, they being careful at the proper moment to step aside to avoid being struck by the recoil of the lever. Two and one-half revolutions of the screw give with all the force the men can impart a blow or pressure equivalent to 250 tons. In the striking of a four-inch diameter medal some fifty or sixty blows are necessary to complete the medal. The blank, which becomes hardened by the force of each blow, must be annealed. Each time, con-

sequently, the amount of labor bestowed makes the cost of such medals quite high. Some nineteen years since the idea was conceived that the introduction of hydraulic pressure would be more satisfactory and produce better results both as to cost and execution. The trial that was then made on an ordinary hydraulic press, such as is used for forcing the wheels of a locomotive on the axle, was made at the machine works of William Sellers & Co. An accident occurring in the bursting of the steel collar, by which the then Coiner of the Mint was injured, had a dampening effect upon the scheme, though the idea never met with encouragement until some two years since, when an opportunity was offered to make the test of the pressures required to make the various coins. This being so satisfactory, and having gained the conclusive knowledge that for years had been only guesswork, it encouraged the revival of the idea, and plans and estimates were framed for a press that should have a capacity or striking pressure equivalent to 2,000 tons. The contract for this press was awarded to Messrs. William Sellers & Co., at a cost of $7,000. The designs having been approved, the press was completed in September, and upon trial at the works the result was most satisfactory. The dies used upon the trial were those of the four-inch General Grant medal. The blanks were submitted to a pressure of 1,000,000 pounds, and the second pressure after the annealing of the blank almost finished the medal. One blank, upon which the pressure was exerted three times in succession, was found to have had more than was necessary. The press is complete in detail and symmetrical in design ; it is an arch or oval in form, the base and head being heavy iron castings, the whole being secured by two cast-steel bands four inches thick and six inches wide. These bands were submitted to a strain of 3,000,000 pounds each before being put in place. The ram is located in the upper or head casting, and is placed in a steel case. It is twenty-five inches in diameter, and the maximum pressure of 4,000 pounds per square inch gives on this area the pressure of 2,000 tons. There is a graduated device attached by which any desired pressure can be secured and held for any length of time. Experiments will soon enable the person in charge of the press to determine the amount of pressure required for the various sizes of medal. The movement of the ram up and down is simply by the pressure of the oil from the tank, situated about fifteen feet above the room, the maximum pressure being supplied by a thin throw pump, and is only exerted during about the last half-inch of the stroke of the ram. The power to drive the pumps is supplied by means of a seven and one-half horse-power Eddy electric motor, of a slow-speed type. For the annealing of blanks there is a small gas oven, and it is very satisfactory. It has been demonstrated by the experiments already made that the pressure of 20,000 pounds per square inch is required to cause such metals as gold, silver and copper to commence to flow or become fluid. Very interesting results are expected from the installment of this plant, which will add so much to the advantage of the Government.

How a Depositor Should Sign his Name.—An old woman of undeniable Celtic origin entered a down-town savings bank the other day and walked up to the desk.

"Do you want to draw or deposit?" asked the gentlemanly clerk.

"Naw oi doan't. Oi wants ter put some in," was the reply.

The clerk pushed up the book for her signature, and indicating the place, said, "Sign on this line, please."

"Above it or below it?"

"Just above it."

"Me whole name?"

"Yes."

"Before oi was married?"

"No, just as it is now."

"Oi can't write."—*Boston Transcript.*

Decline in Savings Bank Deposits.—"The decrease in deposits in savings institutions throughout the country has been more remarkable than is generally believed. During the last three months there has been drawn from my bank by small depositors $2,000,000 more than has been deposited. The falling off in all other savings institutions has been in proportion to our $2,000,000 decrease. In New York State alone more than $25,000,000 has been taken out of the savings banks in the three months just passed by the working classes, which until this win-

ter have been able to get along without drawing on their little hoards. The total amount of money taken out of institutions for savings in the whole country during the period above mentioned is in the hundred millions. It is truly the 'rainy day,' and what the thrifty workingmen have laid by to meet it is rapidly melting away. This indication of the times is not to be looked upon through political eyeglasses. To the mind of any thoughtful financier, free trade or protectionist in theory, there is but one cause for this tremendous decrease in savings, and that is the fear of a greatly lowered tariff and the consequent closing up of our factories and loss of work for tens of thousands of American workingmen. We can only hope that the deep uncertainty of the present may be speedily removed. There is no more vivid object lesson before Congress than the balances of the country's savings banks."—*New York Mail and Express.*

A BILL TO TAX GREENBACKS.—Messrs. Warner, Hall, of Missouri, and Henderson, of Illinois, a sub-committee of the House Committee on Banking and Currency, have agreed to report favorably to the full committee the bill introduced by Representative Cooper, of Indiana, "to subject to State taxation National bank notes and United States Treasury notes." The bill provides: "That all circulating notes of National banking associations, and all United States legal tender notes, and all other notes and certificates of the United States payable on demand and circulating as currency, shall not be exempt from taxation under the authority of any State or Territory; Provided, That any such taxation shall be exercised in the same manner and at the same rate that any such State or Territory shall tax other money within its jurisdiction." The report to accompany the bill, it is understood, will point out the importance of the bill as a measure designed to prevent fraud upon the tax duplicates of the States. Nearly all the money on deposit throughout the country, it will be said, is returned as greenbacks and thus escapes taxation. If none of the forms of money is exempt it will be impossible to use any of them as a cloak for hiding the existence of funds.

The report will call attention to the fact that reports to the Comptroller of the Currency show that more than $100,000,000 of the National bank reserve funds are held in greenbacks. If these were made taxable by the State as other forms of money the banks would use silver to a considerable extent in making up their reserves, thus increasing the circulation of that metal, now largely stored in the Treasury vaults.

LOSSES BY THE FAILURE OF BANKS.—The losses incurred by the failure of State banks have been proportionately greater than those by National banks. During the year ending June 30, 1891, there were 117 State banks failed, with liabilities of $38,000,000, and assets valued at $21,000,000. During the year ending June 30, 1892, sixty-nine State banks failed; liabilities $11,000,000 and assets $6,000,000. The percentage of loss 55 per cent. In 1892 there were seventeen National banks failed, with liabilities of $12,000,000 and assets $10,700,000, the percentage of assets to liabilities was 85 per cent. The failures of State and National banks in 1893 will, no doubt, make a better showing in favor of National banks.

A CHANGE OF MIND.—Miss Amelia Elderly (to cashier of savings bank)—"I would like to open an account at this bank."

Cashier—"Very well, ma'am; your name, please?"

Elderly—"Miss Amelia G. Elderly."

"Where were you born?"

"In Boston."

"When?"

"Sir?"

"In what year were you born?"

"Why—I—I—what has that to do with it?"

"Savings banks always require the age as well as the names of their depositors."

"They *do?*"

"They do, madam."

"Well, then I—I—it's of no consequence, of course, but I don't believe I'll deposit my money, after all. Banks are failing all over the country anyhow, and it might really be better to invest it in some other way. Sorry to have troubled you but—good day, sir."—*Exchange.*

EASTERN STATES.

NEW LONDON, CONN.—At the annual meeting of the New London City National Bank directors were chosen as follows: J. N. Harris, William Belcher, Herbert L. Crandall, Walter Learned, W. H. H. Comstock, George D. Whittlesey, Daniel D. Latham, Edward T. Brown, Philip C. Dunford, William H. Rowe. At a subsequent meeting of the directors officers were elected for the ensuing year as follows: President, J. N. Harris; vice-president, Herbert L. Crandall; cashier, William H. Rowe; assistant cashier, F. E. Barker; teller, Frank S. Greene; clerk, Milton Baker. The New London City Bank is one of the oldest corporations in the State, having been organized in 1807. The bank was reorganized under the National Banking Law in 1865, and has always been a remarkably well managed institution.

NORWICH, CONN.—Three old and well-known National banks of this city—namely, the Uncas, Merchants' and First National—are soon to be consolidated in a single National bank, with quarters in the Shetucket street building, which the old Norwich Savings Society will leave early in the spring to go into its new house at Main street and Broadway. The directors and officers of the powerful Savings Society own a large share of the stock of the banks named, and the change, it is said, will be made in accord with a plan on their parts which they have had in view for a number of years. By means of the consolidation scheme, it is averred, a single union bank would be enabled to do a vastly larger business than three distinct and individual ones, transact it far more economically, with less than half the clerical force now employed in the three, and with the conjoined capital of the three banks it would become a formidable rival of the rich and progressive Thames National Bank of Norwich, which is one of the strongest banking institutions in New England. The capital of the Uncas National Bank is $200,000, that of the Merchants' $100,000, and of the First National $400,000. The last-named bank was incorporated in 1864, the Merchants' in 1833 and the Uncas in 1852.

BOSTON, MASS.—The recent decease of that venerable and eminent financier, Franklin Haven, reminds a correspondent of the Boston *Transcript* that only two of the State street money changers who have reached the same age allotted to that distinguished gentleman, viz., forescore years and ten, are yet alive and remarkably well preserved. They are Matthew Bolles and Samuel Gilbert. The former yet continues his time-honored pursuits, and appears on the street quite as lively as a man of sixty. Mr. Haven continued longer in active business as a bank official, I think, than any other person in Boston. Messrs. Bolles and Gilbert were the oldest bankers and brokers of State street, and always appeared sound and healthy men in spite of their bill-ious associations so long continued. A well-known gentleman of this city who is eminent for his financial ability, showed me a letter from venerable Mr. Gilbert which was written recently in a sprightly spirit and signed with full signature in a firm and beautiful handwriting. He is now not far from ninety-four years of age, being several years the senior of Mr. Bolles. I occasionally meet a few of the brokers who flourished in the days of Degrand, the lively old Frenchman, the Thayers, Henshaws, Willis and other noted brokers: A. W. Spencer, who still holds the old fort in the Traveler Building; C. D. Head, T. H. Perkins and two or three others of forty years' career on State street. What a change has occurred in banking methods since my boyhood experience of fifty or sixty years ago! yet how well I remember some of the old officials who received deposits and cashed checks! Some of them were gracious in manner and others fussy and often snappish, especially to boys, so much so that I dreaded approaching their high mightinesses. There was one bank, however, which was a notable exception to many others. This was the Globe Bank, which was truly the model bank of State street. The president and directors were always high-toned business men of the best class, but with them I had no dealings. Those I was brought in contact with were the cashier, the receiving and paying tellers, bookkeeper and clerks. What a grand old gentleman was Cashier Charles Sprague, whose ability as a financier was only equaled by his literary taste and versatility. This splendid man of brilliant mental gifts, whose poetical effusions were the admiration of the literary world, was a Chesterfield in address, and a lovable man in every relation of life. Mr. Stevens, teller, afterwards cashier, and later president, was for many

years one of the ablest and most popular banking officials in Boston. His courtesy and affability were appreciated by all business people having transactions with that institution. Messrs. Cole and Collander, the able bookkeepers, were also great favorites with business men; so also was the faithful messenger, Chauncy Peck, who, after his daily duties at the bank were over, officiated as doorkeeper at the Tremont Theatre at every performance. The old Globe Bank was a model financial institution, and its officials were a band of brothers.

LOWELL, MASS.—Mr. Artemas S. Tyler, treasurer of the Five-Cent Savings Bank, has resigned his position. The resignation will take effect March 21. Mr. Tyler has been prominently identified with the banking business in this city during the past fifty years.

CONCORD, N. H.—At the meeting of the directors of the Mechanicks' National Bank the following preamble and resolution was adopted: *Whereas*, Mr. James Minot has tendered his resignation as cashier of the Mechanicks' National Bank, to take effect at the close of business on Saturday next, and the same has been accepted; therefore, *Resolved*, That the board of directors desire to express their appreciation of his unswerving integrity and his faithful service to the bank since its organization, and tender to him their best wishes for his future prosperity and happiness.

NEW YORK CITY.—The Clearing House Association has formed the New York Clearing House Building Company, with a capital of $375,000, divided into shares of $100 each. The incorporators and directors for the first year will be George G. Williams, Frederick D. Tappen, J. Edward Simmons, Dumont Clarke, and E. H. Perkins, Jr. A committee was appointed to approve plans and make contracts, consisting of F. D. Tappen, William A. Nash, and J. Edward Simmons. The site has already been selected in Cedar street, between the buildings occupied by the National Bank of Commerce and the American Exchange National Bank. Among the plans discussed is one to provide for a large bank building, which will help, in rent, to pay for the interest on the Clearing House investment. It has been decided that a vault shall be provided in the new structure for the storage of bills of small denomination, against which the Clearing House will issue certificates similar to the plan on which it now receives deposits of gold. By this system of currency certificates an immense amount of labor will be saved in sorting currency which is used in making exchanges between the Clearing House banks.

NEW YORK CITY.—Mr. R. L. Edwards has taken an active part in the financial affairs of New York since the active years of the war, when, in 1864, he arrived in this city from Missouri, where he had been engaged in mercantile pursuits, and founded the successful firm of R. L. Edwards & Co., bankers and brokers. He became a member of the Gold Board and of the New York Stock Exchange, and was elected and served as treasurer of the former association for seven years. He was one of the first of our brokers to appreciate the very great importance and advantage of closing transactions through the medium of a clearing house, and came up prominently during the Black Friday gold panic of '68-'69. He was shortly after this elected as a director, and became president of the Gold Exchange Bank, and did all of its clearing of gold till 1878, when the Bank of the State of New York made a contract with the Stock Exchange to clear gold for them, and Mr. Edwards was selected to act as cashier; and two years later was elected to the presidency, which position he has since continuously retained. To him, possibly, is due the greater part of the credit for the establishment of Stock Exchange clearances of railroad stocks, and but for its successful operation the results of the Reading panic might have been more generally disastrous. Mr. Edwards has served on various committees of the New York Clearing House; has been, and is at present, a trustee in the Brooklyn Savings Bank, which has $26,000,000 of deposits and is one of the largest of the savings banks in Brooklyn. In social circles he is greatly esteemed; is a member of the Chamber of Commerce of New York, Hamilton and Apollo Clubs of Brooklyn. The Bank of the State of New York has had a very successful career under Mr. Edwards' guidance. Its capital is now $1,200,000; its deposits range upwards of $6,000,000. The officers and directors are: James G. Colgate, vice-president; B. C. Duer, cashier; R. G. Rolston, Henry Hentz, Thomas Rutter, August Belmont, James Swann, Benjamin C. Paddock, E. T. Bedford, Wm. S. Sloan and Frederick Lovejoy.

NEW YORK CITY.—Though controlling a majority of the stock, W. W. Flannagan has declined a re-election as president of the Southern National Bank, and the former vice-president, Isaac Rosenwald, has been elected president. The capital of the bank has been reduced from one million dollars to five hundred thousand dollars, and the remaining five hundred thsusand dollars goes to surplus, making the total surplus upward of six hundred thousand dollars. With a smaller capital and a larger surplus the bank is put in a stronger position, and the indications are that the bank will grow in the confidence of the public during the year 1894. The new president, Mr. Rosenwald, was born in Germany, and came to this country in 1853, and after spending about ten years in Georgia in mercantile pursuits he came to New York, and has been a tobacco merchant in this city ever since. In 1885 he was made a director in the Commercial Bank, and in 1891, or soon after the Commercial Bank was reorganized into the Southern National Bank, he was elected vice-president. The new vice-president is Walter S. Johnston, who was formerly in the Treasury Department in Washington under the late John Jay Knox. After acting as receiver to a National bank in St. Louis, Mr. Johnston came to New York as receiver of the Marine Bank. J. D. Abrahams continues as cashier. Besides the names above mentioned the directors include the following: E. B. Bartlett, Alden S. Swan, H. L. Horton, R. A. C. Smith, W. P. Thompson and Thos. B. Kent. The Southern National Bank had on deposit, December 19, $2,061,103, with resources amounting to $3,609,381.

BROOKLYN, N. Y.—The Broadwav Bank's new building at Broadway and Graham avenue has been formally opened. It is unquestionably one of the handsomest structures of its kind in this country. It is said to have cost about $50,000. Its 1,500 depositors have received individual invitations to examine the building throughout. Mayor Schieren, the heads of the various local public departments and other prominent citizens will be tendered a reception in the directors' rooms of the bank by the officers of the institution. The building is four stories in height. The frontage of the first and second stories is of Indiana limestone and polished granite and of the upper stories of pressed brick and terra cotta trimmings. The ground floor, which has a depth of 100 feet and a width of 25 feet, is to be used as the counting room or quarters of the bank proper. It has a mosaic tiled floor with polished marble trimmings and is divided into the customary spaces by partitions of oak and polished metal. Every convenience that experience has suggested has been provided for the comfort of depositors. Separate spaces for men and women have been arranged. The officers' quarters have been furnished regardless of expense. The vault has been pronounced by experts the finest in the United States. It is 14 feet long and 7 feet 6 inches in width. It is absolutely fire and burglar proof. To further insure the safety of valuables placed in the vault the officers have decided upon a novel plan relative to the lock combination. Three directors alone are to know the combination and in this way: Each of the three is to be placed in possession of one of the three figures that form the combination. In order to open the lock all three will have to in turn manipulate the lock knob from the first to the second and from the second to the third figure. The bank was organized in 1888 and has been doing business since directly opposite the site of its new structure. It has a capital of $100,000. The directors are Henry Batterman, president; John H. Schumann, first vice-president; William Lamb, second vice-president; Louis Bossert, George H. Fisher, H. S. Hollingsworth, Charles Miller, Charles Naeher, H. B. Scharmann and Millard F. Smith. E. M. Hendrickson is the cashier.

BROOKLYN, N. Y.—Among the deaths the last month is that of Mr. E. C. Lewis, formerly president of the Brooklyn Bank. Mr. Lewis was born in Westbury, L. I., December 30, 1820. He moved to Brooklyn in 1853, and entered into partnership with Valentine Bergen & Co., wholesale grocers, of No. 15 Fulton street, with whom he was connected for twenty-five years. He resigned to accept the presidency of the Brooklyn Bank, and after ten years was obliged to retire from business owing to ill health. Besides attending to the duties connected with his business, Mr. Lewis took an active interest in public affairs. He was a director in the Home Life and Nassau Fire Insurance Companies and Long Island Historical Society.

ALBANY, N. Y.—The legislative committee on banks gave a joint hearing in the Senate chamber on the Mullin Bill, extending the field of investment of savings banks to bonds of cities in the New England States, New Jersey, Pennsylvania, Ohio, Illinois, Wisconsin, Michigan and Missouri, of more than 50,000 inhabitants. President J. Harsen Rhodes, of the Greenwich Savings Bank, and chairman of the committee on legislation said that banks did not urge the extension upon motives of self-interest, but of necessity. The deposits in the savings banks now amounted to $640,000,000, while the field of investment had shrunk $1,200,000,000 since the general law was passed. Deposits were increased at the rate of $23,000,000 a year. There were $42,000,000 deposited in 1892. During the next fifteen years the banks would have to invest and re-invest between $500,000,000 and $600,000,000. State and municipal debts were constantly decreasing and the point of paralysis would be reached unless something should be done. Mr. Rhodes was sure that the proposed extension would not impair the market for the bonds of cities in New York State. The banks could take all that were offered. In the New England States the laws were much broader than in New York, and the interest rate there was only a little harder. In answer to questions Mr. Rhodes said that the bonds of the cities included in the bill sold from 4 per cent. to 3 per cent. basis, so that there would be no rush to them on the part of the banks. If the bill were passed, he thought the bonds of St. Louis, for example, would sell in New York on a 3¼ per cent. basis, while the bonds of New York City sold on a 3 per cent. basis.

FONDA, N. Y.—Daniel Spraker, president of the Mohawk River Bank, at Fonda, N. Y., is 95 years old; but he attends to his business duties as regularly as he has done for the past thirty years. He is the last of six brothers, and the family has been prominent in the Mohawk Valley for a century.

TYRONE, PA.—By a unanimous vote of the stockholders of the First National Bank of Tyrone, at a meeting, it was decided to increase the capital stock of that institution from $75,000 to $100,000, with a surplus of $16,000.

WESTERN STATES.

KOKOMO, IND.—Ithamer Russell, president of the Russell, Dolman & Co. banking house, and one of the best known and most widely esteemed citizens of this place, died on the 3d of February. He was seventy years of age, and has been prominently identified with the banking and financial interests of the city for the past thirty years.

IOWA.—The following bill relating to the maturity of negotiable paper has been introduced into the Legislature:

SECTION 1. All notes, drafts, checks, acceptances, bills of exchange, bonds, or other evidences of indebtedness, whereby any person, persons, corporation, or other company shall promise to pay any person, persons, company or municipality, and in which there is no express 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.

SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SEC. 3. This act shall take effect and be in force from and after its publication in the Iowa State *Register* and the Des Moines *Leader*, newspapers published at Des Moines, Iowa.

TOPEKA, KAN.—Under the call recently issued by Bank Commissioner Breidenthal for a statement of the condition of Kansas banks up to the close of business January 10th, reports have been received from about 200 State and private banks, which is one-half the total number now in existence. The reports have not been tabulated, but Commissioner Breidenthal states that the general condition of the institutions will show an improvement over the statement made three months ago. A few of the banks that suspended during the panic of last year have resumed, but many of the smaller institutions have retired permanently, either at the hands of a receiver or by voluntary liquidation. The list last year showed forty-two suspensions, of which five have since reorganized and resumed. Many of the suspended banks were in small country towns, where no demand existed for such facilities.

DETROIT, MICH.—Edward Kanter, who has been president of the German-American Bank since 1871, the year of its incorporation, has resigned, owing to ill-health. He is succeeded by John S. Gray. Mr. Kanter's banking career dates back to 1853, when the mercantile and banking business of E. Kanter & Co. was established. In 1868 the firm organized a private bank, which they continued to conduct till 1871, when the German-American Bank was incorporated, Mr. Kanter being made its president.

SAGINAW, MICH.—A special meeting of the stockholders of the Home National Bank has been called to consider the advisability of reducing its capital stock, which is now $400,000, to $200,000, leaving the surplus, about $140,000, as it is at present. This strong institution has a very large capital, and if it is decided to take out the $200,000 it will still leave the bank with the heaviest capital and surplus of any in the valley.

LANSING, MICH.—The Ingram County Savings Bank has moved into its new quarters in the Hollister block, and Lansing has now the finest bank offices in Central Michigan. They are large, well lighted, and excellently suited to the wants of its patrons and the public, and the officials of the institution may justly congratulate themselves and be congratulated on their new acquisition. The main entrance is from Washington avenue, the broad marble stairway giving a tone of richness and grandeur. The spacious floor outside of the cherry counters is beautifully tiled and gives ample room for the transaction of much business. There is also an entrance on the north side of the bank which will be of great convenience to patrons of the institution having offices in the block. The furnishings from the old stand have been augmented by much new furniture, all of which is cherry, of substantial and elegant design. In addition to the cashier's office and the general departments, a room has been fitted up for the convenience and use of the public. The management, and especially Cashier May, is deserving of much credit for the manner in which the bank has been brought to its present standard and the excellent condition of its affairs.

LANSING, MICH.—During the year 18 State banks with an aggregate capital of nearly $900,000 have been chartered by Commissioner Sherwood, as against 21, with an aggregate capital slightly in excess of $1,000,000 last year.

ST. JOSEPH, MO.—The First National Bank of Buchanan County has opened for business in the building formerly occupied by the Schuster-Hax National Bank. The consolidation of the Schuster-Hax National and the Saxton National, which has been effected, is the foundation of the new organiztion, which is among the strongest in this portion of the State. The new bank opens under most favorable auspices, and will control a large share of the public patronage. It is managed by men who have mastered the art of safe banking and will give their patrons all possible advantages. The capital of $500,000 is abundant for all purposes. S. C. Woodson is the president, and S. A. Walker cashier. R. L. McDonald, A. Kirkpatrick and Ed. C. Smith are the vice-presidents. The other officers are: E. C. Hartwig, assistant cashier, and Julius Rosenblatt, second assistant cashier. The directors are: S. C. Woodson, R. L. McDonald, A. Kirkpatrick, Ed. C. Smith, J. W. McAllister, W. G. Fairleigh, Carroll Connett, Louis Hax, D. M. Steele, C. A. Hubacher, W. C. Brown, B. P. Waggener, Atchison, Kan., J. M. Ford, John P. Hax, S. A. Walker. The discount committee is R. L. McDonald and J. W. McAllister.

OMAHA, NEB.—The local banks have again entered an agreement to pay 3 per cent. interest upon balances of county money deposited with them during the coming year. In the meanwhile they are using the city money and paying only 2 per cent. interest for it. This in itself is almost indisputable evidence that the banks act under a mutual understanding when they refuse to offer more than 2 per cent. for the use of city money. Do they loan out the funds derived from city and county at different rates? Just apply for some of the city money at 1 per cent. less than is asked for other loans and the answer will be promptly given. If the banks can pay 3 per cent. on the deposit of one set of public funds they can do the same with regard to all such funds. There is no reason whatever why the city should not get the same rate of interest on deposits as the county.—*Omaha Bee.*

KEARNEY, NEB.—The bankers of Buffalo County have organized with the fol-

lowing officers: President, James H. Davis, president of the First National Bank of Gibbon; first vice-president, George Meisner, president of the First National Bank of Shelton; second vice-president, W. A. Downing, Kearney National Bank of Kearney; secretary, Albert T. Gamble, cashier Buffalo County National Bank of Kearney; treasurer, Frank D. Brown, cashier First National Bank of Miller. Nearly every bank in the county is represented.

TOLEDO, OHIO.—No one day in the history of Toledo witnessed a financial deal of such magnitude as in the sale of the Toledo Bank stock. George H. Ketcham, through John Kumler, as his agent, sold and delivered to S. C. Reynolds 750 shares of stock in the First National Bank of Toledo for $225,000. The deal was a cash one, Mr. Reynolds turning over two checks which represented the amount paid for the stock. The par value of the stock is $75,000, and the price paid is therefore seen to be three times as great as the value of it at par. This speaks volumes for the First National. Mr. Ketcham thus disposes of every cent's worth of interest that he has in the bank. A successor to him will probably be selected soon to take his place as a director.—*Toledo Commercial.*

MILWAUKEE, WIS.—The finance committee of the common council has decided to recommend that the following banks be named as additional city depositories: Milwaukee National, National Exchange and German-American. These banks are willing to give the city bonds to cover balances that may be left with them, and will pay interest at the rate of 1½ per cent. The committee has acted favorably upon a resolution to appropriate $8,000 for the purchase of a school site in the Thirteenth Ward.

PACIFIC STATES.

SAN FRANCISCO.—The annual report of Mr. Charles Sleeper, Manager of the San Francisco Clearing House, shows that the clearings for the year 1893 were $699,285,777.88, and for 1892 $815,368,724.41, a decrease of $116,082,946.53, and which decrease is attributable to the depression in business that has existed since about the middle of June last. The clearings by quarter year for 1893, 1892, and 1891 are shown in the following statement:

Time.	*1893.*	*1892.*	*1891.*
First Quarter.....	$193,329,737.44	$192,888,017.31	$209,674,061.33
Second Quarter.....	188,667,839.30	190,425,619.92	212,629,427.43
Third Quarter.....	151,449,174.30	212,548,934.73	232,268,697.48
Fourth Quarter.....	165,839,026.84	219,506,152.45	237,854,526.37
	$699,285,777.88	$815,368,724.41	$892,426,712.61

The total clearings and balances for eighteen years, and average daily clearing for each year, are given in the following statement:

Year.	*Clearings.*	*Balances.*	*Days.*	*Average Daily Clearing.*
1876	$476,123,237.97	$104,804,707.74	247	$1,927,624.45
1877	519,948,803.68	126,172,850.21	305	1,704,750.20
1878	715,329,319.70	151,888,434.05	306	2,337,677.50
1879	553,953,955.90	129,561,079.52	305	1,816,242.50
1880	486,725,953.77	118,046,934.94	304	1,601,072.20
1881	598,696,832.35	125,388,744.81	304	1,969,397.50
1882	629,114,119.81	108,487,872.15	303	2,076,284.20
1883	617,921,853.51	107,269,494.53	304	2,032,637.70
1884	556,857,691.03	95,275,201.49	304	1,831,768.72
1885	562,344,737.93	100,460,388.52	305	1,843,753.24
1886	642,221,391.21	105,832,827.47	301	2,133,625.88
1887	829,181,929.86	129,474,942.72	303	2,736,574.02
1888	836,735,954.39	123,271,533.66	305	2,743,396.57
1889	843,386,150.94	126,765,916.49	304	2,780,807.50
1890	851,066,172.60	118,824,559.86	302	2,818,099.91
1891	892,426,712.61	123,033,279.27	306	2,913,159.19
1892	815,368,724.41	110,364,511.10	304	2,682,133.96
1893	699,285,777.88	91,744,516.81	304	2,300,282.16
Totals.	$12,126,689,319.55	$2,096,667,796.24		

The balances in 1893 were 13 1-10 per cent. of the clearings, and amounted to $91,744,516.81, and were paid: in gold certificates, 35 8-10 per cent. ($32,870,000), and in United States gold coin, 64 2-10 per cent. ($58,874,516.81). The average daily balance for 1893 was $301,791.17, and for 1892 $363,041.15; a decrease of $61,249.98. At the annual meeting, held on the 13th of February, the following named officers were elected for the ensuing year: President, Thos. Brown; Vice-President, H. Wadsworth; Secretary, John D. McKee. Clearing House Committee: Thos. Brown, Cashier Bank of California; Ign. Steinhart, Manager Anglo-Californian Bank (Limited); S. G. Murphy, President First National Bank of San Francisco; H. M. J. McMichael, Agent Bank of British North America; W. H. Crocker, President Crocker-Woolworth National Bank, of San Francisco. Chas. Sleeper was re-appointed Manager and J. T. Burke, Assistant Manager.

SOUTHERN STATES.

KENTUCKY.—The First National Bank of Lexington is to build a handsome new banking house on the site of its old business office. The new structure will be built of stone and brick and three stories high. The front will be forty feet wide and of Bowling Green stone. Two large Corinthian pillars will set off the front. The lower floor will be handsomely fitted up and used by the bank, while the other stories will be rented for offices. The cost of the new building will be about $25,000.

FOREIGN.

HALIFAX, N. S.—Two banks of this city show a gratifying increase in profits for the past year. The Nova Scotia increased its rest from $1,050,000 to $1,200,000, and the Merchants' from $500,000 to $600,000, besides increasing its dividend one per cent.

LONDON.—The *Standard* says that Adrian Hope, one of the largest depositors in the Bank of England, was permitted by that institution to overdraw his account to the amount of £420,000 ($2,100,000), Hope having lost all of his deposits in speculation. Subsequently the bank made a demand upon Hope for £350,000 ($1,750,000), which was not forthcoming, and finally settled with him for £150,000 ($750,000), to protect Hope against absolute bankruptcy, which would have involved the total loss to the bank of his indebtedness.

PAYMENT OF CHECKS.—Banks in England will pay checks to bearer, if they are indorsed, no matter whether they know the bearer or not. Banks in New York will not. They insist upon the bearer being identified. A great many people are vexed and harassed by this rule, which, after all, may be a wise one. Yet very few know that it is enough to get the policeman on beat in front of the bank to say that you are John Smith, in order to have a check paid to you, providing you are John Smith, and the check is all right.

DEATHS.

COVELL.—On February 16, aged sixty-five years, ROBERT S. COVELL, President of National Eagle Bank, Boston, Mass.

FLYNN.—On January 27, A. E. FLYNN, Cashier of First National Bank, Mandan, N. Dak.

JONES.—On January 30, aged forty-four years, MILLARD F. JONES, Cashier of Bank of Versailles, Versailles, Mo.

KINGMAN—On February 20, aged seventy-two years, R. P. KINGMAN, President of Home National Bank, Brockton, Mass.

OSBORN.—On February 5, aged seventy-eight years, WEAVER OSBORN, President of Pocasset National Bank, Fall River, Mass.

RAMSAY.—On February 11, aged fifty-six years, C. G. RAMSAY, President of Norfolk National Bank, Norfolk, Va.

WILLIAMS.—On January 29, aged sixty-three years, JAMES L. WILLIAMS, President of City National Bank, Marshalltown, Iowa.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from February No., page 637.)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY. National Union Bank	Wm. H. Jewett, *Asst.*	.....
" .....Riverside Bank	H. C. Copeland, *P.*	.....
ALA....Bank of Anniston	P. G. Smith, *P.*	W. G. Ledbetter.
" ..Alabama Nat. B'k, Birmingham.	A. T. Jones, *P.*	Jos. F. Johnston.
" ..Berney National Bank, Birmingham.	J. B. Cobbs, *P.*	William Berney.
	W. P. G. Harding, *Cas.*	J. B. Cobbs.
" ..Clayton Banking Co., Clayton.	Augustus H. Alston, *P.*	Jas. J. Winn.
	Thomas R. Parish, *Cas.*	Jos. L. Pitts.
" ..First Nat. Bank, Demopolis	J. B. Merriweather, *Cas.*	James W. Taylor.
" ..East Ala. Nat. B'k, Eufaula	J. L. Pitts, *Cas.*	John P. Foy.
" ..Jackson Co. Bank, Scottsboro	A. H. Coffey, *Cas.*	Robt. C. Ross.
ARIZ....Arizona Nat. Bank, Tucson	L. M. Jacobs, *V. P.*	.....
" ..Consolidated Nat. B'k, Tucson.	Wm. C. Davis, *V. P.*	.....
ARK....Bank of Conway, Conway.	S. G. Smith, *P.*	Jo Frauenthal.
	W. W. Martin, *V. P.*	.....
" ..American Nat. B'k, Ft. Smith.	P. A. Ball, *Asst.*	.....
" ..Bank of Commerce, Little Rock.	Fred'k Kramer, *P.*	Lucien W. Coy.
	Lucien W. Coy, *V. P.*	.....
	H. N. Kramer, *Asst.*	.....
" ..Nevada Co. Bank, Prescott.	J. C. Young, *P.*	W. H. Terry.
CAL....Pasadena National Bank, Pasadena.	T. P. Lukens, *P.*	J. D. Lincoln.
	E. E. Jones, *Cas.*	T. P. Lukens.
" ..San Bernardino Nat. Bank, San Bernardino.	E. D. Roberts, *V. P.*	S. E. A. Palmer.
" ..Peoples Home Savings Bank, San Francisco.	Julius Boushey, *P.*	C. Waterhouse.
	W. E. Palmer, *Sec.*	Emil Bellermann.
" ..Union Savings Bank, San Jose.	H. W. Wright, *P.*	S N. Johnston.
	Henry Edwards, *V. P.*	H. W. Wright.
" ..First Nat. Bank, Santa Ana	W. B. Hervey, *P.*	Wm. H. Spurgeon.
" ..Bank of Santa Monica	W. E. Lester, *Sec.*	E. J. Vawter, Jr.
" ..Santa Rosa B'k, Santa Rosa	Thos. Hopper, *P.*	W. E. McConnell.
" ..First National Bank, Stockton.	Edw. Floyd-Jones, *V.P.*	I. S. Bostwick.
	Harry H. Hewlett, *Asst.*	.....
COL....First Nat. Bank, Canon City	N. E. Craven, *Asst.*	.....
" ..American National Bank, Denver.	Chas. M. Clinton, *V. P.*	Frank Church.
	John Matthew, *Asst.*	M. G. Hawley.
" ..State Nat. Bank, Denver	E. L. Raymond, *V. P. & Actg. Cas.*	E. E. Quentin.
" ..First Nat. Bank, La Junta	R. W. Patterson, *P.*	T. M. Dickey.
" ..First National Bank, Rico.	Henry Klingender, *P.*	G. B. Garrison.
	J. E. McClure, *V. P.*	H. Klingender.
	P. E. Achard, *Asst.*	.....
" ..Rico State Bank, Rico.	L. D. Swickhimer, *P.*	David Swickhimer.
	David Swickhimer, *V. P.*	.....
CONN...Bridgeport Sav. B'k, Bridgeport.	Samuel C. Trubee, *P.*	E. S. Hawley.*
" ..First Nat. Bank, Bridgeport	Edward W. Marsh, *V. P.*	.....
" ..Saybrook Bank, Essex.	James Phelps, *P.*	Edwin Ayre.
	D. W. Spencer, *V. P.*	James Phelps.
" . Home Nat. Bank, Meriden	Samuel Dodd, *V. P.*	.....
" ..First Nat. Bank, Norwich	Increase W. Carpenter, *V. P.*	.....
" ..Uncas National Bank, Norwich.	D. B. Spaulding, *P.*	Edwin S. Ely.
	Chas. Bard, *V. P.*	.....
	Jas. H. Welles, *Asst.*	.....
DAK. N. First Nat. Bank, Dickinson	V. H. Stickney, *V. P.*	A. N. Jefferies.
" ..Second National Bank, Grand Forks.	M. R. Doyon, *P.*	Alex. Griggs.
	E. S. Lander, *V. P.*	M. R. Doyon.
" ..Hillsboro Nat. B'k, Hillsboro	J. E. Lasham, *V. P.*	Daniel Patterson.
" ..First Nat. Bank, Langdon	F. J. Hodgins, *Cas*	W. F. Winter.
DAK. S. First National Bank, Aberdeen.	C. F. Easton, *P.*	Sam'l H. Jumper.
	H. F. Williams, *V. P.*	C. F. Easton.
	S. H. Jumper, *Cas.*	Geo. L. Cadwell, Jr.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
DAK.	S. Hanson Co. B'k, Alexandria	W. D. Knapp, *Cas*	E. P. Brown.
"	First Nat. Bank, Fort Pierre	W. H. Thayer, *V. P.*	Geo. D. Matheison.
"	Bank of Frederick	S. P. Howell, *P*	Geo. T. Doty.
"	Bank of Hot Springs, Hot Springs.	James Halley, *P.* Richard C. Lake, *V. P.*	....
"	First National Bank, Lead	R. H. Driscoll, *Cas*	Alex. Ross.
"	First National Bank, Madison	G. L. McCallister. *Cas*	W. A. Mackey.
"	First Nat. Bank, Mitchell	O. P. Graham, *Asst*	.....
"	Mitchell Nat. Bank, Mitchell	A. R. Groenke, *Asst*	.....
"	National Bank of Commerce, Pierre.	J. C. Eager, *P* Jas. A. Ward, *V. P.*	Jas. S. Sebree. J. C. Eager.
"	Black Hills National Bank, Rapid City.	Fred Holcomb, *V. P.* Geo. B. Mansfield, *Cas.*	Wm. H. Seward. Geo. B. Mansfield, *Asst.*
"	Sioux Falls N. B'k, Sioux Falls.	H. C. Fenn, *Asst*	.....
"	Union Nat. Bank, Sioux Falls	A. L. Parmley, *Asst*	.....
FLA.	First Nat. Bank, Fernandina	J. H. Prescott, *V. P.*	I. W. Archibald.
"	Nat. Bank State of Florida, Jacksonville.	J. N. C. Stockton, *P.* Raymond D. Knight, *V. P.*	D. G. Ambler. J. N. C. Stockton.
"	Putnam Nat. Bank, Palatka	Geo. E. Welch, *P*	Martin Griffin.
GA.	First Nat. Bank, Albany	W. S. Bell, *V. P.*	Richard Hobbs.
"	Peoples National Bank, Americus.	Bascom Myrick, *P.* W. C. Furlow, *V. P.*	J. C. Roney. .....
"	Irish-Amer. Dime Sav. Bank, Augusta.	Jno. D. Sheahan, *Cas*	P. L. Mulherin.
"	Brunswick Sav. & Trust Co., Brunswick.	Henry R. Jackson, *P.* L. A. Fleming, *Cas*	W. G. Brantley. M. P. King.
"	Chattahoochee Nat. Bank, Columbus.	John F. Flournoy, *V. P*	.....
"	First National Bank, Cordele.	Joseph E. Bivins, *P.* F. J. Bivins, *Cas*	W. E. Murphey. Joseph E. Bivins.
"	Bank of Cuthbert	Ed. McDonald, *Cas*	John D. Gunn.
"	Merchants National Bank, Savannah.	Wm. W. Gordon, *V. P.* Wm. W. Rogers, *Cas*	S. Guckenheimer. W. S. Rockwell.
"	Nat. Bank of Savannah	J. G. Grady, *Asst*	A. L. Rees.
"	Citizens Bank, Valdosta	C. W. Lamar, *Cas*	W. Lang.
"	First Nat. Bank, Valdosta	James Y. Blitch, *Cas*	H. C. Briggs.
IDAHO.	First Nat. Bank, Caldwell	Chas. W. Pinney, *Asst*	.....
"	First Nat. Bank, Moscow	K. O. Skattaboe, *V. P.*	J. H. Maguire.
"	Moscow Nat. Bank, Moscow	C. M. Browne, *Cas*	W. C. Ewing.
ILL.	First National Bank, Anna.	Rickleff Johnson, *P.* J. H. Spann, *V. P.*	Chas. M. Willard.* R. Johnson.
"	First National Bank, Biggsville.	J. E. Barnes, *2d V. P.* J. Y. Whiteman, *Cas*	..... J. E. Barnes.
"	Third Nat. B'k, Bloomington	E. Horr, *Act. P.*	.....
"	Farmers Nat. B'k, Cambridge.	H. C. Dana, *Asst*	.....
"	Hancock Co. Nat. Bank, Carthage.	D. Mack, *P* J. C. Ferris, *V. P.* S. H. Ferris, *Asst*	..... D. Mack. J. C. Ferris.
"	Am. Ex. Nat. B'k, Chicago	Robert Stuart, *P*	J. B. Kirk.
"	Bankers Nat. B'k, Chicago	Geo. S. Lord, *2d V. P.*	.....
"	Globe Nat. Bank, Chicago	D. A. Moulton, *Cas. & 2d V. P.*	....
"	Hide & Leather Nat. B'k, Chicago.	John McLaren, *P.* Chas. F. Grey, *V. P.* C. M. Walworth, *Cas*	Chas. F. Grey. ....
"	Illinois Tr. & Sav. B'k, Chicago	B. M. Chattell, *Asst*	.....
"	Prairie State Nat. Bank, Chicago.	Geo. W. Van Zandt, *P.* D. W. Buchanan, *Cas*	..... Geo. Van Zandt.
"	Union Nat. Bank, Chicago	R. C. Lake, *2d V. P.*	.....
"	Second Nat. Bank, Danville	R. W. Martin, *2d Asst*	.....
"	First Nat. B'k, East St. Louis	Thos. L. FeKete, *V. P.*	H. C. Fairbrother.
"	Home National Bank, Elgin.	E. D. Waldron, *V. P.* A. B. Church, *2d V. P.* C. F. O'Hara, *Asst*	A. B. Church. E. D. Waldron. .....
"	First Nat. Bank, Englewood	V. E. Nichols, *Asst*	.....
"	State Bank, Evanston	Robt. D. Sheppard, *P.*	John R. Lindgren.
"	Oakland Nat. B'k, Hyde Park	D. F. Groves, *V. P.*	A. W. Allyn.
"	First Nat. Bank, Jacksonville	F. E. Farrell, *Asst*	.....
"	Kewanee Nat. B'k, Kewanee	Ray O. Becker, *Asst*	.....

* Deceased.

	Bank and Place.	Elected	In place of.
ILL.	German-American Nat. Bank, Lincoln.	Fr. C. W. Koehnle, *P*	Adolph Rimerman.
"		Matthew Reinhart, *V. P.*	Fr. C. W. Koehnle.
"	First National Bank, Marion	L. C. Campbell, *Asst*	.....
"	First Nat. Bank, Mattoon	Lewis L. Lehman, *P.*	W. B. Dunlap.
"	Moline National Bank, Moline.	H. A. Ainsworth, *P.*	Porter Skinner.
"		Geo. H. Edwards, *V. P*	H. A. Ainsworth.
"	National Bank of Monmouth	James French, *Asst*	E. D. Brady.
"	First Nat. Bank, Morrison	E. A. Smith, *P.*	.....
"	First Nat. Bank, Naperville	W. M. Givler, *Asst*	.....
"	First Nat. Bank, Oregon	Geo. A. Mix, *V. P.*	Daniel Etnyre.
"	First National Bank, Pana.	W. J. Jordan, *P.*	Wm. L. Cohenour.
"		N. H. Large, *V. P.*	W. J. Jordan.
"	First National Bank, Paris	R. G. Sutherland, *Cas*	Wm. Siebert.
"	National Bank of Pontiac, Pontiac.	O. P. Bourland, *V. P.*	B. P. Babcock.
"		J. Spiro, *Cas*	O. P. Bourland.
"	Citizens Nat. B'k, Princeton	H. H. Ferris, *P.*	Tracy Reeve.
"	First National Bank, Springfield.	Geo. Pasfield, *V. P.*	Howard K. Weber.
"		Howard K. Weber, *Cas*	W. W. Tracy.
"	State Nat. Bank, Springfield	R. D. Lawrence, *P.*	S. H. Jones.
"	First Nat. Bank, Vienna	S. Whitehead, *V. P.*	J. Throgmorton.*
"	Commercial Bank, Waterloo	Hugh Murphy, *Cas*	Wm. H. Horine, *Sen.*
IND.	Indiana Nat. Bank, Elkhart	P. Hill, *V. P.*	C. B. Brodrick.
"	First Nat. Bank, Green Castle	M. A. Bridges, *V. P.*	A. M. Lockridge.*
"	Capital National Bank, Indianapolis.	M. B. Wilson, *P.*	N. S. Byram.
"		Glenn Wilson, *Asst*	.....
"	First Nat. Bank, Laporte	Frank J. Pitner, *Asst*	.....
"	State Nat. Bank, Logansport	S. W. Ullery, *V. P.*	A. L. Pogue.
"	Lawrence National Bank, North Manchester.	Aug. C. Mills, *P.*	Geo. W. Lawrence.
		John M. Curtner, *V. P.*	Aug. C. Mills.
		David Whisler, *Asst*	John M. Curtner.
"	National Bank of Rockville, Rockville.	S. L. McCune, *P.*	J. M. Nichols.
		F. H. Nichols, *Cas*	S. L. McCune.
"	Nat. State B'k, Terre Haute	W. E. Donaghoe, *Cas*	.....
"	Peoples Nat. B'k, Washington	E. L. Hatfield, *V. P*	James Porter.
IND. T.	First National Bank, Ardmore.	L. P. Anderson, *P.*	C. C. Hemming.
		C. C. Hemming, *V. P.*	L. P. Anderson.
"	Bank of Marlow	W. A. Wade, *P.*	Wm. H. Payne.
IOWA	Citizens Nat. B'k, Belle Plaine	S. P. Van Dike, *Asst*	C. C. Furnas.
"	First Nat. B'k, Charles City	J. A. Case, *Asst*	.....
"	Clarinda Nat. B'k, Clarinda	M. S. Ray, *V. P.*	Fred'k Fisher.
"	American Savings Bank, Des Moines.	E. S. Harter, *P.*	J. G. Haskins.
		Wm. L. Shepard, *Cas*	R. L. Chase.
"	Des Moines Nat. B'k, Des Moines.	C. H. Getchell, *V. P.*	J. S. Clarkson.
"	Iowa National Bank, Des Moines.	S. A. Robertson, *P.*	E. H. Hunter.
		Geo. A. Dissmore, *Cas*	C. B. Worthington.
"	Dubuque Co. B'k, Dubuque	Theo. Doerfler, *Cas*	Ed. W. Duncan.
"	German Tr. & Sav. Bank, Dubuque.	Paul Traut, *P.*	John Bell.
		John Bell, *V. P.*	.....
"	First National Bank, Dunlap.	T. F. Jordan, *P.*	J. H. Patterson.
		E. H. Barrett, *V. P.*	J. D. Bassett.
		A. B. Collar, *Asst*	.....
"	Commercial N. B'k, Ft. Dodge	J. H. Pearsons, *Asst*	.....
"	First National Bank, Garner	Chas. W. Knoop, *Cas*	Chas. W. Knox.
"	Mills Co. Nat. B'k, Glenwood	G. B. Van Horn, *Asst*	C. R. Buffington.
"	First National Bank, Ireton.	A. P. Owens, *P.*	N. Kessey.
		R. A. Zimmerman, *V. P.*	O. C. Post.
		J. L. Johnson, *Cas*	A. P. Owens.
"	First Nat. B'k, Laporte City	R. A. Perkins, *P.*	James F. Camp.
"	First Nat. Bank, Manning	Joseph Wilson, *V. P.*	O. E. Dutton.
"	First Nat. B'k, Marshalltown	Geo. Glick, *V. P.*	.....
"	First Nat. Bank, McGregor	F. S. Richards, *Asst*	.....
"	Ocheyedan Savings Bank, Ocheyedan.	A. Morton, Jr., *Cas*	J. L. McLaury.
		C. M. Higley, *Asst*	.....
"	First National Bank, Odebolt	W. Mengis, *Asst*	Chas. Coy.
"	Iowa National Bank, Ottumwa.	Wm. Daggett, *V. P.*	Calvin Manning.
		Calvin Manning, *Cas*	C. K. Blake.
		W. R. Daggett, *Asst*	.....
"	First National Bank Primghar.	C. H. Slocum, *P.*	F. H. Robinson.
		H. S. Green, *V. P.*	C. H. Slocum.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
Iowa	Sioux Nat. Bank, Sioux City	S. E. Smith, *Asst.*	J. A. Magoun, Jr.
"	Exchange State Bank, Stuart.	T. E. Crooks, *Cas.*	H. N. Manington.
		H. N. Manington, *Asst*	T. E. Crooks.
"	First National Bank, Waverly	A. F. Bodeker, *Asst.*	.....
"	First Nat. Bank, Winterset	A. B. Shriver, *Asst.*	.....
Kan.	Exchange Nat. Bank, Atchison	S. C. Woodson, *V. P*	S. C. King.
"	Burlington National Bank, Burlington.	Wm. Martindale, *P.*	H. L. Jarboe.
		Geo. G. Hall, *V. P.*	J. A. Kennedy.
		I. N. Hamman, *Cas.*	.....
"	Chanute Nat. Bank, Chanute	W. E. Johnston, *Cas.*	J. O. Johnston.
"	First Nat. Bank, Coffeyville	W. H. Shepard, *Asst.*	.....
"	Central National Bank, Ellsworth.	B. S. Westfall, *P.*	H. Rammelsburg.
		J. B. Handy, *Cas.*	B. S. Westfall.
"	First National Bank, Fort Scott.	Z. A. Hornaday, *V. P.*	E. R. Chenault.
		Grant Hornaday, *Cas*	J. Chenault.
"	First Nat. Bank, Great Bend	E. W. Bolinger, *Asst.*	W.L. Bockemohle.
"	First National Bank, Hiawatha.	Chas. Knabb, *P.*	E. Bierer.
		O. Dimmock, *V. P.*	.....
"	Central Nat. B'k, Junc. City	Chas. H. Manley, *Asst.*	Thos. W. Dorn.
"	First Nat. B'k, Junction City	E. F. White, *V. P.*	G. F. Gordon.
"	Inter-State National Bank, Kansas City.	S. B. Armour, *V. P.*	J. V. Andrews.
"	Linn Co. Bank, La Cygne	F. W. Pollman, Jr., *Cas*	H. D. Gloster.
"	First Nat. Bank, Lindsborg	C. M. Norstrom, *Asst.*	.....
"	First National Bank, Manhattan.	C. F. Little, *V. P.*	R. J. Harper.
		M. J. Franklin, *Asst.*	.....
"	First Nat. Bank, Ness City	Roy A. Thompson, *Asst*	M. C. Burton.
"	Miami Co. Nat. Bank, Paola	H. C. Jones, *V. P.*	G. W. Mitchler.*
"	Peoples Nat. Bank, Paola	J. M. Rohrer, *P.*	C. W. Chandler.
"	First Nat. Bank, Peabody	Thos. Osborne, *V. P.*	Geo. W. Sharpe.
"	Scoville Exchange B'k, Seneca	F. G. Bergen, *Cas.*	W. T. Behne.
"	Kansas Nat. Bank, Wichita	J. N. Roach, *P.*	W. S. Corbett.
"	State National Bank, Wichita.	L. D. Skinner, *P.*	B. Lombard, Jr.
		Gay Lombard, *Cas*	L. D. Skinner.
Ky.	Second Nat. Bank, Ashland	Chas. Kitchen, *2d V. P.*	J. D. Williams.
"	Clay City Nat. B'k, Clay City	C. M. Clark, *Asst.*	.....
"	Citizens Nat. B'k, Covington	Henry Linnemann, *V. P.*	.....
"	Farm.&Trad.N.B'k, Covington	E. J. Hickey, *V. P.*	.....
"	German Nat. B'k, Covington	Joseph Chambers, *V. P.*	.....
"	Farmers Tobacco Bank, Fulton	John W. Chambers, *P.*	W. P. Felts.
"	Oldham Bank, La Grange	P. S. Head, *P.*	S. E. De Haven.*
"	First Nat. Bank, London	J. W. Bastin, *V. P.*	R. C. Ford.
"	Bank of Louisville, Louisville.	M. C. Peter, *P.*	Samuel Russell.
		T. L. Jefferson, *V. P.*	M. C. Peter.
"	First Nat. Bank, Louisville	A. L. Schmidt, *V. P.*	James Clark.
"	German Nat. Bank, Louisville	C. W. Kelly, *V. P.*	.....
"	First Nat. Bank, Pineville	O. V. Riley, *V. P.*	J. S. Bingham.
"	Deposit Bank, Waddy.	E. R. McCampbell, *P.*	G. W. Waddy.
		G. W. Robertson, *V. P.*	J. T. Campbell.
Me.	Auburn Trust Co., Auburn	L. Linn Small, *P.*	S. F. Merrill.
"	Union Nat. Bank, Brunswick	H. A. Randall, *P.*	S. J. Young.
"	Ocean Nat. Bank, Kennebunk	R. W. Lord, *P.*	Edwd.W.Morton.*
"	North Nat. Bank, Rockland	E. R. Spear, *V. P.*	.....
Md.	Montgomery Co. Nat. Bank, Rockville.	H. W. Talbott, *V. P.*	J. D. Baker.
Mass.	Lincoln Nat. Bank, Boston	E. K. Butler, *P.*	Nathaniel J. R.
"	Massachusetts Nat. B'k, Boston	Arthur T. Lyman, *V. P.*	N. G. Chapin.*
"	National Eagle B'k, Boston	Alfred S. Woodworth, *P.*	R. S. Covell.*
"	Second National Bank, Boston.	T. H. Breed, *Cas.*	Edwd. C. Brooks
		H. O. Fuller, *Asst.*	.....
"	Shawmut National Bank, Boston.	Jas. P. Stearns, *V. P.*	.....
		J. G. Taft, *Cas.*	Jas. P. Stearns.
"	Concord Nat. Bank, Concord	Edward C. Damon, *P.*	George Heywood.
"	Martha's Vineyard Nat. B'k, Edgartown.	J. H. Munroe, *P.*	D. Mayhew.
		Noah Swett, *Cas.*	C. H. Pease.
"	Fall River Savings Bank, Fall River.	Thos. J. Borden, *P.*	C. E. Lindsey.
		Robert Henry, *V. P.*	Thos. J. Borden.
"	Pocasset Nat. B'k, Fall River	Joseph Healy, *P.*	Weaver Osborn.*

* Deceased

	Bank and Place.	Elected.	In place of.
MASS...	Georgetown Sav. B'k, Geo'town.	Edwd. S. Fickett, *Tr*	Orlando B. Tenney.
"	..First National Bank, Gloucester.	Geo. R. Bradford, *P*	Jos. O. Proctor.
		John Gott, *Cas*.....	Geo. R. Bradford.
"	..Franklin Savings Institution, Greenfield.	Wm. Henry Allen, *P*.....	.....
		Chas. Allen, *Tr*.....	Wm. Henry Allen.
"	..First Nat. Bank, Haverhill.....	S. P. Gardner, *P*.....	Geo. Cogswell.
"	..Five-Cent Savings B'k, Lowell..	Wm. S. Southworth, *P*....	S. G. Mack.
"	..Peoples Nat. Bank, Marlboro...	L. S. Brigham, *P*.....	D. W. Hitchcock.
"	..Natick Nat. Bank, Natick.....	F. O. Brown, *Asst*.....	.....
"	..Institution for Savings, Newburyport.	L. W. Piper, *Tr*.....	P. K. Hills.
		Geo. F. Avery, *Sec*.....	L. W. Piper.
		P. K. Hills, *Asst. Tr*.....	.....
"	..Palmer Sav. Bank, Palmer.....	H. G. Loomis, *P*.....	J. B. Shaw.
"	..First National Bank, Reading..	M. E. Parker, *Asst*	.....
"	. Salem Savings Bank, Salem.	Edwd. D. Ropes, *P*.....	Wm. Northey.
		Chas. S. Rea, *Tr*.....	W. H. Simonds, Jr.
"	..Somerville N. B'k, Somerville ..	J. O. Hayden, *P*.....	Quincy A. Vinal.
"	..Second Nat. Bank, Springfield..	Gurdon Bill, *P*.....	A. T. Folsom.
"	..Crocker National Bank, Turners Falls.	C. W. Hazelton, *P*.....	C. T. Crocker.
		C. T. Crocker, *V. P*.....	C. W. Hazelton.
"	..Union Market N. B., Watertown.	James W. Magee, *V. P*....	John K. Stickney.
"	..First National Bank, Westfield.	L. P. Lane, *Asst*.....	.....
MICH...	First National Bank, Flint	Wm. L. Smith, *V. P*.....	B. Cotharin.
"	..Grand Rapids Sav. B., Gd. Rap.	C. W. Garfield, *P*.....	J. M. Stanley.
"	..Ishpeming Nat. B'k, Ishpeming.	Chas. Merryweather, *V. P*.	E. R. Hall.
"	..Peoples Nat. Bank, Jackson ...	A. M. McGee, *Asst*.....	.....
"	..Union Bank, Jackson.....	Chas. C. Ames, *Cas*.....	A. M. Walker.
"	..City National Bank, Kalamazoo.	C. A. Peck, *P*	Chas. S. Dayton.
		Chas. S. Dayton, *V. P*.....	.....
"	..First Nat. Bank, Kalamazoo....	L. M. Gates, *P*.....	J. K. Wagner.
"	..State Savings Bank, Lansing...	J. W. Potter, *P*.....	Orlando M. Barnes
"	..Manistique Bank, Manistique...	Harry W. Clarke, *Cas*.....	Willis C. Marsh.
"	..Marquette Co. Savings Bank, Marquette.	N. M. Kaufman, *P*.....	Chas. H. Hall.
		Edw. N. Breitung, *V. P*...	N. M. Kaufman.
		S. R. Kaufman, *2d V. P*...	.....
		W. B. McCombs, *Asst*.....	.....
"	..First National Bank, Negaunee.	Samuel Mitchell, *V. P*.....	John B. Maas.
"	..First Nat. Bank, Paw Paw.....	H. M. Olney, *V. P*.....	N. M. Pugsley.*
"	..Commercial State Bank, St. Joseph.	N. Vanderveer, *P*.....	M. Shepard.
		James M. Ball, *V. P*.....	N. Vanderveer.
"	..Union City N. B., Union City .	Isaac Tower, *V. P*.....	J. B. Tucker.
MINN...	American Exch'ge B'k, Duluth.	W. E. Hegardt, *Asst*.....	.....
"	..First National Bank, Elbow Lake.	C. W. Russell, *Cas*.....	Thos. L. Marston.
		W. E. Landeene, *Asst*.....	.....
"	..State Bank, Fulda.....	L. L. Rewalt, *P*.....	H. P. Lewis.
"	..First N. B'k, E. Grand Forks...	E. R. Jacobi, *P*.....	Alexander Griggs.
"	..First National Bank, Fairmont.	C. A. Porter, *V. P*.....	.....
		Fred K. Porter, *Cas*.....	.....
"	..First National Bank, Lu Verne.	E. A. Brown, *V. P*.....	N. Nelson.
"	..Bank of Minneapolis, Minneapolis.	D. M. Clough, *P*.....	Richard D. Kirby.
		W. B. Augir, *V. P*.....	D. M. Clough.
"	..Flour City National Bank, Minneapolis.	H. C. Akeley, *P*.....	T. B. Walker.
		C. E. Lyman, *V. P*.....	H. C. Akeley.
"	..Standard B'k, Minneapolis.....	Delroy Getchell, *P*.....	C. M. Hertig.
"	..Union National Bank, Minneapolis.	H. F. Brown, *P*.....	S. E. Neiler.
		A. F. Kelley, *V. P*.....	H. F. Brown.
		Ernest W. Brown, *2d V. P*.	A. F. Kelley.
"	..New Duluth N. B., N. Duluth..	Chas. Hurd, *V. P*.....	S. M. Chandler.
"	..First National Bank, Shakopee.	Theo. Weiland, *P*.....	Mathias Berens, Jr.
		Mathias Berens, Jr., *V. P*..	Henry Hinds.
		John Thiem, *Cas*.....	.....
"	..German-Amer. Nat. Bank, St. Cloud.	Timothy Foley, *P*.....	F. E. Searle.
"	..Merchants Nat. B'k, St. Cloud..	A. Barto, *V. P*.....	M. Majerus.
"	..Germania Bank, St. Paul.	Wm. Bickel, *P*.....	H. B. Strait.
		P. M. Kerst, *Cas*.....	Wm. Bickel.
"	..Merchants National Bank, Wadena.	A. G. Bracken, *V. P*.....	.....
		C. L. Erickson, *Asst*.....	.....

* Deceased.

Bank and Place.	*Elected.*	*In place of.*
MINN...First National Bank, Wells.	A. L. Taylor, *P.*	P. M. Joice.
	P. M. Joice, *V. P*	A. L. Taylor.
MISS....Merch. & Farmers B'k, Oxford.	W. D. Porter, *Cas*	Wm. A. West.*
" ..Port Gibson B'k, Port Gibson..	Stephen Schillig, *P*	John H. Gordon.
MO.....First National Bank, Brunswick.	John F. Cunningham, *P*	J. M. Peery.
	Garrett Dye, *V. P*	J. F. Cunningham.
" ..First National Bank, Carrollton.	W. E. Hudson, *P*	.....
	T. B. Goodson, *Cas*	W. E. Hudson.
" ..Citizens Nat. B'k, Chillicothe..	Jos. C. Minteer, *V. P*	Jarvis Postlewait.
" ..First National Bank, Chillicothe.	Geo. Milbank, *P*	A. Johnson.
	G. G. Brown, *V. P*	Geo. Milbank.
	G. Milbank, Jr., *Cas*	J. W. Hyde.
	J. D. Brookshire, *Asst*	.....
" ..Cook & Vencill, Galt	G. E. Vencill, *Cas*	R. J. Green.
" ..First National Bank, Hopkins.	R. H. Wilfley, *P*	F. M. Widner.
	J. H. Lindsay, *V. P*	R. H. Wilfley.
" ..Nat. Bank of Kansas City	Chas. Campbell, *V. P*	W. H. Chick.
" ..Commercial Sav. B'k, Liberty..	J. M. Sandusky, *P*	Geo. Hughes.
" ..Bank of Lockwood, Lockwood.	A. Lack, *P*	A. H. Finley.
	Jos. B. Lindsey, *Cas*	Z. T. Lawrence.
	Chas. A. Lack, *Asst*	.....
" ..Farmers Bank, Ludlow.	Richard Lee, *P*	James M. Davis.
	Jo Messenbaugh, *Cas*	Lee Barton.
" ..Maryville Nat. B'k, Maryville...	Elias D. Orear, *V. P*	J. S. Frank.
" . First National Bank, Moberly ..	W. E. McKinney, *V. P*	W. L. Faulk.
" ..First National Bank, Plattsburg.	O. P. Riley, *P*	.....
	C. E. Jones, *V. P*	O. P. Riley.
" ..National Bank of Rolla, Rolla.	A. S. Long, *P*	C. H. Frost.
	J. R. Bowman, *V. P*	A. S. Long.
" ..Exchange Bank, Springfield....	John O. Day, *P*	.....
" ..Central Sav. Bank, St. Joseph..	R. D. Duncan, *Cas*	Manfred M. Riggs.
" ..St. Joseph Loan & Trust Co., St. Joseph.	Louis Hax, *P*	Wm. D. B. Motter.
	S. A. Walker, *V. P.*	Louis Hax.
" . Nat. B'k Commerce, St. Louis..	S. M. Dodd, *2d V. P*	John Whittaker.
" ..Nat. Bank Republic, St. Louis..	J. S. Marmaduke, *Asst*	.....
" ..St. Louis Nat. B'k, St. Louis.	Chas. W. Isaacs, *Cas*	W. E. Burr, Jr.
	Eugene Karst, *Actg. Asst.*	H. B. Alexander.
MONT ..Commercial Exchange Bank, Bozeman.	Henry Elling, *P*	E. Broox Martin.
	Joseph Koontz, *V. P*	Geo. Kinkel, Jr.
" ..First National Bank, Helena.	John G. Gustin, *V. P*	.....
	T. H. Kleinschmidt, *Cas*	E. W. Knight.
" ..First National Bank, Neihart.	G. T. Curtis, *P*	TimothyE.Collins.
	H. J. Skinner, *Cas*	G. T. Curtis.
NEB....National Bank of Ashland, Ashland.	J. J. Brown, *P*	J. R. Hayward.
	N. B. Fuller, *V. P*	S. S. Fales.
" ..First Nat. Bank, Auburn	T. L. Hall, *Asst*	.....
" ..Crete National Bank, Crete.	John Clay, Jr., *P*	J. R. Johnston.
	F. H. Connor, *V. P*	.....
	V. C. Spirk, *Cas*	F. H. Connor.
" ..Geneva Nat. Bank, Geneva.....	J. B. Sexton, *2d Asst*	.....
" ..United States National Bank, Holdrege.	J. R. Shreck, *V. P*	G. Norberg.
	A. P. Erickson, *Cas*	J. R. Shreck.
" ..Kearney Nat. Bank, Kearney...	Chas. Wiley, *Cas*	W. C. Tillson.
" ..Citizens Nat. Bank, Norfolk....	C. M. Swank, *P*	C. A. Mast.
" ..North Platte National Bank, North Platte.	W. W. Birge, *V. P*	C. F. Iddings.
	C. F. Scharmann, *Asst*	E. C. Baker.
" ..Nat. Bank Commerce, Omaha..	Lee W. Spratlen, *Asst*	.....
" ..Neb. Sav. & Ex. B'k, Omaha...	Wm. K. Potter, *Cas*	D. L. Thomas.
" ..Farmers N. B., Pawnee City ..	J. T. Trenery, *Cas*	A. B. Edee.
" ..Wayne Nat. Bank, Wayne.....	S. L. Alexander, *Asst*	.....
" ..First National Bank, Weeping Water.	Louis Foltz, *P*	B. A. Gibson.
	Thos. Murtey, *V. P*	S. B. McEwen.
	John A. Donelan, *Cas*	M. F. Woolcott.
" ..First Nat. Bank, Wisner	H. A. Leisy, *V. P*	August Leisy.*
" ..City Nat. Bank, York	R. R. Copsey, *Asst*	.....
N. H...Mechanicks Nat. B'k, Concord..	H. H. Dudley, *Cas*	James Minot.
" . Derry National Bank, Derry....	Greenleaf K. Bartlett, *V. P.*	Wm. H. Sheperd.
" ..Farmington N. B., Farmington.	Amos W. Downing, *V. P.*	Alonzo Nute.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
N. H.	National Bank of Lakeport	E. M. Hunt, *Asst.*	.....
N. J.	Union N. B., Atlantic Highlands.	Smith Conover, *V. P.*	E. P. Williams.
"	Camden Safe Dep. & Tr. Co., Camden.	Wm. Stiles, *V. P.*	.....
		Geo. W. Wakefield, *S. & T.*	Wm Stiles.
"	N. J. Tr. & S. D. Co., Camden.	F. Wayland Ayer, *P.*	Alex. G. Cattell.
"	N. J. Trust & Safe Dep. Co., Cape May.	F. Wayland Ayer, *P*	Alex. G. Cattell.
		Geo. E. Taylor, *V. P.*	F. Wayland Ayer.
"	Morristown Tr. Co., Morrist'n.	C. F. Cutler, *Tr.*	F. M. Hurlbut.
"	Sussex Nat Bank, Newton.	Wm. McDanolds, *V. P.*	Thos. Lawrence.*
"	Second Nat. Bank, Orange	John C. Conover, *V. P.*	E. A. Everitt.
"	Mechanics Nat. Bank, Trenton.	Henry C. Kelsey, *V. P.*	A. G. Richey.*
N. Mex.	First National Bank, Albuquerque.	M. W. Flournoy, *V. P.*	J. Reynolds.
		A. A. Keen, *Cas*	M. W. Flournoy.
		Frank McKee, *Asst.*	A. A. Keen.
N. Y.	Nat. Exchange Bank, Albany.	Wm. Kidd, *V. P.*	Lansing Merchant.
"	Farmers Nat. B'k, Amsterdam.	J. E. Williams, *Asst.*	.....
"	Cayuga Co. National Bank, Auburn.	Jay E. Storke, *P.*	Nelson Beardsley.*
		F. G. Jones, *Cas.*	Jay E. Storke.
"	Auburn Sav. Bank, Auburn	Edwin R. Fay, *P.*	Nelson Beardsley.*
"	First Nat. Bank, Bainbridge.	Ralph W. Kirby, *Cas.*	Irving L. Pruyn.
"	State Bank, Baldwinsville	Otis M. Bigelow, *P.*	.....
"	Binghamton Sav. B., B'ghamt'n.	Wm. H. Wilkinson, *P.*	H. Dusenbury.
"	First Nat. Bank, Brewsters	E. D. Stannard, *Asst*	.....
"	City Savings Bank, Brooklyn	Fred'k H. Webster, *Tr.*	T. L. Woodruff.
"	Nassau Nat. Bank, Brooklyn	J. W. Seaman, *Asst.*	.....
"	First National Bank, Camden.	D. J. Dorrance, *Asst.*	.....
"	First National Bank, Canton.	F. L. Ingalls, *Asst.*	.....
"	National Bank of Castleton	James Kingman, *V. P.*	N. A. Schermerhorn.
"	Nat. Bank of Cortland	H. L. Peckham, *Asst.*	.....
"	Farmers Nat. B'k, Franklinville.	R. S. Litchfield, *Cas.*	Abner P. Adams.
"	Farm. & Mech. N. B., Ft. Plain.	A. G. Richmond, *P.*	.....
"	National Hamilton Bank, Hamilton.	Wm. M. West, *P.*	D. B. West.*
		Le Roy Fairchild, *Cas.*	Wm. M. West.
		Chas. J. Griswold, *Asst.*	.....
"	First National Bank, Morris.	J. P. Kinyon, *P.*	D. I. Lawrence.
		John A. Ward, *V. P.*	A. E. Potter.
"	First National Bank, Newark.	Lillian Eggleston, *Asst.*	C. R. Williams.
"	Columbus Tr. Co., Newburgh.	Peter M. Barclay, *P.*	Benj. B. Odell.
"	Wilber Nat. Bank, Oneonta	E. A. Scramling, *V. P.*	D. F. Wilber.
"	First National Bank, Owego.	Wm. H. Ellis, *V. P.*	F. W. Truman.
"	State Bank, Pike	G. S. Van Gorder, *P.*	Carlos Stebbins.
"	First Nat. Bank, Plattsburgh.	E. G. Moore, *V. P.*	E. C. Baker.
"	Vilas Nat. Bank, Plattsburgh.	David F. Dobie, *P*	Samuel H. Vilas.
"	Rondout Sav. B'k, Rondout	A. S. Staples, *P.*	Jas. G. Lindsey.
"	First N. B., Saratoga Springs.	Jas. M. Marvin, *P.*	Augustus Bockes.
"	First National Bank, St. Johnsville.	J. H. Markell, *P.*	Joseph Smith.
		Noah W. Burkman, *V. P.*	J. H. Markell.
"	Merchants Nat. B'k, Syracuse	W. H. Warner, *V. P.*	J. A. Sherman.
"	Third Nat. Bank, Syracuse	Lucius G. Lay, *Asst.*	.....
"	Lumber Exchange Bank, Tonawanda.	Joshua S. Bliss, *P.*	E. B. Simson.
		Frank Batt, *Cas.*	Jas. H. Rand.
"	United National Bank, Troy.	S. S. Bullions, *Asst.*	.....
"	Utica City Nat. Bank, Utica.	E. A. Tallman, *V. P.*	Thos. Foster.*
"	Old National Bank, Whitehall.	J. B. Shinners, *V. P.*	W. D. Travis.
"	First National Bank, Yonkers.	W. D. Baldwin, *V. P.*	.....
N. C.	Bank of Wayne, Goldsboro	W. E. Borden, *Asst. & Act. Cas.*	R. P. Howell, *Cas.*
"	State Bank, Hendersonville	J. A. Maddrey, *Cas.*	Marion C. Toms.
Ohio	Alliance Bank Co., Alliance	M. S. Milbourn, *Cas.*	W. H. Ramsey.
"	Peoples National Bank, Barnesville.	T. J. Buchanan, *V. P.*	Geo. E. Hilles.
		O. P. Norris, *Cas.*	A. E. Dent.
"	First National Bank, Canal Dover.	S. Toomey, *P.*	S. W. Croxton.
		J. H. Mitchell, *V. P.*	C. Deis.
		Theo. Wentz, *Cas.*	Frank M. Peet.
"	Equitable National Bank, Cincinnati.	Geo. Fisher, *P.*	F. X. Reno.
		Isaac H. Mack, *V. P.*	Geo. Fisher.
"	Market National Bank, Cincinnati.	Casper H. Rowe, *2d V. P. & Cas.*	Sam'l W. Ramp.
		E. A. Donally, *Asst.*	.....
"	Citizens Sav. & Loan Ass'n, Cleveland.	Fred'k W. Pelton, *P.*	.....

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
OHIO	Society for Savings, Cleveland.	Myron T. Herrick, *P.* E. S. Flint, *Tr. pro tem.*	Samuel H. Mather.* Myron T. Herrick.
"	Commercial N. B., Columbus	Walter Crafts, *P.*	.....
"	City National Bank, Dayton	W. P. Callahan, *P.*	Simon Gebhart.
"	Delphos Nat. Bank, Delphos	Francis H. Stallkamp, *V. P.*	.....
"	National Bank of Elyria	E. E. Williams, *Asst.*	.....
"	Middleport N. B., Middleport	Griff Michal, *P.*	F. C. Russell.
"	Merchants Nat. B'k, Middletown	John M. Boyd, *Cas.*	Chas. D. Wrenn.
"	Bank of Minerva	E. M. Jerome, *Cas.*	W. J. Yengling.*
"	Morrow Co. National Bank, Mt. Gilead.	M. Burr Talmage, *P.* Mell B. Talmage, *V. P.*	..... M. Burr Talmage.
"	First National Bank, Newark	E. C. Wright, *Asst.*	.....
"	New London N. B., N. London	E. E. Townsend, *P.*	I. S. Townsend.
"	First National Bank, Niles.	R. G. Sykes, *P.* Wade Taylor, *Asst.*	J. R. Thomas. .....
"	Farmers Dep. & Sav. Bank, Poland.	C. F. Kirtland, *P.* Clark Stough, *V. P.* M. H. Liddle, *Cas.*	..... C. F. Kirtland. Clark Stough.
"	Farmers Nat. B'k, Portsmouth	M. Stanton, *P.*	George Davis.*
"	First National Bank, Smithfield.	John Galbraith, *P.* Chas. M. Kinney, *V. P.*	A. C. Noble. John Galbraith.
"	First National Bank, Springfield.	Asa S. Bushnell, *P.* Ross Mitchell, *V. P.*	B. H. Warder. J. H. Thomas.
"	Northern Nat. Bank, Toledo	A. E. Lawrence, *Cas.*	W. A. Eggleston.
"	Midland National Bank, Washington C. H.	Henry Judy, *P.* Josiah Hopkins, *V. P.* E. W. Welsheimer, *Cas*	Mills Gardner. M. Pavey. W. Q. Kinkead.
"	Xenia National Bank, Xenia.	F. C. Trebein, *P.* John A. Dodds, *V. P.*	Jno. B. Allen.* J. D. Steele.
"	Commercial National Bank, Youngstown.	G. M. McKelvey, *P.* L. E. Cochran, *V. P.*	C. H. Andrews.* Thos. W. Sanderson.
ORE	Astoria National Bank, Astoria	C. R. Higgins, *Asst.*	.....
"	First National Bank, Athena	Clark Walter, *P.*	C. A. Barrett.
"	First National Bank, Baker City.	J. H. Parker, *V. P.* J. T. Donnelly, *Cas.*	Walter Fernald. J H. Parker.
"	First National Bank, Salem	J. W. Bickford, *Cas.*	John Moir.
PA	First Nat. Bank, Belle Vernon	S. W. Graham, *V. P.*	Robt. J. Linton.
"	First Nat. Bank, Birdsboro	Geo. W. Harrison, *V. P.*	E. B. Evans.
"	Farmers National Bank, Bloomsburg.	C. A. Kleim, *V. P.* A. H. Bloom, *Cas.*	..... Frank Ikeler.
"	First Nat. Bank, Bloomsburg	E. W. M. Low, *P.*	I. W. McKelvy.
"	First Nat. Bank, Braddock	John Rinard, *V. P.*	.....
"	Burgettstown N. B., Burgettst'n.	W. V. Riddile, *V. P.*	J. J. Carothers.
"	Second National Bank, Clarion.	J. C. Bowman, *P.* T. J. Payne, *V. P.* I. M. Shannon, *Cas.* P. M. Yeaney, *Asst.*	A. W. Cook. C. A. Rankin. J. C. Bowman. I. M. Shannon.
"	Danville Nat. Bank, Danville	R. M. Grove, *P.*	David Clark.*
"	Derry Deposit Bank, Derry	B. W. Brown, *Cas.*	Jos. Kilgore.
"	Ephrata Nat. Bank, Ephrata	John J. Weidman, *P.*	W. Z. Sener.
"	First National Bank, Erie	Jno. R. McDonald, *Asst.*	.....
"	Keystone National Bank, Erie	G. T. Churchill, *V. P.*	W. H. Nicholson.
"	First National B'k, Glen Rock	Eli B. Keller, *Asst.*	N. K. Seitz.
"	National Bank of So. Penn., Hyndman.	Jas. J. Hoblitzell, *V. P.*	.....
"	National Bank of Kittanning	Robert Hudson, *V. P.*	.....
"	Mifflin Co. National Bank, Lewistown.	D. W. Woods, *P.* William Wells, *V. P.* Wm. Irwin, *Act. Cas.*	Andrew Reed. D. W. Woods. .....
"	First Nat. B'k, Mauch Chunk	Ira G. Ross, *Asst.*	.....
"	Peoples Bank, McKeesport	E. W. Pitts, *Cas.*	Geo. D. Bossart.
"	Merchants Nat. B'k, Meadville	John H. Reitze, Jr., *Asst.*	.....
"	New First National Bank, Meadville.	H. M. Dickson, *V. P.* W. B. Fulton, *Asst.*	....
"	Charter National Bank, Media.	Jared Darlington, *P.* Theo. P. Saulnier, *V. P.* Caleb H. Needles, *Cas.*	Geo. Drayton. ..... Theo. P. Saulnier.
"	Mercer Co. Nat. Bank, Mercer	W. R. Montgomery, *V. P.*	.....

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
PA.	Mifflinburg Bank, Mifflinburg.	Horace P. Glover, *P.*	Robert V. Glover.*
"	First Nat. Bank, Mt. Carmel.	Geo. W. Davis, *V. P.*	John T. B. Gould.
"	First National Bank, Mt. Joy.	H. S. Stauffer, *V. P.*	R. Garber.*
"	Union Nat. Mt. Joy Bank, Mt. Joy.	H. C. Schock, *V. P*	.....
"	First N. B'k, New Kensington.	John D. McKean, *V. P.*	E. C. Schmertz.
"	Diamond National Bank, Pittsburgh.	Wm. M. Hersh, *P.*	A. Garrison.
		Joseph Albree, *V. P.*	Wm. M. Hersh.
"	Pittsburgh N. B'k Commerce, Pittsburgh.	Chas. Lockhart, *P.*	Jos. T. Colvin.
		A. C. Knox, *V. P.*	Chas. Lockhart.
		H. C. McEldowney, *Asst.*	.....
"	Tradesmens N. B., Pittsburgh.	H. M. Landis, *Asst*	.....
"	First National Bank, Port Allegany.	E. B. Dolley, *P.*	Henry Hamlin.
		E. R. Bard, *V. P.*	E. B. Dolley.
"	Government N. B'k, Pottsville.	John F. Zerbey, *Cas.*	John F. Zerbey, *Asst.*
"	Quarryville N. B., Quarryville.	J. P. Ambler, *V. P.*	.....
"	Farmers National Bank, Reading.	Geo. B. Eckert, *P.*	Henry S. Eckert.
		Wm. A. Arnold, *V. P.*	.....
"	Reading Nat. Bank, Reading.	W. R. Hinnerschitz, *V. P.*	.....
"	Merch. & Mech. B'k, Scranton.	Chas. W. Gunster, *Cas.*	John T. Richards.
"	First Nat. B'k, Selin's Grove	H. D. Schnure, *P.*	James K. Davis.
"	First National Bank, Shenandoah.	P. J. Ferguson, *P.*	.....
		Jno. R. Leisenring, *V. P.*	.....
		S. W. Yost, *Cas.*	Jno. R. Leisenring
"	First Nat. Bank, Shippensburg.	James E. McLean, *P.*	Alex. Stewart.*
"	Somerset Co. N. B., Somerset.	George S. Harrison, *Asst.*	.....
"	First National Bank, Washington.	Chas. S. Ritchie, *Cas.*	James McIlvaine.
		Robert S. Winters, *Asst.*	.....
"	Peoples Bank, Wilkes Barre	C. W. Bixby, *Asst*	.....
"	First Nat. Bank, Wrightsville.	D. S. Cook, *P.*	J. E. Beard.
R. I.	Merch. Nat. Bank, Providence.	M. J. Barber, *Asst*	.....
TENN.	Camden Bank & Trust Co., Camden.	A. C. McRae, *P.*	F. G. Hudson.
		F. G. Hudson, *V. P.*	.....
"	Manuf. Nat. Bank, Harriman	W. B. Winslow, *V. P.*	J. D. Roberts.
"	Holston National Bank, Knoxville.	H. S. Mizner, *P.*	.....
		Jackson Smith, *V. P.*	H. S. Mizner.
"	Memphis Sav. B'k, Memphis.	W. P. Halliday, Jr., *S. & T.*	J. H. Smith, *Cas.*
"	Peoples National Bank, Shelbyville.	W. M. Bryant, *2d V. P.*	.....
		W. G. Evans, *Asst*	.....
"	Springfield National Bank, Springfield.	Thos. Pepper, *V. P.*	John Y. Hutchinson.
		John Y. Hutchinson, *Cas.*	Thos. Pepper.
		A. M. Pike, *Asst*	.....
TEXAS.	Amarillo Nat. Bank, Amarillo.	G. E. Nickel, *Asst*	.....
"	First Nat. Bank, Athens	R. P. Wofferd, *Asst*	.....
"	First National Bank, Atlanta.	M. Jacobs, *P.*	H. A. O'Neal.
		L. L. Davis, *Asst*	.....
"	First National Bank, Austin.	Frank Hamilton, *V. P.*	Geo. W. Brackenridge.
"	Ballinger Nat. B'k, Ballinger.	Chas. S. Miller, *V. P.*	.....
		W. J. Wingate, *Cas.*	.....
"	Belton National Bank, Belton.	J. Q. Allen, *V. P.*	A. J. Harris.
"	First National Bank, Bowie.	H. T. Bettis, *Asst*	.....
"	Mer. & Plant. Nat. Bank, Bryan.	Edwin Wilson, *V. P.*	H. R. Hearne.
		H. R. Hearne, *2d V. P.*	.....
"	First National Bank, Cameron.	Jno. B. McLane, *V. P.*	J. C. Reese.
		T. F. Hardy, *Cas.*	Jno. B. McLane.
"	First National Bank, Childress.	A. J. Fires, *P.*	John G. James.
"	Bank of Clarendon, Clarendon.	D. W. Van Horn, *V. P.*	H. W. Taylor.
		W. H. Patrick, *Cas.*	D. W. Van Horn.
"	Farm. & Merch. N. B., Cleburne.	T. P. West, *Asst*	C. L. Heath.
"	National Bank of Cleburne.	C. C. Marshall, *Asst*	.....
"	Coleman Nat. Bank, Coleman.	J. E. McCord, *V. P.*	.....
"	First Nat. Bank, Coleman.	J. P. Morris, *V. P.*	R. H. Overall.
"	Colorado National Bank, Colorado.	Ben. J. Tillon, *V. P.*	.....
		M. F. Burns, *Asst*	.....
"	Comanche Nat. B'k, Comanche.	R. V. Neely, *V. P.*	Frank M. Browne.
"	Commerce Nat. B'k, Commerce.	J. D. Jeringin, *Asst*	.....
"	Nat. Exchange Bank, Dallas.	Royal A. Ferris, *Cas.*	N. A. McMillan.
"	Wise Co. Nat. Bank, Decatur	E. T. Bradley, *Cas*	J. L. Norris.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
TEXAS..	Denton Co. National Bank, Denton.	B. H. Deavenport, *Cas*.....	I. B. Walker.
		Wm. W. Wright, *Asst*....	B. H. Deavenport.
"	..First Nat. Bank, Detroit.....	T. S. Caton, *Asst*.....	.....
"	..Dublin National Bank, Dublin.	James M. Reid, *P*.....	T. Y. Lewis.
		G. L. Stine, *V. P*.....	James M. Reid.
"	..First National Bank, Dublin....	J. B. Herndon, *Cas*.....	W. B. Davis.
"	..Farmers & Mechs. Nat. Bank, Fort Worth.	J. W. Spencer, *P*.....	J. R. Hoxie.
		Ben O. Smith, *Cas*.....	J. T. Talbert.
"	..Amer. National Bank, Galveston.	W. L. Moody, *V. P.*	J. E. Wallis.
		H. Riedel, *Asst*.....	.....
"	..City Nat. Bank, Gatesville.....	R. M. West, *V. P*.....	W. L. Saunders.
"	..First Nat. Bank, Grand View...	A. J. Pitts, *Asst*.....	W. G. Davis.
"	..Groesbeck National Bank, Groesbeck.	R. Oliver, *V. P*.....	J. P. Morris.
		D. Oliver, *Cas*.....	R. Oliver.
		O. Wiley, Jr., *Asst*.....	D. Oliver.
"	..Lavaca Co. N. B'k, Hallettsville.	Chas. A. Kessler, *V. P*....	Carey Shaw.
"	..Farmers National Bank, Hempstead.	F. W. Zadow, *P*.....	Jno. G. James.
		B. Schwarz, *V. P*.....	.....
		John C. Ansler, *2d V. P*...	.....
"	..Citizens National Bank, Hillsboro.	O. G. Bowman, *Cas*.....	J. J. Yerby.
		H. N. Tinker, *Asst*.....	.....
"	..Farmers National Bank, Hillsboro.	J. R. Davis, *V. P*.....	G. R. Bennett.
		Jno. J. Warren, *Cas*.....	J. M. Duncan.
"	..Hill Co. Nat. B'k, Hillsboro....	S. T. Sullenberger, *Cas*....	W. O. Oldham.
"	..Plant. & Mechs. Nat. Bank. Houston.	T. J. Boyles, *P*.....	James A. Patton.
		R. B Morris, *V. P*.....	T. J. Boyles.
		H. Prince, *2d V. P*.....	.....
"	..First National Bank, Jacksboro.	James W. Knox, *P*.....	Thos. D. Sporer.
		S. W. Eastin, *V. P*.....	James W. Knox.
"	..National Bank of Jefferson, Jefferson.	W. T. Atkins, *V. P*.....	S. A. Spellings.
		G. A. Rogers, *Cas*.....	W. T. Atkins.
"	..First National Bank, Kaufman..	W. T. Nash, *Asst*.....	.....
"	..Weldon Nat. Bank, Ladonia....	W. L. Reed, *Asst*.....	.....
"	..Milmo National Bank, Laredo.	Daniel Milmo, *V. P*.....	Eugene Kelly, Jr.
		M. T. Cogley, *Cas*.....	Daniel Milmo.
"	..First National Bank, Mexia.	Joseph Nussbaum, *P*.....	H. Kempner.
		H. Kempner, *V. P*.....	Joseph Nussbaum.
"	..First Nat. Bank, Midland.....	W. D. Watts, *Asst*.....	A. F. Crowley.
"	..First National Bank, Montague.	W. A. Ponder, *P*.....	A. J. Wolverton.
		J. W. L. Kern, *V. P*.....	W. A. Ponder.
"	..First Nat. Bank, Mt. Pleasant..	E. S. Lilienstern, *Asst*	.....
"	..First National Bank, Nocona.	E. F. Rines, *Asst*.....	.....
"	..City National Bank, Paris.	H. H. Kirkpatrick, *P*.....	F. Fitz Hugh.
		J. A. Varner, *V. P*.....	H. H. Kirkpatrick.
		T. G. Henley, *Asst*.....	S. W. Dickson.
"	..Pilot Point N. B., Pilot Point..	J. B. Clifton, *Asst*.....	.....
"	..First Nat. Bank, Pittsburgh....	F. E. Russell, *Asst*.....	.....
"	..Plano National Bank, Plano ..	W. M. Weaver, *V. P*.....	W. H. Thomas.
"	..Rockwall Co. National Bank, Rockwall.	E. W. Hardin, *P*.....	T. W. Bailey.
		J. R. Dumas, *V. P*.....	E. W. Hardin.
"	..First National Bank, Rusk.....	B. Miller, *V. P. & Asst*....	M. J. Whitman.
"	..Citizens Nat Bank, San Angelo.	S. E. Sterrett, *P*.....	F. B. Gray.
"	..First National Bank, Temple...	C. B. Hutchison, *Asst*.....	.....
"	..First Nat. Bank, Texarkana....	J. Deutschman, *P*.....	Henry W. Myar.
"	..First National Bank, Tyler.....	O. Loftin, *V. P*.....	H. G. Askew.
"	..Velasco Nat. Bank, Velasco....	M. M. Miller, *V. P*.....	J. H. Shapard.
"	..Citizens National Bank, Waco..	T. A. Crawford, *Asst*.....	C. H. Higginson.
"	..Waxahachie N. B., Waxahachie.	R. L. Goodloe, *Asst*.....	.....
"	..City Nat. Bank, Wichita Falls..	James Eubank, *V. P*.....	C. A Brown.
"	..Panhandle N. B., Wichita Falls.	C. C. White, *V. P*.....	Herm. Specht.
UTAH...	First National Bank, Ogden.	David Eccles, *P*.....	D. H. Peery.
		James Sharp, *V. P*.....	David Eccles.
"	.Ogden Savings Bank, Ogden.	David Eccles, *P*.....	D. H. Peery.
		James Sharp, *V. P*.....	David Eccles.
"	..N. B. Republic, Salt Lake City.	Ed. W. Duncan, *Cas*.....	J. A. Earls.
"	..Utah National Bank, Salt Lake City.	P. L. Williams, *V. P*.....	Alex. Rogers.
		Geo. Y. Wallace, *2d V. P*..	.....
VT.....	National Bank of Barre.....	B. W. Braley, *P*	L. F. Aldrich.
"	..First Nat. Bank, Brandon.....	W. H. Wright, *V. P*.....	E. S. Marsh.

	Bank and Place.	*Elected.*	*In place of.*
VT.	Howard National Bank, Burlington.	Joel H. Gates, *P.*	F. M. Van Sicklen.
		Daniel W. Robinson, *V. P.*	Joel H. Gates.
"	Jamaica Savings Bank, Jamaica.	O. R. Garfield, *P.*	E. L. Waterman.
		James A. Muzzy, *V. P.*	O. R. Garfield.
"	National Bank of Middlebury	John A. Fletcher, *Asst*	.....
"	Rutland Sav. Bank, Rutland	Wayne Bailey, *P.*	W. B. Mussey.
"	State Trust Co., Rutland.	John A. Mead, *P.*	.....
		Percival W. Clement, *V. P.*	.....
"	Merchants N. B., St. Johnsbury.	L. D. Hazen, *P.*	W. E. Peck.
"	Farmers Nat. Bank, Vergennes.	C. W. Read, *P.*	Walter Scranton.
"	Wells River Sav. B., Wells Riv.	G. R. Leslie, *Tr.*	Nelson Bailey.
VA.	First Nat. B'k, Buena Vista	Julius Graham, *V. P.*	A. P. Moore.
"	Merchants Bank, Danville.	J. R. Jopling, *P.*	F. X. Burton.
		F. X. Burton, *V. P.*	J. R. Jopling.
"	Pulaski Loan and Trust Co., Pulaski.	Geo. L. Carter, *P.*	L. S. Calfee.
		H. G. Robinson, *V. P.*	J. E. Moore.
"	National Exchange Bank, Roanoke.	J. B. Andrews, *V. P.*	Jos. T. Engleby.
		J. G. Kuykendall, *Asst*	Jas. H. Campbell.
W. VA.	B'k of Ohio Valley, Wheeling.	J. A. Miller, *Cas.*	F. P. Jepson.
WASH.	First National Bank, Cheney	C. A. Hutton, *Cas*	W. E. Weygant.
"	First National Bank, Colton.	E. P. McCollum, *P.*	L. D. Lively.
		L. D. Lively, *V. P.*	E. P. McCollum.
"	Ellensburgh N. B., Ellensburgh.	J. T. M. Stoneroad, *Cas.*	H. W. Thielson.
"	First National Bank, Everett.	Wm. G. Swalwell, *P.*	A. T. McClaine.
		Albert Tozer, *V. P.*	Wm. G. Swalwell.
"	First National Bank, Palouse.	Chas. Trevor Cross, *P.*	.....
		John P. Duke, *Cas.*	Chas. Trevor Cross.
"	Seattle Nat. Bank, Seattle	S. Foster Kelly, *Asst*	.....
"	Browne Nat. Bank, Spokane	H. M. Hathaway, *Asst*	L. S. Roberts.
"	Com'l Savings B'k, Spokane	John Wickham, *P.*	Geo. F. Edmiston.
"	Tacoma National Bank, Tacoma.	Robt. P. Maynard, *V. P.*	John Snyder.
		John Snyder, *Cas.*	H. O. Fishback.
WIS.	Citizens Nat. Bank, Appleton	Jos. Rossmeissl, *V. P.*	.....
"	Commercial National Bank, Appleton.	J. H. Whorton, *P.*	.....
		John McNaughton, *V. P.*	J. H. Whorton.
"	First National Bank, Appleton	R. Richard, *Asst*	.....
"	First National Bank, Baraboo	M. A. Warren, *P.*	Alfred Gattiker.
"	First Nat. Bank, Beaver Dam	A. B. Chandler, *Asst*	.....
"	First National Bank, Berlin	Ardin L. Buell, *V. P.*	.....
"	First National Bank, Columbus.	F. A. Chadbourne, *V. P.*	C. L. Waldo.
"	First Nat. Bank, Fond du Lac	Ernest J. Perry, *Asst*	.....
"	First Nat. Bank, Ft. Atkinson	J. F. Schriner, *Asst*	.....
"	Rock Co. Nat. B'k, Janesville	A. P. Burnham, *Asst*	.....
"	First National Bank, Kenosha	R. F. Howe, *V. P.*	F. Robinson.*
"	First National Bank, Munroe.	Henry Ludlow, *P.*	A. Ludlow.
		C. W. Twining, *Cas.*	Henry Ludlow.
		G. E. Thorp, *Asst*	C. W. Twining.
"	National Union Bank, Oshkosh.	W. K. Rideout, *V. P.*	John J. Moore.
		John J. Moore, *Cas*	Morris Jones.
		R. H. Hackett, *Asst*	.....
"	First National Bank, Shullsburg.	Henry George, *V. P.*	.....
		Geo. E. Weatherby, *Cas.*	John H. Savage.
"	Nat. Exchange B'k, Waukesha	S. A. Fox, *V. P.*	H. A. Yeomans.*
WYO.	First Nat'l Bank, Rock Springs.	H. E. Christmas, *Asst*	.....
N.W. T.	Imperial B'k Canada, Calgary.	M. Morris, *Mgr*	Samuel Barber.
ONT.	Bank of Montreal, Almonte	E. P. Winslow, *Mgr*	W. H. Budden.*
"	Molsons Bank, Toronto	C. W. Clinch, *Mgr*	C. A. Pipon.

* Deceased.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from February No., page 637.*)

No.	*Name and Place*	*President.*	*Cashier.*	*Capital.*
4939	First Nat. B'k of Buchanan Co. St. Joseph, Mo.	Stephen C. Woodson,	Samuel A. Walker,	$500,000
4940	First National Bank Onancock, Va.	John P. L. Hopkins,	E. A. Herbst,	50,000
4941	Lewistown National Bank Lewistown, Ill.	Lewis W. Ross,	George K. Linton,	50,000

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from February No., page 632.)

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
CAL.	Santa Monica...	Santa Monica Com'l Co.'s Bk.	Western Nat. Bank.
	$65,000	Wm. S. Vawter, *P.* E. J. Vawter, Jr., *Cas.*	
		W. D. Vawter, *V. P.* E. J. Vawter, *Mgr.*	
COL.	Denver.....	Denver Savings Bank (Re-opened)	Hanover Nat. Bank.
	$250,000	Duncan H. Ferguson, *P.* Chas. Y. McClure, *Cas.*	
		S. N. Wood, *V. P.* C. Wood, *Asst.*	
DAK. S.	Armour.....	Armour State Bank.....	.....
	$15,000	C. E. Flocte, *P.* Franklin Flocte, *Cas.*	
"	..Artesian	Artesian State Bank.....	.....
	$10,000	Wm. A. Loveland, *P.* Wm. A. Meyer, *Cas.*	
"	..Worthing.....	Farmers & Merchants Bank.	.....
	$10,000	Chas. E. Judd, *P.* Fred P. Herman, *Cas.*	
IDAHO.	St. Anthony....	First Bank of Fremont Co.	.....
		Thomas R. Hamer, *P.* Samuel R. Findley, *Cas.*	
		L. C. Rice, *V. P.*	
"	..Wardner.....	The Weber Bank.....	.....
	$10,000	John H. Weber, *P.* P. P. Weber, *Cas.*	
ILL.	Antioch.....	Bank of Antioch.....	Kountze Bros.
			U. J. Lewis, *Cas.*
"	. Chicago.....	North Chicago Bank.....	.....
		(M. S. Denslow & Co.)	H. H. Buckwalter, *Cas.*
"	..Chicago.....	Chicago Collection Bank..	.....
	$25,000	Marshall D. Talcott, *P.*	Marshall D. Talcott, *Tr.*
		Nathan B. Dunn, *V. P.*	John C. Dunn, *Sec.*
"	..Lewistown.....	Farmers State Bank.....	.....
		John Prickett, *P.*	Wm. M. Fike, *Cas.*
		John Skinner, *V. P.*	W. T. Rucker, *Asst.*
"	..Lewistown.....	Lewistown National Bank.	Hanover National Bank.
	$50,000	Lewis W. Ross, *P.*	Geo. K. Linton, *Cas*
		Leonard F. Ross, *V. P.*	W. H. Rhodes, *Asst.*
"	..Waterloo.....	State Bank.....	Kountze Bros.
	$25,000	H. Kuenster, *P.*	Albert H. Pinkel, *Cas.*
		Geo. Pinkel, *V. P.*	
IND.	Covington.....	Covington Banking Co....	.....
		Peter M. Layton, *P.*	Will W. Layton, *Cas.*
		I. H. Dicken, *V. P.*	
KAN.	Arkansas City..	First National Bank (Re-opened).	Chase National Bank.
	$125,000	Geo. S. Hartley, *P.*	Arthur M. Heard, *Cas.*
		Harry P. Farrar, *V. P.*	
LA.	Opelousas.....	St. Landry State Bank....	National Park Bank.
	$50,000	Alphonse Levy, *P.*	J. T. Skipper, *Cas.*
		A. Dietlein, *V. P.*	
ME.	Augusta.....	Augusta Safe Dep. & Tr. Co.	.....
	$50,000	J. Manchester Haynes, *P.*	Frank E. Smith, *Tr.*
MICH.	Marlette.....	Commercial Bank.....	Chase National Bank.
		(Sleeper & Merrill).	Wm. J. Baker, *Cas.*
"	..St. Charles.....	Parsons & Holt.....	National Bank of Republic.
			Ernest V. Parsons, *Cas.*
MINN.	Ellsworth.....	Citizens Bank.....	Seaboard National Bank.
		F. A. Brown, *P.*	A. E. Huntington, *Cas.*
"	.Grand Rapids..	Merritt Bkg. & Mercantile Co.	.....
		Leonidas Merritt, *P.*	F. T. Bueneman, *Cas.*
"	..Le Sueur.....	First State Bank.....	American Exchange Nat. B'k.
	$25,000	Ernest L. Welch, *P.*	Harry F. Weis, *Cas.*
		Wm. H. Tomlinson, *V. P.*	
"	..Mantorville.....	Security Bank.....	Chase National Bank.
	$25,000	Geo. S. Brainerd, *P.*	L. M. Blanch, *Asst.*
MO.	Macon	State Exchange Bank.....	Kountze Bros.
		Web M. Rubey, *P.*	Harry M. Rubey, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
Mo.	Osceola	Kansas City Trust Co	Blair & Co.
	$100,000	Wm. H. Lucas, *P.*	Geo. B. Linney, *Cas.*
		Leslie Rodgers, *V. P.*	
"	Osceola	State Bank of Osceola	Importers & Traders Nat. B'k.
	$10,000	John L. Woolfolk, *P.*	Chas. H. Avery, *Cas.*
		Robt. E. Lewis, *V. P.*	
"	St. Joseph	First Nat. B'k of Buchanan Co.	Chemical Nat. Bank.
	$500,000	Stephen C. Woodson, *P.*	Samuel A. Walker, *Cas.*
		R. L. McDonald, *V. P.*	E. C. Hartwig, *Asst.*
		A. Kirkpatrick, *V. P.*	Julius Rosenblatt, *2d Asst.*
Mont.	Philipsburg	First National Bank (Re-opened).	Clark, Dodge & Co.
	$50,000	Joseph A. Hyde, *P.*	James H. King, *Cas.*
		J. M. Merrill, *V. P.*	
Neb.	Dannebrog	Dannebrog State Bank	
	$10,000	C. C. Hansen, *P.*	Peter Jepson, *Cas.*
		S. Hansen, *V. P.*	P. S. Petersen, *Asst.*
"	Pender	Thurston Co. Bank	
	$12,000	William E. Peebles, *P.*	G. Peebles, *Cas.*
"	Rushville	Rushville Banking Co	Hanover National Bank.
	$30,000	E. J. Robinson, *P.*	John H. Jones, *Cas.*
		J. W. Thomas, *V. P.*	B. A. Alexander, *Asst.*
N. Y.	Forestville	State Bank	Merchants Exch. Nat. Bank.
	$25,000	D. H. Maples, *P.*	W. F. Smallwood, *Cas.*
		S. L. Hurlbert, *V. P.*	
"	Middleport	L. S. Freeman	Chase National Bank.
	$10,000		A. E. Freeman, *Asst.*
"	N. Tonawanda	B'king House of Jas. H. Rand.	Nat. B'k of N. America.
			Chas. E. C. Hepworth, *Cas.*
N. C.	Wadesboro	Bank of Anson	Hanover National Bank.
	$50,000	Chas. M. Burns, *P.*	Wm. L. Marshall, *Cas.*
Ohio	Newark	Franklin Bank Co	Ninth National Bank.
	$100,000	Willis Robbins, *P.*	W. A. Robbins, *Cas.*
		Lucius B. Wing, *V. P.*	Chas. M. Wing, *Asst.*
"	Thornville	Thornville Bank	
			J. R. Garrison, *Cas.*
Tenn.	Humboldt	Merchants State Bank	Hanover National Bank.
	$47,250	C. H. Ferrell, *P.*	A. R. Dodson, *Cas.*
		J. R. Jarrell, *V. P.*	
"	Pulaski	Commercial B'k & Tr. Co.	Chase National Bank.
	$38,600	L. E. Abernathy, *P.*	Jno. D. Flautt, *Cas.*
		Jno. T. Allen, *V. P.*	F. E. Daley, *Asst.*
Texas.	Dallas	City National Bank	
	$400,000	J. S. Armstrong, *P.*	E. O. Tenison, *Cas.*
		J. C. O'Connor, *V. P.*	H. E. Hamilton, *Asst.*
Va.	Marion	Merchants & Farmers B'k.	United States National Bank.
		Henry E. McCoy, *P.*	Percy C. March, *Cas.*
"	Orange	State Bank	Hanover National Bank.
	$15,000	Thos. W. Bond, *P.*	Marcy G. Field, *Cas.*
		Jas. W. Morton, *V. P.*	R. G. Slaughter, *Asst.*
Wash.	New Whatcom	Bellingham Bay N. B. (Re-opened)	Seaboard Nat. Bank.
	$60,000	James W. Morgan, *P.*	
		C. W. Carter, *V. P.*	
Wis.	Baraboo	Baraboo Sav. Bank (Re-opened).	Nat. Shoe & Leather Bank.
	$32,000	James Hull, *P.*	
		J. W. Wright, *V. P.*	
"	Barron	Normanna Savings Bank	
	$3,000	J. A. Anderson, *P.*	N. M. Rockman, *Cas.*
"	Eau Claire	Commercial Bank (Re-opened).	Nat. B'k of North America.
	$30,900	Frank C. Allen, *P.*	Thos. B. Culver, *Cas.*
		Otto Boberg, *V. P.*	
"	Milwaukee	Milwaukee Trust Co	
	$100,000	H. H. Camp, *P.*	Robert Camp, *Sec. & Tr.*
		F. G. Bigelow, *V. P.*	
"	Prescott	Prescott State Sav. B'k (Re-opened).	Imp. & Trad. Nat. B'k.
	$15,000	Arthur C. Probert, *P.*	Benton W. Barnes, *Cas.*
"	White Water	Citizens State Bank	Phenix National Bank.
	$75,000	Geo. S. Marsh, *P.*	T. M. Blackman, *Cas.*
		E. M. Johnson, *V. P.*	

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during February, 1894.

ILL.....Galva.....Galva First National Bank, by Wesley D. Patty and associates.
" ..Jerseyville.....National Bank of Jerseyville, by Andrew W. Cross and associates.
MONT..Bozeman.....New First National Bank, by Geo. L. Ramsey and associates.
OKLA..Perry.....First National Bank, by F. K. Robinson and associates.
TEXAS..Columbus.....First National Bank, by J. S. Corley, Galveston, Texas, and associates.
WIS....Washburn.....First National Bank, by A. C. Probert and associates.

PROJECTED BANKING INSTITUTIONS.

ALA....Geneva.....Bank of Geneva started.
ARK....Stuttgart.....German-American Bank; capital, $25,000. R. W. Pearson, President; J. W. Searan, Vice-President; John W. Underwood, Cashier.
GA.....Brunswick.....Col. W. E. Kay, W. E. Burbage, and H. W. Reed, of Waycross, are arranging to open the new Brunswick National Bank.
KY.....Lewisburg.....W. B. Smith, of New Castle, will open a bank at Lewisburg. Capital, $15,000. Dr. J. W. Hutchins, President; W. B. Smith, Cashier.
" ..Morehead.....New bank starting.
" ..Woodburn.....New bank starting.
LA.....Abbeville.....H. S. Palfrey, of Franklin, starting a National bank at Abbeville, with $50,000 capital.
ME.....Belfast.....Frank R. Wiggin, Cashier of the Peoples National Bank of Belfast, is starting a savings bank.
MD.....Annapolis.....Union Trust & Surety Co.; capital, $100,000. Incorporators: James O. Bates, Daniel C. Ammidon, John M. Adams, Geo. M. Lochner, Henry King, Arthur M. Easter.
MICH...Grand Rapids..Peninsular Trust Co.; capital, $300,000. Stockholders: Maj. C. W. Watkins, S. F. Stevens, C. R. Sligh.
MINN...Farmington.....Exchange Bank. C. H. Davis, of Glencoe, Cashier; G. R. Taylor, of Granite Falls, Assistant Cashier.
MO.....New London...Bank of New London; capital, $15,000. Incorporators: B. C. Rector, J. R. S. McCune, A. C. James and others.
NEB....Franklin.....Franklin Exchange Bank. F. E. Garrett, Cashier.
" ..Pender.....Thurston County Bank opened.
" ..Tecumseh.....New bank to be established.
N. Y....Wellsville.....Citizens National Bank; capital, $50,000. Robert I. Thompson, of Ellicottville, and Henry Morgan, of Cuba, organizers.
N. C....Wadesboro.....First National Bank. Jas. A. Leak, President.
OHIO...Bloomingburg.New bank organized; capital, $25,000. Burney Elliott, President; Wm. Selsor, Vice-President; Quincy Kinkead, Cashier.
PA.....Evansburg.....Citizens Bank; capital, $50,000.
WASH..Tacoma.....Bank of Tacoma; capital, $200,000. Trustees: John W. Berry, Wm. L. McDonald, Grattan H. Wheeler, N. C. Richards, W. B. Allen.
WIS....La Crosse.....German-American Bank; capital, $50,000. Carl Kurtenacker, Cashier.
" ..Manitowoc.....New bank starting.
" ..Milwaukee.....Plankinton Bank will be reorganized as a National bank, with $500,000 capital. Wm. Plankinton will be President and A. G. Fletcher Cashier.

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from February No., page 639.)

ALA....Clayton.....Barbour Co. Bank merged into Clayton Banking Co.
" ..Talladega.....Citizens Bank reported closed.
ARIZ...Nogales.....Wm. Melczer & Co. succeeded by F. G. Hermosillo.
DAK. S.Artesian.....B'k of Artesian succeeded by Artesian State B'k, incorporated.
" ..Lesterville.....Bank of Lesterville now Lesterville State Bank, incorporated, same officers.
" ..Miller.....Hand Co. Bank reported closed.
GA.....Summerville....Bank of Commerce reported closed.
ILL.....Princeville.....Peoples Bank closed.
IOWA...Buffalo Centre..Buffalo Centre Savings Bank succeeded by Buffalo Centre State Bank, same officers.
" ..Farmington....Van Buren Co. Bank now Van Buren Co. Savings Bank, incorporated, same officers.
" ..Sioux City.....Nat. Bank of Sioux City has gone into voluntary liquidation.
KAN....Arkansas City..Arkansas City Bank and Farmers National Bank reported consolidating under latter title.
" ..Arkansas City..First National Bank resumed.
" ..Bird City.....Farmers & Merch. Bank has gone into voluntary liquidation.
" ..Bronson.....Exchange Bank of Bronson, title changed to Bank of Bronson, same officers and correspondents.
" ..Columbus.....Ritter & Doubleday reported closed.
" . Kingman .....Farmers & Drovers Bank reported closed.
" ..Kinsley.....First National Bank succeeded by Kinsley Bank, incorporated, same officers.
" ..Melvern.....Melvern State Bank reported liquidating.
" ..Norton .....Norton Co. State Bank resumed.
KY.....Louisville.....It is reported that the Second, Fourth, Kentucky and Merchants National Banks will be consolidated into American National Bank.
" ..Louisville.....Louisville Dime Savings Co. has gone into voluntary liquidation.
LA. ....Opelousas.....First National Bank succeeded by St. Landry State Bank, incorporated, same officers and correspondents.
MICH...Detroit .....Preston National Bank and Merchants & Manufacturers National Bank reported consolidating.
" ..Detroit. .....It is reported that the American Exchange National, Commercial National, and First National Banks will consolidate.
" ..Downington....Downington Bank reported closed.
MINN...Duluth. .....American Loan & Trust Co. reported liquidating.
MO.....Stanberry.....Commercial Bank reported closed.
" ..St. Joseph.....Schuster-Hax National Bank and Saxton National Bank have consolidated. Title, First National Bank of Buchanan Co.
MONT..Kalispel..... ..Globe National Bank reported closed.
" ..Philipsburg.....First National Bank has been authorized to resume.
NEB....Dannebrog.....International Bank succeeded by Dannebrog State Bank.
" ..Geneva.....First National Bank has gone into voluntary liquidation.
" ..Grant.....Farmers & Merchants Bank reported closed.
" ..Neligh.....Merchants Bank reported closed.
" ..Oakdale.....Oakdale Bank (Ray & Ray) now C. W. Priestley, proprietor.
N. Y...Cortland.....J. S. Bull & Co. reported closed.
" ..Watkins.....First National Bank in hands of receiver.
N. C....Burlington.....Morehead Banking Co. has closed its branch here.
OHIO...Columbus.....Farmers and Mechanics Bank reported closed.
" ..Newark.....Franklin Bank (Robbins, Winegarner, Wing & Co.) succeeded by Franklin Bank Co.
" ..Seville.....Seville Exchange Bank (Wideman, Shaw & Co.) closed.
PA.....Meadville .....Peoples Savings Bank succeeded by New First National Bank.
" ..Pittsburgh.....Central Bank closed.
TENN...Chattanooga...Chattanooga Warehouse & Banking Co. reported assigned.
" ..Humboldt.....Farmers and Merchants Bank and Tennessee State Bank succeeded by Merchants State Bank.
TEXAS..Dallas.....State National Bank and City National Bank have consolidated under latter title.
" ..Llano .....First National Bank reported suspended.
VA.....Roanoke. .....Roanoke Savings Bank reported closing.
WASH..Seattle .....Washington Savings Bank closed.
WIS....White Water...Citizens National Bank and First National Bank have consolidated. Title, Citizens State Bank.
ONT....Stayner.....Rogers & Co. reported closed.
QUE....Huntingdon....Huntingdon Co. Bank closed.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, FEBRUARY, 1894.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly — Mar.	95	96⅛	95	96
4s, 1907 ... reg.	Quarterly — Jan.	113¼	113¾	113¼	113¾
4s, 1907 ... coup.	Quarterly — Jan.	113¼	113¾	113¼	113¾
6s, cur'cy, 1895, reg.	Quarterly — Feb.	102	102	102	102
6s, cur'cy, 1896, reg.	Jan. & July.	104	104	104	104
6s, cur'cy, 1897, reg.	Jan. & July.	107	107	107	107
6s, cur'cy, 1898, reg.	Jan. & July.	110	110	110	110
6s, cur'cy, 1899, reg.	Jan. & July.	112	113	112	113

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	1⅜	1	1
Canadian Pacific	—	72	67	—
Canada Southern	51½	51½	49⅛	50⅛
Central of N. J	—	116	114¼	116
Central Pacific	—	13½	12½	—
Ches. & Ohio	18⅛	18⅛	16⅝	17¾
Do 1st pref.	—	—	—	—
Chic. & Alton	—	—	—	—
Do pref.	—	—	—	—
Chic., B. & Q.	77¼	77¼	73⅞	77⅛
Chic. & East'n Ill.	—	55	55	—
Do pref.	—	—	—	—
Chic., M. & St. P.	59¾	59¾	55½	59⅜
Do pref.	—	118	117½	—
Chic. & N. W.	104¾	104¾	101⅞	104⅛
Do pref.	—	140	139	—
Chic., R. I. & P.	68½	68½	65	68¼
Chic., St. P., M. & O.	38	38	35¼	36¾
Do pref.	112½	112½	112	—
C., C., C. & St. L.	38¼	38¼	35⅜	37⅜
Do pref.	—	—	—	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	26¼	26¼	26	—
Col., H. Valley & Tol.	—	19½	18½	—
Del. & Hudson	137	138	135	—
Del., Lack. & W.	—	169⅜	165½	—
Den. & Rio Grande	10¾	10⅞	10	—
Do pref.	32¼	32½	29½	29⅞
East Tenn. V. & G.	—	—	—	—
Do 1st pref.	—	—	—	—
Do 2d pref.	—	—	—	—
Evansville & T. H.	—	65	60	60
Illinois Central	—	94½	90½	91
Lake Erie and Western	—	15⅛	15	—
Do pref.	—	64¾	63	—
Lake Shore	128½	128½	125	127¼
Long Island	98½	98½	98	—
Louisville and Nashville	46¾	47⅜	45	47⅜
Louisville, N. Alb & Chic.	9⅜	9⅜	8	8
Manhattan Consol	122¾	124	120½	124
Mexican Central	—	6¾	6¾	—
Michigan Central	100⅜	100⅜	97	98¾
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	10½	11	9⅞	—
Do pref.	—	31	30½	—
Mo., Kan. & Texas	—	13⅛	12⅝	13⅛
Do pref.	24¼	24¼	22	23½
Missouri Pacific	24½	24½	21⅝	23¼
Nash., C. & St. L.	—	71	71	—
N. Y. C. & Hudson	101¼	101½	96¾	100
N. Y., C. & St. L.	16½	16⅝	15	15⅝
Do pref.	73	75½	73	—
N. Y., L. E. & W.	15¼	16¾	15⅛	16¾
Do pref.	34	38¼	32⅜	38½
N. Y. & New Eng.	12⅜	12⅝	10¼	10⅜
N. Y., Ont. & W.	16	16⅛	15¼	16
N. Y., Sus. & W.	16⅛	16⅛	15¼	—
Do pref.	45½	46	44½	45
Norfolk & Western	—	—	—	—
Do pref.	—	21½	20	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	4¼	4½	4¼	—
Do pref.	17⅛	18⅞	16⅞	18⅜
Ohio & Mississippi	—	—	—	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	25	25	—
Oregon Short Line	8	8	7	—
Pacific Mail	18¼	18¼	16⅞	16⅞
Peoria, Decatur & Evansville	4⅜	4⅜	4¼	—
Philadelphia & Reading	20¼	22⅛	20	21⅞
Pullman Palace Car Co.	—	169	165	169
R. & W. P. 2d as't pd.	—	4¾	3	4¾
Do pref.	—	17	12½	17
Rome, W. & Ogd.	—	110	110	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	—	24	24	—
Do pref.	—	—	—	—
St. Paul, M. & M.	—	104	102	—
Silver Bullion Ctfs.	—	65⅜	64¼	—
Southern Pacific Co.	23¼	23⅜	22	23
Texas & Pacific	9	9	8	8¼
Union Pacific	18⅜	18⅞	17	18⅜
Wabash, St. Louis & Pacific.	—	7½	7	—
Do pref.	—	14½	13¾	—
Wisconsin Central	—	7½	7	7½
MISCELLANEOUS—				
Am. Cotton Oil Trust	28½	28½	27	—
Nat. Lead Trust	28	30¼	22¼	27½
Tenn. Coal & Iron	16⅜	19⅜	16⅜	19¼
Express—Adams	—	154⅜	153	—
American	—	114	111	112½
United States	—	56	51	54
Wells-Fargo	—	127	122½	—
Sugar Refineries	78⅛	83⅛	75⅜	82⅝
Do pref.	82⅜	85	81⅛	84½
Western Union	84¼	85⅜	82¼	85⅜
Wheel. & Lake E.	12⅞	13⅜	12⅝	12⅝
Do pref.	49⅜	49¾	47¼	47⅜

THE

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AND

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THE BANKS AND THE PANIC OF 1893.

Mr. Alexander D. Noyes has contributed a very interesting article on this subject to the last number of the *Political Science Quarterly*. One of the striking points in this article is the fact that loans are now madé largely from bank deposits instead of capital. Comptroller Hepburn remarked, in his report for 1892, that in the sixties the banks did business on their capital, supplying the wants of customers and earning their dividends with the money subscribed by their shareholders. Now, he adds, capital is made just sufficient to command public confidence. Usually a large surplus is accumulated, but the business is done upon depositors' money. Some figures are then given. Bank capital has, indeed, increased during the last thirty years, but the increase in the bank deposit fund has been much greater.

"In 1870 the combined account of National bank capital, surplus and undivided profits was thirty-seven per cent. of total liabilities. In 1879 this percentage was thirty-three; at the close of 1892 it had fallen to twenty-nine. In 1870 the individual deposits alone made up only one-third of the total liability account; in 1879

they constituted thirty-nine per cent.; in 1892 they were more than one-half." The figures at these three dates were as follows:

	1892.	1879.	1870.
Capital, etc.....	$1,044,233,834	$617,501,367	$576,118,173
Individual deposits.....	1,764,456,177	755,459,966	507,368,619
Total liabilities.....	3,480,349,667	1,925,229,617	1,538,998,106

"The National banks' own funds exceeded individual deposits in 1870; in 1892 their proportion to such deposits was less than fifty-eight per cent. Such compilations as have been made of the State bank balance-sheets show that the contrast there between the two banking epochs is even more remarkable."

Mr. Noyes remarks that the expansion arose from the immense inflow of home and foreign capital into American investments, especially since the specie resumption in 1879. Nevertheless, he adds: "It will hardly be denied that so vast and disproportionate an extension of the purely credit element in banking could not fail, except under most experienced guidance, to relax the principles of conservative bank financiering, and at the same time necessarily to increase business risk. The general principle of trade, that the smaller the capital relative to the total obligations, the greater the chances of disaster, certainly does not fail of application here. Borrowers, indeed, in other lines of industry, whose credit obligations are chiefly placed on time, have at least a breathing space in a period of panic. The bank, whose liabilities, outside its own funds, are practically all demand, has not even this advantage. Even 'quick assets,' such as may be resorted to for sudden liquidation of liabilities, are but a small proportion of the total bank resources, and in the Western banks are insignificant."

The safeguard in the use of these deposits is the legal requirement that a portion of them must be kept always on hand. The requirements of the National law on this subject are well understood. In the central reserve cities twenty-five per cent. must be kept. In the other reserve cities the same amount must be kept somewhere, but one-half of the amount may be kept with the banks in the central reserve cities, thus requiring them really to keep only twelve and one-half per cent. at home. In the country banks fifteen per cent. must be kept, but only six per cent. at home, as the law permits them to keep the other nine per cent. with the banks in the reserve cities. Many of the State banks and trust companies, however, and private banks, especially, are not restricted in the use of their deposits by such requirements. In a few of the States there are regulations on the subject, but in most of them, we believe, the banks are quite free to lend their deposits as they please. This is one of the enormous advantages that the State banks and trust companies and private banks possess over the National banking institutions. Not only can their rivals

lend money more freely and thus make larger profits, but it is believed that in times of stringency the National institutions must come to the rescue of the others in order to protect themselves. This feeling is shared quite generally by bankers. Nevertheless, the antagonism between the two classes is so strong in this regard, that last summer, when the dearth of money was at its height, the trust companies imported a large amount of gold to protect themselves, fearing their inability to procure aid from their rivals. This fear was the outcome not only of the lack of money, but also of the feeling mentioned; and no one can criticise their wisdom in thus obtaining additional resources from abroad for the emergency.

The writer of this article then describes some of the consequences of the panic to the banks in the different sections of the country. He says:

It was on the Western banks that the shock of panic fell in 1893 with greatest violence. The records of no previous panic show in this regard such impressive sectional contrasts. The list of National and State bank failures for 1893 shows for the New England and Middle Atlantic States seventeen suspensions, with total estimated liabilities of $13,138,073. This list includes such financial centers as New York, Boston, and Philadelphia. On the other hand, the failures of similar institutions in the five States of Ohio, Indiana, Illinois, Michigan, and Wisconsin numbered forty-nine, with aggregate liabilities of $23,163,537. In the eleven Granger and Rocky Mountain States, still further to the West, the State and National bank failures reached the yet more disproportionate number of 147, and reported liabilities footed up no less than $24,781,181. Taking the country as a whole, the record shows that out of 360 National and State banks suspended during 1893, with liabilities of $109,547,556, no less than 343 failures, with liabilities of $96,409,483, occurred in sections of the Union west or south of Pennsylvania. The failures of private banks and savings institutions were distributed in almost exactly the same proportion.

For this remarkable disparity there were several reasons. Rapid development on other than local capital had been the chief feature of the West's recent career, and this was a double element of weakness. The collapse of the "land booms" in 1889 and 1890 had served as a wholesome check to speculation, but the two enormous grain harvests of 1891 and 1892 had again revived it. The warnings of 1890 and of the brief succeeding period fell in that section on deaf ears. The evils of a vicious currency took root for this reason far more extensively west of the Ohio. "Bad loans" made up a startlingly large proportion of the assets of bankrupt institutions. The East, on the other hand, where foreign capital was concentrated, felt much more severely the shock and the significance of the London crash of 1890. When, in 1891, the expulsion of gold by our accumulated paper currency began, it was the Eastern banks from whose vaults the gold was first withdrawn to meet such export requirements. It was through these banks that the "run" began, with 1893, on the Government's gold reserve for the redemption of legal tender notes. It was on the Eastern stock exchanges that foreign investors poured for two years continuously their holdings of American securities. These multiplied signs of coming trouble were not ignored. The Eastern institutions were indeed subjected to the same demoraliz-

ing pressure from currency over-issues, and they furnished their share of reckless ventures and dishonest speculation. But the weeding out of such concerns was very thorough in 1890 and in the ensuing year or two, and, as a rule, the policy of the Eastern city banks on the eve of the general breakdown was sound and conservative.

Returning to the subject of reserves, he remarks that one of the evil consequences of permitting banks to thus keep a portion of their reserves elsewhere is to deplete them of cash at the time when it is most needed. A reserve is intended for times of peril. A bank may, indeed, have no need of it for years, but whenever the need does exist, it usually comes suddenly and without warning. The writer clearly shows that many of the banks in the West and Southwest were obliged to close, not because they were insolvent, but because they could not recall the reserve deposited with the banks in the central reserve cities quickly enough to save themselves. Of course, they have been inclined generally to keep all that the law permitted with other banks in order to enhance their profits. When the law was in process of enactment one of the most serious controversies was over this subject. Many of the banks were unwilling to submit to a system in which they would be thus fettered in the use of their resources. In most of the States they had been permitted to lend as they pleased without restrictions, and the only way to reconcile them to the system was to permit them to keep a portion of their reserve with other banks in the manner described. But, as this panic has shown, a reserve that is not kept at home is no reserve at all. It would be just as well to require the country banks to keep only six per cent. at home, as to keep fifteen per cent. on the conditions mentioned in the law.

Let us inquire what the banks thus receiving this reserve do with it. Do they keep it in their vaults, ready for recall at a moment's notice? By no means. If they could not use it and get something for it, they would not care to trouble themselves with it. The object of getting deposits is to use them and to get a profit from them. A dead deposit would cause trouble without yielding any corresponding return. The banks therefore receiving these deposits do use them, and how? They lend them on short loans usually with collateral security. It is supposed or believed that these loans can be readily called and the money be forthcoming at short notice; but herein lies the chief vice in the system. If, indeed, only a few loans of this kind are called, it is easy enough to obtain the money, but, as experience has shown, whenever the emergency arises for a country bank to demand its reserve kept with a bank in New York or elsewhere, a condition of affairs exists that requires many other banks to pursue the same policy. When this happens and many call loans are demanded, it is by no means easy to obtain payment. If payment is demanded, then

stocks must be sacrificed, in which case the stock market goes to pieces. Or, if the banks try to save their collaterals then discounts must be denied to mercantile classes and they suffer. One class or the other must suffer whenever a demand of this kind arises. The policy, therefore, of lending deposits on call loans, supposing that they can be instantly called, is by no means a sound one, and has often proved a failure, for the reasons above given. Yet there are many banks, especially in New York, that adhere to this system, believing or imagining that by lending a large amount of their deposits on short loans they can be easily repaid, and therefore that they are in a position at all times to respond readily to the demands of their depositors. Whatever bankers may have thought of this policy before, the experience of the last panic has certainly shown that it is faulty, and therefore some other policy ought to be adopted in order to render all more secure in the future.

A study of what has happened clearly enough reveals the true remedy, namely, to require a bank to keep its reserve at home. If fifteen per cent. is too much, then the amount might be reduced; but whatever amount is fixed by law, it should be kept where it can at all times be used. As we have already said, if it is not kept at home but sent elsewhere, the receiving institution will use it and therefore not have it. Otherwise it would not care to receive it. These remarks, by the way, apply just as strongly to deposits which a savings bank keeps on hand to meet the calls of its customers. In many cases a portion of the accounts is kept with other banks, on the theory that it can be had whenever wanted, but, as in the case of National and other banks, no bank desires to take deposits unless it can use them, and if it does so the certainty of repaying them at a moment's notice is not always assured. In other words, the plain teaching of all our experience is that the only true reserve that a bank can keep is one in its own vaults.

The writer describes the splendid office performed by the use of Clearing House certificates.

I shall not enter into a lengthy discussion of this financial contrivance. It is enough to say that the loan certificates are a purely American invention, and that their safe and satisfactory operation in four severe financial crises* has won for the system the approval of practically all

* Between the first week of April and the first week of June, loans were reduced in New York $16,834,300, although in the same time the total cash reserve increased $8,304,700, and the surplus reserve over the required twenty-five per cent. of net deposits $10,324,425.

The banks followed another thoroughly sound principle in lending only at high rates; the sufficient reason being that a high rate is a matter of no concern to a borrower in real extremity, while a low rate is a temptation to unscrupulous borrowers to engage the money and then relend it at a rate fixed by the needs of others. The banks were therefore entirely right in lending at one-eighth per cent. and interest, or fifty-one per cent., yearly, the five millions later obtained through loan certificates and released in preparation for gold imports. An effort then to "break" the money

competent judges. They are, as is generally known, a species of currency issued by a Clearing House committee to all banks in the association applying for such accommodation and furnishing approved and sufficient collateral. These certificates are by agreement accepted in payment of balances between banks of the Clearing House. They cannot, of course, circulate outside the limits of this Clearing House; and an annual interest rate of six per cent., charged up daily against the bank in whose name such certificates are outstanding, insures their early redemption when the money market is restored to equilibrium.

Through the use of this ingenious emergency-device last summer, solvent borrowers were protected by the courageous advance of banking credits at the very worst hour of panic. Nor were the system's benefits extended to individual borrowers alone. Not only did the interior banks, at the panic outbreak, call in from city institutions a great part of their own deposited reserves, but they were clamorous for "re-discounts"; in other words, for the purchase from them for cash of paper already discounted for their own customers. To this demand, too, which came with no impropriety from heavy depositors, the larger banks responded. The total of notes and bills re-discounted for other institutions rose from $14,021,596 in March to $18,953,306 in May, and to $29,940,438 in July, the height of the summer's panic. In 1873, during a corresponding panic period, the account increased only from $5,403,043 to $5,987,512.

We do not have further space to review this article, which is one of the best on the subject that has come to our notice. The action of some of the banks in New York in refusing to cash the checks of large depositors is carefully considered and some criticisms are made on their conduct. He clearly shows that the premium on currency was the consequence of this policy, for, had all the banks continued to pay cash, no premium would have been possible. The reasons given by the banks for retaining their deposits are well understood by every one and need not be considered. In view of the gravity of the situation, the banks in the reserve cities were conducted with great wisdom; but the fact still remains that if country banks were required to keep their reserve at home, the most serious difficulties with which the banks in the reserve cities had to contend would not have existed. The troubles, therefore, were largely of their own causing, and the danger will entirely disappear only with a change in the system.

market by offers at a low rate would have had extremely bad results. So, in the ensuing week, the action of the New York banks in raising the rate for interior re-discounts to twelve per cent. was fully justified. Both actions have ample precedent in the skillful financiering of the Bank of England during the Baring crisis of November, 1890.

They were issued in 1873, in 1884, in 1890 and in 1893. In 1873 New York issued $26,565,000, and Philadelphia $6,785,000. In 1884 New York alone issued certificates, the maximum being $24,915,000. In 1890 New York issued $15,205,000, Philadelphia $8,870,000, and Boston $5,065,000. In 1893 New York issued $38,280,000, Boston $11,445,000, and Philadelphia $10,965,000.

A REVIEW OF FINANCE AND BUSINESS.

SLOW BUT GRADUAL IMPROVEMENT.

The first month of spring has passed, with unsatisfactory results to the business community generally, although there has been a gradual, but very slow improvement in most branches of trade. Yet, spring trade has scarcely opened, in the sense of a business revival, which had been hoped for, if not expected. During the early part of the month, there was a distinctly more hopeful feeling on all hands, that, with the promised speedy disposal of the vexed Tariff Bill, there would be a marked improvement in general business, and that it would come in time to save spring trade. But this, like all other hopes, dependent upon the action of Congress, was doomed to disappointment; and, by the middle of March, a most unfavorable reaction in public sentiment set in, which lasted the balance of the month, and threatened to bring back in part or whole the conditions of a year ago, which resulted four months later in panic. It was the sudden and unexpected reopening of the dreaded silver agitation, which had been supposed to have been settled, for this Congress, at least, by the repeal of the Sherman Law, which terminated the panic. The swiftness and surprising strength with which the Bland Seigniorage Bill was brought up and rushed through the House; and the ease and rapidity with which it passed the Senate, took the breath out of business men and paralyzed all thought of new enterprise. As no such danger had been apprehended no one was prepared for it; and, when it began to be whispered from Washington, that there was also danger of the President's reversing his record on the silver question, by signing the bill, almost a panic seized financial men, who immediately hurried to Washington to oppose his alleged purpose, only to confirm their fears that he seriously entertained such a design.

NEW YORK BANKERS AGAIN AVERTED THE SILVER DANGER.

At this juncture, leading New York bankers, who had taken the bulk of the late fifty million of Government bonds, when the issue seemed about to fail, for want of subscriptions, appealed to the President to veto the bill on the ground that his Secretary of the Treasury, with his consent, had promised the takers of these bonds that he would veto any silver legislation during his term of office; and, on the further and broader ground that it would reopen the whole silver struggle, and paralyze reviving trade and industry, by renewing the conditions of a year ago preceding the silver panic. But even after this appeal, they sent

out another to the commercial bodies of the country, backed by the *Journal of Commerce* and *Commercial Bulletin*, to protest in the most emphatic and earnest manner, and at once, or the President would sign the bill, or permit it to become a law, under the misapprehension that business men were not opposed to the measure, because they had not spoken out against it. The quick, emphatic, and general response to this last appeal, not only by the leading commercial and financial bodies of every section of the country, but by its leading business men in all sections, North, South, East and West, soon convinced the President, not only that, the country had remained silent in face of the passage of the bill, simply because it had no doubt of his vetoing it, but also that the members of Congress, in both Houses, misrepresented the business interests and classes of all parts of the country alike. If the President had doubts upon these points, and entertained thoughts of letting the bill become a law, before this spontaneous uprising of the business community, regardless of sections, he certainly had them dispelled by these universal protests, which left the whole discredited lot of politicians at Washington, deserted and without constituents, among the business men, of either party, in any quarter. With these demonstrations of true public sentiment, the President could neither honestly nor consistently permit such a bill to pass, in face of his pledges to the people and to the bankers who came to the relief of the Treasury and took its last issue of bonds. Hence the excitement and fear attending the discovery that such a menace to reviving trade, really existed in the White House, subsided, when the misapprehensions of its occupant were dispelled, and the country settled down to business, again after the danger had been averted, hoping that Congress would soon dispose of the Tariff Bill and go home and let the business of the country have a chance to recover, which it can scarcely hope to do, while this horde of self-seeking politicians is in session at the capital; and, without support from the business men of their own constituencies, even in Populist States

THIS NEW SHOCK TO RETURNING CONFIDENCE,

however, has not passed away with the fright its cause occasioned, but has left a deeper distrust of future legislation that may be in store for the country hereafter, since nothing can be regarded as settled finally, in the present chaotic condition of parties and the prevalent self-seeking of political adventurers at Washington, who not only make no pretensions to representing the true business interests of the country, but openly declare themselves arrayed against them, and in the interest of another class, opposed both to existing laws and to the prosperity of the masses of the people. Yet the scare abroad, which threatened to continue the exports of gold that

had been renewed during the month, by this new silver agitation, subsided, after the demonstration of the business interests of the whole country against it, had made it appear that this particular danger had been again averted. Since then the rates of sterling exchange have made further exports of gold impossible for the present, while it has caused foreign buying in place of selling of our railroad securities. With this, confidence has returned to our holders of those securities, and we have had a bull market the latter part of the month, aided by better railway returns for February, than had been expected, which is regarded as evidence that not only the railroads, but the business of the country, has passed the low-water mark of the depression that followed last year's panic. It is accepted also that both are now on the way to recovery, if no more unexpected and vicious legislation is sprung upon the country at Washington.

THE SENATE AND THE TARIFF BILL.

Yet there is another danger, which was pointed out in this article last month, that has not yet been averted, although the immediate cause of delay in reporting the Tariff Bill to the Senate by its committee, which held it back over a month, while some of its members were speculating in sugar stocks, on the New York Stock Exchange, in connection with the Sugar Trust officials, has been removed.

Although the BANKER'S MAGAZINE was the first publication to call attention to this incident in our modern legislative methods at Washington, the press of the country has since been filled with charges against this committee and individual members of it, who have been openly accused of deliberately, and unnecessarily holding this bill in committee, simply to prolong their chances for speculating, at the expense of the industries and business of all sections, which have been compelled to wait another month, before knowing their fate, under the new Tariff.

ALL THAT STANDS IN THE WAY OF A BUSINESS REVIVAL.

Although some of its members proposed to investigate these charges against their fellows who had been named by the press, neither the individuals accused, nor the majority of its members, seemed to consider the boasted "Dignity of the Senate" compromised, nor their personal honor impugned by such charges. To this, has the reputation and self-esteem of a United States Senator fallen, both in the people's mind and in their own, that such serious and public scandals as these, can be passed over, by honorable men, whose refusal to vindicate themselves, is a virtual admission of their truth. Indeed, one Northern Senator had the candor and nerve to admit publicly that he had used his position on this committee to speculate in sugar, as well as other stocks

affected by the Tariff Bill under its consideration. But this is not all, nor the worst danger. There are more attorneys of the Sugar, and of other Trusts, holding seats in the United States Senate, who are preparing, and conspiring with one another, to "hold up" the Bill, in full committee of the Senate, as was done in the case of the Sherman Repeal Bill, last fall, until their clients shall get it amended in their special interests, or, failing in that, to prevent, if possible, its passage in any form. When, therefore, the long and disastrous suspense, that has prevented a general and radical business revival, ever since the first and worst effects of the panic had passed away, with the end of 1893, will cease, it is impossible to foresee. Certain it is, there can be no general nor permanent prosperity, until this Tariff, as well as our currency agitation, shall be settled, upon a basis satisfactory to the great majority of the people of all sections. This is all that now stands in the way of a trade revival, such as has already begun in England and on the Continent.

THE MONEY SITUATION.

It is for the coming of this revival here, that our money market is, and has been, waiting, the past four months; but the present situation in financial affairs cannot change very much for the better, until the Tariff incubus is lifted from commercial and industrial interests. With that (unless some new silver legislation is forced through Congress), the present glut of unemployed capital will soon be a thing of the past; for, with commercial and industrial activity, will also come demand, at remunerative rates of interest, for all the idle capital that has been piled up in our banks for months, like the labor that has been unemployed, earning nothing, not only, but "eating its head off," with the expenses of doing business that is not done.

There has not been a change during the month, in rates for money; 1 per cent. being the "opening, highest, lowest and closing" quotation for call loans; 2 to 3 per cent. for time loans, and 3 to 5 per cent. for A1 to good two-named mercantile paper, at which offerings of money have been fair in excess of demand. Bank loans, however, have shown a moderate expansion the latter part of the month, though reserves have as a rule continued to show an increase. The increased demand came, however, as much from increased speculation on the Stock Exchange and the higher prices for stocks, as from mercantile or manufacturing sources. Yet the latter have shown fair increase.

Abroad, money is also easy, but more active, and speculation on the London Stock Exchange in the securities of all nations, has increased until there has been a considerable enhancement of values. Even Argentines have looked up, until the Bank of England has been able to sell the load of these securities it has

been lugging for the Baring Estate, ever since its failure, at a good price. These indications of trade revival in Europe are extending to Paris and Berlin, where similar conditions exist. Indeed, the money situation on both sides the water has not been so hopeful in a long time as now, barring conditions in Italy and in some of the smaller and chronically bankrupt countries of Europe. Even Russia and South America are getting into better shape commercially and financially than for some years, excepting in Brazil, where the late civil war has disturbed her internal and foreign commerce. This country alone of the great commercial powers lags behind in this business recovery, because of the delay and suspense in our industrial legislation.

THE RAILROAD OUTLOOK,

as above noted, is also a little brighter, and the sentiment of Wall Street has shown this in an advancing stock market, notwithstanding the fear of, and uncertainty at Washington. This is also a hopeful sign, as the Wall Street market for railway and other stocks is regarded as a forerunner of the commercial situation, as coming business events cast their shadow before on the dial of the Stock Exchange, when the future is anticipated and discounted by speculation. The gradual widening and broadening of this market, and its extension of activity beyond the strictly investment list, to cheaper bonds and stocks, is also a sign of returning better times. This belief is gaining converts steadily, and capital is beginning to come out of places where it has been hiding for safety, and seeking profitable employment. Were not the outlook for the railways more hopeful, this state of affairs would scarcely be seen in the stock market; for, as yet the improvement in the railroad situation has not developed. But it has simply stopped growing worse. This was the condition of affairs up to the last days of the month, until when the crop outlook was most encouraging, while the late returns of the last crops of nearly everything, show much larger ones, than estimated at harvest, with a corresponding increase in the amount of stuff back to come forward by the railroads. Reports of serious damage to the winter wheat crop, from the extreme cold weather, all over the country, during the last few days of March, has had some discouragement in them for the railways, should the damage prove to be at all serious or extended, as now reported. But this is not yet believed, because of the bull speculation in Chicago in wheat which has found in this first accident to the growing crop, the first opportunity to bull the market and get out of the heavy load of higher priced wheat which Chicago and Wall Street alike have been lugging for months on a declining market. Hence it is more than likely that exaggeration is responsible for a good,

if not greater share of these reports. Yet they did have some effect in weakening stocks, the last few days of the month. On the other hand, inside holders of these stocks stood ready to take all that was offered, and Europe did not cease her buying, though the volume of her purchases was reduced.

THE IRON AND OTHER TRADES,

which are regarded as the next best index of the general condition of the country and of business, have also shown some improvement, though less than railroad stocks; yet it is becoming more noticeable and more extended each week, both in resumption of idle works and more activity in those already in operation. But the gains are still disappointing and far behind what they should be, with anything like a normal state of general business. The coal trade has adapted its output to the decreased consumption of the past few months, owing to the very mild winter, hard times and idle manufactories; and, hence is in good shape, considering it has moved over 2,000,000 tons less of anthracite than since January a year ago; and, presumably, sold that much less. But prices have been well sustained in the face of wholesale shrinkage in everything else the past year.

On the other hand, the textile industries of all kinds, and especially of cotton, have shown marked increase in activity the past month, and in many classes of cotton goods there has been sufficiently increased demand to produce a scarcity of stock in all hands, from manufacturer to consumer, and a consequent enhancement of values, while manufacturers of heavy goods are in most cases sold well ahead. Next to cotton manufactories, those of woolen seem to have made the most gains in point of activity, though prices are not generally much improved.

OUR EXPORT TRADE,

though not heavy, has been very good in the aggregate, and in some cases much ahead of a year ago, as in cotton, which is in more active spinning demand in Europe, as well as here, and more so than a year ago, when the great strike in England was on. Provision exports have also steadily gained over those of a year ago, as prices have receded from the hog famine basis of 1893 and the demand abroad as well as at home revived. The outward movement of wheat and flour has been disappointing to the Bulls here, who loaded up last fall in expectation that Europe would be more dependent upon America than usual this year, owing to her own bad crops. But India, Russia and Argentine has a larger surplus than ever to sell at lower prices in gold, but at old prices in silver; and they have supplied the European markets with the bulk of what was imported, while we have looked on and held the biggest visible supply in sight ever known.

even on a big crop, waiting in vain for Europe to use up her supplies and call upon us. Of course, we have been shipping wheat and flour steadily and in good volume to Europe all this crop, but not in any such volume as expected, as she takes only enough of our fine hard wheats to mix with her native and soft imported wheats from other countries, to produce the best milling results. Other breadstuffs have gone out into export only moderately, as supplies here at the seaboard of corn have been light, and oats too high, though coarser feed stuffs have been exported more freely than usual, namely, mill feed and hay, of which more has been exported, especially of the latter, than in any previous year.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Mortgages in the United States.—A bulletin issued by the Census Department embraces the mortgage indebtedness of thirty-three States and Territories. In 1880 the amount of mortgage indebtedness was $539,646,250, while nine years after, the figures had risen to $1,381,684,380. The increase, therefore, during this period was 156.04 per cent., the increase being six times greater than that of the population and three times that of the wealth. Most of the increase is of an urban character. The richest State, New York, has the heaviest debt, $268 per head of the population, while the lowest is in Arkansas, only $13. Mortgages are less numerous in the South and the Rocky Mountain region, probably because it is difficult to secure money in those parts of the country. The average rate of interest is 6.73 per cent.; but it is not uniform. The farmer pays more than the owner of urban and suburban properties, the difference being between 7.27 per cent. and 6.32 per cent. Oregon pays the highest rate, 9.39 per cent., while Massachusetts pays the lowest, 5.38 per cent. The returns show a tendency towards a lower rate. It fell from 6.85 per cent. in 1880 to 6.43 in 1882, but rose to 6.82 in 1887, while in the next two years it fell to 6.52. The small mortgages pay the highest rates, while the largest ones pay the least, a fact, it is asserted, which is true in all cases. An attempt has been made to ascertain the causes for which mortgages were given and these are classified, but this information, which would be very valuable if accurate, is difficult to obtain. The Census Department does not profess to have made inquiries in all cases, but simply has taken a few counties and made deductions from them. Even in these counties the accuracy of the information in many cases may be questioned, and this part of the information contained in the bulletin is less valuable than any other. Perhaps a time may come

when the Census Department can succeed in going behind the returns and ascertaining the causes of figures like these, and when this is done accurately a long advance will be made in the way of spreading before the world a vast amount of information of a highly interesting and important character.

New Railway Expenditures.—Many of the railways of the country are confronted with a new class of heavy expenditures which are the consequence of the prosperity to no small extent of the railways themselves; we mean the necessity of abolishing grade crossings in cities, villages and other places traversed by railways. All over the country this question has become a highly important one, in consequence of the increase in population. The New York and New Haven road has expended a very large sum of money in the last few years in abolishing these crossings, as its tracks run through a highly settled country. The same condition of things confronts many other railway companies. At the present time the Pennsylvania Railroad is expending a large sum in this direction, and all the railroads running into Chicago have been required to raise their tracks, for it is said that persons are injured or killed every day in consequence of the many railroads that run into the city on the street grades. The necessity for these changes no one will question; but the payment of their entire cost by the companies may be questioned. The public, however, do not seem to regard the question in this way. They assume that as the railways are of a dangerous character, as at present conducted, it is their duty to transform them. But as they acquired their rights in many cases before the villages and cities through which they now pass existed, what obligation is on them in the way of elevating or depressing their tracks? Or, in other words, of making different arrangements than existed at the time of acquiring their rights? In numberless cases villages and cities have sprung up by the side of the railways, where not a house existed when the tracks were laid. In one sense the growth of these places has been due largely to the creation and work of the railways; but ought they to be held responsible for the loss of life and property occasioned by crossing their tracks when the right thus to run them was a complete grant and without any such encumbrances in the beginning? Obviously, if the public desires a change in this regard, it ought to be willing to bear a considerable portion of the expense; and in many cases this has been done. Chicago has been inclined to pursue an unfair and determined policy towards the railway companies. It is evident that the expenditures in this direction in the next few years will be enormous, and if it is borne wholly by the railway companies, will cut severely into the funds ordinarily devoted to dividends. The public ought to deal generously and

fairly by the railway companies, for they are not the authors of the mischief that must now be remedied. In this connection we cannot forbear to utter a word concerning the extension of the trolley system. As their cars are to move at a rapid speed, especially for long distances, ought not the public to be warned by the experience of steam railways and require more stringent regulations in this regard? It is much easier to stipulate such regulations in the beginning than to prescribe them afterwards. Surely if steam companies must change their system in this regard, ought not the trolley companies to be required to pursue a similar policy? Is it a fair thing to compel the railway companies to make large expenditures for this purpose and authorize rival lines quite as dangerous without exacting similar requirements?

Pennsylvania Railroad Report.—The annual report of the Pennsylvania Railroad Company for 1893 was a delightful surprise to many persons, for the receipts and net earnings were much larger than they had supposed they would be. The gross earnings of the entire system during 1893 were $135,059,787.65. For the previous year the same figures were $138,647,000, a falling off of $3,588,000, nearly. In other words, the universal depression existing in the business world during the past year was offset by the natural growth of the Pennsylvania's traffic so far that the net loss for the year amounted to only 3 per cent., while for the same period the average loss of railroad traffic throughout the country was something more than 33 per cent. Of course, railroad managers, like everybody else, have economized all they could during the past year and the general average loss of net income has been less than the decrease of gross receipts, the net decline for all roads heretofore reporting being about 24 per cent. The net earnings of the Pennsylvania system for 1893 were $39,568,000, as compared with $40,483,000 for the previous year; showing a decrease of not quite 2½ per cent. In view of the severe financial disturbances last summer and the exceedingly discouraging conditions prevailing throughout the year in commerce and manufactures, this is really a remarkable showing, a showing such as very few business enterprises in this country, great or small, could parallel. It was only made possible, as President Roberts shows, by the forecast and sagacity of the management; by an intelligent perception of the coming depression early in the year, and by a firm and rigid enforcement of a restrictive economy and a sharp reduction of outlay in every department of Pennsylvania's affairs. Thanks to the elastic ability to adapt this vast system promptly and without violent disturbance to the changing conditions obtaining in the commercial and industrial world, the net results of a business amounting to $135,000,000 have not been seriously affected. The

large amount of net earnings, notwithstanding the severity of the times, was due largely to a reduction in the work of construction. Its policy for many years has been to make numerous improvements, the wisdom of which are manifest in many ways. Their suspension, however, in a time like this enables the company to continue the payment of its usual dividends, while other companies are obliged to reduce theirs; but which doubtless will be resumed as soon as the times permit. The stockholders of the company have been paid a return on their investment of 5 per cent. in cash, which is certainly far more than investors generally received for the past year, and they also had a dividend of 2 per cent. in scrip convertible into stock. If there are any other properties so managed as to show as satisfactory results, those interested in them are entitled to consider themselves as exceptionally fortunate.

The Bank of England Loss.—The loss incurred by the Bank of England through the mismanagement of its cashier, Mr. May, has had some effect on the value of the stock of the institution, and criticisms of its management are very numerous. In some of them the directors are blamed for intrusting so much authority to a single individual. The experience of many banking institutions is that far more is lost by discounting through boards of directors than through the action of a finance committee, or one or two officers who devote themselves to this business. When paper is discounted by boards of directors, as every one knows, it is quite impossible for them to pay much attention to the business in hand, and while they may render valuable aid, yet experience has clearly shown that a president or other officer who is carefully investigating into the standing and ability of those who seek to borrow, is more likely to serve his bank well than a board of directors. One of the warmest controversies over the Bank of England loss is the duty of the management to make a statement of the amount of loss. It is contended by some that such a statement should be promptly made, while others are just as strenuous that the bank should pursue its customary course and pay no attention to any demand or clamor of this kind. This is an old question and has a wide bearing. How far ought a bank or other corporation to go in the way of divulging its affairs, or of conveying information to its shareholders or other customers or the public? If we were to accept the newspaper theory, every transaction ought to see the light for the curiosity, if not the benefit, of the general public. This view, however, may be dismissed without further remark, and inquiry be narrowed simply to those who have business, or are directly interested in the affairs of the institution, and what knowledge should be imparted to them? The Canadian banks have set a fine example to all others in the way of very full yearly reports,

accompanied by ample explanations of the year's business. We are not aware, however, that any special reports are ever made springing from any peculiar condition of affairs. It may be that the Bank of England has been too reticent in its reports, and that a reform might be effected in the way of communicating more knowledge to its shareholders and patrons concerning its business; but, after all, this is a question for those interested in the institution to decide. Doubtless, if the directors learn that their shareholders and depositors are desirous of fuller reports concerning the business of the institution, they will be furnished; and if this has not been the practice, the reason, doubtless, is because all have been quite well satisfied with the custom pursued. Every bank is desirous of pleasing its patrons, and is quite willing to adopt any policy that is likely to strengthen the institution, to increase its business, and to enhance its profits.

THE CONSIDERATION OF NEGOTIABLE INSTRUMENTS.

For every note or bill there must be a consideration. By this is meant a benefit or gain to the party making the promise, or a loss or injury to the promisee. (*Conmey* v. *Macfarlan*, 97 Pa. 363; *Muirhead* v. *Kirkpatrick*, 9 Harris 237.) Mr. Chief Justice Black has remarked that a very slight advantage to one party, or a trifling inconvenience to the other, is a sufficient consideration to support a contract when made by a man of good capacity who is not at the time under the influence of any fraud, imposition, or mistake. (*Harlan* v. *Harlan*, 20 Pa. 303, 307.) By the common law a promise without consideration is invalid, and to enforce a contract a consideration must be averred and proved.*

Long ago sealed instruments formed an exception to the rule. The seal was regarded as importing or presuming a consideration, and estopped the party who received it from making a denial. By usage and custom bills of exchange and negotiable promissory notes have been drawn within the exceptional circle of sealed instruments. This principle, that a negotiable promissory note

* "A consideration is sufficient if it arise from any act of the plaintiff from which the defendant or a stranger derives any profit, however small, if such act is performed by the plaintiff with the assent express or implied of the defendant, or by reason of any damage or any suspension or forbearance of the plaintiff's right at law, or in equity, or any possibility of loss occasioned to the plaintiff by the promise of another, although no potential benefit accrues to the party undertaking." Rogers, J., *Mercer* v. *Lancaster*, 5 Pa. 160, 162; *Hind* v. *Holdship*, 2 W. 104.

imports a valuable consideration, is one of the most familiar principles of the common law. (*Hartman* v. *Shafer*, 71 Pa. 312; *Conmey* v. *Macfarlan*, 97 Pa. 363.)

While this presumption applies to all parties to a negotiable instrument, between the original parties the maker may show that the consideration was lacking or illegal, or that it failed (*Barnet* v. *Opperman*, 7 W. 130; *Randall* v. *Weld*, 86 Pa. 357; *Moeck* v. *Littell*, 82 Pa. 354); and the only difference between the immediate parties to a note or bill and the parties to any other contract is the shifting of the burden of proof. (*Barnet* v. *Opperman*, 7 Watts 130; *Conmey* v. *Macfarlan*, 97 Pa. 361, 364.*) In proving a failure of consideration as it once existed, the proposition is always an affirmative one, and the burden of proof is always on him. (*Ib.*)

It may also be remarked that the relations between parties are not infrequently so close that the transactions between them are regarded by the law with so much suspicion that the burden of proof is put on the person who seeks to enforce a contract, and who must therefore show that he has taken no unfair advantage of his influence or knowledge. (Miskay's Appeal, 107 Pa. 611, 629; Darlington's Appeal, 86 Pa. 512, 518.) This principle was applied in the case of a son, who was also a trustee under an assignment for the benefit of his father's creditors, and who sought to recover on notes which his father had given to him. He was required to prove the consideration. (*Huffman* v. *Iams*, 11 At. 444.†) But if a note is given by a son to a father, whose genuineness is unquestioned, "we need not look for a consideration beyond that of the relationship of father and son." (Walton's Estate, 4 Kulp.)

Does a non-negotiable note also import a consideration? This question has been answered in the affirmative in New York (63 Hun. 335 and especially 57 Hun. 518) and by the courts in some other States, but not by the Supreme Court of Pennsylvania. Non-negotiable instruments may be divided into two classes, those which are sealed, especially single bills, single bonds, and judgment notes, and which import a consideration like negotiable notes, or other sealed instruments. But unsealed non-negotiable instruments are regarded as not importing a consideration (*Sidle* v. *Anderson*, 45 Pa. 464; 20 Pa. 192); and the affixing of a seal to such an instrument, like a due bill, which usually does not have one, will not transform its character and put it in the category

* Though a seal imports a pecuniary consideration, it only shifts the burden of proof. *Wilson* v. *Wilson*, 2 Pitts. L. J. 352.

† A consideration of natural love and affection will not support an executory contract. *Wilson* v. *Wilson*, 2 Pitts. L. J. 352. If the transferee is the son-in-law of the payee or indorser, this is not sufficient to justify a jury in presuming that there was fraud between them. *Bisbing* v. *Graham*, 2 H. 14.

of sealed instruments, save between the immediate parties thereto. (*Sidle* v. *Anderson*, 45 Pa. 464.)

To present clearly the principles which apply to immediate parties, their different relationships should be kept in sight. What are these? They exist between the maker and the payee or first indorser; between immediate indorsers; between the final indorser and the indorsee; between the drawer and drawee; between the acceptor and drawee; between the payee and acceptor; and between other parties. The rights of accommodation makers and indorsers also vary, and also of indorsees on overdue paper.

Between Immediate Parties.

Keeping these relationships before us, we will proceed to inquire into the consideration between immediate parties. And we may begin by remarking that a voluntary engagement without any consideration cannot be enforced. (*Shorb* v. *Shultz*, 43 Pa. 207; Murphy's Estate, 32 Leg. Int. 28; *Hoffman* v. *MacDermond*, 1 Pitts. L. J. 197; *Case* v. *Cushman*, 1 Pa. 241; *Mayor* v. *Kirby*, 3 Leg. Chron. 33, s. c. 2 Leg. Op. 111; Murphy's Estate, 32 Leg. Int. 28.) On one occasion B. sold his interest to K., who was his partner, and took his notes for the purchase money and transferred them to D., though still retaining the ownership. Afterwards they were re-transferred to B., who brought a suit to D.'s use against K.; D. settled with K. allowing B.'s indebtedness on the partnership, and a note for the balance from K. to D. was given to his attorney. B. was not estopped from repudiating D.'s settlement and recovering against K., for as K. had given no value he was not prejudiced by the settlement. (*Klase* v. *Bright*, 71 Pa. 186.) In this action evidence of partnership debts paid by K. was not admissible as a set-off.

A promise to pay the pre-existing debt of another without a consideration is of like character and void. (*Phila. & Reading R. Co.* v. *Johnson*, 7 W. & S. 317; *Bittenbender* v. *Sunbury & Erie R. Co.*, 40 Pa. 269; *Paxson* v. *Nields*, 137 Pa. 385.) A promissory note, therefore, given by a widow for the amount due to a creditor of her husband, or on the creditor's request, is without consideration and cannot be recovered. (*Paxson* v. *Nields*, 137 Pa. 385.) Nor will a consideration created by a creditor's promise to renew a note suffice. (*Ib.*)

A promise to pay the debt of another which is due, or payable in future, is a good consideration for forbearing to sue, either generally or for a specified period. (*Downing* v. *Funk*, 5 Rawle 69; *Muirhead* v. *Kirkpatrick*, 9 H. 237; *Petrie* v. *Clark*, 11 S. & R. 383; *Silvis* v. *Ely*, 3 W. & S. 420; *Johnes* v. *Potter*, 5 S. & R. 519; *Clark* v. *Russel*, 3 W. 213; *Haymaker* v. *Eberly*, 2 Binn. 510.*) The

* "A promise to forbear generally, without specifying any time, is a suffi-

promise, however, to be effective, must be accepted. (*Shupe* v. *Galbraith*, 32 Pa. 10.) And any forbearance of a money right at law or in equity, if done at the other party's express or implied promise, imports a consideration. (*Silvis* v. *Ely*, 3 W. & S. 420.) But if there is no legal cause of action, a forbearance to sue is not a valid consideration for a promise to pay. (*Smith* v. *Philadelphia Bank*, 14 Pa. 525, 531; *Jacobs* v. *Curtis*, 11 Leg. Int. 27.) Or, if the promisee could not have sued within the specified period of forbearance, there was no consideration for the promise. (*Gilbert* v. *Watson*, 2 Am. L. J. 260.) But if the debt was not due at the time of the promise, or was voidable in consequence of the debtor's infancy, or was barred by the Statute of Limitations, this is no defense to the action against the promisor. (*Hesser* v. *Steiner*, 5 W. & S. 476.)

There is a distinction between a merely voluntary engagement, and one on the faith of which the other party does some act or makes some agreement. (*Dundas* v. *Sterling*, 4 Pa. 78.) Thus, S., the indorser of a promissory note protested for non-payment, signed an agreement which, after stating that the maker of the note had arranged with the holder for its renewal and reduction at stated periods, consented that the protested note might be held as collateral security, and to take no advantage of any delay given to the maker. The holder accepted the agreement and extended the time. This agreement was founded on a good consideration, for the indorser did agree to forbear a right which he had in equity to enforce the creditor to proceed on the protested note, and he

cient consideration; for, by a forbearance in general, without adding any particular time, is to be understood a general forbearance. Evidence of a promise to pay in consideration that the plaintiff would wait, forbear, or give time indefinitely, or for a reasonable time, at the instance and request of the defendant, will maintain an action against the promisor. And when the plaintiff is requested to forbear, and a promise made to pay the debt, and he does forbear, it is such evidence as will maintain the suit." Rogers, J., *Kean* v. *McKinsey*, 2 Pa. 30, 31.

An agreement, in consideration of the receipt of the defendant's promissory note in payment of the claim, to stay proceedings on an execution, and to enter satisfaction on the judgment, "when notes to be agreed upon are given," in the absence of proof of the giving them, is no defense to an action on the note received. *Klett* v. *Claridge*, 31 Pa. 106. If the notes had been delivered to the plaintiffs, and they had refused to enter satisfaction on the judgment, the defendants would have been entitled to set off any damages, sustained by reason of the breach of contract. *Ib.*

A. gave a bond to B., conditioned to pay a hundred pounds on the 1st of April, 1810, on which C. made the following indorsement: "10 April, 1817, I do hereby agree, that the within bond shall be paid in one year after the above date, witness my hand the day and year above written," which was signed by C. It was held that, without proving a promise by B. to forbear to sue A., or show some other consideration, B. could not recover from C. on this agreement. *Bixler* v. *Ream*, 3 P. & W. 282.

waived his right to pay it off himself and proceed against the principal. He thus disarmed himself of two important legal rights at a time when, by pursuing either, he might have made himself perfectly safe. (*Dundas* v. *Sterling*, 4 Pa. 73.)

A promise to forbear without adding any particular time is regarded as a total forbearance. (*Clark* v. *Russel*, 3 W. 213; *Haymaker* v. *Eberly*, 2 Binn. 510.) This is for a reasonable time, which is a question for the court. (*Caldwell* v. *Heitshu*, 9 W. & S. 51.) The forbearance must be *bona fide*, and at the defendant's request. (*Clark* v. *Russel*, 3 W. 213.) But whoever promises to pay the debt of another, in consideration of such forbearance, is not liable if the original debtor has been sued. (*Ib.*)

An agreement between a debtor and creditor to accept a part of a debt for the whole is regarded void for want of consideration. (*Brockley* v. *Brockley*, 122 Pa. 1; *Knittle* v. *Compton*, 4 C. P. Rep. 117.) "But," says Mr. Justice Clark, "there are many exceptions to the rule. It is otherwise, for example, where the amount of the claim is disputed or contingent, where there are mutual unsettled demands, where the creditor receives some new benefit or advantage, or, when the agreement is for composition between the debtor and several creditors." (*Ib.* 6; *Chamberlin* v. *McClurg*, 8 W. & S. 31; *Fleming* v. *Ramsay*, 46 Pa. 252; *Brown* v. *Sloan*, 6 W. 421.) And "the actual acceptance of such smaller sum is not a good discharge of the debt even as accord and satisfaction." (*Martin* v. *Frantz*, 127 Pa. 389, 395; *Mechanics' Bank* v. *Huston*, 11 W. N. 389; *Wolstrom* v. *Hopkins*, 103 Pa. 118; *Rumberger* v. *Golden*, 99 Pa. 34; *Rice* v. *Morris*, 4 Wh. 249; *Hartman* v. *Donner*, 74 Pa. 40.) But the compromise of a doubtful claim is a sufficient consideration. (*Muirhead* v. *Kirkpatrick*, 9 H. 237; *Brown* v. *Sloan*, 6 W. 421; *Clement* v. *Reppard*, 3 H. 112; *Smith* v. *Philadelphia Bank*, 14 Pa. 525, 531; *Knittle* v. *Compton*, 4 C. P. Rep. 117.)

A married woman's debt which she is not legally, but is morally bound to pay, is a sufficient consideration to support an obligation under seal by a third person to pay the same. In a case requiring the application of this principle, Mr. Justice Mercur said: "It has been held to be a sufficient consideration to support the promise of the wife herself made after her coverture has ceased and she has become *sui juris*. (*Brown* v. *Bennett*, 25 Smith 420; *Trout* v. *McDonald*, 2 Norris 144.*) The tendency of the authorities is to treat the disability of a married woman as a personal privilege which does not extend to any person who unites with her in a contract. Thus, if she execute a note jointly with her husband she may not be bound, yet he shall be bound for the whole. (*Unangst* v. *Fitler*, 3 Norris 135; *Hope Building Association* v.

* Concerning her moral duty to repay a loan of money, see *Kelly* v. *Eby*, 151 Pa. 176.

Lance, 6 W. N. 219.) If, then, the indebtedness of a married woman is a sufficient consideration to support a promise made by her after the coverture is removed, we cannot see why it may not support the promise of a third party, especially when coupled with the additional consideration shown in this case. The note in question extended the time of payment of the whole indebtedness for one year for money past due; and a further consideration is imported by the note being under seal." (*Leonard* v. *Duffin*, 94 Pa. 218, 220.*) But a married woman who holds the notes of her debtor has no right to transfer them to him in consideration of an annual payment of interest during her life, without her husband's knowledge and consent. (*Hinkle* v *Landis*, 131 Pa. 573; even since the act of June 3, 1887.)

The mutual fraud of the parties to a note is a binding consideration. Says Mr. Justice Paxson: "The books are full of cases where a party to the fraud has sought relief in the courts from the consequences of his unlawful act, but the decisions have been uniformly adverse to such applications. It is not the province of the law to help a rogue out of his toils. The rule is to leave the parties where it finds them, giving no relief and no countenance to contracts made in violation of statutes." (*Winton* v. *Freeman*, 102 Pa. 366, 3,691, citing *Hershey* v. *Weiting*, 14 Wright 240; *Evans* v. *Dravo*, 12 Harris 62.) This rule was applied in the following case. A., who feared bankruptcy and intending to defraud his creditors, parted with his property to his brother B., taking four notes therefor. As the transaction was a mutual fraud, B. could not have defended had A. enforced the payment of either of the notes. As he could not set up his own fraud as a defense against the payee, neither could he make this defense against a bank which had taken one of them as collateral security. (*Winton* v. *Freeman*, 102 Pa. 366.) In such a case the question of the failure of consideration does not arise, for there is no *bona fide* consideration. (*Ib.*†)

But a note procured by fraud is generally worthless, and the door of justice is shut against its collection. Thus, A. was indebted to B., and C. held two promissory notes against B. While B.'s failure was impending, C. wrote to A. and proposed to transfer his notes against B. to him for the purpose of having them set off against the debt he owed to B. A. received the notes and gave C. his note indorsed by S. In an action against the indorser

* A wife purchased a farm in her own name, paid half the consideration money from her separate estate and gave her notes for the balance, which were paid partly by execution against a portion of the land and partly from its earnings. She held the farm against the creditors of her husband, though he lived there with his wife. *Tate* v. *Carney*, 14 Atlan. 327; s. c. 13 Cent. 97.

† A court of equity will not relieve either party to an executed contract, founded on an immoral consideration. *McDonald* v. *Campbell*, 3 Pitts. L. J. 554.

it was held that the two notes might be given in evidence, for the purpose of showing that the transaction was a contrivance to defraud B.'s creditors. (*Richter* v. *Selin*, 8 S. & R. 425.) In another case a creditor of a husband who held a judgment note executed by himself and his wife after his death obtained a new note from her on a fraudulent representation concerning the time of payment. It was held that payment might nevertheless be enforced. (*Blee* v. *Giltman*, 12 At. 479.) Again, a person bought a house of another, but before possession was given the seller claimed the heater and gas fixtures, and threatened to remove them. To prevent their removal the purchaser gave his note for their value, but refused to pay it. As there was no fraud or duress in procuring the note his refusal was not legally justified. (*Weysham* v. *Dettre*, 8 N. 506, or 536.)

An illegal consideration vitiates a note. It enters directly into the instrument, and is followed up because the law will not permit itself to be violated by mere indiscretion. (*Morris Run Coal Co.* v. *Barclay Coal Co.*, 68 Pa. 173, 188; *Swan* v. *Scott*, 11 S. & R. 164; *Lestapies* v. *Ingraham*, 5 Pa. 82.) A promissory note, therefore, given in a gambling transaction is void though negotiable in form, and in the hands of an innocent holder for value. (*Harper* v. *Young*, 112 Pa. 419; *Unger* v. *Boas*, 1 H. 601; *Gaw* v. *Bennett*, 153 Pa. 247; *Moss* v. *Jones*, 1 W. N. C. 96; Brua's Appeal, 55 Pa. 294; *Smith* v. *Bouvier*, 70 Pa. 325; *Kirkpatrick* v. *Bonsall*, 72 Pa. 155; *Fareira* v. *Gabell*, 89 Pa. 89; *North* v. *Phillips*, 89 Pa. 255; *Dickson's Ex.* v. *Thomas*, 97 Pa. 278; *Waugh* v. *Beck*, 114 Pa. 422; see *Smith* v. *Kammerer*, 152 Pa. 98; *Durr* v. *Barclay*, 8 Pa. C. C. 285.) So is a bond given to secure a settlement of differences in a stock-gambling transaction (*Griffith* v. *Sears*, 112 Pa. 523; *Elliott* v. *Callan*, 1 P. & W. 24); and a contract in which the gain or loss of the parties depends on the happening of an event in which they have no interest (*Gaw* v. *Bennett*, 153 Pa. 247); a judgment note given to a political candidate in consideration that he would withdraw in favor of another (*Ham* v. *Smith*, 87 Pa. 63); a check in payment of an entrance fee to a horse race (*Comly* v. *Hillegas*, 94 Pa. 132); and also a note given by a husband to a wife in consideration that she would not oppose proceedings for a divorce. (*Kilborn* v. *Field*, 78 Pa. 194.) In all cases of this character the consideration is illegal and cannot be collected, regardless of the innocence of the owner.* But if a license is required to sell a

* "On no subject have courts shown more determination than in their decisions as to the validity of mercantile notes or bills of exchange when in the hands of a *bona fide* indorser. Yet such note or bill, though held by an indorsee who paid full value for it, is not recoverable if it can be proved that it was given to secure money won at play; and this, because, if the law were not so held, the acts against gaming would be evaded by giving the obligations a particular form." Huston, J., *Lloyd* v. *Leissenring*, 7 W. 294, 297.

specific thing, whiskey, for example, which is not obtained, and it is sold and a note is taken therefor, the consideration is not illegal, and it may, therefore, be collected. The vendor's infraction of the law, thereby subjecting himself to a penalty for his disobedience, is no defense to a purchaser who has received the thing purchased. (*Rohter* v. *First Nat. Bank*, 92 Pa. 393.)

The compromise of a criminal charge of a public nature is not valid consideration for a contract. (*Kearney* v. *Smith*, 2 Luz. L. Reg. 170.) But a note given in settlement of a criminal prosecution for obtaining money or goods by false pretenses is founded on a lawful consideration (*Rothermal* v. *Hughes*, 134 Pa. 510; *Geir* v. *Shade*, 109 Pa. 180; *Steinbaker* v. *Wilson*, 1 Leg. Gaz. 76*); for the settlement is authorized by statute. At common law, though, the consideration was not valid. Again, the compromise of an action of slander, in which the words are not actionable, is a good consideration for a note for the payment of money (*O'Keson* v. *Barclay*, 2 P. & W. 531); and so is the settlement of a prosecution for assault and battery. (*Castner* v. *Cornell*, 1 Luz. L. Ob. 58; *Rushworth* v. *Dwyer*, 1 Phila. 26.) But a payee's promise that he would not prosecute the son of the maker of a note for forgery would be illegal and could not be enforced. (*National Bank* v. *Kirk*, 90 Pa. 49.)

A note given for a patent right is not valid without having those words indorsed thereon, for it is a violation of the act of 1872. (*Bowen* v. *Kemerer*, 33 Leg. Int. 170, s. c. 5 Luz. L. Reg. 104. See *Butterfield* v. *Stien*, 1 W. N. 413; *Kraft* v. *Gingrich*, 6 York Leg. Rec. 151.) But whoever uses this shield must bring himself strictly within the law (*Wright* v. *Baum*, 1 W. N. 107; *Baldwin* v. *American Manufacturing Co.*, 1 W. N. 107), and if a note of this character has been negotiated, a *bona fide* holder acquires a good title (*Metropolitan Bank* v. *Sieber*, 33 Leg. Int. 193), though he is not relieved from showing that he acquired the note before maturity and for value without notice. (*Horstman* v. *Zimmerman*, 3 Cent. 249.)

If a note is given for an entire consideration, part of which is legal and part illegal, there can be no recovery thereon; but if there are several distinct considerations, some of which are legal and some illegal, the legal ones may be recovered. (*Frazier* v. *Thompson*, 2 W. & S. 235; *Yundt* v. *Roberts*, 5 S. & R. 141. See *Sylvester* v. *Girard*, 4 R. 185.) Thus, no action would once lie on a note given for a tavern reckoning exceeding twenty shillings; but if other items of account entered into the consideration, it was

* A contract whereby one who is threatened with a criminal prosecution for fornication and bastardy agrees to pay to the mother a stipulated sum is enforceable even though it is executed to stifle prosecution. *Rohrheimer* v. *Winters*, 126 Pa. 253.

good for their amount. (*Yundt* v. *Roberts*, 5 S. & R. 139; s. c. *Duchman* v. *Hagerty*, 6 Watts. 65, overruling *Ogden* v. *Miller*, 1 Bro. 147. See *Chase* v. *Burkholder*, 18 Pa. 48; *Scattergood* v. *Waterman*, 2 Miles 323.)

When a note is obtained by duress the consideration is lacking, and the promised payment of money cannot be enforced. The rule has thus been expressed by Mr. Justice Trunkey (*Union Nat. Bank* v. *Dersham*, 4 Penny. 467, 472): "Any contract is voidable, not only where the circumstances were sufficient to and did intimidate the particular person, because of his or her infirmity, though insufficient to intimidate one of ordinary firmness." In the case in which this rule was declared, the threat of a forgery prosecution was made by a director of a bank to a depositor if he did not settle a claim which the institution had against him, which he settled by giving his note and afterwards paid. In an action to recover the amount, the testimony was insufficient to establish the charge of duress.

When a promissory note is obtained by duress of the maker, and is indorsed by another without any knowledge of the fact, the indorser may set up the maker's duress in an action against him by the original holder. (*Griffith* v. *Silgreaves*, 90 Pa. 161.*) "Had he signed the notes with knowledge of the duress it would have been his own folly, and the consideration being good, the plaintiffs would have been entitled to recover." (Paxson, J., 167.) Had the note been acquired by another in good faith, the indorser could not have availed himself of this defense. (*Ib.*) Whether a note is signed under the pressure of duress is a question of fact for the jury to determine. (*Ib.* See Cuesta case, 136 Pa. 62.)

A promissory note which is given to obtain possession of goods which are wrongfully withheld, is without consideration between the parties and is therefore void. (*White* v. *Heylman*, 10 Casey 142.)

Renewals and extensions may now be considered. The renewal of a note, by which more time is given to the maker to discharge his obligation, is a good consideration for the new note (*Gatzmer* v. *Pierce*, 6 W. N. 432; *Muirhead* v. *Kirkpatrick*, 9 H. 237; *Petrie* v. *Clark*, 11 S. & R. 383); nor can the maker resist payment of it on the ground of a want or failure of consideration in the original. (*Gatzmer* v. *Pierce*, 13 Phila. 88; *Holmes* v. *Paul*, 5 Clark's Pitts. L. J. 461; 1 Schuylkill Rec. 117; 2 *Ib.* 391; *Muirhead* v. *Kirkpatrick*, 9 H. 237.) But an extension of time for a valuable consideration to a joint debtor to pay a note will not discharge either debtor. (Baring's Appeal, 9 Cent. 394.)

* When a note is obtained by duress, the drawer is not precluded from setting this up as a defense, because he retains an indemnity from a liability for which the note was given. *Gillett* v. *Ball*, 9 Pa. 13.

In the way of modification and applications of this principle, it may be remarked that an extension on the primary obligation for an indebtedness is a sufficient consideration for a promissory note which is given as collateral security therefor. (*Van Gorder* v. *Freehold Bank*, 7 At. 144.) The release of the drawer of a note and of the indorsers thereon, and the taking of another which is to be used as a collateral security and the assumption of the obligation to account to them therefor, is a yielding of advantage and a submission to inconvenience which form a sufficient consideration. (*Muirhead* v. *Kirkpatrick*, 9 Harris 237; *Hind* v. *Holdship*, 2 W. 104; *Mercer* v. *Lancaster*, 5 Barr 162; *Esling* v. *Zantzinger*, 1 Harris 53.) In *Jones* v. *Horner*, a promissory note was given and accepted to renew and extend the time of payment of a former note of the defendant which was itself given for a similar renewal and extension. There was also evidence that the defendant undertook to pay the original debt, which was the debt of another, and that the note was given and accepted with this understanding. This was regarded as a sufficient consideration for the renewal note. (*Reiley* v. *Dean*, 36 Leg. Int. 304.) In a contract for the purchase of land it was specified that all payments were to be forfeited if there was delay beyond the time fixed for the other payment. The sender gave his note for an extension of the time. It was decided that he could not defend against the note on the ground of a defect of title. (*Jones* v. *Horner*, 60 Pa. 218.) But a promise to pay interest upon an over-due note is no consideration for an agreement to extend the time of payment. (*Dow* v. *Chambers*, 37 Leg. Int. 399.)

As a *nudum pactum* cannot be sustained, an agreement for an extension of time for paying a note without consideration is of this character. (*Partridge* v. *Partridge*, 2 Wright 78; *Campbell* v. *Daly*, 25 Leg. Int. 124; *Rice* v. *Morris*, 4 Wh. 249.) Without some consideration, as long as the original obligation to pay is in force a new promise is a mere *nudum pactum*. (*Case* v. *Cushman*, 1 Pa. 241.) Thus, the payee of a note which was payable at a fixed time with interest, agreed with the maker prior to maturity that the time of payment should be extended, and that interest thereon at the same rate should be continued. The agreement was declared to be without consideration, and could not be used by the maker as a defense to an action on the note.* In the Partridge case "the contract having been made before the debt was due, it was deemed of like effect as if made after, though in many cases a contract made before would be binding which would not if made after, as where a creditor, in consideration of the payment of interest in advance, agrees before the debt has become due to extend the time of payment." (Trunkey, J., in Rumberger case, 99

* *Rumberger* v. *Golden*, 99 Pa. 34; *Partridge* v. *Partridge*, 2 Wright 78.

Pa. 36.*) Likewise an agreement by a third party to pay a bond one year after the time specified in the condition is a *nudum pactum*, and an action cannot be sustained thereon. (*Bixler* v. *Ream*, 3 P. & W. 282.) In the case in which this principle was applied, Mr. Justice Ross said: "The law is well settled that some spark of consideration must be shown in order to support a claim founded upon a promise. The smallest spark of benefit or accommodation is sufficient to create a valid consideration for a promise, but still that spark must be so alive as to be seen and discovered." In the Bixler case it was declared that not even a spark had been shown.

[TO BE CONTINUED.]

THE PRESENT STATE OF THE JAPANESE FINANCIAL WORLD.

The financial organs in Japan at present consist of: 1. The Bank of Japan (The Nippon Ginko); 2. The Specie Bank (The Shokin Ginko); 3. The National banks (The Kokuritsu Ginko); and 4. The private banks (The Shiritsu Ginko). The Nippon Ginko, or the Bank of Japan, has its main office in Tokyo, the metropolis, its branch offices in Osaka and Bakan, and is the central bank of Japan, as the Bank of England. The Yokohama Shokin Ginko, or the Yokohama Specie Bank, has its main office in Yokohama, its branch office in Kobe, and meets the requirements of the foreign trade. The Kokuritsu Ginko, or the National banks, have their main offices, numbering 134, and branch offices, 149 (1889). The Shiritsu Ginko, or the private banks and other companies engaged in banking business, number 950 (1889). These National and private banks are situated in many different parts of the country, and supply the monetary demands of those who are engaged in commercial, agricultural, and industrial pursuits.

The order, according to date of the establishment of the above banks, is: 1st. The National banks; 2d. The Yokohama Specie Bank; 3d. The Nippon Ginko; and 4th. The private banks. The National banks of Japan were first started after the model of American National banks in the year 1876 (IX. year of Meiji), with the privilege of issuing bank notes, and in conformity with the regulations for National banks of Japan. Subsequently, the Yokohama Specie Bank, the Nippon Ginko, and the private banks were established, being necessitated by the development of the domestic commerce and industry and the foreign trade. As to the term of existence, the Nippon Ginko, the Yokohama Specie Bank, and

* A promise to release a debt is not the same thing as an actual release, and if there is no sufficient consideration for the promise to release, the promise is *nudum pactum*. *McNutt* v. *Loney*, 153 Pa. 281.

the private banks have no limit, except a few which may be permitted to continue their business on application to the authority; but all the National banks shall be dissolved according to the regulations, on expiration of the term.

As the National banks were set up one after another since 1876, each with the term for twenty years, some must expire in the year 1896 (XXIX. year of Meiji) What steps will the Japanese Government take as to these National banks expiring is a great question nowadays among the persons interested in the monetary world. If we investigate into the actual condition of the National banks, while they are looked upon as benefiting the merchants only, they are in reality agricultural or industrial banks, and the funds accommodated to farmers and manufacturers have mostly been transformed to fixed estates. Just imagine what financial distress and embarrassment will take place if the National banks, on their expiration, liquidate the assets and liabilities and dissolve themselves. Some have, therefore, insisted upon prolonging the term of National banks, but it is contrary to the wish of the Japanese Government. The National banks work in different ways to satisfy the local demands, and consequently they cannot act harmoniously with the change of financial conditions. For this reason the Imperial Japanese Government has wisely introduced the central bank system of England, France, and Germany, and established the Nippon Ginko as the central bank of Japan. Considering this, it is evident that it is impossible for the Government to grant the prolongation of the term of National banks.

Some concluded that the best plan for the National bank will be to continue its business with all its resources and liabilities as a private bank after its expiration. A doubt, however, as to the practicability of this plan is that, according to law, a joint-stock company cannot continue its business when there is even one shareholder disconsenting to the continuance, and it is, of course, questionable whether all the shareholders of the bank will agree to continue its business or not after the expiration of the term.

The Eastern District Association of National Banks, the most influential association of the kind in Japan, stated its views in detail upon the subject in question at the close of last year to H. E. Watanabe Kunitake, Minister of State for Finance, and, as its result, the Government was about to propose a motion to the Imperial Diet with a view to enable the National banks to continue their business as private banks on consent of the majority of the shareholders. Unfortunately, the House of Representatives was ordered to dissolve toward the close of last year, but we strongly believe that said motion will be unanimously seconded by both Houses of Diet at its next session. If so, we should think it a most harmonious way of settling fiscal matters, thereby promoting the good of the country.

A PLEA FOR A RATIONAL CURRENCY SYSTEM.

An oak, exposed to a storm, is strained from root to branch; decaying limbs break and in their fall carry to a common ruin smaller and weaker, though still sound stems. When the fury of the tempest ceases the tree remains, shorn of its defects and its strength revealed; what is left is sound and it will continue to live, adding new leaves and limbs of tougher texture as it gains in stature, strength and age. So with the banking system of the United States. The whirlwind of distrust that swept over the land last summer gave it a thorough test; pruned of its unhealthy and weaker members, it has emerged sound in root, body and limb; and having, unlike the Argentine, the Australian and the Italian systems, withstood the ordeal, now enjoys a perceptible gain in credit. So sound indeed has it proven, and so safely may it be left to grow to supply present and future needs, according to the tendencies already exhibited, that to discard it for another species or a newer planting would be wanton waste.

There is little need to recount to bankers the history of last summer; it suffices to notice only the salient features of events pertinent to the subject of this paper. The financial difficulties experienced seem due to the habit of legislative meddling with private contract—the effort to make that compulsory which in its very essence is voluntary. The original sin was the legal tender act of the war period, but the immediate cause, the persistent attempt to fix, by law, the price of a precious metal in defiance of the state of the market—as vain an undertaking as to regulate the force of the wind by act of Congress. When the storm came, the very restrictions imposed as the acme of legislative wisdom to prevent such difficulties, obstructed necessary measures for their relief and thus operated to aggravate them. The distress was mitigated through the wisdom and fidelity of the associated banks of New York and other money centers. These put into use a method of mutual insurance, the outcome of their own experience and sagacity, and through it established their credit on a higher plane. Although prohibited to loan when below the legal limit of reserve, they set the law at naught and loaned freely that they might save. Though forbidden by an enactment that violates moral right to coin their own credit, they assumed the burden of responsibility and coined it for their own use, thus releasing, for the service of their customers, their store of current money. And when, in the intensity of the prevailing distrust, this was hoarded, disdaining at such a time to consult the profit and loss account, they bid a premium in the market for it to pay it out again at par. Who can estimate the fortunes held intact, the homes saved, by their skillful and courageous acts? And who can estimate the greater beneficial results that might have been attained had they been free to act in the crisis as their judgment dictated?

When the National banking system was established, it embodied what was then recognized as the best results of experience, acquired through years of mingled mistake, disaster and success, but as if cast in an iron mould it did not allow for the acquirement of further experience. The policy of the restriction on circulation has its warmest advocates among bankers, yet we see *one* instance of harm arising from it. The prohibition to loan when the reserve falls below the legal limit has seemed essential to sound banking, yet, if heeded during the recent panic, would have wrecked many whom its disregard saved. The terror of men in

times of panic, lest funds may not be forthcoming for obligations soon to mature, the failure to meet which means ruin, leads them to hoard what current money comes within reach, thus tending to bring on the evil dreaded. The remedy for this fear, we have learned, is to pour out money and credit like water—to loan on everything that is good security more freely than at other times, but to advance interest to such a rate as will induce an early repayment; yet, under the law, this remedy is unavailable.

The defects of the currency system provided by law are clearly seen, and much thought has recently been expended in the hope of perfecting it. The need of some system is generally conceded, though a few, dissenting from the general view, believe coin alone sufficient. That coin can be made to answer is not denied, but the cost will be greater. To use coin alone requires the investment of sufficient capital in the precious metals for that single use; on the other hand, a paper currency, representing a claim on other forms of wealth, puts those forms to double use and in that measure economizes. By it, under security of commodities, commodities may be exchanged. Prudent bankers, however, hesitate to assume, singly, the responsibility of a note issue. The relation of note-holders and depositors to a bank, while theoretically the same, is in practice much different. Note-holders, as a rule, do not know the bank, its officers or the degree of credit it is worthy, and are not under obligations to it; in seasons of distrust they very generally insist on redemption. The depositor, on the contrary, deposits through choice, under the idea of advantage to himself; he generally is, has been, or expects to be a debtor to the bank for loans, or other favors; he is acquainted with the standing of the bank and the reputation of its officers, consequently in a panic is less likely to make demands than the note-holder; the depositor, too, is rarely a note-holder, for he converts his receipts of notes into deposits. For these reasons it is undesirable for isolated banks to issue circulation.

In the Clearing House certificate, a device of American bankers, there seems to exist the germ of a rational system. Originating in 1860 to meet an emergency suddenly arising, its most happy success gave promise of a solution of the currency problem then so perplexing; but, soon stifled by the prohibitory tax on circulation other than National, it has remained dormant, reviving only, in successive crises, to palliate evils that the law-made system could not successfully deal with; had it been left free to develop, it is not unlikely that it might have prevented many of the financial evils inflicted on us since that date, in particular those flowing from the superstition that government can make money having value out of most anything. Exactly into what it might have developed it is impossible to say, but, it is believed, that a currency system similar to the one hereinafter suggested would lie in the natural course of development.

To create a good system there needs be added to present Clearing House certificate methods, redemption features and a device to automatically vary the rate of interest to accord with the fluctuations in the supply of loanable capital. Under guarantee of a wider association of banks than those of a single city, it would seem impregnable in a panic, and thus would relieve banks of the anxieties connected with the care of an individual issue, as much as does now the National system.

It is desirable that whatever system is adopted, be an outgrowth of present banking methods, adapted to the National and State banks already existing; that the circulation provided be elastic; that it be capable of expansion to keep pace with the growth of the country in resources; that it be not made dependent on the existence of a symptom

of poverty—the Government debt—for its continuance; and that, above all, it be not directly the product of legislation, subject to frequent change through the misconceptions of legislators little skilled in finance; at least, that legislation, if any is had, be permissive, not constructive. Such a system is here roughly outlined: .

An association of banks not limited as to number.

Circulating notes to be issued by it under the joint guarantee of all its members.

The notes to be redeemable on demand, in gold, at the principal money centers.

A redemption fund, to consist of gold deposits into the treasury of the association by its members, induced by payment of interest made at pleasure and repayable on demand.

A ratio of reserve to liability at which it is desirable to maintain the redemption fund to be determined, then, to maintain it at that ratio, vary from time to time, the rate of interest to be paid for deposits; should the fund fall below the ratio, advance the rate; should it rise above, lower the rate.

The notes to be put into circulation only by repayment of the redemption fund's deposits (if preferred to gold), and loans of the association to its members on pledge of securities approved by its managing committee, as are now Clearing House certificates. The rate of interest charged for loans to be the same as that paid for deposits and vary with it.

After payment of expenses and losses, the remaining profit to be divided among the banks in proportion to their respective capitals; this would be something appreciable, for, should the ratio of reserve average fifty per cent. of the issues, the amount of interest received would double that paid. It is expected that the rate of interest would average as low, it not lower than that now paid by metropolitan banks on daily balances, and this would cover the whole cost—expenses included—to the borrowing bank, to be yet further reduced by the dividend accruing on its contribution to the guaranteeing capital. Loans should be terminable at the will of the borrowing bank, but should not be called in, except on failure to maintain margins, or where there is a separation from the association. The managing committee, however, should have power to call in a percentage of all loans outstanding, if needed to maintain the reserve; and, as a last resort, to assess the guaranteeing banks, in proportion to capital, for the same purpose. The notes issued should not be the obligations of individual banks, but of the association, which should assume the whole charge of their preparation, issue and redemption. Under the plan proposed, the issue of circulation would appear as a loan of the united credit of all the banks to any individual bank, on the security of collateral, and at the market rate of interest, and would seem therefore, so far as experience indicates, to possess the essential conditions of sound banking.

The association would logically begin with the Clearing banks of New York; these could invite such of their correspondents to join who would undertake to conduct business in the way approved as legitimate and safe. As membership, aside from the assurance of safety in a crisis, would be advantageous, directly, on account of the share of profit inuring from the aggregate circulation, and indirectly through the greater local credit gained it would not be difficult to induce banks to surrender methods regarded unwise, and confine themselves to the sound lines a wider experience has suggested; a result, the attainment of which would greatly enhance the credit of the united banks.

Unrestricted by Government regulation and left free to develop in

accord with the wants of business, the association might, in time, assume an international character; banks connected therewith might gradually spread with the spread of American commerce into Canada, Mexico, the commercial cities of South America and other countries.

As the proposed association is designed to further the interests of banks, it should have no direct dealings with the public, lest it should in some way enter into competition with them; both in its redemptions and in its borrowings for the reserve it should deal through its members; nevertheless, as the credit of the association would be higher than that of any single bank, enabling it to borrow at lower rates, and in panic times to retain deposits that individual banks could not control, it would be advisable to issue to its members certificates of deposit of the association for sale to the public, bearing a rate of interest slightly less than that paid on general deposits, the difference between the two rates to constitute a commission to the bank negotiating them, payable to it so long as they remain uncancelled; in this way the banks could make use of the higher credit of the association to lower the rate of interest. The certificates, too, would afford a low rate, convertible investment for trust funds and the reserve balances of savings banks, insurance and trust companies which will be much needed when the National debt is paid. To cover the expenses of redemption in the redemption cities, a commission could be allowed the banks making them.

Although, to the writer, an interest-regulating device seems the most essential feature of any currency system designed to adjust itself automatically to the varying exigencies of commerce and to the alternate optimistic and pessimistic feelings of those engaged in it, it does not seem to be so regarded by those who have recently put forth views on the subject; it is therefore necessary to set out in detail the reasons which appear to require it. When the desired ratio of reserve to circulation and deposits is determined it can be maintained by varying the rate of interest paid for deposits and charged on loans; if the reserve falls, the fall may be checked and its rise induced by advancing the rate in successive steps until the rate which will effect the purpose is found; should the advanced rate cause the reserve to increase beyond the ratio desired, a lowering of the rate will aid to bring about the proper adjustment. That such would be the effect is known by the experience of the Bank of England, whose reserve is kept at the proper ratio by similar means; it is believed, however, that the method suggested would be more effective, because it is proposed that the variation in rate shall take effect on all loans, outstanding and new, by and to the association, and not simply on new loans, as with the Bank of England, and doing this its fluctuations need not be so wide to produce the desired effect as in its experience.

A circulation, for the redemption of which there is no adequate incentive, and that costs little to issue, is liable at times to exceed the needs of commerce, and can only adiust itself to them by causing a general rise in prices. To guard against this, the motive for redemption and the inducement to issue must vary in strength from time to time, as the amounts presented for redemption indicate a redundancy or otherwise. A rise in the rate of interest would induce the presentation of notes for redemption, and the deposit of the resulting gold for profit; the same rise would make it less profitable to take out circulation and would lead to its retirement. The reverse effect would be produced by a fall in the rate; it would now become more profitable to take out circulation, and less profitable to retire or present it for redemption. The rise would increase the ratio of reserve, and the fall prevent its unnecessary increase. A rise, too, would induce the deposit of sufficient additional

gold, upon which safely to increase issues in order to move the crops, or provide additional circulating medium during panic periods when other forms of credit are not available; it would also insure its prompt retirement when the exigency passes.

The reserve would be a "finance meter;" its fluctuations marking the state of trade. If falling, it would show either a spirit of speculation leading to overtrading, which a higher rate would check by lowering profits, or a diminution in production, likely to derange business unless economy in consumption is induced. If rising, it would indicate a lack of enterprise needing stimulation by prospect of profit, or an over-production of consumable things that should be converted into fixed capital to prevent waste.

A surplus of consumable products may be converted into instruments of production (fixed capital) by withdrawing capital and labor from the production of consumable things, and applying them to the construction of other instruments of production, thereby increasing wealth; if not done, too many consumable things are produced, prices fall, and the capital and labor engaged in their production are not sufficiently remunerated, businesses dependent on them suffer, these again affect others, until the depression becomes general. A deficiency in products for consumption, or conversion into fixed capital requires that they be consumed or converted with economy. As the lowering of the rate of interest would stimulate conversion by making it profitable, so a rise in the rate would discourage conversion. Should it at such a time continue through the construction of railroads, factories, etc., the way is paved for a financial revulsion, which, occurring, would still best be relieved by a rapid rise in the rate of interest. By such advance the united banks could safely place at the service of the business community their entire resources of credit secured by the wealth of the country pledged to them. The surety of obtaining loans when needed and their extra cost would induce their postponement until needed. The high rate would draw to the service of those needing from every quarter and aid to palliate the usual ill effects of a panic.

Financial panics are almost always caused by a continuance of the scale of business necessitated by a period of great production into one of small. The crisis is reached when banks can no longer bear the strain of supplying means for this unproductive trading and occurs because the symptoms of overtrading have not been detected soon enough and methods of checking it are absent. One marked sympton is a drain of gold, or whatever composes the reserves of banks. The export of gold is not of itself disadvantageous, for value therefor is received; but when, as now, a structure of credit is based upon it, it has a value to sustain credit far exceeding its exchangeable value. For this reason only, it is desirable to retain enough gold to safely support bank deposits and circulation at the maximum figure required to effect the usual exchange of commodities. When in a locality the crops yield less than the average, the community dependent thereon must either consume less or must part with some of its previously saved money to buy things from elsewhere. Now, if the price of money can be artificially raised, there will be a stronger inducement to consume less and what must be bought will cost less in money. In addition, whatever that community has to sell will find, on account of its greater relative cheapness, a readier market elsewhere and to the extent marketed diminish the export of money.

What is true of a village is true of a nation. If the export of gold may be checked by bidding higher for it, then the variable interest feature proposed will enable its export to be checked, just when and to

the extent desired. And if capital may be so used as to prevent the occurrence of financial crises, then this feature, too, as the endeavor has been made to show, will direct its application to the correction of tendencies that usually produce them.

A further means of protecting the reserve is available in the character of the securities taken from the individual banks as pledges to secure the circulation issued to them. A banker could logically divide all wealth into two classes, viz.: *instruments of production* and *things produced.*

In the first would be placed land, buildings, railways, factories, ships, etc., etc. In the second all commodities to be consumed in the support and enjoyment of life.

Land, as a security for circulation, once thought desirable, is now, through unfavorable experience, discarded; yet why it is unsuitable has seldom been told. The reason appears to be that it is generally owned by as many persons as can command the capital to do so (the fact that it is always largely mortgaged is an indication that more hold it than have capital for the purpose); there being no further capital to invest in it but that arising from surplus production, there can be no market for it except through the capitalization of savings—a sale of land to purchase other land cutting no figure, as the two operations cancel each other; so when there is no surplus production and consequently no savings to capitalize, the market for land is destroyed: and it is just at such a time, if ever, that it needs be realized upon to sustain values. A few years of little or no surplus production, followed by one of deficiency, would wreck any currency scheme based on land. Government, State, municipal and railroad bonds are now more generally suggested, but that there is inherent in these, too, the same objection that lies against land, though less noticeable, because existing in less quantity, seems not to be suspected; yet, neither also is there capital to invest in these, but that arising from savings subject to capitalization; when there is need to realize on them, realization on any scale is impossible. It is otherwise with pledges of things produced for consumption. While the pledge of instruments of production is really only a pledge of the income derivable from them, that of consumable products is a pledge of their whole value. Land has value because of the things it will produce, consequently the thing produced is the value sought. Because of things produced transportation facilities exist and it is from them Government revenue is derived. For them the people expend almost all their energies and for the reason that they must be consumed within a short time, if life continues, the market for them is never closed. As circulation would be issued to facilitate the exchange of things produced for consumption and in proportion to the extent that they are being exchanged, and as it will be redeemed and retired as the exchanges are completed, it would seem, if the reasons set forth weigh, that the ordinary discounts of commercial banks, based on consumable things in process of exchange, would supply the best, as it is the most logical form of security for its redemption.

It seems obvious that to open the way for the proposed system, the repeal, or modification of the tax on circulation other than National, must be effected.

A fear prevails that repeal would entail the evils of "wild cat" banking; yet may not the proposed association itself be the most effectual bar to it? Its members, existing in every quarter of the land, would seek, in the ordinary routine of business, to convert at once into coin every obligation received not yielding a revenue; notes of competing banks would be promptly presented for redemption, and in case of fail-

ure to redeem, the issuing institution would be closed by due process of law. But a greater safeguard would be that, as deposits are the most profitable part of the business, the desire to better credit in order to attract them would lead to membership in a similar association. Indeed, such an association would be able to control the issues of the Government itself! Holding the mass of the money of the country, it could present for redemption from time to time sufficient of its obligations to compel the maintenance by the Treasury of the ratio of reserves believed by the banks to be prudent.

Every one has the moral right to give and receive *any* obligation freely agreed upon. To found a policy on the violation of right is surely a mistake; the evils sought to be avoided may, in a measure, be avoided, but other and greater evils are entailed. In the natural course the evils themselves suggest a cure which in time follows while the law-produced evils are avoided. At all events, it does not become a banker to suggest a privilege for his class denied to others. Equity alone considered, the tax should be repealed; still, owing to the existence of the fear mentioned, a modification opening the way to the proposed system may be more likely of accomplishment. An amendment to the present act taxing State bank circulation, providing that "issues of notes intended for circulation redeemable, at the option of the holder, in New York, Chicago, San Francisco and New Orleans, under the joint guarantee of State, National, or State and National banks, having paid-up capital aggregating one hundred million dollars or more, shall not be taxed," would remove legal obstacles to the proposed system, and would enable it to be put into operation without constructive legislation.

In one of Æsop's fables is represented a carter stuck fast in the mud, who after vainly applying the whip fell on his knees and besought help of Hercules; the god, appearing, gruffly bade him "clap his shoulder to the wheel." Is there not in this a moral for us? So long as we fail to utilize all the means at our command, does it become us to beg assistance of Congress? Are we not apt, as experience teaches, asking for bread to receive a stone? We are not forbidden to co-operate; we are not forbidden to borrow and lend; and are even permitted, under a penalty, to issue circulating notes. The road is open to achieve all the benefits of the association recommended, save alone in the issue of circulation. Had it been in existence last summer, is it not likely that the united credit of all the banks, coupled with a sufficiently high interest rate, would have diverted into our own coffers that stream of gold, the export of which startled the nation into a frenzy of alarm? Since the reserve feature, in its essence, is but a device to borrow on the credit of all and lend to those in need, would it not have been a natural and most effective means to combine and equalize the several reserves?—and have operated to prevent the runs which only isolated banks suffered? By calming the public fears, would not have been avoided that dearth of currency experienced in money centers?—drawn therefrom to render more secure cautious country bankers compelled, singly, to face the storm. Would it not, too, have enabled the banks to expand their loans when the need was so sore, or, at least, to have avoided that decrease, which, because it lessened deposits diminished a form of credit that, according to recent statistics, is habitually utilized as a means of payment through banks to an extent over ninety times greater than current money? The diminution from this source, in the ordinary facilities for exchange, suffered by July 12th, is apparently sufficient to account for the phenomenal depreciation in the market value of securities taking place. And is it not possible, since, at times, loans commanded a rate exceeding sixty per cent. per annum, that even at the cost of a ten-per

cent. tax, a temporary issue of notes might have been more economical, in the emergency, than to have paid a premium for currency? As the adoption of any one of the means suggested would have rendered less necessary a resort to the others, the value of an association, through which all might have become available, seems beyond computation.

The leaders of the two political parties seem weary wrestling with the financial problem, which, though always up for settlement, never gets settled, and remains but to delay their most cherished plans. The party in power, too, exhibits a strong desire to repeal the tax on circulation in the hope of a settlement. It shows, also, a wish to sever the too intimate relations existing between the Treasury and the private financial interests of the country. An indication that the banks are able and willing to assume the entire burden of the latter would meet, it is believed, a ready response.--*A Paper read by E. S. Sheffield, cashier of the Santa Barbara County National Bank, at the convention of the California Bankers' Association.*

SAVINGS BANKS—THEIR MISSION AND DUTIES.

In their origin Savings Banks were eleemosynary in character, organized primarily for the safe keeping, while affording some returns in form of interest, of the funds of the poor, too scant in volume to permit of direct investment; and, secondarily, that these funds, of considerable amount in the aggregate, should be so massed as to become available to the borrowing class in community. Except as to the secretary or other officer on whose time large demands were made, the officials rendered services without compensation, with the usual results that duties were neglected or were performed in a perfunctory manner, and that the best possible results in the way of interest were not attained by the depositor, while a large class of borrowers were shut out by restrictive laws, rules and regulations. Good men were usually in nominal control, but having no pecuniary interest to stimulate them in the discharge of their duties, the State was compelled for safety to step in and prescribe the nature and proportion of their investments, reducing the institutions to machines, and substituting for intelligent action automatic methods, with the consequence that usefulness has been impaired, the returns of the depositor have been small, and the deposits have been scaled down from time to time, and yet bankruptcy, in many cases, has not been avoided.

In the Down East States, the savings institutions adhere to their original character, but as the Atlantic is left the people grow wiser; in the Western States the majority of the savings banks are capitalized, and when the Pacific Coast is reached their eleemosynary character is wholly lost, for here there is not an institution but has a capital stock, or its equivalent in the form of a reserve fund, in which the mass of depositors are not interested otherwise than as affording security for the safety of their deposits. There is not supposed to be a savings bank on the Coast where the rank and file of the depositors participate in the election of directors or officers, or have any voice in determining the policy of the institution. That the banks are best served where those in control have a pecuniary interest in their prosperity is a fact that must be obvious to every one. There is no sense of duty that, as a stimulus to the best exercise of the faculties of the mind or the activity of the body, can compare with the sensitiveness of the pocket. Here the

banks are organized primarily in the interest of the stockholders, with resulting and incidental benefit to the public—the eleemosynary has given place to the fiduciary; they are the agents, the factors, the commission merchants of the depositors, and as such, and not otherwise, do they owe allegiance to any one or to the community in general.

Sustaining the relation of fiduciary agents to a multitude of depositors who have no organization among themselves, and who consequently can have no representatives to protect their interests, it is eminently right and proper that the State, through bank commissioners, or otherwise, should so far supervise the operations of the banks as to see that they perform their part of the contract with the depositors as set forth in their respective by-laws, rules and regulations—and here the duties of the State cease. Beyond this there is no more occasion or justification for regulating a savings bank than for regulating a commercial bank, a manufactory, or a mercantile establishment. There are always those in community who have a sublime faith in the power of the law or in an expressed public opinion to adjust matters which, if left alone, will better adjust themselves—such parties would prescribe posture in prayer and limit the length of sermons in the pulpit. The savings banks of this city and State are under control, as a rule, of persons skilled in business affairs, men of good reputation, who have embarked portions of their capital in the guarantee funds of the institutions, and who are moved by every consideration that addresses itself to the well-balanced mind to conduct affairs with prudence; and yet these parties are continually counseled by relatively inexperienced persons as to the conduct of business, while the directors and officers of commercial banks are left to grope in the dark, no advice being tendered them.

That the first object of a savings bank should be the safety of the funds in its keeping, is a truth supposed to be recognized by all. When advice is offered that savings banks should carry larger amounts of cash, and should lend with greater caution, and insist upon more ample margins, the advice should be well received, although as an incident, a diminution in the rate of dividends must follow. But counsel has not been given from this standpoint. The constant suggestion has been that rates of dividends should be reduced to discourage deposits and thereby to encourage trade, manufactures and land speculations.

In this connection it is to be remembered that safety at best is relative only; there is no absolute safety for the twenty-dollar piece a man has in his pocket, whether he is on the street, at his office, or by his own fireside, with his wife and other members of his family about him. The Scriptures say that "riches take to themselves wings," and they further remind us that "thieves break through and steal." No savings bank can keep money on hand, or deposit it, or loan it with absolute safety. All is comparative. It is a peculiarity of money that each dollar requires watching; general supervision is insufficient; hence it is that the safety of moneyed institutions depends upon the capacity and honesty of those in control and not upon adherence to arbitrary rules. No set of rules can be adopted that will bind dishonest men, nor that will compensate for want of experience and ability of honest ones. Business is never automatic—live forces are required to keep the wheels in motion. Alexander T. Stewart conducted business successfully in New York for sixty years; within two years after his decease his successors found it necessary or advisable to retire—rules were not wanting, but brain power.

The ability that will preserve money in a savings bank, or elsewhere, from diminution is not all that is wanted. There must be faculty for

increasing the store—there must be dividends. A low rate of dividend does not of itself signify safety of deposits. It may signify many other things—wastage, a large expense account, lack of enterprise, adherence to antiquated methods, etc. That the methods and policy of the savings banks of the State are not particularly open to attack should perhaps be inferred from the fact that they have survived the financial crisis of 1893, and it may perhaps be reasonably claimed in their behalf that what has served them in the greatest of American panics known to history will be found sufficient on a possible future occasion.

There are no natural antagonisms between commercial and savings banks, their spheres of action being quite distinct. It is the province of the former to furnish the means whereby the farmer is enabled to market his crops, the merchant to anticipate collections when goods are sold on credit, the manufacturer to realize on his wares so soon as they are ready for sale without awaiting the advent of a purchaser or the expiration of a term of credit. It is the mission of the savings banks to make farm productions in increasing quantity possible by enabling those of limited means to acquire land, and to stimulate the growth of manufactures and the march of improvements by purchase of the bonds and loans upon the stocks, of industrial and quasi public corporations. Briefly, it may be said, savings banks through their natural operations create wealth; the commercial banks handle it; each supplements and is the complement of the other. Savings banks are creative; commercial banks administrative; when nothing is created there will be nothing upon which to administer.

Recently much has been said, mainly by parties interested, as will later appear, of the necessity or advisability of limiting the rate of dividends that may be paid on deposits, and of fixing the maximum of amounts that may be deposited in one name, with a view of inducing or compelling the owners of money to employ their funds in trade and in commerce, in manufacturing, or in the purchase and improvement of real estate.

As to rates of interest, the tendency of mankind is to hoard; and money is kept out of the ground, out of old stockings and out of safe deposit boxes only by the promise of accretions. Money seeks the best market and lowering rates here would only cause exportation or employment elsewhere. Rates of interest for ten years have not been high enough to attract any considerable amount of foreign capital—lower the rate, and what little foreign capital is here would leave. Concerted action of all the savings banks on the Coast, were anything of the kind possible, would not govern the rate of interest. If too high a rate was fixed, the funds of the bank would remain unemployed; if too low a rate, they would have no money to loan, for individuals would claim their money and handle it direct. Of all wild financial delusions that have ever obtained, the wildest one is that rates of interest ever have or ever will be determined by the State or by any association of its people; they are determined by the law of demand and supply, and as between lenders and borrowers that law is voiced by the borrowers; the latter may compel a reduction of interest at any time by collectively abstaining from borrowing. This is the secret of the reduction in rate from five per cent. per month current in the early fifties. Money, or perhaps it should be said its use, is a commodity, and like other commodities, has no immutable and unchangeable value. At any given time it it is worth just what it is worth in the market, and it is impossible to see how any movement can consistently be made to fix the price of money that does not at the same time fix the price of wheat, sugar, beeves, town lots, and rental of houses. Not only are the directors and

officers of savings banks under obligation to secure for the benefit of their depositors current rates of interest on their loans, but their own self-respect demands that their acts shall show that they are not entire strangers to the principles of finance as expounded by Adam Smith, Ricardo, John Stuart Mill and other authorities on the subject of political economy. The question of interest on money has had the attention of the world from the days of the patriarchs to the present time. Moses, it appears by the record, allowed the Jews to take interest from a stranger, but not from their own people; but rates were not discussed. The laws of Rome allowed interest at rates two or three times as large as those now current in California. The three eminent writers above named and scores of others have written exhaustively on this subject of interest and have demonstrated that all attempts to control rates by legal enactment or by artificial means are as futile as was the attempt to control the price of bread during the French Revolution one hundred years since. And yet once a month, at least, some head bobs up serenely in this community, and, in ignorance of the lessons of history, the teachings of philosophy, and the science of political economy, with childish simplicity, asks the savings banks to reduce the rate of interest.

As to amount any one person may deposit with any one institution, the theory is that the unhappy possessor of money to a large amount, not being able to lodge it with the bank of his choice, will rush furiously forth and invest it in a commercial enterprise, in a manufacturing plant, in developing a mine, in subscription for the stock of a railroad or a navigation company, or in the purchase of real estate of his neighbor—the latter having the preference with the majority of the theorists. This theory will not hold water for many reasons, a few only of which need be mentioned. The funds lodged in large sums with savings banks are chiefly those of estates, widows, wards, non-residents, and of men advanced in life who have retired from active business. There is on deposit with the savings banks of this city several millions of dollars in the aggregate under control of the judges of the Superior Court (the probate department taking the lead), and in many instances the sums are large, say, in excess of one hundred thousand dollars—in such cases the money being distributed between several banks. If the honorable judges cannot lodge this money with the savings banks, what shall they do with it? Is it any safer in a commercial bank, or is it in the interest of the business community that it be locked up in safe-deposit boxes?

Take the case of absentees. Many persons proposing to be absent from the State for a few months, or perhaps years, leave money in large sums with the savings banks to be drawn against for expenses and to be available for business purposes upon their return. Is it proposed to detain such people at home, or as an alternative to compel them to appoint an individual as an agent?

So long as the funds of estates and others remain on deposit, they are a part of the loanable capital of the State, swelling the amount thereof and tending thereby to reduction in rates of interest; they are available in the way of loans for the developing and conducting of every variety of business enterprise, playing substantially the same part as they would if invested direct by the owners. Remove this class of deposits from the savings banks, and one-half of the amount thereof would disappear so far as their being of use in this State is concerned. The disappearing half would find its way to secret hoards, to safe-deposit boxes and to investment in securities foreign to California. The effect of this disappearance would be a scarcity of money that would forbid the making of new loans for months and probably for years.

The difference between an abundance and a scarcity of any commodity is not well understood. A diminution of five per cent. in the customary quantity of any article in general use will render that article scarce, and advance abnormally the price of what there is in the market, while an increase of supply by the same percentage will make the commodity a drug and depress the price of all that is for sale. So it is with capital or with ready money; decrease the amount of loanable capital until only nine-tenths of the would-be borrowers can be supplied, and there is not partial but general distress; and rates of interest will advance, not simply one-ninth or one-tenth, but fifty per cent. more or less. So it is with coined money; decrease the volume one-tenth, and there is general distress; not only is the one-tenth gone, but nobody seems to have any money. The year 1893 will, for a time at least, stand out in the history of the United States as the period of its greatest financial panic, and yet not ten per cent. of the capital of the country had been withheld from use, and not ten per cent. of its ready money had been withdrawn from circulation when the trouble commenced—the lock-up came later as the result of the scare.

The idea is harped upon that if the facilities afforded by the savings banks for the safe handling of money were withdrawn from capitalists, the latter would at once embark in trade or manufactures, in the building of railroads and steamships, or in the improvement of real estate, or, above all, in the purchase of lands and lots with or without improvements; but it is nowhere suggested that they would engage in agriculture in any of its branches; and yet the great need of the State is agricultural development; not of the kind that raises wheat or any other specialty and sells it below cost of production, but of the sort that makes homes. Farming in California to-day is a failure if upon it is based the hope that a fortune will be realized in five or ten years that will enable the operator to remove to a city and live at his ease; but it is not a failure when the object is to live on the farm, confining wants in the main to what the farm can supply and gradually accumulating the comforts and, to some extent, the luxuries of life. Abundance of rural population and diversified farming are the crying wants of the State. Raising of wheat as an exclusive crop impoverishes, and its cultivation as such has been abandoned by all the older States of the Union. California will follow suit by and by; as its people grow wiser, we will have a rural population of prosperous and contented farmers.

The farmer, and particularly the small one, is dependent on the savings banks for means wherewith to make a home. City capitalists do not lend in small sums, and the local ones demand excessive rates of interest. The enormous development of the agricultural and horticultural interests of this State in the past ten years is largely due to the savings banks of San Francisco—and who shall say that in fostering these interests they have not made the best possible use of the money with which they have been intrusted? Supposing a maximum limit is fixed for deposits in savings banks and that as a consequence a sum, large in the aggregate, is withdrawn, does anybody for a moment suppose that it will be invested in the various enterprises already suggested?

The construction of railroads and the building of steamships are specialties in which the general public, in the light of experience, will not engage. Will old men, widows and estates embark in trade, commerce or manufactures, and, if so, is it desirable that they should? In these employments capital must be supplemented by skill, by judgment, by training and youthful energy; when these are wanting, disaster inevitably results.

Is it desirable at the present time that capital be embarked in build-

ings in San Francisco? For twenty years, at least, buildings, whether for business or residence purposes, have been in excess of the needs of the inhabitants. Is any good purpose served by the erection of buildings to stand idle or take their tenants from those constructed some years since and which must thereafter remain unoccupied?

The suggestion urged with greater zeal is that the lessening of deposits in savings banks would help the real estate market. Is it desirable that such market be so helped? Is it in the interest of the community as a whole that real estate should be active, at advancing prices, of course, as otherwise there would be no activity? Advance in price of land and lots is perhaps an evidence of general prosperity where they are bought for immediate use, but not so when purchased on speculation. Speculative purchases are evidences of boom times, and productive of boom prices, and booms, it has been demonstrated time and again in California and elsewhere, are worse in their effect than earthquakes or epidemics.

It is in the interest of the State and of the city of San Francisco that the prices of real estate should become or should remain low and that rents should be moderate. A party contemplating embarking in trade or in manufacturing enterprise considers the question of rent or cost of plant and of taxes, but not that of interest, for no man of well-balanced mind expects under such circumstances to borrow his capital to any great extent.

The community at large is not interested in the question whether there shall be frequent changes of ownership of real estate; the outcry in this behalf is from those who have lands or lots for sale, or who expect to make commissions through sales. A, B and C are real estate owners; D, E and F are capitalists; the first three wish to reverse the positions; they not only advise the second three to buy; assuring them that the investment is the best possible one to be made, but they call upon the moneyed institutions to reduce rates of interest or refuse deposits to the end that the second three may be in a sense compelled to buy. Is the public interested in the question of which three shall be capitalists and which real estate holders? Newspapers have long lent their aid; frequently corporations who deal in money are asked to assist holders of real estate to unload. If any good purpose was served by the unloading process, co-operation might be secured; but, until it shall be made to appear that the new capitalist will make a better use of his money than the old, title to real property, so far as the public is concerned, may as well remain unchanged.

Adam Smith, in the *Wealth of Nations*, lays down the principle that the best possible is done for the nation when each individual does the best possible for himself, and he bases this on the ground that a man will serve himself more faithfully than he will serve another, and that consequently the community is best served where every man is his own master. Attempts to regulate business by legislation always fail of the desired effect, and resolutions adopted at public meetings to the same end are a nullity when their bearing is upon third parties. Meddling is a habit with governments and with communities—that is, meddling with the course of events, meddling with the course of trade; it is ever without beneficial effect, and it would be fortunate if it could be said, without injury, but such is not the case. The legislators and the reformers always bungle—their efforts are akin to an attempt at repairing a watch for the moment out of order with a hammer and cold chisel.

Here and elsewhere, in regard to savings banks and otherwise, it may safely be admitted that business is not perfectly well balanced. This has been so from the beginning and will be so to the end of time; but inherent in the abuses, great or small, is the tendency to their own

correction. In another day and with another generation there will still be a want of balance, but the preponderance and the deficiency will not be located at the same points.

The need of this and every other developing State is a capital in great quantity and circulating medium in large volume, and these can only be had in greatest abundance when the owners are least hampered in their employment.

It matters little who handles capital or who counts money if it is here and in use. Money controlled by commercial or savings banks, by insurance companies or by individuuls, finds its way with unerring certainty to that point and that business where the need is greatest, provided its safety can be assured; and without such assurance there should and there can be no expectation of loans or investments.

The assertion that large capitalists are availing themselves to any considerable extent of the facilities afforded by savings banks for handling money is not supported by facts. The average of the deposits in the savings institutions of the city is considerably less than one thousand dollars, while if those of the whole of the State are included the average is still less. Now, if any considerable share of the aggregate of deposits is the property of wealthy people and is lodged in large sums, it must necessarily follow that each small depositor has but a trifle to his credit. Such is not the fact; deposits are graduated ranging from a single dollar upward, and there is no breach of regularity in gradation. There are no classes of depositors—the poor shade into the rich and there is no line of demarcation. There are few really large deposits in any of the banks, and when there is one, almost without exception, there are behind it facts and circumstances that were they known would justify its lodgment and its receipt.

In this community savings banks have done their work well; they have been faithful and diligent, conservative and prudent, and yet not wanting in enterprise; they have crystallized into solid substance vaporous and straggling dollars that without their aid would have remained scattered or been dissipated and would never have been visible in the form of capital. Impair their usefulness or narrow their sphere by needless or mischievous restrictions, and a diminution of the total of available capital will follow; with diminution of capital will come financial distress, not partial but general, affecting and to an extent paralyzing every branch of business; and no class in community will feel the effect more seriously than operators in real estate.—*A Paper read by Lovell White, cashier of the San Francisco Savings Union, at the convention of the California Bankers' Association.*

THE RELATIONS THAT SHOULD EXIST BETWEEN CITY AND COUNTRY BANKS AND THE ADVANTAGES THAT WOULD RESULT FROM THEIR COMBINED ACTION DURING PERIODS OF FINANCIAL STRINGENCY.

Many acute financiers contend, and with good reason, that the troublesome times for bankers are not yet passed. Whether or not their opinions prove to be true, while there remains a reason for them, it is needful that every safeguard should be employed to avert further disaster. After a battle weak positions are discovered. During the lull a good officer, profiting by experience, will strengthen them. A weak feature of banking in California, made very apparent during the monetary panic of last year, is the lack of co-operation and of uniform systems. Mr. E. S. Sheffield contributed to our last convention a paper directly in line with my subject. Had his suggestions taken practical shape, there is no estimating the benefits which would have accrued to our State. It is hoped now, that by a re-presentation of the subject, we may be brought to a realization of the necessity for action. Could the experiences of the last few months have been anticipated, a close relationship would have been formed between the San Francisco bankers, and an invitation to co-operate would have been extended to the country. With the events of this period yet fresh in our minds, when we were compelled to bear the burdens of the entire people, we can realize the benefits which would have followed organization.

It is well that we should at first consider the relations as existing between San Francisco bankers, before formulating plans to embrace the country. Unless their relationship is close, and their practices uniform, no successful general system can be maintained with the country. Each interior banker will be governed by the requirements of his city correspondent to whom he looks for credit. It was painfully apparent to us of the country, that these bankers were not leagued for mutual protection during the panic. Had they been, the healthy reserves which they are believed to have held, would have been combined, and the peremptory demands made on the interior would have been withheld. The complete and immediate suppression of business throughout the entire State would not have followed. We are almost forced to the opinion, that the demands were made under the inspiration of a timidity resulting from the weakness of an isolated business method, without a careful consideration of necessities. It was well known that the country bankers, in anticipation of the harvest immediately at hand, had strained their credit to the last limit, and that by many the demands made on them could not be met. A peculiar result followed—a general shifting of city accounts; San Francisco was besieged by interior bankers seeking money. The lack of co-operation in the city was again apparent. At the expense of a neighbor banker, new accounts were obtained, and advances made at increased rates of interest by him who was in the enjoyment of a satisfactory reserve. There was occasion for great alarm and for the employment of extreme caution. The desire is to show simply, that by a concerted policy of indulgence by the San Francisco bankers, opportunity might have been given the creditor to obtain returns from a reasonably abundant harvest, without requiring from him a complete suspension of business. Later in the season, it is gratifying

to know, a decided and important co-operative action was taken, the effect of which will be of benefit to every bank in the State. I refer to the discontinuance of the practice of allowing overdrafts. The interior will be compelled eventually to take the same action.

The Clearing House Association in itself furnishes a sufficient organization by which the city bankers may be brought to a similarity of method. Assuming that they will co-operate, they should maintain uniform relations with their country correspondents, based on conservative banking principles. The limit of credit extended should be fixed by the ability of the borrower to secure. Tangible security in all cases should be exacted, which could be made available in time of distress. This rule, in connection with that abolishing overdrafts, would tend to a wholesome and much needed restriction of the rapidly growing credit system. There are certain other principles which should govern the conduct of our business, irrespective of location. But for the restrictions placed on National banks under their admirable system, the results of the year would have been far more disastrous.

Before systems can be favorably presented, certain practical propositions, I may say, difficulties, must be successfully met. How may co-operative relations be established between the city and country? By what power can they be maintained, and under what guarantee of good faith? Can an organization be made desirable enough to make its membership general? And, lastly, what should constitute the features of the organization? Before closer relations can be admitted to be practicable, it must be known that direct individual benefits will result. The interests of bankers, owing to location, and the nature of their business, are quite dissimilar. The question then arises: How will mutual benefit result from organization?

We will consider, at first, the benefits to accrue to the city banker. We will suppose, as a feature of a general system, that it will be decided that a certain percentage of capital or of deposits, or of both, shall be required to be held as a reserve, and that the city correspondent will be named as the depository for the country bank. Or, that the San Francisco Clearing House will decide to clear checks drawn on interior banks, and that a deposit will be required of the interior banker to meet contingencies. Or, that collections will be made without charge, except for actual expense incurred. These features alone would commend the organization to the city banker, especially so, as they would only apply to subscribing members. But there remains, in a general way, a much more important reason why the city banker should favor such a relationship. At certain periods of the year, we, of the country, are borrowers. The lender has no better class of custom. We give our demand paper, which, under proper restrictions, will always be available as assets. It is greatly to the interest of the lender, that there should be proper regulations of method, based on the judgments of acknowledged financiers. The country banker would be benefited by an improved credit, and strengthened by the adoption of improved methods, a condition difficult of attainment, except through a general system of co-operation, as there is to a certain extent a spirit of competition existing, which is fatal to conservative methods.

Assuming, then, that benefits will accrue to all, the practicability of an association is robbed of many of its difficulties. Articles of confederation may be drawn, in which will be recited all details by which the subscriber agrees to be governed.

The question next arises, How will the agreement be enforced? A condition of success is, that the procedure shall be as simple as possible. There must be a head to the association; probably, also, an executive

committee, before whom complaint would lie, and which would have power of investigation and of passing sentence;—the penalty of violation to be suspension;—each case of suspension to be reported to all members, and the expense of investigation to be borne by the delinquent. These may be considered weak features of such an association, but the enjoyment of the certain practical benefits which will accrue to and remain with the subscriber will conduce to the faithful observance of conditions.

The last question for consideration is the all-important one. So important is it that its consideration should receive the utmost care and deliberation. What should be the nature of an organization? Should a project of confederation be favorably considered at this convention, time would not permit of a wise settlement of details, but by the appointment of a committee, with instructions to report at a subsequent assembly, and with full powers, the practicability of an organization may be determined on, and also the details for government.

There remains yet another branch of my subject to be considered—that of combined action during times of stringency. So closely are the two headings related that the discussion of one leads indirectly to the consideration of the other. The last branch, however, deserves especial attention. Just at this time when the panic is fresh in mind, it is apparent to all that the lessons derived from it would lead to the idea of combination. A few months back we were all seeking assistance, but found that they who were able to furnish it were overburdened with applications. Our individual resources were inadequate to meet demands, and distrust arose; but by a combination of resources distrust would not have arisen, and demands would have diminished. A combination would have been a mighty power, sufficient to cope with any emergency, under proper and restricted methods of business. We have realized as never before the weight of responsibility resting upon us. The vital interests of the business world are in our keeping. Every bank suspension bears indirectly on all. By it all branches of trade are affected, so sensitive are the laws of trade to any untoward event. A system may be devised by which calamities may be averted. Certificates pledging the credit of the united association may be issued, upon the deposit of adequate securities, which would be available to tide over temporary difficulty; for the redemption of which, in case of necessity, the securities pledged could be sold.

As with the plans of organization, the details of this system must be worked out. There are too many points involved to admit of their discussion within the limits of this paper.

Should this prove to be impracticable, what plan of co-operation may we suggest for times of stringency? I can think of none. There will remain but the ordinary procedure for him who has money to lend, to advance it upon terms and conditions to suit the exigency of the demand. If money cannot be had, the distressed banker must suspend or effect a possible compromise with creditors. The conditions become immediately serious for all. When banks discontinue lending, the depositor discharges that function. His demand the banker cannot ignore; a default here is fatal.

If we cannot co-operate, then it is all the more a necessity that correct methods should prevail, that reserves and adequate security for money loaned should be insisted on.

Owing to the present paralysis of business, and of weaknesses in the values of commodities, it is anticipated that there will be great shrinkages in property values. The indebtedness of our people has swollen into enormous proportions. The accretions of interest and shrinkage of

values will result in the surrender of many pledges, unless from unexpected and improbable causes a reaction should set in. For each dollar of security surrendered, a dollar of banking capital becomes inoperative. There is hardly a bank in the country but will surrender a portion of its capital for unconvertible security. Considering the enormous landed indebtedness, the outlook is not encouraging. Just now we are having a breathing spell. Through extraordinary effort our resources have been strengthened, and there is no immediate necessity pressing us, but it is the duty of a financier to provide against possible calamity. No other defense appears to me so feasible as a close alliance for mutual protection. Such a relation established, the future will reveal a prosperous country and contented people, living on the natural increase from labor, and legitimate investment, secure in the possession of the same. The spirit of reckless gambling will have been exorcised by the banker, who will have learned to discourage the indiscriminate use of money, and to require deposits of security sufficient in amount to cover the debt and all possible contingencies.—*A Paper read by C. W. Bush, cashier of the Bank of Yolo, at the convention of the California Bankers' Association.*

BANK LESSONS OF 1893.

Whoever undertakes to write up the business experiences of the people of this country for the calendar year of 1893 will have a most difficult task on his hands. To arrive at even approximately accurate conclusions, many factors outside of the year's operations and outside of the country must be considered, compared, analyzed and thoroughly digested. The business troubles of 1893 were not the outcome of trivial causes. The seeds were sown in other years. Last year was simply the reaping time for many people and many corporations. It is not by any means certain that all of the harvest has yet been gathered, though it is eminently proper to take a hopeful view of the situation. This characteristic of the American people has already tempered the business troubles of the past few months very materially. Hope is a prime element of confidence, and the latter is an essential factor in business capital. The best illustration of this happy combination brings about the most gratifying results.

Not one person in a thousand of the 65,000,000 people of the United States realized at the threshold of 1893 what was in store for the country, in a business way, during the year. To the great mass the prospects for a good average year were just as bright as they were twelve months before. Here and there a thoughtful person might be found, one accustomed to weighing cause and effect, who shook his head rather ominously as he looked out into the future. Even these persons, while admitting that they did not like the trend of business affairs, never for a moment realized the extent of the portending evils. The opening months of the year passed with very little apparent shrinkage in business. In fact, January, 1893, showed a larger business, as gauged by the bank clearings of the country, than any previous corresponding month for several years. February was nearly as good as in 1892, and better than any February in the three years previous to 1892. March was better than February, and better than any March in the previous four years. April was the lightest of the first four months, but not much under that month in 1892.

The first third of the year passed with really a better record, from a

bank standpoint, than had been known for any corresponding period in several years. Thus far the January 1st prognosticators of evil had observed little to justify their predictions. The month of May was ushered in as smiling as usual, only a little more so, for the great Columbian Exposition, opened with much eclat at Chicago on the first day of that month, bid fair to dissipate the smallest, and most distant cloud that might be seen in the business sky. That cloud was there, however, though at that time not larger than a man's hand. It came up from the Atlantic where the two rivers empty into the sea down by the Battery. Notice of its appearance was flashed over the wires of the country on the 3d of May, or within forty-eight hours of the opening of the World's Fair. As usual, the first wail emanated from Wall Street. The telegram sent broadcast contained these words: "The tension in the commercial community is great, but the general comment is one of surprise that there are so few failures. Everybody is looking for troubles to come."

When everybody is full of expectation, results are likely to follow. It was so in this case. Failures were announced before the going down of the sun on that 3d day of May. The next day brought a worse state of affairs in the great metropolis by the sea; and the third day, which was Friday, was denominated one of much peril. The fifth of May went into Wall Street's calendar as another Black Friday. There was a calmer feeling on the following day. On Monday the brokers' sheets passed all right, and some people thought that a good sign, and tried to make themselves believe that after all the trouble concerned only a few brokers, and that the worst was over. Such things are somewhat common to Wall Street, and so long as they are confined to that locality no great amount of sympathy is wasted over the occasion. But those who took that superficial view of the matter were utterly incapable of grasping the situation. The outburst was not from any local cause, but naturally focalized at the great money center.

On the very next day after the Wall Street operators had been consoling themselves with these reflections, the scene of trouble was transferred to another and distant city, hundreds of miles to the west. Chicago had been heard from. While all was going on merrily at the World's Fair in Jackson Park, there was trouble in the city. It was in the Chemical National Bank, just the place, perhaps, to look for an explosion, though no one had ever thought of that before. The bank had received the indorsement of the World's Fair Directory, and it was advertised as the only bank to have a branch on the World's Fair grounds. The Chemical National was converted from the Chemical Savings in December, 1891. It was capitalized at $1,000,000. As soon as the suspension was reported, a Washington telegram was sent out to the effect that the failure was not unexpected in that city in view of the recent report of the Examiner. It is the old story. Everybody knows a failure is anticipated after it has been publicly announced, though it is a queer acknowledgment for a Bank Examiner to make subsequent to the event.

The failure of the Chemical National Bank of Chicago was the beginning of last year's troubles among the banks of this country. Such a closing of banks as followed that event has never been known in this country. The trouble developed into a regular epidemic, and for weeks and months it was almost impossible to take up a daily paper and not be confronted with an announcement of another bank failure. The dispatches really became so monotonous as to be wearisome. The trouble in the banks covered a period of nearly six months. Most of the suspensions took place in May, June, July and August. For the

first nine months of the year there were 585 bank suspensions, reported with assets of $183,185,389 and liabilities of $169,043,771. Such an incongruous statement of assets and liabilities was never made before for any corresponding number of corporations. It is something of an anomaly for an institution to suspend with assets in excess of liabilities. This, however, was quite a common feature in the bank failures in this country last year. It only proves that such suspensions were superinduced by a very unusual condition of affairs. Some really good banks found themselves as helpless to keep their doors open as those that had been poorly managed.

All classes of banks participated in the downfall, good, bad and indifferent, commercial, savings and trust, National, State incorporated and private. The contagion of bank failures was in the very atmosphere, and it swept from the seaboard to the remotest inland towns. Only four States were exempt from the devastation. These were Connecticut, Maine, Massachusetts and Maryland. The affected States were not treated in all parts alike. Some cities and large towns, supporting several banks, escaped entirely. It is a pleasure to know that several California cities and towns were in this complimentary list. Even our own city of San Francisco, with its thirty banks, representing over 60 per cent. of the banking capital of the State, contributed only two suspensions to the record, and one of these banks has since resumed. Even that one would not have temporarily suspended if it had not been so closely allied to the one now in liquidation, which, although the oldest chartered bank in the State, was suspected of being in a weak condition, through unwise management, for some time. But for that fact, the other city banks would have stood in and sustained it as they did each other.

Various causes operated to embarrass the suspended banks. In many cases the trouble was the outcome of mismanagement, the result of ignorance of the proper principles governing the business, or criminal intent on the part of the executive officers. In the last analysis, however, all the banks, whether well or badly managed, suspended for the same cause, namely, the want of sufficient ready money to meet demand obligations. This factor is at the bottom of every business failure. There are times in the existence of every bank when nothing but money can keep its doors open. In ordinary times and under ordinary circumstances, all well managed banks keep sufficient money on hand to meet the average requirements of depositors and check-holders. Long experience has taught bankers of all classes the safe limits along these lines, and prudent bankers are ever careful to keep their margins at a safe average. Such an unexpected and universal, and in many cases entirely uncalled-for demand on the banks for money last year, was entirely without the experience or reckoning of every banker, even with twenty-five years of experience behind him.

The real cause for this extraordinary demand for money was not its actual need on the part of many making the demand, but the general fear of some portending evil which had enfeebled the life of business confidence. On the surface the most potent factors in weakening confidence were the radical change in the administration of governmental affairs and the agitation affecting the volume of currency. The very large majority by which the present administration was elevated to power and the avowed purpose of the triumphant party concerning the source and volume of the Government revenues accentuated the feeling of distrust along that line. The opinions of the party were well known, and the fact of its having full sway of all the branches of the Federal Government led many people to fear the worst results from the prom-

ised radical change in the revenue system. The agitation in Congress of the currency question, resulting as it finally did last November in suspending the operations of the compulsory silver law, by which the volume of money had up to that time been arbitrarily increased by an average addition of $4,000,000 per month in paper money for over three years, did much to tighten the purse strings and to promote the hoarding of money by individuals.

But these were surface causes, all-powerful it is true, but not the only or perhaps the prime reasons for the condition of affairs which prevailed so prominently in this country from May to November last year, and from the effects of which the people have not yet recovered, nor is complete recovery expected for some time, though no people emerge from their difficulties so courageously and so rapidly as the American people. No doubt the causes leading up to the late business troubles were the result of the unprecedented prosperity attending the agricultural and manufacturing industries of the people through a succession of bountiful crops and an unusually large and remunerative demand for our surplus products from year to year, and to the impetus given to silver mining through a compulsory purchase by the Government of $2,000,000 to $4,000,000 per month from March 1, 1878, to July 1, 1890, and afterwards through an enlargement of the law requiring the purchase of 4,500,000 ounces silver per month, from August 13, 1890, to November 1, 1893, by which some $600,000,000 of new money was thrust upon the country.

These two causes have been enriching the people of the country for the best part of fifteen years as they were never enriched before during any corresponding period since the Mayflower landed its little company of immigrants at Plymouth Rock. The inevitable result of this immense addition to the wealth of the country has been extravagance on the grandest scale ever known. This has not been confined to dress and personal living, but has permeated all branches of industrial life. It has led to much overdoing in the matter of improvements of all kinds —in the erection of tenements, residences, buildings for stores, offices and public uses, in the construction of railways and many other forms of improvements. In all these departments there has been a mortgaging of the future beyond reason, because based on the false assumption that the times would always be just as good as they were, and would even grow better from year to year. There is no analogy in this mundane sphere for such reasoning.

A check to these fancies has been coming on for some time, and every month up to the present has added new burdens and new complications. The result has not been so much a falling off in productive resources as a decrease in the demand and remuneration for our supplies. Troubles abroad for the past two or three years and better crops abroad have decreased both the buying ability of our foreign customers as well as their demand on our surplus products. The result has been a diminished volume of export trade, diminished prices for American export products and diminished ability to pay for the heavy imports from abroad ordered in the midst of our prosperity and which had to be paid for afterwards. The cutting off of millions of income from farmers and other producers through these causes in the past year or two has curtailed their expenditures by so much, and every manufacturer as well as every merchant, every professional man and every non-producer in all the walks of life, has felt the pinch from the enforced economy on the part of those who had previously disbursed liberally.

The banks of the country last year were confronted with conditions rather than theories. The experiences developed in the trials through which they passed will be of value to the managers for many years.

Lessons were learned that had not been mastered during the previous ten or fifteen years of clear sailing. Looked at in this light, the profit gained has probably been greater than the loss sustained. Certain inherently weak banks, because improperly managed, have been weeded out, never to be resurrected, it is to be hoped, under the old managements. Certain questionable practices in banks that were not blotted out, have been eliminated. The strong banks have naturally been made stronger on the same principle that an oak is strengthened by the fierce blast that bends, but does not uproot. Bankers have found out their weak and strong points. They have learned who are their friends and who are their foes. It is reasonable to suppose that they will make the best use of these experienees. The people who patronize banks have also learned lessons along the same lines, which will long be retained in their memories.

One of the bank lessons of 1893 is to the effect that the country does not want any more of the chain bank system of banks, as operated by Dwiggins, Starbuck and others. The Columbia National of Chicago, the second bank to suspend in that city last May, was the reputed head of this system. The collapse of that bank involved upwards of thirty small banks which had been organized in Illinois, Indiana and Michigan, by Dwiggins and others, through the Columbia National, and the United States Loan and Trust Company. The plan was to lend these small banks $10,000 or $20,000 as capital with which to attract deposits from farmers and others in the neighborhood, the deposits to be forwarded to the central organization for use. The system was supposed to be an improvement on the English and French branch bank systems, and in the matter of lessened liability on the part of the central organization, it probably was. The chain bank system is not adapted to this country. Another illustration of the same system, with slight variation, was that introduced by E. Ashley Mears, in North Dakota, which also collapsed last May, and which has not been revived. That, however, was more of a family affair. The banks were mainly run by Mears and his relatives.

It is barely possible that some lessons have been learned about the adjunct bank system and mixed banking that will be profitable to all concerned. It has become common in this State for commercial banks to have a savings bank annex, as an offset to the mixed banking allowed under the law to all savings banks having a capital of $300,000. Some National banks in this State have sought such alliances, but have been obliged to incorporate them under State laws, because National banks are not allowed to loan on real estate. An unfortunate ending of such an alliance happened at San Diego two years ago, when the suspension of a National bank brought to ruin its savings bank adjunct, which, but for such an alliance, would not have failed. Just what opinions the bankers of this association have concerning these alliances and mixed banking is not known. It is the judgment of some not interested in banking in any way that there would be more cordial feeling all round and fewer embarrassments if commercial banks and savings banks attended strictly to the fields peculiar to each as primarily understood. In a country so well supplied with banking facilities, there is no need for either system to encroach upon the other, while such encroachments are often attended with danger.

One good result growing out of the strained condition of monetary affairs last year has been the abolishment, on the part of some of the banks, of the overdraft system. That has long been considered a weak and unsatisfactory feature in banking. It had been allowed to become proportionately large in this State where there has been such a disinclination to

make notes. The San Francisco banks have been acting as a unit against allowing overdrafts since last September, and with good results to all concerned. The worthy president of this association has decided opinions on this subject, and some banks in the southern part of the State have for some time discouraged overdrafts. If this association has not already adopted a recommendation on this subject it should do so before adjournment, and every bank belonging to the association should be impressed with the importance of not only at once abolishing the overdraft system, but of strictly enforcing the custom of note-giving on the part of all borrowers. Such a custom in the end is really as much in the interest of the borrower as the lender, and at any rate it is in keeping with ideas of sound banking.

The crisis of 1893 has taught the banks the necessity for a stronger bond of co-operation. In times of great trial, a really strong and well managed bank may find itself weak when attempting to stand alone. The New York, Boston and Philadelphia banks, as a rule, stood shoulder to shoulder in the trials of last summer. They did this by issuing Clearance House Certificates for settlement purposes, on the basis of 70 per cent. of hypothecated assets. The largest amount of these certificates outstanding at any one time was $60,690,000, of which the New York banks had $38,280,000, the remainder being about equally divided between Boston and Philadelphia. There is no doubt that this course averted much trouble. There was not a single bank failure in Massachusetts in the first nine months of 1893, and only nine in Pennsylvania and 18 in New York, most of these being in the interior and nearly one-half private banks. The lesson along this line is for the banks to stand together. This does not imply that the shield shall cover dishonest or even inefficient bankers.

There should be a better understanding between the banker and the depositors. Want of confidence and co-operation between these two classes is what caused most of the trouble last year. After all, it is the depositor and not the stockholder that furnishes the bulk of the capital employed in the business. There are probably 10,000 banks and bankers in the United States. The Comptroller of Currency has reports from 9,466, but some did not report last year. The paid-up capital of these banks is $1,084,607,600, while the amount of deposits is $2,736,836,100, and the aggregate resources $7,079,511,800. These figures show the important position which depositors sustain to the banking business of the country. Of course, many of these depositors are also stockholders. This dual character puts an additional responsibility upon them to act considerately in times of financial strain. Any other line of conduct on the part of either a stockholder or depositor under such circumstances, may well be charged against them by the bankers at the proper time and in a practical way. It should be the aim of all concerned to hold the business up to a high level of honorable dealings all round. Bankers have it in their power to conserve all that is good and worthy of being upheld, and they owe it as a duty to the community to tone up honesty and integrity along all lines.—*A Paper read by Benjamin C. Wright at the convention of the California Bankers' Association.*

THE CONVENTION OF THE CALIFORNIA BANKERS' ASSOCIATION.

The third annual convention of the California Bankers' Association held its initial session in the Chamber of Commerce on the 22d of February. About eighty bankers from all parts of the State were present, and the opening meeting showed an evident intent to discuss matters of general and mutual interest. Isaias W. Hellman, the president of the convention, dealt in a clear, simple manner with the financial conditions of the immediate past, the present and the future, his address being the first in the order of exercises for the day. He said:

"During the past year marvelous changes have taken place in the financial condition of the country, and a lifetime's experience has been crowded into that brief period. Banks, one after another, closed their doors. Factories have stopped working and trade generally has become paralyzed. I do not propose to enter into the causes that have brought about this crisis. Sufficient is it to say that confidence was shaken in the whole of the United States, and all classes and all trades were injured by it. The crisis affected us here in California in a peculiar way, because we are so far off from financial centers. Ordinarily bankers' balances in New York or Chicago could easily be transferred here, but by reason of the great scarcity of the circulating medium in the Eastern centers we were even refused by our corresponding banks in New York to have our own funds transmitted to us.

"Another great hardship for California was that the Treasury Department, which had previously made transfers of money from New York to San Francisco by telegraph, had, during the height of the panic, even refused to do that. Notwithstanding all this we certainly can be proud of how well our banks have weathered the storm. California has, by reason of the unbounded resources of its soil, climate and mines, stood the brunt of the financial storm better than many States in the Union. Most of the banks which, during the panic, had to suspend, have reopened their doors. To-day the only ones remaining closed are four, two of which should really have been closed long before, and would probably have suspended under any circumstances. The shrinkage in values of cereals, fruits, silver, in fact of all products, points to a contraction of trade.

"Commercial as well as savings banks are again feeling the favorable effect of a change, and deposits are on the increase, especially in the moneyed centers. I do not ascribe it entirely to the increase of trade, but partly to the emptying of stockings and the depleting of safe-deposit boxes from the coin lodged therein during the panic.

"Since money has again become much easier to obtain, it would not be amiss to call to the attention of our capitalists the fact that this is the time to aid in establishing manufacturing enterprises, thereby giving employment to many idle men.

"A lasting benefit which is the direct result of the panic is the new regulation of the Associated banks of San Francisco, which does away with the old system of overdrafts, probably the most dangerous feature of our Western banking system—a custom which had nothing to recommend it and one contrary to all sound banking principles.

"The late crisis has also demonstrated that large deposits by wealthy people in savings banks are a danger to the bank. When money becomes

stringent and rates of interest advance it is the capitalist who at once takes advantage of the situation and withdraws his funds. In doing so he depletes the reserve of the bank and upsets all previous calculations or arrangements. In the Eastern States where savings banks have been established a number of years, the law regulates the maximum amount which a depositor can have to his credit. I understand that in the State of New York the maximum is $3,000. Similar laws should be passed by our next Legislature, and under no circumstances should a savings institution be permitted to accept in the aggregate more than $10,000 from any one depositor.

"I will not take up more of your time with my suggestions. Many other subjects appertaining to business will claim your attention, and I hope you will all return to your counting-rooms with broader views, looking back with pleasure and profit to this, our third meeting in council."

The attention of the Associated Bankers was devoted on the opening of the second day's session of their convention to a report in the form of a paper. George H. Stewart, of the Bank of America of Los Angeles, as chairman of the executive council, made a supplementary report on E. S. Sheffield's recommendation in the matter of "City Clearances of Country Checks." The report was in the form of a carefully prepared paper, and arrived at the following conclusions after a brief dissertation on the reasoning by which the conclusions had been reached:

"The clearing of country checks through the Clearing Houses of California is practicable by arrangement and under suitable restrictions.

"That in such case the Clearing House by-laws be so amended as to provide indemnity in behalf of the Clearing House bank accepting the country checks through the clearing against the default of both sender and drawee bank.

"That the listing in full of items by each bank in the course of their travel seems to us a useless burden, and that all detailed registration shall be done by sending bank, on proper form of ticket to accompany each check, permitting ready listing by numbers only at later stages.

"That some uniform rule be adopted which will cause checks to travel through regular channels where safeguards can be provided, and the standing of the indorsers and drawee bank known.

"That any provisions adopted shall in no case be compulsory, but shall merely provide a uniform method available to those banks who may desire."

Secretary R. M. Welch read a long report prepared by C. C. Bush, of the Shasta Bank, on "Higher Education of Business Men." The report consists of a number of letters from bankers and educationalists in different parts of the State, making various suggestions on the advisability of business education and the methods of its inculcation. Among them were letters from the late L. Gottig, David S. Jordan, C. W. Bush, of Woodland, Frank Miller, John Bidwell, Martin Kellogg, E. S. Sheffield, Lovell White and Bernard Moses. The report closed with the following resolution, which, with the report, was received and adopted:

"RESOLVED, That the executive council confer with the president of the Leland Stanford, Jr. University and the president of the University of California, and ascertain if in either institution there is a department such as this association is striving for. If not, to ascertain if one can be added to said institutions and on what terms. If this is found impracticable and beyond the reach of this association, then endeavor to arrange for a course of lectures in the city of San Francisco, devoted exclusively to finance and the history and theory of money during the winter of 1894-95 under the auspices of this association, the lectures to

be afterward published in pamphlet form for distribution among the members of the association."

Frank Miller, of Sacramento, spoke on the topic, "Unsecured Loans —Time versus Demand." He quoted from the report of the Comptroller of the Currency for 1893 and showed that in National banks the unsecured loans payable on demand are only one-twelfth of the unsecured loans on time in San Francisco: the ratio is about one to one; in other words, local bankers carry about half of their unsecured loans on time and the other half on demand. The latter condition he ascribed to the system of overdrafts, and he said:

"We commence business in the morning facing the possibility that all our clients may call during the day and expect to get loans, with the expectation also of repaying at their own option. We have always had large reserves lying idle in vault and a moderate volume of business. Much of our coin is kept to meet possible borrowers, and it results in educating our friends to make no provision for the future. We are expected to promise a line of accommodation of generous dimensions and privileges, retaining for ourselves the sole right to get the money back as best we can in case we need it.

"Last year taught us all that a banker's promise to lend and a borrower's promise to pay were of no value whatever in the presence of a general stringency. Lack of foresight in the creation of debts and the collection thereof is not good for any community. Promptness will be a winning card in the approaching days of large transactions and small profits. Sluggish bankers will have slow assets and will be left behind by those who conform to the larger experience of the majority."

In conclusion, Mr. Miller offered the following resolution, which was referred to the proper committee:

"RESOLVED, That this convention approves of writing all loans on time with the exception of those which are secured, and of those which are made to borrowers who reside outside the limits of the State, and we further approve the custom of writing the loans without interest and deducting discount."

J. B. Lankershim, of Los Angeles, in a brief and readable paper, advocated lower rates of interest to depositors as the best means to secure increased stability to savings banks and to force the more general investment of capital in industrial enterprises, and so in the development of the State.

W. C. Bush, of Yolo, was the next gentleman to address the convention. His subject was, "The Relations that Should Exist Between City and Country Banks and the Advantages that Would Result from Their Combined Action During Periods of Financial Stringency." He said:

"Many acute financiers contend, and with good reason, that the troublesome times for bankers are not yet passed. Whether or not their opinions prove to be true, while there remains a reason for them, it is needful that every safeguard should be employed to avert further disaster. After a battle weak positions are discovered. During the lull a good officer, profiting by experience, will strengthen them. A weak feature of banking in California, made very apparent during the monetary panic of last year, is the lack of co-operation and of uniform systems."

The speaker then proceeded to consider the relations existing between San Francisco bankers, and showed how interior bankers must be governed by their practice. In the past year he said it was painfully apparent that city bankers were not leagued for mutual protection. He then suggested organization among the bankers, and considered the various phases of a confederation of bankers. He closed as follows:

"Just now we are having a breathing spell. Through extraordinary effort our resources have been strengthened and there is no immediate necessity pressing us, but it is the duty of a financier to provide against possible calamity. No other defense appears to me so feasible as a close alliance for mutual protection. Such a relation established, the future will reveal a prosperous country and contented people, living on the natural increase from labor and legitimate investment, secure in the possession of the same. The spirit of reckless gambling will have been exorcised by the banker, who will have learned to discourage the indiscriminate use of money, and to require deposits of security sufficient in amount to cover the debt and all possible contingencies."

The last day's session of the convention was in many respects the most interesting. This was due to the fact that there was a good deal of interesting interchange of opinions on different subjects which had been brought up before the convention. The principal topic was, "Suggestions Concerning Certain Changes in the State Banking Laws." It was decided to discuss these suggestions and vote on them merely as a guide to the executive council, to which body the whole matter had already been referred. The suggestions originated in a paper by J. M. Elliott, of Los Angeles.

The committee on resolutions reported, recommending the resolution of Mr. Miller, on the time notes; of Mr. Tonn, on rates of exchange, and of Mr. Lankershim on savings banks, as containing valuable ideas. The report further recommended that these three resolutions be published in the proceedings without any vote upon their adoption by the members of the convention. The resolution of Mr. Tonn is as follows:

"That interior banks in all cases make a charge of 1-10 of 1 per cent. to regular customers carrying a credit balance, and ¼ of 1 per cent. to all others on all drafts issued; also on all exchange, whether cashed or placed for credit, and on all collections of whatsoever nature."

Mr. Lankershim's resolutions favored the organization of savings banks among themselves so as to sustain to one another relations similar to those of the commercial banks in the San Francisco Clearing House.

A Joint Session.

CLEARING HOUSE MEMBERS AND COUNTRY BANKERS.

At the first session of the California Bankers' Association held on Thursday morning a request was made of Isaias Hellman to arrange a meeting for the country bankers with the San Francisco Clearing House. The object of this meeting was pretty well explained in the following circular:

"*To the Bankers of California*—GENTLEMEN: Admitting the fact that the resolution passed by the members of the Clearing House Association of San Francisco, abolishing the system of overdrafts, was a step in the direction of safe and conservative banking, and admitting further that such methods are successfully carried out by many Eastern bankers, it nevertheless occurs to me that some modification of the stringent system insisted upon could, with fairness, be requested, and that if the matter be properly brought to the attention of our San Francisco friends at the convention to be held next week, some equitable adjustment could be effected.

"The practice now in vogue of charging interest in full upon a note deposited merely for the purpose of obviating a possible temporary overdraft, without at any time considering the credit balance that may

be carried, is manifestly unjust, and utterly destroys all benefit that interior banks have heretofore enjoyed from their circulation.

"The watchfulness and attention necessary to keep such unjust interest charges within reasonable bounds become very burdensome. In view of the fact that our Eastern correspondents allow interest on credit balances, which is not permitted by the San Francisco banks under the resolution above referred to, it seems to me that the members of the San Francisco Clearing House Association could with propriety be requested to accept from their interior correspondents a note for, say, 10 per cent. of their paid-up capital and surplus, with the understanding that interest thereon should be rebated to the extent of the credit balance carried by such correspondent. Any loans in excess of such amount could take the usual course. The above suggestion is respectfully submitted for consideration.

"Would it not be well for the interior banks to make a special effort to send representatives to the convention, in order that this subject may be accorded the attention it deserves?

"Other and better means of adjusting the matter may occur to you; if so, please present them to the convention. Yours truly,

"W. E. GERBER, Cashier."

The meeting was presided over by Cashier S. P. Smith, of the Bank of California, and the Clearing House was represented by James A. Thompson of the Donohoe-Kelly Banking Company, Joseph D. Murphy of the First National Bank, Arthur Scrivener of the London and San Francisco Bank, Ignatz Steinhart of the Anglo-Californian, John F. Bigelow of the Nevada Bank, Charles Altschul of the London, Paris and American Bank, John D. McKee of the Tallant Banking Company, A. Montpellier of the Grangers' Bank, and George W. Scott of Sisson, Crocker & Co.'s Bank. The country banks were represented by Mr. Reichman of Fresno, F. Duhring of Sonoma. W. E. Gerber of Sacramento, J. S. Jewett of Yuba, John Miller of Sacramento and G. H. Stewart of Los Angeles.

In illustration of the circular Mr. Duhring cited the case of a Sacramento bank which had a note with its correspondent in this city for $20,000 on which it was charged interest, while at the very same time the local correspondent had $22,000 to the credit of the Sacramento bank. The bankers claim that in any event they lose two days' interest when the deposits in the hands of a correspondent exceed the deposits held for the country bank by the correspondent, for it takes a day to notify the country bank of the deposit and a day to answer withdrawing the credit note on which the country bank is paying interest.

Messrs. Steinhart and Altschul answered for the Clearing House and showed that there was no way out of the difficulty without introducing another phase of the pernicious overdraft system. The suggestion that the city banks should accept a note from interior correspondents, for, say, 10 per cent. of their paid-up capital and surplus, was pronounced a method of securing an overdraft under another name, especially as interior banks not infrequently lend their capital, their surplus, and even money which they borrow.

The country bankers, seeing that their point could not be carried, thanked the members of the Clearing House and withdrew.

TRANSFER OF NOTE AFTER MATURITY.

SUPREME COURT OF TEXAS.

Walker v. *Wilson et al.*

The transferee for value of a note, after maturity, acquires no better title than that of his transferrer.

GAINES, J.—The earnest insistence of the counsel for appellant, in his argument on the motion for a rehearing in this case, together with the commendable zeal and industry displayed by his citation of authorities, have induced us, out of abundance of caution, to give a more extended examination of questions presented by the appeal. The result of that examination has been to confirm our former opinion without modification. We still think that the opinion in *Weathered* v. *Smith*, 9 Tex. 622, is decisive of the present case. The title to the note in controversy was directly involved in that case, and it was held that Smith, though a purchaser for value, without notice of the plaintiff's right, acquired no title as against the latter, because the note was transferred to him after maturity. The principle is that the transferee of overdue commercial paper gets no better title than that of his transferrer. The holder of such paper for value before maturity takes it discharged of every defense against it, but when dishonored it is, in respect to the title acquired by a subsequent holder, degraded to the rank of a personal chattel, the purchaser of which acquires only such title as the seller had. It was expressly so held in the case of *Ashurst* v. *Bank*, decided by the king's bench of England, and reported at length in 1 Ames, Bills, 773. The same doctrine is announced in the following cases: *Thomas* v. *Kinsey*, 8 Ga. 421; *Davis* v. *Bradley*, 26 La. Ann. 555; *Emerson* v. *Crocker*, 5 N. H. 159; *Clark* v. *Sigourney*, 17 Conn. 511; *Down* v. *Halling*, 4 Barn. & C. 330; *Foley* v. *Smith*, 6 Wall. 492. The same doctrine is recognized in *Bank* v. *Texas*, 20 Wall. 72; *Texas* v. *Hardenberg*, 10 Wall. 68; *Gordon* v. *Wansey*, 21 Cal. 77. See, also, 1 Ames, Bills, 748, note, and cases cited; Tied. Com. Paper, § 295, and notes. There are cases which hold that negotiable paper, transferred for value, is not subject to equities as against the transferrer in favor of third parties; but we do not understand that by third parties are meant intermediate holders. Hence we need neither affirm nor deny their correctness. Counsel, in argument, claims that the opinion misconstrues the testimony as to the consideration paid by plaintiff for the note. The testimony of plaintiff was: "I bought the note sued on from J. J. Seigel and wife, Theresa Seigel, and paid for it with other notes the sum of $550." It is not clear whether he meant that he paid other notes, amounting to $550, or that he paid that sum in money for the note in question and others. Counsel is probably correct in claiming that the latter is the true construction. But the construction is unimportant. In either view, the plaintiff paid value, and the case was so treated in the former opinion. The motion for a rehearing is overruled.—*Southwestern Reporter.*

LIABILITY ON A PROMISE TO ACCEPT DRAFTS.

CIRCUIT COURT, S. D. NEW YORK.

Exchange Bank v. *Hubbard et al.*

Defendants, in order to enable a certain firm to buy cotton for them, promised the firm that they would cash such sight drafts as the firm should procure a certain bank to cash. The firm communicated this promise to the bank, which accordingly cashed the drafts, but defendants refused to pay them. *Held*, that defendants were liable to the bank precisely as if they themselves had directed the bank to cash the drafts.

At Law. Action by the Exchange Bank against Samuel T. Hubbard and others to recover money. On demurrer to the complaint. Demurrer overruled.

WALLACE, Circuit Judge.—This is a demurrer to a complaint in an action at law. The complaint proceeds upon the theory that the defendants are liable to the plaintiff for the amount of certain bills of exchange, as upon the breach of an agreement to accept and pay the bills. The complaint can be fairly read as stating that, to enable Hope & Co. to raise the money to buy 300 bales of cotton and ship it to the defendants, the latter promised Hope & Co. to accept and pay such drafts as Hope & Co. should procure the plaintiff to cash, the drafts to be drawn on defendants, and made payable on presentment at the city of New York; that the plaintiff, in reliance upon the promise of the defendants to Hope & Co., of which plaintiff had been informed by Hope & Co., as well as upon a telegram sent by defendants to Hope & Co., cashed the drafts in suit; that Hope & Co. used the proceeds to buy the cotton; that Hope & Co. shipped the cotton to defendants, and the defendants received it; and that the defendants neglected and refused to accept and pay the drafts upon proper presentment and demand.

The plaintiff's right of action does not depend upon the telegram sent by the defendants to Hope & Co. Its position is no better and no worse than if that telegram had not been sent, except to the extent that the message constituted a definite authorization to Hope & Co. as to the quantity of cotton to be purchased, the price to be paid, the mode of shipment, and some other details which need not be referred to. Read in the light of what had previously taken place between Hope & Co. and the defendants, the telegram contains a statement which may possibly be construed as authorizing the former to draw on defendants for the price to be paid to Hope & Co. for the cotton; but, standing alone, it does not purport to authorize Hope & Co. to procure the money from the plaintiff, or anybody else, upon the credit of defendants, and, if the statute of frauds were in the case, would have no effect as a promise in writing of the defendants, to be answerable to the plaintiff for the debt of Hope & Co.

Upon the facts stated, it is claimed that the defendants authorized Hope & Co. to procure the money with which to buy the cotton from the plaintiff on such drafts as are set forth in the complaint. Defendants are therefore liable as principals for the contract of their agent, made within the terms of the authority conferred. If they had authorized Hope & Co. to borrow money for them, or on their credit, from the plaintiff, without regard to the form of the security to be given, they would have been liable as for money had and received for their use. Having authorized Hope & Co. to procure it upon sight drafts, they are liable precisely as though they had themselves directed the plaintiff to cash drafts drawn on them by Hope & Co. The demurrer is overruled. —*Federal Reporter.*

NEGOTIABLE INSTRUMENTS.

SUPREME COURT OF MISSISSIPPI.

Bank of Winona v. *Wofford.*

A note payable to order of the maker, and by him indorsed and delivered is, like a note expressly payable to bearer, not subject to the statute allowing defenses existing between the original parties against a *bona fide* holder.

CAMPBELL, C. J.—It has long been the settled doctrine of this court that a promissory note or bill of exchange, which passes by mere delivery, and does not require assignment to confer title to it, but as to which the holder derives title independently of indorsement, and by the very terms of the express contract which the maker has issued to the world, is not within the scope and effect of our anti-commercial statute; and that no defense existing between the original parties can be set up in bar of a recovery by one who acquired the paper in good faith, for value, before maturity. (*Craig* v. *City of Vicksburg*, 31 Miss. 216; *Stokes* v. *Winslow*, *Id.* 518; *Mercien* v. *Cotton*, 34 Miss. 64; *Holman* v. *Ringo*, 36 Miss. 690; *Winstead* v. *Davis*, 40 Miss. 785.) The application of the doctrine has been to paper payable in terms to bearer, but a note payable to the order of the maker, and indorsed by him, is, when it comes into being as an enforceable contract, payable to bearer, although not so expressed. It is nothing until indorsed and delivered, and then it is payable to bearer, and transferable by delivery, and all the reasoning applicable to instruments payable to bearer applies in full force to it. It follows that both are on the same footing, and subject to the same rules. (Daniel, Neg. Inst. §§ 143, 693; Tied. Com. Paper, § 20; Rand. Com. Paper, § 153; *Moses* v. *Bank*, 149 U. S. 298, 13 Sup. Ct. 900.) There is no magic in the word "bearer." A contract to pay to bearer is held not to be within the statute referred to, because it embraces only instruments having a payee, and requiring assignment to pass title. Therefore, an instrument which, by its terms, is a promise to pay whoever may bear it, even though the word "bearer" is not in it, must be of the same effect, because of the same nature. It follows that the defense held good by the Circuit Court is not maintainable. Reversed, and remanded for a new trial.—*Southern Reporter.*

LEGAL MISCELLANY.

GUARANTOR—RELEASE—CONSIDERATION.—The waiver, by the guarantor of a note, of a right to pay a note, and sue the maker, and collect it, made at the request of the holder, who is desirous of saving the maker from the annoyance of suit, is a sufficient consideration to uphold a release of the guarantor from all liability to the holder. [*Ditmar* v. *West*, Ind.]

PRINCIPAL AND SURETY—RELEASE.—One who gives his note as collateral to a note made by a corporation and indorsed by another person is a surety, as regards both maker and indorser; and when the owner of the principal note has taken judgment on it against the maker and indorser, by releasing the latter he releases the surety. [*Montgomery* v. *Sayre*, Cal.]

NEGOTIABLE INSTRUMENTS—COMPOSITION WITH CREDITORS.—Promissory notes made pursuant to a secret agreement between a debtor and one of several of his creditors, executing a composition agreement, by which, to induce such creditor to sign the composition, the debtor agreed to execute to him the notes, in addition to what the composition stipulated, are void between the parties to them. [*Newell* v. *Higgins*, Minn.]

NEGOTIABLE INSTRUMENTS—CONSIDERATION.—One of the conditions annexed to a policy of insurance was that it "should not be valid or binding until the first premium was paid to the company," but no special mode of payment was provided for in the policy. The company delivered the policy to the assured, and took his promissory notes for the first premium: *Held*, That, even in the absence of any express agreement to that effect, the company must, in judgment of law, be deemed to have accepted the notes in payment of the premium, and the policy became binding and constituted a valid consideration for the notes. [*Union Cent. Life Ins. Co.* v. *Taggart*, Minn.]

PAYMENT WITH MONEY OF ANOTHER.—Receipt by a creditor of money in payment of a debt without knowledge or means of knowledge that it did not belong to the debtor does not make him liable therefor to be the true owner. [*Newhall* v. *Wyatt*, N. Y.]

BANK DEPOSITS—PAYMENT TO WRONG PERSON.—D assigned her deposit in a savings bank to plaintiff, in trust for certain purposes, at the same time giving him her deposit book. The bank objected to the form of this assignment, and it was agreed between it and plaintiff that it should pay no attention thereto till it heard from him further. Subsequently D obtained the book from plaintiff, under the pretext that she wished to examine it, and then delivered it, together with an assignment of the fund, to B, who collected the fund from the bank, and immediately re-deposited it by itself in her own name as "trustee for D." Plaintiff then notified the bank that he claimed the fund under his earlier assignment, but the bank paid it to B: *Held*, That the bank was liable to plaintiff for the fund so paid to B with knowledge of the former's claim thereto. [*McCarthy* v. *Provident Institution*, Mass.]

CONTRACT OF GUARANTY—CONSTRUCTION.—Defendant held notes made by S, and, as collateral thereto, certain goods. The notes not being paid at maturity, defendant drew on plaintiff, S's commission merchant, for the amount. Plaintiff honored the draft, after taking an assignment of the goods under a contract wherein defendant guaranteed plaintiff against loss "arising from advances, disbursements, or charges." Plaintiff disposed of the goods, rendering an account of the sales to defendant: *Held*, That plaintiff was entitled to charge defendant the usual commissions for making the sales, and interest on the advancement and disbursements. [*Foster-Black Co.* v. *Fennessey*, Mass.]

CORPORATION—LIABILITY OF STOCKHOLDERS.—Under How. St. § 3,557, providing that stockholders of a company organized under How. St. ch. 95, shall be jointly and severally liable for all labor performed for such company and for its debts to an amount equal to the amount of unpaid stock in such company held by them, a person can be held personally liable for labor performed, while he was a stockholder, for a corporation organized under such chapter, though he has ceased to be a stockholder before action brought. [*Voight* v. *Dregge*, Mich.]

NEGOTIABLE INSTRUMENTS—BONA FIDES OF HOLDER.—In an action by the indorsee of a note procured by fraud, the burden is on plaintiff to show that he is an innocent holder for value. [*Jordan* v. *Grover*, Cal.]

BANKING AND FINANCIAL ITEMS.

General.

WARNING AGAINST FORGED CHECKS.—The following warning circular in relation to the systematic swindling of banks by means of raised and forged checks has been received by banks in this city:

TEXAS BANKERS' ASSOCIATION,
OFFICE OF VICE-PRESIDENT,
FORT WORTH, TEX., March 15, 1894.

The banks of the country are being systematically plundered by means of raised and forged bank drafts, in which all the work is so skillfully done as to defy detection by the naked eye, or even with a microscope. The method used is this: The forger or his confederate buys a draft from one or each of the banks in one of the smaller towns on a central point for, say, $15.00, removes any precautionary lines or marks that have been made after the word "fifteen," on even tinted paper, writes in the word "hundred," erases the $\frac{00}{100}$ or any marks that were made after the $15.00, and makes the amount in figures $1500.00, fills in the $ mark made with the automatic or any of the perforating machines, executes the two ciphers and dollar mark after the $15, and finally forges the signature of the officer signing the draft on the back, so perfectly that in one of the instances coming under our observation, the cashier who signed the draft stated he would pay a check on his forged signature without any hesitation. He also changes the date to perhaps the day previous to that of presentation. He presents the draft, and when asked for identification, calls attention to the indorsement of the cashier or president, and states that it was so indorsed to avoid the necessity of his being identified. The man who has been operating in this State has the appearance of being a well-to-do stockman, about fifty to fifty-five years of age, about six feet tall, large frame, dark complexion, dark moustache—slightly gray, and of good address; answers all questions readily, and shows no anxiety or uneasiness whatever.

He was operating in this section under the names of Henry Slifer and R. L. Harper. If any person pursuing the above method presents himself to you, have him arrested and held for identification, and wire me immediately at Fort Worth, Texas.

A. S. REED, Vice-president.

So much for the security afforded by any bank punch or perforating machine.

Mr. G. G. Williams, president of the Chemical National Bank, New York, says: "A valuable service will be rendered by directing the attention of banks to the dangers of using other than Safety paper for their drafts. The time will come, no doubt, when all checks drawn on plain paper will be looked upon with suspicion."

The National Safety Paper is the only sure form of protection. As a Safety paper it is used and indorsed by many of the largest banks. We see its use increasing. and since it came into use, there has not been a single case of successful alteration upon the National Safety.

This should be the very best commendation to all interested—to use the only sure protection known.

TO REVOLUTIONIZE BANKING LAWS.—Mr. Manderson, of Nebraska, by request, has introduced in the Senate a bill that will, if it becomes a law, revolutionize the government of National banks. The bill is very voluminous. It assesses upon banks a tax of from $40 to $1,500 a year as a fee for examination; gives bank examiners a salary of $5,000 a year, to hold office during good behavior; limits to a minimum the amount of indebtedness to a bank of bank officials, and creates out of the money paid as fees for examination a "trust fund" to pay losses incurred through deposits in any National bank placed in the hands of a receiver; grants the issue of circulating notes up to par value of bonds under certain conditions; puts a tax of one-quarter of one per cent. every six months on the amount of circulating notes issued, and prohibits the paying of more than 5 per cent. interest to secure deposits.

SCHOOL SAVINGS BANKS.—Which of the readers of *The Recorder, Jr.*, knows of a city where there are savings banks in all the schools, and where the children themselves have a lot of money deposited to their credit in school savings banks? Some city a long distance off? No, indeed! Long Island City is the place, and the way it happened is this: The school bank system began in France, in the early part of 1834, when M. Dula, master of the Common School in Le Mans, opened the first savings bank. The new plan grew in favor, and to-day is encouraged by the Governments of France, England, Belgium, Germany, Austria, Italy, Spain and various other countries. In Paris the system has been put through a thorough test. Two hundred and twenty schools have adopted it. The records show that 60,000 pupils have deposited over $260,000. This system was tried in this country as long ago as 1876, but gained no headway until Prof. J. H. Thiry, a French educator, who came to this country for his health, introduced the system into the public schools of Long Island City on March 16, 1885. The experiment has been most successful, and interest has broadened in the work until over 80,000 scholars are depositors of nearly $1,000,000. Schools in various parts of the United States have adopted this system, nearly one-fourth of these being in Pennsylvania. The system is simple. The first thing is to interest the school authorities and teachers. The co operation of a savings bank must also be secured. The bank assumes the cost of printing the deposit books. This is the way it worked in Long Island City. Having made preparations and set a day for collecting the first savings of pupils, their parents and the public were informed by the teachers and by the friends of the system in private schools. On the morning of collection the roll is called by the teacher and each child responds if he wishes, by paying money. The teacher marks the amount given on a card opposite the proper date, and also in the roll-book. The card belongs to the pupil, and serves as a receipt. The first deposit is then made in the bank in the name of the principal or teacher. But when a child has saved $1, he gets a bank book of his own, and becomes, through the school, a regular patron of the savings bank. When his deposit has reached $3 or $5, as the bank decides, he draws interest on his money. During vacation the child may deposit or withdraw money, requiring the signature of the parent or guardian on the blank. Some of the children of Long Island City have quite large sums of money to their credit, and this teaches them in early life to look after their money.

ENGLISH TAXES.—Birth is taxed, marriage is taxed, death is taxed. Commodities are taxed, manufactures are taxed, trades are taxed, houses are taxed, incomes are taxed. We are taxed for our butler, if we are prosperous enough to keep one. We are taxed for our footman, groom, or gardener. The carriage we keep is taxed, the omnibus we take is taxed, the railway train we travel by is taxed. The house dog is taxed, and so also the heraldic device on our note paper. Everything we drink is taxed—beer, spirits, wine, tea, coffee—and even for the water we drink, there is the water rate. Light is taxed through the medium of the gas rate. The land we walk upon is taxed, the tobacco we smoke is taxed, the gold or silver jewelry we wear, the eau de Cologne perfuming our handkerchief, the figs we eat on Palm Sunday, the Christmas plum pudding, these are all taxed. Even our anti-bilious pills are not free. All these, and they are but a few of the taxes that exist, are mostly imperial taxes for the purpose of government—some of them, however, are assigned to the Country Councils. There are also local rates, which are but local taxes, for the poor, Country Council, police, voting, lists, street lighting, paving, watering, etc., sewers, School Board and Vestry. Householders, lodgers, married and single, men, women and children are all taxed in some form or other, for taxation is devised to reach every one. The late Lord Sherbrooke (Robert Lowe), when Chancellor of the Exchequer, calculated that one-ninth of our income is taken from us for imperial taxation—but the proportion is more now, and is growing. Local taxation is not much less.—*Temple Bar.*

THE BANK OF ENGLAND has decided to appoint women as clerks. Various merchants' offices in London are doing the same thing, and in certain branches of the civil service women are being employed.

INTEREST.—In 1632 Gustavus Adolphus, King of Sweden, the defender of Protestantism in Germany during the thirty years' war, fell at Luetzen, though his

soldiers won that battle. At that period the Swedish exchequer was empty, notwithstanding their military successes, because they did not plunder. Their conquests in Germany had to be abandoned unless money was forthcoming in some shape. Then wealthy Protestant merchants in various cities of North Germany raised funds and made loans which enabled the Swedes to continue the war. One of these was Jacob Kriewes, a merchant of Lubeck, who advanced sixty-eight thousand five hundred silver dollars and received a full-fledged acknowledgment of indebtedness with promise to pay in eight years, and allowance of six per cent. interest. This debt was never paid. On the back of the acknowledgment Queen Christina, Gustavus Adolphus's daughter, approved the claim. Demands for payment were made in 1670, 1716, 1721, 1766, 1802 and 1816, and every ten years thereafter, and all without success. The amount would now sum up $4,000,000, but the present heir will content himself with $205,000. That is worse than the French indemnity claims.

Eastern States.

New Haven, Conn.—The building to be erected by the First National Bank of New Haven, at the corner of Church and Crown streets, will be the finest and highest office building in that city. The first two of the eight stories will have stone fronts and above that Pompeiian brick and terra cotta will be used. The structure has a frontage of 105 feet on Church street and 105 feet on Crown. It is of steel frame work and fire proof throughout. The bank will occupy the basement and first floor, and the other floors will be used for offices.

Boston, Mass.—On the 6th of March, Treasurer Curtis C. Nichols, of the Five Cents Savings Bank, celebrated his eightieth birthday amid the circle of his friends and family. For forty years, just one-half of his long life, he has been connected with the Five Cents Savings Bank, and during that time he has not missed a day from work or had a vacation of any sort. He has not been absent during any part of the day, or late more than ten minutes. Even on such an occasion as yesterday he could not be induced to break this record, and his eightieth birthday found him at his desk. At the bank a pleasant surprise awaited him, and he was presented by the employes with a handsome pillow of roses, and suitable bouquets were given him by the president, trustees and other officials. At the close of his work he returned to his home, 11 Magazine street, Cambridge. A number of the old-time residents of Cambridge dropped in during the afternoon to offer their congratulations and good wishes to him. The Rev. David M. Beach, of the Prospect Street Congregational Church, and a number of its members came early in the evening and spent an hour with him, and floral tributes and letters of congratulation were sent from others. The day was one full of excitement, and he was much fatigued. After sitting at the dinner reunion he retired. Mr. Nichols was born at Freetown, Bristol County, March 6, 1814, the oldest of three sons, and a lineal descendant of the Bradfords and Winslows of Mayflower memory, on his mother's side. He received his education at the Bridgewater Academy, and after his graduation entered a dry goods house in this city. He was quite ambitious for a young man, and at the age of nineteen opened a store of his own on Prospect street, New Bedford, but with unhappy ends, as two years after he failed. He then returned to his father's home and began his studies again, taking a special liking to literature. Mr. Nichols was a pronounced anti-slavery advocate, and commenced contributing to the Abolitionist weekly paper in Boston, and afterwards became its editor. He also became connected with several other newspapers, and was elected to the Legislature in 1871 and 1872. He has twice been married and has three daughters, his only son having died while a cadet at Annapolis with consumption two years ago.

New Hampshire.—The Manchester (N. H.) *Mirror* says several large banks, one at Dover and one at Portsmouth, have already taken the initiative and have reduced their interest on deposits to 3 per cent., and it is understood that the bank commissioners will recommend that all the banks follow suit. The banks in Manchester have always been among the most enterprising and liberal in New Hampshire, and have never reduced their dividend until it appeared to be absolutely necessary, and generally long after the other banks of the State had taken such action. The steady decline in the value of all securities has, however, forced their

rate of interest slowly and steadily from 6 per cent. to 5, and then to 4½ and 4, and then to 3½, and now it seems that it must go to 3. As a matter of fact, the margin, after paying the State tax and paying the depositor 3 per cent. for the use of his money, is of the narrowest, and any larger dividend to the depositor is thought to be improbable, and it is believed that the entire savings banks of the city will come to a 3 per cent. basis during the present year.

NEW YORK CITY SAVINGS BANKS.—On January 1, 1894, the resources of the savings banks of the State of New York were $13,919,544 smaller than on January 1, 1893. The surplus was $1,610,992 less. New York suffers the greatest loss, $6,784,000, and a decrease of $1,162,000 of surplus. The statements of the New York City savings banks, as made to the Banking Department for the year ended December 31, 1893, are as follows:

Banks.	*Resources.*	*Due Depositors.*	*Surplus.*	*Open Accounts.*	*Amount Deposited.*	*Amount Withdrawn.*
Bowery	$57,502,700	$48,957,397	$8,545,303	103,042	$8,259,427	$10,180,722
Bank for Savings	53,955,585	47,419,209	6,536,376	115,255	7,358,397	9,655,562
Emigrant Industrial	49,623,279	42,617,852	7,005,427	74,639	11,926,023	14,016,854
Seamen's Bank	39,588,470	32,509,406	7,079,064	72,441	6,502,681	7,373,407
German	33,123,413	30,115,035	3,008,378	79,429	9,182,783	10,714,294
Greenwich	29,084,554	25,377,434	3,705,253	54,342	6,435,476	6,057,668
Dry Dock	19,442,146	17,686,581	1,755,565	48,661	5,455,244	7,019,877
Union Dime	14,004,846	13,277,465	727,144	55,948	4,850,328	5,575,966
Citizens'	11,900,432	10,568,421	1,332,010	29,116	3,482,056	5,088,162
East River	12,420,849	10,346,892	2,073,956	16,408	3,060,594	3,212,694
New York	10,691,693	8,770,771	1,920,922	17,689	2,151,181	2,441,312
Manhattan	9,206,183	8,161,243	1,041,939	18,083	2,862,170	3,067,839
Irving	6,441,695	5,745,856	694,838	13,035	1,411,919	2,648,367
Institute for Savings of Merchants' Clerks	6,816,607	5,997,450	819,157	12,802	1,674,497	1,868,120
Franklin	6,691,698	6,064,866	626,832	23,581	2,654,285	2,979,433
Harlem	6,028,362	5,612,667	415,695	23,408	2,891,952	3,425,859
Broadway	5,103,510	4,681,470	422,040	7,703	1,200,305	1,665,247
Metropolitan	4,586,785	4,081,638	505,147	9,214	1,117,393	1,464,720
North River	3,700,680	3,475,531	225,148	12,067	1,596,002	1,859,116
Excelsior	1,314,164	1,292,714	21,450	5,578	1,056,611	1,105,148
American	746,827	720,646	25,680	3,717	308,285	387,769
West Side	521,453	503,234	18,218	3,461	272,092	316,355
Twelfth Ward	379,735	377,613	2,121	2,580	389,913	393,162
United States	320,640	319,325	1,315	3,862	321,821	307,585
Dollar	98,540	98,533	7	1,692	98,783	118,536
Total	$383,294,857	$334,782,259	$48,508,994	807,813	$86,511,227	$104,113,786

NEW YORK CITY.—E. N. Howell, president of the Sherman Bank, has tendered his resignation. Mr. Howell has been president of the Sherman Bank since July, 1893, and has served without salary and solely with the intent of building up the bank. He will join a private banking enterprise in Wall street.

BROOKLYN, N. Y.—The new and handsome building of the Broadway Bank, on Graham avenue, near Broadway, has been opened for business. The completion of this handsome building, which is a great ornament to that busy section of the city, at Broadway and Graham avenue, marks a great step in the advancement of the business interest and of the upper part of the Eastern District. The bank was organized in 1888 by a number of men well known in business circles, and it began business on January 8th of that year. The well-known business qualities of the men interested in the institution brought it almost immediate success, and its progress has been steadily upward ever since. It has grown from year to year, and so great is the confidence of the manufacturers and storekeepers in the management of the bank that it has now about 1,500 depositors and is doing a safe and conservative business. The officers of the institution are president, Henry Batterman; first vice-president, John H. Schumann; second vice-president, William Lamb, and cashier, E. M. Hendrickson. The board of directors consists of the following well-known gentlemen: H. Batterman, Louis Bossert, George H. Fisher, H. S. Hollingsworth, William Lamb, Charles Miller, Charles Naeher, H. B. Sharmann, Millard F. Smith and John H. Schumann.

SCRANTON, PA.—A good bank stock is very much like a good wife—a faithful companion and a joy forever. Our attention was recently called to an interesting fact concerning an investment in stock of that most successful institution, the First National Bank of Scranton, Pa. A gentleman bought 100 shares of the stock of that bank in 1863 and paid therefor $10,000. On November 20th last he sold the same shares and received $60,000 for them. But that represents only one-half of the return he got upon his investment, for in the thirty years he held the shares he received $60,000 in dividends. We need not stop to figure out the rate of return the investor received upon his original investment of $10,000, but the fact that his $10,000 brought him in an average income of $2,000 per annum for thirty years, and at the end of that time yielded him six times the amount of his investment is sufficient to show how profitable a first-class bank investment sometimes is. We hear a good deal about bank failures, of directors who don't direct, of bank officials who are untrue to their trust, and other sensational talk, for which the newspapers of the present day seem always to find room while there is rarely space for commendatory notices that don't yield a revenue of so much per line. Still the fact is that the banking business of this country is generally on a sound and a paying basis. The interests of bank shareholders are cared for with the most scrupulous honor, and what the First National of Scranton has done for the owners has been done by thousands of banks throughout the country. In no other business is the standard of honor, of fair dealing and of intelligent management higher than in the banking business, and if the profits are large, the service and merits of our banks are greater. The bank which yields the largest profits to its owners is invariably the bank which is of the greatest use to the community it serves. The profits as between the bank and its customers are reciprocal.

LEBANON, PA.—The capital stock of the Farmers' Bank, Lebanon, has been increased from $50,000 to $100,000.

PHILADELPHIA.—The Northern National Bank has occupied its handsome new structure, at the intersection of Germantown avenue, Seventh and Dauphin streets. As a specimen of architecture, the new property is one of the handsomest bank buildings in the city and a great improvement to the neighborhood. A broad flight of steps leads from the street corner up to an ornate entrance, through which one passes to a beautiful interior, finished with the very latest outfit of a modern banking house. The exterior shows a rise of two stories from a rough surbase of stone, while the window decorations and roof copings are of unique and elaborate design. The new building is eminently adapted in every way for the purpose for which it was erected, and will meet the demands of the bank's increasing business.

WESTERN STATES.

ROCKFORD, ILL.—Goodyear A. Sanford, president of the Second National Bank, died on the 2d of March. He was born in Connecticut in 1814 and went to Rock-

ford in 1837. His banking history began about 1852, as a member of the firm of Dickerman, Wheeler & Co., which was soon succeeded by Lane, Sanford & Co. The latter firm organized the Second National Bank in 1864. He was a director and cashier from the organization until 1881 when, on the resignation of R. P. Lane, he was elected president, which office he has since held by annual re-election. He was devoted to the bank, giving as many hours as any employe, up to the very day of his death. Few men of his age had such vigor of mind and body combined with rare judgment and capacity for work.

IOWA.—A well attended meeting of the Executive Council of the Iowa Bankers' Association was held March 7th, at Des Moines, and an interesting programme was arranged for the eighth annual meeting of this association to be held at Des Moines, June 13 and 14. Among those who will deliver addresses at this meeting are Hon. G. H. Carr, Emmetsburg; Hon. J. H. McHugh, Cresco; Hon. Fred. Heinz, Davenport; Hon. E. R. Hays, Knoxville; Hon. S. B. Zeigler, West Union; Major Hoyt Sherman, Des Moines; Senator Lewis, Seymour; W. D. Evans, Hampton; T. A. Black, Sioux City; C. R. Hannan, Council Bluffs; Hon. C. F. McCarthy, Des Moines, and S. F. Smith, Davenport. These addresses, with discussion of same, and of a few special matters and of resolutions to be introduced, together with reports of officers, etc., will make this an interesting occasion, and when added to this is the acquaintances made and renewed, with the fund of general information picked up, these occasions become splendid dividend paying investments. Already there are indications that this will be one of the best and most largely attended conventions ever held by this association. Des Moines bankers are preparing to give the association a royal welcome.

DETROIT, MICH.—One of the oldest National banks is the First National of Detroit, its official number being 97. It is also one of the most successful. It was reported some time since that it was to be consolidated with two other banks, but this is a mistake. Doubtless there will be many bank consolidations in the near future in order to lessen expenses and for other reasons, but the First National of Detroit is in too strong and growing condition to need any aid of that kind.

DETROIT, MICH.—Andrew McLellan, the banker, who died on the 19th of March, was born in Braehead, Lanarkshire, Scotland, March 23, 1837, and came to America when nine years old. His father, Rev. John McLellan, left his family of five children at Montreal temporarily, while he came to Detroit to look into the call that had been extended to him by the Scotch Presbyterian church, of Detroit, at that time a frontier town. During that winter Andrew attended school in Montreal, and there gained some knowledge of the French language. In the spring of 1847, having accepted the call, the Rev. Mr. McLellan brought his family to Detroit; and to the time of his death he followed his calling of minister in various towns in Eastern Michigan. Andrew attended the Miami avenue school, and later the Capitol school. At the age of fourteen he entered the employ of a stationery store on Jefferson avenue, but at the end of a few months was given a place in the banking house of the late William A. Butler. From that time until his death, Mr. McLellan had been continuously in the banking business. He was with James L. Lyell until that gentleman left the city, and then with the late Vincent J. Scott until 1877, when he formed a partnership with George Anderson. This firm was established May 1, 1877, and was a private banking concern, enjoying the confidence and patronage of a very large circle of customers. Last May the character of the banking was changed and the firm became the McLellan & Anderson Savings Bank. Mr. McLellan was the president and, in connection with Mr. Anderson, was in the active management of the institution.

ST. PAUL, MINN.—There is an old story that would be moss-grown if it had not been passed around so often that it is worn bright, about a woman whose thoughtful husband had given her a bank account against which she checked until her husband informed her that her account was overdrawn. The woman, to convince her husband that he was mistaken, produced her check book with the triumphant statement that she had a whole lot of blank checks left. Inquiry at some of the leading banks in St. Paul, however, reveals the fact that the story is an undoubted libel on womankind, and the cashier at one banking house is authority for the statement that they are on the average as good "business men" as their husbands.

Neither do they indorse their checks on the wrong end, as their husbands and brothers are so fond of charging them with doing. In fact, in this respect, they are even more accurate than most of the men with whom the banks have to deal. One of the banks in the city seems to have a prejudice against the women depositors, however, and accuses them, or many of them, of indorsing their names all over the back of their checks, some of them even going so far in this direction as to write their names lengthwise. Whether this is true or not, it must be taken with a grain of salt, as the only hard things that were said against the ladies were said by the attaches of this one bank. A thorough investigation failed to reveal any very striking peculiarities in their general method of doing business. To be sure, most of those who keep open accounts with the banks are apt to give the clerks an amount of work greater in proportion to the size of their deposits than the men depositors. Then the deposits themselves are apt to be small, and some women have a habit of drawing small amounts at a time and drawing often. But this habit is probably fostered by the pernicious habit of husbands in giving their wives small allowances, and they, being naturally desirous of having a balance in the bank, only draw out as much as they are going to need for the time. When the women are doing business for themselves, depositing their own incomes and earnings, it has been observed that they are apt to take certificates of deposit instead of keeping an open account. As among men, women depositors are of all ages and of all walks of life, from the girl in her "teens,' whose father has placed an account to her credit, to the octogenarian who climbs slowly and feebly up the steps at stated periods. It is impossible to estimate the number of the women depositors in St. Paul, or the amount of their deposits, for the banks guard the secrets of their depositors' bank accounts with true professional fidelity. There are several women in St. Paul who carry good sized accounts at the banks, and the First National has deposits of cash on which certain women can draw their checks for $10,000 with assurances that the drafts will be honored. As a rule the ladies who deposit money in St. Paul banks are married, and especially is this true in the banks where only large accounts are taken. The banks that take the small accounts get most of the deposits of the women who have to earn their own living. In this connection it is a curious fact that handsome tellers have been found to be a great factor in attracting customers. But they have their drawbacks in attracting a number of young women who like to have their money counted over two or three times and stop and chat a few minutes with the teller. One of the banks was so troubled some time ago on account of this habit that had been formed by several of their female depositors that in lieu of getting rid of the tellers who are noted for their good looks, they issued a little pamphlet which they offered to each lady doing business with the bank. It consisted of a series of suggestions to women as to the method to be pursued in doing business with banks, in the course of which it casually mentioned that the time of the tellers was valuable, and dropped a hint that they were not there to develop their conversational powers. The little books were not very popular, however, with those for whom they were intended, and most of the women, as soon as they recognized its character, refused to receive a copy, evidently taking the offer as a stricture on their business ability.—*Pioneer Press.*

MIDDLETOWN, OHIO.—The teller of the Merchants' National Bank of Middletown, Ohio, one of the richest country banks in the West, and the depository of the great tobacco section of the Miami Valley, is Miss Louisa Smith, a remarkably pretty girl.

CHEYENNE, WYOMING.—One of the most prominent citizens in Wyoming died last month, Andrew Gilchrist, president of the Stock Growers' National Bank. In a lengthy account of him in the Wyoming *State Tribune*, that journal says: "Wyoming has few citizens within its boundaries whose death leaves as great a void as the demise of our respected townsman, Andrew Gilchrist. Identified as he was with many of our most important enterprises; possessing the confidence of Eastern capitalists; endowed with a practical judgment that was true and unerring, and having the confidence of the general public by reason of his sterling integrity, he was a tower of strength in whatever direction he moved. Coming up from the common people, he made his way by reason of those native traits of character peculiar to his nationality, industry and self-denial. Give a Scotchman half a chance and he will climb the ladder of fortune where others would give up in des-

pair. All who know of the life of Andrew Gilchrist will bear testimony to the fact that he was a good citizen and a good neighbor. He was a man who had faith in the outcome of an undertaking that was conducted upon sound business principles, and would have nothing to do with any other kind of an enterprise. He was not a speculator, but was ready to invest in a substantial enterprise. He had faith in Wyoming, but he had no confidence in many of the schemes that were proposed to him. He did not believe in booms, but never sacrificed property in periods of depression. He was one of the few cattlemen and land owners who pulled through the collapse of the business in a legitimate manner. His financial ability was also attested in the bank scare of last summer. The Stock Growers' Bank, of Cheyenne, of which he was president, transacted its business from day to day without the least variation of its rules. We refer to these matters for the reason that the life of the deceased was largely devoted to industrial and commercial enterprises, and yet he was a man who took a deep interest in political and religious matters and in all social questions. He was sincere and earnest in his beliefs and candid and outspoken in his views. With him it was not a question of policy or expediency in regard to a certain line of action, but whether it was right. He lacked the compromising element of character that softens the asperities of life, and was inclined to take the world too seriously for his own comfort and pleasure. He kept his own obligations to the letter and wanted those with whom he dealt to do the same. In a crisis like that of the past eight months the strain upon a man who has large and divergent interests must have been very great. The straighter a man stands the more he feels the financial disturbances. We do not mean to say that his illness was caused by his close and unremitting attention to his business, but it is our opinion that if he had more frequently thrown aside the cares of life and taken that rest and recreation which every business man now needs, his life would have been prolonged a score of years. The fact that his mother is left to mourn the death of her stalwart and rugged son is significant and speaks volumes to men who are engrossed in the pursuit of wealth."

SOUTHERN STATES.

BRUNSWICK, GA.—The National Bank of Brunswick, H. W. Reed, president, has been opened for business. The National Bank of Brunswick has perfected organization by paying in $150,000 as cash capital. There are twelve stockholders, and the officers are: H. W. Reed, president; C. Downing, vice-president; James H. Smith, cashier; W. E. Kay, W. B. Burroughs, Rosenda Torras, W. G. Brantley, H. H. Tift, directors. This bank is entirely distinct and independent from the First National Bank of Brunswick, the majority of the stockholders, both in holding number, being composed of those not previously connected with the First National.

LOUISVILLE, KY.—The attorneys for the Clearing House Association on the bank tax question have selected the Bank of Kentucky, the Louisville Banking Company and the First National Bank as the banks they will use to test the tax law as regards banks in the suits they will bring. These banks have been selected because they represent the different phases of the question at issue. The Bank of Kentucky was chartered prior to 1856, and has the fifty-cent clause in its charter, which it gave up to accept the Hewett law. The Louisville Banking Company was chartered since 1856, and it also has the fifty-cent clause in its charter, which also was given up to accept the Hewett law, and the First National Bank has been selected because it is the oldest chartered National bank in Louisville. Under the National Banking Law, National banks are to be taxed at the same rate that the most favored State banks are taxed in the State they are located. These three banks will between them bring out all the questions involved, and when a decision is reached by the courts it will cover all the points that can be raised.

LOUISVILLE, KY.—*The Louisville Times* in speaking of the reduction of the rates of interest by the banks in that city says: "Principally, those who will be affected are the country banks and the depositors of savings accounts in this city. At present the rate of interest allowed on the daily balance of all country correspondence is 3 per cent. In New York, Chicago and Boston the rate is but 1½ per cent., while in such cities as St. Louis, Cincinnati, Indianapolis and of like size, the rate varies from nothing to 2½ per cent. While the matter has long been

considered here, no definite action has ever been taken until yesterday afternoon, when, after an hour and a half's discussion, it was found that the reduction was generally desired. A vote was taken and not a dissenting voice was found. A committee composed of Capt. John H. Leathers, Chairman, and Messrs. E. C. Bohne and Pierre Viglini was appointed to draw up a circular embodying the plan and the result of yesterday's meeting, which will be sent broadcast throughout the country and to all depositors of local banks. A reduction of ½ per cent. will also be applied to all savings and time deposits in the Louisville city banks and all wage earners and savers will from the date of effect receive just fifty cents less on each $100 than they had in the past. The total amount of deposits in savings departments here on which no more than 3½ per cent. will be paid in the future is in the neighborhood of $20,000,000, which will not materially vary from one year's end to another. One half per cent. on this amounts to $100,000, which will annually accrue to the banks and is a sum of no little moment. The country correspondence amounts to about $5,000,000, and the reduction of ½ per cent. will mean just $25,000 less to the rural institutions. The banks which have the largest country correspondence in this city are the Louisville Banking Company, the Union National, the Citizens' National and the Second and the Fourth Nationals, while among those whose saving departments form large items of the whole may be mentioned the German Bank, the German Insurance Bank, the Louisville Banking Company and others."

BALTIMORE.—The presidents of the banks composing the Clearing House Association gave a dinner on the 4th of March to Mr. Enoch Pratt, president of the association, as a testimonial of their appreciation of his many years' service as president. The only guests besides Mr. Pratt were Mr. J. H. Eckels, Comptroller of the Currency, and Mr. Lawrence B. Kemp, National bank examiner for Maryland. Mr. J. B. Ramsay, president of the National Mechanics' Bank, presided, with Mr. Pratt on his right and Mr. Eckels on his left. There were no set speeches and there was but one toast. The toast was to Mr. Pratt, and it was proposed by Mr. C. C. Homer, president of the Second National Bank, who spoke of Mr. Pratt's long career as a banker, and paid a tribute to the careful and conservative manner in which he had managed the affairs of the Clearing House Association. Mr. Pratt's health was drunk in Madeira wine of the vintages of 1806 and 1815, which had been sent to him by Mr. Douglas H. Thomas, president of the Merchants' National Bank. Mr. Eckels spoke of the good record which the Baltimore banks had made during trying financial times—a record, he said, which was due to sound judgment and conservatism. Short speeches were also made by Messrs. J. D. Ferguson, W. W. Taylor and Wm. T. Dixon. Among those present at the dinner were Messrs. Douglas H. Thomas, Joshua Horner, John M. Littig, John R. Hooper, Thornton Rollins, A. H. Schulz, Henry James, W. J. Dickey, Nicholas M. Smith, John W. Hall, H. G. Vickery, George A. von Lingen, Christian Devries, J. B. Ramsay, E. G. Hipsley, James Clark, W. H. Shryock and J. H. Judik.

CHATTANOOGA, TENN.—The Executive Committee of the State Bankers' Association have been called together to determine where the next annual convention should be held. This was fixed for May 16 and 17, and it falls to Chattanooga. The sessions will probably be held on Lookout Mountain.

PACIFIC STATES.

PORTLAND, OREGON.—The stockholders of the Commercial National Bank have decided to increase the capital stock from $250,000 to $500,000. The increase in stock will be paid in at once by the Wells-Fargo Bank of San Francisco.

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

QUOTATIONS:	Mar. 5.	Mar. 12.	Mar. 19.	Mar. 26.
Discounts	4 @ 4½	4 @ 4½	3	3 @ 3½
Call Loans	1 @ 1½	1	1	1
Treas. balances, coin	$95,183,286	$96,170,318	$101,449,411	$104,985,309
Do. do currency	43,644,882	46,726,239	46,247,731	45,574,959

Sterling exchange has ranged during March at from 4.88 @ 4.89½ for sight, and 4.86¼ @ 4.87¾ for 60 days. Paris—Bankers', 5.16¼ @ 5.15 for sight, and 5.18⅛ @ 5.16⅞ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.86¾ @ 4.87½; bankers' sterling, sight, 4.88 @ 4.89; cable transfers, 4.88¼ @ 4.89½. Paris—bankers', 60 days, 5.18⅛ @ 5.17½; sight, 5.15⅝ 1-16 @ 515⅝. Antwerp—Commercial, 60 days, 5.19⅜ @ 5.18¾. Berlin—Bankers', 60 days, 95 3-16 @ 95¼; sight, 95⅝ @ 95 11-16. Amsterdam—Bankers', 60 days, 40 5-16 @ 40⅜; sight, 40 7-16 @ 40½.

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

1894.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
Mar. 3..	$439,303,400	$97,526,300	$111,187,900	$531,741,200	$11,640,000	$75,778,900
" 10..	439,949,500	97,363,800	111,545,500	533,103,700	11,533,700	75,623,375
" 17..	443,058,100	98,583,000	113,785,900	540,866,400	11,308,900	77,302,300
" 24..	445,574,400	98,652,400	116,541,600	544,465,400	11,243,000	79,077,650
" 31..	443,798,700	100,184,200	120,352,000	547,744,200	11,214,100	83,600,150

The Boston bank statement is as follows:

1894.	*Loans*	*Specie.*	*Legal Tender*	*Deposits.*	*Circulation.*
Mar. 3.....	$168,329,000	$10,302,000	$9,741,000	$161,303,000	$8,008,000
" 10.....	169,917,000	10,340,000	9,725,000	162,553,000	8,003,000
" 17.....	169,949,000	10,716,000	9,795,000	163,356,000	8,006,000
" 24.....	170,077,000	11,255,000	10,066,000	162,481,000	8,001,000
" 31.....	170,710,000	11,075,000	9,749,000	163,197,000	7,998,000

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

1894.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Mar. 3.....	$97,050,000	$37,577,000	$105,971,000	$4,861,000
" 10.....	97,739,000	37,919,000	106,693,000	4,834,000
" 17.....	98,725,000	37,315,000	107,950,000	4,840,000
" 24.....	99,061,000	37,813,000	108,531,000	4,826,000
" 31.....	100,020,000	37,253,000	109,581,000	4,833,000

DEATHS.

GILCHRIST.—On March 6, aged fifty-two years, ANDREW GILCHRIST, President of Stock Growers National Bank. Cheyenne, Wyom.

HEY.—On March 12, aged sixty-two years, RICHARD HEY, President of Manayunk Trust Co., Philadelphia, Pa.

IVES.—On March 19, aged eighty-four years, HOADLEY B. IVES, Treasurer of National Savings Bank, New Haven, Conn.

NICHOLS.—On March 12, aged eighty-one years, HORACE NICHOLS, President of City Savings Bank, Bridgeport, Conn.

ROOT.—On March 19, aged seventy-one years, J. H. ROOT, President of Crocker Institution for Savings, Turners Falls, Mass.

SANFORD.—On March 16, aged eighty years, GOODYEAR A. SANFORD, President of Second National Bank, Rockford, Ill.

SHAEFFER.—On March 16, aged eighty-two years, JOSEPH SHAEFFER, President of Farmers & Mechanics' National Bank, Westminster, Md.

STRAIT.—On February 25, aged fifty-nine years, HORACE B. STRAIT, President of Lyon Co. National Bank, Marshall, Minn.

TORREY.—On March 9, aged eighty-six years, JOHN TORREY, President of Honesdale National Bank, Honesdale, Pa.

TOWNSEND.—On March 18, aged eighty-one years, WASHINGTON TOWNSEND, President of the National Bank of Chester Co., West Chester, Pa.

WELTY.—On March 11, aged fifty-one years, C. C. WELTY, Cashier of Citizens' National Bank, New Philadelphia, Ohio.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from March No., page 717.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
ALA.	Clayton	Citizens Bank	National Park Bank.
	$31,000	Jas. J. Winn, *P.*	Julius E. Meadows, *Cas.*
		W. F. Wright, *V. P.*	
"	Geneva	Bank of Geneva	Imp. & Trad. Nat. Bank.
	$50,000	Richard Tillis, *P.*	Wm. J. Hall, *Asst.*
		C. A. O'Neal, *V. P.*	
ARK.	Stuttgart	German-American Bank	
	$5,000	R. W. Pearson, *P.*	J. W. Underwood, *Cas.*
		J. W. Searan, *V. P.*	
CAL.	Gonzales	Bank of Gonzales	
	$35,400	Alfred Widemann, *P.*	William Sarles, *Cas.*
		M. E. Gonzales, *V. P.*	
"	Woodland	Farmers & Merch. Bank	
	$105,000	D. N. Hershey, *P.*	M. O. Harling, *Cas.*
		Chas. G. Day, *V. P.*	
COL.	Lafayette	Bank of Lafayette	Third National Bank.
		(George R. Swallow.)	Wm. N. Hathaway, *Cas.*
DAK. S.	Fort Pierre	First Bank	Chemical National Bank.
	$10,000	Eugene Steere, *P.*	Glenn Steere, *Asst.*
		W. H. Thayer, *V. P.*	
DEL.	Wilmington	H. L. Evans & Co	Ladenburg, Thalmann & Co.
FLA.	Tampa	Exchange National Bank	
	$100,000	John Trice, *P.*	James B. Anderson, *Cas.*
GA.	Brunswick	Nat. Bank of Brunswick	National Park Bank.
	$150,000	H. W. Reed, *P.*	Jas. Herr Smith, *Cas.*
		C. Downing, *V. P.*	E. D. Walter, *Asst.*
IDAHO.	Genesee	First Bank	
		Jno. P. Vollmer, *P.*	Thos. H. Brewer, *Cas.*
			M. A. Means, *Mgr.*
ILL.	Fairfield	Pendleton, Johns & Co.	Third National Bank.
		Adam Rinard, *P.*	Ulla S. Staley, *Cas.*
		Geo. W. Johns, *1st V. P.*	Asa F. Keen, *Asst.*
IND.	South Whitley	Whitley Exchange Bank	
		(O. Gandy & Co.)	
IOWA.	Bode	State Bank	
	$30,000	Jabez B. Dennis, *P.*	Harry R. Dennis, *Cas.*
		T. O. Hanson, *V. P.*	
"	Brighton	Brighton State Bank	
	$25,000	G. M. Friend, *P.*	C. H. Lloyd, *Cas.*
"	Cedar Falls	State Bank	Hanover National Bank.
	$75,000	Charles A. Wise, *P.*	Homer N. Silliman, *Cas.*
		Joseph Sartori, *V. P.*	Wm. C. Nuhn, *Asst.*
"	Davis City	Farmers Bank	Gilman, Son & Co.
		E. D. Dorn, *P.*	A. E. Dorn, *Cas.*
"	Defiance	Security Bank	
	$10,000	B. F. Freeman, *P.*	B. F. Freeman, *Cas.*
"	Hawkeye	First State Bank	
	$25,000	S. H. Bevins, *P.*	M. V. Henderson, Jr., *Cas.*
		G. E. Dibble, *V. P.*	
"	Orient	Bank of Orient	
		Lewis Linebarger, *P.*	H. N. Linebarger, *Cas.*
"	Spirit Lake	Spirit Lake Savings Bank	
	$40,000	John W. Cravens, *P.*	L. D. Goodrich, *Asst.*
		Chas. P. Bennett, *V. P.*	
"	Tripoli	Tripoli Savings Bank	Chase National Bank.
	$10,000	Joseph F. Cass, *P.*	Edwin H. Martin, *Cas.*
		Geo. B. Cook, *V. P.*	
KAN.	Courtland	Bank of Courtland	
	$5,000	L. A. Golden, *P.*	E. G. Golden, *Cas.*
			Leo. Pyle, *Asst.*

State.	*Place and Capital*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
KAN.	Dodge City..... $6,000	Bank of Dodge City.....	Third National Bank. Edward F. Kellogg, *Cas.*
"	..Hill City..... $10,000	H. A. Coffin.....	National Bank of Republic.
"	..Narka $7,000	State Bank..... E. R. Fogg, *P.* J. M. Baker, *V. P.*	United States National Bank. G. E. Moore, *Cas.*
"	..Salina $50,000	National Bank of America. W. W. Watson, *P.* A. M. Claflin, *V. P.*	Chase National Bank. F. Hageman, *Cas.* M. C. Stevenson, *Asst.*
MICH.	Manistique.....	W. C. Marsh & Co.....	..... Willis C. Marsh, *Cas.*
MINN.	St. James	Citizens Bank..... Tolef K. Haugen, *P.* Hans Olson, *V. P.*	..... Hans M. Serkland, *Cas.*
MO.	Clinton..... $50,000	Citizens Bank..... Jas. M. Avery, *P.* W. A. Hastain, *V. P.*	Imp. & Trad. Nat. Bank. John L. Woolfolk, *Cas.* Paul Tyler, *Asst.*
MONT.	Basin..... $100,000	Kleinschmidt & Bro.....	Reinhold Kleinschmidt, *Cas.*
NEB.	DeWitt $30,000	DeWitt State Bank.. . .. Charles B. Anderson, *P.* Charles B. Bidelman, *V. P.*	..... Charles W. Rieger, *Cas.* Curtis W. Ribble, *Asst.*
"	..Franklin $5,000	Franklin Exchange Bank.. W. M. Lowman, *P.*	Hanover National Bank. F. E. Garratt, *Cas.*
"	..Smithfield..... $5,000	Bank of Smithfield..... (M. T. Jackson.)	..... Walker Smith, *Cas.*
"	..Spencer..... $5,000	Boyd Co. Bank..... Sanford Parker, *P.* H. E. Bonesteel, *V. P.*	Chase National Bank. Ulysses S. Adams, *Cas.*
N. J.	Somerville..... $50,000	Second National Bank.... John H. Lord, *P.* Geo. V. Vander Veer, *V. P.*	Chase National Bank. Alonzo H. Dayton, *Cas.*
N. Y.	Saranac Lake...	Potter & Co.....	Henry Clews & Co. Frank F. Potter, *Cas.*
N. C.	Wadesboro..... $50,000	First National Bank..... James A. Leak, *P.*	.....
OKL. T.	Pawnee..... $25,000	Bank of Pawnee ..... Frank M. Thompson, *P.* Geo. M. Berry, *V. P.*	..... Chas. E. Vandervoort, *Cas.*
PA.	Coudersport.... $50,000	First National Bank..... R. L. Nichols, *P.*	.... N. A. Pinney, *Cas.*
"	..East Berlin....	Leas, Miller & Co.....	..... Isaac S. Miller, *Cas.*
"	..Evans City $50,000	Citizens Bank..... Edward Dambach, *P.* Daniel Markel, *V. P.*	Kountze Bros. John Rohner, *Cas.*
"	..Pittsburgh $100,000	Mercantile Bank..... Wm. H. Graham, *P.* Jos. A. Langfitt, *V. P.*	..... Geo. D. McMorran, *Cas.*
"	..Port Royal..... $50,000	Port Royal Bank ..... John Hertzler, *P.* T. S. Moorhead, *V. P.*	Chase National Bank. William C. Pomeroy, *Cas.* W. R. Wharton, *Asst.*
TEXAS.	Fort Worth.... $150,000	National Live Stock Bank. Michael C. Hurley, *P.* Benj. J. Tillar, *V. P.*	National City Bank. Albert S. Reed, *Cas.* J. M. Logan, *Asst.*
UTAH	Salt Lake City..	Bank of Salt Lake..... James H. Bacon, *P.* H. M. Bacon, *V. P.*	Third National Bank. Frank L. Holland, *Cas.* W. B. Holland, *Asst.*
VT.	Swanton $50,000	Peoples National Bank... James E. Farrell, *P.* A. J. Ferris, *V. P.*	Third National Bank. A. A. Mitchell, *Cas.*
WASH.	Centralia..... $25,000	Frank Hense..... ...	Chase National Bank. E. L. Bickford, *Cas.*
"	..Ocosta..... $15,000	Bank of Ocosta..... Frank G. Deckebach, *P.* V. Wattier, *V. P.*	Hanover National Bank. Harry K. Shockley, *Cas.*
"	..Tacoma..... $200,000	Bank of Tacoma.. ..... Wm. Burton Allen, *P.*....	..... Gratton H. Wheeler, *Cas.* Nathan C. Richards, *Sec.*

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
Wis....	La Crosse.....	John Lienlokken (Re-opened).	Seaboard National Bank.
" ..	Milwaukee $350,000	Commercial Bank (Re-opened). John G. Flint, *P.* A. B. Geilfuss, *V. P.*	Continental National Bank. Thomas E. Camp, *Cas.*
" ..	Poynette.....	Bank of Poynette	..... Hugh P. Jamieson, *Cas.* John C. Jamieson, *Asst.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from March No., page 715.)

Bank and Place.	Elected.	In place of.
N. Y. City. Gansevoort Bank.....	F. J. Van Orden, *Cas.*..	F. J. Van Orden, *Actg.*
" Sherman Bank.....	Louis C. Fuller, *P*	E. N. Howell.
" .. United States Mortgage Co..	Geo. W. Young, *P*.....	Charles R. Henderson.
	James Timpson, *2d V. P.*..	Geo. W. Young.
	Arthur Turnbull, *Tr*.....	Geo. W. Young.
	Clark Williams, *Asst. Tr*..	Arthur Turnbull.
Ala.... Bank of Opelika.....	J. M. McNamee, *P*.....	W. B. Shapard.
Ariz.... Valley Bank, Phoenix.	Wm. Christy, *P*.....	A. Crawford.
	M. W. Messinger, *Cas*.....	Wm. Christy.
Ark.... Camden National Bank, Camden.	W. E. McRae, *P*.....	Chas. N. Rix.
	A. A. Tufts, *V. P*.....	W. E. McRae.
" .. Washington Co. B., Fayetteville.	C. W. Trott, *Cas*.....	A. L. Trent.
" . Bank of Pine Bluff, Pine Bluff.	Thos. S. James, *P*.....	Isaac Dreyfus.
	J. M. Gracie, *V. P*.....	R. G. Atkinson.
" .. First Nat. Bank, Russellville...	A. Bernard, *V. P*...	R. F. Roys.
Cal.... Savgs. B'k. of S. California, Los Angeles.	W. D. Woolwine, *Cas*.....	John N. Hunt.
" .. Security Savings Bank, Los Angeles.	F. N. Myers, *P*.....	T. L. Duque.
	T. W. Phelps, *Cas*.....	J. F. Sartori.
" .. State Loan & Trust Co., Los Angeles.	John W. A. Off, *Cas*.....	J. F. Towell.
" .. First Nat. Bank, Monrovia.....	John H. Bartle, *P*.....	I. W. Hellman.
" .. Central Bank, Oakland.....	John Crellin, *P*.....	J. C. Ainsworth.
" .. Bank of Shasta Co., Redding.	H. F. Johnson, *P*.....	Chas. Cadwalader.
	C. C. Bush, *Cas. & Mgr*...	.....
	C. C. Bush, Jr., *Asst*... ...	C. F. Cadwalader.
" .. First National Bank, San Diego.	Chas. B. Richards, *V. P*....	G. A. Garrettson.
	J. E. Fishburn, *Cas*.....	W. D. Woolwine.
" .. First Nat. Bank, Santa Ana....	W. B. Hervey, *P*.....	W. H. Spurgeon.
Col.... Union Nat. Bank, Denver.....	Wm. N. Byers, *2d V. P*....	.....
" .. First Nat. Bank, Greeley.....	Asa Sterling, *V. P*.....	Wm. Mayhew.
Conn... Nat. Savings Bk, New Haven..	Julius Twiss, *Tr*.....	Hoadley B. Ives.*
" .. Meriden Trust & S. D. Co., Meriden.	Walter Hubbard, *P*.....	Isaac C. Lewis.*
Dak. N. Second Nat. Bk, Grand Forks..	D. S. Doyon, *Cas*..... ...	A. W. Clarke.
" .. First Nat. Bank, Larimore.....	F. C. Gregg, *Asst*.....	W. E. Fuller.
" .. Peoples Bank, Wahpeton.....	T. L. French, *P*.....	.....
Del.... Sussex Nat. Bank, Seaford.....	Clarence Donoho, *Cas*.....	H. M. Wright.
D. C.... Central Nat. B'k, Washington.	H. Browning, *V. P*.....	James L. Barbour.*
Fla.... Volusia Co. Bank, De Land.	A. D. McBride, *P*.....	H. H. Clough.
	Frank E. Bond, *Cas*.....	J. B. Clough.
" .. First Nat. B'k, St. Augustine...	James E. Ingraham, *V. P*..	Geo. Burt.
Ga..... Bank of Sumter, Americus.....	W. C. Furlow, *Cas*.....	T. N. Hawkes.
" .. Merchants Nat. Bank, Rome...	W. P. Simpson, *V. P*.....	J. A. Glover.
Idaho.. Capital State Bk, Boise City...	H. E. Neal, *Cas*.....	W. E. Mitchell.
" .. First National Bank, Lewiston.	A. W. Kroutinger, *Cas*..	A. W. Kroutinger, Jr.
Ill..... Bank of Antioch.....	A. Meinhardt, *Cas*.....	U. J. Lewis.
" .. Third Nat. Bank, Bloomington.	E. Horr, *P*.....	E. Horr, *Actg.*
" .. First Nat. Bank, Chester.....	D. H. Holman, *Asst*.....	H. W. Roberts.

* Deceased.

Bank and Place.	*Elected*	*In place of.*
ILL....State Bank, Clinton.	D. T. Gay, *P.*.....	.....
	L. R. Murphey, *Cas*.....	J. H. Harrison.
" ..Elgin National Bank, Elgin....	D. E. Wood, *V. P.*.....	Wm. Andrews.
" ..L. M. Yocum & Co., Galva..	O. E. Yocum, *P.*.....	L. M. Yocum.
	R. B. Yocum, *V. P.*.....	O. E. Yocum.
	G. D. Pocock, *Cas.*	W. D. Patty.
" ..Dulaney Nat. Bank, Marshall...	Bert Bryan, *Asst*.....	.....
" ..Yorkville Bank, Yorkville.	W. R. Newton, *P.*.....	Chas. E. Moore.
	Robt. N. Newton, *Cas*.....	W. R. Newton.
IND. T..Purcell Nat. Bank, Purcell.....	E. C. Gage, *Cas*.....	A. T. Ball.
IOWA...First Nat. Bank, Algona.....	C. D. Smith, *Asst*.....	.....
" ..Des Moines N. B., Des Moines.	W. W. Lyons, *P.*.....	R. T. Wellslager.
" ..City Nat. Bank, Mason City...	J. E. E. Markley, *V. P.*....	O. T. Denison.
" ..Cherokee Co. State B., Meriden.	M. C. Runsburg, *Act. Cas.*.	.....
" ..Oto Bank, Oto.....	W. J. C. Smith, *P.*.....	P. Morris.
" ..Redding Bank, Redding.	F. B. Smith, *P.*.....	Robert Winning.
	C. K. Smith, *Cas*.....	Frank Stoddard.
" ..Security Nat. Bank, Sioux City.	F. C. Swan, *Asst*.....	.....
" ..State Savings Bank, Sioux City.	C. C. Wales, *P.*.	H. M. Bailey.
	H. M. Bailey, *Cas*.....	D. L. Pratt, Jr.
" ..Farmers Bank, Swan.	James Logan, *P.*.....	Miles Jordan.
	Wilbur S. Camp, *Cas*.....	W. S. Jordan.
" ..First Nat. Bank, Waterloo.....	J. W. Krapfel, *V. P.*....	Andrew McElhinney.
KAN....First Nat. Bank, Anthony. ...	J. F. Corrigan, *V. P.*.....	T. B. Smith.
" ..Cimarron Bank, Cimarron.....	C. S. Warner, *Cas*.....	Walton J. Conkle.
" ..Citizens Nat Bank, Concordia..	John Kelly, *Cas*.....	J. W. Peterson.
" ..First National Bank, Dighton.	P. R. Eaton, *V. P.*.....	C. L. Higday.
	N. M. Cheever, *Asst*.....	.....
" ..Bank of Kansas City.....	W. G. Porter, Sr., *P.*.....	John O. Fife.
" ..Fourth National Bank, Wichita.	W. K. Clifford, *V. P.*.....	J. T. Campbell.
KY.....Three Forks Deposit Bank, Beattyville.	J. M. Sebastain, *P.*.....	John G. McGuire.
" ..State National Bank, Frankfort.	H. P. Mason, *V. P.*.....	.....
	F. V. Gray, *Asst*.....	Jacob Swigert.
LA.....Union National Bank, New Orleans.	S. Chalaron, *P.*.....	Carl Kohn.
	S. O. Thomas, *V. P.*.....	S. Chalaron.
ME.....First National Bank, Bath.....	John R. Keller, *V. P.*.....	J. D. Robinson.
" ..Bucksport National Bank, Bucksport.	Edward Swazey, *P.*.....	N. T. Hill.
	John N. Swazey, *Cas*.....	Edward Swazey.
MD.....Baltimore Clearing House, Baltimore.	Enoch Pratt, *P*	.....
" ..Second Nat. Bank, Bel Air.....	Thos. H. Robinson, *P.*....	J. T. C. Hopkins.
MASS...Nat. B. of N. America, Boston.	H. C. Jackson, *P.*.....	Isaac T. Burr.
" ..Home National Bank, Brockton.	Preston B. Keith, *P.*.....	Rufus P. Kingman.*
	Fred B. Howard, *V. P.*....	P. B. Keith.
	W. B. Smith, *Cas*.....	Fred B. Howard.
" ..Martha's Vineyard Nat. B'k, Edgartown.	Samuel Keniston, *Cas*.....	Noah Swett.
	John E. White, *Asst*.....	.....
" ..Foxborough Savings Bank, Foxborough.	Edward M. Phelps, *Tr*....	Eli Phelps.
" So. Scituate Savings Bank, South Scituate.	Henry Norwell, *P.*.....	John F. Simmons.
MICH...Superior Sav. B'k, Hancock....	M. C. Getchell, *Asst*...	Jos. F. Hambitzer, *Cas.*
" ..Farmers Bank, Mason..... ...	A. J. Hall, *Cas*.....	J. M. Dresser.
" ..State Bank, Midland.....	F. E. Barbour, *Asst*	Wm. D. Marsh, *Cas.*
" ..First National Bank, Ovid.	E. De Camp, *P.*.....	R. M. Steel.
	H. A. Potter, *V. P.*.....	E. De Camp.
" ..Farmers Exch. B., St. Charles..	E. E. Burdick, *Cas*.....	M. C. Burdick.
MINN...First Nat. Bank, Alexandria....	P. O. Unumb, *Asst*.	.....
" ..State Bank, Anoka.	George D. Bartlett, *P.*.....	John M. Bartlett.
	H. S. Plummer, *V. P.*.....	N. S. De Mille.
" ..First Nat. Bank, Appleton.....	Edward Lende, *Cas*.....	L. B. Tadsen.
" ..Marine National Bank, Duluth.	Frank E. Searle, *P.*.....	Thos. Cullyford.
	Thos. Cullyford, *V. P.*....	N. J. Miller.
" ..Exchange Bank, Farmington.	F. H. Willcom, *P.*.....	Martin Meeker.
	C. H. Davis, *Cas*..... ...	T. C. Davis.
" ..State Bank, Hector.	G. S. Eichmiller, *Cas*.....	T. F. Miller.
	H. A. Read, *Asst*.....	.....

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
MINN.	Trosky State Bank, Trosky	A. L. Sloss, *Cas*	E. E. Briutnall.
MISS.	First National Bank, Aberdeen	J. P. Benson, *V. P*	.....
"	Delta Bank, Greenwood	C. K. Marshall, *Cas*	Thos. E. Mount.
MO.	Farmers & Traders Bank, California.	F. B. Lander, *V. P* C. A. Burkhardt, *Cas*	..... F. B. Lander.
"	First National Bank, Hannibal	W. F. Chamberlain, *A. C*	W. A. Latimer, *Cas.*
"	American Nat. B., Kansas City	T. H. Beekman, *Cas*	A. A. Whipple.
"	Sullivan Co. Bank, Milan	Caleb Payne, *P*	S. Boynton.
"	Bank of New Market, New Market.	J. S. Williams, *P* D. S. Logan, *V. P*	D. S. Logan. .....
"	Novelty Savings B'k, Novelty	J. S. Perry, *P*	L. E. Townson.
"	American Nat. B'k, Springfield	T. A. Miller, *Cas*	A. B. Crawford.
"	Commercial Bank, Springfield	W. W. Whaley, *P*	Wm. D. Sheppard.
"	National Bank of St. Joseph, St. Joseph.	Jas. N. Burnes, Jr., *2d V. P* L. C. Burnes, *3d V. P*	C. C. Burnes. .....
"	Mississippi Valley Trust Co., St. Louis.	De Lacy Chandler, *Sec*	Breck Jones.
NEB.	Carroll State Bank, Carroll	R. D. Merrill, *Cas*	C. C. Freeborn.
"	First Nat. Bank, Fairbury	F. F. Gay, *V. P*	J. B. McDowell.
"	First Nat. Bank, Fairfield	W. T. Newcomb, *P*.	J. Shively.
"	First Nat. Bank, North Platte	Earnest Davis, *V. P*	.....
"	Nebraska National Bank, Omaha.	J. S. Collins, *V. P* W. H. S. Hughes, *Asst*	R. C. Cushing. .....
"	First National Bank, Ravenna.	Franklin Edgerton, *P* C. A. Smith, *V. P*	O. M. Carter. W. W. Pool.
"	First National Bank, Seward	F. B. Langworthy, *Asst*	Silas Figard.
"	First National Bank, Stanton	F. McGiverin, *V. P*	.....
"	Citizens State Bank, Wood River.	W. W. Mitchell, *P* W. I.. Sprague, *Cas*	James Jackson. Ross R. Root.
N. J.	Farmers Nat. B'k, Allentown	P. B. Pumyea, *V. P*	Chas. S. Day.
"	Citizens Nat. B'k, Englewood	Clinton H. Blake, *V. P*	Chas. B. Platt.
N. Y.	Union Bank, Buffalo	H. A. Menker, *P*	Joshua S. Bliss.
"	Canaseraga Banking Co., Canaseraga.	Stephen N. Bennett, *P* G. N. Manley, *Cas*	..... H. E. Gampp.
"	Citizens National Bank, Fulton	Geo. Kellogg, *Asst*	.....
"	First National Bank, Herkimer	C. L. Avery, Jr., *Asst*	.....
"	First Nat. Bank, Red Hook	E. L. Parsons, *Asst*	.....
"	Flour City Nat. B'k, Rochester	P. A. Vay, *Asst*	.....
"	Peoples Sav. Bank, Yonkers	Chas. E. Gorton, *P*	Rufus Dutton.
N. C.	First National Bank, Asheville	R. R. Rawls, *V. P*	Geo. W. Fletcher.
"	Bank of Rocky Mount	Thos. H. Battle, *P*	S. E. Westray.*
OHIO.	Noble Co. National Bank, Caldwell.	John Lemmax, *V. P* W. E. Tipton, *Asst*	....
"	Central National Bank, Cleveland.	Thomas Wilson, *P* Joseph Black, *V. P*	Geo. H. Ely.* Thomas Wilson.
"	Miami Valley N. B., Hamilton	C. E. Mason, *Asst*	.....
"	Hocking Val. N. B., Lancaster	H. A. Martens, *P*	Theo. Mithoff.*
"	Farmers Bank, Manchester	Henry Thomas, *P* W. N. Watson, *Cas*	W. L. Vance. W. D. Vance.
"	Farmers Bank, Mechanicsburg	F. M. Clemans, *Cas*	Thomas Davis.
"	Ketcham National Bank, Toledo.	E. L. Barber, *P* A. M. Cheesbrough, *2d V. P*	J. B. Ketcham, 2d. .....
"	Western Reserve Nat. Bank, Warren.	S. W. Park, *V. P* Dan. A. Geiger, *Cas*	T. W. Case. .....
OKL. T.	First Nat. Bank, Oklahoma	W. F. Cantelon, *Asst*	T. M. Richardson.
"	Oklahoma Nat. Bk, Oklahoma	H. G. Thomas, *P*	D. F. Stiles.
"	State Nat. Bank, Oklahoma	J. L. Wilkin, *Asst*	.....
ORE.	Farmers & Traders Nat. B'k, La Grande.	Joseph Palmer, *V. P*	William Probstol.
"	Commercial Nat. B., Portland	Geo. H. Williams, *P*	Frank Dekum.
"	Portland Nat. Bank, Portland	Louis Nicoloi, *V. P*	.....
PA.	National Bank of Avondale	W. J. Pusey, *V. P*	M. B. Kent.
"	First Nat. B'k, Conshohocken	Michael O'Brien, *P*	Lewis A. Lukens.
"	First National Bank, Hazleton	David Clark, *P*	.....
"	First Nat. Bank, Homestead	Jacob Trautman, *P* Louis Rott, *V. P* Jas. B. Neel, *Cas*	Geo. Gladden. Jacob Trautman. Louis Rott.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
PA	Honesdale National Bank, Honesdale.	Henry Z. Russell, *P.*	John Torrey.*
		Andrew Thompson, *V. P.*	H. Z. Russell.
"	Corn Exchange Nat. Bank, Philadelphia.	J. R. McAllister, *Cas.*	J. B. Stewart.
"	Arsenal Bank, Pittsburgh	E. Z. Wainwright, *P.*	J. Z. Wainwright.
"	Fifth Nat. Bank, Pittsburgh	W. P. Knight, *Cas.*	A. C. Knox.
"	Nat. B. Commerce, Pittsburgh	A. C. Knox, *Cas.*	Chas. I. Wade.
"	First National Bank, Sharon	Norman Hall, *V. P.*	B. H. Henderson.
R. I.	American Nat. B'k, Providence.	Edwin Milner, *V. P.*	.....
S. C.	Bank of Charleston	E. H. Pringle, *P.*	Rudolph Siegling.*
"	Merchants and Farmers Bank, Spartanburg.	A. L. White, *Cas.*	L. C. Cannon.
		L. K. Anderson, *Asst.*	.....
TENN.	First Nat. Bank, Harriman	W. C. Shaw, *V. P.*	O. F. Janes.
"	Citizens Bank, Jellico	R. B. Baird, *Cas*	Josiah Smith.
"	Lynnville Bank & Trust Co., Lynnville.	E. O. Tate, *Cas.*	C. R. Horne.
		E. N. Gracey, *Asst.*	.....
"	Newbern Bank, Newbern	M. C. Hamilton, *P.*	H. C. Porter.
		B. R. Parks, *V. P.*	.....
TEXAS.	City National Bank, Austin	Paul F. Thornton, *V. P.*	W. von Rosenberg.
"	First Nat. Bank, Big Springs	Edward Hart, *P*	S. H. Cowan.
"	First National Bank, Brownwood.	A. L. Trent, *Cas.*	J. A. Austin.
		W. D. Crothers, *Asst.*	F. Brandenburg.
"	National Bank of Daingerfield	A. C. Richardson, *Asst.*	.....
"	First Nat. Bank, Lampasas	E. J. Marshall, *P.*	L. H. Baggett.
		J. F. Skinner, *V. P.*	.....
		J. F. White, *Cas.*	W. T. Campbell.
"	City National Bank, Quanah	E. H. Brice, *Asst.*	.....
"	Temple Nat. Bank, Temple	J. E. Moore, *2d V. P.*	.....
"	City National Bank, Tyler	W. L. Cain, *Cas.*	C. M. Williams.
		F. E. Williams, *Asst.*	.....
UTAH	First National Bank, Nephi	W. W. Armstrong, *Cas*	Alma Hague.
VT.	Brandon Nat. Bank, Brandon	Ed. C. Thompson, *V. P.*	F. H. Farrington.
"	National Bank of Lyndon, Lyndon.	L. K. Quimby, *P.*	B. F. Lincoln.
		S. S. Mattocks, *V. P.*	L. K. Quimby.
"	Waterbury Nat. B., Waterbury.	Frank N. Smith, *Asst.*	.....
VA.	Farmers Nat. Bank, Culpeper	S. Russell Smith, *V. P.*	Earl English.
"	Norfolk National Bank, Norfolk.	C. W. Grandy, *P.*	C. G. Ramsey.*
		Geo. Tait, *V. P.*	C. W. Grandy.
"	Mer. & P. Sav'gs B., Richmond.	P. H. Ways, *P. pro tem.*	J. H. Montague.
WASH.	First Nat. Bank, Puyallup	A. E. Barrett, *P.*	Frank H. Gloyd.
		Fred. S. Meeker, *V. P.*	Wm. N. Spinning.
		John B. Hartman, Jr., *Cas.*	Fred. S. Meeker.
"	Washington National Bank, Spokane.	Chas. Theis, *V. P.*	.....
		Wm. C. Ufford, *Asst.*	.....
WIS.	International Bank, Amherst	Emmons Burr, *P.*	Benjamin Burr.*
"	Bank of Barron	C. J. Borum, *Act. Cas.*	C. D. Coe, *Cas.**
"	First National Bank, Merrill.	L. N. Anson, *P.*	F. P. Hixon.
		A. H. Stange, *V. P.*	L. N. Anson.
"	First National Bank, Shullsburg.	John H. Savage, *Cas.*	.....
		Geo. E. Weatherby, *Asst.*	.....
ONT.	Bank of Hamilton, Listowel	J. H. Stuart, *Agt*	O. S. Clarke.
"	Standard B. of Canada, Toronto	Geo. P. Reid, *Mgr.*	J. L. Brodie, *Cas.*
N. S.	B'k of Nova Scotia, Stellarton	W. D. Ross, *Agt.*	G. R. Murray.
"	Exchange Bank, Yarmouth	Robert Caie, *P.*	W. D. Lovitt.*

* Deceased.

PROJECTED BANKING INSTITUTIONS.

ALA....Brundidge .....New bank to be started at this place.
" ..Troy.....New bank to be organized with W. B. Folmar, President.
" ..Tuscumbia.....New bank started.
ARK....Fort Smith.....A savings bank established here.
DAK. S.Chamberlain....Tidrick Bros. and Wm. Warnhuis, of Sioux County, Iowa, will open a bank at Chamberlain.
" ..Oacoma.....New bank starting.
ILL.....Arcola.....Arcola State Bank opened.
" ..Assumption....Farmers & Merchants Bank. Organizers: Robert W., Frank R., and Ervel W. Hight. Ervel W. Hight, Cashier.
IND.....English .....New bank opened; capital, $50,000.
" ..Terre Haute....Terre Haute Trust Co.; capital, $200,000. Directors: D. W. Minshall, M. S. Durham, C. W. Mancourt, Chas. Whitcomb, S. H. C. Royse, Robt. Geddes and others.
KAN....Parker.....Farmers & Merchants Bank. J. C. Miller, of Winfield, President; Col. Wm. Whiting, Vice-President; J. J. Carson, Cashier.
MD.... Boonsborough..Boonsborough Bank incorporated.
" ..Brunswick.....New National bank starting. Apply to Upton B. McCandlish, of Piedmont, W.Va., John L. Jordan and Samuel T. Miller, of Brunswick.
" ..South Baltimore.Monumental Bank. Incorporators: John G. Wehage, John B. Whettle, John F. Welyer, Harrison O. Wilbur.
MINN...Elysian.....New bank to be opened with $25,000 capital. John O'Toole, of Owatonna, Cashier. Jos. Morton, of Blooming Prairie, and others, are interested.
" ..Excelsior.....Mr. Whitmore, of Princeton, will start a bank at Excelsior.
" ..Faribault.....Security Bank established; capital, $50,000.
" ..Wells.....W. F. Meyers has sold out the Wells Bank to F. E. Watson, of St. James, and Clark Thompson, of La Crosse.
" ..Zumbrota.....March Brothers, of Litchfield, will organize a State bank here.
MO.....St. Louis.....Lincoln Trust Co.; capital, $200,000. Directors: Jas. B. Case, E. H. Coffin, G. F. Durant, Z. R. Blackmer, G. P. Wolff.
" ..Shelbyville.....Citizens' Bank; capital, $20,000. Incorporators: J. J. Hewitt, W. W. Mitchell, A. M. Priest.
N. H...Exeter.....Exeter Banking Co.; capital, $25,000. Directors: Geo. A. Wentworth, Winthrop N. Dow, Wm. H. C. Follansby, Wm. P. Chadwick, Edwin G. Eastman, John E. Gardner, S. H. Gale, Jos. E. Hilliard, Geo. E. Kent.
" ..Laconia.....Merchants Guaranty Bank. Trustees: Wm. F. Knight, S. S. Jewett, Jos. W. Pitman, Frank E. Busiel, and others.
N. Y...Walton .....Delaware Loan and Trust Co.; capital, $100,000. Officers: Chas. B. Bassett, President; Geo. T. Warner, Vice-President; Wm. G. More, Cashier.
OHIO...Seville.....New bank has been opened at this place.
PA.....Coudersport....Coudersport National Bank; capital, $50,000. Promoters: James L. Knox, Wm. Cobb, H. L. Peck, R. L. Nichols, Hon. A. G. Olmstead.
" ..Kane .....New bank will be established here.
S. C....Charleston .....Enterprise Banking & Trust Co.
W. VA.Parkersburg....Wood County Bank; capital, $80,000. Incorporators: J. E. Keller, L. B. Delicker, J. M. McKinney, Wm. Bently, A. B. White, H. C. Jackson, B. S. Pope.
WIS....Milwaukee.....West Side National Bank; capital, $300,000. John Black, President; Wm. Plankinton, Vice-President; A. E. Fletcher, Cashier.

WIS....Tomah.....Bank of Tomah; capital, $25,000. Incorporators: Frank Drew, C. A. Goodyear, Watson Earle, L. W. Earle, R. L. Spence, W. D. McPherson, Wm. Fieting, Dan Sullivan, Jr.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during March, 1894.

IND.....Martinsville....Citizens National Bank, by O. M. Bake and associates.
MICH...Bay City.....Old Second National Bank, by Orrin Bump and associates.
MINN...Granite Falls...First National Bank, by F. H. Wellcome and associates.
N. Y... Schenevus.....Schenevus National Bank, by Graham & Baldwin, Schenevus, N. Y., and associates.
OHIO...Niles.....City National Bank, by William Herbert, Warren, Ohio, and associates.
PA.....Cochranton. ...First National Bank, by Jesse Moore and associates.
" ..Huntingdon....Union National Bank, by R. J. Maltern and associates.
" ..Lebanon. ..... Peoples National Bank, by E. M. Woomer and associates.
TEXAS..Colorado .... ..Peoples National Bank, by W. T. Scott and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Continued from March No., page 715.)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4942	Second National Bank,..... Somerville, N. J.	John H. Lord,	Alonzo H. Dayton,	$50,000
4943	Peoples National Bank..... Swanton, Vt.	J. E. Farrell,	A. A. Mitchell,	50,000
4944	National Bank of Brunswick... Brunswick, Ga.	H. W. Reed,	Jas. Herr Smith,	150,000
4945	National Bank of America..... Salina, Kan.	W. W. Watson,	F. Hageman,	50,000
4946	National Live Stock Bank..... Fort Worth, Tex.	Michael C. Hurley,	Albert S. Reed,	150,000
4947	First National Bank. ..... Wadesboro, N. C.	James A. Leak,		50,000
4948	First National Bank..... Coudersport, Pa.	R. L. Nichols,	N. A. Pinney,	50,000
4949	Exchange National Bank..... Tampa, Fla.	John Trice,	James B. Anderson,	100,000

CHANGES, DISSOLUTIONS, ETC.

(Monthly List, continued from March No., page 719.)

NEW YORK CITY.....Real Estate Loan & Trust Co., title changed to Real Estate Trust Co., of New York.
ALA....Dothen .....Malone, Collins & Co., now Malone & Sons, same correspondents.
CAL....Los Angeles....Bank of America has gone into voluntary liquidation.
" ..Los Angeles....University Bank discontinued, business transferred to Los Angeles National Bank.

COL....Denver.....Citizens Savings Bank, now Citizens Savings & Commercial Bank, same officers and correspondents.
" ..Lafayette .....Farmers & Miners State Bank succeeded by Bank of Lafayette.
DAK. S.Fort Pierre.....First National Bank succeeded by First Bank, same officers and correspondents.
" ..Piedmont ....Western Bank & Trust Co. closed.
" ..Wakonda.....Bank of Wakonda incorporated, same officers.
ILL.....Joy .....Bank of Joy (Holmes & Bean) succeeded by Farmers Bank, O. A. Bridgford & Co., proprietors.
IOWA....Bode.....Bank of Bode succeeded by State Bank incorporated, same officers and correspondents.
" Brighton.....Brighton B'k succeeded by Brighton State B'k, incorporated.
" ..Hawkeye.....Bank of Hawkeye succeeded by First State Bank.
" ..Underwood ....B. F. Freeman closed, removed to Defiance.
KAN....Belleville.....American Exchange Bank discontinued.
" ..Brookville .....State Bank of Brookville reported closed.
" ..Hill City.....Citizens Bank succeeded by H. A. Coffin.
" . Medicine Lodge.First National Bank has gone into voluntary liquidation.
" ..Salina. .....American National Bank succeeded by National Bank of America.
KY.....Bowling Green..Barclay, Potter & Co. succeeded by Potter, Matlock & Co.
MICH...Detroit ....The report in our March columns that the American Exchange National, Commercial National, and First National Banks would consolidate, is denied.
MINN...Blue Earth City.City Bank, firm title Chadbourn, Ross & Co. in place of Chadbourn Bros. & Co.
" ..Duluth.....Duluth Loan Deposit & Trust Co., title changed to Duluth Trust Co.
MO.....Clinton.....First National Bank succeeded by Citizens Bank, same officers and correspondents.
" ..Springfield.....American National Bank in hands of receiver.
MONT ..Great Falls.....First National Bank will resume.
" ..Havre.....State Bank reported closed.
" ..Helena.....Montana Savings Bank and Helena National Bank reported consolidating.
" ..Kalispel.....Globe National Bank has gone into voluntary liquidation, business transferred to Conrad National Bank.
NEB....DeWitt. .....First National Bank has gone into voluntary liquidation, succeeded by DeWitt State Bank.
" ..DeWitt.....DeWitt Savings Bank succeeded by DeWitt State Bank.
" ..Harrison .....Bank of Harrison reported closed.
" ..Smithfield .....Bank of Smithfield, Miller & Junkin sold out.
" ..Spencer.....Boyd Co. Bank, incorporated.
ORE....St. Helen .....Columbia Banking Co. reported closed.
PA. ....Coudersport....Bank of Coudersport reported closed.
" ..East Berlin.....Jos. Lerew & Co. succeeded by Leas, Miller & Co.
" ..Evans City.....Jacob Dambach & Co. succeeded by Citizens Bank.
" ..Port Royal.....Port Royal Branch Bank succeeded by Port Royal Bank.
S. C....Chester .....Bank of Chester reported assigned.
" ..Lowndesville...Bank of Lowndesville reported closed.
UTAH...Salt Lake City..American National Bank succeeded by Bank of Salt Lake.
VT.....Swanton.....A. J. Ferris succeeded by Peoples National Bank.
WASH. Centralia.....First National Bank has gone into voluntary liquidation, succeeded by Frank Hense.
" ..Ocosta.....Bank of Ocosta incorporated.
" ..Tacoma.....Tacoma Trust & Savings Bank succeeded by Bank of Tacoma.
WIS....Lodi.....Bank of Lodi incorporated, same officers and correspondents.
VAN. I..Victoria.....Green, Worlock & Co. reported suspended.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, MARCH, 1894.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly Mar.	96	96	96	96
4s, 1907 ... reg.	Jan.	112¾	113¼	112½	113¼
4s, 1907 ... coup.	Jan.	113¾	114⅛	113¾	114½
6s, cur'cy, 1895, reg.	Feb.	102	102½	102	102½
6s, cur'cy, 1896, reg.	Jan.	104	105	104	105
6s, cur'cy, 1897, reg.	&	107	108	107	107
6s, cur'cy, 1898, reg.	July.	110	111	110	110
6s, cur'cy, 1899, reg.		113	114	113	113

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	1⅛	1¾	1	1½
Canadian Pacific	—	69⅜	67	—
Canada Southern	50¾	52¾	50	52¾
Central of N. J.	116	117¾	114½	—
Central Pacific	—	17	14	—
Ches. & Ohio.	18	19¼	17½	19¼
Do 1st pref.	—	—	—	—
Chic. & Alton	134½	140	134½	—
Do pref.	—	—	—	—
Chic., B. & Q.	78⅝	84⅛	77	83¼
Chic. & East'n Ill.	—	—	—	—
Do pref.	—	97	97	—
Chic., M. & St. P.	60¼	65	59	65
Do pref.	119	123½	119	120⅜
Chic. & N. W.	104¾	109¼	104	109¼
Do pref.	—	141	139	—
Chic., R. I. & P.	69⅜	71¾	67¾	70⅞
Chic., St. P., M. & O.	37½	40⅜	36¾	40⅜
Do pref.	112	115¾	112	—
C., C., C. & St. L.	38⅛	41⅜	37	41
Do pref.	—	85⅛	84¼	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	—	26	25½	—
Col., H. Valley & Tol.	19	20⅞	18¾	20⅞
Del. & Hudson	135¼	139¾	135¼	139⅛
Del., Lack. & W.	167½	167¾	165⅜	—
Den. & Rio Grande	—	11⅝	10	11⅝
Do pref.	30¼	34	29¼	34
East Tenn. V. & G.	—	—	—	—
Do 1st pref.	—	12	12	—
Do 2d pref.	—	5½	4½	—
Evansville & T. H.	—	65	60	—
Illinois Central	—	95	91¾	—
Lake Erie and Western	15½	17⅜	14⅞	17
Do pref.	—	70	65	70
Lake Shore	127½	131	126¾	130¼
Long Island	—	99	90	—
Louisville and Nashville	48¼	52⅝	46⅜	52⅝
Louisville, N. Alb & Chic.	—	9½	8¼	9½
Manhattan Consol.	125½	126¾	122⅜	126⅜
Mexican Central	—	7¾	6⅞	—
Michigan Central	—	99⅞	98	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	12½	10½	—
Do pref.	—	35	30⅓	—
Mo., Kan. & Texas	—	16⅜	13⅜	16⅜
Do pref.	24¼	26¼	23½	26¼
Missouri Pacific	24	28⅞	22¾	28⅞
Nash., C. & St. L.	—	—	—	—
N. Y. C. & Hudson	100¼	101⅞	98¾	—
N. Y., C. & St. L.	15⅝	16	15	16
Do pref.	—	72	69⅜	72
N. Y., L. E. & W.	16¾	18⅝	16⅝	18½
Do pref.	38	39¼	37¼	39
N. Y. & New Eng.	10¾	12⅜	9⅝	10⅞
N. Y., Ont. & W.	16⅛	17¼	16	17¼
N. Y., Sus. & W.	15⅞	16⅜	15¾	16
Do pref.	45⅛	46¾	43¾	—
Norfolk & Western	—	7	5¾	7
Do pref.	20¾	24¼	20	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	4⅜	6¼	4⅜	6¼
Do pref.	18¼	23⅜	17¾	23⅜
Ohio & Mississippi	—	16¾	16¾	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	30	25	—
Oregon Short Line	7½	10½	7½	—
Pacific Mail	17⅛	17¾	15⅝	16½
Peoria, Decatur & Evansville	—	5⅜	4¼	5⅜
Philadelphia & Reading	22¼	22⅜	19⅞	22
Pullman Palace Car Co.	169¾	172	168⅝	172
R. & W. P. 2d as't pd.	5	5	3⅞	—
Do pref.	18	18	16	—
Rome, W. & Ogd.	—	112	111	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	—	25	23	—
Do pref.	—	95	95	—
St. Paul, M. & M.	—	105	104	—
Silver Bullion Ctfs.	—	—	—	—
Southern Pacific Co.	23⅝	25	23	24
Texas & Pacific	8⅜	10	8	9⅞
Union Pacific	19⅜	22½	18	22½
Wabash, St. Louis & Pacific	—	7⅝	6¾	7⅝
Do pref.	14⅜	16⅞	13⅜	16⅝
Wisconsin Central	7¼	8½	7¼	8½
MISCELLANEOUS—				
Am. Cotton Oil Trust.	—	32½	25½	32½
Nat. Lead Trust	27	39	26¼	39⅞
Tenn. Coal & Iron	19⅛	20¼	18½	19½
Express—Adams	—	152	150	—
American	—	115⅜	112	115½
United States	—	55	52	55
Wells-Fargo	—	127	123½	—
Sugar Refineries	85½	100	80¾	90⅞
Do pref.	86	92	83⅞	—
Western Union	86¼	87½	84⅜	85¼
Wheel. & Lake E.	13⅜	13⅜	12⅜	13¼
Do pref.	49⅞	49⅞	46⅜	49½

THE

BANKER'S MAGAZINE

AND

Statistical Register.

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THE REPEAL OF THE BANK TAX.

Though the party in power at their National nominating convention adopted a plank in favor of repealing the ten per cent. tax on National bank circulation, it was believed that the sentiment of the party on the question was by no means united, and that opposition in the end would prove too strenuous for action. Doubtless, the general opinion has been that an attempt would be made to repeal the tax; that it would be seriously discussed in Congress, but in the end fail of securing enough votes. It seems, however, that after a long delay such caucus action has been taken as insures the repeal of this tax either with or without modifications; at all events, that the spirit of the resolution above mentioned will be observed and a way be opened for issuing State bank notes.

There are at least three classes in favor of this wide departure in the system of bank-note issues. First is a class of bankers who well remember the large profits accruing from the former system of State bank circulation. Of course, they realize, to some extent at least, the dangers and the changed times in which we now live. Nevertheless, remembering the great profits that were formerly made from issuing such notes, and also the keen competition now existing in the banking world, the desire or inclination is all the stronger for finding some way of increasing dividends.

The most feasible plan, therefore, seems to be the re-adoption of this old method, which often proved so profitable. It should be added that this class of bankers are doubtless perfectly honest, are governed by worthy motives, and desire to have conservative systems established, whereby the circulation will be amply secured. No wrong motives can be imputed to them, any more than can be to the upholders of the present system. The desire of gain is a legitimate one. That, of course, is the object of business, and doubtless if they can have their way, the State systems will be sound and worthy of confidence.

The second-class are the speculators, who perceive a way of getting rich in a night if the old method of bank-note issues can be restored. This class, like the poor, are always with us. They are forever hatching schemes for gulling the public. At one time they have flourished by building railroads on bonds, deluding the public into the belief that a railroad bond was a safe investment. One of the latest devices has been to buy a flourishing manufacturing company, stock it for several times its real value, and unload on the public. Within the last half-dozen years England and America have been treated to a large number of schemes of this kind, nearly every one of which has come to grief. The beer companies in England and in this country, the Otis Iron and Steel Company, of Cleveland, the Thurber & Whyland grocery establishment, of New York, and the Cordage Company may be mentioned. These names suggest at once what this class of speculators have done in the way of swindling the public. Having exhausted these fields of speculation, they have now turned to bank-note issuing as a new field for exploitation. They comprehend the possibilities of the situation. Even if many of the States establish sound systems of issuing notes, they are keen enough to see that they can succeed in establishing loose systems in some of them whereby they can flood the country with notes, which in these days of general ignorance the public would be quite incapable of distinguishing from the notes of reputable institutions. Their scheme is all the more promising because, under the existing system, all the paper issues of the Government and of the banks are equally good, and no one ever thinks of looking at a note to ascertain who is the issuer. If a note is examined at all, it is because its quality has become somewhat impaired by use, or because the character of the paper suggests forgery or something of that kind. The solvency of the issuer is never questioned, and the public, therefore, having outgrown entirely the custom of examining notes for the purpose of ascertaining the solvency of the issuers, are in the best possible condition to be deluded by this class of speculators.

Another class, desiring the issue of State bank notes, may be

termed the soft-money party. This party, too, is always with us. They are profound believers that more money means the easy payment of debts and good times generally. Therefore they have been the special friends of silver. They desire a new deluge of money, and any plan to obtain this meets with their favor. They desire an increase for two reasons. First, because they believe that all business will suddenly revive, and the other reason is, that with an increase of prices it will be very much easier for them to discharge their indebtedness. A large class of people have always been in debt, and probably always will be; and it so happens that after a considerable period they become discouraged and some readjustment with their creditors becomes necessary. Under the Jewish economy, at the end of every fifty years all indebtedness was squared; the ledgers were cleared and every desponding soul began anew. This was rightfully called the year of jubilee. Under our modern system, bankruptcy laws have been enacted which, in one sense, are nothing but confiscation acts, the object of which is to relieve debtors of their indebtedness. These laws have long been in operation in many countries. A much more palatable method to the debtor class is to issue a flood of currency and inflate prices, and in this manner enable them to discharge their indebtedness more easily. Though it is exactly the same thing to a creditor whether he is obliged by law to give a discharge on the payment of fifty cents on a dollar as to receive a currency which has depreciated fifty per cent., the debtor feels very much better if he can adopt the latter course. He regards his account as fully squared and is not under the ban of discredit or dishonor as he is by a discharge in bankruptcy. For example, if in consequence of inflating the currency, a farmer who to-day is getting sixty cents a bushel for his wheat can get $1.20, it is twice as easy for him to pay his debts as it is under the present conditions. It may be that while these remain he cannot pay a cent of his indebtedness; and if he cannot, a time will come when his burden will prove a veritable millstone and utter discouragement will follow. The paper-money party, therefore, to a large extent, is composed of persons who are very desirous of increasing the volume of money in order to inflate prices, revive prosperity and relieve themselves from their heavy burden of indebtedness.

If the currency must be inflated; if this party is strong enough to have its way, undoubtedly a larger issue of silver on some basis is preferable, because the metal has a real value, while the value of the paper money must depend entirely on the character of the security behind it. Doubtless it is this feeling that has led some persons to favor the issue of more silver. They believe that, of the two kinds of money, this is preferable, and, doubtless,

they are right. They clearly perceive the strong sentiment in favor of larger issues, and of the two evils choose the least. It will not do, therefore, hastily to condemn all those who cling to a policy of issuing more silver. If the currency is to be largely increased, business and affairs generally will be much safer with an increase of silver than an increase of paper. It is true that silver issues might finally lead us away from a gold standard of payments, but it is just as certain that a large issue of paper will have the same effect. It will be utterly impossible to continue our gold standard under any system of large issues, either of paper or silver, and those who believe in having the best money possible may seriously consider which of the evils should be chosen.

We need not attempt to describe the evils of the former issue of State bank notes. They are familiar to all. Not only were these issues, in most cases, made in a reckless fashion, but in many ways the country suffered manifold evils from nearly all the systems that prevailed except, perhaps, in some of the Eastern and Middle States. Of course, it has been said that much has been learned from former experiences, and that if this policy is inaugurated measures will be taken to prevent a re-occurrence of the former evils. It is assumed that conservative methods will be adopted for issuing these notes. This is the talk everywhere on the part of those who favor this departure, but the truth is, which no one ought to ignore, that any conservative plan whereby good securities must be furnished with ample margins will never please or satisfy those who are at the bottom of the new movement. They desire, above all things, a method of issuing these notes that will be cheap and easy, and in the end they will be satisfied with no other method. No matter how strenuous the regulations may be in the beginning, they will be torn down one by one until finally none will remain. Nothing is surer than this, that if the dam now existing to the issue of such money is in the least weakened or removed, it will be taken down piece by piece until all is gone. No one should be deluded on this point. This class will never cease to contend for any change less than this. Therefore, we repeat, that any departure from the present system will in the end prove enormously wide and destructive to the best interests of the country.

Finally, it may be remarked, that of all the classes who will suffer, the poor and ignorant will suffer the most. It should be remembered that a large portion of the population are not well acquainted with existing institutions, and especially with the existing modes of issuing money. Any new system or departure of issuing it will be very slowly learned. The rich and the more intelligent will speedily open their eyes and be on their guard against

losses from this source. They will hesitate to take these issues whenever there is the least question concerning their solvency or worth, but the toiling millions will be quite unable to make any such discrimination. Banks of this character will organize with wonderful rapidity; will issue all the notes they possibly can with very little scrutiny concerning the ability of borrowers to pay, and will then fail with their notes in the possession of thousands of sufferers. This was the experience of former years, which will be repeated. Wisdom clearly teaches that we should let well enough alone and be content with what we have. Besides, there is an abundance of money in the country to-day; there is no need of increasing the circulation for any legitimate purpose. If ever there was a time when such a system ought not to be established, that time is the present.

It may be remarked, however, that in two or three respects these schemers for an increase in the currency are doubtless right in their expectations. No doubt business would suddenly revive, as by magic; there would be a genuine spring-time and rejoicing everywhere. The debtor who is a producer would get far more for his products and could square his accounts the more easily with his creditors; but the day of prosperity would, like the summer in the Red River Valley of the North, be very brilliant but short, followed by terrific bankruptcies and failures, leaving all classes in a far more hopeless condition than they were in before. This has been the inevitable result of excessive paper money issuing from the time of deluge of the mandats and assignats in France to the present, and this result will as surely follow from another excessive issue as a flood after a mighty rain.

The Losses by English Investors.—Three years ago an act was passed in England requiring the Board of Trade to publish annual statements of the public companies that became bankrupt, giving the total amount of their capital, their liabilities, and a general description of the causes of failure in each case. These reports afford some very valuable information for investors, and clearly reveal the many methods by which promoters and irresponsible directors squander the money confided to their management. Such a report, issued by each State or by the Government, would be perhaps very sad, but interesting and valuable reading. The facts disclosed would serve as warnings for others, and doubtless lead to the exercise of more care and circumspection in making investments. During the year 1892, the report of which has been issued, the number of English bankrupt companies was 1,091. During the same period 2,371 new companies were registered, and the total number of companies on the register was 15,431. The amount of capital of the 1,091 bankrupt companies was £42,480,080.

A REVIEW OF FINANCE AND BUSINESS.

THE COUNTRY STILL WAITING FOR CONGRESS.

While the "Industrial Army" of tramps is "marching on Washington," the "unemployed" labor and capital of the country is still waiting in vain on the action of Congress. Another month has been wasted in "deliberating" on the Tariff bill without changing a single rate, and no one can yet prophesy what the outcome will be. There has always been a strange mixture of principle and interest in all tariff legislation. The people are inclined to think that personal ends are more apparent in the present legislation than in any former bill, but such legislation has always been marred by the presence of the personal element. Of course,

THE COUNTRY WILL COME OUT ALL RIGHT,

as it has so often done before, from worse crises than this. But only after such a waste of the people's time and money as was witnessed last year, before the Silver Repeal bill could be passed. One year of prosperity was wasted over that; when it was evident from the start, that a panic would result from delay. Yet Congress was not called together even, until after the panic had come; and, it then refused to act, until the country's business representatives rose in the might of the people back of them and demanded its immediate passage. Rightly or wrongly, it is Congress whom the people will hold responsible for this year's loss of business and the delayed return of prosperity to another year; though the party in power will naturally suffer most.

SPRING TRADE IS ALREADY LOST

by this neglect of the business interests of the country. Decreasing railroad earnings, at the season of the year when there should be increased activity in the distribution of manufactured goods and in the movement of produce to the seaboard, tell the story of the condition of general trade. The past week's auction sales of domestic flannels and blankets in this city at 25 to 40 per cent. under last year's prices, and 10 to 25 per cent. under the recent market values, is another sure indication of the effect of this legislative inaction upon one of the favored industries that the Congressional obstructionists are professing to try to protect. Exports of gold during the past two weeks of April, and the lack of demand for money, on account of which foreign capital, now here, cannot be employed and has to be sent home, also tell the same story of spring trade lost. The slow and uncertain resumption of all classes of industries, protected and unprotected, reiterate the general continuance of stagnation. All that can now be hoped

of Congress is to get itself out of the way of fall trade, by disposing of the Tariff bill, in some, or any form, if it cannot be done upon a just and therefore permanent basis, and adjourn. This last, even, would be a slight and temporary relief, to everybody outside of Washington; and, a still greater one, if our Constitution could be so changed that a new Congress, in both branches, be only elected every four years, with the President, to meet when he is inaugurated, and hold one continuous session only, during the term of an Administration, except upon special call of the Executive, and thus relieve the business of the country from these annual Congressional raids upon its finances and industries.

THE BUSINESS SITUATION.

The conditions above described embrace the whole business situation, and, upon them, it depends. Everything else is ready for a business revival, money easy, and plenty; prices low and safe; stocks small, indebtedness light, and conservatism general; with little speculation, and no inflation, in anything, anywhere. Failures have been more frequent of late, it is true. But due to old losses, and the continued strain upon the resources of houses that were crippled by the panic, but pulled through; and would have been able to go on, had not the suspense at Washington been prolonged beyond human endurance. It is too late now to save any of the lost spring trade, except such as will be stimulated by warm weather, which has been delayed also, so late in the season that retail trade, as well as wholesale and jobbing, have suffered. Auctions have been numerous in many lines of business the past month outside the dry goods trade; and, the story has been the same of sacrifice, from recent low values. Indeed, this is the only thing that will tempt buyers of anything not actually needed for immediate use. This same timid or conservative feeling possessing consumers as well as dealers, in the vague fear that times may never be better and may be worse. As before stated, this is simply childish superstition; for the country is all right, and the people in it are all right, and both have always risen superior to any temporary misfortunes like the present. Both can also be trusted, as they have never failed to come out of these periods of adversity stronger and richer and more able to maintain their rights, both individual and political. The chances now are that the Tariff bugaboo will be disposed of in a more satisfactory shape to manufacturers and the protected interests than expected, and that this will be accomplished by early summer, even if the new law does not go into effect at once. This will enable manufacturers and dealers both to make calculations for fall trade intelligently; and, as all probable reductions from lower tariff have already been discounted or more, in both the prices of goods and of labor, the

basis of present values will be abundantly safe on which to predicate operations for the future. We ought, therefore, to have an unusually

GOOD FALL TRADE,

for the double reason that we had none last year, and hence consumers, like dealers, are out of everything, and must buy soon, and for two years in one; while the crop prospects now are sufficiently good to hope that the agricultural classes will have more money next fall than merely to meet their old indebtedness. The great drawback, however, still exists of unusually low prices for wheat, though other farm products are at remunerative prices. But last year crops were both small and prices low, which has made times unusually hard for farmers, as well as the railroads tributary to the great farming sections of the West. This is why the farmers and railroads are in the same boat this year, neither having any money to spend for renewals or betterments, but only enough to meet their fixed charges, and not enough for that in many sections and cases. This is why the iron industry has been so depressed and remains stagnant, for the entire railway system of the country has only been able to make ends meet by reducing working expenses to say nothing about letting their rolling stock, motive power, and equipment generally wear down to the lowest limit, even with present light traffic of all kinds. When, therefore, general trade shall improve and better crops be secure, the railroads of the whole country will be compelled to get new facilities for the increased traffic, and this will start up the iron and its allied industries; and, with better earnings, their shares will enhance in value, and the Stock Exchange will experience a revival of investment and speculation for which the present glut of cheap money is waiting. This will spread confidence to other branches of trade, renew faith in values of every class of property; and, before we know it, the country will have emerged from the hard times; labor will be employed and in position again to consume, which it has not generally been for a year past. True, holders of our railway stocks will not stand much show of increased dividends this year, for they took more than they should have done last, when they should have surrendered a part at least, to keep up their condition to take care of increased business whenever it should offer.

MORE STABLE AND SAFE CONDITIONS HEREAFTER.

As this will have to be done the coming year, they may have to stand the retrenching process themselves which they enforced on their properties last year. This, however, will not affect general trade to any extent; for, the class who own the bulk of these shares, are capitalists whose fortunes enable them to spend about

as much in bad as good times, except for improvements. Indeed, much of the recent depression has been due to the fact that the increase of the country's wealth has largely and for some time been going into the hands of people who already had more income than they could spend, and whose increasing wealth enabled them to spend no more; while those whose necessities required greater consumption had not the means to increase the demand.

A little more general distribution of the country's increase in wealth would therefore be beneficial, even to their owners, for the near future at least. In fact, if they could be made to see their true and permanent interests they would permit a more equitable distribution, voluntarily and permanently, for by so doing they would tend to equalize supply and demand of everything and thus make production stable and reasonable profits assured, instead of enormous profits for a while and then none at all, or even losses for a period. The tendency is in this direction, and these hard times may open the eyes of both labor and capital to the truth that neither can overreach the other for any length of time without the evils resulting coming home to roost. This is not only poetic justice, but the eternal law of compensation by which nature at last rights all wrongs and remedies violations of the great underlying laws of universal equality in the enjoyment of each individual's right to his share of her bounties. The outlook for fall trade is therefore more hopeful, as well as for the near and deferred future of business, which is seeking a permanent and natural level, where it will not be subject to the violent changes and speculative upheavals of the past, nor to the monopolization of all its profits by combinations of capital or of labor, both of which are largely responsible for their present unsatisfactory conditions, and both should be compelled to meet in the spirit of fairness and compromise to help restore general prosperity to the country.

STRIKES A NEW CAUSE OF DANGER.

In this view, the numerous strikes following the partial revival of business this spring, are very untimely as well as suicidal. Retaliation is not the way for labor to right its past wrongs; but at a time like this it is little less than a crime against the country, its employers, and those dependent upon labor. It deprives the unemployed of the sympathy of the public and does as much to prevent and delay a restoration of confidence and prosperity as the equally selfish and disloyal action of Congress to the country and the people. While the latter is attempting to check the greed and tyranny of trusts, it should also lay the strong hand of the law on labor trusts or tyrannies which attempt to monopolize the employment of the country by violence and unlawful methods by which great corporations are paralyzed or placed at their mercy.

The Government should, as the preserver of peace and order, remove these prolific causes of disorder by compulsory arbitration, by which capital and labor shall be compelled to share alike in the profits and losses of the enterprises in which they are jointly engaged, and upon the continuous operation of which the business and prosperity of the public are dependent. Foreign capital is frightened away from the country and its development, as well as native capitalists out of enterprises largely dependent upon labor. At this time such reckless action on the part of labor leaders and organizations is more dangerous even than the "Industrial Army's" "march on Washington," the latter ostensibly in search of employment for the "unemployed," while the former are refusing to accept employment offered them and preventing others doing so, except upon their own terms.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Checks on Failed Banks.—The Supreme Court of New York has rendered a decision in a case of the St. Nicholas Bank which is of considerable interest to the banking world. A banking firm had $279,259 in a bank. On the day it failed the firm delivered $86,324 in checks for deposit to its credit. At the same time it drew for certification or payment checks amounting to $86,201, the certified checks alone amounting to $74,741. On the day following the bank did not open for business purposes, but sent to the Clearing House for collection all checks deposited, and checks drawn against deposits, certified and uncertified, were sent by the holders through their banks to the Clearing House. A petition was sent to the Supreme Court asking that all deposits of checks made by them on December 20th, or the proceeds, be returned, or that the receiver be directed to pay checks, certified and uncertified, which had been drawn by them on that day. The court directed the receiver to pay the certified, but not the uncertified checks. The Supreme Court, at general term, has now reversed the order. Judge O'Brien, with whom the other judges concurred, reached the following conclusions:

1. That upon the petitioners having made a deposit, it became the property of the bank, and no fraud having been shown, such deposit was not subject to reclamation.

2. That, as there was no agreement or arrangement, express or implied, that such deposit should be specifically appropriated or applied to the payment of any particular check or claim, there was no trust relation credited between the parties.

3. That with respect to certified checks, the payment thereof acquired no special lien upon or equitable assignment of any special fund or particular portion of the assets of the bank.

4. That no portion of the deposits of December 20, 1893, which became the property of the bank, was not, by the fact of its being presented to the Clearing House for collection, appropriated to the payment of checks, certified or uncertified, on the 20th.

5. That the relations between the progress of the checks and the bank is controlled by rules of law, and not by any supposed custom, which may affect the members of the Clearing House, and to which such payees are strangers.

Bank Profits.—There is a general idea that banks necessarily make a big profit by loaning the funds of depositors; but a paper read before the California Bankers' Association shows there may be a very serious question about this. From the Comptroller's report for 1893 it is found that the deposits in the National banks amount to about $2,000,000,000. For one year their expenses were about $60,000,000, and their losses about $20,000,000. For the purpose solely of holding these deposits, about one-fourth, $500,000,000, was carried in unproductive cash. The owners of these 3,800 National banks accumulated a capital of $1,000,000,000, pledged it as security to their depositors, arranged offices, employed clerks, incurred an expense of $60,000,000 and a loss of $20,000,000 during the year, in order to lend $1,500,000,000 of other people's money. The report shows that they got 6 per cent.—some $90,000,000—as interest. From this income should be deducted the outgo of $80,000,000, and that leaves $10,000,000 as the inadequate compensation for the guaranty and labors and risks undertaken by the capital of $1,000,000,000. This is a commission of one-half of 1 per cent. on the total deposits of $2,000,000,000. These figures are proven by the report which shows that the net earnings on the capital have been 7 per cent. This per cent. is composed of 6 per cent. (which the capital could have earned in private hands) and the small commission made upon handling the immense mass of deposits for one year.

Municipal Deposits.—There are at least two important questions involved in keeping these deposits. One is the quantity that may be deposited in any single institution, and another is the security required for them. In Massachusetts, a law was enacted last year providing that an amount not exceeding sixty per cent. of the capital and surplus of a bank could be kept in the institution. A considerable opposition has been manifested to this law. On the other hand, there is a strong movement for retaining it on the statute book. The deposits of the city of Lowell have been kept for a considerable period in a single institution, and this has excited the opposition and ill-feeling of kindred institutions. Perhaps this feeling is all the stronger because it happens to be a trust company, and has been recently organized. Moreover, a high rate was paid for the deposits—four per cent., which certainly is

an unusual figure to pay for them. There has been a vast amount of public money deposited in various institutions from which the public has derived very little benefit in the way of interest, although the deposits have usually been of a most desirable character. The practice, however, is becoming very general to demand interest as well as security for their safe keeping. The agitation of the subject in Massachusetts is likely to throw considerable light on the different methods of keeping them, as well as the rates of interest paid and the nature of the security offered for their safe keeping.

The Gold Movement.—The exportation of gold has begun, though not in large quantities. The record by months for the past six years is as follows:

	1888.	1889.	1890.
January	$624,290	$1,197,080	$460,969
February	1,667,018	1,478,208	1,170,690
March	2,113,510	4,392,584	1,456,824
April	958,087	3,176,014	1,052,355
May	7,876,774	13,445,033	288,620
June	3,154,276	18,130,874	3,731,366
July	3,829,852	5,281,786	11,860,029
August	191,130	420,176	2,135,853
September	323,425	289,580	281,627
October	686,472	2,233,463	425,235
November	5,376,262	575,742	567,152
December	7,725,351	312,920	632,354
	1891.	1892.	1893.
January	$728,246	$246,466	$12,584,396
February	4,010,146	6,507,180	14,245,607
March	5,155,736	6,309,956	8,113,428
April	14,163,116	7,521,823	19,148,964
May	30,580,760	3,854,222	16,914,317
June	15,822,400	17,129,503	2,711,226
July	6,662,674	10,782,638	174,212
August	172,168	6,049,981	549,502
September	345,290	3,627,663	1,436,862
October	809,595	484,250	511,018
November	381,949	1,138,647	323,277
December	254,501	12,879,727	2,654,545

This movement would be without any significance if our stock of gold in the possession of the Treasury was larger; unfortunately, the amount has run down to an uncomfortably low point. Furthermore, if a new era of paper money expansion is to occur, a larger metallic basis ought to exist somewhere which could be readily obtained for redemptive purposes.

Gold Production for 1893.—The final figures of the gold product of this country for 1893 have been completed by the Mint Director. The amount is 1,739,081 fine ounces, which is valued at $35,950,000. The special agents of the Treasury made reports which put the total nearly a million dollars higher, but Director Preston followed the usual method of recording only gold which passed through the refineries. He is inclined to believe that the agents are about half right, and that the total product was probably not

much under $37,000,000, but he does not feel justified in using such figures without exact data, in violation of the usual practice of the department. The gold actually deposited at mints and assay offices was 1,744,224 ounces, but a small part of this was foreign gold, and there were, on the other hand, 10,534 ounces of gold contained in ore and copper matte exported without going through the refineries. The gold product of the United States in 1892 was reported at $33,000,000, and in 1891 at $33,175,000. The figures for this year show a gain of nearly nine per cent. over last year, and twenty per cent. over the yield of ten years ago. The exact figures of the silver product of the United States for 1893 have not been tabulated at the Mint Bureau, but the amount will be about 60,000,000 ounces, of a coining value of $77,000,000. The product for 1892 was $73,697,000, and ten years ago, in 1883, $46,200,000. The actual market value of the silver at the present price of about sixty-three cents per ounce, would be only $37,800,000 for 1893.

The Liability of Banks for Forged Indorsements.—The New York Senate has passed a bill exempting banks for liability of forged indorsements of the nature explained in the preceding number of the MAGAZINE. No recovery can be had by the bank within one year after the check or note is issued. The principal object of this measure is to require the depositor to examine his indorsements as soon as his checks have been returned to him—an obvious duty which in many cases is doubtless faithfully performed, but which too often is neglected until long afterward.

Diminished Cost of Transportation.—One of the most interesting and suggestive writers of this generation is Edward Atkinson, of Boston. Whether one agrees with him or not, it is always profitable to read whatever he says. Recently an address was delivered by him before the Chamber of Commerce of the city of New York containing many interesting facts and deductions. Some of these related to the present conditions of farming, and the struggle of the Eastern farmer in consequence of the more favored condition of his Western competitor. Among other things he said that within the last fifty years the cost of moving a bushel of corn by wagon exhausted its value within 100 miles, while the value of wheat would stand transportation not much further than 150 miles. In other words, the cost of moving these grains was so great as to absorb their entire value in the distances mentioned. At the present time the quantity of wheat that is required to make a four-pound loaf in London is produced in some sections of this country at a cost so low that not even the smallest English coin

is small enough to measure it. He declared that there was less than the labor of a farthing in producing wheat for a four-pound loaf. In other words, the quantity of labor in such a loaf is less than half a cent. Still, the wheat thus produced at the lowest cost in the world and yet where the highest rates of wages are paid for farm labor, is carried half around the globe, from California or Dakota, at a charge so low that only one English coin, the farthing, can measure its service. "By whom are these services rendered? Not wholly by the farmer. He would be powerless to supply his neighbor on the far side of the globe with his daily bread, except for the service of those who conduct the railways and the steamships—except for the service of the merchant—yet more, except for the service of the banker. Yet while all these representatives of the great forms of modern energy stand ready to do their work, the farmer has lately become almost powerless, and might be smothered in the abundance of his own great crops, through the danger of the threatened debasement of the standard of unit of value of this country. To no class in the community is it more important, or even so important, that the unit of value by which the world's great commerce is conducted should be maintained than it is to the farmers of this country. It has been maintained within a week by the President of the United States. The whole nation will yet bless him for his courage and his devotion to duty. None will be more sure to support him than this great conservative body of men who are occupied in agriculture, and who are the creditors of the world. Slowly, but surely, they will comprehend this question, and in the end they will sustain the man who has the courage of his convictions, and who has defended them even against the error of their own misrepresentatives. There is one fact which explains the great fall in prices, accompanied by a more than equal rise in the rates of wages in this country, to which I can only refer in passing. Had the New York Central & Hudson River Railroad been able to make the same charge on its freight service for the last three years that it received from 1865 to 1869, its earnings from freight in 1890, 1891, and 1892, three years, would have been $190,000,000 more than they were. The sum of its stocks and bonds is but little over $150,000,000."

Smaller Silver Notes.—Secretary Carlisle is desirous of substituting smaller denominations of silver certificates for those outstanding. This is a confession that a discrimination is made by the public and by the banks between the forms of currency, and that it is desirable to put the smaller notes into such denominations as will be readily absorbed in the channels of trade, and which are least likely to find their way back into the Treasury. When the issue

of small silver certificates began the limit of absorption of silver currency of larger denominations appeared to have been reached. The amount in circulation had varied from $95,000,000 in 1884 to $101,000,000 in 1885 and $88,000,000 in 1886, but with the advent of the smaller notes it rose above $140,000,000 in 1887 to $200,000,000 in 1888, $250,000,000 in 1889 and $300,000,000 in 1890. Since that time the silver certificate circulation has increased to more than $330,000,000, and more than $150,000,000 of the Sherman silver notes of 1890, nearly all in small denominations, have been added. The expansion of the silver paper circulation, which has been nearly fivefold in the past eight years, is the result almost wholly of putting out small silver notes and withholding other forms of bills. Silver certificates have accumulated in preference to any other form of note wherever currency demands were slack, and it is difficult to imagine how any more would have been absorbed had the denominations been smaller than they were. A large volume of silver certificates is still outstanding in large denominations, and it is desired to put them into small notes in order to promote their circulation. The Sherman Treasury notes are nearly all below the denomination of $50, except $19,666,000 in $1,000 bills. The following table shows the progress which has been made in shifting the United States notes from small to large denominations during the past six months:

	Outstanding	
Denomination—	*March 31, 1894.*	*Aug. 31, 1893.*
One dollar	$3,227,211	$3,701,845
Two dollars	2,619,366	2,988,292
Five dollars	53,813,494	64,105,364
Ten dollars	84,512,795	94,484,215
Twenty dollars	93,879,550	104,957,250
Fifty dollars	14,090,350	14,871,500
One hundred dollars	22,758,650	23,208,950
Five hundred dollars	12,737,000	13,899,500
One thousand dollars	60,017,000	25,433,000
Five thousand dollars	15,000	15,000
Ten thousand dollars	10,000	10,000

The Income Tax.—Elsewhere will be found a concise and interesting account of income taxation in Great Britain, prepared by Sir John Lubbock, one of the most distinguished bankers in London. It is very doubtful what will be the outcome of that feature of the pending tariff measure. The opposition to it is very great. One of the worst features of the bill is its sectional character. Most of the tax would be paid by persons living in the Eastern, Middle and Northwestern States. The remarks by Senator Morrill, the venerable Senator from Vermont, are well worth adding on this subject:

Our country is dotted all over with institutions essential to the general welfare, where the capital is not mainly made up by the rich, but

largely contributed by those in moderate or humble circumstances to aid local prosperity, and who are anxious to have some little savings treasured up to meet old age and all the vicissitudes of human life. But this Democratic income tax boldly grabs each one of these helpless parties and snatches its grim and paltry tribute. If a poor widow, whose husband has left her an income of $500 in the stock of some bank, should be absurdly told by an income crank that this is a tax upon the corporation and no tax upon her, will she believe it? No; but she might warn him to beware of the fate of that ancient liar, Ananias.

The stockholders of the great Pennsylvania Railroad number 27,665, and yet 26,684 of this number receive in 5 per cent. annual dividends less than $1,000 each from the company; but all will be subject to the income tax. The number of stockholders in the Lehigh Valley Company is 9,021. Only twenty-two of these receive in their customary 5 per cent. dividends so much as $4,000, and among those with limited holdings there are 4,500 women, or more than half of the whole company. These are examples that might be multiplied by the facts in most other corporations of the victims selected by this grossly unequal income tax. The bald assumption, therefore, that the income tail to the tariff bill would impose a tax merely upon large accumulations of wealth, or upon no one having less than $4,000, is a rickety pretense, or rather a robust fraud. Instead of only touching persons with the income of $4,000 or over, it would, beyond all question, smite a greater multitude having less than even $1,000.

Public Expenditures.—Our public finances are getting in a very bad way. It ought, however, to be remembered that some of the difficulties in meeting the expenditures arise from the fact that they have increased in much larger proportion than the revenue. The following table clearly illustrates the receipts and expenditures at different periods since 1870:

Fiscal Year.	*Net Ordinary Receipts.*	*Net Ordinary Expenditures.*
1870	$395,900,000	$164,400,000
1875	284,000,000	171,500,000
1880	333,500,000	169,000,000
1885	323,600,000	208,800,000
1890	403,000,000	261,600,000
1891	392,600,000	317,800,000
1892	357,900,000	321,600,000
1893	387,700,000	356,300,000

The present Congress is showing some disposition to retrench. One of the heaviest cuts at present contemplated is in the Navy Department for new construction. Doubtless the wisest policy would be to increase taxation on beer, wines and liquors, for enough could be obtained from these sources without hardship to any one to meet all the ordinary expenditures of the Government, and without having recourse to the odious income tax.

THE CONSIDERATION OF NEGOTIABLE INSTRUMENTS.

[CONCLUDED.]

An extension of time by agreement for a valid consideration between the holder and the maker without regarding the indorser's rights will discharge him, for his liability to the holder is secondary and contingent. On paying the note he has a right of action against the maker, or of subrogation to the rights of the creditor. If, therefore, time has been given, or any other act has been done by the creditor which prejudices these equities, the indorser will be discharged. (*Hagey* v. *Hill*, 75 Pa. 108.) Neither the creditor nor the maker by any act without the indorser's consent can enlarge his liability.

But an extension for a valid consideration does not thus operate to discharge the indorser if the creditor and maker agree that he shall not be. (*Hagey* v. *Hill*, 75 Pa. 108. See this case for Eng. cases for the reason that his rights are not postponed or affected.) He can pay the note if the maker does not, and pursue him; none of his rights are impaired. (*Ib.*) The reservation of the holder's rights against the indorser must appear in the agreement, and if they do not, the law presumes that he has relinquished them. Nor can he prove his retention of them by parol. (*Ib.*) The acceptance, therefore, by the holder of a protested note of a new note from the maker with a new indorser by agreement that it shall only be additional security and shall not release the parties liable on the original note, will not operate to release the indorser thereon. (Kemmerer's Appeal, 102 Pa. 558.) Unquestionably, an agreement by the indorser of a protested note that the holder may renew the maker's note from time to time on receiving partial payments, and hold the protested note as security, rests on a sufficient consideration (367, 334 Pa. 73) and consequently binds the indorser.*

The continuing liability of a surety is a sufficient consideration for a promise to indemnify him. (*Carroll* v. *Nixon*, 4 W. & S. 517; *Carman* v. *Noble*, 9 Penn. St. 366.)

When a note is given contemporaneously with the creation of

* That a payee, after parting with the note, signed an agreement giving the maker an extension, and agreeing to take up some notes with the holder's consent, is no defense in an action by the latter. *Milne* v. *Hamilton*, 3 Wh. 284. If a note was made for the accommodation of the payee, and the holder with knowledge of the fact has given time to the indorser, this is no defense, especially when the maker has taken a bond of indemnity. *Bank* v. *Walker*, 9 S. & R. 229; *Phila. Bank* v. *Wilson*, 2 Penn. L. J. 347.

a debt, the presumption is that it was given as a consideration, and not as a security, for the money. But the presumption may be rebutted by showing that the actual intent of the parties was otherwise. Thus, if money is borrowed by the officer of a company on his note, it may be shown that the money was lent to the company for its use, and that this was the understanding of all the parties, and that the note was in the nature of a collateral security. (Van Haagen Soap Co.'s Estate, 141 Pa. 214, affg. 8 Pa. C. C. 84; *Moffit* v. *Leuckel*, 93 Pa. 468.)

If the defendant intends to dispute the consideration he should give notice to the plaintiff of his intention, that proof of it will be required (*Epler* v. *Funk*, 8 Pa. 468), and if this is conflicting, the jury are to determine whether a consideration has been satisfactorily proved. (*Swain* v. *Ettling*, 32 Pa. 486.) And if the plaintiff should bring an action of debt on a note, and the defendant should plead "payment with leave to give the special matter in evidence," the plaintiff may require notice of the special matter which the defendant intends to give in evidence, and the notice must specify the particular matters which are to be proved. (*Hale* v. *Fenn*, 3 W. & S. 361.) If the maker intends to show by books that the indorsement was after the maturity of the note, he must give the plaintiff notice to produce his books, otherwise he cannot make this defense. (*Epler* v. *Funk*, 8 Pa. 468.)

Consideration Between Indorsee and Prior Parties.

Having considered the subject of adequacy of consideration between the original parties to notes and other instruments, we shall pass beyond them to subsequent holders, for very different rules apply between them and the makers. A *bona fide* holder of a negotiable note before its maturity for value and without any knowledge of imperfections, equities or defenses between the original parties, is unaffected by them, and therefore can recover the full amount from the maker (*Bullock* v. *Wilcox*, 7 Watts 328; *Camp* v. *Walker*, 5 Watts 482, overruling *McCullough* v. *Huston*, 1 Dall. 441; *Beltzhoover* v. *Blackstock*, 3 Watts 20; *Bardsley* v. *Delp*, 88 Pa. 420; *Lindsey* v. *Casselberry*, 3 W. N. 42; *Wilson* v. *Second Nat. Bank*, 7 At. 145), nor need the full value of the note or other instrument be given in order to become a holder for value. (*Forepaugh* v. *Baker*, 21 W. N. 299.)

Nor can a third party by subsequent acts compromise the rights of the indorsee. (*Smith* v. *Hogeland*, 78 Pa. 252.) Thus, S., as agent for M., sold his property at public sale. It was purchased by R., who gave a negotiable note in payment, with H. as indorser. It was agreed that if R. failed to comply with the conditions of the sale H. might take his place. R.'s contract of purchase was

rescinded. The agreement between R. and H. did not affect G.'s right of recovery of H. (*Ib.*)

As the holder is presumed to have received the note for value, and in the regular course of business (*Snyder* v. *Riley*, 6 Pa. 165; *Hill* v. *Kraft*, 29 Pa. 186; *Real Estate Invest. Co.* v. *Russel*, 148 Pa. 496) the promisor cannot defend against the holder as he could against the original payee, without giving enough evidence to awaken suspicion concerning the honesty of the holder's title. (*Knight* v. *Pugh*, 4 W. & S. 445; *Simmons* v. *West*, 2 Miles 196; *Schiedt* v. *Kuhn*, 1 W. N. 82.) If the promisor shows that he has a defense against the original payee, and casts suspicion on the holder's title, then the holder is put on the defensive and must prove a good title, or the maker's defense will avail. (*Fulweiler* v. *Hughes*, 17 Pa. 440, 447; *Hutchinson* v. *Boggs*, 4 C. 294; *Gray* v. *Bank*, 5 C. 365; Lock Haven Banking Co., 67 Pa. 472; *Bardsley* v. *Delp*, 88 Pa. 420; *Lamb* v. *Burke*, 132 Pa. 413; see *Sloan* v. *Union Bkg. Co.*, 67 Pa. 470; *Union Nat. Bank* v. *Wheeler*, 1 Leg. Rec. 65; *Holme* v. *Karsper*, 5 Binn. 471; *Snyder* v. *Riley*, 6 Pa. 164; *Dunshee* v. *Caruthers*, 7 At. 183; *Keystone Bank* v. *Rollins*, 1 W. N. 5; *Miller* v. *Royer*, *Ib.* 62; *Capehart* v. *Yost*, *Ib.* 104; *Dyer* v. *Adams*, *Ib.* 146; *Bruner* v. *Adams*, *Ib.* 390; *Sherman* v. *Allender*, *Ib.* 554; *Hoffman* v. *Foster*, 43 Pa. 137; *Riter* v. *Reed*, 2 Phila. 342; *Shomacher* v. *Sheperd*, 2 Luz. L. Reg. 158; *Simmons* v. *West*, 2 Miles 196; *Schiedt* v. *Kuhn*, 1 W. N. 82; *Bank* v. *Vandusen*, 1 Leg. Rec. 185.) The maker by the negotiable form of his obligation authorizes the payee to put it in circulation. If he has issued the note imprudently, that ought not to impose on the holder what may often be a very difficult, because an unexpected burden. On the other hand, a man who has lost or been robbed or defrauded is to be considered in the light of an unfortunate, rather than an imprudent man, and, therefore, has a claim to protection against *mala fide* holders. (Sharswood, J., *Sloan* v. *Pugh*, 4 W. & S. 445; *Brown* v. *Street*, 6 *Ib.* 221; *Albrecht* v. *Strimpler*, 7 Barr 476; *Gray* v. *Bank*, 5 Casey 365; *Beltzhoover* v. *Blackstock*, 3 Watts 20; *Dingman* v. *Amsink*, 77 Pa. 114; *Holme* v. *Karsper*, 5 Binn. 469.) But mere evidence of the want of consideration between the maker and the payee does not require the holder to prove his title to the note. (*Knight* v. *Pugh*, 4 W. & S. 445; *Brown* v. *Street*, 6 W. & S. 222; *Albrecht* v. *Strimpler*, 7 Barr 476; *Stitt* v. *Garrett*, 3 Wh. 281; *Beltzhoover* v. *Blackstock*, 3 Watts 27; *Snyder* v. *Riley*, 6 Pa. 168; *Hutchinson* v. *Boggs*, 28 Pa. 294, 296.)

What, then, does the law require as evidence of bad faith by the holder to put him on the defensive? To this inquiry a negative answer may be first given, that mere want or failure of consideration, or a fraudulent misappropriation of the proceeds of the paper where it was untainted by fraud at its inception and issue,

is not sufficient, nor is an affidavit of defense merely setting forth such matter. (*Lerch Hardware Co.* v. *First Nat. Bank*, 109 Pa. 240, 245; *Knight* v. *Pugh*, 4 W. & S. 445; *Brown* v. *Street*, 6 *Ib.* 221; *Gray's Adm.* v. *Bank*, 29 Pa. 365; *Sloan* v. *Union Banking Co.*, 67 Pa. 470.) Even the maker or indorser of an accommodation note cannot interpose this defense of a want of consideration against a third person who received it from another to whom it had been delivered by the maker as collateral security. (*Work* v. *Case*, 10 C. 138.) In another case the principle was correctly applied to the maker of a negotiable note which was given to an insurance company for a policy of insurance, and which was afterwards negotiated before maturity. He declined to pay it because his policy had been cancelled, yet he was not permitted to prove this against the innocent holder. (*Flannagan* v. *Mechanics' Bank*, 54 Pa. 398.)

Some illustrations may be given of holders who are not regarded as *bona fide*. Thus, one who, with a knowledge of its true character, received a note executed in blank which was filled up four years afterwards, is not a *bona fide* holder (*Snyder* v. *Armstrong*, 9 Phila. 54); nor is one who, knowing that the payee is insolvent and indebted to the maker, procures his arrest and then obtains a transfer of the note in satisfaction of his judgment (*Lightly* v. *Brenner*, 14 S. & R. 127. See *Anderson* v. *Evans*, 4 Phila. 298); nor is one who receives a note which is to be credited when it is paid (*Waters* v. *Cooper*, 31 Leg. Int. 413); nor is a bank which refuses to discount a note, but makes advances thereon to the owner. (*Bank* v. *Perry*, 2 W. N. 484.)

Nothing save clear evidence of knowledge or notice of fraud, or *mala fides*, can impeach the *prima facie* title of the holder of negotiable paper taken before maturity. (*Moorhead* v. *Gilmore*, 27 Smith 118; *Battles* v. *Landenslager*, 84 Pa. 446; *Lock Haven Nat. Bank* v. *Wheeler*, 1 Leg. Rec. 65; *Gaylor* v. *Bank*, 1 Walk. 328.) Said Mr. Justice Woodward (*Gray* v. *Bank*, 29 Pa. 365, 367): "To put him to proof of his title, the defendant must make out a *prima facie* case that the bill was obtained by undue means, as by fraud, felony, or force, or that it was lost. (*Knight* v. *Pugh*, 4 W. & S. 445; *Brown* v. *Street*, 6 W. & S. 221; *Snyder* v. *Riley*, 6 Barr 178; *Albrecht* v. *Strimpler*, 7 Pa. 476; *Real Estate Invest. Co.* v. *Russel*, 148 Pa. 496.) Mere want of failure of consideration is not enough." And the indorser also has a right to give such proof, in order to draw a proper explanation, if there be one, from the holder. (*Holme* v. *Karsper*, 5 Binn. 469.) An affidavit of defense, therefore, alleging that the bills in controversy were accepted for the accommodation of the drawers, and that the proceeds were to be applied to the taking up of a prior acceptance, and that the drawer failed to thus apply them was not a good defense, because the misap-

plication, though a fraud, did not taint the paper. (*Gray's Adm.* v. *Bank*, 29 Pa. 365.) In general, the misapplication of the proceeds received for paper will not affect the holder of it, as he is not required to look to their application, nor is he responsible for their misappropriation. (*Ib.*)

Proof that the note was fraudulently issued requires the plaintiff to prove that he is a *bona fide* holder for value. (*Lerch Hardware Co.* v. *First Nat. Bank*, 109 Pa. 240; *Holme* v. *Karsper*, 5 Binn. 469; *Phelan* v. *Moss*, 67 Pa. 59; *Moorhead* v. *Gilmore*, 77 Pa. 118; *Bank* v. *Vandusen*, 1 Leg. Rec. 185.) And facts that are properly averred in an affidavit of defense that the bill or note was obtained or put in circulation by fraud or undue means entitles the maker to a trial by jury. (*Lerch Hardware Co.* v. *First Nat. Bank*, 109, 240, 245; *Dickson* v. *Primrose*, 2 Miles 366; *Hutchinson* v. *Boggs*, 28 Pa. 294; *Hoffman* v. *Foster*, 43 Pa. 138; *Smith* v. *Popular B. & L. Association*, 93 Pa. 19.)

This principle has been applied on many occasions. In one of the cases in which the testimony on the part of the maker was, that at the time of the delivery of the note to the payee, the latter received the maker's check for the same amount under a promise to repay to the maker the amount of the check as soon as the note was discounted, and that he failed therein, it was insufficient to establish the fraud. (*Lamb* v. *Burke*, 132 Pa. 413.) Again, the fraud of an agent or broker to whom a note was intrusted for negotiation, and who misappropriated the proceeds, is no defense against an innocent purchaser. (*Ling* v. *Blummer*, 88 Pa. 518.) Even an indorsee who has taken a note before maturity *bona fide* for value without notice can recover from the maker even though a fraud was practiced on time in obtaining his signature. (*McSparran* v. *Neely*, 91 Pa. 1.) But when the maker has shown that the note was obtained from him under false pretenses, and was fraudulently put in circulation by the payee, then the holder, in order to recover, must show that he was a holder by purchase for value before maturity of the note without notice of the fraud. (*Hutchinson* v. *Boggs*, 4 Casey 294; *Hoffman* v. *Foster & Co.*, 43 Pa. 137; *Twitchell* v. *McMurtrie*, 77 Pa. 383, 386; *Albietz* v. *Mellon*, 1 W. 37.) And an affidavit by the maker alleging that the note was obtained from him by misrepresentations and wrongfully negotiated is sufficient to prevent the entering of a judgment for want of a proper affidavit of defense. (*Ib.*)

After the defendant has given proof that the note or bill was improperly obtained and put in circulation by duress, felony, or fraud, he may call on the plaintiff, having given a previous notice, to show that he is a *bona fide* holder for value, otherwise he is considered as standing in the same predicament with him who wrongfully gave it currency. (*Albrecht* v. *Strimpler*, 7 Pa. 476;

Holme v. *Karsper*, 5 Binn. 469; *Dingman* v. *Amsink*, 77 Pa. 114; *Beltzhoover* v. *Blackstock*, 3 M. 20; *Albietz* v. *Mellon*, 37 Pa. 367; *Knight* v. *Pugh*, 4 W. & S. 445; *Clark* v. *Partridge*, 2 Pa. 13; *Cummings* v. *Boyd*, 83 Pa. 372, 376.)

This rule is imperative and founded on good reasons. In *Beltzhoover* v. *Blackstock* (3 Watts 20, 27), Mr. Justice Sergeant has said: "Without meaning to lay down any general rule, it is sufficient to say that to throw on the plaintiffs the necessity of showing the consideration they gave for the note, justice requires that express notice should be previously given; that they would be called upon at the trial to do so, otherwise they may be taken by surprise, and inferences drawn against them from their inability to give proof, which would have been in their power if apprised beforehand. Being a negotiable instrument, the first presumption is that the holder took it fairly and in the regular course of business, and when that presumption is to be overthrown and he is to supply it by actual proof, he ought to have an opportunity to prepare for doing so." In this case the defendant gave a notice to the plaintiffs that no valuable consideration passed from the payee to the maker, but did not notify them of his intention to call on them at the trial to show their title from him. Having omitted to do this in advance of the trial he was not permitted to do it then. As for evidence of fraud or mistake between the original parties, this would be nugatory in such a case.

In *Cummings* v. *Boyd*, 83 Pa. 372, the defendant averred that the maker obtained the note in controversy from him, of which he was induced to become the payee and indorsee on the maker's false and fraudulent representation that he was solvent; that he promised to fill up the paper which was signed in blank for less than half the actual amount. These facts, which were admitted in the pleadings, the court declared were sufficient to require an ordinary holder to prove that he had observed the rule in taking it.*

Next, what is regarded a proper notice? A special plea setting forth such a defense is a notice, and so is an affidavit (See *Phelan* v. *Moss*, 17 Smith 66; 2 Miles 366; *Albietz* v. *Mellon*, 37 Pa. 367; *Dingman* v. *Amsink*, 77 Pa. 114; *Sloan* v. *Union Banking Co.*, 67 Pa. 470†), but the short plea of no partnership in the

* The plaintiff is not required to show what consideration he gave though notice has been given to him to prove it, unless the defendant has shown that he ought to be exonerated. *Jorden* v. *Davis*, 5 Wh. 338; see 3 Wh. 283. An allegation of fraud by a holder immediately preceding the plaintiff, is sufficient to require him to prove the consideration paid. *Gordon* v. *Stiltz*, 5 W. N. 169; see *Poultney* v. *Baird*, 6 *Ib.* 486.

† If fraud be averred as a defense to a note the averment must be precise and definite. *Bank* v. *Butler*, 4 Kulp 99.

case of a partnership note, would not be sufficient. If no other notice was given, nor any proof offered to destroy the presumption that the plaintiff was a *bona fide* holder, he could recover. (*Albietz* v. *Mellon*, 77 Pa. 114.*)

Lastly may be considered the effect of the evidence introduced under the notice. In *Albietz* v. *Mellon* (37 Pa. 367) the suit was against a partnership by an indorsee of a promissory note which had been executed by one of two parties in the partnership name. One of the defendants alleged that the note had been fraudulently issued without his authority and after the dissolution of the partnership, and notice thereof to the payee was proved before the date of the note. But none was shown to have been given to the plaintiff, nor any evidence that he was not a *bona fide* holder. The defense therefore failed.

In *Dingman* v. *Amsink* (77 Pa. 114) R. & Co. sold goods to the defendant, and promised that if they were unsatisfactory they might be returned. The defendant gave his note for them, but afterward returned a portion. This was no defense in an action by an indorsee to whom the note was transferred, for as it was in commercial form the court declared the presumption to be that the maker intended the note for circulation, relying on his contract for security against defects in his purchases. Neither the breach of contract nor the partial failure of consideration in the least affected the negotiability of the note.

In *Sloan* v. *Union Banking Co.* (67 Pa. 470) an action was brought by the bank against the maker of a note which had been transferred by the payee. The affidavit of defense was that the note had been given for a balance supposed to be due to the payee but which it was discovered did not: that the payee had enough funds in the bank to pay the note, and that the maker gave notice to the bank of the mistake, and asked for an application of the payee's funds in payment of the note. This was not regarded as a good defense, because there was no fraud in the transaction, but only a want of consideration of which the bank had no knowledge when it took the note. Said Mr. Justice Sharswood: "It is not pretended that there was any fraud or falsehood on the part of the payee, or even that he was cognizant of the error when he received the note and put it in circulation. The bank who took it from him were justified . . . in placing the most

* In *Hey* v. *Frazier*, 1 Mona. 759, 764, the court, after saying that the presumption was that the holder obtained the note in good faith and in the regular course of business before its maturity, added: "If such presumption is to be overthrown, and the holder is required to show the consideration which he gave for the note, it is not sufficient to give notice to him of the want of consideration, or that it was negotiated contrary to the agreement of the parties to the note. The plaintiff in the action is entitled to distinct notice that he will be called on to show his title on the trial."

entire confidence in his integrity. Why, then, should they be required to prove affirmatively when and how they acquired possession of the note." It was declared by the same judge that "it would not be wise to extend the principle of *Holme* v. *Karsper* (5 Binn. 469) any further than our determinations have already carried, for it would be a very serious impediment to the free circulation of negotiable paper which is so highly important in a commercial community."

Even though a negotiable note was obtained by fraud which ought to have excited the suspicions of the indorsee, he can recover unless it is shown that he took the same in bad faith. (*McSparran* v. *Neely*, 91 Pa. 1; *Phelan* v. *Moss*, 17 Smith 59; *Garrard* v. *Haddan*, 17 Smith 82; *Zimmerman* v. *Rote*, 25 Smith 188; *Brown* v. *Reed*, 29 Smith 370; *Hirst* v. *Hart*, 23 Smith 286; *Moorhead* v. *Gilmore*, 27 Smith 118; *Reese* v. *Wambaugh*, 2 W. N. 145; *Battles* v. *Landenslager*, 3 Norris 446.) In *Beltzhoover* v. *Blackstock* (3 Watts 20) the rule in *Gill* v. *Cubit* (3 B. & C. 466) was upheld that if an indorsee takes a note heedlessly, and under circumstances which ought to have excited the suspicions of a prudent and careful man, the maker or indorsee may be let into his defense. But in *Phelan* v. *Moss* a different rule was established, the court declaring that the holder of a negotiable note who has paid value for the same without notice of any defect therein, can recover from the maker, even though the circumstances at the time of taking it ought to have excited the suspicion of a prudent man. To destroy his title it must be shown that he took the note in bad faith. (*Phelan* v. *Moss*, 67 Pa. 59. See *McLaughlin* v. *Commonwealth*, 4 Rawle 464, and *Bullock* v. *Wilcox*, 7 Watts 328.) This rule was applied in a case in which the maker of a note notified the discounter that it was a fraud, and that the payee had promised not to negotiate it. The other party replied that, if this was so, he should have made it non-negotiable. As the maker gave an affirmative answer to this reply the court held that the buyer might conclude there was no defense and was therefore safe in discounting it. (*Heist* v. *Hart*, 73 Pa. 286.)

HISTORY OF THE INCOME TAX IN ENGLAND.

The origin of taxes in Britain is shrouded in mystery. We had a coinage in Kent at least a century before the advent of the Romans, so that there was probably some rude system of taxation, though no doubt the chiefs lived for a great part on the produce of their own lands. Under the Romans taxes appear to have been levied in kind, usually a tenth of the produce. The cattle were taxed at so much a head, and there was also a poll-tax on individuals, the human beings.

Under the Saxons the king received, in each shire, a contribution from the produce of the public or folk land, and this, with certain fines, was, during peace, sufficient for the maintenance of the Court. Additional taxes were imposed from time to time by the "Witenagemot," the shire forming the unit of rating, and being assessed according to the number of hundreds it contained.

Under the Normans no new form of taxation was at first imposed. The king continued to derive his revenue mainly from the demesne, which was originally of vast extent and amply sufficient for all ordinary purposes, amounting, according to Domesday Book, to no less than 1,400 manors or lordships, besides farms and lands in Middlesex, Shropshire and Rutland. In addition to this revenue the Crown had certain rights; for instance, purveyance, the right to impress carriages and horses for removals; pre-emption, the right to purchase provisions, etc., at a fixed price: and prisage, the right to take one or two casks, according to the amount of the cargo, from every vessel arriving at port.

The rights and fines accruing to the Crown under the feudal system also brought in a considerable revenue. The danegeld, or land tax, first imposed in 991, on the advice of Archbishop Sijeric, as an exceptional mode of raising a sum to bribe away the Danes, was reimposed by William the Conqueror in 1084, in consequence of an apprehended attack by Sweyn, at the rate of seventy-two pence for every hyde of land, and was subsequently continued at varying rates as a regular source of income. Scutage, or shield-money, was a sum levied by Henry, in lieu of military service, at the rate of £1 6s. 8d. on the fee of £20 annual value.

In 1194 a tax resembling the danegeld was levied on the carucate, or plough land, a "carucate" being the amount which could be ploughed by one "caruca," or plough, in a season. It was first levied at 2s. the carucate, and subsequently at different rates.

The cities and towns did not pay danegeld, but were assessed for an "auxilium," or aid, which was at first irregularly charged; but after the danegeld was discontinued, in 1163, it was placed on a more regular footing, and charged on all tenants, rural and suburban alike, and termed a "tallage."

Henry II. introduced an additional form of general tax, in which the other forms of general taxation were merged. This affected all movable property, and was first introduced on the occasion of the Saladin tithe in 1133. The contributories were required to pay so much in the pound on the value of their property, and were compelled to take an oath that they had made a correct return. The ordinance imposing the tax was made at Le Mans, after Henry had taken the cross. It provided that "Every one shall give the tenth of his rent and movables. Except, in the case of knights, their arms, horses and clothing; and in the case of the clergy, their horses, books and clothing and vestments, and church furniture of every sort, and except the jewels of clergy and laity."

By subsequent provision the clergy and knights who had taken the cross were exempted.

This method of taxation by fractional parts of movables continued for about a century and a half. "Tallages" also fell into disuse after the reign of Edward III.

The origin of customs duties is unknown, and during the Norman kings the trade of England was so small that the revenue derived from them was insignificant. Gradually, however, they became more important, and attempts were made to raise the rates. These were resisted as being in contravention of Magna Charta, but eventually they received legal sanction in the Statute of the Staple in 1353.

In 1377 a "tax unheard of before" was imposed by Parliament, which took the form of a poll-tax graduated chiefly according to rank, though partly according to property. Dukes had to pay £6 13s. 4d.; earls, £4; barons, £2; knights, £1; squires, 6s. 8d., or, if they had no land, 3s. 4d. Beggars were exempt. The Lord Mayor of London was rated as an earl, aldermen of London and mayors of other towns as barons. Yet the whole amount collected was under £25,000! The poll-tax having failed, the country reverted to the previous system of granting fifteenths and tenths.

The first indication of an income tax occurs in 1435, when an act was passed imposing a tax on every person "seized of manors, lands, tenements, rents, annuities, offices, or any other possessions."

But, although we have here the idea of income tax, yet this mode of raising a revenue is generally considered to have been introduced by Pitt in 1799. The rate was 10 per cent., and it produced about £6,000,000. After the peace of Amiens Addington repealed it on the ground that it ought to be exclusively reserved for times of war, but reimposed it, for the same reason, when the war broke out again in the following year. It was very unpopular and was repealed in 1806, as soon as possible after the close of the great war.

The tax was reimposed by Peel in 1842 for four years, his object being "to relieve trade and commerce from the trammels by which they were hampered and bound" by repealing other taxes in his opinion more injurious. We were, however, over and over again promised that it should be only temporary, and it is still only imposed from year to year.

It was and still is divided into five branches or schedules. The first, or schedule A, touches income from land and houses, based on the rent. The second schedule (B) is that which deals with rent, but, while the measure of charge is one-half in England, it is only one-third in Scotland and Ireland. If the profit proves to be more the Crown has no right to a surcharge; but if they are less the farmer may claim a rebate. The difficulty, however, of establishing this is so great that the privilege is of no great value. Schedule C deals with income from any public revenue, imperial, colonial, or foreign. Schedule D refers to incomes from professions, trades, and any income not included otherwise. Schedule E has reference to persons in the employment of the State, or in other public employments of profit. Lastly, it must be mentioned that there are some important exemptions, as, for instance, small incomes, charities, etc., and various abatements.

The tax is deducted by banks and companies before the dividends are paid, and, so far as individuals are concerned, is due *en bloc* on the 1st of January.—*Sir John Lubbock, in the North American Review.*

A SINGLE GOLD STANDARD.

There are in operation throughout the universe and coincident with the community of man, certain great laws which are as unerring in their workings as the laws of nature herself, and no decree of man or State can swerve them from their relentless course. Recognized by man, given full sway, and with human laws conformed completely to them, they become the gentle friend, even the abject slave of man. But thwarted, withstood, or met with dissembling action, they become cyclone-breeders of disaster and bloodshed.

These are the laws of trade and commerce.

Let the puny Populist, raising his sacrilegious hands, pipe out, "Let there be money," and they will grind him to powder and scatter him with the wind-swept dust of his Western prairie.

Let the assignat-maker of France turn loose his worthless decree-sustained paper money, and these laws will wipe out his tribe with the flames and blood of a revolution.

Distress and disaster follow in the wake of commerce's laws broken—mellow prosperity ripens under their sunshine if profoundly kept.

It is no wonder then that we turn with much interest to see what history records as to the action of these laws, regarding the standard of value, and we find that commerce in every age has decided what shall be the standard.

The decision in this century is for gold.

England, the United States, Germany, Belgium and Holland, Austria and Russia have recorded this decision. Says the report of the Special Commission of the Austrian Upper House in 1879: "It had become clear as long ago as the decade of 1860 to 1870, when Europe was becoming saturated with gold, that this was the only metal fitted to be the standard of nations of advanced civilization. Gold was dominant and the standard of value," says this report, "in all trade on a great scale as early as the fourteenth and fifteenth centuries, even though silver was then the standard in all domestic exchange. * * * In every age there is some metal dominant in the industry of the world which forces its way with elemental strength in the face of any public regulation, and in our day, gold is that metal."

Why has this decision been made?

Because commerce insists on the best medium for its own requirements.

Commerce in this last century has needed a metal, precious, but still of sufficient quantity to be used as an every-day medium of exchange—fusible, ductile, malleable, easily divisible, indestructible, or nearly so, and of vast purchasing power, concentrated in small bulk.

Has silver these qualities?

It is fusible, ductile, malleable, divisible, not so easily so as gold, but sufficiently. It is practically durable, not so nearly indestructible as gold, but nearly enough.

Has it vast purchasing power concentrated in small bulk?

No.

For that reason the vast increase in commerce in the last century, the enormous size of its transactions, the resistless drawing together of the great commercial world, through the discovery, subjugation, and application of the great powers of nature—steam and electricity—almost annihilating time and space—these things have made it necessary for

commerce to select for its transactions a metal which, while possessing all other requirements, shall have in a pre-eminent degree this one quality of concentrated value.

Silver has not vast purchasing power concentrated in small bulk.

During the deliberations of the Brussels Conference, Mr. Rothschild, delegate for Great Britain, says: "Our firm have, on several occasions, been obliged to send a million sterling in sovereigns or bar gold abroad, which million, when packed up, amounts to a weight of about ten tons." Is it likely, and even if desirable, would it be feasible and practical, supposing a ratio of 20 to 1 were established, to send 200 tons of metal at one and the same time? It seems to me that the operation would be impossible, and the sender would, therefore, naturally elect, or rather be compelled to send gold, even if it had to be bought at a premium.

It is the old law of natural selection and survival of the fittest, and, for the same reason that in turn iron, lead, tin and copper were dropped, so silver has fallen out of place in international commerce.

And yet it is a beautiful metal, so surpassingly brilliant, says our distinguished guest here to-night, in one of the standard works which have made his name known wherever money is made a study of, "so surpassingly brilliant, that it almost justifies the preference expressed by the barefoot boy of Sir Walter Scott, 'Give me the white money, please.'"

The barefoot boy of commerce of the old centuries has grown to be an enormous giant in these latter days. He has, perhaps, lost his gentle manners, for now, when he is offered the white money, he thunders out the demand, "Give me gold," and he speaks in English, German, French, Hungarian, and a lot of other languages, and he doesn't say "please." You would think his thunderous tones would frighten such meddling, blatherskite financiers as Mr. Bland, but they do not, and I have come to the settled conclusion that Mr. Bland's ears, however well developed they may be in other directions, were not made for hearing.

I do not think the bimetallists anywhere deny the superiority of gold for the purposes of the commerce of to-day.

I have quoted from one of the works of Mr. Walker. He says further in his volume on money:

"The extreme beauty of silver, brightest of all the metals, together with its numerous applications in the economy of life, make it an object of admiration and desire among peoples in all degrees of social advancement. Easily fusible, highly ductile, practically imperishable, silver would have filled our utmost conception of a money metal had not the earth yielded one transcendant product in comparison with which even silver fades from desire."

That product is gold, and of gold Mr. Walker says: "Its compendious value allows a vast amount of purchasing power to be concentrated for conveyance or for concealment in little bulk. A small planchet of gold has the power to command the labor of days. But while thus precious it is found in sufficient quantity to allow of its convenient use as an every-day medium of exchange. Its durability, fusibility, ductility and malleability form a group of properties of the highest importance for the purposes of coinage and circulation."

The choice of the world then is gold.

It is even the choice of the bimetallists themselves, except for one thing.

At the Brussels Conference, Mr. Van-den-Berg, delegate of the Netherlands, one of the strongest bimetallists present, said:

"From whatever side I look at the question I always come back to the dilemma: Is universal monometallism possible and practicable; yes or no? If yes, if it can be demonstrated that there is no lack of gold for

the monetary needs of the whole world, I become a turncoat—allow me the word—a turncoat, and place myself beside my present antagonists."

The question then, it seems to me, narrows itself down to whether or no there is, and will be, enough gold.

I desire for a moment to leave the question there and briefly to cite some of the principal objections to bimetallism.

And first, as to the interference of Governments which would be necessary in the adoption of international bimetallism. What are the functions of a Government with respect to standard money; what ought it to attempt, and what can it properly effect?

The best thought of the nineteenth century, among unprejudiced economists, approves of as little interference by Governments as is at all possible in the affairs of commerce. We have had some sad examples in this country of the disasters which follow upon a violation of this principle. Our own silver bubble, which had been filling with wind since 1878, has burst at last, leaving blighted hopes and empty factories and hunger and cold instead of the soapy rainbows that our inflationist statesmen so loved to look upon. And these windy criminals are still mussing around in the suds endeavoring to blow up seigniorage and other silver bubbles.

It has even been suggested by so high an authority as Herbert Spencer that the very Government stamping of coin, attesting weight and fineness, might be dispensed with, leaving the question of a medium and the attestation of it to commerce itself. But admitting that the stamping of metal to give guaranty of weight and quality is a proper function, the declaration of legal tenders is the second assumption of authority by a Government. This establishes what shall be received by the Government itself for taxes and what a contract made in money shall be paid in, avoiding thus any misunderstandings or contentions. But Mr. Robert Giffen says: "Even without a declaration of legal tender, metallic currency if a good one would circulate and be useful much to the same extent as it does now." But the bimetallists contend that the Government must keep a stable standard from period to period, keeping both metals in use either by fixing the ratio forcibly or by changing it every time it is necessary. And in the course of all this it would be necessary for the Government to insist that all contracts must be fulfilled in gold or silver at the certain ratio. No other contracts in money could be permitted, or bimetallism would become of no value. The freedom of the individual must be restricted. Emergencies would arise, as in case of war, where large sums of gold would be required; very complicated questions would have to be dealt with; questions on which even experts are not agreed. The question is, even if it were worth the trouble, could Governments be depended upon to regulate such problems? Governments! What are they? Tribunals full of people who have no intellectual interest in financial subjects. No qualification of any sort or kind for dealing with them; themselves elected by constituencies still more unfit, with little conception of the value of the problems, and no means whatsoever of forming practical conclusions.

How would you like, for instance, to have Mr. Peffer decide these problems, or Mr. Simpson, with his sockless financial reputation?

Let me say one thing further: If you read carefully the deliberations of the Brussels Conference, the very last international expression on this subject, you will be thoroughly convinced of the impossibility of getting Governments together on bimetallism. The positive refusals of the gold-standard nations to even consider international bimetallism places the matter entirely out of reach. I do not say we cannot come to a more extended international subsidiary use of silver on a gold basis, but to get

Governments to act together on the complicated questions which would surely arise under a managed currency, a currency artificially controlled by politics and not automatic under the great undeviating laws of commerce—to do this will be surely impossible.

And now as to the experience of France. It is claimed as a principal argument by the bimetallists that France, from 1803 to 1873, under the free coinage of both gold and silver, was for seventy years successfully bimetallic at a legal ratio of 15½ of silver to 1 of gold.

To this the monometallist replies that in order to be truly bimetallic, gold and silver in a country must be used indifferently as a legal tender. Carefully prepared tables show that from 1803 to 1873 either one metal or the other was at so serious a premium that they could not possibly pass as equivalents. At a premium of from 1 to 2 per cent. no man would think of paying a debt of $500 in a metal that would cost him $505 or $510 to procure. And that was almost continuously the condition, and at times the variations were very much wider, running as high as 7½ per cent. in two instances. For instance, in 1813, 16.25 to 1, and in 1814, 15.04 to 1; or 7½ per cent. variation, and about the same difference in 1819 and 1820.

In 1850 came the immense gold finds of California and Australia. Up to that time France, since 1803, had been practically on the silver standard, and gold was at a premium except in a very few years, at from 1 to 2 per cent. From 1850 on, France went to the gold standard and stayed there until 1867. Then the great change began again—until in 1874 she must suspend the free coinage of silver or go over absolutely to the silver standard. She suspended it and to-day is on what is called the "limping standard."

The conclusions are that France was never truly bimetallic.

As to the steadiness of the market ratio between gold and silver, and its being kept so on account of French bimetallism, its opponents claim that the steadiness was natural, that similar periods of steadiness have occurred before, and that as to immense finds of gold in 1850 and after, the fact that gold did not materially fall in value was due not to the French ratio but to gold being really the choice of commerce, and that the influx was received with joy and quickly absorbed by the commercial world.

Now as to the fall in prices brought about by scarcity of gold. The monometallists claim that in the last fifteen years gold prices have fallen 20 per cent., while silver prices have remained unchanged. If then the two had been linked together, the fall would have been one-half, that is 10 per cent. If, in other words, we had had international bimetallism, there would anyway have been a fall in prices of 10 per cent. in the last fifteen years. The evil then (and it is claimed by some that it is not an evil) of falling prices could not have been prevented. This evil will go on anyway, say probably to the extent of 10 per cent. in fifteen years, and it must be met. Great gold discoveries or great extension of bank paper temporarily prevent, but the fall afterwards continues, and bimetallism cannot stop it.

There is, however, quite a ray of hope, as I shall afterwards show, in the increase in gold production in the last two years.

There is a great deal of talk about the distressed condition of the world ascribed to fall of prices and used by the bimetallist as a grand argument, but Mr. David A. Wells, that most distinguished economist, accounts for the fall in price of all staple articles of commerce which really have fallen during the last twenty years by the economy of production and economy of transportation, and Mr. Horace White says: "He has not grouped them all together as our bimetallist friends commonly do, but he has taken each one separately."

Mr. Atkinson also says: "The gold standard's great and complete justification in this country is to be found in the fact that since specie payment was re-established upon the gold unit of value on the 1st of January, 1879, there has been a progressive and almost continuous reduction in the price of the necessaries of life, accompanied by such improvements due to science and invention in their production, that there is not a single important article that can be named of which the reduction in price is not more than justified by the reduction in cost due to labor-saving improvements which have been applied either to primary or secondary production and to distribution since that date or since 1873. On the other hand, the lawful unit of value, a gold dollar, is completely justified by the benefit, which has ensued from its adoption, to that great majority of the working people of this country who earn their daily bread from salaries, earnings or wages. There was never a period in the history of the world in which an industrious workman of this country, possessing skill or aptitude in the higher or lower grades of labor, could secure so many units of gold in compensation for his work as during the years 1890, 1891, and a part of 1892; nor has there been a period in which he could buy so large a quantity of the necessaries of life with his earnings as in the year 1891 and the early part of 1892."

And I have quoted from Mr. White. He refers to the alleged conspiracy against the debtor class. He says:

"What is meant by 'debtor class' in this discussion? All men who are not bankrupt are both creditors and debtors. The fact that they are not bankrupt implies that they have more due to them in one way and another than they owe. I am proud to believe that the vast majority of my countrymen are of this class, *i. e.*, of the creditor class. I take it that we are not legislating specially for bankrupts. Certainly it would not be wise to change our standard of value for their accommodation. Such a change would produce a great many new bankrupts and would not save any old ones."

Mr. White, replying to the argument that National and State debts are enhanced by the gold standard, wants to know why the standard of value for all the countless daily business transactions should be changed simply to meet this point, when the clearings for one week in the United States amount to about eleven millions, which is about double the interest-bearing debt of the nation. He says, "Add to this the payment of wages and the retail transactions not embraced in the clearings and multiply it by the fifty-two weeks of the year and you will see how large a cannon you are loading to kill a mosquito and what a tremendous recoil it must have."

I would like now to turn back to the conclusion reached in the early part of this address, namely, that the question has narrowed down to whether or not there is or will be gold enough for the gold standard. On this point a recent article on the production of gold throws pertinent and most encouraging light.

It is shown that the gold production in 1892 was 138,000,000, which is more than the average of the great years from 1850 to 1860. That the production for 1893 will probably show 150,000,000, an increase over even 1892. That this increase comes largely from the recently discovered South African gold fields; that they may be expected to constantly increase, and will probably not reach their maximum figures for the next thirty years. Those who know the country well think that there is a gold field in the Transvaal that will not be exhausted for centuries, and that the output now ranging between 20,000,000 and 30,000,000 will be increased in three or four years to 50,000,000, and this can be kept up for a generation from these mines alone, which are now being worked.

What with new processes enabling ore containing only $2 in gold a ton to be worked profitably, and in a steady increase guaranteed from Africa, Mr. Fraenkel, the author of the article, concludes: "It is not impossible that in a few years a quantity of gold not far from 100,000,000 will be available for monetary use. If this should prove true, it would seem futile to speak of an impending scarcity of gold."

A few words about the commercial condition of the United States in this matter and I am done, and in what I am to say now I shall use, very materially condensed, the demonstration of one of our soundest economists, Mr. Edward Atkinson.

The whole world is becoming one neighborhood, and with this each country tends to increase the excess of production in which it excels every other. Those products of which the production pays the highest wages at the lowest cost of production will be the ones in which any country can most successfully compete.

The United States can, on these conditions, produce far in excess of all our wants all the necessaries of life. Fuel, food, timber and metals are the things that we excel in on conditions of highest wages and lowest cost of production. Now, the nations producing fuel, metal and timber on these conditions are thereby enabled to apply labor-saving machinery to other branches of production most advantageously, and the machine-using nations of the world control its commerce. On the fuel, food, timber and metal basis then the United States controls the commerce of the world.

The commerce of Great Britain and the United States with each other is greater than with any other nation or State. They are the two principal importing and exporting countries. They are also the two chief machine-using nations of the world, and consequently practically dictate terms and conditions for all other international commerce.

And what are these terms as regards the fulfillment of contracts? They are for their discharge in comparison with the unit of gold. It is called pound sterling, but it is actually 113 grains of gold. Why has this been chosen? Let me give Mr. Atkinson's own words:

"Because the unit of gold is the safest, surest, least costly, and most convenient standard and method of determining the relation of one commodity to others, in the exchange of which commerce consists. If it had not been the safest and best unit some other would have been discovered and adopted. This unit or standard of value has been slowly developed as an international measure in the progress of mankind, without regard to legislation of any kind, and without the intervention or interference of any act of legal tender."

Bimetallism seeks to establish some other unit or standard—an international legal tender of gold and silver. Do you imagine for one minute that commerce would accept it? You might wipe out the pound sterling, but international commerce would spurn the new tender and make one of its own. It would cling to gold; a certain number of grains of it, say 100; and that would be commerce's reply to infringement of her laws. And if you went still further and forbade its use, woe be to the meddlers who thus tamper with the imperial laws of all time, laws that in the back centuries have swept away kings and principalities and kingdoms under like aggravation.

This country is the greatest creditor nation of the world. The articles we buy from others we can spare. The articles they buy from us they must have. The price of these things has been established in gold, and when we want gold (more than we want other goods), gold we can have. Shall we throw away this advantage? Under bimetallism our hands would be tied. We would have to accept silver. Have you any doubt

that the other nations would pay us in silver? And when the experience of the ages, the maturity of all time and six centuries of a gradually developed choice have decreed gold to be the most valuable, shall we accept the baser metal?

But, says the bimetallist, there will then be no baser metal. One will be as good as the other. Yes, by declaration of the earthly powers, but can royal edict turn bread to stone or stay by proclamation the ocean's restless tide? Shall we depend upon the assurances of an untried theory, which overwhelmingly broke to pieces in 1873, and so depending, take the chances of loss and great disaster?

The misery and distress of falling prices appeal to us, but although the bewildered Dane charged it to cowardice, we of commerce would "rather bear the ills we have than fly to others that we know not of."

Let us by private and public charity do all we can to relieve the world's distress, but here in this favored land let us accept open-handed the golden prosperity which commerce is ready to pour down to us, firmly convinced that gold, the best! the best! is none too good for Americans.—*Address of W. C. Cornwell, before the Liberal Club of Buffalo.*

WOMEN IN BANKS.

It surprises some persons to be told that women are employed in banks in any place throughout the country; in this connection a valuable page may be quoted from a paper read by Mrs. Charles Henrotin before the World's Fair Congress of Bankers and Financiers, held in Chicago in June, 1893. Papers of great importance were read by men high in financial and monetary circles and one of the most interesting of all the articles was Mrs. Henrotin's "Woman as an Investor." The subject bears closely on the one under consideration; and in Mrs. Henrotin's extended inquiries which were aided by the Government Departments, she gives the following as the number, as nearly as could be ascertained, of women employed in National banks; the list does not include State and private banks, which, doubtless, would considerably increase the total.

Number of women employed in National banks April 15, 1893:

Maine, 6; New Hampshire, 11; Vermont, 6; Rhode Island, 2; Connecticut, 5; New York, 44; New Jersey, 3; Pennsylvania, 26; Delaware, 1; Maryland, 1; District of Columbia, 1; Georgia, 2; Florida, 1; Louisiana, 2; Texas, 3; Arkansas, 1; Kentucky, 6; Tennessee, 4; Ohio, 23; Indiana, 24; Illinois, 27; Michigan, 11; Wisconsin, 12; Iowa, 21; Minnesota, 13; Missouri, 15; Kansas, 21; Nebraska, 19; Colorado, 4; California, 6; Oregon, 4; North Dakota, 9; Idaho, 1; Montana, 3; Wyoming, 1; Washington, 8.

The total number of shares of bank stock owned by women at the same time was 1,703,759, worth $130,681,485.

The unusual distinction of being president of a bank is an honor that has been bestowed upon a small number of women. Helen A. Clark was president of the Pulaski National Bank in New York from 1887 until the time of her death, which occurred in July, 1893. Several banks in Texas have for their active presidents women who manage the interests of the stockholders. In Georgia, one of the most progressive of the Southern States, a typical case might be cited. Jefferson, the county seat of Jackson County, is a thriving, prosperous town, whose citizens are progressive and ambitious; there is a college, finely equipped and

richly endowed, making the tuition nominally free. Under such circumstances, a natural consequence would be a large circulation of money—one of the prime necessities to call into being a banking house. In 1891, a few of Jefferson's prominent citizens decided to establish a bank, and, the Legislature being in session, their application for a charter was granted. In 1892 the bank was organized.

The largest contributor to the stock of the bank was Mrs. Sarah A. Turner, and in the selection of officers she was elected president without a dissenting voice, and she has been re-elected for the two succeeding years.

Since the death of her husband, which occurred many years ago, Mrs. Turner has directed and controlled the financial interests of her family, and has been very successful. It was doubtless the appreciation of this fact, together with her contribution to the stock, that resulted in her election as president of the bank. Mrs. Turner is not physically able to meet the directors in session, but when matters of importance come before them upon which they desire to consult her, they go to her home to confer with her, or receive her signature. In addition, her son, who lives with her, is cashier of the bank, and reports the business to her in detail.

Miss Comstock, who is president of the Comstock Banking Company, in Green City, and cashier of the Comstock Castle Bank in Green Castle, Missouri, is probably one of the youngest bank officers in the country. She entered the bank at Green City in March, 1889, as assistant cashier and bookkeeper, which position she filled in all its various duties. In September, 1892, the owners of that bank organized one in Green Castle, when they made Miss Comstock president of the old bank and cashier of the new one. As the president and directors of the latter bank live at some distance from it, Miss Comstock has the real work of the bank to do, and, despite the heavy responsibility, she is interested and successful in her work. We are accustomed now to hear of good work being done by young men, but as Miss Comstock is just twenty-one years old, her success has been remarkable.

The office of vice-president is usually an honorary one. Atlanta has a banking company whose vice-president, Mrs. John Keely, modestly says that her position is solely complimentary and without compensation. The bank is a family bank and represents an estate. Mrs. Keely's husband was vice-president, but at his death, which occurred six years ago, his wife was elected to fill the position. Mrs. Keely adds, "I think there are many positions in banks which could be filled as well by women as by men, and I wonder that they have not been employed in that way long before."

A savings bank in Exeter, New Hampshire, has for its treasurer Miss Sarah C. Clark, and a part of her letter is so very much to the point, that it is quoted in full. "My duties and responsibilities are the same as are required of men in like positions; and to retain a position in competition with men requires persistent effort, untiring energy, and a strict devotion to the work. There is no part of banking that a woman cannot learn. There is no part that she may not do without loss of dignity and self-respect. It is important that she should understand business and the value and use of money and the system of accounts; but there are many vocations less exacting, more congenial, better suited to develop her possible attainments, where she may achieve greater success and obtain a more liberal compensation."

The position of cashier and assistant cashier is filled in many banks by women, notably in the Western States.

When the Missouri Bankers' Association held its third annual con-

vention at Excelsior Springs, in July, 1893, its third vice-president was Miss Cox, who for eight years had filled the position of cashier of the Caldwell County Bank. The proceedings are reported at length in the *Gast-Paul Bankers' Reporter*, and Miss Cox's bright and witty paper is given in full. Miss Cox had entire charge of the bank, but says in her paper:

"My lady friends, wives and daughters of the bankers present, what do you know of the rise and fall of the cattle market, the price of corn, the financial condition of each man of your acquaintance? Do you speak to each man, woman and child, and grasp the horny-handed farmer, and while shaking his hand, gently feel of his pocketbook? Think of these little things and imagine the place I have occupied for eight years; but don't think that I am discontented; that my life is wholly made up of this. I find time to cultivate flowers, read the latest magazines and books, make my own dresses, attend church, fairs, and gossip about my neighbors. Am truly an American girl and claim the right of earning my living in the profession of banking, instead of being ostracized by society as are the working women of foreign lands."

Miss Cox was on my list of bank cashiers, and in reply to my letter to her came one—not from the Caldwell County Bank, but from Hamilton, Missouri; not from Miss Cox, but from Mrs. Cox-Napier—saying that she has occupied the position of a wife for nearly a year, and this brings me to the "except."

Whenever it is asked why objections are raised to women entering certain lines of business, it is gravely asserted either that it will interfere with their matrimonial prospects or that their matrimonial prospects will interfere with their work. Now, in view of the unhappy state of affairs which is generally conceded to reign in matters matrimonial, what objection can there be in trying a new expedient, that of letting women earn a home for themselves in some other way than through an unequal and too often uncomfortable partnership *à deux?* The old state of affairs has passed irrevocably in which a girl was taught that her only happiness would consist in marrying; that all her energies must be bent in this one direction and no pains spared to marry, if not *the* man, at least *a* man; that has passed, I say, absolutely. With it, too, is passing, but the shadow is still upon us, the feeling once so strong, that it is derogatory to a woman's dignity to work for wages. Only when these two ideas have been entirely thrust away from us will it be easy and pleasant for women to enter into every kind of work irrespective of any consideration except her ability to do it.

Thus it seems that the objection that some women may marry after they have entered banks and become accustomed to the work should not interfere with all women obtaining such positions who might be qualified to do so. *Some* of the women who enter banks assuredly will marry, just as some physicians do, and journalists and women who fill every position; but equally sure is it that not all of them will do so. Even in the olden time when the end of woman (not the catechism end, but one just as universal) was "to marry"—even then every woman did not marry; not one woman who reads these pages but will remember some "dear unmarried aunt," or grand-aunt. And what great harm is done if some of the girls do marry, provided they apply to that most important act of their lives the common-sense they have acquired in their business life? A vacancy is opened that may be a bonanza to some other waiting girl.

I wrote also to the officers of several banks in which women are or have been employed. Mr. Watson, the cashier of the Newport National Bank of Delaware, says: "We have had a lady as clerk in the bank for

over ten years; the first one employed was with us about a year when she followed the example of so many others in similar positions and married. [Mr. Watson, however, draws no unkind conclusions from this fact, nor did it influence his subsequent selection.] Miss Anna A. Robinson took her place in November, 1884, and has been with us ever since. She has charge of the individual ledger specially, and assists in the business of the bank otherwise, whenever her services are needed, particularly in the absence of myself or our teller. We find her very efficient and reliable, and she performs her part fully as well as a man. I think such positions are very suitable for women, and it will not be long before they are more generally employed." Mr. Watson adds that he believes Miss Robinson is the only woman employed in a Delaware bank. It may be noted that the statistics quoted show that only one woman is employed in Delaware.

The National Bank of Chester County has employed in clerical positions three women, one of whom was in the bank for eighteen years. Mr. Carver, cashier, after stating the work that was done by these three clerks, says that they were found to be faithful and capable, and their pay was the same as that given to men filling the same positions; also that the National Bank of Kennett Square employs women; and in West Chester there is a woman clerk, who is also a notary public, in a private banking house, whose services are held in high esteem by her employer.

There is a certain class of girls who would be specially eligible to enter banks. Many girls "finish" their education and have no prospect before them but to return home and help with the work of the household. There may be no absolute necessity for them to earn money; teaching may be distasteful, and no special talent may have developed itself during their limited contact with circumstances that might have brought to light such a precious possession. More than likely the girls will be bright, quick to learn, but easily assured that there is no work that they can do; and thus they are persuaded to stay at home, filling uncomfortable days with domestic and social duties, always longing for another taste of the pleasures of the routine life of which their school days gave them a glimpse, when each day brought with it something definite to be done. At last, merely to vary the monotony of their quiet, uneventful lives, many of them marry, conscious that they are not doing so from the motive of their early ideals (alas, have they not been told not to form ideals as to their married life!) but simply for the change that it will bring about. These girls would make excellent bank clerks; they would be better fitted, mentally, for the work than many men who are filling such positions now; they would probably spend their evenings in duties and amusements that would accrue directly or indirectly to the bank's benefit; they mght even, in time to come, form a bank clerks' association that would carry with it some such pleasant suggestions as belong to the present thriving association of that name. But this, of course, is anticipating.

There remains yet one additional position in the bank which has not been referred to. Of course, it is understood that in our large city banks where discount clerks, foreign collection clerks, note clerks, correspondence clerks, etc.. are employed, there is far greater opportunity to specialize on one kind of work, or on one ledger, if a bookkeper, than in country banks where two or three or four persons do all the work in the banks.

Everything hinges on familiarity with the work to be done; and no amount of theory will enable any one to successfully perform any work until a certain amount of experience be added to the theory.

"There is only one position in a bank that I think women could not fill," said one of my informants. "I do not know anywhere of a woman who is a bank director."

Wrong again! Even this province woman has invaded, and successfully.

Mr. Tome, of Port Deposit, Md., who has recently done what so many wise, rich men are doing—built his memorial in his lifetime—is the president of three banks. He is an unusually successful business man, and it is unlikely that he would have consented to have among the board of directors any one—man or woman—who would not be capable of taking an intelligent interest in the affairs they are elected to represent. His wife, Mrs. Evalyn Tome, is a director of the Cecil National Bank. She attends the meetings of the board each week, unless away from home, and her opinions and suggestions receive the same consideration given the other directors. Mrs. Tome in this and other ways expresses her hearty sympathy with all efforts that tend toward a standard of ability rather than sex in work of every kind. Mrs. Scott, of Elkton, Md., is also a director in the Elkton Bank.

There would be more justice in the plea that women could not do this kind of work or that kind of work if men invariably performed their work to the utmost of their ability. If no men proved unfaithful to trusts; if the old idea of the father extending to his family protection from need were carried out; if there was no dishonesty nor wickedness in the world—in short, if all women lived a happy life, free from care, free from anxiety, free from the desire to exercise the freedom of will that is born with them—if all this were women's present condition, then it would be just, though it might not be kind, to hold women back so that they would not interfere with men. But in these days of betrayed trusts, when many families find themselves beggared in an instant, when it is necessary in so many cases that it is almost universal for the daughters as well as the sons to work; then the well-meant kindness becomes cruelty; it is no longer fair to deny the "weaker sex," as she is affectionately called, every protection and opportunity that is afforded the "stronger sex."

Men are too prone to look upon the successful women whom they know as "exceptions." It is seldom that the woman is exceptional; it is frequent that her circumstances have been. When this has passed, and a young woman can enter any and every employment with the same freedom that a young man can, it will help to bring about such a mended condition of affairs that we shall rub our eyes and exclaim, "Why did we not think of this before?"

All that is now needed is for women to help themselves and they will find that business men will gladly help them. There is such a freedom in thinking for oneself, acting for oneself, earning for oneself and spending for oneself, that it is well worth the hard effort that must first be made in clearing away the mists that hide these things from view. No life in this world ever becomes entirely easy and always pleasant. The most successful life has unsuccessful days; but growth and prosperity will attend the steps of the business woman if she be honest and earnest in her work.—*Lenore D. Montgomery, in Woman's Progress.*

WEALTH OF THE UNITED STATES.

The latest bulletin of the Census Bureau, giving the valuation of the real and personal property in the United States in 1890, contains some aggregates which will be instructive to the students of industrial and economical statistics. The figures published will doubtless be subject to a good deal of criticism and correction, but the great aggregates may have a general value in spite of errors of detail. One of the features of the bulletin which is likely to attract attention is the high valuation given to property in the far West. The general supposition would be that the great commercial and industrial States—New York, Pennsylvania, Rhode Island, Massachusetts and Connecticut—would stand at the head of all the States of the Union in aggregate wealth and in wealth per capita. The census bulletin, however, puts Nevada at the head of all the States of the Union in per capita wealth, the aggregate for the State being $180,323,668, and per capita $3,941. Montana ranks next with a valuation of $453,135,209, or $3,429 per capita; and Arizona, almost the smallest of the territories in population, comes third with a total valuation of $188,880,976, or $3,168 per capita. The richest of the Eastern States is Rhode Island, with a total valuation of $504,162,352, or $1,459 per capita.

The remarkable figures for the Western States are doubtless explained in a measure by the fact that there is a small population among whom to distribute the wealth, much of which is really owned elsewhere; but it would seem, even with this allowance, that a high value must have been put upon uninhabited wastes of land, when the aggregate valuation of Montana is close to that of Maine and nine-tenths that of the busy manufacturing commonwealth of Rhode Island. Colorado is reported to have a valuation of $1,145,712,267, or $2,780 per capita, which is 80 per cent. of the valuation of New Jersey, and nearly 40 per cent. greater than the valuation of Connecticut. That there has been a remarkable inflation of values in these Western States may be judged from the fact that the valuation of Montana was only $40,000,000 in 1880, of Arizona $41,000,000, and of Colorado $240,000,000, the latter State showing an increase of nearly 400 per cent. No such gains are shown by the figures in the Eastern States, and Maine, New Hampshire and Vermont all show a decline in reported values. The decline in New Hampshire has carried the per capita valuation down since 1880 from $1,046 to $863, and in Vermont from $909 to $799. Disregarding these questionable figures and accepting the aggregates for the entire United States, the changes by sub-divisions between 1880 and 1890, including the per capita valuation, are shown in the following table:

	Valuation.		*Per Capita.*	
Division.	*1890.*	*1880.*	*1890.*	*1880.*
North Atlantic.....	$21,435,491,864	$17,533,000,000	$1,232	$1,209
South Atlantic.....	5,132,980,666	3,759,000,000	579	495
North Central.....	25,255,915,549	16,186,000,000	1,129	932
South Central.....	6,401,281,019	3,882,000,000	583	435
Western	6,811,422,099	2,282,000,000	2,250	1,191

The Eastern States, as was to be expected, show by far the largest per capita wealth, and the comparison would be much more striking if the three Southern States of New England were grouped with New York, New Jersey and Pennsylvania, and the group compared with the States of the Gulf. The per capita values in the six Eastern States named are: Massachusetts, $1,252; Rhode Island, $1,459; Connecticut, $1,119; New York, $1,430; New Jersey, $1,000; Pennsylvania, $1,177. The Gulf

States give the following valuations per capita: Florida, $995; Alabama, $4,012; Mississippi, $352; Louisiana, $443; Texas, $942. It is rather remarkable, in spite of the favorable showing of the Eastern States, that their percentage of increase is very small as compared with that of States like Texas, Kansas and Nebraska. The aggregate valuation of Massachusetts has increased, according to these figures, only 6.5 per cent., and the per capita valuation has fallen from $1,471 in 1880 to $1,252 in 1890. Connecticut has only gained in the aggregate 8.4 per cent., and the per capita has fallen from $1,251 to $1,119. New Jersey has gained 10.7 per cent. in the aggregate, but her valuation has fallen from $1,154 to $1,000. New York makes a better showing, with an increase in the aggregate from $6,308,000,000 to $8,576,701,991, or about 36 per cent., and her per capita has advanced from $1,241 to $1,430. Pennsylvania has advanced in aggregate valuation from $4,942,000,000 to $6,190,746,550, or about 25 per cent., and her per capita valuation has advanced from $1,154 to $1,177. Texas has advanced in aggregate valuation from $825,000,000 to $2,105,576,766, and in per capita valuation from $518 to $942. Kansas has advanced in the aggregate from $760,000,000 to $1,799,343,501, and in per capita from $763 to $1,261. The advance in Nebraska is from $385,000,000 to $1,275,685,514, and from $851 to $1,205 per capita.

The advance in the per capita valuation for the entire country has been very striking within the past forty years, and is now three times what it was in 1850. It would seem to be a reasonable inference from the aggregates that this advance was due to improved methods of production, but this conclusion would be somewhat impeached if the returns are correct, which show such enormous gains in Texas, Kansas and Nebraska and the mining States, while the great manufacturing States have remained stationary. The aggregates by each census, for what they are worth, are shown in the following table:

	True Valuation of all Real and Personal Property.		
Years.	*Amount.*	*Per Capita.*	*Increase Per Cent.*
1850	$7,135,780,228	$308	....
186c	16,159,616,068	514	126.46
1870	30,068,518,507	780	85.07
1880	43,642,000,000	870	45.14
1890	65,037,091,197	1,039	49.02

The statistics of the growth of manufactures in the country have recently been issued by the Census Bureau, and show the following aggregates for the entire United States in 1880 and 1890:

Items.	*1890.*	*1880* (a).
Number of establishments reporting	322,624	253,502
Capital	$6,138,716,604	$2,780,766,895
Miscellaneous expenses	$615,056,643	(b)
Average number of employes (aggregate)	4,476,094	2,700,732
Total wages	$2,171,356,919	$939,462,252
Officers, firm members and clerks—		
Average number	426,139	(c)
Total wages	$372,005,001	(c)
All other employes—		
Average number	4,049,955	(c)
Total wages	$1,799,351,918	(c)
Cost of materials used	$5,018,277,603	$3,395,925,123
Value of products	$9,054,435,337	$5,349,191,458

(a) The difference between the totals stated in the table and those published in the reports of the tenth census is caused by the elimination of data duplicated under the head of "mixed textiles," such data having been included in the totals for the different branches of the textile industry, also by the inclusion of petroleum refining.

(b) This item was not reported at the census of 1880.

(c) Not reported separately at the census of 1880.

The figures of the valuations of foreign countries are not yet accessible for 1890, but an estimate of the wealth of Great Britain in 1886 gave a total of $45,000,000,000. This valuation, divided among a population of 36,000,000, gives an average per capita of $1,250, which is $211 more than the new figures for the United States, in spite of the great padding of values in the West. A statement of annual incomes throughout the United States has not been made by the Census Bureau, but estimates by economic students place Great Britain at the head also in this respect. A table, compiled from such authorities as David A. Wells, Robert Giffen, Adolf Sootbeer and Paul Leroy-Beaulieu, gives the following results:

Country.	*Total Income.*	*Population.*	*Income per Capita.*	*Income per Family.*
United States.....	$8,453,970,000	62,622,000	$135	$675
Great Britain.....	6,200,000,000	36,000,000	172	860
Prussia.....	2,400,000,000	29,087,000	80	400
France.....	4,000,000,000	37,321,000	107	555

THE SILVER QUESTION.

Mr. W. A. Watkins, president of the Board of Trade of San Francisco, has been wrestling with the silver question, and has communicated the following solution to the editor of the San Francisco *Journal of Commerce:*

All greenbacks, National bank notes and gold under the value of ten dollars should be withdrawn from circulation and their place supplied with silver dollars as fast as the demand for these dollars came along. This would give rise to a very great demand. We, as a nation of sixty-five million people, could easily dispose of a silver circulation of ten dollars per capita. This would make six hundred and fifty millions of dollars. In paying out wages, for instance, when a matter of twenty was due, ten dollars could be paid in gold and ten dollars in silver, the legal tender limit being placed at ten dollars in silver. In this way a very large proportion of the product of our mines could be used—enough, I believe, to satisfy all the legitimate demands of our silver miners for many a day. The Secretary of the Treasury should have the power to coin as much silver every month as would be called for by the people, and an import duty should be placed on foreign silver.

One of the greatest delusions in the country, and one that is shared by a large number of people, is the idea that the country needs more money. It arises from two other delusions.

First—That the amount of money which a country requires in circulation must be directly proportioned to the extent of its business and the number of its population.

Second—That if more money were issued, each individual would, in some unknown way, get a share of it.

If the truth of these two points could be thoroughly understood, much less would probably be heard in the future about schemes for the inflation of currency.

In regard to the second of these points, the fact is that we have been adding to the volume of our currency year by year at an enormous rate and putting out from $50,000,000 to $60,000,000 of silver notes every year. How does it affect the people? Is it any easier for a man to get a dollar than it was before? Is he able to secure his share, or any share of it, except by giving in return therefor labor or its equivalent, pre-

cisely as before? What prospect is there, then, that it will be any easier for anyone to get more money than it is at the present time if the volume of currency be indefinitely expanded?

As regards the first delusion, it cannot be too frequently repeated that the currency of the country is now far beyond its need; that modern business methods do away with the needs of actual currency much more rapidly than the growth of business and population increase it; and that the country was more prosperous, or more sure of its prosperity, when the volume of the currency was smaller, and its quality higher. For example, there was in circulation on the first day of the present year about $1,588,781,729 of all kinds of currency, estimated at $24.56 per capita, while in 1879 the money in the hands of the people amounted to but $816,266,722, or about $16.27 per capita, and yet we were more prosperous then than now. The New York banks have nearly $50,000,000 over their regular reserve lying idle, waiting for some sort of investment. What good does that do the multitude of people? Yet that is what always becomes of an excessive issue of money, and would even if it were issued direct to farmers on the Sub-Treasury plan. With the certainty that follows the operation of the law of gravitation, it tends to collect at the great monetary centers and lies there useless, provoking speculation and refusing to come out and assist industry when it is most needed, piling up where and when it will be least used, and becoming a more disturbing factor in business in direct proportion to the quantity of it.

The one thing that we do not need is more money of the kind issued and in circulation at the present time.

SUIT AGAINST NATIONAL BANK.

CIRCUIT COURT, D. MASSACHUSETTS.

Crocker National Bank v. *Pagenstecher.*

The provision of Acts Cong. 1888, c. 866, § 1 (25 St. U. S. 433), that no suit shall be brought in the Circuit Court "against any person by any original process * * * in any other district than that whereof he is an inhabitant," applies only to suits commenced in that court; and it is no bar to the jurisdiction of the Circuit Court of a case removed to it from a State Court that defendant was not a resident of the district and that the State Court had acquired jurisdiction by foreign attachment without any personal service.

CARPENTER, J.—This is a motion to dismiss the action for want of jurisdiction. The action was brought in the Superior Court of the State of Massachusetts on January 7, 1890, and the writ was served by foreign attachment, the sheriff returning that he was not able to find the defendants. On the return of the writ, notice of the pendency of the action was given by publication in a newspaper, pursuant to the statute of Massachusetts, and to an order made in that behalf by the Superior Court. The action was then, on petition of the defendants, removed into this court, and the defendants file this motion to dismiss, for the reason:

"That at the time of the issuance of the writ and the commencement of proceedings herein the defendants were not inhabitants, residents or citizens of the State or District of Massachusetts, but then were, and for a long time previous had been, and now are, residents, inhabitants and citizens of New York; and that the defendants, or either of them, were not found within the State or District of Massachusetts, and no

service of the writ or original process in this suit ever was, or ever has been, made upon them, or either of them, as appears by the return of the deputy sheriff on the writ in this cause."

The argument of the defendants is that the court has no jurisdiction, under the provisions of the statute (St. 1887, c. 373, § 1; 24 St. 552; and St. 1888, c. 866, § 1; 25 St. 433), for the reasons: *First*, that the defendants are not residents of the District of Massachusetts, and, *secondly*, that no personal service of process has been made upon them. For the support of the proposition that the courts of the United States can in no case have jurisdiction of any action in which there is not personal service they rely on the decision of Judge Colt in *Perkins* v. *Hendryx*, 40 Fed. Rep. 657. It is, I suppose, clear that the judgment in that case could not have been rendered without finding or assuming that, as is briefly and broadly said in the opinion, the courts of the United States cannot in any case have "jurisdiction in suits founded on foreign attachment, and without personal service of process." But it is to be observed in the first place that the cases quoted in support of this proposition (*Toland* v. *Sprague*, 12 Pet. 300; *Sadlier* v. *Fallon*, 2 Curt. 579; *Chittenden* v. *Darden*, 2 Woods, 437) are all cases in which the action was originally brought in the Circuit Court, and they are decided, not on the broad ground that in no case can the courts of the United States have jurisdiction founded on foreign attachment without personal service, but on the ground that an action so brought does not come within the jurisdictional provisions of the eleventh section of the statute (St. 1789, c. 20; 1 St. 73). Those provisions prescribe the district in which suits shall be brought, and were so construed as to forbid the original jurisdiction of the Circuit Courts over actions in which there was no personal service on the defendant. But the question was not raised nor decided as to whether those provisions also control the jurisdiction in causes removed to the Circuit Court. Nor was this question apparently raised in *Perkins* v. *Hendryx*. The contention in that case seems to have been over the question "whether the act of the defendants in appearing in the State court, for the purpose of removing the case to this court, constitutes a waiver of any irregularity as to service of process." The opinion tacitly assumes that there is no distinction in this regard between cases originally brought in the Circuit Court and cases removed thereto, and therefore cannot be taken as an authority for the proposition on which the defendants rely. That this proposition of the defendants was not argued or decided in *Perkins* v. *Hendryx* seems also abundantly clear from the fact that the opinion of Mr. Justice Gray in *Amsinck* v. *Balderston*, 41 Fed. Rep. 641, is not discussed or cited. In that case it is distinctly held that the provisions of law prescribing the district in which a suit shall be brought "apply only to actions commenced in a court of the United States," and that consequently the prohibitions therein implied have no application to cases removed into those courts. I agree with the reasoning of that decision, and thereupon, no less than on the authority of the case, I conclude that the motion of the defendants discloses no defect of jurisdiction, and must accordingly be denied and dismissed.—*Federal Reporter*.

CONTRACTS BY OFFICERS ULTRA VIRES.

SUPREME COURT OF WASHINGTON.

Tootle et al. v. *First National Bank of Port Angeles.*

Where a bank receives property from a debtor worth $7,000 to pay its claim of $2,000. under an agreement by its officers out of the surplus to pay other creditors of the debtor, it cannot set up the defense of *ultra vires* in an action by a creditor to recover his share of the surplus. Hoyt, J., dissenting, on the ground that there was no evidence of such contract.

DUNBAR, C. J.—We think there can be no question that the bill of sale of the property of the mercantile company was intended as a mortgage to secure the payment of the notes. This is apparent, both from the testimony and from the answer, and the only serious question in the case to consider is whether the bank is bound by the action of its officers in the transaction upon which this suit is based. This fact seems certain from the testimony, viz., that the bank has received property worth about $7,000, when its claim was only $2,000. It is not necessary to decide whether or not the contract was *ultra vires*, for it was not immoral, it was fully performed by the other party, and the bank received and retained the benefits, and in such a case the plea of *ultra vires* is unavailing. (2 Morse, Banks, 3d Ed., § 740.) "The doctrine of *ultra vires* as a defense has died so hard that it is well to repeat the proposition which seems to be fully established by the more recent decisions—that where a contract has in good faith been fully performed, either by the corporation or the other party, the one who thus has received the benefit will not be permitted to resist its enforcement by the plea of mere want of power. Time and again corporations have been held estopped to plead *ultra vires* to an action on the contract performed by the other parties, where the corporation has received the benefits, although clearly beyond its powers." (2 Beach, Priv. Corp. § 425.) To the same effect is 2 Mor. Priv. Corp. (2d Ed.) § 688, and Green's Brice, *Ultra Vires*, p. 729, note *a*. The doctrine of *ultra vires*, when invoked for or against a corporation, should not be allowed to prevail where it would defeat the ends of justice or work a legal wrong. (*Railroad Co.* v. *McCarthy*, 96 U. S. 258.) This rule is so well established that it is the work of supererogation to quote authorities to sustain it. While it is not shown that the contract to pay this indebtedness was entered into by resolution of the trustees of the bank, it does plainly appear to our minds from the testimony that the trustees were in consultation about the matter, and that the business was done in the bank through its president and cashier, the men who practically do the business of the bank; and, even if it did not authorize the transaction, it has indorsed it by receiving and appropriating the benefits flowing from the transaction, and it would be against conscience and right to allow it to repudiate the contract, and still retain the benefits. We think the plaintiffs made out a *prima facie* case, and were entitled to a judgment thereon, and that the court erred in sustaining defendant's motion for judgment. The judgment will therefore be reversed, and the cause remanded for a new trial in accordance with this opinion, with costs to appellants.

Stiles, Anders, and Scott, JJ., concur.

Hoyt, J. (dissenting).—I am unable to find from the record that the respondent has received and retained the goods, or that it received any

goods in consideration of its alleged promise to pay the debts of the corporation or partnership. I am therefore compelled to dissent. I think that the judgment should be affirmed.—*Pacific Reporter.*

THE CONDITIONS OF DELIVERY MUST BE EXECUTED TO RENDER THE INDORSER LIABLE.

SUPREME COURT OF ALABAMA.

Sharp v. *Allgood.*

One who indorses a note on the express condition that it shall not be delivered unless another signs as comaker is not liable to the payee taking it without knowledge of the condition, or of the forgery of the comaker's signature.

Action by J. P. Allgood against J. S. Sharp as surety on a promissory note.

Upon the introduction of all the evidence, the court, among other things, instructed the jury as follows: "That if they found from the evidence that the plaintiff was not present when the note was made and signed, and had no notice that the note received of Thomas Stewart was not signed by the surety, A. M. Stewart, as it purported on its face to be, at the time of delivery, and if plaintiff lent Thomas Stewart the money on the faith of all the signatures thereto being genuine, that they should give a verdict for the plaintiff." The defendant duly excepted to this portion of the court's charge.

The line of defense is made good, if the jury believed the testimony. All the testimony bearing on the question was to the effect that Sharp, if liable at all, was only a surety of Thomas Stewart, the principal debtor. He refused to sign the note unless A. M. Stewart would also sign as surety. On no other terms was Thomas Stewart authorized to use the paper. A. M. Stewart's name was attached to the paper as a comaker, but there was testimony tending to show that his (the said A. M. Stewart's) name was placed there without his act or authority. Being sued on the paper, he had successfully defended the suit on a plea of *non est factum.* If the jury believed Sharp's account of the transaction, and that he signed the note, and consented to be bound, only on the condition that A. M. Stewart would become a comaker, and if they further found that A. M. Stewart's name was placed there without his authority or ratification, then this was and is a defense for Sharp in the present action. And it is no answer to this defense that Allgood was not informed of this condition anterior to his acceptance of the paper. The authorities hold that it was his duty to inform himself of the genuineness and binding obligation of the signatures, before accepting and acting on them. (*Bibb* v. *Reid,* 3 Ala. 88; *Robertson* v. *Coker,* 11 Ala. 466; *Insurance Co.* v. *McMillan,* 29 Ala. 147; *Guild* v. *Thomas,* 54 Ala. 414; *King* v. *State,* 81 Ala. 92, 8 South. 159; *Smith* v. *Kirkland,* 81 Ala. 345, 1 South. 276; *Marks* v. *Bank,* 79 Ala. 550; *Evans* v. *Daughtry,* 84 Ala. 68, 4 South. 592; *Campbell* v. *Larmore,* 84 Ala. 499, 4 South. 593; *Bank* v. *Evans,* 15 N. J. Law, 155; *Pawling* v. *U. S.,* 4 Cranch, 219; *Linn Co.* v. *Farris,* 52 Mo. 75; *Ayers* v. *Milroy,* 53 Mo. 516; *Lovett* v. *Adams,* 3 Wend. 380; *Bronson* v. *Noyes,* 7 Wend. 188; *Pepper* v. *State,* 22 Ind. 399; *People* v. *Bostwick,* 43 Barb, 9; *Perry* v. *Patterson,* 5 Humph. 133.) Several of the charges given and excepted to are not reconcilable with these principles. Reversed and remanded.—*Southern Reporter.*

ACTION TO RECOVER DEPOSITS—AUTHORITY OF PRESIDENT TO RECEIVE THEM.

SUPREME COURT OF SOUTH CAROLINA.

Bickley v. *Commercial Bank of Columbia.*

In an action against an incorporated bank to recover money deposited therein it appeared that plaintiff paid the money to I., defendant's president, who had previously been manager of a private bank, and received from him a certificate of deposit signed by "I., Manager," which certified that plaintiff had "deposited with I., Manager," the sum claimed by plaintiff. The certificate in no way referred to any bank. *Held*, That it was error to admit parol evidence to the effect that I. assured plaintiff at the time that the money would be deposited with the defendant, and that the certificate was intended to evidence such fact, where there was no evidence that I. had authority to make such contract, or had ever been designated or had signed his name as manager of defendant.

The fact that the action is not brought on the certificate does not render such evidence admissible, since, as soon as it appears that the contract is in writing, the parties are limited to the written evidence of its terms.

Where the defense is that the money was deposited to the credit of "I., Manager," and not to the credit of plaintiff, it is error to charge that if it was handed to I. to be deposited in defendant bank, and was so deposited, the bank is liable, though it was not one of the president's duties to receive deposits, without qualifying the charge to the effect that it would be liable only in case the money went into its custody and control as the money of plaintiff.

It is error to refuse to charge that there is nothing on the face of such certificate of deposit to show that defendant is responsible for the amount, and the word "Manager" after his name does not of itself indicate that he was contracting for the bank.

It is error to refuse to charge that the burden is on plaintiff to show that the president of the bank had authority to receive deposits.

McIver, C. J.—The action in this case was brought by the plaintiff to recover from the defendant the sum of $800, besides interest, alleged to have been deposited with defendant by the plaintiff. The complaint contains three paragraphs: (1) The allegation that defendant is a corporation duly organized under the laws of the State for the purpose of carrying on a general banking business in the city of Columbia. "(2) That on the 21st of October, 1890, the plaintiff deposited with defendant the above-mentioned sum of money, which said sum defendant promised to pay to the plaintiff's order, one year after said date, with interest thereon at the rate of 6 per cent. per annum, payable semi-annually from said date. (3) That the said sum of money, with interest as aforesaid, is now due by plaintiff to defendant, and, although plaintiff has made demand for the payment thereof, defendant refuses to pay the same." The defendant answered, admitting the allegations contained in the first paragraph, but denying each and every other allegation contained in the complaint.

For a better understanding of the questions presented by this appeal, it will be well to state certain facts, as to which there seems to be no dispute. Some time in March, 1889, the defendant corporation was chartered under the act entitled "An act to provide for and regulate the incorporation of banks in this State" (19 St. p. 212), and one C. J. Iredell was made its first president, and was such at the time of the transaction which forms the basis of this action. For several years previous to the incorporation of this bank, the said C. J. Iredell, in

copartnership with one Levi Metz, had been conducting a private bank, under very much the same name as the defendant corporation, which was under the management of said Iredell, and he was in the habit of signing his name, in the conduct of that business, "C. J. Iredell, Manager." For the sake of convenience, this private bank will hereinafter be designated as the "Partnership Bank," while the defendant corporation will be designated as the "Chartered Bank." There was testimony tending to show that, prior to the organization of the Chartered Bank, the plaintiff had deposited money, on more than one occasion, with the Partnership Bank, receiving certificates of deposit, signed "C. J. Iredell, Manager;" and there was also testimony tending to show that, after the Chartered Bank was organized, the Partnership Bank discontinued business, and Iredell opened an account on the books of the Chartered Bank in the name of "C. J. Iredell, Manager," upon which were credited collections made for the Partnership Bank, and against which checks were drawn to pay claims against the Partnership Bank. Iredell also testified that he proposed to organize a "Depositors' Co-operative Association," which he intended to carry on under the name of "C. J. Iredell, Manager;" but this scheme seems to have fallen through. At the trial, and while the plaintiff was on the stand as a witness, a paper was introduced, of which the following is a copy: "Columbia, S. C., October 21, '90. I hereby certify that James D. Bickley deposited with C. J. Iredell, manager, eight hundred dollars, payable to his order, upon the return of this certificate properly indorsed. It is agreed that said sum of money shall remain on deposit for one year from date thereof; that interest on this amount shall be at the rate of 6 per cent. per annum, payable semi-annually. [Signed] C. J. Iredell, Manager,"—which was delivered to the plaintiff by Iredell when he got plaintiff's money. Against the objection of defendant, plaintiff was permitted to testify to the conversation which passed between Iredell and himself at the time the paper was delivered to him, to the effect that Iredell assured him that his money would be deposited with the Chartered Bank, and that this paper was intended to evidence that fact. Appellant insists that this parol testimony was inadmissible, and the first four exceptions raise the question as to the admissibility of this testimony.

As is said by Mr. Justice Story in *Shankland* v. *Corporation of Washington*, 5 Pet., at page 394: "It is certainly very difficult to maintain that, in a court of law, any parol evidence is admissible substantially to change the purpose and effect of a written instrument, and to impose upon it a sense which its terms not only do not imply, but expressly repel." It is quite clear that the terms of this paper not only do not imply, but expressly repel, the idea that the Chartered Bank was in any way bound thereby, or in any way referred to therein. On the contrary, the paper, in express terms, refers to and purports to bind a totally different person, for, in law, Iredell as manager of the Partnership Bank, or as manager of the Depositors' Co-operative Association, and as president of the Chartered Bank, are entirely distinct and different persons; so that, even if it should be conceded that Iredell, as president of the Chartered Bank, had the power to bind the bank by such a paper as this—a concession which I am not now prepared to make—there is nothing whatever, either in the body of the paper or in its signature, to which alone we can look, which shows that he attempted or intended to exercise such a power. The rule is thus stated in 1 Greenleaf on Evidence (section 275): "When parties have deliberately put their engagements into writing, in such terms as import a legal obligation, without any uncertainty as to the object or extent of such engagement, it

is conclusively presumed that the whole engagement of the parties, and the extent and manner of their undertaking, was reduced to writing; and all oral testimony of a previous colloquium between the parties, or of conversation or declarations at the time when it was completed, or afterwards, as it would tend, in many instances, to substitute a new and different contract for the one which was really agreed upon, to the prejudice possibly of one of the parties, is rejected." To same effect, see *Falconer* v. *Garrison*, 1 McCord, 209. It is very possible that, if the parol testimony in question had been offered to show of what or for whom C. J. Iredell was manager, it would have been competent, inasmuch as the terms of the paper itself did not disclose that fact, under the cases of *Mechanics' Bank of Alexandria* v. *Bank of Columbia*, 5 Wheat. 326; *Baldwin* v. *Bank*, 1 Wall. 234; *Ligon* v. *Irvine*, 1 Rich. Law, 502; *Dupont* v. *Ferry Co.*, 9 Rich. Law, 255. But here the evidence was offered for no such purpose. On the contrary, it was offered for the purpose of showing that the contract upon which the plaintiff sued was made with an entirely different person from the one named in the paper delivered to the plaintiff as evidence of said contract; the paper showing that the contract was made with C. J. Iredell, manager, while the parol testimony objected to was intended to show that it was made with the Chartered Bank, through its president, and that, too, without the slightest evidence tending to show that the president had any authority whatever to make such a contract, or had ever, in any instance, signed his name as manager of the Chartered Bank,or had in any way ever been designated as such. The cases cited to show that a receipt may be explained by parol evidence have no application, as the paper in question—an ordinary certificate of deposit—has none of the elements of a receipt, but, on the contrary, is more like an ordinary promissory note; for it is certainly an obligation to pay a specified sum of money, at a time stated, with interest at a specified rate. In *Miller* v. *Austen*, 13 How. 218, a paper practically identical in form with this was held to be a note, upon which the indorser was held liable as in case of an ordinary note. The respondent, however, relies strongly upon the case of *Steckel* v. *Bank*, 93 Pa. St. 376, reported also in 39 Amer. Rep. 758, where several cases are collated in a note. That case is not in point here, for several reasons. The opening sentence of the opinion is in these words: "The principal cause of complaint in this case is that the learned judge of the court below withdrew from the jury the consideration of the question of fraud, upon the ground that there was not sufficient evidence to submit it." And in a subsequent part of the opinion the following language is found: "The plaintiffs, after ascertaining the fraudulent character of the transaction, tendered the certificate to the bank, and demanded the payment of their original deposit. In other words, they rescinded the contract on the ground of fraud. If their allegations are true, they had a right to do so, and proceed upon the original cause of action." From this it would seem that the action was based upon the ground of fraud, and, as fraud and mistake constitute exceptions to the general rule as to the admissibility of parol evidence to explain or vary a written contract, it is somewhat difficult to understand the application of that case to the one now under consideration, where neither fraud nor mistake is alleged. Again, in that case the deposit was made over the counter of the bank with the teller of the bank, in the presence of the cashier, officers specially charged with the safe keeping and handling the funds of the bank; while here the deposit is claimed to have been made with the president of the bank, an officer who does not ordinarily handle the funds of the bank, gives no bond, and who was not shown to have had any authority, either express

or implied, to receive deposits, unless such authority is incident to his office as president—a matter which will be presently considered. Again, in that case it was shown that the plaintiffs kept a regular account with the bank, and were in the habit of making deposits, and checking against the same in the usual manner, while here the transaction now in question seems to have been the first which the plaintiff claims to have had with the Chartered Bank, though there is evidence that the plaintiff had had similar transactions with the Partnership Bank through the said C. J. Iredell. The same remarks apply, in the main, to the cases mentioned in the note, the strongest of which is *Ziegler* v. *Bank*, 93 Pa. St. 393, in favor of plaintiff's view, where it also appeared that the plaintiff, Ziegler, could not read, and was therefore liable to be more easily imposed upon. But the case of *Bank* v. *Williams*, 100 Pa. St. 123, reported in the same note above referred to, seems to be more like the case in hand; and there it was held that the bank was not liable for a deposit made with its president under the circumstances there stated. It is urged, however, that the action here is not upon the written certificate of deposit, a copy of which has been set out above, and therefore the principles above stated do not apply. As has been heretofore said in *Park* v. *Brooks*, S. C., 17 S. E. Rep. 22, it is never technically accurate, though quite common, to speak of an action on a note or other instrument in writing whereby one person promises to pay money to another, for, "properly speaking, a note is never the cause of action, but it is the breach of the promise evidenced by the note which constitutes the cause of action; and the action is upon such breach, and not upon the note." So here, while it is quite true that the plaintiff does not set out the certificate of deposit in his complaint, but simply alleges the making of the deposit of a certain sum of money, together with a promise to pay the same at the time stated, and a failure on the part of the defendant to comply with such promise, yet, so soon as it appeared that the contract had been reduced to writing, no other evidence than such writing could be resorted to for the purpose of showing what were the terms of the contract, in the absence of any allegation of fraud or mistake. So that the circumstance that the action does not purport to be upon the certificate of deposit cannot affect the question. It seems to me, therefore, that, in any view which may be taken of the matter, the parol evidence objected to was inadmissible; and, this being so, the motion for a non-suit should have been granted, as there does not seem to be any other evidence tending to show a contract between the plaintiff and the defendant bank. While this would be sufficient to dispose of the appeal, yet it may not be amiss to consider very briefly the other grounds of appeal.

The fifth ground of appeal cannot be sustained. If the paper in question was in court at the time, no previous notice to produce it was necessary. (*Reynolds* v. *Quattlebum*, 2 Rich. Law, 140.) Moreover, the object was to contradict the testimony of C. J. Iredell, by showing that the defendant had paid the witness interest on deposits at the rate of 6 per cent., and this the witness might have proved without reference to the paper, as it was collateral to the issue on trial.

The sixth ground has been disposed of by what has already been said.

As to the seventh exception, in view of the fact that the real defense was that plaintiff's money was deposited by Iredell in the defendant bank, not to the credit of the plaintiff, but to the credit of "Iredell, Manager," it seems to me that the charge on this point should have been qualified as demanded by defendant's first request to charge.

The eighth ground complains of error in instructing the jury as to the

effect of the view which might be taken by them of the testimony hereinbefore held to be incompetent, and under that holding the eighth ground must be sustained.

The ninth ground cannot be sustained, for the charge shows that the instruction therein referred to was sufficiently guarded.

The tenth ground is based upon a misconception of the charge. The circuit judge did not refuse to charge "that the ordinary duties of the president of a bank do not authorize him to receive deposits," and in the form in which this exception is stated, it cannot be sustained.

The eleventh exception cannot be sustained, as the request upon which it was based trenched upon the province of the jury, and, moreover, confined the issue between too narrow limits.

The twelfth exception is sustained. It is the province of the judge to construe written instruments, and certainly there was nothing on the face of the certificate of deposit to indicate that the defendant bank had any connection with it.

The thirteenth exception is open to the objection that to charge as there requested would require the judge to invade the province of the jury, by instructing them as to the force and effect of the testimony.

The fourteenth exception must be sustained. If, as the circuit judge intimated, correctly, as I think, to receive deposits is not one of the duties incident to the office of a president of a bank, then, to make a bank responsible for a deposit so received, the burden of proof in a given case is upon the plaintiff to take his case out of the general rule, either by showing that the president in such case had express authority to do so, or that such authority should be inferred from all the circumstances surrounding the transaction, or that the money of the depositor was actually received by the bank as his money, in either of which cases the bank would be liable. But, to make it liable, it is incumbent on the plaintiff to show that the exceptional circumstances, exist. It is earnestly insisted by counsel for plaintiff that it is a duty incident to the office of president to receive deposits, and, therefore, that, as the deposit sued for in this case was received by the person who was at the time president of the defendant bank, the bank is liable, even if nothing else is shown. I am not prepared to accept this doctrine. On the contrary, it seems to me that the weight of authority, as shown by the cases cited by appellant's counsel, as well as of reason, is opposed to such a view. The authorities cited by the counsel for plaintiff to sustain his view rest alone upon the case of *Hazleton* v. *Bank*, 32 Wis. 34, in which the point here under consideration was not really decided, though there is a remark in that case which does sustain plaintiff's view. But that case is not authoritative here, and, so far as the point under discussion here is concerned, does not seem to rest upon sound principles. In addition to this, the question as to the general authority of a president to receive deposits does not properly arise in this case, as the circuit judge did not distinctly pass upon this question, and what he did say seemed rather to deny such general authority on the part of the president of a bank.

The fifteenth ground, as has been frequently said, raises no question which this court can properly consider.

It seems to me, therefore, that the judgment of the Circuit Court should be reversed, and the case remanded to that court for a new trial; and, this view having been concurred in by the other members of the court, it is so adjudged.

Pope and Gary, JJ., concur.—*Southeastern Reporter*.

EQUITABLE ASSIGNMENT OF A CHECK

SUPREME COURT OF APPEALS OF WEST VIRGINIA.

Hulings v. *Hulings Lumber Co. et al.*

A check operates as an equitable assignment *pro tanto* from the time it is drawn and delivered, as between the drawer and the payee or holder.

A general assignment for the benefit of creditors does not defeat the check holder, although the check be not presented to the bank for payment until after such assignment.

HOLT, J.—The Circuit Court erred in decreeing that the First National Bank of Cumberland should pay to Kenneweg & Co., defendants and appellants, the sum of $947.25, instead of directing that the same should be paid over to M. Howard Hulings, trustee. The facts, as far as they appear, are as follows: On the 5th of December, 1890, the defendant, Hulings Lumber Company, had on deposit, to its credit, in the First National Bank of Cumberland, Md., the sum of $1,301.98. It owed to defendant, Kenneweg & Co., a negotiable note, payable at that bank, for $947.25, falling due, not counting days of grace, on 6th December, 1890, which Kenneweg & Co. had left at the bank for collection. On the morning of the assignment, viz., 5th December, 1890, but before its execution, the lumber company, by its president, drew a check on the Cumberland Bank, payable to the cashier, for $947.25, and sent it by mail to the cashier, with instructions to pay the Kenneweg note, and send the note to the office of the Hulings Lumber Company. The cashier received the check and letter, but, before the payment, the bank had heard of the assignment, and refused to apply the money to the payment of the note, for the reason given by the bank to Kenneweg & Co.,—that the Hulings Lumber Company was largely indebted to the bank, and they (the bank) had been informed that the lumber company had made an assignment. We will suppose that the making of the assignment, then in force, was communicated by the same letter. Commissioner Adams reported against the claim of Kenneweg & Co., holding that the money in the bank passed to M. Howard Hulings' trustee, by the general assignment of all property of every kind made by the company afterwards, but on the same day, viz., 5th December, 1890, for the payment of all claims and demands in the order specified. Kenneweg & Co. excepted to the commissioner's report on this point, and the court, by decree of 20th June, 1891, held the exceptions to be well taken, and ordered the First National Bank of Cumberland to pay to Kenneweg & Co. the said sum of $947.25, in payment of their note. Whether it was a fraudulent transfer of this particular fund does not arise, being nowhere raised by the pleadings or otherwise. The question when and under what circumstances the death or insolvency of the drawer of such a check has the legal effect to countermand its payment--when the check is to be regarded as an equitable assignment—has given rise to a great deal of discussion, and to some differences of opinion. It was, in this case, an order to the cashier of the bank to transfer the deposit *pro tanto* of the lumber company to the account of Kenneweg & Co., in discharge of the note of the drawer, then there for collection. If the cashier or bank was the agent of the lumber company to pay, it was also the agent of Kenneweg to collect; and although the letter containing the check and instructions also contained, perhaps, the information

as to the making of the trust deed, the check having come into the hands of Kenneweg's agent to collect, it may be regarded as issued, and, as between the lumber company and Kenneweg, operated as an equitable assignment of that amount. The bank did not and does not itself claim it, and no one impeaches it as fraudulent and voidable. The bank continued to hold the check, money, and note until the controversy as to the money virtually in court between Kenneweg and the trustee should be settled; so that it is a question of ownership, depending on equities, and not what the stakeholder could do. The letter is not produced. Mr. Shriver, the cashier, testifies, but is not examined on this point. It is probable that the letter spoke of the general assignment for payment of debt, and of the preference given the bank for its debt of $20,000, and the fact of insolvency, if it then existed, was not a fact communicated, but only inferred, for the officer who sent the check says in his testimony that the lumber company was not then insolvent. Although the trust deed was afterwards acknowledged, and delivered on the same day, no express mention was made of this deposit, and it did not operate *proprio vigore* as a revocation of the check. As a matter of honesty and fair dealing under the common usage in such matters, it is generally regarded as a fraud on the part of the drawer of a check, in payment of his debt, to countermand it without some good cause, and such fraud should not be encouraged by the law's approval. As a matter of public policy and general convenience, the law's approval of the unlimited right of revocation would tend to weaken confidence in checks as money, and impair the usefulness of banks as places of deposit for convenient paying, as well as for safe keeping. Regarded as an equitable assignment, it has all the elements of a contract of sale or transfer of negotiable paper, without inconvenience to the bank, or undue restraint upon the proper power of revocation. So much for principle pointing to the proper rule. And, as matter of authority, so long ago as 1835, in the case of *Brooks* v. *Hatch*, 6 Leigh 534, such check or order was held to be an equitable assignment *pro tanto* of the fund thereafter to come into the hands of the drawee; citing *Row* v. *Dawson*, 1 Ves. Sr. 331; *Peyton* v. *Hallett*, 1 Caines 363; and *Cutts* v. *Perkins*, 12 Mass. 206. In the case of *Clayton* v. *Fawcett* (1830), 2 Leigh 19, the letter of Fawcett would have been adjudged an equitable assignment but for the condition contained in it that the payment was to depend on the drawer's being absent; citing, on the subject of equitable assignment, *Duke of Chandos* v. *Talbot*, 2 P. Wms. 608; *Theobalds* v. *Duffoy*, 9 Mod. 102; and *Bates* v. *Dandy*, 2 Atk. 207. In *Anderson* v. *De Soer* (1849), 6 Grat. 363, the same doctrine is laid down; and in *Bank* v. *Kimberlands* (1880), 16 W. Va. 555, 558; and *Bell* v. *Alexander* (1871), 21 Grat. 1, 6. Upon the subject of a check duly issued operating as an equitable assignment, see 2 Daniel, Neg. Inst. (4th Ed.) § 1618b, note; *Ib.* § 1635 *et seq.*; *Pease* v. *Landauer*, 63 Wis. 20, 22 N. W. 847; *Stoller* v. *Coates*, 88 Mo. 514; *Roberts* v. *Corbin*, 26 Iowa 327; *Union Nat. Bank* v. *Oceana Co. Bank*, 80 Ill. 212, and see cases cited; *Sav. Inst.* v. *Adae*, 8 Fed. 106; *Bank* v. *Coates*, *Ib.* 540; *Row* v. *Dawson* and *Ryall* v. *Rowles*, 2 White & T. Lead. Cas. (4th Amer. from 4th Eng. Ed.) 1531, 1533; Grant, Banks, side pp. 50, 51, citing *Tate* v. *Hilbert* (1793), 2 Ves. Jr. 111; Rev. Rep. 175, referring to *Rolls* v. *Pearce*, 5 Ch. Div. 730, a case of *donatio mortis causa*. On same subject, see *Austin* v. *Mead*, Brett. Lead. Cas. Eq. 122, 15 Ch. Div. 651, and *Burke* v. *Bishop*, 27 La. Ann. 465, treating the check as a mandate. On nature of a check, see 2 Daniel, Neg. Inst. c. 49, § 1566 *et seq.*; Bolles, Banks, § 58 *et seq.*; *Bullard* v. *Randall*, 1 Gray 606. On nature of bank contracts and duty to pay checks, see Bolles, Banks, §§ 32, 80 *et seq.*; 2 Morse, Banks (3d Ed., by

Parsons), c. 36, § 565 *et seq.* On revocation of checks, see 1 Morse, Banks, c. 28, § 397 *et seq.*; revocation by death, section 480; by insolvency, section 400a. On assignment in equity, see 1 Beach, Mod. Eq. Jur. 326; 2 Story (13th Ed.), §1044. On the French law on the general subject, see note 2 to section 1040a. On subject of handing a key, etc., so as to enable buyer or donee to take possession, see 2 Schouler, Pers. Prop. § 67. On equitable assignment, see *Ib.* §§ 76, 75; *Elam* v. *Keen*, 4 Leigh 333; 1 Schouler, §§ 74, 77 *et seq.* This is not a case of a suit at law against the bank, but in equity, where the court has the fund under its control and all the parties before it, including the stakeholder; and I do not understand any decisions of the Supreme Court of the United States as not treating it as a good, equitable assignment, as between the payee and the trustee. Certainly, such is the settled rule of law in this State.—*Southeastern Reporter.*

COLLECTIONS.

SUPREME COURT OF WYOMING.

Foster v. *Rincker.*

A National bank collected a note for plaintiff by accepting a draft for the amount on another party, which it forwarded to its correspondent for collection, and at the same time sent plaintiff a draft on the same correspondent as a remittance of the proceeds of his note. The correspondent received the money on the draft sent it for collection, but before plaintiff's draft was paid by the correspondent the bank failed. *Held*, that the bank was only agent for plaintiff, and that the money derived from his note was a trust fund, which did not become a part of the bank's assets.

CLARK, J.—This is an action brought in the court below by defendant in error, in which he sought a decree declaring certain funds which came into the possession of plaintiff in error trust funds, and ordering that they be paid over by plaintiff in error to him, with interest. To the petition of plaintiff below, the defendant there interposed a general demurrer. The demurrer was overruled, and, defendant below electing to stand by his demurrer, proofs were offered sustaining the allegations of the petition, findings of fact made by the court, and a decree entered as follows: "It is therefore considered, ordered, adjudged and decreed that of the sum of sixteen hundred and thirty-five dollars collected by the Cheyenne National Bank for the plaintiff as aforesaid, sixteen hundred and thirty-four dollars thereof is a trust fund, and that the defendant, as receiver of the Cheyenne National Bank, be, and he is hereby, directed and ordered to pay to the plaintiff, out of any moneys in his hands, or, should there not be sufficient funds in his hands at this time, then out of the first moneys received by him as such receiver, the full sum of twelve hundred and fourteen and forty-six one hundredths dollars ($1,214.46), and to the clerk of this court the costs of this suit, taxed at $6.50." Thereafter, motion for a new trial was filed, and upon hearing was overruled. Exceptions were duly reserved by defendant below to all the rulings, orders, and decree of the trial court, and the cause came here upon the record, setting forth the petition, demurrer, and ruling thereon, the findings of fact, decree, motion for new trial, and ruling thereon. Without setting forth in *haec verba* the petition or findings of fact made by the court below, the facts disclosed by the record are substantially as follows: On the 11th day of November, 1891, the Cheyenne National Bank was, and for some time prior thereto had

been, a banking corporation organized under the National banking laws of the United States, and was located at, and carrying on its business of banking at Cheyenne, Wyo., and so continued until it ceased to do business, on the 13th day of November, 1891, as hereinafter stated.

On the first named day, November 11, 1891, it held for collection for plaintiff below the note of one Charles F. Coffee, payable to the order of said plaintiff, and upon which there was due on the said day the sum of $1,635. The note was received by the bank, solely for collection, and was, at all times until paid, the property of the plaintiff below. On said day, November 11, 1891, Coffee paid to the bank the amount due upon the note, to wit, $1,635, giving to the bank in payment thereof a draft drawn by the Commercial National Bank of Harrison, Neb., upon the United States National Bank of Omaha, Neb., for said sum. On the same day the Cheyenne National Bank remitted the said draft to the First National Bank of Omaha, Neb., with instructions to collect and credit to the account of the Cheyenne National; and at the same time it (the Cheyenne National) forwarded by mail to the plaintiff below at Crawford, Neb., its draft upon the First National Bank of Omaha for the sum of $1,634, being the net proceeds of the collection.

While it is not so stated in the pleadings or in the findings of fact, it is evident from the facts which are stated, and was admitted upon the argument, that the difference, viz., one dollar, between the amount collected and the amount remitted to plaintiff below, was the charge made by the Cheyenne National Bank for the collection and remittance. At the time of drawing the said draft for $1,634, the Cheyenne National Bank had to its credit with the First National Bank of Omaha a sum of money largely in excess of the amount of said draft, and such continued to be the case until the funds to the credit of the Cheyenne National Bank were paid over to the receiver, the plaintiff in error, by the Omaha Bank, as hereinafter stated. On the 13th day of November, 1891, the draft for $1,635 which the Cheyenne National Bank accepted in payment of said note was collected by the First National Bank of Omaha, and the amount so collected was by it placed to the credit of the Cheyenne National Bank on said date, and said amount (quoting from the petition) "so received and credited by the First National Bank of Omaha remained with it until on or about the 15th day of February, 1892, when the same, with other funds also standing to the credit of the Cheyenne National Bank, were turned over to the defendant as receiver of the said Cheyenne National Bank." The draft for $1,634 sent by mail to the plaintiff below by the Cheyenne National Bank in discharge of the collection was received by him at Crawford, Neb., on the 13th day of November, 1891, and at once forwarded by him to Omaha, Neb., for collection. It was presented by the First National Bank of Omaha, and payment demanded on the 17th day of November, 1891; and although at that time that bank held to the credit of the Cheyenne National Bank a sum largely in excess of the amount of the draft, of which sum the proceeds of the draft given in payment of the note was a part, payment was refused, and the draft was duly protested. On the 13th day of November, 1891, the Cheyenne National Bank failed, closed its doors, and ceased to do business. On the 5th day of December, 1891, the defendant below was duly appointed receiver of the Cheyenne National Bank; and on December 15, 1891, he duly qualified as such receiver, and has ever since been, and now is, such receiver. On the 15th day of February, 1892, the said receiver demanded and received from the First National Bank of Omaha the sum of $8,727.40, being the amount on deposit in said bank to the credit of the Cheyenne National Bank, which said sum included the money, $1,635, collected upon the

draft given the Cheyenne National Bank in payment of the note, as before stated. On the 3d day of March, 1892, the receiver paid to plaintiff below, on account of his demand, the sum of $409.13, and on the 29th day of December, 1892, the further sum of $245.47, leaving the balance sued for. Under these facts, it is contended on the one hand that the receiver received the money from the Omaha National Bank charged with a trust in favor of plaintiff below, and that, therefore, the latter is entitled to be paid in full out of the funds in his hands as such receiver. On the other hand, it is contended that the plaintiff below is simply a general creditor of the bank, and must prorate with all the other general creditors in the distribution of its assets.

It may be observed at the outset, that it would be hard to conceive of a case in which the proceeds of a collection could be more completely and thoroughly traced into the hands of the receiver of an insolvent bank than is done in this case. The note was paid by a draft. That draft was sent by the collecting agent to a bank at Omaha. That bank collected the draft on the day that the collecting agent failed. It placed the proceeds to the credit of the collecting agent, the insolvent bank, and afterwards turned those proceeds over to the receiver, the plaintiff in error here. Such are the facts disclosed by the petition; such are the facts expressly found by the court; and I am utterly unable to understand how, under any of the authorities, the judgment of the court below could have been at all different from what it was. It is evident from the fact that, as soon as the bank collected the note, it, on the same day, attempted to remit the proceeds to the owner thereof, that there was no sort of understanding between him and the bank that the bank should, for any length of time, have the right to use the proceeds, or that there should be any other relation between them than simply that of owner and collecting agent. When the bank consented to act as the collecting agent, and charged for the collection, it assumed precisely the same duties and obligations towards the owner of the note, its principal, as an individual acting in the same capacity would have done. The relation existing between the parties was that of principal and agent; and, this being so, the proceeds of the note collected by the agent were just as much the property of the principal as the note itself was. The title thereto never vested in the agent,—never passed from the principal,—and, upon making the collection, it at once became the duty of the agent to send the proceeds thereof to its principal. Whether, within the limits of its agency, it was authorized to make the remittance by means of its own draft drawn upon its correspondent at Omaha, is a matter concerning which there is some conflict of opinion among the authorities, and as to this particular matter we express no opinion. It is not necessary to do so, because, however this question may be decided, we are very clear that the bank did not, by the acts of drawing and mailing this draft, thereby discharge its duty and its obligation to its principal. That could only be done by the actual payment of the draft, because until it was paid the title to the proceeds remained in the owner of the note, and the transaction would not amount to a remittance. To hold otherwise would be tantamount to saying that the title to these proceeds might pass from the owner without his consent or knowledge. It does not appear that any particular mode of making the remittance was mentioned between the parties, but this does not alter the case. The bank could not by its own act, unauthorized by the owner of the note, transform the relation of principal and agent, existing between it and the owner of the note, into the relation of debtor and creditor, and thus change its duty, obligation and liability to the owner, and at the same time change and modify the rights and remedies of the

principal, naturally growing out of the true relation actually existing between the parties. (*People* v. *Bank of Dansville*, 39 Hun. 187; Bolles, Banks, §§ 66, 475; *Nurse* v. *Satterlee* (Iowa), 46 N. W. 1,102; *Libby* v. *Hopkins*, 104 U. S. 309; *Dime Savings Inst.* v. *Allentown Bank*, 65 Pa. St. 116.) It follows from what has been said that the bank was merely the bailee for hire of Mr. Rincker's funds (Bolles, Banks, p. 487; *Association* v. *Clayton*, 56 Fed. 759); and, this being so, he (the plaintiff below) can follow them, certainly, into the hands of the receiver, who acquired no better title to the money than the bank had; and this is so for the simple reason that it is his money, the title to which has never passed from him. The relationship of principal and agent, which existed between these parties, was certainly one of trust and confidence. In other words, it was a fiduciary relationship. And, this being so, it was one in which, if a wrong arise, the same remedy exists against the wrongdoer on behalf of the principal as would exist against a trustee on behalf of the *cestui que* trust; and it follows that whenever such relationship exists, and money coming from the trust lies in the hands of persons standing in that relationship, it can be followed, and separated from any money of their own. (*National Bank* v. *Insurance Co.*, 104 U. S. 68.) It cannot be denied that equity will follow a fund through any number of transmutations, and preserve it for the beneficial owner, so long as it can be identified. In this case there is no kind of difficulty whatever about the identification of the fund. The proceeds of the collection are directly traced into the hands of the receiver. It is true that when these proceeds came into his hands they came along with other funds, the whole amount received by him from the First National Bank of Omaha being $8,727.40; but this fact does not affect the case, because equity will follow the money, even if put into a bag or an undistinguishable mass, by taking out the same quantity. (*National Bank* v. *Insurance Co.*, 104 U. S. 55; *Bank* v. *Armstrong*, 148 U. S. 50, 13 Sup. Ct. 533; *Peters* v. *Bain*, 10 Sup. Ct. 361; *McLeod* v. *Evans* (Wis.), 28 N. W. 173; *Francis* v. *Evans* (Wis.), 33 N. W. 93; *Bowers* v. *Evans* (Wis.), 36 N. W. 629; *Ellicott* v. *Barnes* (Kan.), 1 Pac. 767; *Peak* v. *Ellicott*, *Id.* 501; *Myers* v. *Board* (Kan.), 32 Pac. 661; *Bank* v. *Hummel* (Colo. Sup.), 23 Pac. 986; *Nurse* v. *Satterlee* (Iowa), 46 N. W. 1,102; *Griffin* v. *Chase* (Neb.), 54 N. W. 572; *Bank* v. *Weems* (Tex. Sup.), 6 S. W. 802; *Thompson* v. *Institution* (N. J. Ch.), 8 Atl. 97; *People* v. *City Bank of Rochester*, 96 N. Y. 35; *In re Le Blanc*, 14 Hun. 8; *McColl* v. *Fraser*, 40 Hun. 112; *Libby* v. *Hopkins*, 104 U. S. 309; *Bank* v. *Armstrong*, 36 Fed. 59; *In re Armstrong*, 33 Fed. 405; *Bank* v. *King*, 57 Pa. St. 202.)

At the argument it was urged upon us that section 5,242, Rev. St. U. S., prohibiting any disposition of the assets of a National bank, after an act of insolvency, with a view to prevent the application of its assets in the manner provided by the United States statutes, controls this case. We do not assent to this proposition, because, in our opinion, the proceeds of the collection of the note were never at any time the property of the bank, and consequently not a portion of its assets, and hence wholly unaffected by the statute. The decree of the District Court of Laramie County is, in all respects, affirmed.

Groesbeck, C. J., and Conaway, J., concur.—*Pacific Reporter.*

ASSIGNMENT OF NOTES SECURED BY MORTGAGE.

SUPREME COURT OF WASHINGTON.

First National Bank of Aberdeen v. *Andrews et al.*
Young v. *Same.*

1. Where notes payable at different times, and secured by a mortgage, are assigned to different persons, there is no priority of right under the mortgage between the assignees, in the absence of express stipulation, but each is entitled to share *pro rata* in the proceeds of the mortgaged property. *Miller* v. *Bank*, 31 Pac. 712, 5 Wash. 200, explained.

2. A National bank has power to take an assignment of a mortgage on land to secure a loan made at the time of the assignment.

3. As the Supreme Court of the United States has decided that it has authority to re-examine the judgment of a State court as to the power of National banks under the act of Congress, a State court should follow its decisions on the question.

DUNBAR, C. J.—On December 31, 1891, Andrews made his two promissory notes, payable to E. C. Finch, numbered 1 and 2. No. 1 was payable six months from date and No. 2 was payable nine months from date. At the time of the execution of the notes, Andrews made and delivered to Finch a mortgage on real estate, to secure the payment of both of said notes. On said day Finch sold note No. 1 to the First National Bank of Aberdeen, and guaranteed the payment thereof. No assignment of any part of the mortgage was made to the bank nor was the mortgage delivered to it. The mortgage was recorded by Finch on March 28, 1892, in the proper office of record. On April 9, 1892, Finch sold note No. 2 to Alexander Young, and indorsed it without recourse on him, but at the same time he made and delivered a written assignment to so much of said mortgage as secured the payment of note No. 2, and also delivered to Young the mortgage itself. An action was brought by the bank, to which Young was made a party. Young afterwards brought an action to foreclose, and these actions were consolidated by the court, and upon which trial the court decided that the note of the bank was entitled to a priority of the proceeds arising from the sale of the mortgaged premises.

There are two questions of law involved in this case: First, the question of authority on the part of the National Bank to take a mortgage on real estate to secure payment of a loan where a debt had not been previously contracted; second, the question of priority where the holder of two promissory notes, coming due at different times, secured by mortgage, parts with their ownership to different persons at different times, and the sum realized from the sale of the mortgaged premises proves insufficient to pay the notes in full. The first question involves the determination of the scope and extent of the prohibition imposed upon National banks by sections 5,136, 5,137, of the Revised Statutes of the United States, which provide, in substance, that a National bank may loan money on personal security, and that it may purchase, hold, and convey real estate for the following purposes, and no other: (1) Such as may be necessary for its immediate accommodation in the transaction of its business; (2) such as shall be mortgaged to it in good faith by way of security for debts previously contracted; (3) such as shall be conveyed to it for satisfaction of debts previously contracted in the course of its dealings; (4) such as it shall purchase at sales under judgments,

decrees, or mortgages held by the association, or shall purchase to secure debts to it. Upon the construction of this statute the courts of the different States are divided, but the Supreme Court of the United States has uniformly held that a distinction can be made between borrowing money on real estate and accepting an assignment of a mortgage by the mortgagee as security for money borrowed by the said mortgagee. This doctrine was first announced in *Bank* v. *Matthews*, 98 U. S. 621. In that case A. executed a promissory note to B., and secured the payment thereof by a deed of trust of lands, which was in fact a mortgage, with a power of sale annexed. The bank, on security of the note and deed, loaned money to B., who thereupon assigned them to the bank. It was held that the bank was entitled to enforce the collection of the note by sale of the lands. This decision was afterwards indorsed, and the doctrine reaffirmed, in *Bank* v. *Whitney*, 103 U. S. 99; *Reynolds* v. *Bank*, 112 U. S. 405, 5 Sup. Ct. 213; and in *Fortier* v. *Bank*, 112 U. S. 439, 5 Sup. Ct. 234. Whether, if the statute were before us for primary construction, we would conclude that the distinction made by the Supreme Court of the United States was logical, there might be some question; but, as it is a construction of the United States statute, and the United States Supreme Court has decided in *Swope* v. *Liffingwell*, 105 U. S. 3, that it has authority to re-examine the judgment of a State court where this question is involved, we feel bound to follow the decisions of that tribunal. On the question of priority of the assignees an investigation of the authorities in this opinion would be profitless, for the rules announced by the court are absolutely at variance, and cannot be reconciled. There are, however, two general rules promulgated by the courts. The one established in a large number of States is that, where the notes are made payable at different dates, and are assigned by the mortgagee, either with or without an accompanying assignment of the mortgage, the holder of the first note coming due has a prior right to the proceeds of the mortgaged premises. In other words, that the right of priority among the respective assignees was tested by the maturity of the respective notes. While a vast number of cases of equally respectable authority hold that under the circumstances mentioned above there is no preference given to the first note maturing, and that, in the absence of expressed stipulation, there is no priority in the case at all, and that all the assignees are entitled to share *pro rata* in the proceeds of the mortgaged premises. Although the former rule is favored by such eminent authority as Mr. Pomeroy in his "Equity Jurisprudence" (section 1,201,) the latter rule appears to our judgment as being more equitable. The mortgage, in the first place, was executed for the equal benefit of all the notes. The security was intended as much for the last note coming due as for the first one. There seems to be no real reason why the relative positions of the notes and mortgage should be changed because the ownership of the notes has changed. The value of the notes frequently depends upon the security. We think the more equitable and consistent rule is to leave their values undisturbed by their assignment. *Miller* v. *Bank*, decided by this court, and reported in 5 Wash. 200, 31 Pac. 712, is cited by the respondent in favor of his contention; but an examination of this case shows that the court did not attempt to announce any general rule on the question involved in this case. That decision in fact goes further against the position of respondent in this case than we find it necessary to go, as it was there decided that the priority was in favor of the note last maturing. However, no rule was established, as it was decided squarely upon the particular circumstances of the case. With this view of the law the judgment will be reversed, and the cause remanded, with instructions to ascertain the

amounts due on the respective notes, and order a *pro rata* application thereon of the proceeds of the mortgaged premises.

Anders, Hoyt, Scott, and Stiles, JJ., concur.—*Pacific Reporter.*

PARTNERSHIP—SURVIVING PARTNER—BANK DEPOSITS.

SUPREME COURT OF ALABAMA.

Rice v. *Merchants & Planters' National Bank of Montgomery.*

Since the legal title to firm assets, on the death of one partner, vests in the survivor, deceased's administrator has no action against the bank for moneys deposited and checked out by the survivor in the firm's name, and in continuance of their usual course of business, though the bank knew of the death; and it would make no difference that the survivor owned no stock, and was only a nominal partner, unless the bank was charged with notice of those facts.

COLEMAN, J.—The plaintiff, as administratrix of D. S. Rice, sued the defendant in assumpsit for money had and received to plaintiff's use. After the evidence was closed each party requested the court for the affirmative charge. The court charged as requested for the defendant, and refused the charge for the plaintiff. The action of the court in these respects is assigned as error. The undisputed evidence shows that at the time of the death of D. S. Rice (plaintiff's intestate) he and A. Wilson were engaged in mercantile business as partners under the firm name of Rice & Wilson; that as such firm they did business and kept a regular bank account with the defendant; that after the death of D. S. Rice, the surviving partner, A. Wilson, continued the business in the name of the old firm for about seven months, and then sold the entire stock of goods then on hand; that he collected the debts due the late firm of Rice & Wilson, and as collected, the money was deposited in the bank as before to the account of Rice & Wilson, and the deposits debited in the bank book of Rice & Wilson, and by Wilson checked out in the firm name. The evidence tends to show that the bank knew that Rice was dead. The suit was brought by the administrator of the deceased partner to recover the money from the bank, which had been thus deposited and checked out. There was evidence to show that Rice, the deceased partner, in fact owned the entire capital of the partnership, and that Wilson received a monthly salary, and was in fact but a nominal partner. There was no evidence to show that the defendant, the bank, had any knowledge of the terms of the partnership, or of the relative rights of the partners as between themselves. These facts show that plaintiff cannot maintain the action. Upon the death of one partner the legal title to the partnership assets vested in the survivor. (*Houston* v. *Stanton*, 11 Ala. 421; Pars. Partn. § 441; 17 Amer. & Eng. Enc. Law, p. 1,162.) In *Calvert* v. *Marlow*, 18 Ala. 67, it was held that the surviving partner could maintain an action against the administrator of a deceased partner for any assets or choses in action which belonged to the firm, held by such administrator. As between the administratrix and the surviving partner, the assets belonged to the administratrix; but as to all parties who had dealt or might deal with the partnership as such, and especially where there was no knowledge of the terms of the partnership, the surviving partner held the legal title, and was entitled to the assets. The facts of this case call for the

application of different principles from those applied in the case of *Bank* v. *Rice*, 89 Ala. 201, 7 South. Rep. 647. The evidence is clear that as to the $2,000 plaintiff has no claim against these respondents. There was no express promise to pay, and none raised by implication of law, on the part of the defendant. In fact plaintiff has shown no cause of action against the defendant. Affirmed.—*Southern Reporter.*

LEGAL MISCELLANY

CORPORATIONS—ACTS OF OFFICERS.—A corporation which names one as manager, and allows him as such to largely control its business, will be held responsible for his acts in its name, unless it affirmatively shows that such acts were unauthorized. [*Carrigan* v. *Port Crescent Imp. Co.*, Wash.]

CORPORATIONS—CONTRACT OF OFFICERS.—In an action on a note purporting to have been made by defendant corporation, where it appears that all the business of defendant, including the making of numerous similar notes, had for a long time been transacted by its president and secretary, who executed the note, and that their actions always had been informally ratified by paying the notes, and otherwise, defendant is estopped to deny the authority of such officers to execute the note. [*Duggan* v. *Pacific Boom Co.*, Wash.]

NEGOTIABLE INSTRUMENT—BONA FIDES—PLEADING.—In an action on a note, an allegation in the answer that "plaintiff is not an innocent holder for value," will not justify the admission of evidence of facts showing a want of good faith, but such facts must be distinctly alleged. [*Voorhees* v. *Fisher*, Utah.]

NEGOTIABLE INSTRUMENTS—BONA FIDE HOLDER—NOTICE.—Where a note has been transferred by the payee to a firm of which he is a member, the firm cannot defeat the defense of fraud, in an action thereon, on the ground that it had no notice thereof, as it is chargeable with the payee's knowledge. [*Calvert* v. *Dimon*, Colo.]

NEGOTIABLE INSTRUMENT — NOTES — INDORSEMENT. — Under the Code, §§ 2,775, 2,776, a promissory note not containing any words of negotiability is so far negotiable by indorsement of the payee in blank as to pass the title to a *bona fide* holder, and enable him to sue the maker in his own name. This was so ruled in *Goodman* v. *Fleming*, 57 Ga. 350, which case is imperfectly reported, it appearing from the transcript of the record on file in this court that the indorsement involved in that case was in blank only. [*National Bank of Columbus* v. *Leonard*, Ga.]

PAYMENT—MISTAKE OF FACT.—Plaintiff, as surety of an executor, having become liable to legatees because of a misappropriation by the executor of funds of the estate, drew his check in favor of a legatee who had died without issue before testator, but of which fact both plaintiff and the executor were ignorant. The executor, in whose hands the plaintiff had put the check for delivery to the legatee, delivered it to defendant, who was the personal representative of the deceased legatee: *Held*, That plaintiff could recover the amount of such check as money paid under a mistake of fact, though it had been distributed by defendant among those entitled to the estate of the deceased legatee, unless defendant shows that it would be inequitable to allow such recovery. [*Phetteplace* v. *Bucklin*, R. I.]

BANK COLLECTIONS—TRUST.—Where a bank collects a note by taking

a check on itself, of one having a sufficient deposit, and sends a draft therefor, which is not paid, by reason of its suspension, the bank will not be held to be a trustee as to the amount collected, but such creditor will stand on the same footing as other creditors of the bank. [*Billingsley* v. *Pollock*, Miss.]

BANKS—COUNTY FUNDS.—The statute requires that banks designated by the board of auditors of a county as depositories of the funds collected by county treasurers shall secure deposits to a specified amount by bonds, with sureties, approved by county commissioners. No other or different security is contemplated as a condition of receiving such deposits. It will not be presumed that the county board will accept other security in lieu thereof. [*Vlissingen* v. *Board of Com'rs of Clay County*, Minn.]

EQUITABLE ASSIGNMENT—COLLATERAL SECURITIES.—Plaintiff had in its possession collateral security for a debt due from a third party, who also owed the defendant: *Held*, That an agreement by the parties in interest that any sum received upon such collateral security in addition to the indebtedness first secured thereby should be applied on the debt due from defendant operated as an equitable assignment to defendant of such surplus, if any there should be. [*Second Nat. Bank* v. *Sproat*, Minn.]

NATIONAL BANKS—OFFICERS—REPORTS.—Rev. St. § 5,209, provides that every president or other officer or agent of a National banking association, "who makes any false entry in any book, report, or statement of the association, with intent to injure or defraud the association, or to deceive any officer of the association, or any agent appointed to examine its affairs, and every person who, with like intent, aids or abets" any such officer or agent in the violation of this section, shall be imprisoned, etc.: *Held*, That under this section it is an indictable offense to make a false entry in a report to the Comptroller of the Currency, or to aid and abet the making of such entry. [*United States* v. *French*, U. S. C. C., Mass.]

NEGOTIABLE INSTRUMENTS—ALTERATION.—Where a promissory note due at a future time did not when executed specify any place of payment, nor any rate of interest from date, it is materially altered by inserting the name of a bank, which name includes the location of the bank, as the place of payment, and 6 as the rate per cent. of interest from date. This is true although the body of the note was printed, and blank spaces were left in the printing for expressing a place of payment and rate of interest. With these spaces unfilled, the note would be payable generally, and not at any particular place, and would bear no interest at any rate whatever until after maturity. [*Gwin* v. *Anderson*, Ga.]

NEGOTIABLE INSTRUMENT — INSTALLMENT NOTE — MATURITY.—A promissory note payable in installments, the consideration of which was the procuring of a loan for the maker by the payees, contained a provision that, if default should be made in the payment of any installment when due, the whole note should become due at the option of the holder: *Held*, First, that the failure to pay any installment rendered the whole note due at the election of the holder; second, that, in the absence of a showing of fraud, want of consideration, or illegality in the contract, a court of equity would enforce the contract as made by the parties; third, that the holder was under no legal obligation to notify the maker that by reason of the default he had elected to declare the whole note due. [*Morling* v. *Bronson*, Neb.]

ECONOMIC NOTES.

THE VALUE OF CHARACTER IN BUSINESS.

There is no absolute protection against the swindlers who prey upon the community. They would steal if there was no law against it, but to keep out of prison they will gather in their gains without violating any legal requirement or subjecting themselves to any legal penalty. The best safeguard is to give more attention to character. A good name always has a mercantile value, but in the rush and jostling of men eager for gain it is not as highly estimated as it ought to be nor taken into sufficient account in the granting of credits. A merchant in this city received a consignment of wheat from a person in the country with whom he had no previous acquaintance. He made a liberal advance upon it, and when he had sold it he paid the consignor the balance. It turned out that the latter had no valid title to the wheat, and when the case was submitted to us we decided that the consignee, in spite of the fact that he had received the consignment, and settled for it in good faith, must pay its value over again to the real owner. The case was carried to the Court of Appeals and our judgment was sustained. When the merchant demanded of us what security a commission dealer had in his business if he could be compelled to pay twice for a lot of produce sent to him for sale, we answered that he must see to it that the consignor was a man of good character who had not appropriated another person's goods. As the sender of the grain did not ask for credit, the merchant supposed that it was unnecessary to inquire concerning the man's character. But he gained some knowledge by that very costly experience. If all debts for which securities were not pledged at the time they were contracted were debts of honor, and there was no legal process for enforcing their payments, there would be far less money lost through broken credits than there is at present, and a premium would be put on integrity. A man without means, but with a good character, would find that the latter was worth more to him than a large bank account would be in a less honorable name. The way to obtain credit then would be to deserve it, and the man who would not pay his debts when he had the means would be ruled off the course, while he who was willing but unable to pay could not be hindered by a single hard-hearted creditor from engaging in business to retrieve his fortune. Instead of a bankrupt law we would repeal the enforcing act and let all debtors pay when they could or when they would. He who would but could not and he who could but would not, may seem to stand on the same level without the compelling statute, but the difference between them would be as wide as that between honesty in misfortune and a knavish abundance. Weighed in the same scales the latter would surely kick the beam.—*New York Journal of Commerce.*

THE WORLD WITHOUT MONEY.

How would people manage to get along if all the money in the world were suddenly withdrawn from circulation? It would paralyze business and ambition, upset Governments and make a mess of things generally, as the big ball does when it strikes the king pin of the pyramid in the bowling-alley. This is practically what has happened in New York, currency being so scarce that the banks are refusing to cash checks for

their customers. As no one thinks the trouble is more than temporary, however, the merchants are tiding over the difficulty by issuing notes which are accepted in common confidence as a satisfactory means of exchange. Money has no value of itself. The necessities of barter and exchange have given it an artificial value which by common consent could be given to sticks or stone or shell or corks or anything else almost as well as to gold and silver and copper, but it is not at all likely that any one will try to do it. For many years now the currency of the world has been established on a gold basis, the price of gold fluctuating less than the price of any other metal, and it was the attempt of the United States to upset the gold standard and establish a silver standard that has brought about the present crisis in the States and is causing all the trouble. If money were to be permanently withdrawn from circulation, human beings would have a hard time of it and men would be reduced to a common level with a vengeance. It has taken the world a great many centuries to evolve its system of currency as it stands to-day, and if we all had to go back to the old original system of trading a pair of boots for a hat and the like, it would be awkward and bothersome all round. Some men who live on the fat of the land nowadays would probably have a hard time of it to keep from starving to death.—*Hamilton Herald.*

A MERCHANT'S EXPERIENCE WITH CHEAP MONEY.

In the following letter received by a prominent Government official from John M. Forbes, of Boston, one of the best known and highly esteemed merchants in the country, he says: "Referring to our talk yesterday about the difficulty and perhaps danger to its citizens of any power booming single-handed the subsidiary coinage, like iron, copper, silver, I think a sketch of my personal experience in connection with the edicts of the Chinese Emperor (a monarch over some 400,000,000 of yellow folks) may be amusing and perhaps suggestive. In a spirit of lofty indifference to the policy and wishes of all 'outside barbarians,' as the rest of the world were called, the Emperor attempted to force copper into a currency, thinking that all other nations would have to blindly accept it just as our silver lunatics now would like to fix silver on our necks without reference to the rest of the world. The Chinese law thus gave a fictitious value to copper, technically called 'copper cash,' until the laws of trade asserted its superiority and forced down legal tender copper to its intrinsic value. At a period which my records would easily determine, this law of the Emperor had drawn so much copper to China that I was able to ballast at least one ship, the 'Florence,' of 600 or more tons, with bags of 'copper cash' at a price in China which, by selling in the United States to be melted up into ingots, netted me a very handsome freight as profit. You must draw your own inferences, and I suppose each theorist will reach a different conclusion in regard to this very odd but indisputable fact. I hope, if you do water our National currency with silver, to see it cheap and plenty enough for us to shingle our houses with, as it is a material free from rust and decay. I trust, moreover, that our protectionists or paternalists, may not seduce our administration to lending itself to any such absurdities; but if they do, we commonsense traders, or, as you will call us, 'Shylocks,' will stand ready to mitigate our part of the loss by buying your silver coins at the value which the world will surely fix upon them despite your edicts; and perhaps we may then shingle our houses and line our hearths with your legal tender coin, bought at prices which you will be glad to sell at, and so turn the surplus silver of the world to the industrial and practical uses which are bound to be its chief function in the future."

BANKING AND FINANCIAL ITEMS.

General.

THE AMERICAN BANKERS' ASSOCIATION.—The following circular has appeared during the last year in a number of newspapers purporting to have been issued by the American Bankers' Association: "Dear Sir,—The interests of National bankers require immediate legislation by Congress. Silver, silver certificates and Treasury notes must be retired, and National bank notes upon a gold basis made the only money. This will require the authorization of from $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation. You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a money stringency felt among your patrons, especially among influential business men. Advocate an extra session of Congress for the repeal of the purchasing clause of the Sherman law, and act with the other banks of your city in securing a large petition to Congress for its unconditional repeal, as per accompanying form. Use personal influence with Congressmen, and particularly let your wishes be known to your Senators. The future life of National banks, as fixed and safe investments, depends upon immediate action, as there is an increasing sentiment in favor of Government legal tender notes and silver coinage." As it is utterly repudiated by the association no one ought to make any use of it. Indeed, those who know the aims and methods of the association would never imagine that it would send forth such a document.

THE BANKERS' ASSOCIATION TO CONVENE AT BALTIMORE.—At a meeting of the executive council of the American Bankers' Association, held in New York City, it was unanimously resolved that the twentieth annual convention of the association be held in Baltimore, Md., on October 10 and 11, 1894.

GOOD COLLATERAL.—A story comes from Tucson, Arizona. Mr. Bert Spencer related the tale to a good all round lying reporter.

A poker game was in progress in which the boys were playing for pretty stiff stakes. A "jack-pot" was out and a player named Hughes found four aces in his hand.

He immediately requested the players to permit him to absent himself a few minutes before the hands were played, as he desired to go out and raise some money. He proposed that each one put his cards in an envelope, seal it and not open the same till his return.

All agreed, and the respective hands were thus protected by the envelope. Hughes ran across the street to the bank and requested a loan of $5,000 of the cashier. That individual informed Hughes that he must apply to the president. Just then the president entered. Hughes repeated his request to him.

"What security can you offer?" asked the superior officer.

"Four aces in a jack-pot," replied Hughes.

The president turned to the cashier and said: "Let him have the money, and hereafter understand that four aces in a jack-pot is good for the extreme limit of the ready resources of this bank."

BANK OF ENGLAND NOTES.—Among the curiosities which are occasionally shown to favored visitors are some specimens of ancient notes, a number of them for denominations no longer in vogue, such as £1, £15 and £25. There is also carefully preserved the oldest surviving note, one of the year 1699, the amount being written with ink says the *Pall Mall Budget*. Another curiosity is a note for £1,000,000, which was required for some transaction between the bank and the Government, but in this case, too, the amount is written with the pen. The longest time during which a note has remained outside the bank is 111 years. It was for £25, and is computed that the compound interest during that long period amounted to no less than £6,000. There is quite a labyrinth of vaults where the disused notes are stored until they have reached the necessary maturity of five years. They are estimated to weigh ninety-two tons and number about 77,745,000, filling 13,400

boxes, and were of the original value of £1,750,626,600. The Bank of England note is a legal tender for any amount in excess of its face value, but not for less. Thus a person might refuse to take a £5 note in payment of debt of £4 19s. 6d., though as a matter of fact, nobody would be so foolish as to do so. It must be remembered that bank notes are only legal tender as between members of the public, so long as the bank pays in gold on demand. If such an unlikely thing were to happen as the bank being unable to redeem its promises to pay, then its notes would at once cease to be legal tender. Even as it is their legal tender quality does not extend to Ireland and Scotland.

FRENCH SAVINGS BANKS.—There are 1,106 savings banks in France, and the number of depositors' books is 6,173,054, an increase of 51,771 during the year. The number of new accounts opened was 436,032, a decrease of 74,508. The year's deposits amounted to 785,924,992 francs, a decrease of 93,937,104 francs, while the withdrawals were 947,616,632 francs, an increase of 156,688,888 francs. The total due to depositors is 3,143,370,266 francs. Thus the average of each deposit is 509 francs, and as there is one depositor for every 6.21 inhabitants, the average on deposit for the whole population was 81 francs 98 centimes per person. In 1892 the average deposit was 527 francs per depositor, and the average on deposit for the whole population 84 francs. The diminution of the deposits and the large withdrawals are traced to the financial panic last spring. Business at the savings banks is picking up again now, however, and unless there is another monetary crisis things should resume their normal aspect during the present year.

MADE A FIRE OF BANK NOTES.—The widespread habit prevalent among French people of keeping large sums of money in their houses in bank notes is a fruitful source of profit to the Bank of France, and it helps to explain also the large number of burglaries with violence that are reported in the French newspapers. A gentleman residing in St. Denis has put in a claim against the Bank of France for the value of bank notes destroyed under rather peculiar circumstances. Having 10,000 francs in 100 franc notes, which he did not care to trust to any banking establishment, he hid them up the chimney in one of his sitting rooms, and then forgot all about them. Coming home late the other evening, when the weather was rather chilly, he lighted a fire in the room. All of a sudden he remembered his bank notes, but it was then too late. They were burned. The ashes, however, remained, and these he collected with loving care. They will be submitted to the examination of an expert, on whose report the action of the bank will depend.

A BANK WITH A HISTORY.—The Bowery Savings Bank, which has just selected a new president, is one of the old landmarks of the metropolis.

On January 8, 1834, Peter S. Titus, a member of the Assembly from this city, presented to that body "The petition of sundry inhabitants for a bank for savings, to be located in the Bowery north of Grand street, to be called the Bowery Savings Bank."

It was not until May 1, 1834, that the Legislature finally decided to grant the charter for the new bank. The deposits were limited to $500,000, and the amount of real and personal estate to the annual value of $5,000. The first clause was repealed in five years, and within ten years from the granting of the charter the deposits were over $1,000,000.

The first officers were: Benjamin M. Brown, president; E. H. Warner and G. D. Comstock, vice-presidents; Frederick R. Lee, secretary; David Cothead, treasurer. On the 2d of June the bank began business at the banking house of the Butchers and Drovers' Bank. At the opening session the sum of $2,020 was received from fifty depositors, an average of a little more than $40 from each.

In January, 1836, the building of the Butchers and Drovers' Bank at 128 Bowery was purchased at a cost of $23,500. A few months later the business of the bank had increased so rapidly that its officers concluded that they could afford the services of a paid secretary. Giles H. Coggeshall was elected to the position at a salary of $1,000 a year. He continued as secretary for nearly forty years. In 1838 the banking house was first lighted by gas.

In July, 1854, the first of a series of extra dividends was declared, which was one-half of the regular dividends, and payable at the same time with them. The failure in the fall of this year of the Knickerbocker Savings Bank caused a sudden

demand for deposits, which, within seven days, were drawn out to the extent of $167,722.36. The panic of 1827, which swept over the whole country, did not spare savings banks. The Bowery suffered with the others. After the run had continued for four days, and $475,200.47 had been withdrawn, the trustees adopted the expedient of paying a percentage only to each depositor. This stopped the run.

During the early months of the war more than $1,000,000 in deposits was withdrawn from the Bowery Bank. The issue of 7 3-10 per cent. Treasury notes by the Government tempted many depositors to withdraw their funds and invest them with the Government. But, in spite of this, before January, 1863, the deposits in the Bowery had run up to nearly the aggregate in January, 1861. The Bowery Bank did much to support the credit of the Government during these trying times by investing heavily in Government notes, for the bank had come to be known as one of the most conservative institutions of the kind in the country.

In 1864 the business of the bank had so increased that another enlargement of the banking house was necessary. The total cost of this improvement, including the land, was $163,388.65.

The panic of 1873 was precipitated by the failure of Jay Cooke & Co., on the 18th, and the suspension of the Union Trust Company on the 20th of September. On Monday, the 22d, the run began on the Bowery Bank, and continued from the opening of business until the board meeting at 4 o'clock, when it was decided to sell United States bonds to the extent of $1,996,000, and to enforce the regulation requiring notice of 30 or 60 days before money could be withdrawn. The effect of this order was magical. Some gave the required notice, but others refused and went away satisfied. During the day of this run $382,983 was paid out to 924 depositors.

In 1876 it was again found necessary to alter the bank building, in order to enforce the facilities for doing its increasing business. The changes were made at a cost of about $64,000.

In January, 1879, the time of resumption, the first purchase of 4 per cent. United States bonds was made, $2,000,000 being purchased at 99½. Large amounts of 6 per cent. bonds were exchanged, and 5 per cent. and 4 per cent. bonds were purchased. In April 1881, 6 per cent. bonds maturing in the June following were exchanged for 3½ per cent. bonds, redeemable at the pleasure of the Government. The amount held was $2,812,000. The total holdings of the Bowery Bank in 1888 of United States securities was $25,000,000. In 1884 the largest sum of money loaned on bond and mortgage by any savings bank in the country was by this institution to the New York Produce Exchange on its new building. It was for $1,500,000 for five years at 4½ per cent. interest.

Up to July 1, 1888, the bank had received on deposit since it was started, in 1834, $273,215,457.78; had opened 657,537 accounts and paid in dividends $37,758,326.53. The bank had loaned on bond and mortgage $32,618,640 on property in value at least double that amount. As an evidence of the prudence and care used, it may be stated that the loss has not exceeded one-tenth of 1 per cent. from this class of investments. On January 1, 1894, the assets of the bank were $54,144,955.83, and its depositors numbered 105,012.

The new president of the Bowery Bank is Mr. John P. Townsend. He served as second vice-president from June 14, 1875, to March 12, 1883, when he was promoted to be first vice-president. He was born at Middlebury, Vt., in 1832, and comes of good old Puritan stock.

PAPER MONEY IN CHINA.—If we are to attach any value to the statement made by Kiaproth, in the *Asiatic Journal* for 1822, the invention of bank notes belongs to the Chinese. At the commencement of the reign of Hian-Tsoung, of the Thang dynasty, in the year 807 of the Christian era, and on the occasion of a great famine, the Emperor decreed that all merchants and wealthy persons should deposit the whole of their gold and silver in the public treasury, and in return there were delivered to them notes called "fey thsian," or "flying money." Three years afterward this paper money was called in at Pekin, but its circulation continued to be authorized in the provinces. In A. D. 906 the paper currency was revised by another Emperor, merchants being permitted to deposit their bullion in the exchequer, and to receive in exchange notes called "running money." In 1021

this currency represented a value of nearly three million ounces of silver. Whether these bank notes were printed from metallic plates has not been ascertained, but, taking into consideration the statement made by the Jesuit missionaries, that which is known as "block printing" had been practiced in China from the very earliest years of our era, the London *Telegraph* regards it as extremely probable that the ancient Chinese bank notes were impressions taken from engraved blocks of wood. In what manner the mediæval European banks of deposit made acknowledgment of their indebtedness is a mystery. The first banks of deposit and exchange were established in Italy, very possibly on ancient Roman lines. The early Italian "banco" was simply a money-changer's desk or counter, and when the financier was unable to discharge his pecuniary obligations his bench or counter was hewn in twain, and by metonomy the insolvent financier was said to be "banco totto," or bankrupt. As for the bank note, it seems to have had a double origin, partaking equally of the character of a certificate of deposit and of a promissory note or bill of exchange. The acceptor of the note confided to the banker a certain sum in specie, which the banker kept in his vaults, thus saving his customer the expense and the danger of carrying large sums of money from place to place at a time when Europe was almost constantly convulsed by war, and the line of demarkation between soldiers and brigands was of the thinnest possible description. The banks of Venice and Amsterdam issued these certificates and promissory notes long before the establishment of the Bank of England, and the earliest notes of the bank established by William Patterson were known as "bills." A merchant who wished to remit a sum of money to a correspondent living at some distant place proceeded to the bank, deposited so much hard cash and received a "bill" containing a promise to repay the sum deposited on demand. The scheme of a Bank of England seems to have been frequently debated during the Commonwealth, and was seriously discussed at a meeting of the first council of trade at Mercer's Hall after the restoration.

BANK FAILURES IN CHINA.—No bank failure has occurred in China for 900 years. For a failure the officers must lose their heads. One bank with liabilities almost five times as great as its assets was quickly followed by the suicide of one director, the flight of two others, and the arrest of the fourth. A most flagrant breach of trust is charged against them, that of receiving subscriptions to a Government loan, and speculating with the funds, so that they are now unable to hand over stock certificates to the subscribers. In effect this does not differ from more refined methods of robbing bank depositors, but it gets a little closer to vulgar thieving.—*Manchester Grocers' Review.*

ATTENTION is called to the card of Emerson McMillin & Co., on back cover of this issue. They deal in bonds issued against gas and street railway properties located in the larger cities, and offer bonds that are always subjected to a rigid examination as to value of property, legality of franchise, and earning capacity. Mr. McMillin has been engaged all his life in these matters, and has no superior as an expert. Mr. Henry B. Wilson, the Co., will be remembered as the cashier of the First National Bank of Ironton, O., for twenty years. The community of feeling existing among National Bank officers should bring a large amount of business to them by reason of Mr. Wilson's connection with a National Bank so many years. They invite correspondence.

THE PENNSYLVANIA RAILROAD COMPANY.—The March statement of the Pennsylvania Railroad Company, which was issued on the 25th of April, shows that all lines east of Pittsburgh and Erie for March, 1894, as compared with the same month in 1893, show a decrease in gross earnings of $1,183,529.62; a decrease in expenses of $1,068,183.13; a decrease in net earnings of $115,346.49. The three months of 1894, as compared with the same period of 1893, show a decrease in gross earnings of $3,071,663.72; a decrease in expenses of $2.959,877.55; a decrease in net earnings of $111,786.17. All lines west of Pittsburgh and Erie for March, 1894, as compared with the same month in 1893, show a decrease in gross earnings of $683,989.37; a decrease in expenses of $666,363.29; a decrease in net earnings of $17,626.08. The three months of 1894, as compared with the same period of 1893, show a decrease in gross earnings of $1,643,402.65; a decrease in expenses of $1,566,788.10; a decrease in net earnings of $76,614.55. Decreased gross earnings for March on the whole system of $1,867,518.99 have

been so far counterbalanced by careful and energetic economies as to only show a loss in net earnings of $132,972.57. For the first three months of 1894 a falling off in gross receipts of $4,715,066.37 only resulted in a decrease of net earnings amounting to $188,400.72. There could be no better proof of capable management than the way in which this great railroad corporation has trimmed its sails to weather the gale, and while losing millions of dollars in gross earnings has cut down its net loss to thousands.

EASTERN STATES.

AUGUSTA, ME.—In the famous action of Detective John H. Mitchell *v.* Job. Abbott *et al.* of the Dexter Savings Bank to obtain the reward offered for the apprehension and conviction of the murderers of Cashier Barron—Stain and Cromwell having been convicted and sentenced for the crime—the law court has given a decision against the plaintiff Mitchell which prevents him from obtaining the reward: "An offer of reward for the detection of an offender or the recovery of property is a proposal merely. If acted upon before revocation, the offer and acceptance by performance become a valid contract for a sufficient consideration. It may be revoked at any time before acceptance. If such an offer is not accepted within a reasonable time after it is made, the law will conclusively presume that it has been revoked. The lapse of twelve years between the time the reward is offered and the time of performance is more than a reasonable time, and in the absence of other facts the order will be presumed to have been revoked."

SALEM, MASS.—The recent discovery that two of the employes of the Salem Savings Bank were defaulters for large amounts has led the corporators of that institution to call a meeting for April 5, at which the following by-laws will be adopted as a precaution against further dishonesty:

"All checks drawn by the treasurer for money deposited in any bank shall be countersigned by the president or some other member of the finance committee. It shall be the duty of the treasurer or clerk to examine the cash as often as once a week.

"No member of the finance committee, and no officer of the corporation charged with the duty of investing its funds, shall borrow or use any portion thereof by surety for loans to others, or in any manner, directly or indirectly, be an obligor for money borrowed of, or loaned by, the bank.

"The finance committee shall, at least once in each year, make an accurate trial balance of depositors' ledgers, and shall, during the year 1894 and in every third year thereafter, call in the books of deposit in the hands of depositors for such verification as they may find necessary.

"The finance committtee shall at least once in every year cause an examination of the bank to be made by one or more paid experts and shall report in writing to the trustees the result of such examination.

"Trustees are to be held accountable for every loss, and each year a committee is to be appointed to examine the accounts of the treasurer."

CONCORD, N. H.—The Union Guaranty Savings Bank of this city has notified its depositors that its rate of interest will be reduced to 3 per cent., commencing on July 1st next.

NEW YORK CITY.—One of the best known bankers in the world died last month, Jesse Seligman, the head of the firm of J. & W. Seligman & Co., bankers of New York and London, and was one of the most distinguished and honorable and worthy business men in the country. He was born in a Bavarian village in 1825 of Hebrew parents, and there received a good education. He came to this country in 1840, following his older brother Joseph. Beginning at the bottom of the ladder, he found himself in 1849 with a little capital, and went with the Forty-niners to California where he engaged in the clothing business. When he reached San Francisco he hired the only brick store in the place and began a successful business. He attended strictly to business and made great profits till, in 1857, when the placer mining began to decline rapidly, he returned to the East and joined his brothers in the wholesale clothing business, in which he continued until 1865, when they established the present banking house in which the eight brothers all eventually became members, and branches were established in London, Paris, Amsterdam, Frankfort, San Francisco and New Orleans. The house has taken

prominent part in most important United States Government transactions, and Mr. Seligman has been at the head of important American syndicates, including the Panama Canal enterprise. He was a prominent member and vice-president of the Union League Club, but resigned a year ago when his son was denied admission to the club. Mr. Seligman was an active Republican, and a trustee of the Metropolitan Museum of Art and of the American Museum of Natural History. He was specially noted for his munificent charities, and was one of the founders of the Hebrew Charity Orphan Asylum, the Montefiore Home, and the United Hebrew Charities. He was as highly honored for his personal character and his benevolent activities as for his financial ability and success, and his death will be greatly regretted.

NEW YORK CITY.—The Corn Exchange Bank has opened the doors of its new building for business. President Nash and Mrs. Nash entertained the officers and employes of the institution in the new office recently. The wives and relatives of everybody connected with the bank were present, and after the building had been inspected President Nash invited all to go with him to Delmonico's where dinner had been prepared. This was a very pleasant surprise to all, but another surprise awaited Mrs. Nash and Mrs. Loftin Love; the employes of the bank presented each lady with a basket of choice flowers.

The bank's vaults are of the most modern type and are covered with dark marble. Mirrors surround the upper part of the entire vault.

The most recent patents in electrical burglar alarms further protect the vaults.

The general fittings of the office are of black birch. The counters are fine marble surmounted by heavy, fancy bronze railings, in which plate-glass spaces are fitted. A complete system of speaking tubes and electrical call bells will expedite business.

The banking room is the largest in this city, and the highest in the clear is twenty feet. The ceilings and upper portions of the walls are handsomely decorated. The freize, which was designed by Mr. R. H. Robertson, the architect, is something novel. It consists of fine tracing in vines, with the coats of arms of the more prominent cities at equal distances.

NEW YORK CITY.—Henry W. Cannon, president of the Chase National Bank, of New York; E. Benjamin Andrews, president of Brown University, and General Francis A. Walker, of Boston, have been invited to attend the International Bimetallic Conference at the Mansion House in London, May 2. The Lord Mayor will preside, and the foreign representatives at the conference will be his guests at a banquet in the evening. The conference may not restore the double standard, but the white metal will play an important part at the dinner.

NEW YORK SAVINGS BANK LEGISLATION.—It is stated in the papers that Mr. Mittnacht's bill relating to savings banks, No. 1,375, has reached a third reading in the Assembly. Its purport is to compel each savings bank in the State to mail a statement of balance to every depositor annually—something for which there is absolutely no demand on the part of depositors, and which would simply waste their money in needless and enormous expense. Any one of the 1,500,000 savings bank depositors in the State can, and does, without the slightest difficulty, obtain the information as often as he desires; in fact, the banks are anxious and are always endeavoring to get hold of the passbooks in order to credit the interest and render a statement of the balance. Under this proposed law a statement would be mailed to every depositor, even if he had opened the account the day before or if his book had just been balanced, and in many cases this would be very objectionable to the depositor, as tending to divulge the whereabouts of his money to others having no right to the information. "Annually on or before the fifth and fifteenth days of January" is the time fixed for the mailing. If this means during the first fifteen days of the year, then it would be hardly possible to comply with the law, even if the doors were closed to depositors and all clerks and officers worked at nothing else during those days, when the current business is heavier than any other time of the year. Ours is not one of the largest savings banks in the city, but under Mr. Mittnacht's law it would have to send out 57,000 statements. The postage alone throughout the State would take $32,000 from the pockets of depositors to give them what they do not want.

Union Dime Savings Institution. CHARLES E. SPRAGUE.

BROOKLYN, N. Y.—A well-known banker who died last month was Henry P. Morgan, of the Brooklyn Savings Bank. He was born in Colchester, Conn., July 20, 1821, and was 73 at his death. The greater part of his life was passed in Brooklyn. After a successful business career in New York he took charge of the Nassau Gas Company and the Brooklyn Savings Bank here and was very successful in their management. He was a director of the Brooklyn Bank and a trustee of the Brooklyn Hospital. He was also in sympathetic relations with many other interests of charity and religion and was the senior warden of St. Ann's Church, from whose altar he was buried. His wife, whose father was the late George A. Hicks, and three daughters survive Mr. Morgan. The financier was a citizen of the highest character, the best judgment and the greatest fidelity that could be desired in a man of his vast responsibilities.

BRISTOL, PA.—The late Pierson Mitchell, of Langhorne, says the Hulmeville *Advance*, was the eighth president of the Farmers' National Bank of Bucks County at Bristol. This well known bank was established in Hulmeville in 1815. John Hulme, after whom the town was named, was the first president, and George Harrison, the grandfather of the editor of the *Advance*, was the first cashier. The following is a list of the presidents and cashiers up to the present time: John Hulme, from 1815 to 1818; Joseph Hulme, from 1818 to 1821; John Newbold, from 1821 to 1823; Anthony Taylor, from 1823 to 1838; John Paxson, from 1838 to 1850; Anthony Burton, from 1850 to 1874; Caleb N. Taylor, 1874 to 1887; Pierson Mitchell, from 1887 to 1894. Only five cashiers have held that position since the bank has been established, who were: George Harrison, from 1815 to 1823; William Newbold, from 1823 to 1827; Robert C. Beatty, from 1827 to 1867; Charles T. Iredell, from 1867 to 1882; Charles E. Scott, from 1882 to the present time.

PROVIDENCE, R. I.—At the annual meeting of the Bank Clerks' Mutual Benefit Association the following were elected officers for the ensuing year: President—John W. Vernon, Merchants' Bank; Vice-President—W. W. Paine, Second National Bank; Secretary—George L. Barnes, First National Bank; Treasurer—Eben McGregor, Roger Williams Bank; Directors for three years—Oren Westcott and William E. Torrey; Social Committee—John G. Massie, People's Savings Bank; W. R. Sayles, Providence County Bank, Pawtucket; George A. Freeman, Merchants' Bank; Horatio A. Hunt, American National Bank; B. B. Manchester, Bank of North America; F. A. Chase, Rhode Island National Bank; Joseph Balch, Providence Institution for Savings.

At the banquet of the association, President Vernon made some interesting statements and suggestions in regard to the workings and prospects of the association. He said:

"This association was established in 1871, and incorporated in 1872. The list of original members numbered 58. The roll of present membership is 246—19 having been added during the past year.

"Moses E. Torrey, to whose devoted efforts the association is largely indebted for its existence and success, was its first president and held office for 15 years, when he insisted upon retiring. He, however, remains upon the board of management, where we hope he will be found for very many years to come.

"George C. Noyes succeeded him as president, and was also untiring in rendering zealous, able and acceptable service for a period of eight years, when he, too, claimed a release from the duties of the position.

"The association has paid in death claims $14,000, the deceased members having contributed during their lives in dues the amount of $2,269.25. The funds of the association amount to $30,345.30. Since the organization of the society donations have been received amounting to $4,971.25. Of these four banks contributed $500 each, one bank $400, two banks $300 each, one bank $250, one bank $200, two banks $150 each, three banks $100 each, two banks $50 each, honorary members $295, other sources $26.25. During the past year the Providence Clearing House $500.

"It would be most gratifying to the management if a liberal endowment fund could be established by donations from banks that have not yet contributed, and by additional contributions from some who have already recognized the claims of the association; and also from any who are disposed to become honorary members by the payment of $25.

"Twenty odd years have brought near the time when a greater number of losses must be annually expected than we have hitherto experienced, and a correspondingly large drain upon our resources must be met. An endowment fund, whose income would be available to aid in meeting the needs of the society, would do much to insure its permanence without increasing the annual burden upon the membership.

"The moderate amount of five or six hundred dollars, or at most, in case of double membership, of $1,000 to $1,200, paid to the representatives of deceased members, who seldom have been able to accumulate anything from their meagre salaries, is a great aid and comfort to those who have lost, perhaps, their principal source of support. It is a noticeable fact that the average age at death of our twenty-four deceased members was less than forty-three years, which emphasizes the importance of all who are eligible availing themselves of the benefits offered by the association."

BENNINGTON, VT.—Luther R. Graves, a widely-known banker, died in Bennington, Vt., after a long illness. He was eighty-four years old. Mr. Graves was born in Rutland County, Vt., and long since amassed a large fortune. He became one of the first directors of the State National Bank of Troy, N. Y., and served continuously as such for over thirty years, refusing a re-election in 1893 because of failing health. He founded the First National Bank of Bennington in 1863 and remained its president until his death. Mr. Graves leaves five sons. His wife died about three years ago.

WESTERN STATES.

ANDERSON, IND.—Mr. Robert Schenck, of the Merchants' National Bank of Cincinnati, who, with his father-in-law, Mayor Terhune, has bought a controlling interest in the Citizens' Bank, of Anderson, Ind., expects to sever his connection with the Merchants', where he has been for the past eight years. He will act as cashier of the bank, and be practically at the head of affairs.

HANCOCK, MICH.—The First National Bank has been granted an extension of its charter for twenty years from April 6th. Over $349,000 has been paid its stockholders in the shape of dividends during the past two decades.

FREMONT, NEB.—The Fremont Clearing House, acting for the banks of the city, has decided that beginning April 15th all the banks shall charge for exchange. President C. M. Williams, of the Clearing House, speaking of the matter said: "The banks of the city abandoned charging exchange some six or seven years ago. They have decided to resume it again for the reason that it is the custom in all the cities of any pretensions in the country and because the margins of the banking business are very small. Our rates are very low and scarcely pay for the expense of performing the service."—*Lincoln Journal.*

GALLUP, NEW MEX.—We desire to call attention to an advertisement for sale of School Bonds to be found in this number.

OHIO.—Wild-cat banking is to be prohibited in Ohio if the Legislature passes the bills introduced. As has been previously stated, the old laws under which the banks of issue operated still remain on the statute books, and should Congress repeal the 10 per cent. tax they could again resume business. The three bills introduced by Mr. Laning repeal the act to prohibit the issuing and circulation of unauthorized bank paper, passed January 27, 1816, and the act to prohibit unauthorized banking, passed March 12, 1845, and the act incorporating the State Bank of Ohio or other banking companies. The enactment of these bills into laws will wipe out all authority for the establishment of banks of issue in Ohio.

MILWAUKEE, WIS.—The Cream City National Bank will probably be the name of the new National bank that is to take the place of the Plankinton Bank on the west side. Since the question of naming the new bank first came up for serious consideration many letters have been received at the Plankinton Bank suggesting different names. A depositor proposes to name the bank the Fifth National, but the depositor is in error. There are five National banks in existence at present. Two National banks existed in Milwaukee before. The new bank will be the eighth National bank, but it would hardly do to name it so. The Metropolitan National Bank is another name proposed, thus referring to the fact that Milwaukee is Wisconsin's metropolis. The Traders' National is another name, and so on. The im-

pression among business people is that the West Side National would be the strongest name. The Plankinton Bank has always been a west side institution, inseparably connected with the development of Grand avenue as a leading business thoroughfare, and hence such a name would be expressive of the late John Plankinton's original idea. It is said that the Commercial Bank will soon change quarters and will occupy one of the corners in the vicinity of its present location. This would be a decidedly good improvement. No sidewalk in the city is as persistently held by idlers as the sidewalk in the neighborhood of the Birchard block.

SOUTHERN STATES.

WASHINGTON, D. C.—United States Treasurer Morgan had the privilege recently of signing his name to a check which would have swamped all the banks of his own State of Connecticut. The sum on the check was $25,750,000, and it was signed with as little concern as if the amount was down in the cents. The money will not have to be paid, however, as the check was merely a transfer of Government funds from one branch of the Treasury to another. Government checks of this kind run from the amount of one cent up to the fortune of some $70,000,000. Every check that is given by the United States is carefully preserved. It will not be long before a separate department and structure will have to be provided for these post-mortem checks, for their numbers are constantly increasing.

The man who acts as teller in the cash-room of the Treasury Department is a wonder. His name is Gibson, and he has been there for nearly thirty years. He will keep his place, too, even though Logan Carlisle is running the offices of the department, for there is no man who can take his place. This has been proved on days when he has been away. The business of the office has been sadly handicapped. Gibson knows by sight every one who presents himself or herself at the window of the paying-teller with checks. Otherwise he would have to have these persons get themselves identified, and so delay the business of the office.

Teller Gibson has a strict account to give for every cent which he handles. If there is a deficit he has to make it up out of his own pocket, but if the balance is on the other side he cannot keep it but must hand it back to the Government. This deficit is bound to occur occasionally and amounts to hundreds of dollars a year. As the United States Treasurer himself is responsible for all moneys, so his subordinates have to be held responsible in their turn. Gibson gets a salary of $2,500 a year, but out of this has to come all deficits.

The Government is about the only institution that keeps a strict record of such small amounts of money as half and quarter cents. All these little amounts are as carefully carried out as if there were dollar signs before them and rows of ciphers after them. The Government has so many transactions in the course of a year in which half and quarter cents occur that it makes a considerable difference in the total amount whether these are kept or not. Gibson knows the whole army of pensioners and can call them all by name when they come to his window twice a month to get the money due them for service on the battlefield and who have escaped the investigating eye of Hoke Smith.

STATE BANKS IN GEORGIA.—Safe banks of issue, with strong safeguards thrown around them, will prove of great value to the South. There is a plethora at the money centers, but there is a paucity everywhere else. Money is congested and cheap in New York, but it is scarce and high in Georgia. A safe and sound local currency will not be a menace to a safe and sound National currency. The former will bring down the rates of interest on the latter, it is true, but that is just what the country needs. Too much cash is held up now, seeking loans at high rates of interest. It has been too profitable too long for every man with a surplus to engage exclusively in the loaning business. With her State and municipal bonds, and other safe forms of credit, Georgia can establish a sound basis for some millions of currency. The Democratic platform demands the repeal of the 10 per cent. tax on State banks of issue. The President, it is asserted, favors it. There should be no hesitancy about it simply because the President did not refer to it in his formal message at the opening of Congress. Let the Democrats in Congress do their duty and leave the balance of the responsibility to him.—*Valdosta Times.*

LOUISVILLE, KY.—Mr. George Davis, president of the Fourth National Bank, celebrated the eighty-third anniversary of his birthday on the 5th of April. A large number of some of the most prominent of the elder people of the city visited Mr.

Davis and extended their congratulations. Mr. Davis is widely known as a financier and may be said to be one of the pioneers of the city's prosperity, having been here for about sixty-three years.—*Louisville Commercial.*

LOUISVILLE, KY.—A movement is being made in Louisville to bring Mr. Logan C. Murray back to Louisville by the new banking institution which is to be formed by the consolidation of four of the National banks of that city. The consolidation has been nearly completed, and the shareholders in each of the banks, and the business community generally, strongly desire the union. The election takes place on the 9th of May. Mr. Murray's banking career in New York is the very best assurance that the new institution, if entrusted to his management, would be in the highest degree successful.

PACIFIC STATES.

SEATTLE, WASH.—Despite the dullness of the past year the National banks of that city have handsomely increased their capital, as is indicated by the figures following, taken from their reports to the Comptroller, March 6, 1893, and February 28, 1894, the figures representing capital stock and surplus:

Banks.	*1893.*	*1894.*
Boston	$316,000	$316,750
Commercial	110,550	120,000
First	300,000	300,000
Merchants'	224,000	225,000
Commerce	312,500	317,500
Puget Sound	360,000	633,000
Seattle	256,000	256,000
Washington	120,000	120,000
Capital	$1,999,050	$2,288,250
Increase	289,200	

Sterling exchange has ranged during April at from 4.88 @ 4.89½ for Bankers' sight, and 4.86¾ @ 4.87¼ for 60 days. Paris—Francs, 5.15⅝ 1-16 @ 5.15 for sight, and 5.18⅞ @ 5.16⅞ for 60 days. The closing rates for the month were as follows: Bankers' sterling, 60 days, 4.87¼ @ 4.87¾; bankers' sterling, sight, 4.88½ @ 4.89½; cable transfers, 4.88¾ @ 4.89¾. Paris—bankers', 60 days, 5.17½ @ 5.16⅞; sight, 5.15⅝. Antwerp—Commercial, 60 days, 5.19⅜ @ 5.18¾. Berlin—Bankers', 60 days, 95 5-16 @ 95⅜; sight, 95 11-16 @ 95¾. Amsterdam—Bankers', 60 days, 40 5-16 @ 40⅜; sight, 40 7-16 @ 40½.

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

1894.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
Apr. 7..	$450,426,600	$99,623,000	$119,799,200	$554,496,900	$11,144,900	$80,707,975
" 14..	456,939,400	100,099,600	121,608,000	563,506,400	11,042,300	80,831,000
" 21..	459,069,400	98,920,700	125,472,100	569,539,100	10,673,300	82,008,025
" 28..	460,902,300	99,467,300	127,414,100	573,853,300	10,159,800	83,417,950

The Boston bank statement is as follows:

1894.	*Loans.*	*Specie.*	*Legal Tender*	*Deposits.*	*Circulation.*
Apr. 7.....	$170,996,000	$10,792,000	$9,653,000	$167,716,000	$7,992,000
" 14.....	170,702,000	10,728,000	9,441,000	168,391,000	7,917,000
" 21.....	169,483,000	10,733,000	9,389,000	168,600,000	7,685,000
" 28.....	169,631,000	10,685,000	9,290,000	167,662,000	7,469,000

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

1894.	*Loans.*	*Reserves*	*Deposits.*	*Circulation.*
Apr. 7	$101,289,000	$37,217,000	$110,049,000	$4,848,000
" 14	101,585,000	38,030,000	112,173,000	4,834,000
" 21	101,316,000	38,908,000	112,284,000	4,830,000
" 28	101,274,000	39,460,000	112,974,000	4,825,000

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

QUOTATIONS:	Apr. 2.	Apr. 9	Apr. 16.	Apr. 23.	Apr. 30.
Discounts	3	4½ @ 4	3½	4½ @ 5	3½ @ 4
Call Loans	1 @ 1½	1	1	1	1
Treas. balances, coin..	$104,978,257	$105,092,597	$103,128,329	$101,367,579	$102,708,427
Do. do currency.	45,939,519	50,739,489	49,080,274	49,732,470	47,717,634

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from April No., page 793.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
ALA.	Tuscumbia.....	Colbert Co. Bank..... ..	National Park Bank.
	$10,000	James A. May, *P.*	James M. Donaldson, *Cas.*
CAL.	Benicia	Peoples Bank	Laidlaw & Co.
	$10,000	(W. L. Crooks)	
GA.	Atlanta	Trust Co. of Georgia.....	.....
	$175,000	R. J. Lowry, *P.*	Litt Bloodworth, Jr., *Cas.*
		J. T. Dargan, *V. P.*	
ILL.	Winnetka.....	M. K. Meyer.....	.....
	$1,000		
IND.	East Chicago...	Lake Co. Bank.....	.....
	$10,000		Henry G. Hess, *Cas.*
*	..Markle.....	Farmers & Traders Bank.	.....
		(Studabaker, Sale & Co.)	
IOWA.	Dunlap.....	Citizens State Bank.....	Hanover National Bank.
	$25,000	Edward H. Barrett, *P.*	James H. Patterson, *Cas.*
		Wm. Beatty, *V. P.*	
KAN.	Burr Oak	Berkeley, Beachy & Co....	....
			M. C. Berkeley, *Cas.*
MICH.	Bay City.....	Old Second National Bank	American Exchange Nat. Bank.
	$400,000	Orrin Bump, *P.*	Martin M. Andrews, *Cas.*
		D. C. Smally, *V. P.*	Chas. M. Bump, *Asst.*
*	..Ontonagon.....	Ontonagon Bank.....	... .
	$5,000	(C. Meilleur)	
MINN.	Brooten.....	Bank of Brooten.....	Western National Bank.
	$16,000	John Bohmer, *P.*	Michael J. Kolb, *Cas.*
*	..Elysian	J. S. Morton & Co.....	.....
	$10,000	Joseph S. Morton, *P.*	John O'Toole, *Cas.*
*	..Minneapolis....	Swedish-American Nat. Bk.	.....
	$250,000	N. O. Werner, *P.*	E. A. Kempe, *Cas.*
		C. S. Hulbert, *V. P.*	
MO.	La Belle.....	Home Savings Bank.....	Chase National Bank.
	$10,000	Will Hall, *P.*	B. F. Thompson, *Cas.*
		Jas. W. Sutton, *V. P.*	D. H. Wilson, *Asst.*
MONT.	Great Falls.....	First Nat. B'k (Re-opened)	Chase National Bank.
	$200,000	Albert M. Scott, *P.*	Gold T. Curtis. *Cas.*
		J. T. Armington, *V. P.*	H. H. Matteson, *Asst.*
N. Y.	Walton.....	Delaware Loan & Tr. Co..	Chase National Bank.
	$100,000	Charles B. Bassett, *P.*	Wm. G. Moore, *Cas.*
		George T. Warner, *V. P.*	
OHIO.	Glouster.....	Glouster Bank.....	.....
		E. A. Lewis, *P.*	David Edwards, *Cas.*
		Seth W. Smith, *V. P.*	
*	. Niles.....	City National Bank	.....
		Frank C. Robbins, *P.*	Wm. Herbert, *Cas.*
		John M. Thomas, *V. P.*	.....
*	..Seville..	Bank of Seville	Chase National Bank.
	$50,000	(Lee Elliott)	
TENN.	Columbia.....	Phoenix Bank.....	.....
	$30,000	J. P. Street, *P.*	J. L. Hutton, *Cas.*
		Jno. W. Frierson, Jr., *V. P.*	
*	..Dayton	Dayton Bank & Tr. Co...	United States National Bank.
	$20,000	John N. Sullivan, *P.*	Jas. T. Dean, *Cas.*
		Jas. W Hart, *V. P.*	
TEXAS.	Colorado.....	Peoples National Bank..	Importers & Traders Nat. B'k.
	$50,000	J. S. McCall, *P.*	W. T. Scott, *Cas.*
		Jno. B. Slaughter, *V. P.*	
W. VA.	Bluefield.....	Peoples Bank.....	Southern National Bank.
	$25,000	A. M. Prince, *P.*	W. B. Prickett, *Cas.*
		J. A. McKenzie, *V. P.*	
WASH.	Hamilton	I. E. Shrauger & Co.....	.....
	$20,000		Ira E. Shrauger, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N. Y. Correspondent.*
Wis....	Brillon..... $6,000	Bank of Brillon.....	..... Charles J. Neal, *Cas.*
" ..	Shell Lake..... $30,000	Shell Lake Sav. Bank (Re-opened) A. C. Probert, *P.* C. J. Stevens, *Cas.* J. C. Probert, *V. P.*	Mercantile Nat. Bank.
" ..	Washburn..... $25,000	Bank of Washburn (Re-opened) A. C. Probert, *P.* Edwin Probert, *Cas.*	Hanover National Bank. H. P. Axelberg, *Asst.*
N. S...	Shelburne.....	Halifax Banking Co.....	Fourth National Bank. T. W. Magee, *Agt.*

CHANGES OF PRESIDENT AND CASHIER.

(*Monthly List, continued from April No., page 796.*)

Bank and Place.	*Elected.*	*In place of.*
N. Y. City.	Mount Morris Bank.....	William H. Payne, *P.*.....Jos. M. De Veau.
" "	Sherman Bank.....	Louis C. Fuller, *P.*.....E. N. Howell.
Ariz....	Maricopa L. & T. Co., Phoenix	C. S. Forbes, *P.*.....Selden Connor.
Ark....	Bank of Morrillton, Morrillton.	T. N. Doyle, *P.*.....William Irving. Loid Rainwater, *Asst.*..... .....
" ..	First Nat. Bank, Russellville.	Thos. J. Russell, *P.*.....W. G. Weimer.
Cal....	Humboldt Co. Bank, Eureka.	H. A. Libbey, *Cas.*.....Ed. Everding.*
" ..	Sather Bkg. Co., San Francisco.	L. I. Cowgill, *Cas.*.....J. S. Hutchinson, *Mgr.*
Col....	First Nat. Bank, Cripple Creek.	H. K. Devereux, *V. P.*.....A. D. Jones.
" ..	Denver Savings Bank, Denver.	Chas. H. Smith, *P.*.....D. H. Ferguson. Geo. R. Swallow, *V. P.*....C. H. Smith. D. H. Ferguson, *2d V. P.*..G. R. Swallow.
" ..	Union Bank, Greeley.	J. S. Gale, *P.*.....Bruce F. Johnson. Bruce F. Johnson, *V. P.*.... ..... B. D. Harper, *Cas.*..... ..... Edward M. Gale, *Asst.*..... .....
Conn...	United States Bank, Hartford..	F. G. Sexton, *Cas.*.....H. M. Clark.*
" ..	First National Bank, Portland.	F. Gildersleeve, *P.*.....H. Gildersleeve. Thos. R. Pickering, *V. P.*..F. Gildersleeve.
" ..	First Nat. Bank, Stafford Spgs.	F. G. Sanford, *Cas.*.....Wm. M. Corbin.
" ..	Dime Savings Bank, Wallingford.	L. M. Hubbard, *P.*.....Samuel Simpson.*
Dak. N.	Merchants Nat. Bk, Devil's Lake.	A. S. Wemple, *Asst.*..... .....
" ..	Grand Forks N. B., Grand F'ks..	L. E. Booker, *P.*..... .....M. L. McCormack.
Fla....	Merchants Nat. Bank, Ocala..	R. B. McConnell, *P.*.....E. P. Dismukes. J. A. Rowell, *V. P.*.....Mark W. Munroe. H. C. Wright, *Cas* .....R. B. McConnell.
Ga.....	Bank of Elberton.....	McAlpin Arnold, *P.*.....W. S. Witham.
" ..	Dow Law Bank, Fort Valley...	W. H. Harris, *P.*.....H. C. Harris.*
" ..	Jackson Banking Co., Jackson..	F. S. Etheridge, *P.*.....Wm. S. Witham.
" ..	First National Bank, Newnan.	W. A. Albright, *Cas.*.....P. B. Murphey. H. H. North, *Asst.*..... .....
Idaho..	Miners & Stockgrowers Bank, Coeur d'Alene.	C. A. De Saussure, *Cas*....Geo. P. Mims.
Ill.....	First Nat. Bank, Carbondale...	W. H. Ashley, *Asst.*..... .....
" ..	First Nat. Bank, DuQuoin.....	S. B. Eaton, *V. P.*.....Jos. Slawson.
" ..	First National Bank, Normal.	D. C. Smith, *V. P.*..... ..... W. Taylor, *Asst.*.....C. Schneider, *Cas.*
" ..	Second National Bank, Rockford.	E. L. Woodruff, *P.*.....G. A. Sanford.* Geo. E. King, *V. P.*.....E. L. Woodruff. Geo. L. Woodruff, *Cas*....Geo. E. King. W. M. Kimball, *Asst.*.....Geo. L. Woodruff.
" ..	State Bank, Roseville.....	Geo. W. Rayburn, *Cas.* ...Wm. T. Gossett.
" ..	Illinois National Bank, Springfield.	Frank Reisch, *V. P.*.....Milton Hay. John Hardtner, *2d V. P.*...Frank Reisch.
Ind.....	Indiana Nat. B., Indianapolis..	M. W. Malott, *Asst.*..... .....
" ..	Vigo Co. Nat. Bank, Terre Haute.	G. A. Conzman, *Cas.*.....Chas. W. Conn.
Iowa...	Citizens Bank, Afton.	Isaac Burd, *P.*.....Geo. R. Voss.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
IOWA...	Bank of Arthur.....	B. C. Dilenbeck, *Cas*.....	Edwin G. Bowman
" ..	Merchants Nat. B'k, Grinnell..	R. MacDonald, *Cas*.....	Geo. H. Hamlin.
" ..	First National Bank, Muscatine.	S. G. Stein, *P*..... ...	H. W. Moore.*
		D. V. Jackson, *V. P*.....	S. G. Stein.
" ..	Muscatine Sav. B'k, Muscatine..	Jerome Carskaddon, *P*.....	Henry W. Moore.
" ..	First Nat. Bank, Peterson.....	Wm. Kirchner, *V. P*.....	W. E. Bertram.
" ..	First National Bank, Spirit Lake.	A. Kingman, *V. P*.....	V. C. Hemenway.
		V. C. Hemenway, *Cas*.....	Sam'l L. Pillsbury.
KAN...	First Nat. Bank, Howard.....	Chas. F. Plowman, *Cas*....	N. Momma.*
" ..	South Haven B., South Haven.	C. A. Gambrill, *P*.....	A. Branaman.
LA.	Bank of Thibodeaux, Thibodeaux.	E. G. Robichaux, *P*.....	E. Brand.
		O. Naquin, *V. P*.....	.....
ME....	Franklin Co. Savings Bank, Farmington	Carleton P. Merrill, *P*.....	I. Warren Merrill.*
" ..	Presque Isle N. B., Presque Isle.	Charles F. Daggett, *P*.....	James W. Bolton.
MD....	Farm. & Merch. B., Salisbury .	L. E. Williams, *P*.....	Wm. H. Stevens.
" ..	Farmers & Mechanics Nat. B. Westminster.	H. W. Shriver, *P*.....	Jos. Shaeffer.*
MASS...	North National Bank, Boston.	William H. Learnard, *P*...	Rufus S. Frost.
		Jeremiah Williams, *V. P*..	.....
" ..	Inst. for Savings in Roxbury, Boston.	John D. Williams, *P*.....	Arthur W. Tufts.
" ..	City Nat. Bank, Holyoke... ..	William Skinner, Jr., *P*....	Timothy Merrick.*
" ..	Lowell Inst. for Savs., Lowell..	A. S. Chambre, *P*.....	Charles A. Savory.
MICH...	McLellan & Anderson Sav. B., Detroit.	Geo. Anderson, *P*.....	A. McLellan.*
		Enoch Smith, *Cas*.....	Geo. Anderson.
" ..	Preston Nat. Bank, Detroit	H. L. O'Brien, *Cas*.....	J. P. Gilmore.
" ..	First National Bank, Paw Paw.	H. M. Olney, *P*.....	E. Smith.*
		W. R. Hawkins, *V. P*.....	H. M. Olney.
MINN...	Northern Pacific B'k, Brainerd..	H. J. Spencer, *Cas*..... ...	Jno. N. Nevers.
MO.....	Aurora State Bank, Aurora.	W. L. Landon, *Cas*.. ..	Chas. F. Weidemeyer.
		W. B. Cochran, *Asst*.....	.....
" ..	Farmers & Merchants Bank, Excelsior Springs.	W. W. Thompson, *Cas*....	Chas. Crowley.
" ..	First Nat. Bank, Liberty.....	F. E. Carr, *P*.....	Daniel Hughes.
" ..	First National Bank, Moberly..	P. J. O'Leary, *Asst*.....	.....
" ..	Mount Vernon Bank, Mount Vernon.	W. E. Wright, *P*.....	Jas. T. Potter.
		J. R. Tarrant, *Cas*.....	Parker Potter.
" ..	Farmers B'k of Andrew Co., Savannah.	Nicholas Kirtley, *P*..	A. Schuster.
" ..	Bank of Stanberry, Stanberry.	Ed Sager, *P*.....	A. L. Tomblin.
		W. F. Sager, *V. P*.....	.....
		Jas. C. Sager, *Cas*.....	W. T. Stockton.
		W. F. Stockton, *Asst*....	... .
" ..	State National Bank, St. Joseph.	E. Lindsay, *V. P*.....	T. H. Beekman.
		A. H. McDonald, *Asst*.....	.....
MONT..	Big Timber N. B., Big Timber.	J. D. Radford, *P*.....	J. E. Martin.
NEB....	Ansley Banking Co., Ansley...	T. C. Gibson, *Cas*.....	Geo. W. Fowler.
" ..	Genoa State Bank, Genoa.....	A. E. Anderson, *Cas*.....	G. Willson.
"	First National Bank, Minden...	L. Newell, *Cas*.....	V. Abrahamson.*
" ..	Newman Grove State Bank, Newman Grove.	J. A. Blomquist, *P*.....	J. W. Primmer.
		A. H. Saere, *Asst*.....	C. Scharland, *Cas*.
N. H...	Squamscott Sav. Bank, Exeter..	Chas. H. Knight, *Tr*.....	F. Hilliard.
" ..	Citizens National Bank, Keene.	Horatio Colony, *P*.....	O. G. Dort.
		A. L. Wright, *Asst*.....	.....
N. J....	East Orange Nat. Bank, East Orange.	J. Frank Fort, *P*.....	F. M. Shepard.
		Charles A. Groves, *V. P*....	J. Frank Fort.
" ..	Burlington Co. Nat. Bank, Medford.	Edw. B. Reeve, *Cas*.....	Wilson Stokes.
N. MEX.	Socorro Nat. Bank, Socorro....	D. H. Harronn, *Cas*.....	J. S. Sniffen.
N. Y...	Brooklyn Savings Bank, Brooklyn.	Bryan H. Smith, *P*.....	Henry P. Morgan.*
" ..	Hamilton Bank, Brooklyn.	E. S. Clark. *P*.....	F. G. Pitcher.
		Frank H. Parsons, *V. P*...	Henry Franke.
		Wm. A. Conklin, *Cas*.....	E. S. Clark.
" ..	American Exch. B'k, Buffalo...	John B. Weber, *Cas*.....	Seth W. Warren.
"	City Nat. B'k, Jamestown.....	M. M. Skiff, *Cas*.....	Herbert M. Tew.
" ..	Mohawk National Bank, Schenectady.	H. S. Edwards, *P*.....	Chas. Thompson.*
		Edward Ellis, *V. P*.... ...	H. S. Edwards.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
N. C.	First National Bank, Gastonia.	J. D. Moore, *Cas*	L. L. Jenkins.
"	First National Bank, Wadesboro.	Chas. M. Burns, *V. P.*	.....
		S. W. Norwood, *Cas.*	.....
"	First National Bank, Wilson.	S. A. Woodard, *V. P.*	.....
		W. E. Warren, *Cas.*	John Hutchinson.
OHIO	Fourth National Bank, Cadiz.	Samuel Thompson, *P.*	T. E. Johnson.
		J. E. McPeck, *V. P.*	Sam'l Thompson.
"	Atlas Nat. Bank, Cincinnati	Chas. J. Zeigler, *Asst*	.....
"	Society for Savings, Cleveland.	A. L. Withington, *Tr.*	E. S. Flint, *pro tem.*
"	National Bank of Elyria	Everett E. Williams, *Cas.*	John W. Hulbert.
"	Farmers National Bank, Mansfield.	W. W. Cockley, *P.*	J. S. Hedges.
		H. R. Smith, *V. P.*	W. W. Cockley.
"	Citizens National Bank, New Philadelphia.	B. P. Scott, *Cas.*	C. C. Welty.*
"	New Vienna B'k, New Vienna.	Ellis Good, *P.*	E. Arthur.
"	Farmers Bank, Plain City	B. A. Taylor, *Cas.*	E. W. Barlow.
"	National Exchange Bank, Steubenville.	David McCullough, *V. P.*	W. H. McClinton.
		Wm. A. Elliott, *Asst.*	.....
ORE.	First National Bank, Arlington.	J. E. Frick, *P.*	H. C. Stratton.
		J. A. Blakely, *V. P.*	J. E. Frick.
		F. C. Rollo, *Cas.*	W. E. Fowler.
"	First Nat. Bank, Island City	Fred. J. Holmes, *Cas.*	Chas. H. Crosby.*
"	Commercial National Bank, Portland.	John J. Valentine, *P.*	Geo. H. Williams.
		R. M. Dooly, *Asst.*	.....
PA.	First Nat. Bank, Blairsville	J. M. Turner, *V. P*	.....
"	Farmers N. B. of Bucks Co., Bristol.	Benjamin J. Taylor, *P.*	Pierson Mitchell.*
"	Monongahela Nat. Bank, Brownsville.	H. W. Robinson, *V. P.*	James L. Bowman.
"	First Nat. Bank, Coudersport	J. Newton Peck, *V. P.*	.....
"	Commonwealth Guar. Tr. & S. D. Co., Harrisburg.	Lane S. Hart, *P.*	W. W. Jennings.*
"	First National Bank, Harrisburg.	Lane S. Hart, *P.*	Wm. W. Jennings.*
		W. J. Calder, *V. P.*	.....
"	Huntingdon B'k, Huntingdon	C. H. Glazier, *Cas.*	John H. Glazier.*
"	First National Bank, Media.	J. W. Hawley, *P*	Thos. H. Haldeman.*
		J. Frank Kitts, *Cas.*	J. W. Hawley.
"	Manayunk Trust Co., Phila	Graham J. Littlewood, *P.*	R. Hey.*
"	West End Tr. & Safe Dep. Co. Philadelphia.	Horace A. Doan, *Actg.*	A. Lewis Smith, *P.*
		W. F. Klurg, *Tr.*	W. R. Fisher.
"	Fifth Nat. Bank, Pittsburgh	J. B. Finley, *P.*	Robert Arthurs.*
"	Nat. Bank of Chester Co., West Chester.	Wm. P. Marshall, *P.*	W. Townsend.*
		J. Preston Thomas, *V. P.*	Wm. P. Marshall.
R. I.	Newport Nat. Bank, Newport	Henry Bull, Jr., *V. P.*	.....
S. C.	Walterboro Loan & Sav. B'k, Walterboro.	R. L. Fraser, Jun., *Cas.*	J. Washington Smith.
TEXAS.	Peoples Nat. Bank, Ennis	L. L. Works, *Cas.*	H. C. Jones.
"	First National Bank, Nocona.	L. B. Smith, *P.*	Edwd. Hines.
		E. F. Rines, *Cas.*	L. B. Smith.
"	First Nat. Bank, Van Alstyne	R. L. Brown, *V. P.*	E. G. Beall.
"	Panhandle National Bank, Wichita Falls.	W. M. McGregor, *Cas.*	W. A. McCutchen.
VT.	National Bank of Vergennes	H. Stevens, *P.*	C. T. Stevens.*
WASH.	First Nat. Bank, Anacortes	E. W. Andrews, *P.*	Howard E. Perrin.
"	First National Bank, Colfax	L. D. Woodward, *Cas.*	Chas. F. Russell.
"	First Nat. Bank, Palouse	J. M. Corbet, *V. P.*	L. C. Wheeler.
"	First Nat. Bank, Pullman	J. J. Humphrey, *P.*	H. J. Webb.*
"	Nat. Bank of Commerce, Tacoma.	L. W. Roys, *V. P.*	Edwd. Huggins.
		Edwd. Huggins, *2d V. P.*	.....
"	Pacific Nat. Bank, Tacoma	J. P. Stewart, *2d V. P.*	.....
"	Metropolitan Savings Bank, Tacoma.	O. B. Selvig, *Cas.*	Jas. LeB. Johnson.
WIS.	Northern Nat. Bank, Ashland.	J. W. Cochran, *P.*	E. A. Shores.
"	Rock Co. Nat. Bk, Janesville	A. P. Burnham, *Cas.*	S. B. Smith.
"	First Nat. Bank, Marshfield	Edw. L. Reese, *Cas.*	W. D. Harshaw.
"	State Bank, Mayville	William Ringle, *Cas.*	E. Schwartz.
"	Citizens Bank, Reedsburg	Geo. T. Morse, *P.*	Chas. Keith.
"	Merchants State Bank, Rhinelander.	M. H. Raymond, *Cas.*	E. O. Brown.

* Deceased.

PROJECTED BANKING INSTITUTIONS.

N. Y...New York.....National Safe Deposit Co.; capital, $200,000. Directors: Jas. S. Granniss, Isaac F. Lloyd, John W. Auchincloss, F. O. Barton, of New York; Jas. C. Holden, Madison, N. J.; John A. Fonda, Brooklyn, N. Y.; Theodore W. Morris, Freehold, N. J. Jas. C. Holden, President; J. Lynch Pendergast, Secretary and Manager.

ALA....Florence.....Florence Loan and Trust Co. N. C. Elting, President; A. W. Stockell, Vice-President; W. Porterfield, Secretary.

ARK....Mammoth Spg..New bank to be organized with capital of $25,000.

DAK. S.Miller.....New State bank opened by A. W. Swender, of Carroll, Iowa; capital, $25,000.

GA.....Waycross.....H. W. Reed, of Brunswick, and A. M. Knight, of Waycross, are organizing a new bank at this place.

ILL.....La Salle.....La Salle State Bank; capital, $50,000. Organizers: Nicholas W. Duncan, John Stuart, Vincent J. Duncan.

" ..West Pullman..State Bank of West Pullman; capital, $25,000. Organizers: F. C. Jocelyn, C. B. Wisner, Hugh L. Russell.

IND.....Otterbein... ...State Bank of Otterbein; capital, $25,000. J. H. Van Natta, President; Robert H. Bolt, Cashier.

IOWA...Des Moines ....New bank will be started.

KAN....Alton.... .....T. M. Walker, of Osborne, will start a new bank at Alton.

ME.....Bangor.....Isaac Atkinson, of Portland, will start a bank at Bangor.

MD.....Baltimore.....American Banking and Trust Co. incorporated.

" ..Baltimore..... Maryland Trust Co.; capital, $1,000,000. Incorporators: James Bond, John G. Mengle, Wm. G. Hudgins, John Solter, Walter H. Stewart. J. Wilcox Brown will be President.

MICH...Galesburg.....Union Bank of Richland has opened a new bank at Galesburg.

" ..Galesburg.....A new banking firm, composed of Thaddeus S. Clapp and Sidney Dunn, commenced business.

" ..Greenville.. ...State Bank organized. Milo Lewis will be Cashier.

" ..Lawton.....McKeyes, Duncan & Co., Bankers.

" ..Ubly.....Citizens Bank organized by Sleeper & Merrill, with $50,000 capital.

MO.....Jackson.....Jackson Exchange Bank; capital, $20,000.

" ..Xenia..... ...Campbell & Payne Banking Co.; capital, $5,000. Incorporators: V. H., J. M., and M. D. Campbell, and W. F. Calfee.

N. H...Dover.....James A. Place & Co., Bankers and Brokers.

N. Y....Brooklyn.....Schermerhorn Bank; capital, $100,000. Managed by the shareholders of the Storage Warehouse Company.

N. C....Gastonia.....New bank, with $100,000 capital, has been organized at Gastonia.

OHIO...Pemberville.....Charles Strong, of Medina, O., has opened a bank at Pemberville.

TENN...Columbia .....Farmers & Merchants Bank. D. Howard, President; J. P. Brownlow, Vice-President; J. F. Brownlow, Cashier.

WASH..Tacoma... ....Globe Trust Co.; capital, $25,000. Incorporators: F. Barton, J. D. Fletcher.

WIS....Chippewa Falls.New bank to be established by Edward Hastings; capital, $300,000.

" ..Milwaukee.....Merchants Loan & Trust Co.; capital, $100,000. Incorporators: E. J. Lindsay, Robert Nunnemacher, Samuel Howard, John Johnston, F. V. Adams, E. P. Hackett, S. H. Hoff.

WIS....West Superior..New bank with $200,000 capital will open.
WYO...Sheridan.....Sheridan Banking Co.; capital, $10,000. Incorporators: H. C. Alger, A. S. Burrows, W. C. Dinwiddie, Harry Fulmer, J. D. Kendrick, J. B. Moore, J. P. Robinson, E. A. Whitney.

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during April, 1894.

ILL.....Farmer City....Old First National Bank, by J. F. Houseman and associates.
IOWA...Rolfe.....First National Bank, by F. H. Helsell, Sioux Rapids, Ia., and associates.
ME.....Phillips.....First National Bank, by H. H. Field and associates.
N. Y....Medina .....Medina National Bank, by Earl W. Card and associates.
OHIO...Akron.....Citizens National Bank, by D. P. Wheeler and associates.
PA.....New Oxford....First National Bank, by John A. Sheely and associates.
TEXAS..Galveston.....Rosenberg National Bank, by A. J. Walker and associates.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(*Continued from April No., page 798.*)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4950	Peoples National Bank..... Colorado, Tex.	..J. S. McCall,	W. T. Scott,	$50,000
4951	Swedish-American Nat. Bank... Minneapolis, Minn.	N. O. Werner,	E. A. Kempe,	250,000

CHANGES, DISSOLUTIONS, ETC.

(*Monthly List, continued from April No., page 799.*)

NEW YORK CITY.....German-American Bank removed to Mills Building, Broad St. and Exchange Place.
" " .....John S. James & Co. succeeded by W. T. James.
CAL....Benicia .....Bank of Benicia succeeded by Peoples Bank.
" ..Monterey.....California State Savings Bank closed.
COL....Aspen.....Aspen National Bank reported liquidating.
" ..Delta.....Farmers & Merchants Bank (D. S. Baldwin) sold out to Stephan & Dodge.
GA.....Atlanta .....Atlanta Trust & Banking Co. and Southern Banking & Trust Co. reported consolidating.
ILL... .Chicago.....North Chicago Bank closed for the purpose of reorganizing.
" ..Chicago. .....Ellery F. Spinney reported assigned.
" ..Farmer City....First National Bank reported liquidating.
" ..Vermont.....First State Bank reported closed.
IND.....Markle.....Farmers & Traders Bank has changed hands.
KAN....Baxter Springs. Drovers and Farmers Bank reported closed.
" ..Burden.....Miles Bank reported closed.

KAN....McCune.....Farmers Bank reported closed.
" ..Mound City....Mound City Bank reported closed.
" ..Santa Fe.....Haskell Co. Bank closed.
ME.....Bath.....Sagadahoc National Bank reported liquidating.
MICH...Bay City.....Second National Bank will be succeeded by Old Second National Bank.
" ..Detroit.....Merchants & Manufacturers National Bank has gone into voluntary liquidation.
MINN...Duluth.....Peoples Savings Bank reported closing.
" ..Minneapolis....Swedish-American Bank succeeded by Swedish-American National Bank.
MO.....Excelsior Spgs..Bank of Excelsior Springs reported closed.
" . Harrisonville...First National Bank has gone into voluntary liquidation.
NEB....Bee.....Bank of Bee has gone into voluntary liquidation; no successor.
" ..Cowles.....Bank of Cowles reported liquidating.
" ..Steele City.....Pickering Banking Co. closed.
N. C....Wadesboro.....Bank of Anson consolidated with First National Bank.
OHIO...Glouster.....Citizens Bank succeeded by Glouster Bank.
" ..Logan.....Union Bank reported closed.
OKLA..Enid.....Merchants Bank reported closed.
PA.....New Bloomfield.Perry Co. Bank reported assigned.
S. C....Edgefield.....Farmers Loan & Savings Bank, title changed to Farmers Bank.
" .Johnston.....Loan & Exchange Bank consolidated with Bank of Johnston.
UTAH..Salt Lake City..Union National Bank has gone into voluntary liquidation.
WASH..Hamilton .....Johnson & Co. succeeded by I. E. Shrauger & Co.
" ..New Whatcom..Whatcom Co. Bank reported closed.
" ..Port Angeles...First National Bank authorized to resume.
" ..Tekoa.....Commercial State Savings Bank reported closed.
WIS....Cobb .....Bank of Eden succeeded by Cobb Bank (Ed. F. Thomas).
ONT....Waterford. ....L. Becker & Co. closed.

DEATHS.

ARTHURS.—On April 10, aged seventy years, ROBERT ARTHURS, President of Fifth National Bank, Pittsburgh, Pa.

BOYNTON.—On April 1, aged sixty-four years, JOHN H. BOYNTON, Secretary of Seamen's Bank for Savings, New York City.

CHAPMAN.—On April 16, aged seventy-five years, ISAAC A. CHAPMAN, President of Albany Exchange Savings Bank, Albany, N. Y.

HALDEMAN.—On April 4, aged sixty years, THOMAS J. HALDEMAN, President of First National Bank, Media, Pa.

MITCHELL.—On April 1, aged seventy-two years, PIERSON MITCHELL, President of Farmers' National Bank of Bucks Co., Bristol, Pa.

MOMMA.—On April 10, aged sixty-one years, N. MOMMA, Cashier of First National Bank, Howard, Kan.

MORGAN.—On April 8, aged seventy-two years, HENRY P. MORGAN, President of Brooklyn Savings Bank, Brooklyn, N. Y.

SELIGMAN.—On April 23, aged sixty-seven years, JESSE SELIGMAN, of the firm of J. & W. Seligman & Co., New York City.

STEVENS.—On April 2, aged seventy-seven years, CARLETON T. STEVENS, President of National Bank of Vergennes, Vt.

THOMPSON.—On April 7, aged seventy-seven years, CHAS. THOMPSON, President of Mohawk National Bank, Schenectady, N. Y.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, APRIL, 1894.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... ...reg.	Quarterly Mar.	96	96½	96	96
4s, 1907.....reg.	Jan.	113¼	114⅛	113¼	113¼
4s, 1907 .....coup.	Jan.	114½	114⅛	113½	114
6s, cur'cy, 1895, reg.	Feb.	102½	103	102½	103
6s, cur'cy, 1896, reg.	Jan.	105	106	105	106
6s, cur'cy, 1897, reg.	&	107	108½	107	108
6s, cur'cy, 1898, reg.	July.	110	111	110	110
6s, cur'cy, 1899, reg.		113	113½	113	113

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	1½	1¾	1½	—
Canadian Pacific	—	67¼	67	67
Canada Southern	52¾	52¾	50⅝	51¼
Central of N. J	114½	115	110¼	—
Central Pacific	—	16½	15½	—
Ches. & Ohio	19⅜	20¼	18⅛	18⅞
Do 1st pref.	—	—	—	—
Chic. & Alton	—	140	140	—
Do pref.	—	—	—	—
Chic., B. & Q.	83⅛	83½	77⅞	79¼
Chic. & East'n Ill.	—	—	—	—
Do pref.	—	95½	95½	—
Chic., M. & St. P.	64¾	65¾	61⅛	62½
Do pref.	120⅜	121¼	119¾	—
Chic. & N. W.	109¼	110⅛	107	109
Do pref.	142	145	142	—
Chic., R. I. & P.	71	72⅜	68⅝	69⅝
Chic., St. P., M. & O.	40⅜	41⅜	38⅛	39
Do pref.	—	116	114½	—
C., C., C. & St. L.	40¾	40¾	37½	38½
Do pref.	—	85⅛	85⅛	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	26⅛	27½	25	—
Col., H. Valley & Tol.	20½	20½	17⅞	17⅞
Del. & Hudson	138⅜	144½	137⅜	139
Del., Lack. & W.	167	167	161½	—
Den. & Rio Grande	11½	11⅞	10¾	—
Do pref.	33½	34⅜	31¾	31¾
East Tenn. V. & G.	—	4¾	3	—
Do 1st pref.	—	13	12	—
Do 2d pref.	5⅜	7½	5⅜	—
Evansville & T. H.	—	68	67	—
Illinois Central	95	95	93½	—
Lake Erie and Western	—	16⅞	16	—
Do pref.	69½	69¾	67¾	68
Lake Shore	130	130½	128⅛	128¾
Long Island	88¾	92	88½	—
Louisville and Nashville	52	52⅜	49⅞	50¼
Louisville, N. Alb & Chic.	9⅜	9⅞	8½	9
Manhattan Consol.	126	127⅜	125	125¾
Mexican Central	8¾	8¾	7⅞	—
Michigan Central	—	98¼	97¼	—
Mil., L. S. & W	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	—	13¾	11⅝	—
Do pref.	35	38½	34	—
Mo., Kan. & Texas	16¼	16⅝	14½	—
Do pref.	26½	27⅛	24¾	25
Missouri Pacific	29½	32½	28½	29⅞
Nash., C. & St. L.	—	74	74	—
N. Y. C. & Hudson	101½	101⅞	98½	100¼
N. Y., C. & St. L.	16½	16¾	15½	—
Do 1st pref.	72¾	72¾	71	—
N. Y., L. E. & W.	18⅛	18⅛	15¾	—
Do pref.	—	35	33¼	33¼
N. Y. & New Eng	10⅞	12⅜	8⅞	8¾
N. Y., Ont. & W.	17¼	17⅜	15¾	16¾
N. Y., Sus. & W.	16¼	16¼	15	15¾
Do pref.	45	45	40¾	—
Norfolk & Western	—	7½	6¼	—
Do pref.	25⅜	26	21¾	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	6⅛	6¼	4⅝	—
Do pref.	22⅝	22⅝	18¾	19½
Ohio & Mississippi	—	—	—	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	27	27	—
Oregon Short Line	—	10⅝	8	—
Pacific Mail	16¾	17½	16⅛	16¼
Peoria, Decatur & Evansville	5½	5½	4¼	—
Philadelphia & Reading	21⅞	22¼	18⅞	19⅛
Pullman Palace Car Co.	—	174	171⅞	—
R. & W. P. 3d as't pd.	7⅜	9¾	7	9⅛
Do pref.	—	18¾	17	—
Rome, W. & Ogd.	—	111¾	111¼	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco	—	—	—	—
St. Paul & Duluth	26	27	26	—
Do pref.	—	—	—	—
St. Paul, M. & M.	—	106	103	—
Silver Bullion Ctfs.	—	64	64	—
Southern Pacific Co.	23¾	24	20½	20¾
Texas & Pacific	10	10⅛	8½	8⅞
Union Pacific	22½	22¼	18⅝	18¼
Wabash, St. Louis & Pacific	7⅝	8⅛	7¼	7⅝
Do pref.	16⅞	18⅜	16¼	17
Wisconsin Central	8⅝	8⅝	7½	—
MISCELLANEOUS—				
Am. Cotton Oil Trust	32	32⅜	29¾	31
Nat. Lead Trust	39	42⅜	36⅞	42⅜
Tenn. Coal & Iron	20	20	16	17½
Express—Adams	—	152¾	151	151¾
American	116	116	111½	112½
United States	—	57	52	—
Wells-Fargo	126¾	127	124	127
Sugar Refineries	90⅛	107⅜	89	107¾
Do pref.	—	97½	88¼	97½
Western Union	85⅜	85¾	83¾	85¾
Wheel. & Lake E.	13¾	13⅞	12½	13⅜
Do pref.	51½	51½	49	50

THE

BANKER'S MAGAZINE

AND

Statistical Register.

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LOW PRICES AND PROSPERITY.

There are many economists who maintain that low prices are a real boon, the true goal of prosperity. They are therefore believers in free trade and the widest and keenest competition. We do not think that the welfare of society depends so much on high or low prices as on a uniform or equal profit in proportion to the effort or service rendered, or thing exchanged. A society is prosperous in which there is a fair remuneration for all. Inequality of profits or of gains produces disaster or hard times. This indeed is not the sole cause of them, but one of the causes, which must be lessened before prosperity can return.

One of the consequences of the very low profits which nearly every class of producers of late years has been reaping is the invention of some method of escaping from them. One of these ways has been the formation and maintenance of so-called trusts, or combinations whereby competition has been lessened. It does not follow that such combinations are wrong, either in practice or in effect. Whether they are thus injurious or not depends entirely on their mode of organization and operation. One can readily understand that if they are properly conducted great economies may be effected, and the public can reap the benefit of them.

On the other hand, by thus cutting off competition they are able to regulate prices, and thus secure better returns for their capital and skill. So long as these remain reasonable, compared with other prices, no one has any right to complain over their existence. It is not until such organizations attempt to extort an undue profit that complaints are in order. It is unquestionably true that many of them have attempted to extort all the profits they possibly could from their undertakings. One of the consequences of this, undoubtedly, is that in relation to other things they are getting too much, and the public is consequently an unjust sufferer.

Doubtless, this evil from which the public is now suffering will right itself in due time. There is nothing in the nature of these trusts that forbids the creation of rival institutions, and it must be that their large profits will attract others into the same enterprises. These will surely be created, and when they are prices will again fall to a normal level, and all will be well.

The present is a strange condition of things. There are these trust companies, many of which, notwithstanding the times, are very prosperous, while almost every other kind of business is running at a positive loss. Business is thus drawn toward the two extreme poles. The one kind is a monopoly practically in essentials; the other kind is engaged in murderous competition. Of course, the end of such competition is monopoly. The weaker go to the wall, and then the remainder combine and fly to the other pole. All business is founded on the idea of rendering a service, which is desired, for the thing received; and it is strange, indeed, that the outcome of all this should be so much competition, bankruptcy and ruin; but in the end business will become more wisely regulated, there will be less competition, and the doctrine of a fair reward for the service rendered will prevail. Surely the present condition of things, of excessively low unremunerative prices, cannot always prevail. Producers would despair if they did not believe in better times. However strongly therefore a class of economists may believe that low and falling prices are indicative of the general good, it is unquestionably true that their judgment does not correspond with the great productive class who, in many forms, embrace the great majority of the people.

A REVIEW OF FINANCE AND BUSINESS.

A MONTH OF STRIKES AND BUSINESS PARALYSIS.

"All Fools' Day" did not begin and end, this year, on the first day of April; but began with the crazy "March of the Unemployed on Washington," to end in the march of the employed, on strike, against one of the most important industries of the country; and, in paralyzing others, with it, from one end of the land to the other, during the month just ended. Hitherto this lunacy had been confined to Congress and to the Coxeyites. But, it has spread like an epidemic from the seat of Government to the seat of Industry, until the business situation has become so complicated that it threatens to drive the hitherto sane and patient business men of this country crazy also, or into hopeless and utter despair over the still further delayed prospects of an end of the depression that was forced upon them a year ago by the folly of our law makers at Washington. But this latest folly of a great industrial class, has outfooled their Washington brethren, and rendered the future of business and industry more uncertain and dangerous to capital, and, even to labor itself, which is largely the cause of its own curse, than all the folly of the past six years at Washington. For, nothing has so unsettled confidence in the future of business, in all these six years of currency and tariff tinkering, as have the labor troubles of the past month. They have been a knock-down blow at the basis of all values and of all prosperity; and, unless settled speedily, they will do more damage to the business of the country, than the silver panic of last year, and the tariff tomfoolery of this, combined. Even an end of the latter, for which everybody has been impatiently waiting, will not revive business, as has been universally expected, should the present attitude of labor, generally, throughout the North, continue.

THE SUICIDAL LABOR WAR.

Such a suicidal war of labor on capital, at such a time as this, seems the most unexampled and thoughtless in our history. Scarcely have the appeals for charitable relief for the unemployed ceased, when we behold the more fortunate employed labor of the country literally rising in arms to destroy its own means of livelihood. True, the wrong is not all on their side; for, no doubt, the desire of gain, or the financial necessities of corporations have encouraged or compelled them to avail of the present depression and lack of employment to force down the prices of labor. But, even so, this is no time to resist, by a further decrease of the means of support and a corresponding increase of the "army of unemployed." But

it is idle to reason with men who have shown themselves so unamenable to reason, and ready to substitute in its place brute force, violence and breach of the peace and law. Labor has placed itself outside the bounds of the sympathy of the public; and the first thing demanded is that the State authorities shall enforce law, and order, and protection to life and property. Until this is done, the business of the country will remain in its present semi-paralyzed condition; for without protection to property and person the basis of values is not only gone, but the right of an individual man to earn his living in such employment, and at such wages as he and his employer may agree upon. Supply and demand alone can fix wages, as it does the interest on capital: and, the only way to bring employment for either, or to raise the rates of both, is for the two to work together in peace and harmony, until the demand for both overtakes the supply. Then is the time for labor to ask for consideration of its grievances and to enforce its demands, if not granted, by combined action, when it can do so without violence and disorder. It is impossible now, when there are three men waiting for every striker's place; and, who can only be kept from doing so by unlawful means; and when capital is employed at small profits, or at a loss, in most of our industries, and would lose little if idle.

EFFECTS OF STRIKES ON BUSINESS.

The result of this state of disorder and enforced idleness, is already most serious, alike on finances and commerce, and transportation, as well as industries. Until the bituminous coal strike, these labor troubles were scattered and isolated, and only affected certain industries and localities seriously. But this last and greatest strike ever seen in this country, has affected all industries, all localities, and every branch of business and trade, throughout the States east of the Rocky Mountains. No strike in our history has had such wide and general and controlling influence on everything and everybody. The railways and steamships; and inland and ocean transportation have all been crippled, for want of fuel. Mills and manufactories have been compelled to close for the same reason, or from inability to get supplies of raw material, or to ship their products. Commerce has been compelled to wait; and even the little there was, could not be transacted. The earnings of railways and steamships have fallen off heavily, and will make a worse showing than for April. Europe seeing this, stopped buying, and began selling our railroad securities early in the month. The unsettling of confidence in all things American, which never seem to be settled to stay, has scared European capitalists who had money loaned here since the panic. These two causes stimulated the return of foreign capital; and, the

heavy exports of gold for the month, and the depletion of the Treasury's one hundred million gold reserve again are the result. This fright of foreign capital has been shared by home capital as well; and, all contemplated new enterprises, to be begun after the settlement of the tariff fiasco, are now held in abeyance awaiting the end of the strikes. What more will happen to break Uncle Sam's back when the strikes are ended Heaven only knows in this land as prolific in new isms and political fads as is her soil. But that some new political idea will seize a portion of the American people when the present ones have had their day, is regarded as so certain that Europe is growing tired of our securities and calling her money home to put into her own new loans lately floated, and even into the insecure securities of South American States, with less stable Governments than ours, where new political ideas have not yet attained such rank and sudden growth and development. True, there is home capital enough here and to spare, for all the present minimum wants of trade, that cannot be loaned at 1 per cent. even on call or time. Yet this foreign distrust of our securities is as significant, as an effect of the present strikes, as it was of our silver legislation a year ago; and, its consequences may be as serious in the end, should our Treasury again be placed in the position it was last year by the exports of gold, unless the movement is soon checked.

THE CONDITION OF THE MONEY MARKET,

in this connection, seems to be of little importance, since nearly the whole forty odd million shipped out recently have been taken from the Treasury, notwithstanding our banks held and still hold about an equal amount; and, what is more significant, do not apparently propose to let it go. What contingency ahead is feared by them is not plain, against which they need hoard gold. Yet the fact remains that they are practically doing it, with the other fact staring them in the face, that if exports of this metal continue on the late scale much longer, the Government will have to issue another fifty millions of bonds, in order to fill up its rapidly declining reserve. Happily, at the close of the month, the prospects are favorable for a sharp falling off in these exports, which, in a little over a month, have reached about half the export movement of three or four months, a year ago, which brought on our panic. It may be our banks are holding their gold against such an emergency as then, for it is still fresh in their minds, and their hoarding mean nothing more. But it is possible that other and deeper reasons, such as have sent home all this foreign gold of late, are also influencing our moneyed institutions, in view of the political and industrial unrest among our people, as manifested in the Coxey movement of the past two months

and in the strikes of the month just closed. There seems to be nothing else in the money situation to warrant any such unusual precautions against the future, especially when the market is so glutted with unemployed and unemployable funds as it has been for months past.

CONTINUED HOARDING OF GOLD.

In commenting on the enormous exports of gold the past month and upon the small influence it has had on financial and commercial affairs the *Evening Post* has the following:

Little or nothing seems to be heard this year of the talk, so current one or two years ago, about a "scramble for gold" by the European banks; and yet the gold holdings of these institutions are increasing faster now than they were in 1892 and 1893. What might be termed the visible supply of gold in Europe—not allowing for the Bank of Russia, whose returns are irregular—has increased since a year ago no less than $75,000,000. No foreign National bank shows a decrease for the year. The Bank of England leads all, with an exceptional gain in gold of $52,600,000. But the somewhat enlightening factor in the present situation is that this piling up of gold balances, once claimed as a proof of "hoarding" or of "war-chest" accumulations, is still more striking here in New York City. Making no addition to allow for the recent Government bond subscriptions, our Clearing House banks hold to-day $29,000,000 more specie than they held a year ago; an increase greater than that of any money center in the world outside of London. Yet neither bank hoarding nor military preparations have had the slightest hand in this. If trade demand were active, the New York banks would be ready enough to disburse their heaped-up treasure. That the Bank of England's attitude is similar no good authority will question. And the principle may very safely be carried further.

THE POSITION OF THE TREASURY.

In speaking of the reduction of the 100 million gold reserve of the Treasury, the *Journal of Commerce and Commercial Bulletin* says:

The Treasury has been losing gold at the rate of nearly a million dollars a day during the first three weeks of the present month as a result of gold exports and has been gaining about as little as possible through the medium of gold revenues. Of the customs payments in this city less than two per cent. has been in gold coin and less than one-tenth of one per cent. in gold certificates.

The change since the passage of the Sherman Silver Law in 1890 is from gold receipts of eighty or ninety per cent. to almost nothing, and from silver receipts of less than six per cent. to eighty-seven per cent. in silver certificates and Treasury notes issued under the Sherman Law. Nor is the outlook for an increase of the gold revenue very encouraging. Experience has shown that when the bank reserves in this city are large and money plentiful the revenues are paid in the least desirable forms of money, and that as active currency demands develop and money movements are from the money centers to the interior the proportion of gold receipts increases. Such currency movements accompany crop movements or active business in the interior and there is little reason to expect Treasury relief from this source before the middle of July. In the meantime the continuance and extent of gold exports is a matter of

conjecture, while it seems practically certain that the greater part of all that is exported will be drawn from the Treasury.

The firms through whom these exports are being made attribute them mainly to foreign distrust of investments and currency conditions in this country, in consequence of the seeming impotence of Congress. The prompt termination of the tariff uncertainty with all its disturbing influences is essential to any improvement in this direction. With or without this the gold export movement may continue for several weeks. The record of gold exports by months for a series of years, recently published, shows that August is the only month in which they have been uniformly small. Last year the movement ended little later than it began this year. Often it has ended in June, and seldom extended far into July.

CONDITION OF THE STOCK MARKET.

The action of the stock market has been only a reflection of the situation at Washington, on the tariff bill and of the strikes in the coal mines; and, both have been unfavorable to values. In the first place, the universal dissatisfaction over the abortion of the Senate amended tariff bill has caused a general belief that it would be knocked to pieces by the House in conference committee, with all its protection, extended to the most unconscionable trusts in existence, including the sugar, which evidently had the Senate Committee fixed, as indicated in this article months ago, notwithstanding the whitewashing report of the Senate Bribery Investigation Committee of the past month. This belief was followed by a liquidation of the Senate Bull Sugar Pool, on the stock exchange, as the Washington, or senatorial end of it was the first to take its profits. This was followed by realizing along the whole line of "Industrial," or trust stocks, affected by the proposed amendments to the Wilson Tariff Bill, while railway securities went off in sympathy, and, on the reduced earnings consequent upon the coal strike, and selling of long stock both by foreign and native holders on their growing apprehensions for the future, owing to the unsettled condition of things generally in this country. These have been the controlling influences in Wall Street all the month, and the result has been a Bear market, accentuated by short selling, and on the covering of which, at the close, there was a rally in prices. This is all there has been of significance in the stock market, except the added depression in shares of bankrupt corporations, due to the above unfavorable conditions for those which are solvent. The new agreement to restore rates, which have been demoralized, also helped the rally at the close.

THE IRON AND COAL TRADES

have been both the immediate victims and beneficiaries of the coal strike. Prices of both have improved, but only because the supply was shut off, and not because of any improvement in

demand. Far otherwise, for the railroads which are the chief consumers of iron products, are rendered less able to buy, while the bituminous coal famine has only benefited those few who happened to have a supply on hand. The losses resulting, on the other hand, have been enormous, as the price has been doubled at tide water from $2.50 to $3.00 per ton to $5.50 to $6.00 and is still $5.00, notwithstanding the purchases of 75 to 100 thousand tons of Nova Scotia and English coals, to be brought here to supply steamships alone, who had contracts with dealers for their annual supplies at the above inside figures. This was for foreign steamships mostly, which were unable to bring out from the other side enough for the round trip, as most of them have done since the famine. Our coastwise steamships have had to get on as best they could, when not contracted for, with what they had at their docks, when the strike became serious, and the substitution of anthracite coal. The railways bringing what bituminous there was in transit from the mines, when the strike occurred, seized it for their own use, and left their shippers, who were under contract to steamship companies, to take care of themselves. The roads that do not haul bituminous have had to use anthracite chiefly, as well as those which do, to a considerable extent; and also mills and manufactories East and West, and inland lake and river transportation companies, from the Rocky Mountains to the seaboard and from Canada to the Gulf of Mexico. Never was anything like such a widespread coal famine known in this country, nor one so protracted; beside which that of 1885 was an infant. The result, however, has been wholly beneficial to the anthracite interests, to which the strike was a godsend, as they had heavy accumulations at all tide-water points left from the mild winter and thus have been saved a probable break in prices, by the bituminous strike, and glad to supply all comers at old schedule prices. At this writing there are some indications that the strike is nearing its end, since both sides seem to be getting more tired and less stubborn, which is to be hoped will result in compromise.

RENEWED DEPRESSION IN WHEAT.

We have had another month of price-lowering records in wheat, in spite of the previous lowest prices in the history of the trade, of this country, or of Europe. Day after day has this new low-record making been experienced, with no rally of permanency or importance, and no increase in export demand, until nearly 50c. per bushel has been reached in Chicago for spot wheat, and 55c. at the seaboard. This is cutting the old dollar mark almost in halves, below which it was once considered impossible to raise wheat in this country without loss. Yet Europe is filled up, even at these prices, with still cheaper wheat from Argentine, India

and Russia, which a decade ago were hardly counted in the wheat-exporting countries of the world, excepting the latter, and even that of only secondary importance. The trouble with America is that so long as these competitors have a surplus to sell they will undersell us, no matter what our price, while Europe will only buy of us what she cannot get of other countries, because she can pay for their wheats with her manufactured goods, which are excluded by high duties from this country. Besides, these countries sell for forward shipment at spot prices, enabling European importers to contract for her future supplies to the end of the crop year, without having to carry stocks or pay those countries for doing it for them. But in the United States we add the cost of carrying wheat to the spot price, which puts a premium of 1 to 2 cents per bushel per month on later deliveries, which drives exporters away from us for their actual wheat, and offers them a premium on all they will buy in other countries. For, under our option system of trading, which no other export country has, we enable Europe to sell short in our markets, for months ahead, at this premium, against the purchases made by her in other countries, running through one crop and even into the next, by which she makes the carrying charge here, without carrying the wheat, besides insuring her importers against any decline on the wheats bought in other countries for spot and forward shipments. On such a market as we have had this year, this country has therefore had to stand the losses on her own crop, not only, but pay Europe all the losses she has sustained in a declining market, on all she has bought in other countries, and as much more of her own crops and short wheat as she was disposed to sell here for future delivery. As a consequence there never have been such losses sustained by the wheat trade of the United States as this year; and, by the richest men in it, who began buying for investment after the Silver Repeal Bill ended the panic, because prices were lower than ever before; and, because the Government report had made out a short crop here as well as in Europe, which would compel her to buy of us at much higher prices. But since then the Southern Hemisphere has grown and harvested an enormous crop in Argentine, Australia and India, and left us to hold the bag and our big supplies of wheat while they fill the deficit in Europe.

OTHER MARKETS AND INDUSTRIES

have shrunken away in the same manner, though not to the same extent, as there has been no speculation to sustain a Bull movement, and not enough spot demand to take the current supplies offering. This is true of cotton, which has dragged back to almost the bottom prices of two years ago, and left the Bulls

in provisions with their "light stocks," at prices which have reduced the demand below the supply, which is increasing, while flour is $1.00 per barrel lower than ever known. Manufactured goods are in the same boat, and prices still in buyers' favor, with no outlet, except for immediate small wants, because there is no basis of values for the future, until the tariff bill is disposed of. Hence wholesale trade is as bad as retail, and both flat, necessitating heavy auction sales during the month at 25 to 40 per cent. decline from former prices. Ocean, as well as inland transportation companies are unable to get remunerative rates for the little traffic there is to carry, because there is not enough to go around, and a half loaf is better than none to corporations which are still solvent, and whose fixed charges are increasing if earnings are not. Only bankrupt roads are now independent, and blessed be those managers who are "receivers" and not payers.

H. A. PIERCE.

FINANCIAL FACTS AND OPINIONS.

Abolition of Days of Grace.—The New York Legislature has finally abolished the old custom of days of grace. As all know, days of grace are a relic of the times of barbarism when it was more difficult for men to fulfill their engagements, even though honestly intending to do so, than it is at the present time. This custom should have been abolished long since, but it has been continued for the same reason that thousands of ancient practices have been continued long after the need for them has disappeared. Several of the States have already passed a similar law abolishing the custom, and doubtless the time will soon come when it will be a thing of the past.

Offsets of Deposits to Unmatured Notes.—An interesting question has often arisen of late in the case of a failure of a bank holding the note of a depositor—can his deposit be set off against the note even though it had not matured at the time of the bank's failure? The courts very generally have decided that this can be done on the ground that though the note is not due the deposit is due and payable at all times. But the opposite rule does not follow. If a banker fails and a depositor, for example, holds his unmatured note he cannot set this off against the deposit that may be due to him, for the reason that the obligation is not mature or due at the time of the insolvency. This is the general trend of the authorities although in some cases the courts have decided that even such a note may be set off against a deposit on the ground that the act of insolvency puts an end to the

further running of the note. In other words, the life of it has come to an end and therefore it may be set off. One of the latest cases is in Minnesota of an action by the St. Paul & Minneapolis Trust Company against Leck & McLeod. They had a certificate of deposit for $530, given by the Farmers and Merchants' State Bank, payable in February, 1894. The bank held a note, made by Angus McLeod, and indorsed by the firm, for $600, which fell due 10 days after the assignment. The firm wished to set off the certificate against the note, but the decision of the lower court was adverse to them and they were not allowed to do so. Judge Collins says in his opinion, "that insolvency has long been recognized as a distinct equitable ground for set-off cannot well be disputed. . . . Had the bank itself while insolvent and, prior to an assignment, brought an action on the note in question. Defendant McLeod could have invoked the power of the court in his behalf and could have been allowed to interpose his equitable set-off arising out of the certificate of deposit, although it had not then matured. The interest in having the estate of an insolvent ratably distributed among all of the creditors arises out of the fact of his insolvency and not by the assignment. If the general body have inferior equities as to the property and its distribution over the equitable rights of one of their number, they must antedate and have become vested before the assignment. It seems to us that any line of reasoning based upon the proposition that these superior equities are not brought into existence until the assignment is made, and then come suddenly to life, while at the same time—all as if by the wand of the magician—the former and natural equity of the single creditor as suddenly disappears, is unsound. We are convinced that the better rule is that an equitable set-off, which the debtor of an insolvent has at the same time the latter stops payment, is not affected or altered by an assignment."

Gold Exports.—Though these continue, no one seems to fear any evil consequences from them. It is not supposed that they will be very large for the reason that our imports are light, and are likely to be for some time to come, especially while the tariff law is undergoing discussion. Importers are afraid to import. There have been some marked illustrations of their timidity within the last few months, especially in the tin plate trade. Notwithstanding the general inactivity and dullness of the times, the American tin-plate manufacturer is unusually prosperous, because the foreign importers of this article are afraid to import much of anything. The building season is now quite active, and roofers are finding great difficulty in obtaining all the plate they need, and yet importers, for the reasons above given, hesitate to renew their stock.

So for these and other reasons exports are likely to continue largely in our favor, and unless some unusual reason occurs for demanding our gold, there is no reason to fear any special foreign demand for it. The following table shows the exports from March to July for the years 1890 to 1893 inclusive:

Month.	1893.	1892.	1891.	1890.
March	$1,504,991	$3,225,550	$4,541,566	*$165,608
April	18,344,979	7,034,782	13,939,798	574,002
May	15,205,760	3,263,063	30,368,112	7,719
June	1,701,544	16,635,477	15,539,494	3,345,536
July	*5,776,401	10,240,198	5,633,526	411,288

* Excess of imports.

Bank Discounts.—Nearly all of the leading banking cities have completed their returns to the Comptroller of the Currency, and which show that the volume of loans and discounts is nearly the same as four years ago, before credit had obtained the extreme expansion of 1892. The cases where the figures of May, 1890, and May, 1894, are not almost identical are explained in a few cases by the growth of the cities since 1890, and in others by an apparent reduction of the volume of business since 1890, irrespective of general financial conditions. The following table gives the aggregate loans and discounts of the leading cities in 1890, 1892, and 1894:

LOANS AND DISCOUNTS.

	May 17, 1890.	*May* 17, 1892.	*May* 4, 1894.
New York	$291,635,224	$365,332,944	$336,597,053
Boston	148,726,670	156,702,142	147,954,431
Philadelphia	91,267,520	94,939,446	90,713,578
Chicago	78,090,046	100,583,098	87,216,632
Baltimore	29,854,860	32,190,514	29,995,528
St. Louis	27,129,448	29,209,030	25,329,245
Pittsburgh	39,346,015	38,874,792	37,656,686
Cincinnati	27,388,123	28,588,402	24,792,841
Cleveland	18,987,654	21,055,888	23,378,179
New Orleans	13,636,970	12,046,288	11,579,665
St. Paul	no report	13,896,684	10,635,988
Minneapolis	no report	10,923,735	10,663,837
Omaha	12,851,283	10,597,170	9,117,059
Kansas City	20,471,648	17,119,482	14,660,950
Detroit	14,729,469	17,288,601	13,865,956
Washington	7,309,270	7,578,271	5,893,417
Brooklyn	no report	9,448,119	9,464,980

Baltimore, which used to be accounted one of the four or five leading cities of the country, now ranks sixth, with Cincinnati, Cleveland and St. Louis nearly as great. Pittsburgh is in the fifth rank after New York, Boston, Philadelphia and Chicago; and Cleveland has advanced from a comparatively minor place to the position of a close competitor of Cincinnati and St. Louis. A little more growth in the same relative proportions and Cleveland will rank after Pittsburgh, and force Baltimore, St. Louis and Cincinnati into minor places. Kansas City has also been pushing to the front, and outranks New Orleans and St. Paul. The returns for the banks of the whole country on May 4, 1894, are not yet

compiled, but the fluctuations of loans from the period of expansion in 1892 to their contraction during the period of liquidation, and the shrinkage of the specie reserve during the panic, with its recovery since, are fairly illustrated by the following figures for different dates down to February 28 last:

Date.	*Loans.*	*Specie Reserve.*
May 17, 1892.....	$2,108,360,340	$239,044,108
September 30, 1892.....	2,171,041,088	209,116,378
March 6, 1893.....	2,159,614,092	208,241,816
May 4, 1893.....	2,162,401,858	207,222,141
July 12, 1893.....	2,020,483,671	186,761,173
October 3, 1893.....	1,843,634,167	224,703,860
December 19, 1893.....	1,853,827,000	251,253,000
February 28, 1894.....	1,858,763,000	256,166,000

These figures show the usual tendency just before crises to expand credits and diminish the reserves. The expansion seems to have reached its limit in September, 1892, although the small contraction from that date to March 6, may have been nothing more than the usual return of money to the banks after the summer crop movement. The reduction of the specie reserve from $239,000,000 to $186,000,000, or about thirty per cent. in a single year, is perceptible enough to indicate a crisis to the student of the naked figures, but the fluctuations in the Treasury gold and in the legal tender reserve would have to be considered to complete the survey of the situation. The Treasury gold fund on October 31, 1892, was $124,006,119, and it had declined on August 31, 1893 before there had been very considerable payments of gold for current expenses, to $96,009,153. If the specie fund of the banks and the Treasury were added together, the aggregates would be larger, but the proportion of loss would be slightly smaller.

The Banking Reserve.—Professor Miller, of the University of Chicago, in a recent address before the bankers of that city, said: "The practice of allowing banks outside of New York to figure their deposits in New York banks as a part of their reserve is a serious element of weakness. New York must answer the demands for currency as soon as the country begins to feel a stringency, and thus it limits the power of New York banks to make discounts. The policy of the New York banks in using Clearing House certificates was the only way in which the serious situation could have been met. The Chicago banks, which refused to adopt the Clearing House system, felt the effects in July and August of last year in the falling off in their discounts 15 per cent." Not long since we discussed this subject, remarking that a reserve, properly so considered, should be kept at home, and not be put with another bank. It is useless there unless used, and, in fact, another bank would not take it and keep it unless something was done with it. But if used, then the reserve is one in name only and not in fact, and this in truth has been

the case with all the reserves that have been kept with other banks. They could make only one use of them, namely, to lend them on call, expecting to be able to demand them whenever wanted, but, as experience has again and again showed, when many demands are made at once compliance is very difficult, and so in truth the reserves deposited with other banks have not been reserves at all. We quite agree with Professor Miller in his contention. It may be questionable that the amount of reserve required might be diminished, but at all events the law might be amended in such a manner as to require a bank to keep the reserve, whatever be the amount, at home. Then it would be a real reserve, but it never will be so long as its custody is confided to another institution.

The Income Tax.—The New York *Sun*, under the heading "The Geography of Savings Banks," has published a very interesting and luminous article showing some of the vicious features of the proposed income tax. By the last report of the Comptroller of the Currency the aggregate savings bank deposits, the number of depositors, and the average amount due each depositor in 1892-3 were as follows: New England States, 2,082,591 depositors, aggregate deposits, $748,651,743; Middle States, 2,155,001 depositors, aggregate deposits, $780,573,655; Southern States, 71,406 depositors, aggregate deposits, $12,011,357; Western States, 303,086 depositors, aggregate deposits, $99,447,141; Pacific States and Territories, 218,485 depositors, aggregate deposits, $144,467,061. The whole number of savings bank depositors in 1892-3 was 4,830,599, and of these 4,237,622 were in the Eastern and Middle States. The total amount of deposits was $1,785,150,957, of which $1,529,225,398 was in the savings banks of the Eastern and Middle States. There are 264,473 more depositors and $121,955,863.11 more deposits in Connecticut than in all the Southern States combined, and 28,055 more depositors and $31,239,588 more deposits than in all the Western States put together. The deposits and depositors in one of the large States, New York or Massachusetts, are more than twice those of the West and South combined. These figures, as the *Sun* says, speak for themselves: "Savings banks of the kind familiar to the East and North scarcely exist at the South; and the two per cent. tax on the net profits of such institutions is a tax to be paid almost entirely by the North and East. To a majority of the Democrats in the present Congress taxation is entirely a matter of geographical distribution."

The Liquidation of the Barings.—It will be remembered that three years ago this famous banking house became bankrupt, and that the Bank of England, associated with other banks and bankers,

took the assets of the firm and guaranteed the payment of its debts. This indebtedness amounted to $105,000,000, while its nominal assets amounted to $125,000,000. These consisted to a large extent of South American securities on which it was impossible to realize promptly unless they were sold for very low figures. The Bank of England syndicate believed if the securities could be held for a few years the market would improve, and perhaps their face value be obtained. The wisdom of the course taken by the Bank of England syndicate was not long in proving itself. A panic was averted, and the securities had not been held for three months when they began to look up; and although the improvement has been slow, it has continued ever since. At the half-yearly meeting of the Bank of England, held at the beginning of last month, it was officially stated that the outstanding liabilities of the Baring Brothers had been reduced from the original $105,000,000 to somewhat under $18,000,000; and that the assets on hand with which this remaining debt of $18,000,000 was to be met amounted to $20,116,215. Whether the $20,000,000 of assets will be sufficient to clear off the remainder of the liability is unfortunately open to some considerable doubt, as several blocks of the securities have been sold since the date of the bank's half-yearly meeting and have not realized much over half of their face value. But there is $10,000,000 worth of private property belonging to the Barings themselves that can be drawn upon, and that will, of course, be drawn upon, to make up any deficiency there may be of assets to cover the very last cent of indebtedness. The $10,000,000 of private property is as good as gold; so that the creditors of the Barings will not lose anything, even if the members of the fallen firm have to begin life again as paupers. It is very much to the credit of the good-heartedness of the Bank of England syndicate, as the whole transaction has been to the credit of their good business sense, that they should have postponed the conversion of the private property of the firm into money to the latest possible moment. The hope of the syndicate has been that, out of the wreck, they might be able to leave one or two million dollars to the members of the firm, who promptly, at the time of failure, surrendered every penny's worth they had in the world for the benefit of creditors; and in that hope of the syndicate, Americans generally who have watched the case with interest, as well as Britishers, will heartily join.

Silver in Japan.—Mr. Watanabe, the representative of the Bank of Japan now in the United States, who was sent to that country to study the silver question, says that silver is the universal money of Japan, and that its depreciation has had the effect of reducing the importation of foreign goods into Japan while stimulating

exports, just as has happened in Mexico. Wages have not changed in Japan. One of the party accompanying Mr. Watanabe said in an interview: "We did not want silver to be so cheap, but, now that the United States has forever stopped the free coinage of silver, the price we know has come down and will never go back. We are making the best of it. It will not long hurt us. Silver is so cheap that American money will buy many more articles in Japan, so that much of our things are sold here now. But when we buy here we have to pay gold. That costs so much in silver of Japan now that we have stopped buying things here. We make them all in our own country. We make more and more each year. Soon we will make everything for the other countries on our side of the Pacific."

The Money in Circulation.—The result of the changes in the money circulation of the country during the fiscal year which closes with June has been an expansion of almost one hundred millions. The circulation on the 1st of July, 1893, was $1,593,700,000, which increased to $1,700,000,000 during the three following months, reaching its highest point, $1,740,000,000, in February of this year. Since that time it has declined to $1,690,000,000. In other words, the past ten months have witnessed an expansion of nearly $150,000,000, followed by a decline of about $50,000,000. The Treasury statement of money circulation on the first of each month has been as follows:

1893.		1894.	
July	$1,593,700,000	January	$1,729,000,000
August	1,611,000,000	February	1,739,700,000
September	1,680,500,000	March	1,690,600,000
October	1,701,900,000	April	1,690,700,000
November	1,718,500,000	May	1,691,700,000
December	1,726,900,000		

The change in the character of the circulation is shown by the following statement:

	July 1, 1893.	*May* 1, 1894.
Gold coin	$403,633,000	$497,394,000
Standard silver dollars	57,029,000	52,655,000
Subsidiary silver	65,400,000	59,125,000
Gold certificates	92,970,000	69,990,000
Silver certificates	326,489,000	330,305,000
Currency certificates	11,935,000	57,270,000
Treasury notes of 1890	140,661,000	141,026,000
United States notes	320,875,000	284,443,000
National bank notes	174,731,000	199,082,000

An increase of $94,000,000 in the estimated amount of gold coin held by the banks and individuals is partly offset by a decrease of $23,000,000 in the amount of gold certificates. The silver circulation in standard dollars and fractional coin, silver certificates and Treasury notes, is less by five or six millions than at the beginning of the fiscal year. United States notes have declined by $35,000,000, and National bank notes increased by $25,000,000. The increase in circulation has been in gold coin, currency cer-

tificates, and National bank notes, offset by a small decrease in silver and a contraction of the legal tender note circulation. The present circulation compares as follows with the corresponding date in preceding years:

May 1.		*May* 1.	
1887.....	$1,319,600,000	1891.....	$1,529,300,000
1888.....	1,372,000,000	1892.....	1,613,500,000
1889.....	1,414,200,000	1893.....	1,599,000,000
1890	1,437,900,000	1894.....	1,691.700,000

The Bank of England.—Rarely does a bank celebrate its 400th anniversary. The Bank of England, otherwise known as "The old lady of Threadneedle street," was founded in 1694, and without doubt is the most gigantic as well as the most important financial institution in the world. It is now so firmly established that our English cousins are wont to say "as safe as the bank," when they wish to convey an idea of the soundness of any interest or enterprise. There was a time when the Bank of England had its reverses and runs the same as other banking institutions. As far back as 1745, when the Highlanders under the pretender reached Derby, there was a notable run on England's favorite bank; and in 1825, and again in 1839, the great commercial depression drained the coffers of the Bank of England so that it was forced to call upon the Bank of France for assistance. It did not succumb, and it has since become the pride of England as well as the wonder of the world. The Bank of England will not only observe its 400th anniversary the coming July, but it will also celebrate the semi-centennial of its existence under the conditions established by the bank-charter act passed by Sir Robert Peel—the act of 1844. In that year, says the London *Daily News*, most important changes were made in the banking system of the country and in the Bank of England itself. The monopoly of a note issue was practically conferred on the Bank of England. The few private banks then issuing them were not deprived of their privilege, but all other banks in England and Wales were forbidden to exercise it; the issue department of the Bank of England and the banking department were made separate; the number of notes to be issued were limited, and for all bank notes in circulation over and above a certain amount the bank was required to have gold or silver in its coffers to the full value of these notes. The soundness of the Bank of England and the consequent confidence which the whole world has in the institution are easily explained. The bank act requires it to give gold for its notes on demand. It has the gold actually in its possession wherewith to pay the bulk of the notes, and government securities for the remainder. From a calculation based on the note circulation of the bank for many years, Sir Robert Peel assumed that the circulation of the

bank could not in any ordinary condition of society, or under merely commercial vicissitudes, be reduced below fourteen millions. Therefore, the act of 1844 allowed the bank to issue this amount upon securities, of which eleven millions lent by the bank itself to the public made up the most important item. In addition to its other vast business the Bank of England has the management of the national debt, so that every English taxpayer has a personal interest in the bank. The bank has branches in a number of prominent cities in the United Kingdom, and the home institution is constantly under the care of clerks and guards, as well as a military squad. Americans are inclined to smile at some of England's slow methods, but they cannot but admire the care and safeguards which insure the financial soundness of the Bank of England, as well as of the nation itself.

Publication of the Names of Savings Bank Depositors.—A bill passed the New York Legislature requiring the annual publication of a list of all the accounts of depositors on which no new deposits had been made and from which no sums had been withdrawn for five years. This bill seems to be a wise one, and yet Governor Flower in his veto has given some very excellent reasons why it ought not to become a law.

"While the intention of this bill is a good one, namely, to acquaint all persons having an interest in a savings bank deposit, as next of kin or heirs-at-law, of the existence of such deposit, the method of attaining the bill's object under its provisions is objectionable and would undoubtedly work more harm than good.

"In the first place, the bill makes it necessary for savings bank officers to know which of their depositors are living and which are dead. In a bank of upwards of 5,000 accounts and particularly in banks of upwards of 25,000 accounts (and some of the banks in the State have as high as 120,000 accounts), it is practically impossible for the officers to know which of the depositors are living in all cases.

"Again, probably a majority of the accounts in which there have been no transactions within five years, except the crediting of interest, are the accounts of children placed there with the express intention of having them remain at least until the child arrives at its majority. It would impose much additional labor and expense upon the banks to be compelled to ascertain which of the thousands of juvenile depositors are alive and to publish the necessary advertisement."

Farm Mortgages.—Real estate is generally regarded as the best kind of security for loans when an ample margin is left from the selling value. Accordingly, most of the companies organized for making loans of this character have flourished, at least for a period. Experience, however, has shown that even this security has often proved delusive. Not only has the value of real estate in Western farms and cities often declined very rapidly, but also

in Eastern cities. It is true that the fluctuations in the East have been less violent. Nevertheless, there are many cases in which the decline in value of real estate in New York, Philadelphia and other great cities, which are constantly growing, has been very great. Even companies that have sought to manage their affairs with the greatest prudence have made great mistakes of this kind. Of late years, however, the chief sins of mortgage companies have consisted in going outside their regular business into speculative operations, which were foreign to their main purpose. The Equitable Mortgage Company, nearly a year before its failure, made a report to State banking departments which showed that their outside investments amounted to one-third of all its farm mortgages, and that of these so-called investments the greater number were of the wild-cat order. At the same time this same company owed money, practically payable on demand, amounting to about $2,000,000. A brief examination of the affairs of other insolvent farm mortgage companies reveals the same causes of failure. The Chamberlain Investment Company had $1,800,000 of capital stock and surplus, and $800,000 of borrowed money. They had loaned sundry persons $272,000, had real estate mortgages amounting to $400,000, owned real estate valued at $900,000—a sum preposterously out of proportion to their business—and had invested $777,000 in outside investments, a list of which shows the majority to have been dependent upon "booms." In justice to the business of loaning money on farms and Western real estate, it must be said that the failures of such companies as the Equitable and the Jarvis-Conklin have no bearing on the question of the safety of such real estate mortgages. Of course, the motive at the bottom has been an expectation of making much larger profits than in the ordinary way. These have tempted managers to engage in hazardous operations which in too many cases have brought ruin to their companies. Whether they will now profit by the experience of the past remains to be seen. Experience is a slow teacher in the face of the temptation of quick and large gains.

Bimetallism in England.—The London *Statist*, one of the ablest of English financial papers, and an advocate also of monometallism, is nevertheless fairer than many of its English and American contemporaries. In a recent number it says: "Whatever view may be taken of bimetallism there is no denying the fact that the movement has made considerable progress, not only in the provinces, but in London, during the last six months. It is now generally thought in political circles that the return of a Salisbury government to power would be followed by another International Monetary Conference. Lord Salisbury, Mr. Balfour and Mr. Chaplin are militant bimetallists. Mr. Goschen would certainly not oppose

an attempt to arrive at an international agreement." It is unquestionably true that the English people are beginning to recognize more clearly than ever their losses in consequence of the demonetization of silver Our country is easily enough maintaining the gold value of its silver money, while the English, on the other hand, perceive that their investments in Mexican and South American Government bonds, railroad and other securities, are fading away because the depreciation in the value of silver increases expenses and interest and thereby rendering debtors less able to meet their obligations. In a recent number of the *Engineering and Mining Journal*, one of the ablest advocates of international bimetallism, the editor says: "Before long the enlightened English economists will recognize that England is, and necessarily will always be, the chief loser when debtor nations are embarrassed. But since it is in her power, by adopting universal bimetallism, to relieve them of their embarrassments, and by increasing their prosperity increase both the value of her own investments and their ability to buy more of her products, it is not surprising that 'bimetallism has made considerable progress not only in the provinces but in London in the last six months.' Though we are infinitely less interested than is England in the adoption of international bimetallism, we recognize the enormous benefit it would bring upon the industries and commerce of the world, and the United States is always ready to join in adopting it. We want no more international monetary conferences with delegates empowered to talk and to listen, and instructed to do nothing—for that is simply child's play, unworthy of practical economists or business men—but when England is ready to propose a conference *whose members shall be empowered and instructed to settle the question and adopt an international ratio*—(and rules for regulating the same)—at which silver and gold will be interchangeable everywhere, we shall gladly co-operate. Gold will necessarily be the sole standard of value, but silver, the sole money of two-thirds of the people of the world, and half the money of the world in amount, should be interchangeable with gold everywhere at a ratio adopted by the nations. It will be easy to find means of changing the ratio from time to time, if it should be found necessary, without endangering the financial stability of the world, or preventing the development of industry as the present blind and selfish experiments of a few nations with the money question have brought to pass."

Another Bank Plan.—One of the latest bank plans has been proposed by a Connecticut representative. It is modeled on the present National bank act and preserves all the administrative features of the law now regulating National banks, the notably distinctive feature being the provision that every bank organized

under this system shall be designated as "interstate," to distinguish it from State and National banks. A bank may deposit with the Treasurer of the United States, as security for circulation, any interest-bearing bonds issued under due authority of law by the United States or any State of the United States, or by any county or by any municipal corporation within any such State, the character of the bonds to be passed upon by the Comptroller of the Currency. The circulating notes are not to be guaranteed by the United States, but the Treasurer holds the bonds as collateral security and may sell them for what they will bring if the bank goes into liquidation. Moreover, the notes constitute a first and permanent lien upon all the assets of the bank. They must be redeemed in legal tender United States coin upon presentation and the banks must keep a reserve of 25 per cent. of deposits in lawful money of the United States. A central redemption agency is established in the office of the Comptroller of the Currency and the banks are required to keep there 5 per cent. of their outstanding circulation for the redemption of notes which may drift too far from the locality where the bank is established, to be presented for redemption at its own counters. This redemption fund must be kept in coin. There is no provision for a safety fund, each bank being left to maintain its notes at par by prompt redemption in coin and by the securities in the custody of the Treasurer of the United States. No distinction is made in the money of redemption between gold and silver legal tender coin, but there is a separate section of the bill authorizing the establishment of gold banks, which deposit bonds payable, principal and interest, in gold and make their notes redeemable exclusively in gold. Provision is also made for the transition of existing banks, both State and National, into the new system.

SURETYSHIP.

The contract of suretyship is an original undertaking, and the surety is bound to the full extent of the principal's liability. (*Phila. & Reading R. Co.* v. *Knight*, 124 Pa. 58.) Says Mr. Justice Trunkey: "An indorser is something more than a surety, and is liable in the first instance as a drawer. As between makers and indorsers the relation of principal and surety exists, and each prior party is a principal for each subsequent party. In an action by one who has paid the holder, extrinsic evidence may be admissible to show that the maker in fact is surety for the indorser. Every surety for another is discharged from this secondary obligation if the creditor does not hold the principal debtor to his

primary obligation with proper strictness. The rights and duties of indorsers and sureties are so alike that most acts which will discharge the one will also the other. But there are some distinctions important to observe, lest a principle, extremely applicable to one, be perverted. For instance, without due demand and notice, at the maturity of a note, an indorser will be discharged—a surety continues liable upon his contract, though the creditor sleeps. A surety may spur the creditor into activity by notice to pursue the principal debtor, on pain, for neglect that the surety will be no longer bound; not so an indorser. The latter cannot call upon the holder of a protested note to sue the drawer, and if he refuses, thereby relieve himself, for if he wishes instant recourse to the principal, it is his duty to pay the note and sue for himself."*

In every contract of suretyship the law requires the strictest good faith on the creditor's part throughout the transaction. The concealment of a material fact, or the taking of an undue advantage of a surety by withholding from him proper information, is a just cause of relief in equity. Any arrangement between the creditor and principal debtor, which is not communicated to the surety for his assent, inconsistent with the contract, will effect his discharge.† In applying this principle, S., the indorser of a promissory note which had been protested for non-payment, signed an agreement which, after stating that the maker of the note had arranged with the holder for its renewal and reduction at stated periods, consented that the protested note might be held as collateral security, and to take no advantage of any delay given to the maker. The holder accepted the agreement and extended the time, but by accepting some renewals without exacting the reduction, he gave time to the maker without the indorser's consent, and thus forfeited his right to recover on the original indorse-

* *Stephens* v. *Monongahela Nat. Bank*, 88 Pa. 157; *Beebe* v. *West Branch Bank*, 7 W. & S. 375.

"The word security . . . indicates an obligation to stand for the sum absolutely unless discharged by the supine negligence of the obligor after notice. It is in broad contrast with the word guaranty which imports a conditional liability if due steps are taken against the principal." Coulter, J., *Marberger* v. *Pott*, 16 Pa. 9. A conditional bond with a warrant of attorney to confess a judgment given to secure the payment of judgments which are assigned to the obligee that the bond shall be void if they are paid, creates a contract of suretyship. *Campbell* v. *Sherman*, 151 Pa. 70.

† A bank director who had overdrawn his account procured a person to become a surety on his note, which was then discounted, and the proceeds were applied on the overdraft. The bank was under no obligation to make known the director's condition to the surety. *Farmers & Drovers' Nat. Bank* v. *Braden*, 145 Pa. 473. "That a material alteration of a contract without the consent of the sureties will discharge them is a principle which is not disputed." McCollum, J., *Barclay* v. *Deckerhoof*, 151 Pa. 374, 379.

ment. The court remarked that when the first renewal note fell due and the maker failed to pay the reduction, the holder was bound in the exercise of good faith and due diligence to have brought an action thereon, and to communicate the fact to the surety But, instead of doing so, the creditor thought proper to extend the time, to impose risks on the surety not contemplated at the time of the contract, to make a new arrangement with the principal debtor according to his own pleasure, and yet sought to recover from the surety after the principal was insolvent. Justice forbade it. (*Dundas* v. *Sterling*, 4 Pa. 79; *Okie* v. *Spencer*, 2 Wh. 253; *Walters* v. *Swallow*, 6 Wh. 446.)

A surety ought to know the nature of his undertaking, and if a note is taken to a person to sign in that capacity, which is irregular in form, he should make inquiry concerning the prior parties and the purpose of it.* If he does not, he cannot ask to be relieved therefrom should one of the makers who had signed the note by mistake be subsequently released. (*Weller's Appeal*, 103 Pa. 594.) Nor will the surety's ignorance relieve him, for he ought not to have signed what he did not understand. (*Ib.*) Even though his signature should be procured by fraud, the note, if given for a good consideration, would be valid unless the payee had knowledge of the fraud. (*Rothermal* v. *Hughes*, 134 Pa. 510; see *Steinbaker* v. *Wilson*, 1 Leg. Gaz. Rep. 76.†) Indeed, one who signs a promissory note as surety, on condition that another will also sign, cannot set up a failure of the condition unless this was known by the payee. (*Grossman's Appeal*, 11 At. 725, s. c. 10 Cent. 339.)

Nor can a surety on a note be relieved from liability to the holder who has taken it for a valuable consideration by showing that his instructions relating to the completion of it were not followed. (*Simpson's Ex.* v. *Bovard*, 74 Pa. 351.) For, as the surety has created confidence by putting the note uncompleted into the debtor's hands, he must suffer the loss which befalls an

* The plaintiff may call a defendant, with his consent, to prove that he is the principal debtor, and that the signatures by the other defendants, who are sureties, are genuine, even though judgment by default has been entered against the witness. *Mevey* v. *Matthews*, 9 Pa. 112.

† A., holding an order on the treasurer of an association, obtained from him his individual note drawn to the order of B. and C., and indorsed by them for the full amount due to him. Though B. and C. paid the note, A. sued the association for the amount of the original order; and afterward marked the suit to the use of B. and C., who protested against his action. It was held that the action of B. and C. in indorsing and taking up the treasurer's note, under the mistaken impression that they were his sureties, did not entitle A. to a recovery, and that their action in formally protesting against the marking of the suit to their use prevented the passing of any of their rights. Workingmen's B. & L. Ass'n, 98 Pa. 85.

innocent party. (*Garrard* v. *Haddan*, 67 Pa. 82; *Simpson's Ex.* v. *Bovard*, 74 Pa. 351.) Thus, a debtor owing a note procured a surety on another in payment of the first, which was signed by the surety in blank, and given to the debtor to fill up and use in payment of the other. It was held that the surety made the debtor his agent to complete the note, and was responsible for his acts. (*Simpson's Ex.* v. *Bovard*, 74 Pa. 351.)

But if a bond is signed by A. as surety on condition that B. and C. are also to become co-sureties, there can be no recovery against A. unless the condition is fulfilled. (*Warfel* v. *Frantz*, 76 Pa. 88; *Miller* v. *Stem*, 12 Pa. 383.) And evidence is admissible to show that the proposed surety was informed and assented to the arrangement, but failed to execute it, thereby relieving the other. (*Miller* v. *Stem*, 12 Pa. 383.) But an expectation by a surety, from the statement of the principal when signing a bond, that there will be another surety, does not relieve the signer if the bond is not executed by another. (*Simpson's Ex.* v. *Bovard*, 74 Pa. 351.)

Sometimes a person becomes a surety for a debtor without his knowledge or request; when this happens, he is not liable for the costs of an action by the creditor against the surety. (*Talmage* v. *Burlingame*, 9 Pa. 21.) But if one becomes a surety for a debtor with the creditor's knowledge, the creditor is bound by all the rules respecting sureties, though the debtor is not thus bound for want of privity of contract, unless through the medium of subrogation to the security of the creditor. (*Ib.*)

"A surety may consent to stand as drawer as well as indorser, and whilst the law will treat them as sustaining the relations they have assumed on the paper they have issued, equity will, in adjusting their mutual rights and liabilities, as between themselves, look at the essential truth of their relation, and make him who really is the principal debtor indemnify him who really is the surety." (Woodward, J., *Taylor's Appeal*, 45 Pa. 81.)

While there is a radical difference between the liability of a surety and that of a guarantor, it is not always easy to determine by the agreement which liability is assumed. On one occasion the assignor of a judgment "guaranteed payment thereof in one year from date." He was regarded as a surety, and as the time of payment was extended without his consent, he was discharged. (*Riddle* v. *Thompson*, 104 Pa. 330.) On another occasion the indorsement on an order: "I hereby become security of C. for the fulfillment of the within obligation" created a contract of suretyship. (*Ashton* v. *Bayard*, 71 Pa. 139; *Allen* v. *Hubert*, 49 Pa. 259. The remarks of Lowrie, J., in *Gilbert* v. *Henck*, 30 Pa. 205, were repudiated in *Reigart* v. *White*, 52 Pa. 441.) In another case the following indorsement imported the liability of a surety: "I hereby

acknowledge to be security for the within amount of $500 until satisfactorily paid by W. A." (*Marberger* v. *Pott*, 16 Pa. 9.) So are the following indorsements: "I will see the within [note] paid (*Amsbaugh* v. *Gearhart & Co.*, 1 Jones 480), or "Guaranty payment when due" (*Campbell* v. *Baker*, 46 Pa. 243) or "according to its terms" (*Roberts* v. *Riddle*, 79 Pa. 468), and also an indorsement to "guarantee the payment of the within note at maturity and at all times thereafter and waive demand, protest, and notice of non-payment thereof" (*Osborne* v. *Campbell*, 6 Pa. C. C. 523), and an agreement to guarantee the punctual payment of the debt of another when due (*Drake* v. *Railroad Co.*, 21 W. N. 122, S. C. 5 Pa. C. C. 21; *McBeth* v. *Newlin*, 15 W. N. 129). The marginal annexations of the words, "security for the fulfillment of the above," to the name of a joint promisor in a note will not change his character of promisor to that of guarantor. "They serve to note that he had signed, not as a guarantor, but as a surety" (*Craddock* v. *Armor*, 10 W. 258). But the addition of the word "surety" to the name of one of several signers to a note does not change his character or liability from that of a promisor to that of a guarantor (*Kleckner* v. *Klapp*, 2 W. & S. 44).

The promise or contract of suretyship must be in writing to compiy with the Statute of Frauds. In one of the cases after a note had become due the payee agreed to continue it if the maker would furnish security. A surety was obtained, and as there was no room for him to sign his name at the bottom of the note, he signed on the back, remarking that he understood he was "going on the note as security." This was regarded as an insufficient writing to satisfy the statute, and the surety was not liable. (*Wilson* v. *Martin*, 74 Pa. 159; *Shaffstall* v. *McDaniel*, 152 Pa. 598, 600.) Nor can the contract be established by oral evidence (*Ib.*, *Jack* v. *Morrison*, 12 W. 113; *Murray* v. *McKee*, 60 Pa. 35: *Schaffer* v. *Farmers & Mechanics' Bank*, 59 Pa. 144.*)

What consideration is sufficient to support the contract of suretyship? In one case B. agreed to pay A.'s debt, for which C. was surety. C. paid the debt and sued B. on his agreement, but as he was a stranger to the consideration as between A. and B., he could not recover. (*Morrison* v. *Beckey*, 6 W. 349, first trial 7 S. & R. 238.) One loaned money to another on the promised security of a third person, taking a note from the borrower, payable in one year, which, three days after the year expired, was signed by the surety. While a moral obligation alone is insufficient to support the contract of suretyship, yet money loaned at the surety's request is a consideration for his promise, and his

* In *Paul* v. *Stackhouse*, 38 Pa. 302, the signature connected with the original transaction constituted one entire contract, evidenced by the note in writing, which was sufficient to take it out of the Statute of Frauds.

signature to the note is a completion and full execution of the promise on that consideration. (*Paul* v. *Stackhouse*, 38 Pa. 302; *Kennedy* v. *Ware*, 1 Pa. 445; *Hemphill* v. *McClimans*, 24 Pa. 367.)

The liability of a surety is not to be extended by implication beyond the terms of his contract. He has a right to stand on its terms; and any material variation without his assent is fatal. (*Hutchinson* v. *Woodwell*, 107 Pa. 509, 520; *Tull* v. *Serrill*, 1 W. N. 373; *Miller* v. *Stewart*, 9 Wh. 680.)

A creditor is not required to give notice to the surety of the non-payment of the note at its maturity (*Marberger* v. *Pott*, 16 Pa. 9), nor to be diligent in recovering from the debtor before proceeding against the surety. (*Marberger* v. *Pott*, 16 Pa. 9; *Osborne* v. *Campbell*, 6 C. C. 523.) The surety, therefore, is not discharged by the creditor's omission to bring an action against the principal debtor. (*Richards* v. *Commonwealth*, 40 Pa. 146; *Swope* v. *Ross*, 40 Pa. 186.) Said Mr. Chief Justice Tilghman (*Cope* v. *Smith*, 8 S. & R. 109, 111): "It is the business of the surety to look to the principal, and if he thinks himself in danger, to apply to the creditor and insist on his taking measures for the recovery of the debt. But without such demand by the surety, he has no equity against the creditor. The surety may have recourse to equity to compel the creditor to bring suit against the principal. Therefore when a creditor makes an agreement by which he disables himself from bringing suit and without the consent of the surety, he acts against equity and ought not to hold the surety responsible. But nothing short of an engagement by which his hands are tied and a suit presented can discharge the surety."

But if the surety, or one properly authorized for him,* give the creditor a positive and clear direction to sue the principal debtor at a time when the debt can be collected, which is disregarded, the surety will be released (*Cope* v. *Smith*, 8 S. & R. 116; *Gardner* v. *Ferree*, 15 S. & R. 117; *Conrad* v. *Fox*, 68 Pa. 3,811; *Funk* v. *Frankenfield*, 71 Pa. 205; *Greenwalt* v. *Kreider*, 3 Pa. 264; *Shimer* v. *Jones*, 47 Pa. 268; *Erie Bank* v. *Gibson*, 1 W. 143;

* It is not necessary for a surety in a sealed instrument personally to give notice to the creditor to sue the principal debtor. He may employ an agent to do so. If he has a general agent who transacts all his business, it is the duty of such general agent, without special instructions, to give the notice, and its validity is not to be questioned for want of authority. *Wetzel* v. *Sponsler's Ex.*, 18 Pa. 460. The husband of a legatee of a deceased surety is not authorized to give notice to the creditor, save in the absence of the decedent's representative. *Conrad* v. *Fox*, 68 Pa. 381. The authority of the son of a co-surety to give notice to the creditor to proceed against the principal debtor is a proper question to submit to the jury. *Klingensmith* v. *Klingensmith's Ex.*, 31 Pa. 460. The notice may be given to the creditor's attorney, who holds the claim for collection in the absence of his client from the country. *Wetzel* v. *Sponsler*, 18 Pa. 460; *Thomas* v. *Mann*, 28 Pa. 520. See Act 14th May, 1874, P. L. 157.

Wolleshlare v. *Searles*, 45 Pa. 45; *Strickler* v. *Burkholder*, 47 Pa. 476; *Simpson's Ex.* v. *Bovard*, 74 Pa. 351), unless the principal has removed from the country; for the creditor is not required to follow him into another jurisdiction. (*Alcorn* v. *Commonwealth*, 66 Pa. 172.) Says Mr. Chief Justice Lowrie: "By the law of the written contract, all the makers of a promissory note are equally bound to the payee, and he is under no duty to either of them. It is only by way of equity that he can be held to any duty to either of them. This happens when it clearly appears that one of them is surety for the others, and warns the holder to proceed to collect the claim without delay or he will hold himself discharged. This warning does in equity raise a duty on the part of the holder to the surety, and if it be neglected to the injury of the surety he will be discharged. The proof of this warning is therefore the preliminary evidence that is to raise the duty and introduce the evidence of its violation." (*Wolleshlare* v. *Searles*, 45 Pa. 48.)

The direction must be clear and explicit, and which cannot be misapprehended by the creditor. (*Greenwalt* v. *Kreider*, 3 Pa. 364; *Wolleshlare* v. *Searles*, 45 Pa. 45; see *Donough* v. *Boger*, 31 Leg. Int. 286.) And if a notice has been given and the holder has disregarded the surety's request to sue, the burden of proof is on the holder in an action against the surety to show that he could not have succeeded had the notice been heeded. (*Strickler* v. *Burkholder*, 47 Pa. 476.)

What is a sufficient notice? A few illustrations may be given. In one of the cases a surety notified the creditor that he would no longer consider himself bound, and requested him to take another bond or obtain payment. This was regarded as not definite enough and did not absolve the surety from liability to pay the debt. (*Greenwalt* v. *Kreider*, 3 Pa. 264.) The question was raised in this case whether if one of two sureties was exonerated by the laches of the creditor, he could proceed to collect the debt from the other. In another case the surety's notification to the holder "to collect the note, as he would not stand bail any longer," was not sufficiently definite to answer the legal requirement. (*Strickler* v. *Burkholder*, 47 Pa. 476.) In a third case a father, who was sued as surety for his son, on a promissory note given for money borrowed from a married woman, offered in defense a notice to her husband (who also held a similar claim against them) "to go on and collect the money loaned, or he would not be accountable any longer," without specifying whether it was the money loaned by the wife or the husband. This notice, even if sufficient in other respects, was not a notice to the wife, and did not discharge the surety. (*Hellen* v. *Bryson*, 40 Pa. 472.)

The note must be due before the notice can be given. A notice therefore by a surety on a note not yet due that he will not

remain responsible if the holder does not sue the principal debtor as soon as the debt becomes due, or that must get other security, will not discharge the surety. (*Hellen* v. *Crawford*, 44 Pa. 105.)

Whether the surety would be discharged by the principal's insolvency should he request an action to be brought against him, and which is disregarded for the reason that nothing could be recovered, has been discussed but not answered. (*Ib.*) If the principal be dead, the creditor is not required by statute (Act. April 19th, § 14) requiring creditors to exhibit their accounts to executors and administrators within a prescribed time, unless requested by the surety to do so. (*Ib.*, 10 S. & R. 33; 15 S. 28; 1 W. 143; 3 Pa. 264.)

A married woman is entitled to notice like any other person, and notice to the husband is not notice to the wife unless it has been communicated to her. (*Shimer* v. *Jones*, 47 Pa. 268; *Hellen* v. *Bryson*, 40 Pa. 472.) Whether a notice which has been given to the husband for his wife reaches her is a question of fact to be determined like any other. (*Shimer* v. *Jones*, 47 Pa. 268.)

Formerly, the notice need not be in writing (*Shimer* v. *Jones*, 47 Pa. 268, 276; *Strickler* v. *Burkholder*, 47 Pa. 476, 480), though this was always regarded as the better evidence. (*Wolleshlare* v. *Scarles*, 45 Pa. 45; *Cope* v. *Smith*, 8 S. & R. 109.) But the statute now declares that "the surety or sureties in any instrument in writing for the forbearance or payment of money at any future time, shall not be discharged from their liability upon the same, by reason of notice from the surety or sureties, to the creditor or creditors, to collect the amount thereof from the principal in said instruments, unless such notice shall be in writing and signed by the party giving the same." (Purdon's Dig., p. 862.)

The notice is sufficient without a tender of expenses, or a stipulation to pay them, or an offer by the surety to take the obligation and bring suit himself, unless the creditor, at the time of the notice, expressly puts his refusal to sue on the ground of the trouble and expense, and offers to proceed if that objection be removed. (*Wetzel* v. *Sponsler's Ex.*, 18 Pa. 460.)

The creditor must not only begin his suit against the principal immediately, or without any unnecessary delay, but must prosecute it with all reasonable diligence; the cause must be arbitrated if this is required by the circumstances, or demanded by the surety; and all means must be used of saving the surety which the existing state of the law puts in his power, and which a prudent man would adopt to save himself. (*Wetzel* v. *Sponsler's Ex.*, 18 Pa. 460.) For, if the debt is lost by the creditor's neglect to sue after a proper notification, and the debtor's property has been sold, or taken by other creditors, or encumbered with liens, the surety is discharged. (*Ib.*)

So long as the surety remains quiet and does not notify the creditor to proceed against the debtor the creditor can rest, and no act of mere quiescence can ever affect his remedy against the surety. Mere forbearance or delay, however prejudicial to the surety, will not discharge him. (*Winton* v. *Little*, 94 Pa. 64; *United States* v. *Simpson*, 30 S. & W. 437; *Campbell* v. *Sherman*, 151 Pa. 70; *Mundorf* v. *Singer*, 5 W. 172; *Schoonover* v. *Pierce*, 7 W. N 93; *Thursby* v. *Gray*, 4 Yeates 518; *Cope* v. *Smith*, 8 S. & R. 110; *Johnston* v. *Thompson*, 4 W. 446; *Kramph* v. *Hatz*, 52 Pa. 525; Keller's Estate, 1 Leg. Chron. 189; *Rhoads* v. *Frederick*, 8 W. 448; see *Gardner* v. *Ferree*, 15 S. & R. 28; *Patterson* v. *Grier*, 1 Pitts. L. J. 139; *Scott* v. *Pierce*, 26 Pitts. L. J. 119; *Bovard* v. *Patterson*, 34 Leg. Int. 274; *Coatesville* v. *Kauffman*, 1 Chest. 57; *Pitts., etc., R. Co.* v. *Shaeffer*, 59 Pa. 350; *Richards* v. *Commonwealth*, 40 Pa. 146.) And a promise to a debtor to forbear in consideration of securities which are put into his hands by another joint debtor to be unconditionally delivered to the creditor, but which are delivered to him on condition of forbearance, is a fraud, and is not obligatory on him. (*Lumberman's Bank* v. *Smith*, 1 Pa. 504.) In a case in which this principle was applied, the evidence was not clear that the creditor promised to wait several months before demanding payment of the debtors, until he could recover on the securities thus delivered to him. The sureties, therefore, could not escape. Said Mr. Chief Justice Gibson: "To prevent sureties from being let off on shallow pretenses it is necessary to hold them to strict proof, for a transaction, like the present, is peculiarly liable to misrepresentation or mistake." Indeed, a creditor is not required to resort to the principal for the collection of his debt in the beginning, nor to a lien given to secure it; he may sue and recover from the surety. (*Geddis* v. *Hawk*, 1 W. 280, previous trial, 10 S. & R., 16 S. & R.) This principle was vigorously combated by Mr. Justice Houston (1 W. 291), and does not well harmonize with the principle which has been often applied, that if a creditor has the means of satisfaction either actually or potentially in his hands, acquired by a lien on the debtor's property by execution or in other ways, and does not retain them, the surety, so far as the means if thus applied would have paid the debt, is discharged. (*Lichtenthaler* v. *Thompson*, 13 S. & R. 157; *Bellas* v. *Miller*, 8 S. & R. 452; *Clow* v. *Derby Coal Co.*, 98 Pa. 432; *Commonwealth* v. *Vanderslice*, 8 S. & R. 452; *Commonwealth* v. *Haas*, 16 S. & R. 252; *Ramsey* v. *Westmoreland Bank*, 2 P. & W. 203; *Neff's Appeal*, 9 W. & S. 36; *Talmage* v. *Burlingame*, 9 Pa. 23; *Everly* v. *Rice*, 20 Pa. 297; *Wharton* v. *Duncan*, 83 Pa. 40; *Boschert* v. *Brown*, 72 Pa. 372; *Fegley* v. *McDonald*, 89 Pa. 128; *Richards* v. *Commonwealth*, 40 Pa. 146; *Stephens* v. *Monongahela Nat. Bank*, 88 Pa. 157.)

[TO BE CONTINUED.]

AN ELASTIC CURRENCY.

Is it practicable to have an elastic currency? What should be its nature? Is the National system elastic? Would an elastic currency benefit us? What plan seems the best? These are matters for our consideration to-day.

An elastic currency is a paper circulation issuable at will; it expands and contracts with the demands of trade, and is convertible and redeemable on demand. Its basis is credit.

When conditions are normal and healthy the whole machinery of business is moved by the current of commerce without friction, carrying its freight of prosperity to all sections of the country; but when the flow is not so smooth, or the ebb tide sets in, it is a singular fact that we are quite unable to stem or check it by the most practical efforts now within our power before matters assume a serious aspect, confidence is impaired and the situation generally affected.

The friends of an elastic currency assert and claim under such conditions it would give relief or have an influence most decidedly beneficial to the monetary situation, and they further charge with apparent justice that the National system is entirely devoid of elasticity. There is good reason and sound judgment in this assertion, but we are compelled to admit in all fairness, after an experience of thirty years, that the National system, with its restrictions properly enforced, has been materially strengthening to the banks, assuring to the public and the large interests confided to them. Yet at the same time I am firmly of the opinion that we need a larger circulation in certain sections, and that this can be accomplished by some changes and modifications under the present system and within it which could extend the powers of the banks on lines of unqualified safety. The friends of the State banking system on the other hand argue that that alone is the avenue through which we must seek the best means of increasing the circulation of the country. Except under well-defined restrictions I am unequivocally opposed to State bank issues, for I believe that the best circulating medium of the country is that which will present one that has a uniform appearance and does secure a uniform value at all times and everywhere. This I do not believe possible if controlled and directed by forty-four States, all acting under the inspiration of different ideas of what are their local needs, without regard to the demands of the country at large. Paper put into circulation under such conditions, no matter how well guarded to begin with, would soon fall into depreciation; for this reason it is important that one law shall regulate and govern all our note issues.

The safety and permanency of our financial system is absolutely dependent on a fixed uniformity of value of every note put in circulation in any part of the country, without regard to any one section alone, in order that all obligations, public and private, shall rest upon the same equality and be discharged with perfect fidelity. As a nation we cannot maintain our credit or preserve our integrity except we guard our monetary laws most carefully. So in giving our currency the feature of elasticity which it needs we must not go too far and jeopardize either that confidence we enjoy or that credit we hold in such high value. This should stand above all. It should be first with the individual as well as the State.

We can put no paper in circulation unless it is based upon sound principles of business economy if we expect it to be accepted for value. I

trust that it will not be understood that I am opposed to the State banking system—this is not the case. My opposition lay against the right of issue for the State banks without Government supervision or control. This might have done once, but not now. We are now used to the uniformity of the National system, as well as the unalterable value of every piece of paper we handle, and it is utterly absurd to make any change, except it is one in harmony with our experience, looking to the enlargement and elaboration of the National system along a line of elasticity, coupled with any other desirable modifications or improvements that the best talent could suggest. It would be absolutely impossible, as I have indicated, under a State banking system, coupled with the right of note issue on any kind of security, or no security at all, to maintain the same value of the notes put in circulation; so it would be equally impossible to have that similarity observed in the design of bank bills which we find so convenient in the National bank note now, unless all banks of issue were either under the same supervision or controlled by the same law. This should be apparent to every banker, and its importance should neither be overlooked or underestimated.

What we want is more paper money in circulation, but it must be of the right kind. It must be put in circulation under a belief in the fact that the contract to redeem or convert it is made in good faith and will be fulfilled, and that all parties have the ability to fulfill the same. This confidence, and this known ability, will give us a paper dollar to which our National honor can be pledged, and which it can also maintain, but if it should be denied National indorsement, being absolutely sound within itself, and having the protection of a good law, it can be maintained and circulated at par upon its own merits.

A paper dollar is simply a promise to pay in something, and unless convertible in something that the public will take it will not pass for money. It must have upon its face the stamp of honesty, it must be a promise made in good faith, with the power of convertibility and redemption in coin, otherwise it is utterly worthless; no law can make it pass and no Government can maintain it at specie value by any edict; for except it commands universal confidence and respect by reason of being justly entitled to it, it will not stand. It must also have a recognized and fixed value based upon solid foundations as the verdict of public confidence, otherwise it is only a question of time when, lacking in one or all of these essential attributes, it will go down with disgrace. Gold and silver are not elastic. Gold has, and always will have, a fixed value, and unless silver is based on it by a pledge of convertibility it cannot be kept at the same parity with it. Such a thing is not possible. There is but one standard, yet gold and silver and paper can circulate in perfect harmony with each other under correct laws of adjustment.

For instance, consider for a moment that $1,600,000,000, the circulating medium of the United States, is at this time maintained at a gold basis by the insignificant gold reserve of about $100,000,000. Every banker will see at once that this is a very small reserve to carry against such a large liability, for every dollar of silver or paper in circulation is payable in gold. Why is it, then, that they who hold the bonds of the Government and its obligations do not become panic-stricken and rush to the Treasury to collect their debts before the small gold supply is exhausted? It is simply because public confidence has been strengthened and sustained by the fulfillment of every pledge heretofore made by the nation. It is also because of the respect we have for the integrity of the Government, and its ability to fulfill its promises and meet its obligations. It is this which stands behind the gold reserve, and which is pre-eminently higher in public estimation. It is this promise, coupled with the ability

and the intention to carry out that promise, which sustains our nation's credit to-day, and upholds it in splendid equilibrium against all those vile forces, which for popular favor, or personal gain, would not hesitate to destroy it. On just such a credit as this must stand any note system, with its feature of elasticity, in order to be safe to the country and beneficial to trade.

As it is now, at the very time we need most money in circulation, we are compelled to contract our loans in order to meet the depletion of deposits, or the stringency of a tight money market. This is where the present system is greatly defective; this is where it lays an embargo on trade and puts an unnecessary burden on commerce; for instead of withdrawing the money from the hands of our customers at such a time, we should then be so situated as to assist them, by putting more money in circulation in order to stay the tide of uneasiness and apprehension. As it is, we are powerless to do otherwise. And this is not only an unhealthy measure to impose on the situation, but it has a tendency to aggravate, rather than to alleviate it.

The capital invested in the National system at this time is about $700,000,000, while our paper circulation is only about $208,000,000. The reason for this is that there is but little profit in circulation, where one has to pay a premium of 113 for a Government bond, against which the Government will only advance him 85 cents in paper. A law so manifestly unjust should be repealed at once. It is a reflection upon the intelligence and the integrity of the country. It is a partisan law, kept in force for political effect. It is nothing more nor less than a questioning of the stability of its own bonds by the Government in declining to advance but 85 cents on them, when they command 103 in the open market. It is a reflection, not essential or necessary, a law enforced to-day under circumstances far different from those which existed when it was created, and it is an unwarranted injustice to the people, whose wants demand more money, and to the banks whose function it is to supply it.

It does stand in reason that all industries are more stable and prosperous where capital is most abundant. Take, for instance, the lumber interests of Maine, and those of Oregon. Are they not surrounded by widely different conditions? In one place we find a large supply of local capital. The lumberman of Maine can command money at low rates, and get all he wants, and find a market for his products near home. In the far West matters are altogether different. Higher rates of interest prevail; higher wages are paid and money is scarcer; the markets more distant. One relies largely on borrowed capital, and though better prices are received, he realizes less on his investment than his competitor in the East. This all works very well, however, so long as prosperity is the order of the day, but let the money market take a squeeze and business become a little congested, then the Western man goes down under the first pressure, while his competitor is but little affected. This is because he had only 56 chances of succeeding to 136 for his Eastern competitors. Thus you see the advantage of a large cash supply, as against more limited facilities, in the ability of a like industry to meet and withstand adverse business conditions.

Now, suppose you take the same rule, and apply it to the industries of New Hampshire and Vermont, as compared with those of Louisiana and Mississippi, and you will see that the Eastern man has 409 chances of winning to 32 for his Southern brother.

Again let us look into this question on another line and apply the comparison to the iron industry of Pennsylvania with that of Alabama. They are surrounded relatively by greatly dissimilar conditions also. The man in Pittsburgh is not only nearer the markets of the country

with his products, but he is also nearer the money market, the great centers of wealth, so he has a most decided advantage in his surroundings over the Birmingham founder. Not only should he be able to sell cheaper, because of his proximity to market, but as located to the point of cash supply, he stands 113 chances of success to nine for the Alabama manufacturer. What I mean is this: That the Alabama manufacturer has to meet that inequality named in regard to the market, as well as in regard to cash resources in his situation, as compared with the Pennsylvania manufacturer, so he must labor in the same disproportion against these disadvantages in his power of resistance, to adversity and depression, all other things being equal. There may be some exceptions to this rule, but the rule is a safe one to rely upon, and it is borne out by existing conditions in sections where cash is plentiful as compared with localities where it is scarce.

When we come to compare the agricultural sections with the manufacturing, we are startled at the perception of conditions still wider apart in the industrial situation, and we see that our needs are wholly and radically different, and that the restrictive features in the National system as regards circulation, is a marked discrimination in favor of the centers of wealth, as against those sections where the supply is most limited, for it protects the manufacturing districts of the country, in localizing the field of competition, by denying to us those facilities for the more ready accumulation of capital which would enable us in time to become independent of them. But notwithstanding this we do not mark with jealousy the grand accumulations and the great enterprises which are encouraged and built up in any section of the country on any protective line that is fair and just to all. What we want or all we could demand are laws that will enable us by reason of the situation in which we are placed to have a fair showing in overcoming these difficulties by which we are surrounded and the dissipation of those impediments which lie in the way of our progress on the march forward to independence.

The comparisons already drawn are plain enough that we need a larger circulating medium in some sections of our country. Now I wish to show you how the wealth of a nation is distributed. The capital and surplus combined with the undivided profits and deposits of all the banks and trust companies of the country thrown together make $6,413,000,000. One-half of this immense sum is concentrated and held in seven States—Maine, New Hampshire, Vermont, Rhode Island, Connecticut, Massachusetts and New York, giving these States, with a population of only 11,000,000 people, $289 per capita.

In Ohio, Indiana, Illinois, Michigan, Iowa and Minnesota, with a population of 17,716,000, you will find a per capita of $60. While in the fifteen Southern States, including Maryland and Missouri, with a population of 22,000,000, you will find a per capita of $31. But take off Missouri, Maryland and Kentucky and you reduce the population to 17,000,000, and the per capita to $16.60, with Mississippi only $9 and Alabama, North Carolina and Arkansas less than $8. Then again, if we put all the States together except New York and the New England States we find a population of 56,000,000 and a per capita of $57, while the seven excluded States have a per capita of $218.

Do we need any stronger argument to prove the want of more capital in the West or South? Do we not see the disadvantages against which we work, as compared with the Eastern States? We make no complaint because the East is rich and growing richer, their energy and thrift has brought this reward to them, but we have a right to ask that legislation be not all one way. We are one people, yet in the vast extent

of our country and in the diversity of products, our situation is not the same as theirs; what we need they already have; what we want they do not demand, because the conditions which surround them are totally different from our own. They are already populous and rich, while we need money and people to build up and develop these grand resources which lie dormant at our very doors awaiting the magic touch of capital to bring them into life and energy, that the burdens which our toiling millions carry may grow lighter and lighter as they bear them onward toward the meridian of our country's greatness. We ask that these obstacles which hinder the natural development of our country by circumscribing its possibilities be removed. Its restrictions are unnatural and unessential; they place a vicious burden upon the property and labor of every man within our bounds and are a threatening menace not alone to our prosperity, but our liberty as well, for industry and energy to have their reward need the fostering influence and encouragement of good laws and wise dispensations. We are greatly impeded to-day in our progress by way of this legal hindrance to the proper increase of banking facilities in the West and South, for in these sections they are manifestly insufficient, and restrictions so unjust should be promptly amended in some plan of relief which would not destroy the National system, but blend in perfect harmony with all its splendid advantages and restraining responsibilities, a method of elasticity that will give to those sections of the country where it is so desirable a larger issue of notes without the least insecurity.

There is also another almost impassable gulf between us and prosperity and more insurmountable than the restrictions to freer banking. This is the credit system, a curse and a blight to any country, and the losses which we sustain annually by it are simply fearful to contemplate.

Our productive energies are yearly taxed with a positive loss through the excessive prices of the credit system over a cash system of $80,000,000 to $100,000,000, and I believe it will exceed this. What a fearful sum to withdraw from the results of our labor! Is it not a wonder we exist at all? The little farmer pays positively 40 to 50 per cent. over cash prices for his time purchases, the big planter puts himself in the same situation with his factor, and the merchant in his turn is the last one brought to accountability for being the biggest fool of all the fools. Think of it for one moment—$100,000,000 or more would be saved to our people yearly without a doubt if they observed the "pay as you go" policy, had the courage of self-denial, and lived upon what was home-raised and home-made for a year or two until they could reach the point where they would have no necessity for credit or chattel mortgage, then they would be independent within themselves and could rest under the shade of their own vine and fig trees, and be as "kings and princes in the land."

Our cotton should be made to cloth where it is grown and picked. Our great forests of pine and cypress and hardwoods should not be sent abroad to find skilled workmen—here we should manufacture enough for home consumption, from home products. No people can prosper under such disadvantages. We are discriminated against at every point, and knocked out in every competition. From distant States goods can be laid on our market similar to what we are making in our factories as cheap, if not cheaper, than we can sell them. Even the staple product of beef, which is our leading article of export, next to cotton, cannot be sold in any of the towns or cities of the neighboring States without the special permission of certain Western luminaries.

The gifts of millions to Chicago seminaries and colleges of learning are no more nor less than forced contributions and illegal assessments upon the live-stock interests of this country by a combined jobbery of

the open markets under a system of highway robbery and confiscation unparalleled in its cool effrontery and unequaled in its audacity. You may talk all you please, gentlemen, about the right of property and personal liberty, but it is only a silly farce when, in the course of a people's history, no law can be found which will protect their property or their products from unnatural absorption or conversion without reference to their individual rights, by the trusts and combinations which exist to-day, and whose very power not only fixes the tariff on the public highways, but in fact and in truth puts the price on every commodity in the market. When this point has been reached and we are powerless to shield the great industries of our land from their polluting touch we have come to a period, indeed, when the safety of the nation is absolutely dependent on that serious thought and consideration which will lead to the solution of this problem. Not alone this problem, but others just as serious confront us and they must be solved. There is no dodging the issue, no getting around it. The hands of the clock point to the hour, and the hour ominous of evil, except we heed the warning. The cry is for more money and more work. Is it not then the part of wisdom to insist now on a sufficiency of good money rather than take the risk of a flood of bad money which seems to threaten us?

The Canadian banking law is quite similar to ours, except in point of liberality, being much freer, but it is a fine one and has been worked most successfully. No bank can be organized under the Canadian law with less than $500,000 capital and the cash is paid over to the Minister of Finance, but he immediately returns the amount back to the organizers of the bank, retaining 5 per cent. of the proposed circulation. The system is almost a counterpart of our own. The 5 per cent. retained by the Government is called a "safety fund." The bank is authorized to issue its own notes to the extent of its capital without any bonds as security for the note issue. This gives them, as you see, a working capital of $1,000,000 for a banking capital of $500,000, but they carry rarely over 60 per cent. of their capital in circulation at any one time. The 5 per cent. safety fund is fixed at 5 per cent. of the amount of circulating paper—not of their capital—and this 5 per cent. of circulation is adjusted monthly with the Minister of Finance. In the event of a bank failure the Government has the second lien upon all the assets, the note holder the first lien and the depositor the third lien, the shareholders coming in last. Shareholders are liable for double the amount of their stock, the same as in our National system. The Canadian Government, on winding up the affairs of a bank, allows them 3 per cent. per annum on the safety fund, which they return to the bank.

They generally carry about 20 per cent. reserve, sometimes a little higher; 40 per cent. of the reserve is required by law to be in Dominion notes.

In the October statement for the Canadian banks, with a capital of something over $60,000,000, they were carrying then about $36,000,000 in circulation. In the spring, however, after the crops are marketed, it runs down generally to about $20,000,000. Behind this large volume of paper money are the combined assets of their bills receivable and cash in hand, nothing more, yet they have had but one failure and few losses to put on record, and never any panic.

There is no complication in the system such as we have to contend with in ours. It adjusts itself to the wants of business and to the extending of business requirements; but this is not the case with us—we have no feature of elasticity. In 1893, when every effort was strained to lighten the burden of the panic and extend such assistance as was

possible to the trade interests of the country, our circulation was increased only 2½ per cent. of the capital invested in our National system; under similar conditions the Canadian banks could have added 30 to 40 per cent. to the circulation at once. The fact is the Canadian Government lets the Canadian banker bank on his own capital, and gives him the credit of a sum equal to his capital. Here the first difficulty we meet is a contraction of 15 per cent. on the capital invested.

The sum of the discounts of the American bank is fixed invariably by the sum of its deposits, if they exceed its capital. In Canada this is just the reverse. The banks there depend on their capital and on their note circulation more than on the deposits they control. Here we have nothing to rely on except our bills; thus we paralyze trade by forcing in our loans and our depositors naturally become excited and all but paralyze us by calling for what we owe them. As a result the scare increases at both ends of the line. This would not be the case if there was any elasticity in our system, for the moment times began to tighten up we would put our reserves into circulation and the effect would be to counteract the excitement and stop the drain upon us; in fact, we should then be able to protect ourselves and our customers.

Take the situation of this country in 1893; 16,000 failures were recorded, the immense sum of $1,000,000,000 the loss involved. Our National banks made a forced reduction of their loans outstanding to the extent of $330,000,000 in ten months, in order to counterbalance the payment of $400,000,000 of deposits. In this financial cyclone 700 banks went down and among them 155 Nationals. There never has been such a time in the history of our country, such a time of terrible trial and ceaseless strain upon the vital energies and resources of men and business. The year 1893 will be to us, in our recollection, like the flames of fire that lit up the wilderness and swept down Cemetery Ridge upon those heroes who were immortalized under that fearful ordeal. We shall not forget it.

What would have been the effect on the situation if then $300,000,000 could have been put in circulation, instead of $40,000,000 clearing-house certificates? How many thousands now bankrupt would have been saved? How many millions swept away would never have been lost, could we have applied such magnificent resources then to sustain and relieve the business interests of the country? As it was, we were forced to reduce our loans in self-defense, and the unreasonable demands on the banks by panic-stricken depositors indirectly forced hundreds of mercantile failures, as a natural consequence, for which our defective banking system was partly responsible.

It was the recourse to an issue of loan certificates which proved the salvation of our credit during the crisis; and those brave men who came to the rescue in that hour of severe trial and extremity, displaying so much nerve and tact, backed by the co-operation of the firm hand and cool head of the National system, deserve our lasting gratitude and respect; for it was that exhibition of confidence and coolness on the part of those great bankers, who placed themselves in front of the panic, which destroyed its force and put to flight its power, and those who reflect in any wise on their motives are certainly ignorant of the unwarranted slander they perpetrate with such injustice.

One argument against note circulation without bond deposit to guarantee the same, is that there is a great risk of loss to the noteholder or the Government. In order to refute this, let me say that had the net profits now held by the Government, which they derived from the tax on note circulation, been applied to wipe out the small loss sustained by depositors, a large profit would have still remained to the Government;

hence it is certain that a reasonable safety fund would prevent any loss whatever to a noteholder or depositor, for the Government has actually made a net profit of $130,000,000 over all losses, and if there had been no tax whatever on circulation $1,000,000 would have covered the loss in that line. Then what is the necessity to hamper the banking interests of the country with a restrictive law? If a bank's assets are good, does it not follow that its debts will be faithfully met? And if a large percentage of the men who occupy positions of trust in all other branches of business discharge their duties faithfully, is it unreasonable to suppose the banker will not do the same?

Again, if the Scotch, German and English banks can do business without a safety fund, or without bond security, and the Canadian banks can conduct their business successfully with a deposit of but 5 per cent. against their circulation, discharging their obligation to the public with the utmost fidelity, then is it not entirely feasible for us to have a National system which can be controlled and overlooked, as it now is, through one department, giving the banks the right of emission to such extent as trade may justify where they are located?

In the East, where there is so much capital concentrated, or in some of the larger reserve cities, it is possible they would not care to extend their circulation. But this is no reason why a prohibition should be set against banks in localities where money is needed and in active demand. Let us consider for a moment a plan which would in general preserve all the features of the National system, and at the same time give us the advantage of elasticity to our circulating medium, and do so with safety and simplicity.

1. Let the National banking law be so amended that all banks hereafter organized or coming under this act be required to deposit with the Treasury of the United States gold, silver and legal tender notes in equal parts to the extent of their capital, for which United States 1 per cent. bonds be issued and held for account of the bank; if United States bonds are not available, then any State, county or municipal bond, which, by reason of its good standing, shall have the approval of the Comptroller, be admissible with the restriction, however, that not over 10 per cent. of the capital of any bank shall be invested in bonds of the same kind, United States bonds excepted.

2. That all National banks shall be required to issue National currency at par with their capital, which circulation shall be redeemable at the Treasury of the United States, 5 per cent. of such circulation to be kept on deposit with the Treasurer at all times, the tax on circulation to be reduced to one-quarter of 1 per cent.

3. That all National banks with a capital of $100,000, or more, shall have the right to issue National bank notes to the extent of 50 per cent. of their capital; four-fifths of such issue shall be free of any tax, except hereinafter mentioned, but the remaining fifth of the same shall pay a tax of six per cent. per annum.

4. That there shall be two distinct note issues made under the National banking system, and for convenience we shall designate one—the National currency note—this being the paper put in circulation by the bank, and which the Government undertakes to redeem, the other is issued only to the extent of 50 per cent. of its capital, we shall call the "National bank note," and this note shall be redeemable at the counter of the bank, or upon presentation at the counter of any redemption agent of the bank of issue.

5. Each National bank shall appoint by, and with the approval of the Comptroller, in any two or more of the reserve cities, agents of redemption for its National bank notes; when any redemption agent of a bank

takes up or redeems any note or notes, then the same shall be forwarded to the Treasury department for cancellation, and in lieu thereof, the department will send to the home bank, new bank notes, to be signed and put in circulation, as it may see fit to do.

6. Any bank to be eligible as an agent of redemption for any other bank, must have a capital of $500,000.

7. That all banks issuing bank notes shall deposit with the Government one-half per cent. of such circulation semi-yearly, until the same shall reach the sum of 5 per cent. of the maximum bank note circulation they would be entitled to issue, and the banks issuing such notes shall keep with redemption agents, for the purpose of redeeming such notes, a sum not less than 6 per cent. of the average monthly circulation, the same adjustable monthly, and a report shall be forwarded to the Comptroller monthly, at the close of each month, making a statement of the bank note circulation for the month preceding.

8. The bank notes put in circulation shall state on their face: "This note is redeemable ——— bank in New York, or ——— bank in St. Louis," or other reserve city, in order to distinguish them from the National currency notes, redeemable at the Treasury of the United States. Banks of this class should be required also to keep a reserve at home of 20 per cent. in specie or legal tender notes, against the bank note circulation.

9. That when a bank retires from business and has made full settlement of its affairs, one-half of the amount to credit of safety fund of said bank shall go to the United States Treasury for the protection of bank-note holders in general and the other half remaining to the bank.

In my opinion this plan would work without the slightest friction and the bank notes and the currency notes could readily be distinguished from each other, and if the bank notes were limited to $20 bills, the matter of trouble to redemption banks for assorting and remitting them would be very insignificant. The banks of redemption would hold, as you perceive, at all times 6 per cent. of the circulation that might be presented for payment to them, and they should certify to the Treasury department that at all times they would be responsible for this, and if they desired it the issuing bank could put up further security, but it is hardly likely that 6 per cent. reserve would be absorbed before it could be increased. These bank notes being payable at the option of the holder at two or more fixed points, would become popular for small remittances. The banks would select redemption agents at those points where the business of their section in general centered for the reason that their notes would flow that way; and in order to make the system popular it must be also conveniently arranged for note holders to meet prompt redemption. This would save a return of the notes to the home bank unless preferable to the note holder, and the notes would naturally flow to the nearest point of redemption. Again, the character of the banks named as redemption agents being subject to the approval of the Comptroller, would always secure safe connections for the issuing banks, and all paper in circulation having been designed and issued by the Government would at once secure uniformity. I cannot imagine anything more convenient to the public, in fact, it would be a decided advantage to our circulating medium: behind it would rest the integrity of carefully managed banks, backed by administrative ability of the most skillful business men, and by reason of their rapid redemption these notes would circulate readily, grow in favor and command the confidence and respect of the commercial community.

From this crude plan you only catch the thought which needs elabor-

ating and perfecting before it is presentable to the business eye, but it conveys to you, I trust, the idea of how an elastic currency would work and what a grand benefit it would be to some sections of the country, as a substitute for cash, especially in the season of the year when a bountiful harvest forces upon us the necessity of using largely more than we have at command—then we should hold a reserve to draw upon to meet the wants of trade as well as to protect it—a means perfectly simple and absolutely safe.

The increase under this plan of the National bank currency circulation could be used to retire the legal tender notes of the Government now outstanding, $346,000,000, and against which there is no reserve of any kind; provided a sufficient number of the banks increased their circulation under 1 per cent bonds. Illustration of plan:

Capital of bank	$500,000
Deposit of 1 per cent. U. S. bonds	500,000
Currency circulation fixed	500,000
5 per cent. reserve with U. S. Treasurer	25,000
Net circulation	$475,000
Tax on circulation, one-fourth of 1 per cent., $1,250 annual.	
Elastic bank note circulation, 50 per cent	$250,000
Tax on bank note circulation, one-fourth per cent., $625 annual.	
Safety fund tax, 1 per cent. until it reaches 5 per cent., $12,500 annual.	
Deposit with bank of redemption No. 1, 6 per cent	15,000
Deposit with bank of redemption No. 2, 6 per cent	15,000
Reserve at home of specie or legal tender notes, 20 per cent	50,000
Total reserve, 32 per cent	$80,000
Capital of the National system	$700,000,000
Increase by bank note issue, 50 per cent	$350,000,000
Reserve of the bank agents, 32 per cent	112,000,000
Net increase	$238,000,000
Non-taxable part of bank note issue	$200,000
Taxable part of bank note issue, last fifth, 6 per cent	50,000

Net increase to circulation, exclusive of taxable part of issue and reserve above par issue of currency note $168,000,000, less than one-fourth, or 25 per cent. to each bank circulation.

The reserves against the bank note circulation of 32 per cent. should be protected by law as preference debts to holders of such notes outstanding. The use of 1 per cent. bonds would save a vast sum of interest to the Government, and under the plan indicated, or one similar, our finances would rest upon that basis of credit, commercial honor and soundness so essential to public confidence, keeping within the bounds of intrinsic values. The wild theory of the inflationist would be ignored, and by reaching out only so far, in the line of elasticity, as to infuse vitality in the present system, which cramps and obstructs the legitimate purpose and province of the bank, opposition, except that inspired by partisan and political motives, would hardly be aroused.

This is what we want to-day in most sections of the South and West; our situation not only requires but demands it. Texas is only in her infancy now; before us is the future, that will bring to coming generations the crowning motherhood of her days of full maturity, when contented millions will rest upon her broad bosom and take food and nourishment from her generous hand.

We have a boundless reach of untouched virgin soil, as rich as lie in the valleys along that ancient river where Egypt built her monuments to the unknown God, and within her bounds, just as nature left them,

are still undisturbed vast fields of marble and iron and coal and potter's clay, lying in silent reserve, responsive to the wants and genius of man.

This is but the morning of the harvest day; the earth groans under the burden of her unborn riches; the forests and the fields await the ax, the scythe and sickle, and even now we stand amid the ripened grain and watch the distant music of the joyous thousands who shall follow in our footsteps and garner in the glistening sheaves to crown the golden harvest. The time is coming for action—it will be the dawning day of new hope and new progress. No people such as we, and no country such as ours, can afford to remain behind in the grand march of development. We must not be laggards in the race; let us bid farewell to the past with its trials and its vicissitudes; it belongs to generations already gone. The future is for us, and we must write upon it the record of our own destiny.

I would to God that day was already here; that in every heart and home was peace and plenty; that on every hearthstone in our land was lit the lamp of love, and burned the light of joy; that to our grand old South might flow a stream of wealth under whose transforming power every hilltop would become a hamlet and every valley a beautiful garden, where the bloom of the flowers and the songs of the singing birds would float on the bright sunshine of the morning and send heavenward sweet incense to her everlasting glory.

Amid all this boundless wealth of opportunity, all these riches, so grand and limitless, shall not each one of us in return give back heaping measures of gratitude to Him who gave to us and to our children such a land for a heritage and such a home for a blessing?—*A Paper read at the Texas Bankers' Convention, by C. C. Hemming, President of the Gainesville National Bank.*

AN ELASTIC BANK CURRENCY.

Mr. Louis R. Ehrich has described the following plan in the New York *Evening Post:*

Any banking institution, whether National or State, which will submit to Government supervision and annually publish three statements as to its financial condition, should be allowed to issue its own notes up to 80 per cent. of its unimpaired capital stock and 50 per cent. of its surplus. This right should be restricted to banks whose deposits are at least equal to one and one-half times their capital stock; but, in the direction of encouraging the increase of banks, the sum of even $15,000 should be held sufficient as a basis of bank capital. This currency issue should be a first lien on the assets of the issuing bank, including the stockholders' double liability, just as at present. On this issue there should be a tax of 1 per cent. per annum in all States whose average bank interest rate does not exceed 6 per cent., and a tax of 2 per cent. where it does exceed said rate. The proceeds of this tax should constitute a safety fund which would enable the Government, without possibility of loss, to guarantee the payment of every note issued. The tax proposed is larger than a safety fund would require, as our past experience abundantly proves, but it must be sufficiently large to make the currency contract as the demands of business contract.

The law should embrace an "emergency" clause under which, in case

of sudden financial stringency, the majority of the cabinet of the United States—the President and Secretary of the Treasury concurring with said majority—could authorize that the amount of note issue be doubled, the tax in such event being doubled on the "emergency" note issue. The possibility of the issue of such notes should at all times be quick and without delay. At present it takes a National bank nearly a month to issue money. Under an improved system every bank should have the notes to the full amount of the issue to which it is entitled lying ready in its vault, and only awaiting the signature of its proper officers. And in order to make cancellation of the notes easy and inexpensive, the Government should return notes to banks through the mails, at a minimum of expense, said notes being stamped "Retired," so as to eliminate risk of transportation. The total capital of the National and State banks of the United States amounts to nearly $950,000,000; the surplus to $320,000,000. There would, therefore, under such a law, be a possibility of a bank-note issue to the amount of $920,000,000. Remembering that the highest note issue of the National banks was only $336,000,000 (at present $197,000,000), there could certainly be no complaint as to there not existing the possibility of sufficient money. Such a law would give us a currency which would be perfectly safe, which would be elastic, and which would make a financial panic, such as that of 1893, for ever impossible.

Yet there is another condition which I should attach to it. The panic of 1893 taught us that a currency based on a bond security cannot be elastic. It also taught some of us that the present isolated, each-for-itself condition of our banks is dangerous and in times of extreme financial fear, decidedly unsafe. Of the 330 State and National banks which suspended last year before September 1, 130 resumed payments. In other words, these 130 banks were perfectly solvent, but, owing to their isolated condition, they were temporarily crowded to the wall. The combined capital of these 130 banks was over $29,000,000, and their entire combined deposits probably over $50,000,000. So that the failure of these banks meant the temporary tying-up of about $80,000,000. It requires little business experience to measurably understand what widespread hardship, in a time of financial need, the temporary entanglement of $80,000,000 must have entailed. If possible, a measure must be devised which will naturally bring the banks into closer, mutually helpful, mutually responsible relations. The importance of this cannot be overestimated. The banks of New York were kept within the bounds of financial safety by the mutual issuance of $38,000,000 of money in the shape of clearing-house certificates. If the banks of Denver had courageously followed the same policy, Colorado would not have had to suffer the suspension of fourteen banks, of which twelve proved their absolute solvency by the fact of their speedy resumption. As to whether the proposed measure to give National banks the right to organize branches would help this defect in our financial system, is questionable. The writer would suggest that the necessary co-interest and co-operation of banks can most simply and most beneficially be brought about by restricting the right to issue money, as proposed above, to banks which shall be members of a bank league, such league to consist of not less than 100 banks, of which not more than three shall be in any one city, and not more than one-tenth of the whole number in any one State. The object of these restrictions readily suggest themselves. Each league must bear the responsibility pro-rata for every bank note issued by any member of the league, each bank being absolutely independent in every other respect. This would bring about a solidarity of interest between every bank member of each league, so that in case of local or National

financial pressure every bank would have the combined resources of the entire league at its back. Every bank would have millions of league money behind it. The very knowledge of this fact would make our present senseless and most dangerous "runs" on banks a thing of the past. Such a system would necessarily involve the appointment of a special league bank examiner, who would co-operate with the regular Government bank examiner. It would make the service of the banks to the public far more efficient, and, at the same time, far more safe.

The fundamental question now arises as to whether the banks of the United States would avail themselves of the privileges of such a law and organize into bank leagues as a prerequisite to the issue of bank money. With my knowledge of the inertia of bankers, I am inclined to think that most presidents and cashiers (more especially of the Eastern banks) would, at first, say that they would not so organize. With my knowledge of the law of self-interest, I should maintain that the organization of such leagues would rapidly proceed from the very day the proposed banking law showed any probability of Congressional indorsement, and that upon the passage of the bill such league organization would continue until it embraced every well-conducted bank in the United States. The right to add to the loanable capital of a bank up to 80 per cent. of its capital and 50 per cent. of its surplus, upon the payment of a small tax, would be justly regarded as a most valuable right, and the natural desire to obtain this right would speedily promote the league-organization. The pressure for such organization would probably come from the Western and Southern banks, but, under all circumstances, the fear of isolation and of not being connected with the best league-members would impel the great Eastern banks to speedy action and co-operation. The limitation of three bank-league members to any one city would bring about the establishment of probably twenty to thirty leagues, each consisting of from one hundred to several hundred banks. Each bank would remain absolutely independent in its own bank management, but the mutual responsibility for their bank-note issues would, in each league, develop an *esprit de corps* which would add safety and strength to our whole banking system.

In a hurried letter it is impossible even to touch on many of the features and provisions of such a banking law. This plan is offered as a simple solution of the problem which must be solved: How to obtain a currency which is elastic and safe, and how to remove our banks from their present financially isolated condition which recent experience has proven to be inconsistent with safe banking. Students of finance, men who know the history of branch State-banking in the United States, and who have studied the present Canadian banking system, will best appreciate the force of the propositions submitted. The political party which evolves a banking system which will give the desiderata as above outlined will place the nation under great and lasting obligations.

COLLECTIONS.

SUPREME COURT OF NORTH CAROLINA.

First Nat. Bank of Richmond v. *Davis.*

Under an agreement between plaintiff bank and the H. bank that the latter should collect notes and checks forwarded it by plaintiff for a commission, and remit daily, the relation of principal and agent as to any paper ceased on collection, and the relation of creditor and debtor as to the cash immediately arose.

On failure of the H. bank, it being shown that its cashier had no knowledge of its insolvency till the failure, it is not chargeable as for a conversion of funds of plaintiff which it has mingled with its own funds, since, in the absence of such knowledge on the cashier's part, the contract, with its necessary implication as to the disposition to be made of plaintiff's money on collection, remained in force till the failure.

BURWELL, J.—After a careful examination of the numerous authorities cited by the counsel representing the parties to this cause, we have come to the conclusion, upon the facts found, that the relation of the Bank of New Hanover to the plaintiff bank at the time of the appointment of the defendant receiver was merely that of debtor to creditor as to the sum of money which is in controversy in this suit. The two banks must be presumed to have entered into the contract between them with the expectation and implied agreement that, in the transaction of the business provided for by that contract, each would act according to well-known and established rules and customs in such business. (*Planters & Farmers' Nat. Bank* v. *First Nat. Bank of Wilmington*, 75 N. C. 534; *Marine Bank* v. *Fulton Bank*, 2 Wall. 252.) Now, it is a well-known and established custom of banks, when acting as collecting agents, either for other banks, or indeed for any customer, to put all collections made by them into the general fund of the bank, unless directed to make of them a special deposit, and use them from hour to hour, and from day to day, in the transaction of their current business, and, when the day or the hour arrives for making remittances, to send to the bank or other customer for whom the collection was made, not the identical currency or money collected, but money or currency taken from the general fund without any reference to its identity, or, as is far oftener done, its cashier's check on itself or some other bank, or in some way to effect a transfer of the fund by the use of credits of one kind or another without the handling and shipping of any actual money or currency at all. Speaking of such an agreement, Justice Miller said, in *Marine Bank* v. *Fulton Bank*, *supra*, that "the truth undoubtedly is that both parties understood that, when the money was collected, the plaintiff was to have credit with the defendant for the amount of the collection, and that the defendant would use the money in its business. Thus, the defendant was guilty of no wrong in using the money, because it became its own. It was used by the bank in the same manner that it used the money deposited with it that day by city customers, and the relation between the two banks was the same as that between the Chicago bank and its city depositors." And he adds that "it would be a waste of argument to attempt to prove that this was a debtor and creditor relation." This is cited with approval in *Commercial Bank* v. *Armstrong*, 148 U. S. 50, 13 Sup. Ct. 533, where Mr. Justice Brewer said: "Bearing in mind the custom of banks, it cannot be that the parties understood that the collections made by the Fidelity during the intervals between

the days of remitting were to be made special deposits, but, on the contrary, it is clear that they intended that the moneys thus received should pass into the general funds of the bank, and be used by it as other funds, and that, when the day for remitting came, the remittance should be made out of such general funds." And in that case it was decided that, as to all money actually collected by the Fidelity Bank, and put into its general fund under authority implied from the customs of banks, the relation of that bank to the bank for whom it was acting as collecting agent was simply that of a debtor to a creditor.

It is true that, in the cases cited above, the contracts provided that the collecting bank should remit, not daily or on the day of collection, but at stated periods. But we do not think that the difference in the terms of the contracts can make the principles fixed by those high authorities inapplicable here. The test is, did the plaintiff bank agree, expressly or impliedly, that the proceeds of drafts, checks, etc., sent by it to its collecting agent, the Bank of New Hanover, should not be held by the latter as a special deposit, but merely mingled with the other funds coming in and used in the daily intricate payments and collections of its usual business? Such an understanding or agreement does not appear to us at all inconsistent with the expressed stipulation that remittances should be made each day. This stipulation only required that that should be done each day which, under the contracts under consideration in the cases cited above, was to be done, not daily, but at longer intervals. The important point is not, as we have said, when or how often the remittances were to be made, but whether it was understood that the collecting bank could and would transact the business as it did, treating the checks, drafts, etc., sent it as its own in its daily transactions, keeping memoranda or book entries to show how much was due to the plaintiff and to other banks for whom it was doing like services, and then, at a convenient hour and in some convenient way, transferring to the plaintiff bank the money due to it. The manner of keeping the account was immaterial—a mere matter of bookkeeping. If, under the contract, it was not wrongful for the Bank of New Hanover to use money coming to it from the collection of plaintiff's drafts, checks, etc., as its own, and remit other money, or other checks and drafts, to the plaintiff therefor, then it must be that there was no breach of trust or unlawful conversion in the conduct of the officers of the Bank of New Hanover in the conduct of this business for plaintiff. It seems to us plain that both banks must have clearly understood that the relation of principal and agent as to any particular check or draft sent for collection ceased just as soon as cash or its equivalent was received by the collecting bank, and that immediately there was substituted for that relation, as to that cash, the relation of debtor and creditor. To announce a contrary conclusion would be to declare that the officers of hundreds of the banks of the country were daily unlawfully and wrongfully converting to the use of their institutions the property of their correspondent banks. If the cashier of the Bank of New Hanover had become aware, before its failure, that the bank was insolvent, that knowledge would perhaps have had the effect to annul his right, implied from the terms of the contract and the established customs of such business, to use the collected funds of the plaintiff as he did. It is found as a fact that he had no such knowledge; therefore, the expressed contract between the parties, with its necessary implication as to the disposition to be made of the plaintiff's money as soon as any of it was collected, remained in force till the failure. Here, there was no unlawful conversion of the funds of the plaintiff bank, and there is no necessity for the discussion of the important question presented in the brief of the learned

counsel for plaintiff in regard to following funds that have been improperly used by a faithless trustee or agent. The plaintiff has no lien upon, or right to, the cash or other assets that came to the hands of the receiver that is superior to the claims of other banks whose relations to the insolvent bank were similar to the plaintiff's, or to the claims of its depositors. All these, unless some special circumstances confer special rights, must stand as mere creditors, and share equally in the funds to be distributed. The judgment is affirmed.—*Southeastern Reporter.*

DISCOUNT OF NOTE—WHO IS A BONA FIDE PURCHASER?

SUPREME JUDICIAL COURT OF MASSACHUSETTS.

First Nat. Bank of Grafton v. *Babbidge et al.*

The president of plaintiff bank, without consideration, obtained defendants' note as a personal loan, and, without disclosing the want of consideration, procured its discount by plaintiff's cashier. *Held*, That, though the cashier was without authority to discount paper, his agency in discounting the note not having been disavowed by plaintiff, it could recover on the note, as the president's knowledge of its infirmity could not be imputed to it.

ALLEN, J.—This case comes up on a report, and, although the defendants do not appear to argue the question presented, we have considered it. If Linley alone had acted in discounting the note, and in placing the proceeds to his own credit, the bank would be bound by his knowledge of the circumstances under which he had obtained it from the defendants. (*Atlantic Cotton Mills* v. *Indian Orchard Mills*, 147 Mass. 268, 17 N. E. 496.) But he did not act alone. The cashier of the bank was the officer who actually did these things. Linley, in this transaction, was not the representative of the bank. He was obtaining from the bank the discount of a note for his own benefit, and, therefore, on the face of the transaction, he was on one side of the bargain, and the bank on the other. The cashier was the sole representative of the bank. To be sure, the act was beyond his authority while acting alone, yet he may not have thought so, under the circumstances. At any rate, there is no suggestion that he was in collusion with Linley, or that he had any reason to doubt that what he did was for the interest of the bank. If the bank might have repudiated his agency, it did not do so, and, even though he may have gone beyond his authority, he was a financial officer and agent of the bank, and was acting for it, and for nobody else, and his agency has not been disavowed; and under these circumstances Linley's knowledge is not to be imputed to the bank, and the bank is entitled to recover on the note. (*Corcoran* v. *Cattle Co.*, 151 Mass. 74, 23 N. E. 727; *Allen* v. *Railroad Co.*, 150 Mass. 200, 206, 22 N. E. 917; *Innerarity* v. *Bank*, 139 Mass. 332, 1 N. E. 282.) Judgment on the verdict.—*Northeastern Reporter.*

RIGHTS OF CREDITORS OF AN INSOLVENT NATIONAL BANK.

CIRCUIT COURT OF APPEALS, SIXTH CIRCUIT.

Chemical Nat. Bank v. *Armstrong.*

BANKS—MISCONDUCT OF OFFICER IN BORROWING MONEY—LIABILITY OF BANK.

A bank is liable for a loan obtained from another bank, dealing in good faith with its authorized officer, although such officer acts without the knowledge of the other bank officials, and appropriates the money to his own use.

NATIONAL BANKS—INSOLVENCY AND RECEIVERS—ALLOWANCE OF CLAIMS—COLLATERAL.

Creditors of an insolvent National bank cannot be required, in proving their claims, to allow credit for any collections made after the date of the declared insolvency from collateral securities held by them. 50 Fed. 798, reversed.

SAME—DIVIDENDS—INTEREST.

Interest on dividends should not be allowed in favor of one who voluntarily delayed presenting his claim until long after the dividends were declared, although the delay was due to a mistaken belief that he had a right to pay his claim in full from collaterals in his hands.

SAME.

The refusal of a creditor to accept the receiver's offer to allow part of a claim without prejudice to a suit for allowance of the remainder, or to the receiver's right to still further reduce the claim if the court should hold such reduction proper, bars the creditor's right to interest on subsequent dividends on the part offered to be allowed, although it is subsequently adjudged that the whole of his claim should have been allowed; but he is entitled to interest on the dividends on the part rejected.

Appeal from the Circuit Court of the United States for the Western Division of the Southern District of Ohio.

In Equity. Bill by the Chemical National Bank, of the city of New York, against David Armstrong, receiver of the Fidelity National Bank, of Cincinnati, O., to establish a claim against that bank.

Before Brown, Circuit Justice, and Taft and Lurton, Circuit Judges.

TAFT, Circuit Judge.—These are cross appeals from a decree of the Circuit Court for the Southern District of Ohio directing the receiver of the insolvent and defunct Fidelity National Bank, of Cincinnati, to allow a claim of the Chemical National Bank, of New York, against the assets in his hands for $205,450. The Chemical Bank, the complainant below, objects to the decree on the ground that the claim should have been allowed for $300,000 and interest, while the receiver objects to the decree because the claim as allowed was not reduced by about $10,000.

On March 2, 1887, the Chemical Bank placed to the credit of the Fidelity Bank $300,000, the proceeds of a call loan, as collateral for which a number of bills receivable had been pledged. E. L. Harper, vice-president of the Fidelity Bank, who secured the loan, directed that this credit be transferred on the books of the Fidelity Bank to his individual account. This was done, and the money was checked out by Harper.

On June 21, 1887, the Fidelity Bank suspended payment. Its doors were closed by order of the Comptroller of the Currency upon that day, and on the 27th of the same month, the Comptroller appointed the defendant, Armstrong, its receiver. None of the collaterals on the

$300,000 loan had been collected by the Chemical Bank before the receiver took possession of the Fidelity Bank. Subsequently three notes made by J. W. Wilshire, and indorsed by John V. Lewis, for $25,000 each, which were among the collaterals for the $300,000 loan, were collected by the Chemical Bank; and another note, having the same maker and indorser, for another $25,000, could have been collected, had the Chemical Bank not been negligent in failing to demand payment and to notify the indorser, for, though Wilshire, the maker, was insolvent, Lewis, the indorser, was able to pay. The Chemical Bank had made other advances to the Fidelity Bank upon which it had received other collateral. In the belief that it was entitled to use all the collateral in its hands to pay all the obligations of the Fidelity Bank to itself without regard to the particular loans upon which particular collateral had been deposited, the Chemical Bank had gone on making collections, and had applied the proceeds of the collateral indiscriminately to the aggregate debt, so that it had paid the entire indebtedness of the Fidelity Bank owing to it, and had on hand a balance of $33,000, which it turned over to the receiver. The receiver objected to the "massing" of the collateral, and insisted that the Chemical Bank could not use collateral, given to secure one obligation, to pay another. This resulted in litigation, in which the receiver was successful, and obtained $286,000 from the Chemical Bank.

And so it happened that on the 25th of April, 1890, and not until then, the Chemical National Bank presented its claim for $300,000 on the loan already referred to. The receiver objected to the claim, on the ground that $75,000 which the bank had collected on the collateral before proving its claim, and about $9,000 thereafter collected, and the $25,000 which, through its negligence, it had failed to collect, should be credited on the claim.

The answer of the receiver made the defense that the Fidelity Bank could not be held liable for the $300,000 loan, because Harper had negotiated it without the knowledge of the other officers of the bank, and had fraudulently appropriated the proceeds of the loan to his own uses. The defense has not been pressed on us by counsel for the receiver, and certainly cannot be sustained. The evidence is undisputed that the Chemical National Bank had no knowledge that Harper was engaged in defrauding the Fidelity Bank, and dealt with him as an authorized officer of that bank, and the money was placed to its credit. The debt was, therefore, the debt of the Fidelity Bank.

The next question is, shall creditors of an insolvent National bank, in proving their claims, be required to allow any credit for collections from collateral made subsequent to the declared insolvency, and before proof of claim? If so, shall the claims as proven be also subsequently reduced by collections from collateral made, after proof, and before dividends are declared, thus varying the basis of distribution from dividend to dividend? Or shall the rule in bankruptcy be followed, by which the creditor holding collateral shall be required to reduce his claim by the actual collections and the estimated value of his uncollected collateral?

The court below held that the creditor should be required to allow a credit of all collections made before filing his proof of claim, but not of those made thereafter. The receiver contends that the rule in bankruptcy is the proper one, while the complainant bank maintains that it should be allowed to prove its claim as it existed at the moment of declared insolvency.

It is singular that in the years during which the National banking act has been in force the foregoing questions have not been settled by

a decision of the Supreme Court. It is, for the Federal Courts, a new and important question, and has received at our hands the consideration it deserves. We have been greatly assisted by the elaborate and able written and oral arguments of counsel for both parties, in which all the many decided cases presenting the same or analogous questions have been industriously reviewed and discussed.

By section 5,234, Rev. St., and section 1 of the act of June 30, 1876 (19 Stat. 63), it is made the duty of the Comptroller of the Currency to appoint a receiver to wind up a National banking association whenever the Comptroller shall, after examination, have become satisfied of its insolvency. It is the duty of the receiver thus appointed to take possession of the books and effects of the bank, liquidate its assets, and pay the money thus realized into the Treasury of the United States.

Section 5,235 makes it the duty of the Comptroller thereupon to give notice by public advertisement for three months, calling on all persons having claims against the association to present the same, and to make legal proof thereof.

Section 5,242 declares void all transfers of its property by the National bank after the commission of the act of insolvency, or in contemplation thereof, to prevent distribution of its assets in the manner provided in said National banking act, or with the view to prefer any creditor, except in payment of its circulating notes. And it further provides that no judgment or injunction shall be issued against the bank or its property before final judgment in any suit, action, or proceeding in any State, county, or municipal court.

Section 5,236 provides that, after making full provision for the redemption of the circulating notes of the association, "the Comptroller shall make a ratable dividend of the money so paid over to him by such receiver on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction, and as the proceeds of the assets of such association are paid over to him, shall make further dividends on all claims previously proved or adjudicated, and the remainder of the proceeds, if any, shall be paid over to the shareholders of such association or their legal representatives in proportion to the stock by them respectively held."

The suspension of the bank, and its seizure by the Comptroller and his appointee, the receiver, work, by operation of law, a transfer of the title to the assets of the bank from the bank to the Comptroller and receiver, in trust to reduce the assets to money, and apply them, as directed by the National banking act—first, to the redemption of the circulating notes of the bank; and, second, in ratable distribution to the creditors of the bank. (*Scott* v. *Armstrong*, 146 U. S. 499, 13 Sup. Ct. 148; *White* v. *Knox*, 111 U. S. 784, 4 Sup. Ct. 686.)

It is manifest that it would utterly defeat the object of the banking act if, after the suspension, the assets remained subject to levy, execution, or attachment, and, therefore, that the passing of the assets into the hands of the receiver removes all the property of the bank from liability to process to secure satisfaction of judgments. (*Bank* v. *Colby*, 21 Wall. 609.)

The right which a creditor of the bank had before suspension of levying an execution to satisfy his judgment is gone, and for it is substituted a fixed and definite interest in the assets as a security for the payment of his debt, which it is the purpose of the banking act to reduce to money, and apply on his debt, with all convenient speed. We see no reason why this does not apply as well to creditors who hold collateral as to those who are unsecured. It is well settled that the holding of collateral does not prevent a creditor from enforcing his claim in

the ordinary way by judgment and execution against a debtor without any deduction for his collateral. (*Lewis* v. *U. S.*, 92 U. S. 618.)

When the secured creditor is required by the transfer of the assets in trust for winding-up purposes to forego his right to satisfy his entire debt out of the property of the bank by levy and execution, why should there be substituted for that right anything less than that which the unsecured creditor gains by yielding up the same right? Take the case of two creditors of the bank for $1,000 each, one with collateral and the other unsecured. Before suspension, the one has two modes of collecting his debt—first, by levy and execution for $1,000; and, second, by reducing and applying the collateral. The other has but one—that of a levy and execution for $1,000. When the bank suspends, the unsecured creditor acquires, in exchange for his right to levy on the property of the bank to make $1,000, an undivided interest in the assets held by the receiver, after the circulating notes are paid, which bears the same ratio to the entire assets of the bank as $1,000 does to the entire indebtedness. If so, why should not the secured creditor, who, before the suspension, had also the right to make $1,000 by levy on the property of the bank, receive the same ratable interest in the assets held by the receiver? The suspension of the bank, and its seizure by order of the Comptroller, have no effect to change the rights of the creditor with reference to his collateral. He enjoys precisely the same advantage over the unsecured creditor, with respect to the collateral, that he did before the suspension. With reference to obtaining satisfaction out of the general assets of the bank before suspension, their rights were equal. So must their rights be, after the sequestration of the assets for ratable distribution. Illustrations are put to show the injustice of the view we are advocating. A. has a claim of $1,000 against the bank, for which he holds bonds, worth $500, as security. B. has a claim of $500. A dividend of 50 per cent. is declared, and A. receives $500 on his claim, leaving $500 due, which he subsequently satisfies out of the collateral. A. is thus paid in full, while B. receives but $250. Now, it is said that A., who had a claim of $500, which was unsecured, has had his unsecured claim paid in full, while B., who also had an unsecured claim for the same amount, has only received $250, which must be unjust and inequitable. The fallacy in this argument is in assuming that A. had an unsecured claim for $500. He had a claim for $1,000, secured by $500 of collateral, all of it applicable to every dollar of the debt. No part of the debt was unsecured. The same thing was true of his interest in the assets of the bank. That was applicable to every dollar of the $1,000. He had two securities for the payment of his debt, one of which he held in common with all the creditors, the other of which he had obtained by lawful contract from his debtor. It is a rule of equity that, where a creditor holds two securities, one of which he has in common with others, and the other of which he holds for his sole use, he may be required to collect his debt first out of the security for his sole benefit, so that those who hold in common with him may have more to apply to their debts. But this rule can never be invoked where he who has the two securities cannot pay himself in full out of both. He was given the two securities to pay his debt, and he cannot be deprived of this primary equity for the benefit of some one else who is less fortunate in his security. (3 Pom. Eq. Jur. § 1,414; Story, Eq. Jur. § 564b.)

The National banking act was framed to secure equality of distribution among the creditors, so far as is consistent with the previous contract rights of those creditors. If one creditor secured collateral for his loan when made, that produced an inequality between him and the other creditors who have no collateral which it cannot have been the

purpose of the banking act, in its provisions for winding up the insolvent bank, to modify, reduce, or defeat.

It is true that under the bankruptcy act it was provided that a secured creditor, if he would prove for his full claim, must surrender his collateral, or else be content to prove for the difference between his full claim and the value of his collateral. (Rev. St. § 5,075.) The bankruptcy law is not now in force, however, and it was expressly held in the case of *Cook County Nat. Bank* v. *U. S.*, 107 U. S. 445, 2 Sup. Ct. 561, that the priorities and method of distribution under the bankrupt law had no application to the winding up of insolvent National banks. It was said that the National banking act contained within itself a complete system for distributing the assets and determining the priorities, and that a priority secured to the United States under the bankrupt law would not be enforced in their favor under the banking act. In delivering the opinion of the court, Mr. Justice Field, referring to the bankruptcy law, said: "That enactment was dealing with the estates of persons adjudged to be insolvent under that law, and covers only the distribution of their estates. It has no further reach."

The rule in bankruptcy was not the rule in equity, because it ignored the rights belonging to the secured creditor before the bankruptcy took place, and materially modified and reduced the advantage over unsecured creditors which, in the original contract of pledge, the debtor had intended to secure him.

The question we are discussing is one which has arisen in determining the proper ratable distribution of assets under nearly all acts for the settlement of insolvent estates and for the winding up of insolvent corporations.

In Massachusetts (*Amory* v. *Francis*, 16 Mass. 309), in Iowa (*Wurtz* v. *Hart*, 13 Iowa, 515), in South Carolina (*Wheat* v. *Dingle*, 32 S. C. 473, 11 S. E. 394), and in Washington (*In re* Trasch, 31 Pac. 755), it was held that the rule in equity is the same as the rule in bankruptcy, and that the secured creditor can prove only for the balance of his debt after the collateral shall have been applied. It was so held by Sir John Leach, master of the rolls, in *Greenwood* v. *Taylor*, 1 Russ. & M. 185. In *Amory* v. *Francis*, *supra*, Chief Justice Parker repudiates the view that the secured creditor should be allowed to prove for his full claim, without deduction for collateral, on the ground that he "would in fact have a greater security than that pledge was intended to give him; for, originally, it would have been security only for a proportion of the debt equal to its value; when, by proving the whole debt, and holding the pledge for the balance, it becomes security for as much more than its value as is the dividend which may be received on the whole debt." With much deference to the great jurist who advanced this argument, we think that it quite incorrectly states the effect of the contract of pledge, which is that the collateral shall be security for the whole debt, and every part of it, and therefore is as applicable to any balance which remains after payments from other sources as to the original amount due. The view of the Supreme Judicial Court of Massachusetts was adopted into a statute which deprives the subsequent cases in that State of much bearing upon the question before us. The other cases cited, and especially *Greenwood* v. *Taylor*, seem to rest on the rule in equity requiring a creditor with two funds as security, one of which he shares with others, to exhaust his sole security first. As already said, the rule has no application when its operation would prevent the creditor from paying his whole claim.

The great weight of authority in England and this country is strongly opposed to the view that a creditor with collateral shall be thereby

deprived of the right to prove for his full claim against an insolvent estate. *Greenwood* v. *Taylor* was questioned by Lord Cottenham in *Mason* v. *Bogg*, 2 Mylne & C. 443, 448, and was expressly repudiated as authority in the Court of Chancery Appeals in Kellock's Case, 3 Ch. App. 769—a case which, upon this point, is cited with approval in *Lewis* v. *U. S.*, 92 U. S. 618. In this country, the Massachusetts doctrine was dissented from by the Supreme Court of New Hampshire in the early case of *Moses* v. *Ranlet*, 2 N. H. 488. Other cases which fully support the views we have expressed are: *People* v. *E. Remington & Sons*, 121 N. Y. 336, 24 N. E. 793; *In re* Bates, 118 Ill. 524, 9 N. E. 257; *Findlay* v. *Hosmer*, 2 Conn. 350; *Logan* v. *Anderson*, 18 B. Mon. 114; *Bank* v. *Patterson*, 78 Ky. 291; *Brown* v. *Bank*, 79 N. C. 244; *Kellogg* v. *Miller*, 22 Or. 406, 30 Pac. 229; Miller's Estate, 82 Pa. St. 113; Graeff's Appeal, 79 Pa. St. 146; Patten's Appeal, 45 Pa. St. 151; Miller's Appeal, 35 Pa. St. 481; *Allen* v. *Danielson*, 15 R. I. 480, 8 Atl. 705; *Bank* v. *Haug*, 82 Mich. 607, 47 N. W. 33; *West* v. *Bank*, 19 Vt. 403. Compare, also, *Kortlander* v. *Elston*, 2 C. C. A. 657, 52 Fed. 180; Bank Cases, 92 Tenn. 437, 21 S. W. 1070.

The exact point which is common to all the foregoing authorities, and which they all sustain, is that a creditor who has proved his claim against an insolvent estate under administration can collect his dividends without any deduction from his claim as proven for collections made from collateral after his proof of claim is filed. There is one authority, and only one, which upholds the view that a creditor who has once proved his claim shall reduce that claim by all collections made before the declaration of each dividend, on the theory that he is entitled to a ratable distribution on his debt as it is at the time of distribution, and the collections made after proof of claim and before each dividend must reduce the debt *pro tanto*. This authority is *Bank* v. *Lanahan*, 66 Md. 461, 7 Atl. 615. The argument *ab inconvenienti* would weigh strongly against following this case, even if its conclusion were not wrong in principle. The rule it lays down would require a readjustment of the basis of distribution at the time of declaring every dividend, and would involve endless labor and confusion. But the rule cannot be sustained, because its adoption proceeds on the theory that the claim of the creditor in reference to the sequestered assets of the debtor and the debt against the debtor are and continue to be one and the same thing. This is a fundamental error. The amount of the claim as proven is a mere measure of the creditor's right and interest in the fund realized from the assets. The claim as proven is a claim *in rem*, and not *in personam*. This may be illustrated in respect to interest. As against the insolvent bank the debt of the creditor continues to bear interest. As against the assets, interest is calculated only to the date of the suspension and the vesting of the title of the assets in the receiver. (*White* v. *Knox*. 111 U. S. 784, 4 Sup. Ct. 686; *Richmond* v. *Irons*, 121 U. S. 27, 64, 7 Sup. Ct. 788; Warrant Finance Co.'s Case, 4 Ch. App. 643; *In re* Joint-Stock Discount Co., 5 Ch. App. 86.)

It is true that if the assets are more than sufficient to pay all debts, then the creditors are allowed dividends to pay the interest due from the debtor bank (*National Bank of Commonwealth* v. *Mechanics' Nat. Bank*, 94 U. S. 437); but in the measuring of the share of each creditor in the fund, interest beyond the date of suspension is not calculated. It will not do to say that the date fixed for stopping of interest on all claims is a mere matter of convenience in calculation, which works no injury to any one, because all are treated alike. The creditor with a debt bearing 8 per cent. interest is very injuriously affected in comparison with the creditor whose debt bears but 4. The contract of the

former against the debtor entitled him to double the compensation for delay in payment which the latter was to receive, and yet in the distribution of the assets, for which they both may have to wait several years, the former has no advantage over the latter. If the ratable share of creditors in the assets must vary with the increase or decrease of the debt against the debtor, the refusal to allow interest on claims beyond the date of suspension would be a gross injustice to those who are entitled by contract to the higher rates of interest. The only principle upon which the rule adopted by the Supreme Court in *White* v. *Knox*, 111 U. S. 784, 4 Sup. Ct. 686, and by the Court of Chancery Appeals in Warrant Finance Co.'s Case, 4 Ch. App. 643, can be supported is that, upon the transfer of the assets by operation of law to a trustee for creditors, the rights of creditors in the assets are fixed, and are to be determined as of that date, and are not affected by what may subsequently affect the debt by reason of which they acquire their interest therein, subject always to the limitation that the amount to be received by them from all sources shall not exceed their original debt and interest. Said Chief Justice Waite in *White* v. *Knox*, *supra*:

"The business of the bank must stop when insolvency is declared. Rev. St. § 5,228. No new debt can be made after that. The only claims the Comptroller can recognize in the settlement of the affairs of the bank are those which are shown by proof satisfactory to him, or by adjudication of a competent court, to have had their origin in something done before the insolvency. It is clearly his duty, therefore, in paying dividends, to take the value of the claim at that time as the basis of distribution."

This principle, thus applied to interest, must have equal application to credits from collections on collateral.

The cases we have already cited fully confirm the foregoing view as to credits after the filing of the proof of claim. It is vigorously contended, however, that they do not countenance the view that credits shall not be allowed on claims for collections made after insolvency declared and before proof of claim. The exact point has been passed upon in but a few cases. In Kellock's Case, 3 Ch. App. 769, the Court of Chancery Appeals adopted the rule that collections on collateral before filing proofs of claim in proceedings to wind up an insolvent company should be deducted, but that subsequent collections should not be.

The Supreme Court of Pennsylvania, in Miller's Appeal, 35 Pa. St. 481, in Patten's Appeal, 45 Pa. St. 151, and in several subsequent cases; and the Supreme Court of Rhode Island, in *Allen* v. *Danielson*, 15 R. I. 480, 8 Atl. 705—took the contrary view, and held that no collections made on collaterals after the transfer of the assets in trust could be used to reduce the claims of secured creditors, whether made before or after filing proof of claim. In *Morton* v. *Caldwell*, 3 Strob. Eq. 162, the chancellor, in a most convincing opinion, reached the same result; but in *Wheat* v. *Dingle*, 32 S. C. 473, 11 S. E. 394, the Supreme Court of South Carolina destroyed the authority of that case in that State by adopting the rule in bankruptcy as to the claims of secured creditors.

A careful consideration of the question and of the principles which must govern its decision satisfies us that there is no logical basis for any distinction between the effect of collections made after insolvency and before filing proof, and of those made after filing proof. Either they must both reduce the claim before dividend, or they must be given no effect. The theory upon which all the cases refusing to reduce the claim by collections subsequent to filing proof must be supported, is that, at the time of filing proof, the interest of the claimant

in the assets is a fixed one, not to be varied by subsequent increase or decrease in the debt against the original debtor. What reason is there for fixing the date of filing proof as the time when the interest of creditors in the assets is to be determined? That is a date varying with each creditor, and dependent on all sorts of contingencies. The time when a man's interest is fixed and limited in property is when the act is done by which either the legal or the equitable title is transferred to him. As we have seen, the time for fixing the amount of the claim, so far as stoppage of interest is concerned, is the date of the declared insolvency. The same date, by the closest analogy, must be taken as the date for stopping reduction of the claim by credits from collections on collateral. That is the time when the creditor is deprived of his usual remedy of suit, judgment, and execution, and his equitable interest in the assets is substituted therefor. Upon that date each creditor becomes the owner, for the purpose of securing his debt, of that part of the assets of the bank which bears the same ratio to the whole property as his debt bears to the aggregate indebtedness. This interest in the assets remains fixed and constant until his debt is paid. In Miller's Appeal, 35 Pa. St. 481, a debtor executed a general assignment for the benefit of creditors. Subsequently the assignor became entitled to a legacy, which was attached by a creditor. It was held that such creditor was, notwithstanding, entitled to the dividend out of the assigned estate on the whole amount of his claim from the time of the execution of the assignment. Justice Strong, afterwards of the Supreme Court of the United States, said:

"In the deed of assignment the equitable ownership of all the assigned property passed to the creditors. They became general proportioners and each creditor owned such proportionate part of the whole as the debt to him was of the aggregate of the debts. The extent of his interest was fixed by the deed of trust. It was, indeed, only equitable; but, whatever it was, he took it under the deed, and it was only as a part owner that he had any standing in court when the distribution came to be made. It amounts to very little to argue . . . that Miller's recovery of the legacy operated with precisely the same effect as if a voluntary payment had been made by the assignor after the assignment; that is, that it extinguished the debt to the amount recovered. No doubt it did, but it is not as creditor that he is entitled to the distributive share of the trust fund. His rights are those of the owner by virtue of the deed of assignment. The amount of the debt as to him is important only so far as it determines the extent of his ownership. The reduction of that debt, therefore, after the creation of the trust, and after his ownership had become vested, it would seem, must be immaterial."

The theory of the rights of creditors, secured and unsecured, in the assets, so admirably stated by Mr. Justice Strong, is the only one which will support the many cases we have cited above, in which collections after proof of claim were not credited in reduction of dividends. In no one of them is there any limitation of the ratio *decidendi* inconsistent with our view, excepting in Kellock's Case, 3 Ch. App. 769, and, perhaps, in the language of the Supreme Court of Vermont in *West* v. *Bank*, 19 Vt. 403. In the cases cited from New York, New Hampshire, Connecticut, Kentucky, North Carolina, Illinois, Oregon and Michigan, the only reason why the exact point here raised was not decided as we have decided it was because in those cases no collections had been made between insolvency and proof claim. In Kellock's Case, after deciding on principle that the rule in bankruptcy as to collateral is not the rule in equity, the learned lord justices fix the date of filing proof of claim as the date after which claims should not be reduced by proceeds from

collateral. They do this as if they were making a rule of court, and do not base their conclusion on any argument as to the rights of the creditor, but chiefly on the ground of convenience. Under the companies' acts the Court of Chancery was vested with a large discretion in formulating rules for the winding up of insolvent companies. The conclusion in Kellock's Case on this point is what Lord Justice Giffard, in the Warrant Finance Co.'s Case, 4 Ch. App. 643, 647, calls "judge-made" law. The American cases in Pennsylvania and Rhode Island fix the claim of the creditor as a constant quantity from and after the declared insolvency. They argue out this result as a matter of right, and not as a rule of convenience. We fully concur in the conclusion reached for the reasons stated, and we are of opinion that, even as a matter of convenience, the date of declared insolvency is the better date from which to estimate all claims. The date is the same for every creditor. It is fixed for him, and depends on no volition of his. It is pressed upon us that under this rule much inequality will result. It is said that a man who collects his collateral the day before the declared insolvency will have the right to prove and receive dividends on but a part of the original debt, while the man who collects his collateral the day after the declared insolvency can use his full claim to draw dividends. We see no anomaly or injustice in this. It grows out of the nature of the transfer in trust for the benefit of both. It is much more logical to have such a difference created by operation of law or by deed of assignment and change of title than by the mere voluntary act of the creditor in filing proof of claim.

Our conclusion upon this main question in the case makes it unnecessary for us to consider other questions discussed by counsel, which were material only in the view taken by the court below on the issue just considered. If the Chemical Bank should receive from dividends and collections payment of the debt, principal and interest, now owing to it by the Fidelity Bank, the question would arise whether it could not properly be charged with the note for $25,000 which, through negligence, it failed to collect. It is quite clear, however, that dividends declared and to be declared, together with all collections from collaterals, including, as such, the note just referred to, will fall far short of paying the $300,000 and interest due the Chemical Bank on the original debt. The question suggested, therefore, does not arise on the facts of the case.

The decree of the court below is reversed, with instructions to enter a decree ordering the receiver to allow the claim of the Chemical National Bank for $300,000, with interest to the day when the Fidelity Bank suspended and was taken charge of by the agent of the Comptroller.

TAFT, Circuit Judge.—In the opinion already filed in this case consideration was not given to the question of interest upon dividends due to the Chemical National Bank. Dividends on claims against the Fidelity National Bank were declared by the Comptroller of the Currency as follows: October 31, 1887, 25 per cent.; June 15, 1889, 10 per cent.; June 30, 1890, 10 per cent.; and August 5, 1891, 5 per cent.

Although the receiver took charge of the assets of the Fidelity Bank in June, 1887, the Chemical Bank did not present its claim for allowance until April 5, 1890. The delay was due to the fact that the Chemical Bank had in its hands when the Fidelity Bank suspended payment a large amount of bills receivable belonging to the Fidelity Bank, the proceeds of which the Chemical Bank supposed it could lawfully apply on this claim, and pay it in full.

On April 25, 1890, the receiver made the following offer to the attorney for the Chemical Bank:

"The receiver of the Fidelity National Bank hereby rejects the accompanying claim for the amount stated, he claiming that all sums realized or which should have been realized on the collaterals left with the Chemical National Bank as security for this loan should be credited on the same, and said claim reduced in that amount; and that all sums that may hereafter be realized on said collateral should be used to reduce the amount of this claim. He is willing, and now offers to accept a proof of claim from the Chemical National Bank for the sum of two hundred thousand dollars, and to pay to it the dividends heretofore paid and to be hereafter paid to other creditors thereon, without prejudice to its rights to sue upon the balance of said account not so allowed; with this stipulation, however, that should the court hold in any action that the receiver is right in his said claim, and is entitled to have all sums realized or which should have been realized on said collaterals credited on said claim, and a dividend paid only on the balance of the same, then, and in that case, all sums hereafter realized from said collaterals shall be applied to reduce the amount of said claim herein offered to be allowed, and the same percentage on such collections accounted for by the Chemical National Bank, to the receiver, as have been paid to it by them. DAVID ARMSTRONG,

"Receiver Fidelity National Bank."

The offer thus made was not accepted.

We are of the opinion that no interest can be allowed on any dividends due the Chemical Bank for the period intervening between the time when such dividends were declared payable and the presentation of the claim of the bank. The damage to the Chemical Bank from this delay was self-imposed. The money applicable to such dividends lay during this period of two years and six months in the Treasury of the United States drawing no interest. It would be manifestly unjust to the other creditors to reduce their share in the assets of the defunct bank to compensate the Chemical Bank for a loss of its own making. However bona fide its belief may have been in its power to pay its debt in another way, we do not see why the other creditors should be made to suffer for its mistake.

The question whether the Chemical Bank should receive interest on the dividends to be paid on the $200,000 which the receiver offered to allow, turns on the further question whether he affixed to his offer to pay these dividends, a condition which would prejudice in any way the rights of the Chemical Bank. The counsel for the bank contends that the receiver's offer, properly construed, required the bank to agree that if the court should decide that the claim must be reduced by all sums which had been or should have been realized before the presenting of the claim, then the bank would reduce its claim not only by so much thus adjudicated to be a proper reduction, but also by any sums realized after presentation, though not adjudicated to be proper reductions. The language of the receiver in his offer is not as fortunate as it might be, but we do not think it can bear the construction contended for.

When the offer was made the Chemical Bank had collected $75,000, and had negligently failed to collect $25,000. This, according to the receiver's contention, reduced the claim of the bank to $200,000. The Chemical Bank had other collateral applicable to the debt, but this had not then been collected. According to the receiver's contention, collections on this latter collateral should also reduce the claim.

The obscurity in the receiver's language arises from the clause in the second paragraph which follows the clause "that the receiver is right in

his said claim." The following clause reads thus: "And is entitled to have all sums realized or which should have been realized on said collaterals credited on said claim, and a dividend paid only on the balance of the same." It is manifest that "his said claim" refers to the receiver's statement of his rights in the first paragraph, in which he maintained that the Chemical Bank must reduce its claim by all sums then or thereafter realized from collateral, or which should have been realized therefrom. The clause following the words "his said claim" was evidently intended to be a mere repetition of that statement. If the statement and its repetition are capable of having the same meaning, they should be given it. "All sums realized" may mean "all sums now realized," or it may mean "all sums now or hereafter realized." To have the same meaning as the claim of the receiver already stated in the first paragraph, and specifically referred to, the words must be given the latter meaning. The receiver's proposition was, therefore, to allow and pay dividends upon $200,000 of the claim without prejudice, on the one hand, to the right of the Chemical Bank to sue for the allowance of the remaining $100,000, and without prejudice, on the other hand, to the right of the receiver to reduce the claim below $200,000 in case the court should hold such reduction proper. Thus construed, the offer was an equitable one, and the refusal of the Chemical Bank to accept dividends under conditions which did not prejudice its right in any way must prevent the payment of interest to it on dividends due the $200,000 part of its claim. The money which it could have drawn on this part of the claim remained in the United States Treasury, earning no interest. The Chemical Bank cannot charge the other creditors with interest for its own delay.

It remains only to consider the interest on the dividends to be paid on the $100,000 which should have been allowed by the receiver in accordance with the opinion of this court at the time that he rejected the claim. The question at issue between the receiver and the Chemical Bank was one of such doubt that it would have been quite improper for him not to try it in court. The chance of his sustaining his view was sufficiently great to make any reasonable expense, in seeking to maintain it in court, a fair charge against the other creditors because of the possible benefit they might derive by a successful issue of the litigation. Now, a part of the reasonable expense of refusing to pay what is believed to be an unjust claim, but which is held thereafter to be a just one, is the damage from the delay to the person to whom the payment should have been made—a damage which is measured by interest on the amount due and unpaid during such delay. It is equitable and just, therefore, that the share of the other creditors in the assets of the bank should be reduced by enough to pay the interest on the delayed dividends on the $100,000 from the date of the rejection of the claim until such dividends are paid. This conclusion is fully sustained by the decision of the Supreme Court in the case of *Armstrong* v. *Bank*, 133 U. S. 433, 10 Sup. Ct. 450. In that case—which also grew out of the failure of the Fidelity Bank—the creditor bank had presented its claim to the receiver, in September, 1887, and it was rejected. The Circuit Court held that the claim should have been allowed, and adjudged that interest must also be allowed on the dividend declared October 31, 1887, until the dividend should be paid. The Supreme Court affirmed the Circuit Court both in regard to the validity of the claim and also as to the interest, saying, upon page 470, 133 U. S., and page 450, 10 Sup. Ct.: "The allowance of that interest is necessary to put the plaintiff on an equality with other creditors."

We think that the receiver was entitled to take a reasonable time in

which to consider and reject or accept the claim of the Chemical National Bank after its presentation; that 20 days was not unreasonable; and, therefore, that no interest should be allowed on any dividend until after April 25, 1890.

Interest will be allowed on the first two dividends, on one-third of the claim as allowed, from April 25, 1890, until the dividends shall be paid. Interest will also be allowed on the dividend declared June 30, 1890, on one-third of the claim, as allowed, from the date the dividend was declared payable until it shall be paid. Interest will also be allowed on the dividend declared August 5, 1891, on one-third of the claim, until the dividend shall be paid. It is admitted that upon July 25, 1892, the receiver paid to the Chemical National Bank $100,000. We think it just that this $100,000 should be applied as a credit upon the dividends on the two-thirds of the claim, as allowed, which do not bear interest.

The judgment of this court, therefore, will be that the decree of the court below is reversed, and that the cause be remanded, with instructions to enter a decree in accordance with this opinion.—*Federal Reporter.*

CHECKS—POWER OF A PARTNER TO BIND HIS FIRM.

SUPREME COURT OF PENNSYLVANIA.

Granby Mining & Smelting Co. v. *Laverty.*

A partnership agreement between S. & L. provided that all checks be signed by both parties, and the agreement was communicated to their bank. All checks were drawn according to the agreement to within four months of the dissolution of the firm, and at that time S. drew a number of checks, executed by himself alone for purposes not entered on the books, nor known or consented to by L. *Held* that, as between the bank and an attaching creditor of the firm, the bank was entitled to credit for money paid out on the checks drawn by S. only so far as it could show that the money was used to pay firm obligations.

WILLIAMS, J.—The plaintiff alleges that the bank (the garnishee) holds moneys belonging to its debtor—the firm doing business as The Galvanizing Company. This the bank denies. It admits that the firm was a depositor, but asserts that the money so deposited has been paid out upon the checks of the firm. To this the attaching creditor replies that some of the checks charged to the firm account were really the individual checks of one partner, and were not binding on the firm. This raised the question on which the case turned in the court below. The general rule undoubtedly is that the attaching creditor stands on no higher ground than his debtor. He acquires, by virtue of his attachment, no rights other than those his debtor possessed. The determination of the question in this case requires, therefore, the adjustment of the account between the bank and its depositor. To facilitate such an adjustment, the attaching creditor presented to the referee fifteen requests for findings of facts from the evidence before him. Ten of these were considered, and the findings made substantially as requested. They showed the formation of a partnership between Laverty and Scully under the firm name of the Manufacturers' Galvanizing Company, in August, 1886, and its dissolution in a state of insolvency in February, 1889. They showed that the articles of copartnership required that all checks and drafts should be signed by both parties, and that, to give

effect to this stipulation, a form of check for use by the firm was prepared and lithographed, having two lines for signatures, at the end of one of which the word "Chairman" was printed, and at the end of the other the word "Treasurer." It further appeared that this provision in the articles of partnership was communicated to the bank soon after, or at the time, the firm account was opened, and the form for executing checks by the firm entered on the signature book of the bank. The fact further appears that from the opening of the account in August, 1886, down to within about four months of the dissolution of the firm the partners and the bank conformed to the articles of partnership, and all checks were signed by both parties, in accordance with the lithographed form of check. In a few instances, checks were paid bearing but one name, but the other was added at the first opportunity, and at the request of the bank, so that, of several thousands of checks drawn, all bore the name of both partners until about four months before the dissolution. At that time Scully began to draw a series of checks in addition to those bearing both names, which were executed by himself only, for purposes and in transactions not entered on the firm books, nor known to his partner. These checks were 101 in number, and amounted to $8,101.63, and were repudiated by Laverty as soon as they came to his knowledge. In the remaining five requests for findings, the referee was asked to say that, while these checks were being drawn by Scully, he was carrying on business outside the scope of the partnership, without the knowledge or consent of his partner, not entered upon the firm books, which resulted in losses, and caused the insolvency of the firm; and that, if the bank had not paid the checks in controversy, this losing business could not have been carried on by Scully. The referee was asked also to find and report to what partnership purpose, if any, these checks were applied. The referee was of opinion that these requests related to subjects that were not material to the present controversy, and reported that he "did not think it necessary to decide" upon them, because they were important only in "settlement of the equities between the partners." This may be so, but is by no means certain, until the facts are found. If, as between the bank and the partnership, the payment of these checks was unauthorized, then the bank is not entitled to a credit for them as against the garnishee. It is very clear that the checks were drawn in violation of the partnership agreement, and paid in utter disregard of the notice to the bank, and the mode of execution appearing on the signature book. The paying teller understood this, and refused payment of these checks. He paid them only under the direction of the cashier, who was the father of John Scully, Jr. Upon these facts the bank took the risk of their being drawn for a legitimate partnership purpose, and is entitled to credit no further than it is able to show that the money drawn upon them was used in payment of obligations for which the firm was legally bound. For this reason the referee should have found, as requested, to what purpose the money drawn by Scully on checks signed by himself was actually applied, so that his general finding that the money was applied to partnership purposes might be examined in the light of the facts which led him to this conclusion. He should also have determined whether the business conducted by Scully without the knowledge of his partner was the business in which these checks, or any portion of them, were used, and, if so, whether the debts so contracted were binding on the firm. The mere fact that Scully behaved in bad faith towards his partner is unimportant. The question to be determined between the plaintiff and the garnishee is whether the bank is entitled to credit for the checks drawn by Scully alone; and this, as we have seen, depends on whether these checks or

their proceeds were applied to obligations legally binding on the firm. The judgment is reversed, and the record remitted, that the further findings indicated above may be made.—*Atlantic Reporter.*

LEGAL MISCELLANY.

NEGOTIABLE INSTRUMENTS—LIMITATION OF ACTIONS.—The Statute of Limitations begins to run in favor of the drawer of a check at the latest after the lapse of a reasonable time from the presentment of the check. [*Scroggin* v. *McClelland*, Neb.]

NEGOTIABLE INSTRUMENTS—SET-OFF.—Any set-off to a promissory note which would have been good between original parties may be pleaded against an indorsee who acquires it after maturity, as he takes it subject to any set-off which the maker had against any prior holder. [*Wilbur* v. *Jeep*, Neb.]

BANKS—SAVINGS BANKS.—Laws 1882, ch. 409, § 283, making it unlawful "to advertise or put forth a sign as a savings bank, or in any way to solicit or receive deposits as a savings bank," does not forbid the carrying on of a business substantially as that of a savings bank, but it only forbids the conducting of such business under a claim or pretense of being a savings bank. [*People* v. *Binghamton Trust Co.*, N. Y.]

BANKS—SAVINGS BANKS.—One who seeks to charge as a partner a person who has purchased stock in an organized bank doing business as a savings bank has the burden of proving that the bank was a partnership, and not even a *prima facie* case is made by evidence that the bank was organized under the name of the Home Savings Bank, with a president, cashier, and board of directors; that its certificates of stock recited organization under the laws of the State, and the division of its capital into shares of $100 each, and that its profits were distributed in the shape of dividends on stock. [*In re* Gibb's Estate, Penn.]

BANKS AND BANKING—NATIONAL BANKS—TAXATION.—Rev. St. § 5,219 prohibits an adverse discrimination by a local Government in the valuation of National bank stock for assessment, as compared with the assessment by the same Government for the same year of other moneyed capital invested so as to make a profit from the use thereof as money. [*Puget Sound Nat. Bank of Seattle* v. *King County*, U. S. C. C., Wash.]

CORPORATIONS — INDIVIDUAL LIABILITY OF STOCKHOLDERS.—Under the provision of the Kansas constitution that "dues from corporations shall be secured by individual liability of the stockholders to an additional amount equal to the stock owned by each stockholder and such other means as shall be provided by law," stockholders of corporations organized under the laws of Kansas are individually liable to corporate creditors to an amount equal to their stock, the constitutional provision being self-executory. [*Fowler* v. *Lamson*, Ill.]

NEGOTIABLE INSTRUMENT—ASSIGNABILITY.—An agreement to pay interest on a certain sum during the lifetime of a payee on his wife is assignable, under Rev. St. 1881, § 5,501, providing that all notes or instruments in writing, signed by any person who promises to pay money, or acknowledges money to be due, shall be negotiable by indorsement. [*McWhorter* v. *Norris*, Ind.]

NEGOTIABLE INSTRUMENT—EXTENSION—CONSIDERATION.—A promise to pay interest is a sufficient consideration for a promise to extend the time for the payment of a note. [*Moore* v. *Redding*, Miss.]

NEGOTIABLE INSTRUMENT — COUNTERCLAIM — PAROL EVIDENCE.—In an action on an accepted draft, defendant may show by parol, in support of his counterclaim alleged to have existed prior to the acceptance, that it was agreed between the parties that the acceptance should not operate as a waiver of the claim, as such evidence does not vary the terms of the written instrument, but only rebuts the presumption of waiver. [*Bohn Manuf'g Co.* v. *Harrison*, Mont.]

NEGOTIABLE INSTRUMENT—PAROL EVIDENCE—FRAUD.—If the maker of a negotiable note proves that there was fraud in the inception of the instrument, or if the circumstances raise a strong suspicion of fraud, the owner must then respond by showing that he acquired it *bona fide* for value, in the usual course of business, while current, and under circumstances which create no presumption that he knew the facts which impeach its validity. [*Brook* v. *Teague*, Kan.]

NEGOTIABLE INSTRUMENT—PAYMENT.—Plaintiff sent for collection a demand draft on defendant, to a bank with which defendant had an account. When drafts on defendant were sent to such bank for collection, he was accustomed to write his acceptance thereon, and to pass them back to the bank, where they were treated by defendant and the bank as checks. Defendant, according to such custom, wrote his acceptance on the draft in suit, passed it back to the bank, and charged himself with it in his pass book, but the bank failed, and never paid plaintiff: *Held*, That the transaction between defendant and the bank did not constitute payment. [*State Bank of Midland* v. *Byrne*, Mich.]

CORPORATIONS—STOCKHOLDERS.—Where in an action by a stockholder against the corporation and other stockholders for an accounting of moneys paid out to them for salaries in fraud of complainant's rights, it is alleged that the management of the corporation is in the hands of officers and stockholders who have conspired to absorb the profit by the payment of excessive salaries, it is immaterial whether a request for a redress of grievances was made or not, before suit brought. [*Eaton* v. *Robinson*, R. I.]

BANKS AND BANKING—DEPOSITS—INTEREST.—The fact that there are several entries in the books of a bank and in the pass book of a depositor of allowance of interest on his account, is not sufficient to prove a contract by the bank to pay interest while the deposit should remain, where it is proven that after the entries were made the officers of the bank on several occasions told the depositor that it was against their rules to pay interest, and that they would not pay it, and that he apparently acquiesced. [*McLoghlin* v. *National Mohawk Valley Bank*, N. Y.]

BOARD OF TRADE—USURPATION OF POWER.—If a board of trade of a city and its officers are assuming and exercising authority not conferred on them by the statute regulating public warehouses and the inspection of grain, there is ample authority in the State, by its public officers, in an appropriate proceeding, to prevent the unlawful exercise of power, and compel obedience to the law; but another board of trade, which suffers no particular and substantial injury by the unlawful exercise of power or the non-observance of the law, cannot maintain injunction against the offender. [*Jones* v. *Board of Trade of Kansas City*, Kan.]

CHECK—SIGNATURE—BURDEN OF PROOF.—The genuineness of the signature on a check in suit may be put in issue by a denial not made by the person whose signature it purports to be, and the burden of proof on that issue is on the person making the denial. [*Shaw* v. *Jacobs*, Iowa.]

NEGOTIABLE INSTRUMENT—PRESUMPTION AS TO PAYMENT.—Possession by the maker before maturity, and after it has been in circulation, of a note payable "on or before" a certain date, is presumptive evidence of its payment. [*First Nat. Bank* v. *Harris*, Wash.]

NEGOTIABLE INSTRUMENT—PRINCIPAL AND AGENT—NOTICE.—Where an agent invested his principal's money in notes after their maturity, with notice of the equitable defenses to the notes, the principal is not a *bona fide* holder, as notice to the agent was notice to the principal.—[*Knott* v. *Tidyman*, Wis.]

THE OLD GRANITE BANK, BOSTON.

There are few of the banks of Boston, if indeed there are any, which have a more interesting history than the Second National, the successor of the old Granite Bank, now and for the last quarter of a century located in the Sears Building on Washington street. The Granite Bank was for may years of its earlier history a part of the Suffolk bank system, which was introduced about 1825, and which gave tone and direction to New England banking in the subsequent years. The principle on which it established its business was: "That if any bank will deposit with the Suffolk Bank the sum of $5,000 as a permanent deposit, with such further sums as shall be sufficient from time to time to redeem its bills taken by this bank, such bank shall have the privilege of receiving its own bills at the same discount at which they are purchased." This principle made the Suffolk the general agent in Boston for the New England banking business, and the other Boston banks were partners in this system until, in 1858, the Bank of Mutual Redemption was established for the special purpose of serving as agent of all the New England banks in the redemption of the bills. Some idea of the business of the Suffolk may be formed from the fact that the amount of foreign money which passed through it in 1857, the last year of its service as the agent of the associated banks of Boston, was upwards of $400,000,000, a larger sum than the redemption agency at Washington, under the National banking system, has ever been required to handle in the same length of time, and this was done at the expense of only about $40,000.

It was in 1831 that a movement was started for the organization of a new bank, and in March, 1832, the legislature granted a charter for the Mercantile Bank with a capital of $500,000 to be established on Commercial street, or as near as possible to Exchange wharf. The stock of the new institution was soon subscribed for. Some of the more prominent stockholders being E. Weston, one of the great ship owners of the time; M. P. Wilder, Jos. V. Bacon, L. Sellison, B. C. Clark, father of the present police commissioner; Samuel May, David Henshaw, Robert G. Shaw, Joseph Lord, Geo. Hallett, S. S. Lewis, W. Sprague, W. Savage, B. T. Reed and D. D. Brodhead. These, with the other names which were added, made an exceptionally strong list of stockholders. The charter was extended for a year in March, 1833, and in the following April the meeting for organization was held. The following were chosen as the first board of directors, to have office until October: John Binney, John Brown, Chas. Henshaw, Enoch Train, A. C. Lombard, Samuel S. Lewis, W. F. Shaw, J. McGregor, Sherman G. Hill, Jno. Hellett, and Benj. Lincoln, Jr. With the exception of two or three of these who declined to serve, this board was re-elected in October, the charter

having in the meantime been amended so that the name was changed to Granite instead of Mercantile Bank.

The first place of business was near the head of Commercial wharf in the large granite block from which the bank took its own name, and the new institution speedily became one of the first rank among the banks of Boston. Some years later the place of business was changed for a location in the so-called Allen Building, on State street, directly opposite Kilby. From there it moved across the street to No. 61, a building which has since been torn down, and the site of which now forms a part of that of the Merchants' Exchange. From here, in 1850, it removed to the corner of Merchants' row and State street, in the building still standing and bearing the name of the Granite Bank Building, and here it remained till 1869, when it removed to its present quarters in the Sears Building. It is perhaps worthy of note that the Sears' trustees only entered on the construction of the building on condition that the bank would occupy it.

The institution has had reverses, perhaps the most serious being those which it sustained during the presidency of H. M. Holbrook, from 1854 to 1857. Mr. James H. Beal became one of the directors in 1851, then about 28 years of age, and became president in 1857, being then but 34, and was the youngest bank president in Boston. He retained the presidency until 1888, when he was succeeded by his son, who after leaving college was trained to the banking business. Mr. Beal, still in vigorous health, is the senior director, and is active in the affairs of the bank. His career as a Boston banker has been one of marked success. When he became director in 1851, his associates on the board were Geo. Denney, Charles Bowles, who was president from 1854 to 1857, Alpheus Hardy, J. V. Bacon, H. M. Holbrook, J. McGregor and G. R. Sampson. When Mr. Beal accepted the presidency, a large portion of the assets consisted of protested paper, and the stock was worth only 78. He says that Mr. McGregor was urged to accept the place, but in vain, and that probably had he himself been ten years older, with ten more years of banking experience, he would doubtless have declined it. The capital stock had been increased to $750,000 in 1851, and this was increased to $900,000 when the institution became the Second National Bank in 1864. Mr. Beal explains why so strong an institution as was the Granite by the beginning of 1864 became the "Second" instead of the "First" National. The latter title was taken by the Safety Fund Bank, an institution only founded two or three years previously under the general banking law of Massachusetts, and which made haste to secure the advantages offered by the new National bank law. The directors of the Safety Fund were young, enterprising men, while "ours," said Mr. Beal, "were older, conservative and mistrustful of changes. Had our directors been willing to let me go ahead, I should have secured the National franchise much earlier and our bank would have been the First National." Later we increased the capital stock to $1,600,000, at which it still remains. During the war the bank rendered much efficient service to the Government, and Mr. Beal and his associates in the management were in the thorough confidence of Secretary Chase. "These were the days of large figures," said Mr. Beal, "and the Government made heavy deposits with us. We were agents for the sale of bonds. I remember that we disposed of 3½ millions of the 7-30 issue in one week, of 6½ millions during another week, and of 4½ in still another." The present board of directors is Jas. H. Beal, E. W. Hutchins, W. G. Weld. Thos. P. Beal, W. L. Pierce, A. S. Wheeler, C. F. Fairbanks, J. W. Seaver and J. W. Wheelwright. Messrs. Wheeler and Fairbanks have each served on the board upwards of 30 years.

BOOK NOTICES.

The Theory and Practice of Banking. By HENRY DUNNING MACLEOD, M. A. Fifth edition. Volume I. London: Longmans, Green & Co., and New York, 1892.

The Theory of Credit. By HENRY DUNNING MACLEOD, M. A. Second edition, in two volumes Volume I. London: Longmans, Green & Co., and New York, 1893.

The author's "Theory and Practice of Banking" is one of the most valuable books in modern economics. As is well known, the author is a very acute critic and deals unsparingly with all opponents. Of course, an author who deals unsparingly with others is likely to receive hard blows in return, and Mr. Macleod has not escaped. His critics have dealt with him in two ways; either they have denounced some of his propositions, especially the leading one in his work on "The Theory of Credit," that it is essentially the same thing as capital, or his opponents have ignored him as unworthy of notice. Yet, when everything has been said concerning the defects in his reasonings, it must be acknowledged that he is one of the most suggestive, acute and able writers in political economy and finance of this generation. "The Theory and Practice of Banking" contains by far the best account of the Bank of England that has appeared. It is true that Gilbart's work, especially the latest edition revised by Mr. Michie, contains an excellent historical account of the operations of the bank, but the criticisms and side-lights thrown on its operations by Mr. Macleod are of great value. We have called the attention of our readers to this work before, and can assure them that if they desire to study the history and workings of that great institution, which is about to celebrate its four-hundredth anniversary, and which, in many respects, is the greatest bank in the world, we can heartily commend this work for serious study.

"The Theory of Credit" has perhaps received more unfavorable criticism than any other of the author's works. He says: "It has been shown over and over again that credit is the name of a species of property, commodity, or merchandise, of the same nature as, but inferior in degree to, money; that it fulfills exactly the same function as money as a medium of exchange and circulation. It is a property, commodity, or merchandise cumulative to money; and is in all its effects on prices and production exactly equivalent to an equal sum of money. Credit is in fact to money what steam is to water; and like that power, while its use within proper limits is one of the most beneficial inventions ever devised by the ingenuity of man, its misuse by unskillful and unscrupulous persons has produced the most fearful calamities. Credit, like steam, has its limits; and we have now to investigate the proper limits of credit; and to explain the various methods by which it is extinguished."

These paragraphs contain the pith of the author's views on this subject. He declares that "credit is of the same nature as money, being the right or title to a future payment." Of course, many economists differ radically

from him in these statements. In the first place, two kinds of money are here mingled—representative money, like bank notes, and specie. No doubt a bank note is a right or title to future payment in specie, but specie is not a right or title to future payment in anything. This is true, unless the author means to assert that every kind of merchandise, houses, lands and goods, are also rights or titles to payment. It must be admitted that a few writers have given this broad meaning to the term. Thus defined, the author's statement may have a real meaning, but otherwise it is faulty. Gold money is desired, not simply because it can command other things in exchange, but because it can be transformed into articles of various kinds which have the power of satisfying human desire. The metal had these uses or utilities long before it was ever employed as money. In truth, the money function is a later one which has been superimposed on the metal. However, whether our criticisms are correct or not, the work displays abundant learning, a profound study of the opinions of others, and is deserving of the most careful reading by all who wish to inform themselves on this very important subject.

The Laws of the State of New York relating to Banks, Banking, Trust Companies, Loan, Mortgage and Safe Deposit Corporations, together with the Acts affecting Monied Corporations generally, including the Statutory Constitution Law, the General Corporation Law, and the Stock Corporation Law; also the National Bank Act and Cognate United States Statutes, with Annotations. By WILLIS S. PAINE, LL.D., author of "Paine's Law of Building Associations," etc. New York, 1894.

This work is well known, as three editions have already been published which have been noticed in the MAGAZINE. The work contains a historical account of banks and banking associations, including savings banks; the banking law of New York; trust companies; building and mutual loan corporations; co-operative loan associations; mortgage, loan and investment corporations; safe deposit companies; the general corporation law; the tax laws; the mode of dissolving corporations, and kindred matters. The fact that it has already gone through three editions is proof that it fills a useful place in the bank literature.

Pendant une Mission En Russie. A Travers L'allemange, per M. E. FOURNIER DE FLAIX. A Paris, Guillaumin & Cie. L. Larose, 1894.

This is a very interesting and valuable account of the economic condition of Germany. Though a strong friend of the Russian and as bitter an enemy of the German, everything is clearly and correctly seen. The work opens with a general description of the economic conditions of Germany. The description of the city of Hambourg is very elaborate and full of interest. The author describes the great quays and warehouses, and all of the structures which have risen as in a night in obedience to the inspiration of modern commerce. Then follows a long and valuable chapter on commerce and navigation. Next the author describes the city of Berlin, the growth of which has been astonishing. From a comparatively small and unimportant city located in the lonely sands of Northern Germany, it has become

one of the largest and most beautiful capitals of Europe. Magnificent structures have arisen everywhere, splendid streets, and a gayety prevails perhaps unequaled in any city in modern Europe. The second volume opens with a social description of Germany, followed by an elaborate account of the co-operative associations and the wealth of the empire. This volume is divided into two parts, the second dealing more especially with the political surroundings of Germany, its controversy for European supremacy and its relation to France. There have, indeed, been numberless books of the same general character, but not one that has come under our notice containing so many fresh and thoughtful observations. The work is well worthy of an English translation.

BANKING AND FINANCIAL ITEMS.

General.

GALLATIN ON BANK TAXATION.—In the course of his study of the bank-note tax, Representative Springer, chairman of the Committee on Banking and Currency, discovered in the Congressional Library a long-forgotten financial treatise by Albert Gallatin, Jefferson's Secretary of the Treasury. It is entitled, "Considerations on the Subjects of Banking Systems of the United States," and the edition in question was published at Philadelphia in 1831. In the chapter upon the establishment of the United States Bank, Gallatin wrote as follows respecting the power of Congress to tax bank notes: "Congress made and deemed it proper to lay a stamp duty on small notes which will put an end to their circulation. It may lay such a duty on all bank notes as would convert all the banks into banks of discount and deposit only and annihilate paper currency, and render a bank of the United States unnecessary in reference to that object. But if this last measure should be deemed pernicious or prove impracticable, Congress must resort to other and milder means of regulating the currency of the country. A bank of the United States, as has already been shown, was established for that express purpose."

A LARGE CHECK.—A check for £5,333,650 on the Bank of England, in payment for the Kimberley diamond mines, is said to be the largest ever drawn.

ANCIENT BANKING.—That the banking profession is a very old one is demonstrated by the discovery in Mesopotamia of stone plates covered with inscriptions. These plates were engraved with the stylus and afterward annealed to make their characters ineffaceable. Among the most valuable evidences of the life and customs of the people of Babylon and Nineveh 700 years B. C. were found veritable letters of credit, bills of exchange, with and without warranty, money obligations of all kinds, sight drafts made payable to indorser or bearer. These denote the existence at Babylon, 600 B. C., of a bank which must have done a considerable business and shows that it is not only in our day that capital is used to give impetus and keep alive industrial pursuits.

Eastern States.

HARTFORD, CONN.—The special report of the State Bank Commissioners on foreign mortgage and investment companies shows that there are ten investment companies doing business in the State which have increased their assets over one million during the past year, from $14,703,992 in 1892, to $15,868,671 in 1893. Of the companies that reported to the Commissioners Oct. 1, 1892, 12 have withdrawn from business in this State and one new one has been added. Several have withdrawn for lack of business and four are in the hands of receivers.

BOSTON, MASS.—At the annual Bank Officers' Association of Boston, the president, Mr. George B. Ford, presided, and there was a fairly good attendance of members. The reports of the several officers were received and accepted. Treasurer

H. A. Tenney reported a balance in the treasury of $2,434.90, and that the permanent fund now amounted to $6,559.21. The Entertainment Committee reported that the receipts from the minstrel show given during the winter were $2,006.20, the expenses $1,573.38, making the net proceeds only $472.82. The membership was reported to be 550, and it was voted to continue the death benefit at $300, with $5 additional for each year of membership. The following named officers were elected: President, George B. Warren; vice-presidents, L. W. Berlin, Frank Tent; treasurer, H. A. Tenney; secretary, E. A. Stone; directors for two years, J. J. Ferguson and W. S. Draper; trustee for three years, J. J. Eddy; auditing committee, George E. Viallie, J. Adams Brown and J. C. Holmes.

MANCHESTER, N. H.—Hon. Nathan Parker died on the first of May, at the fine age of 86. He came of a family of able, keen-minded men, noted for their wise and circumspect business actions, and no man in New Hampshire enjoyed the confidence of the public in financial matters to a greater extent than did he. He could have made a success of any profession in life, but chose the banking business, and had always looked upon the money placed in his keeping through the various banking institutions with which he was connected, as funds in trust for him to care for according to his best ability. And as a result investments he made were always on the safe side. The institutions fortunate enough to have his managing attention have been very successful and have been conducted with conscientious integrity. He was a pattern banker, and his name was a synonym of honesty. Nathan Parker was a native of Litchfield, where he was born November 21, 1808. He was the son of Deacon Matthew Parker and Sarah Underwood, daughter of Judge James Underwood, of that town. He was the youngest of six children, and lived at Litchfield till 17 years of age, getting his education at the schools of his native town and at Henniker. He then went to Merrimack and engaged in business, leaving that place to come to Manchester in 1840, where he continued in trade building up a large and lucrative business. The town was in its infancy and beginning to grow, and Mr. Parker sold large quantities of goods to the corporations and others who were building factories or houses. When the Manchester Bank was organized in 1845, he became its cashier, and held that office till the bank dissolved. He was the treasurer of the Manchester Savings Bank, which he started in 1846, taking the first deposit himself, and was a director and the president of the Manchester National Bank since its organization in 1865. He was a director and the treasurer of the Concord Railroad from 1867 to 1871, and its treasurer since 1873. Had been once treasurer, and at the time of his death was a director of the Manchester and Lawrence Railroad, and was also a director of the Concord and Portsmouth Railroad. In 1855–56 he was a member of the State Senate, and served in the House of Representatives in 1863–64. At one time he could have been president of the Senate had he chosen to accept of that office.

NEW YORK CITY.—Owing to the resignation of Edwin Packard, Walter G. Oakman has been elected president of the New York Guaranty and Indemnity Company. Mr. Oakman is eminently qualified to fill the position, as he has had a practical banking and railroad experience, having once been in the banking business in New York and subsequently a division superintendent on the Delaware, Lackawanna and Western Railroad. From 1884 to 1890 he was third vice-president, second vice-president and first vice-president of the Richmond and Danville Railroad, and in 1891 he became first vice-president of the Central Railroad of New Jersey. When the reorganization of the Richmond and West Point Terminal Company took place, Mr. Oakman became president of the Richmond and Danville Railroad, of the East Tennessee Railroad and the Richmond and West Point Terminal Company, when these three railroads became virtually one corporation. Mr. Oakman subsequently became receiver of the Richmond and West Point Terminal Company, and held that position until his recent election as president of the New York Guaranty and Indemnity Company. Adrian Iselin, Jr., the banker, continues as vice-president. The other officers of the company are George R. Turnbull, second vice-president; Henry A. Murray, treasurer and secretary; and J. Nelson Borland, assistant secretary. The directors include, in addition to the president and vice-president, the following well-known gentlemen: Samuel D. Babcock, George F. Baker, Frederic Cromwell, Walter R. Gillette, Robert Goelet, George Griswold Haven, Oliver Harriman, R. Somers Hayes, Charles R. Hender-

son, Augustus D. Juilliard, James N. Jarvie, Richard A. McCurdy, Alexander E. Orr, Walter G. Oakman, Henry H. Rogers, Henry W. Smith, H. McK. Twombley, Frederick W. Vanderbilt, William C. Whitney and J. Hood Wright.

NEW YORK CITY.—Kuhn, Loeb & Co., the long-established banking firm, has removed from its temporary quarters, at No. 59 Cedar street, to the excellent new bank and office building Nos. 27–29 Pine street, between Nassau and William streets. The new building is of granite, thirteen stories in height, and has a frontage of fifty-one feet and a depth of ninety-five feet. It is finished in the most modern commercial style, and equipped with three elevators and all business conveniences. The completion of this modern bank building is of itself the amplest evidence of the popularity and prosperity which this firm has attained during its long career.

PHILADELPHIA.—The Market Street National Bank of Philadelphia which recently opened a "change counter" for public convenience, has introduced a safeguard against the misuse of blank checks, which are usually placed on the public desk in banking houses for the convenience of depositors. This new form of check, as in some other banks, has plainly printed on its face in large type "Counter Check," and it also has printed on the end the following words: "This check is only payable at counter and not to be used outside bank." The object of this form of check is, of course, to prevent strangers carrying the blanks away from the bank, as they will be useless elsewhere, and thus an inducement for probable forgeries is avoided.

PHILADELPHIA.—The Mercantile National Bank is the name of a new bank which it is proposed to locate in the building occupied by the Spring Garden National Bank. A number of business men and capitalists have taken the first step towards the organization of the new enterprise. Those who have pledged themselves to take stock and give to the movement their earnest support are Samuel Biddle, V. C. Sweatman, William H. Haines, John W. Woodside, Ellery P. Ingham, William H. H. Hering, Joseph S. Miller, A. M. Brinkle, and James Clarency. W. W. Harrison, the sugar refiner, is interested in the enterprise, and was represented by W. H. H. Hering. The capital stock is not to be less than 2,000 shares, of a par value of $100 each.

WASHINGTON, PA.—The First National Bank has decided to increase its surplus fund from $75.000 to $100,000.

WESTERN STATES.

IOWA.—The eighth annual meeting of the Iowa Bankers' Association will be held on the 13th and 14th of June. The following papers will be read: Hon. John McHugh, Cresco, "The Lesson of '93"; Hon. Geo. H. Carr, Emmetsburg, "The Banker and His Lawyer"; Maj. Hoyt Sherman, Des Moines, "The State Bank of Iowa"; Hon. E. R. Hays, Knoxville, "Iowa in the Panic"; Hon. S. B. Zeigler, West Union, "Money, Mirth and Misery in the Orient"; Hon. L. W. Lewis, Seymour, "Iowa Banking Legislation"; Hon. D. F. McCarthy, Des Moines, "Various Modes and Plans of Banking"; Mr. T. A. Black, Sioux City, "An Elastic Currency"; Mr. S. F. Smith, Davenport, "Impressions"; Mr. W. D. Evans, Hampton, "Some Observations on Banking and Bankers"; Hon. Fred. Heinz, Davenport, "The Promissory Note."

ST. LOUIS, MO.—The history of the old National Bank of the State of Missouri was closed in the United States District Court recently, unless, as is now unlikely, there should be claimants for about $2,000 belonging to certain stockholders of that institution. When the bank failed there was indebtedness of an unknown quantity, and an assessment was made upon the stock; but when the debts were paid there was a fund of $193,428.67, and the Court, last April, made a decree ordering Edgar T. Welles, agent of the stockholders, to distribute the money back to the contributors. The assessment yielded $264,218.07, and the balance above mentioned represented 73 208 per cent. of that amount. Mr. Welles got the fund all receipted for except $2,031.53, and for this amount he could find no claimants. James Ferguson is entitled to $1,793.00. Mr Welles has made diligent inquiry for him, but without avail. He disappeared several years before the bank failed, and his assessment was partially paid by the dividends that had accumulated on his stock. Frances (or

Fannie) V. Hubbard is entitled to $54.91. She was appointed administratrix of her father's estate, but never rendered an account, and she disappeared so completely from view that Mr. Welles could find no possible trace of her. Mrs. Mary Ridgway's credit is $91.51, and a like amount awaits Samuel Treat, *et al.*, trustees. These are practically one holding. The Ridgways were lost in the Hotel de Ville disaster, and the agent of the French line company informed Mr. Welles that they were never able to trace the family or anyone connected with them, although they made a diligent search. Judge Treat says that his trusteeship closed years ago, and he does not know where any of the family reside, and he declines to receive the money as he does not know to whom he could pay it. Mr. Welles reported that there was no probability of his discovering these parties within any reasonable time, as he had been making the inquiry for more than two years already. He therefore asked leave to pay the balance of the fund into Court and to stand discharged with his sureties. The order was made, and the fund is now in the hands of the Court in trust for the claimants should they ever appear.

MACON, MO.—The Macon County Bankers' Association has been effected by the bankers of this county. The object is mutual protection and co-operation. The officers are: W. J. Biggs, of the La Plate Savings Bank, president; John Scovern, First National Bank, Macon, vice-president; H. M. Robey, First National Bank, Macon, treasurer; W. R. Compton, Bank of Macon, secretary. The Macon County banks are all in a solid financial condition, and have been enjoying a splendid business.

MICHIGAN.—Abstract of reports made to the Commissioner of Banking, showing the condition of the State Banks in Michigan at the close of business on Friday, the 4th day of May, 1894.

Resources.

Loans and discounts	$33,503,069 14	
Stocks, bonds and mortgages	25,578,107 20	
		$59,081,176 34
Overdrafts		171,851 38
Banking house, furniture and fixtures		1,606,128 55
Other real estate		630,129 23
Current expenses and taxes paid		307,924 57
Interest paid		194,687 83
Due from banks in reserve cities	$8,523,596 66	
Due from other banks and bankers	450,947 27	
Exchanges for clearing house	292,995 63	
Checks and cash items	205,665 46	
Nickels and cents	29,316 54	
Gold coin	1,710,673 28	
Silver coin	296,219 30	
U. S. and National bank notes	2,186,303 00	
		13,695,717 14
Total		$75,687,615 04

Liabilities.

Capital stock paid in		$12,346,665 00
Surplus fund		2,518,314 72
Undivided profits		2,403,700 23
Dividends unpaid	$2,905 89	
Commercial deposits subject to check	15,953,869 31	
Certificates of deposit	6,685,232 53	
Savings deposits	33,438,114 70	
Certified checks	74,120 20	
Cashier's checks outstanding	21,644 52	
Due to banks and bankers	1,594,042 91	
		57,769,930 06
Notes and bills re-discounted		508,369 60
Bills payable		140,635 43
Total		$75,687,615 04

CHEBOYGAN, MICH.—While some of the savings banks in Michigan reduced their interest payments on deposits from 4 to 3 per cent., a Cheboygan bank has raised the rate from 3 to 4.

ILLINOIS.—The reports of State banks, showing their condition on the morning of May 17, called for by Auditor Grove, have all been received and tabulated by the Auditor. There are 123 State banks in Illinois, and the figures show an increase of $6,500,000 00 in total resources since February 28, 1894, when the last call was made, and an increase of $6,000,000.00 in deposits. The average cash reserve held by the banks is 43 per cent. The following is a summary of resources and liabilities:

Resources.

Loans and discounts	$67,207,651 92
Overdrafts secured and unsecured	220,553 10
United States bonds	178,077 62
Other bonds and stocks	9,780,397 01
Cash on hand	17,232,267 58
Due from other banks	20,220,671 12
Banking house	399,191 28
Other real estate	287,983 18
Furniture and fixtures	307,547 50
Current expenses, including taxes	252,375 37
Checks and other cash items	2,020,581 03
Collections	95,098 26
	$118,202,394 97

Liabilities.

Capital stock paid in	$17,812,000 00
Surplus fund	5,763,400 00
Undivided profits	3,516,001 36
Dividends unpaid	3,917 00
Savings deposits, subject to notice	22,203,127 26
Individual deposits subject to check	48,916,884 44
Demand certificates of deposit	3,366,951 15
Time certificates of deposit	7,923,483 72
Certified checks	481,436 03
Cashiers' checks outstanding	805,012 10
Due to other banks	6,930,075 88
Bills payable and notes rediscounted	478,106 03
	$118,202,394 97

CINCINNATI.—A two-dollar note deposited in the Miami Valley Bank recently bore the following inscription: "The last of a fortune of $48,000."

MILWAUKEE, WIS.—A move will shortly be made by the bankers of Milwaukee to arrange for closing all banks in the city at 12 o'clock noon on Saturdays during the summer, beginning about June 1st. For more than a year past the banks of Chicago have carried out this arrangement, winter as well as summer, and they report that it has been in every way satisfactory to business men as well as to the banks.

SOUTHERN STATES.

ORLANDO, FLA.—The First National Bank, which suspended several months ago, has resumed business. All the old directors resigned and a new board was chosen. W. B. Jackson being chosen president and I. W. C. Parker cashier.

LOUISVILLE, KY.—The American National Bank has elected the following officers: President, J. H. Lindenberger; vice-president, Logan C. Murray; cashier, Charles Warren; assistant cashiers, Clinton McClarty, Jr., Harry C. Truman. Mr. Logan was also made the eleventh director.

NEW ORLEANS, LA.—At the last regular monthly meeting of the associated accountants the reports of the secretary and treasurer showed the institution to be in a very healthy financial condition. After the routine business of the association had been completed, the subject of banking was presented by Wm. Palfrey, Esq., cashier of the New Orleans National Bank. Mr. Palfrey gave a most instructive discourse on the practical workings of a bank. He divided his subject into four parts—first, the business of a bank; second, its officers; third, its employes; fourth, its machinery. He elaborated each head in a thorough manner, quoting from high banking authority and giving his own experience to elucidate and make clear his premises and conclusions. He defined a bank to be an organized and legalized money lender,

and as such it should endeavor, so far as possible, not to loan to any one particular branch of the business community in preference to another. That it should so distribute its loans that no matter what financial complications might arise, its loans would be so diversified and its risks so divided that it would lose very little money. He showed that a bank should not be organized or its business conducted for any one set of men or class of people or section of country. That a bank should endeavor to weld together the different classes and conditions of the community, so that all may contribute to its success and prosperity. He showed that it should not loan a disproportionate amount to any one person or firm. He maintained that it was the duty of the patrons of a bank, when they desired to borrow money from the institution, to make a full and frank showing of their financial condition. He said the money the bank was loaning was not the property of the bank, but was the property of the stockholders and depositors, which the bank held in trust. Consequently great care should be taken when granting accommodation to customers, and hence the need for a thorough understanding of the financial condition of the patrons or borrowers of the bank. All these points he sustained by reference to an address on the subject by Mr. James G. Cannon, vice-president of the Fourth National Bank of New York. He gave special attention to the officers, directors and employes of the bank, and their reciprocal relationship to each other and to the institution, and showed that all should work as one harmonious whole for the success of the institution. At the conclusion of Mr. Palfrey's address a general discussion of the subject took place by the following members: P. W. Sherwood, R. S. Venable, N. Cluney, T. Clements, H. Daspit, A. M. Benedict and Prof. George Soule. After this general discussion of the matter Prof Soule closed the subject by quite an extended history of banking. He commenced with the Bank of New Ilium, in the second century B. C., and followed the institution of banking down to the present time. He gave special attention to the Bank of Venice, organized A. D. 1171, which was for many ages the admiration of Europe. He defined the "wild-cat" system of some fifty years ago, which played financial havoc with the people of the Western States. He reviewed the specie fund system, the Suffolk Bank system, the safety fund system, the free banking system, and the present United States National banking system, contrasting each with the other, and showed the points of merit possessed by the present National banking system over all the other systems. He also paid his respects to the Bank of the United States, which was organized in 1816 and which closed its doors in 1840, after losing its entire capital of $35,000,000.

JACKSON, MISS.—At the Bankers' Association T. R. Roach, of New Orleans, read an able paper on "Elasticity of the Currency." Also one on "Lessons From the Panic of 1893." T. F. Davis, of Rosedale, submitted an interesting paper on "The Evils of Overdrafts." "Duties of Patrons to Bank," was well handled by C. R. Sykes, of Aberdeen, and James E. Negus presented the other view, "The Duty of a Bank to Its Patrons," in an interesting manner. After considerable discussion, a resolution offered by Mr. Robinson, of Meridian, was adopted, memorializing Congress to repeal the 10 per cent. tax on State banks. B. W. Griffith read an interesting paper on his mission to Chicago in 1893 as delegate to the American Bankers' Association. The officers elected were J. W. Griffis, of Grenada, president; C. W. Robinson, of Meridian, vice president; B. W. Griffith, of Vicksburg, secretary and treasurer. Jackson was selected as the permanent place of meeting. The association was tendered a magnificent banquet at the Lawrence House by the local banks of Jackson.

CHATTANOOGA, TENN.—The Tennessee State Bankers' Association held their fifth annual convention on Lookout Mountain. This was the largest gathering the State bankers yet held. The following officers were chosen: President, Herman Justi, president of the First National Bank, of Nashville. Vice-Presidents: D. N. Kennedy, president Northern Bank of Tennessee, of Clarksville; J. Arnold, president Bank of Cookeville; John C. Anderson, president National Bank of Bristol. Secretary, John W. Faxon, assistant cashier First National Bank of Chattanooga. Treasurer, William P. Halliday, assistant cashier Memphis National Bank. Executive Council: F. O. Watts, cashier Union City First National Bank; J. T. Howard, cashier Fourth National Bank, Nashville; F. L. Fisher, cashier East Tennessee National Bank, Knoxville. A. J. Rooks, of the Somerville

Bank, offered the following resolution, which was adopted: "Resolved, That the Tennessee Bankers' Association, whose membership is composed of State as well as National banks, believe that a uniform currency for the entire country is to the best interests of the people; therefore, we do now reaffirm our past former deliberations and are opposed to the unconditional repeal of the present tax on State bank circulation."

Sterling exchange has ranged during May at from 4.88½ @ 4.90 for sight, and 4.87¼ @ 4.88 for 60 days. Paris—Bankers', 5.15⅝ @ 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, 4.87¼ @ 4.87¾; bankers' sterling, sight, 4.88½ @ 4.89½; cable transfers, 4.88¾ @ 4.89¾. Paris—bankers', 60 days, 5.16⅞ @ 5.16¼ 1-16; sight, 5.15⅝ @ 5.15 1-16. Antwerp—Commercial, 60 days, — @ —. Berlin—Bankers', 60 days, 95 5-16 @ 95⅜; sight, 5.15⅝ @ 5.15 1-16. Amsterdam—Bankers', 60 days, 40 5-16 @ 40⅜; sight, 40 7-16 @ 40½.

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

1894.	*Loans.*	*Specie.*	*Legal Tender.*	*Deposits.*	*Circulation.*	*Surplus.*
May 5..	$465,162,100	$100,082,100	$127,399,600	$578,694,200	$10,115,500	$82,808,150
" 12..	467,485,200	100,450,900	124,965,000	579,125,300	10,072,800	80,634,575
" 19..	467,010,100	100,607,600	122,938,000	578,185,900	10,028,600	78,999,125
" 26..	466,776,900	99,724,600	121,426,800	574,193,800	9,991,000	77,601,700

The Boston bank statement is as follows:

1894.	*Loans.*	*Specie.*	*Legal Tender*	*Deposits.*	*Circulation.*
May 5.....	$170,490,000	$10,466,000	$9,171,000	$168,254,000	$7,324,000
" 12.....	169,757,000	10,796,000	10,014,000	168,298,000	7,341,000
" 19.....	168,680,000	10,870,000	10,453,000	168,029,000	7,331,000
" 26.....	168,579,000	10,855,000	10,524,000	166,376,000	7,303,000

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

1894.	*Loans.*	*Reserves.*	*Deposits.*	*Circulation.*
May 5	$101,947,000	$39,393,000	$113,791,000	$4,820,000
" 12	102,590,000	39,715,000	115,240,000	4,817,000
" 19	103,544,000	40,157,000	116,438,000	4,798,000
" 26	101,108,000	39,378,000	115,363,000	4,803,000

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

Quotations:	May 7.	May 14.	May 21.	May 28.
Discounts	3 @ 3¼	4 @ 5½	3½ @ 4	4½ @ 6
Call Loans	1	1	1	1
Treas. balances, coin	$98,697,694	$94,688,599	$89,486,826	$89,287,758
Do. do currency	52,145,088	52,688,921	55,691,231	56,759,714

DEATHS.

BEARCE.—On May 5, aged fifty-six years, H. M. BEARCE, President of Norway National Bank and Treasurer of Norway Savings Bank, Norway, Me.

DAY.—On May 24, aged sixty-five years, ROBERT E. DAY, President of Security Company, Hartford, Conn.

MORRISON.—On May 4, aged seventy-six years, WM. MORRISON, Cashier of Morrison-Wentworth Bank, Lexington, Mo.

NOYES.—On May 9, aged fifty-seven years, WOODBURY NOYES, President of Haverhill Savings Bank, Haverhill, Mass.

SAGENDORF.—On May 14, aged fifty-six years, G. H. SAGENDORF, Cashier of Mutual National Bank, Troy, N. Y.

SAYLES.—On May 7, aged sixty-nine years, WILLIAM F. SAYLES, President of Slater National Bank of Pawtucket, R. I.

WELLMAN.—On May 13, aged sixty years, WARREN W. WELLMAN, Cashier of First National Bank, Salamanca, N. Y.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from May No., page 874.)

State.	Place and Capital.	Bank or Banker.	Cashier and N. Y. Correspondent.
CONN...	Watertown. ...	Watertown Savings Bank..	.....
		Augustus N. Woolson, *P.*	Burton H. Mattoon, *Tr.*
		Charles B. Mattoon, *V. P.*	
FLA....	Kissimmee.....	Osceola Co. State Bank. .	Hanover National Bank.
	$15,000	Jno. M. Lee, *P.*	Edw. Nelson Fell, *Cas.*
			P. A. Vans Agnew, *Asst.*
GA.....	Waycross	Bank of Waycross.....	.....
	$50,000	Frank C. Owens, *P.*	Newton Woodworth, *Cas.*
		H. W. Reed, *V. P.*	
ILL.....	Jerseyville.....	Nat. Bank of Jerseyville...	....
	$50,000	Andrew W. Cross, *P.*	Edward Cross, *Cas.*
"	. Normal.....	G. G. Johnson's Bank	Phenix National Bank.
			Gilbert G. Johnson, *Cas.*
			A. L. Moore, *Asst.*
"	..West Pullman..	West Pullman Bank.....	.....
		(Jocelyn & Wisner.)	
IND.....	Brook.....	Bank of Brook	.....
	$9,000	George Turner, *P.*	John B. Lyons, *Cas.*
		John Esson, *V. P.*	F. Lyons, *Asst.*
"	..Otterbein.....	State Bank of Otterbein...	Chase National Bank.
	$25,000	J. H. Van Natta, *P.*	R. H. Bolt, *Cas.*
"	..Terre Haute....	Terre Haute Trust Co....	.....
		I. H. C. Royse, *P.*	Chas. Whitcomb, *Sec.*
		M. S. Durham, *V. P.*	
IOWA...	Benton.....	McKnight's Exch. Bank...	.....
		E. McKnight, *P.*	J. McKnight, *Asst.*
"	..East Peru.....	Citizens Bank.....	.....
			Perry S. Wright, *Cas.*
"	..Farmington....	Farmers Savings Bank....	.....
	$25,000	John Sax, *P.*	John Whitten, *Cas.*
		J. J. Gillie, *V. P.*	
"	..Rolfe.....	First National Bank.....	.....
	$50,000	J. P. Farmer, *P.*	J. W. Warren, *Cas.*
"	..Ute.....	Farmers & Merch. Bank...	....
		L. F. Smith, *P.*	
		J. G. Haskins, *V. P.*	
KAN....	Chanute	Bank of Commerce.....	.....
	$5,000	S. W. Sturdevant, *P.*	James L. Lyen, *Cas.*
		S. A. Lyen, *V. P.*	O. W. Sturdevant, *Asst.*
"	..Sedgwick.....	Sedgwick State Bank.....	Hanover National Bank.
	$5,000	Robert W. Hall, *P.*	John L. Buck, *Cas.*
KY..	..Kuttawa.....	Citizens Bank.....	Hanover National Bank.
		A. J. Conant, *P.*	S. J. Snook, *Cas.*
		J. C. Glenn, *V. P.*	
MICH...	Kalkaska.....	Kalkaska City Bank.....	.....
	$50,000	Ambrose E. Palmer, *P.*	Josiah C. Gray, *Cas.*
		Wm. H. Bockes, *V. P.*	
"	..Mt. Pleasant....	Exchange Savings Bank...	Chase National Bank.
	$25,500	D. H. Nelson, *P.*	G. A. Dusenbury, *Cas.*
		John Kinney, *V. P.*	Wm. C. Dusenbury, *Asst.*
"	..Ubly..... .	Citizens Bank.....	.....
		Albert E. Sleeper, *P.*	Darley Leach, *Cas.*
		A. W. Merrill, *V. P.*	
MINN...	Monticello.....	Citizens State Bank.....	Bank of New York, N. B. A.
	$20,000	E. B. McCord, *P.*	Chas. Bradford, *Cas.*
		T. G. Mealey, *V. P.*	
"	..Slayton.....	Citizens State Bank.....	.....
	$30,000	James Garrison, *P.*	Joseph P. Strong, *Cas.*

State.	*Place and Capital.*	*Bank or Banker.*	*Cashier and N Y. Correspondent.*
Mo.	Jackson	Jackson Exchange Bank.	.....
	$10,000	Elam W. Russell, *P.*	Hugh R. Quinn, *Cas.*
		Henry R. English, *V. P.*	
*	Winfield	Bank of Winfield	.....
	$10,000	Franklin D. Hardesty, *P.*	John M. Barton, *Cas.*
		Wm. Beckermeyer, *V. P.*	
Mont.	Boulder Valley	Bank of Boulder	Chase National Bank.
	$30,000	Avery Belcher, *P.*	F. C. Berendes, *Cas.*
		J. C. Patterson, *V. P.*	
N. Y.	Afton	Church & Hill	Chase National Bank.
		Marshall G. Hill, *P.*	Geo. L. Church, *Cas.*
		Fred Church, *V. P.*	
*	Andover	Andover State Bank	Chase National Bank.
	$25,000	B. C. Brundage, *P.*	J. M. Brundage, *Cas.*
		James Owen, *V. P.*	
Ohio.	Pemberville	Strong Banking Co.	Ninth National Bank.
			Chas. S. Strong, *Cas.*
*	Toronto	Bank of Toronto	Third National Bank.
		E. C. Fox, *P.*	L. H. Hilsinger, *Cas.*
Ore.	Portland	Geo. W. Bates & Co.	Hanover National Bank.
	$50,000	Geo. W. Bates, *P.*	H. A. Pittinger, *Cas.*
Pa.	Chester	Chester Clearing House Assn.	....
		J. Howard Roop, *P.*	Geo. M. Booth, *Sec.*
			James A. G. Campbell, *Mgr.*
*	Lebanon	Peoples National Bank	.....
	$100,000	Joseph S. Lauser, *P.*	E. M. Woomer, *Cas.*
S. C.	Charleston	Enterprise Bkg. & Tr. Co.	Market & Fulton Nat. Bank.
		Julius J. Wescoat, *P.*	Wilson G. Harvey, Jr., *Cas.*
		N. A. Hunt, *V. P.*	
Tenn.	Columbia	Farmers & Merch. Bank	Hanover National Bank.
	$20,000	Bithal Howard, *P.*	Joseph F. Brownlow, *Cas.*
		J. P. Brownlow, *V. P.*	
Texas.	Alvord	Bank of Alvord	Western National Bank.
	$20,000		John L. Norris, *Cas.*
*	Brady	Commercial Bank	Hanover National Bank.
	$20,000	(W. D. Crothers.)	
Va.	Richmond	Metropolitan Bank	.....
		N. W. Nelson, *P.*	H. Williams, *Cas.*
		Thos. N. Carter, *V. P.*	
W. Va.	Parkersburg	Wood Co. Bank	Hanover National Bank.
	$80,000	H. L. Caswell, *P.*	Francis M. Durbin, *Cas.*
Wash.	Port Angeles	First Nat. B'k (Re-opened)	Hanover National Bank.
	$50,000	Charles W. Thompson, *P.*	Charles E. Mallette, *Cas.*
		Edmund Seymour, *V. P.*	C. P. Brown, *Asst.*
Wis.	Manitowoc	Bank of Manitowoc	Hanover National Bank.
	$50,000	L. D. Moses, *P.*	
		A. F. Morgan, *V. P.*	Clarence Hill, *Asst.*
*	Richland Center	Richland Co. B'k (Re-opened)	.....
		(Wm. H. Pier.)	J. H. Yeaman, *Cas.*
*	Washburn	First National Bank	Hanover National Bank.
	$50,000	A. C. Probert, *P.*	Edwin Probert, *Cas.*
			H. P. Axelberg, *Asst.*
*	Wittenberg	Bank of Wittenberg	.....
	$10,000	R. W. Roberts, *P.*	John Kloechner, *Cas.*
N. S.	Kentville	Union Bank of Halifax	National Bank of Commerce.
			C. N. S. Strickland, *Actg. Agt.*

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List, continued from May No., page 876.)

Bank and Place.	*Elected.*	*In place of.*
N. Y. CITY. Bank of Montreal.	Watson & Hebden, *Agts.*	Watson, Hebden & Shepherd.
" N. Y. Guaranty & Indemnity Co.	Walter G. Oakman, *P.*	Edwin Packard.
ARK.... Peoples Bank, Bentonville.	Geo. P. Jackson, *P.*	A. W. Dinsmore.*
	D. W. Peel, *Asst.*	J. F. Bohart.
" ..Guarantee Trust Co., Little Rock.	Allen N. Johnson, *P.*	Chas. F. Penzel.
" ..Howard Co. Bank, Nashville..	J. H. Grumbles, *P.*	M. M. Spears.
CAL.... First Nat. Bank, Los Angeles..	Wm. G. Kerckhoff, *V. P.*	John D. Bicknell.
" ..Bank of Winters.....	J. H. Wright, *Cas.*	J. B. McArthur.
COL.... Rocky Mountain Nat. Bank, Central City.	B. F. Lowell, *V. P.*	John Best.
" ..City Nat. Bank, Denver.....	M. Barth, *V. P.*	.....
	W. S. Iliff, *Cas.*	B. N. Freeman.
	Geo. S. Fraser, *Asst.*	D. K. Drake.
" ..First Nat. Bank, Greeley....	Asa Sterling, *P.*	B. D. Harper.
	Wm. Mayher, *V. P.*	Asa Sterling.
DAK. S. Bank of Iroquois	M. M. Wheeler, *Cas.*	C. F. Zimmerman.
FLA.... First National Bank, Orlando.	Wm. B. Jackson, *P.*	.....
	I. W. C. Parker, *Cas.*	.....
" .Exchange Nat. B'k, Tampa....	J. N. C. Stockton, *V. P.*	.....
GA..... Bank of Stewart Co., Lumpkin.	A. H. Simpson, *P.*	W. S. Gillis.
	E. P. Pearson, *V. P.*	A. H. Simpson.
" ..Merchants & Miners B'k, Tallapoosa.	W. J. McCurdy, *P.*	O. F. Sampson.
	T. J. Barrett, *Cas.*	E. F. Wright.
ILL..... First National Bank, Carmi..	John Land, *V. P.*	.....
	J. R. Webb, *Asst.*	.....
" ..Chicago Nat. B'k, Chicago	A. McNally, *V. P.*	.....
" ..Commercial Loan & Tr. Co., Chicago.	John Worthy, *P.*	Jas. B. Hobbs.
	John W. Gary, *V. P.*	John Worthy.
" ..Garden City B'k'g & Tr. Co., Chicago.	James H. Gilbert, *P.*	John Buehler.
" ..Bart City Bank, De Kalb.....	C. M. Conrad, *Cas.*	S. P. Bradshaw.
" ..Bank of Harvey.....	J. T. Mercer, *P.*	Wm. Lee.
" ..Oakland National Bank, Hyde Park.	H. W. Mahan, *Cas.*	John J. Knight.
	Geo. M. Groves, *Asst.*	.....
" ..First Nat. Bank, Normal.....	M. H. Hamilton, *Cas.*	.....
" ..Citizens Bank, Watseka.....	Samuel Williams, *P.*	.....
	Frank P. Martin, *Cas.*	.....
IND..... Exchange B'k, Churubusco.....	E. E. Gandy, *Cas.*	Wm. O. Gandy.
" ..Citizens Bank, Clinton.	W. L. Morey, *V. P.*	N. C. Anderson.
	A. W. Hedges, *Cas.*	W. H. Bonner.
" ..St. Joseph Valley Bank, Elkhart.	F. W. Miller, *V. P.*	.....
	W. S. Hazleton, *Cas.*	F. W. Miller.
" ..Bank of Commerce, Evansville.	August Leich, *Cas.*	F. Cook, Jr.
" ..State Bank of Indiana, Indianapolis.	Albert Sohm, *P.*	S. R. Holt.
" ..Farmers Bank, Mooresville.....	Robert R. Scott, *P.*	L. M. Hadley.
" ..Citizens State B'k, Rochester...	Lyman M. Brackett, *P.*	L. C. Curtis.
IOWA.... Algona State Bank, Algona....	T. H. Lantry, *Cas.*	Chas. C. St. Clair.
" ..Bank of Northwestern Iowa, Alton.	G. W. Pitts, *P.*	N. Kessey.*
" ..Anthon State Bank, Anthon....	C. A. Dobell, *Cas.*	Jno. R. Welch.
" ..Farmers & Merch. State B'k, Columbus Junc.	C. F. Butler, *P.*	F. A. Duncan.*
" ..Grinnell Savings B'k, Grinnell.	C. L. Walker, *Cas.*	Henry Lawrence.*
" ..Merchants Nat. B'k, Grinnell...	R. MacDonald, *2d V. P.*	.....
" ..State Bank, Manning.	C. D. Dewing, *P*	F. Moersheil.
	C. S. Bennett, *Cas.*	F. A. Bennett.
" . Monona Co. State Bank, Mapleton.	John R. Welch, *Cas.*	L. H. Gordon.

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
IOWA...	Farmers Bank, Swan.....	P. A. Logan, *P.*.....	James Logan.
		James Logan, *Cas.*.....	Wm. L. Camp.
" ..	Hamilton Co. State Bank, Webster City.	J. O. Lenning, *Cas.*.....	Cyrus Smith.
KAN....	Bank of Arcadia	J. W. Buchert, *P.*.....	T. H. Condon.
" ..	Caney Valley B'k, Caney.....	J. F. Blackledge, *Cas.*.....	P. S. Hollingsworth
" ..	Emporia Savings Bank, Emporia.	Howard Dunlap, *P.*.....	J. Jay Buck.
		J. Jay Buck, *V. P.*.....	.....
		L. Jay Buck, *Cas.*.....	H. Dunlap.
" ..	Bank of Erie.....	C. C. Dutton, *Cas.*.....	Wm. W. Work.
" ..	Bank of Fulton, Fulton.....	Fred. S. Hall, *P.*.....	.....
		John Bishop, *V. P.*.....	.....
		J. A. Pritz, *Cas.*.....	Fred. S. Hall.
" ..	Union Nat. Bank, Manhattan..	M. Floersch, *V. P.*.....	O. Huntress.
" ..	Moran Bank, Morantown.	Wm. Paske, *V. P.*.....	L. B. Kinnie.
		J. S. Miller, *Cas.*.....	J. L. Lyen.
" ..	Norton Co. State Bank, Norton.	S. J. Powell, *V. P.*.....	N. L. Johnson.
		N. L. Johnson, *Cas.*.....	M. Heaton.
" ..	Citizens Bank, Sedgwick.....	H. Goodell, *P.*.....	T. R. Hazard.
		W. M. Congdon, *V. P.*.....	M. Bartley.
" ..	State Bank of Soldier, Soldier.	P. Reilly, *P.*.....	K. C. Green.
		R. J. Tolin, *V. P.*.....	P. Reilly.
KY.....	Phœnix Nat. Bank, Lexington.	H. Kendall, *V. P.*.....	W. R. Smith.
" ..	Citizens Savings Bank, Owensboro.	J. Q. Haynes, *P.*.....	C. H. Todd.
		C. H. Todd, *V. P.*.....	J. Q. Haynes.
" ..	Deposit Bank, Pleasureville....	Robert M. Smith, *P.*.....	Albert Bergen.
LA.....	Bank of Houma, Houma.	R. R. Barrow, *V. P.*.....	.....
		Jos. H. Pullen, *Cas.*.....	R. H. Washburn.
" ..	Calcasieu Bank, Lake Charles..	H. C. Drew, *Actg.*.....	S. A. Knapp, *P.*
MD.....	Citizens Nat. Bank, Laurel...	Geo. W. Waters, Jr., *Cas.*..	A. T. Brooke.
		Chas. R. Haslup, *Asst.*.....	G. W. Waters, Jr.
MASS...	Barre Savings Bank, Barre.....	J. Henry Goddard, *P.*.....	Chas. Brimblecom*
" ..	Georgetown Savings Bank, Georgetown.	Sherman Nelson, *P*	J. Edmund Bailey.
" ..	Hopkinton Nat. Bank, Hopkinton.	Webster W. Page, *Cas.*.....	Frank A. Morrill.
MICH...	Wolf Bros. Bank, Centreville.	S. J. Wolf, *Cas.*.....	Frank Wolf.
		Lewis Fisher, *Asst.*.....	.....
" ..	Union Nat. Bank, Detroit.....	F. D. Eatherly, *P.*.....	John P. Fiske.
" ..	First Nat. Bank, Ludington....	W. L. Hammond, *Cas.*.....	Geo. N. Stray.
"	Citizens State Bank, Sturgis...	T. J. Collins, *Cas.*.....	H. A. Clapp.
MINN...	Lyon Co. Nat. Bank, Marshall.	C. B. Tyler, *P.*.....	H. B. Strait.*
		James Lawrence, *V. P.*.....	M. Sullivan.
" ..	Bank of St. Charles, St. Charles.	J. F. Kingsland, *P.*.....	J. C. Woodard.
		Theodore Speltz, *Cas.*.....	Fred. M. Iverson.
MISS..	Delta Trust & Banking Co., Vicksburg.	P. M. Harding, *P.*.....	Lee Richardson, Sr.*
		S. S. Patterson, *Asst.*.....	.....
MO.....	Peoples Sav. Bank, Chillicothe..	Frank Sheetz, *P.*.....	S. McWilliams.
" ..	Elsberry B'k'g Co., Elsberry....	W. W. Reid, *P.*.....	Wm. S. Luckett.
" ..	Morrison-Wentworth Bank, Lexington.	J. G. Worthington, *Cas.*...	Wm. Morrison.*
" ..	Bank of Mound City.....	W. M. Hamsher, *P.*.....	W. C. Andes.
"	Commercial Bank, Shelbina.	J. R. Lyell, *P.*.....	S. G. Parsons.
		A. W. Combs, *Cas.*.....	John J. Bragg.
" ..	American Exchange Bank, St. Louis.	Walker Hill, *P.*.....	Peter Nicholson.
		L. A. Battaile, *Cas.*.....	Walker Hill.
" ..	Citizens Bank, St. Louis	Watson B. Farr, *Cas.*.....	Louis A. Battaile.
" ..	Third Nat. Bank, St. Louis....	J. R. Cooke, *Asst.*.....	James B. Sharpe.*
NEB....	Farmers Bank of Chester.....	James Wilson, *P.*.....	J. M. Bennett.
" ..	State Bank, Davenport	H. E. Vanderveer, *Cas.*....	Wm. H. Jennings.
" ..	Franklin Exch. Bank, Franklin.	Jacob Bernhard, *P.*.....	W. M. Lowman.
" ..	First National Bank, Hebron...	Jesse Starbuck, *V. P.*.....	J. M. Bennett.
" ..	Commercial Bank, Nelson.	Henry Wehrman, *P.*.....	J. H. Geer.
		R. M. Gourley, *Cas.*.....	F. R. Mease.
N. H...	Derry National Bank, Derry....	Joseph B. Bartlett, *Asst.*...	.....
" ..	Citizens Nat. Bank, Keene.....	O. G. Dort, *Cas.*.....	H. B. Viall.
N. J....	First Nat. Bank, Madison.....	Fred. B. Bardon, *Cas.*.....	Wilbur F. Morrow.
" ..	Orange Nat. Bank, Orange....	Wm. Pierson, *V. P.*.....	.....

* Deceased.

	Bank and Place.	*Elected.*	*In place of.*
N. Y.	First National Bank, Brooklyn.	W. Addison Field, *Cas.* I. Hamburger, *Asst.*	Geo. D. Betts. W. A. Field.
"	Farmers & Mechanics Bank, Jamestown.	W. R. Botsford, *Cas.*	M. M. Skiff.
"	Baldwin's Bank, Penn Yan.	Fred. S. Plaisted, *Cas.*	Silas Kinne.
"	First National Bank, Rome.	F. M. Shelley, *Cas.*	C. Petrie.
"	Rome Savings Bank, Rome.	Chas. F. Barnard, *S. & T.*	B. J. Beach.*
"	Mohawk National Bank, Schenectady.	H. S. Edwards, *P.* Edward Ellis, *V. P.*	Chas. Thompson. H. S. Edwards.
"	Walden National B'k, Walden.	Geo. W. Stoddard, *P.*	Thos. W. Bradley.
OHIO	Farmers Nat. Bank, Greenville.	A. N. Wilson, *Asst.*	.....
"	Middleport Nat. Bk, Middleport.	A. E. Fox, *Asst.*	L. H. Hilsinger.
"	Holcomb National B'k, Toledo.	O. A. Bostwick, *P.*	Horace Holcomb.
"	Champaign Nat. Bk, Urbana.	F. W. Ambrose, *Asst.*	J. R. Ross.
PA.	Citizens Trust & Surety Co., Philadelphia.	Eugene Townsend, *P.* D. H. Brenizer, *Sec. & Tr.*	John Nuggard. .....
"	Odd Fellows S. B'k, Pittsburgh.	C. C. Davis, *Cas.*	Frank E. Moore.
"	Bank of Wyalusing.	J. B. Stafford, *P.*	C. J. Lewis.
R. I.	First Nat. Bank, Newport.	John S. Langley, *V. P.*	.....
"	Slater Nat. Bank, Pawtucket.	Stephen A. Jenks, *P.*	Wm. F. Sayles.*
S. C.	Farmers & Mech. B., Columbia.	Geo. Watkins, *Cas.*	E. M. Brayton.
TENN.	Haywood Co. B'k, Brownsville.	C. A. Moorer, *Cas.*	R. H. Anderson.
"	Bank of Charleston, Cleveland.	L. L. Harle, *P.* Geo. T. Hall, *V. P*	G. A. Long.* L. L. Harle.
"	Mercantile Bank, Memphis.	John Armistead, *P.*	John R. Godwin.
TEXAS.	First Nat. Bk, Blooming Grove.	O. J. Butler, *V. P.*	T. W. Sewell.
"	Island City Sav. Bk, Galveston.	M. Lasker, *P.*	H. Kempner.*
"	Iron City Nat. Bank, Llano.	A. E. Moore, *2d V. P.* W. O. Richardson, *Cas.* W. T. Moore, Jr., *Asst.*	..... W. T. Moore, Jr. .....
"	First Nat. Bank, Mexia.	M. Marx, *V. P.*	H. Kempner.
"	City Bank of Sherman.	W. H. Bean, *P.*	J. Bledsoe.
"	First National Bank, Weatherford.	J. D. Baker, *P.* A. F. Starr, *V. P.*	W. W. Davis.* W. R. Turner.
"	City Nat. B'k, Wichita Falls.	W. L. Robertson, *Asst.*	.....
VA.	Norfolk B. for Savs. & Trusts, Norfolk.	C. W. Grandy, *P.* Geo. Tait, *V. P.*	C. G. Ramsey.* C. W. Grandy.
W. VA.	Commercial Sav. B., Charleston	Wm. A. Ohley, *P.*	Patrick F. Duffy.
WASH.	Bank of Cheney.	E. M. Bergen, *Cas.*	.....
"	Bellingham Bay Nat. Bank, New Whatcom.	G. M. Hellar, *Cas.*	.....
"	Citizens Nat. Bank, Spokane.	Henry L. Wilson, *V. P.*	B. C. Van Houten.
WIS.	Bank of Edgerton, Edgerton.	J. P. Towne, *P.* R. C. Carter, *V. P.*	..... J. P. Towne.
"	Price Co. Bank, Fifield.	W. H. Graf, *Cas.*	B. F. Leonard.
WYO.	Stock Growers Nat. Bank, Cheyenne.	Henry G. Hay, *P.* J. D. Freeborn, *Cas.* Wm. L. Whipple, *Asst.*	Andrew Gilchrist.* Henry G. Hay. J. D. Freeborn.
ONT.	Imperial Bank of Canada, Galt.	G. C. Easton, *Mgr.*	John Cavers.
"	Imperial Bk of Canada, Welland.	S. D. Raymond, *Mgr.*	Geo. C. Easton.

* Deceased.

OFFICIAL BULLETIN OF NEW NATIONAL BANKS.

(Monthly List, continued from May No., page 878.)

No.	*Name and Place.*	*President.*	*Cashier.*	*Capital.*
4952	National Bank of Jerseyville, Jerseyville, Ill.	Andrew W. Cross,	Edward Cross,	$50,000
4953	Old Second National Bank, Bay City, Mich.	Orrin Bump,	M. M. Andrews,	400,000
4954	First National Bank, Rolfe, Ia.	J. P. Farmer,	J. W. Warren,	50,000
4955	Peoples National Bank, Lebanon, Pa.	Joseph S. Lauser,	E. M. Woomer,	100,000

PROJECTED BANKING INSTITUTIONS.

ARIZ....Nogales .....Nogales Exchange Bank.

CAL....Lincoln.....Bank of Lincoln.

DAK. S.Irene.....State Bank of Irene. Organizers: Ernest D. Skillman, William A. Schaetzel, of Sioux Falls.

GA.....Macon .....Southern Loan & Trust Co.

" ..Norcross.....Bank of Norcross.

ILL.....Chicago.....Knott, Lewis & Co., Bankers. Office at 59 South Clark Street.

" ..Cerro Gordo....Farmers & Merchants Bank; capital, $25,000. Incorporators: Wm. Noecker, T. V. Dellslusk, J. N. Dighton, C. A. Fatman, J. E. Andrew, and John S. Kums.

" ..Fulton.....Fulton State Bank; capital, $25,000. Incorporators: E. B. Stone, A. V. Olin, A. H. Wendt, Geo. D. Moore, John Schafer, Jr.

IND.....Richmond .....United States Banking Co. S. S. Marvin, President; C. E. Lumsey, Secretary.

" ..West Lebanon..Farmers Bank.

IOWA...Estherville.....Bank of Estherville.

" ..Garden Grove..Farmers Bank.

KAN....Courtland.....Farmers & Merchants Bank; capital, $5,000. Directors: Joseph Burnette, J. W. Pilcher, F. M. Boyd, A. L. Tucker, J. E. Tucker.

" ..Hutchinson....Valley Investment Co.; capital, $5,000. Directors: W. P. Johnston, L. A. Bunker, W. E. Burns, M. A. Bunker.

KY.....Manchester.....Bank of Manchester.

" ..Scottsville.....A new bank will be started at Scottsville by Mr. Trigg, of Glasgow.

LA.....Abbeville.....R. H. Washburn, of the Houma Bank, with Eli Wise & Co., will organize a bank at Abbeville.

MD.....Baltimore .....Guardian Security Trust and Deposit Co.; capital, $200,000. Incorporators: Edgar G. Miller, Edward Stabler, Jr., Louis Dohme, Bartlett S. Johnston, Daniel Miller, Geo. M. Sharp, Henry Matthews, J. K. Taylor.

MICH...Leland.....C. Melleur, Banker.

MINN...Excelsior.....Commercial Bank.

" ..Granite Falls...Granite Falls Loan & Trust Co.; capital, $40,000. Carl Brown, Secretary.

" ..Hibbing.....Bank of Hibbing.

" ..Worthington...Nobles County Bank.

MO.....Excelsior Spgs..Clay County State Bank; capital, $10,000. A. Moyer, President; C. C. Carter, Cashier.

" ..Kansas City....Merchants Bank; capital, $50,000. Kenneth Brown, Cashier. Directors: J. V. Andrews, C. K. Wells, H. E. Brown, R. E. Morris, S. S. Peterson and others.

" ..Linn Creek ....Camden County Bank.

" ..Otterville .....F. E. Lander, of Clarksburg, and R. E. Potter, of Otterville, have opened a new bank at Otterville with $15,000 capital.

NEB... Odell .....Farmers Bank; capital, $25,000. William Walton, President; G. Newtson, Vice-President; James Myers, Cashier.

N. Y...Waddington....New bank with $50,000 capital started.

OHIO...Lima.....Joseph Goldsmith and Gus Kalb will open a private bank.

" ..Wellington ....Home Savings Bank; capital, $50,000.

OKL T..Parker.....Bank of Parker.

" ..Parker.....Farmers & Merchants Bank.

PA.....Philadelphia....Mercantile National Bank; capital, $200,000. Organizers: John W. Woodside, Philip Hoffman, V. C. Sweatman, Frank H. Massey, and Samuel Biddle.

" ..Pittsburgh .....Pittsburgh German-American Savings and Loan Association; capital, $1,000,000. Directors: J. R. Snively, Thos. W. Welsh, Jr., W. H. Winslow, T. S. Hanna, Henry E. Steffler, W. A. Lincoln, C. B. Wood.

TEXAS..Brady.....Merchants Exchange & Collection Bank.

" ..Galveston.....Gulf City Trust Co.; capital, $10,000. Incorporators: Jas. Moore, Wm. Schadt, Chas. H. Moore, M. Laskar, P. Barry.

WIS....Cashton.....Exchange Bank.

" ..Sheboygan.....New bank opened.

N. S...Canso.....Peoples Bank of Halifax (Branch).

APPLICATIONS FOR NATIONAL BANKS.

The following *applications for* authority to organize *National Banks* have been filed with the Comptroller of the Currency during May, 1894.

GA.....Waycross.....First National Bank, by J. F. Wadley and associates.

ILL.....Alexis.....First National Bank, by C. A. Tubbs and associates.

MINN...Barnesville.....First National Bank, by Charles R. Oliver and associates.

N. J....Belvidere.....Warren County National Bank, by Geo. F. Young and associates.

N. Y....Wellsville.....Citizens National Bank, by William J. Richardson, Belmont, N. Y., and associates.

N. C....Wilmington....The National Bank of Wilmington, by Jas. H. Chadbourn, Jr., and associates.

PA.....Philadelphia....Mercantile National Bank, by John W. Woodside and associates.

WIS....Manitowoc.....National Bank of Manitowoc, by L. D. Moses, Ripon, Wis., and associates.

CHANGES, DISSOLUTIONS, ETC.

(*Continued from May No., page 879.*)

ARIZ...Tempe.....Bank of Tempe reported closed.

ARK....Little Rock....Parker & Cates succeeded by Parker, Ewing & Co., same correspondents.

CONN...Mystic.....First National Bank has gone into voluntary liquidation.

FLA....Orlando.....First National Bank authorized to resume business.

GA.....Madison.....R. U. Thomason reported discontinued.

IDAHO..Moscow.....Moscow Savings Bank has gone into voluntary liquidation.

ILL.... .Galva.....Farmers & Merchants National Bank title changed to Galva First National Bank.

" ..Jerseyville.....First National Bank has gone into voluntary liquidation, succeeded by National Bank of Jerseyville.

" . Viola.....Viola Bank reported closed.

IOWA...Benton .....Merchants Exchange Bank succeeded by McKnight's Exchange Bank.

" ..Defiance.....Bank of Defiance sold out to Security Bank.

" ..Milo.....Bank of Milo sold out to Citizens Bank.

KAN....Cheney.....Citizens Bank (Walker & Sweet) now A. W. Sweet & Son proprietors.
" ..Columbus.....Bank of H. R. Crowell succeeded by J. E. Tutton.
" ..Courtland .....Bank of Courtland reported closed.
" ..Cullison.....Bank of Cullison reported closed.
" ..Cunningham...New Bank of Cunningham reported closed.
" ..Eskridge.....Farmers & Traders Bank reported closed.
" ..Fulton.....Bank of Fulton incorporated.
" ..Pierceville.....G. W. Wight reported closed.
" ..Salina.....American National Bank has gone into voluntary liquidation, succeeded by National Bank of America.
" ..Sedgwick .... .Sedgwick City Bank now Sedgwick State Bank, incorporated.
" ..Spearville. .....Ford County Bank reported closed.
" ..Wichita.....State National Bunk reported suspended.
KY.....Fulton.....Farmers Tobacco Bank reported closed.
MICH...Ironwood .....Peoples Savings Bank succeeded by Peoples Banking Co., same officers.
" ..Mt. Pleasant....Exchange Bank (Dusenbury, Nelson & Co.) succeeded by Exchange Savings Bank, incorporated.
MINN...Monticello.....Citizens Bank succeeded by Citizens State Bank, incorporated.
" ..Slayton.....Slayton Bank reported closed, succeeded by Citizens State Bank.
" ..Twin Valley....Bank of Twin Valley reported closed.
" ..Wells.....Wells Bank (W. F. Myers) sold out to Frederic E. Watson.
MISS....Bolton.....Hinds County Bank succeeded by Crook, Gaddis & McLaurin Co., incorporated.
MO.....Hopkins.....First National Bank has gone into voluntary liquidation.
" ..Maryville .....Nodaway Valley Bank incorporated, same officers and correspondents.
" ..Sedalia .....First National Bank in hands of receiver.
MONT...Boulder Valley..First National Bank has gone into voluntary liquidation, succeeded by Bank of Boulder.
NEB....Bellwood .....Platte Valley Bank succeeded by Platte Valley State Bank, incorporated, same officers.
" ..Fairfield.....First National Bank has gone into voluntary liquidation, succeeded by Citizens Bank.
" ..Gothenburg....Bank of Gothenburg reported liquidating.
" ..Omaha .....American Loan & Trust Co. in hands of receiver.
" ..Stockville... ..Citizens State Bank reported closed.
N. Y...Afton.....E. M. Johnston & Co. succeeded by Church & Hill.
ORE....Pendleton.....National Bank of Pendleton reported suspended.
" ..Portland.....Bank of Albina succeeded by Geo. W. Bates & Co.
PA. ....Lebanon.....Peoples Bank succeeded by Peoples National Bank.
R. I....Providence.....Bank of America Loan & Trust Co. title changed to Union Trust Co.
TEXAS..Chico..... Chico Bank closed.
" ..Denison.....First National Bank reported in liquidation.
" ..Luling.. .....First National Bank has gone into voluntary liquidation.
VA.....Buena Vista....Buena Vista Loan & Trust Co. reported closing.
" ..Petersburgh....Hinton & Dunn reported closed.
" ..Richmond .....Merchants & Planters Savings Bank will be succeeded by Metropolitan Bank.
WASH..Fairhaven.....Bank of Fairhaven discontinued.
" ..Tacoma .....Traders Bank reported closed.
" ..Tacoma.....State Savings Bank reported insolvent.
WIS....Washburn .....Bank of Washburn succeeded by First National Bank.

FLUCTUATIONS OF THE NEW YORK STOCK EXCHANGE, MAY, 1894.

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

GOVERNMENTS.	Interest Periods.	Opening.	Highest.	Lowest.	Closing.
2s, 1907 ... reg.	Quarterly Mar.	96	96	96	96
4s, 1907 ... reg.	Quarterly Jan.	113¾	113¾	113¼	113½
4s, 1907 ... coup.	Quarterly Jan.	114	114	113½	113¾
6s, cur'cy, 1895, reg.	Quarterly Feb.	103	103	103	103
6s, cur'cy, 1896, reg.	Quarterly Jan.	106	106	106	106
6s, cur'cy, 1897, reg.	Quarterly &	108	108	108	108
6s, cur'cy, 1898, reg.	Quarterly July.	110	110	110	110
6s, cur'cy, 1899, reg.	Quarterly	113	113	113	113

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Atlantic & Pacific	—	1⅝	1⅛	—
Canadian Pacific	—	66⅜	65⅜	—
Canada Southern	51	51	49	49½
Central of N. J.	111	111	104	106½
Central Pacific	—	14¼	13	—
Ches. & Ohio.	18⅞	18⅞	16	17⅜
Do 1st pref.	—	—	—	—
Chic. & Alton	—	140	138	—
Do pref.	—	—	—	—
Chic., B. & Q.	80⅜	80⅝	75¾	77⅞
Chic. & East'n Ill.	—	—	—	—
Do pref.	—	93	93	—
Chic., M. & St. P.	63⅛	63⅛	56⅞	59½
Do pref.	—	119¼	117¼	119
Chic. & N. W.	109	109⅜	107	—
Do pref.	—	141¼	141	—
Chic., R. I. & P.	69⅞	69⅞	65¾	64⅜
Chic., St. P., M. & O.	—	39⅜	34⅞	36
Do pref.	115	116	115	—
C., C., C. & St. L.	38¾	39	35½	37
Do pref.	—	88	88	—

RAILROAD STOCKS.	Opening.	Highest.	Lowest.	Closing.
Col. Fuel & Iron	—	—	—	—
Col., H. Valley & Tol.	17¼	18¼	16⅛	—
Del. & Hudson	138½	142½	131½	131½
Del., Lack. & W.	162	163	158	—
Den. & Rio Grande	—	10½	10½	—
Do pref.	—	32¼	28¾	—
East Tenn. V. & G.	—	6⅛	3½	—
Do 1st pref.	—	—	—	—
Do 2d pref.	—	8	6¾	—
Evansville & T. H.	—	64½	58	—
Illinois Central	—	94	89½	—
Lake Erie and Western	—	16	14⅝	—
Do pref.	—	68¼	60¼	—
Lake Shore	129⅛	133	128¾	131¼
Long Island	91	91	87	—
Louisville and Nashville	50½	50½	43⅝	45
Louisville, N. Alb. & Chic.	—	9	7⅛	—
Manhattan Consol.	125¼	126	113	116¾
Mexican Central	—	7¼	6½	—
Michigan Central	—	98¼	95¼	—
Mil., L. S. & W.	—	—	—	—
Do pref.	—	—	—	—
Minn. & St. Louis	11½	11½	10½	—
Do pref.	—	34	32½	—
Mo., Kan. & Texas	—	15¼	13¼	—
Do pref.	25⅜	25⅜	21¼	—
Missouri Pacific	31⅛	31½	24¼	27½
Nash., C. & St. L.	—	—	—	—
N. Y. C. & Hudson	—	99⅞	96	97¼
N. Y., C. & St. L.	15½	15½	13½	—
Do 1st pref.	—	70	64	—
N. Y., L. E. & W.	16	16	12⅝	13⅜
Do pref.	—	31	25¼	—
N. Y. & New Eng.	8½	8½	3⅜	3½
N. Y., Ont. & W.	16¼	16¼	14⅞	15½
N. Y., Sus. & W.	14⅞	15¼	14⅛	—
Do pref.	40⅞	40⅞	36	—
Norfolk & Western	—	6	5	—
Do pref.	—	21¾	20	—

MISCELLANEOUS.	Opening.	Highest.	Lowest.	Closing.
Northern Pacific	4¾	5	3⅞	4¼
Do pref.	19⅝	19⅝	12½	14¾
Ohio & Mississippi	—	—	—	—
Ohio Southern	—	—	—	—
Oregon R. & N.	—	20½	18½	—
Oregon Short Line	—	7	6	—
Pacific Mail	—	16	13½	—
Peoria, Decatur & Evansville	5	5	3¾	—
Philadelphia & Reading	19	19	14⅝	17⅝
Pullman Palace Car Co.	—	172	158	—
R. & W. P. 3d as't pd.	9¼	9¼	7	—
Do pref.	—	16	15	—
Rome, W. & Ogd.	—	111	110½	—
St. Louis, A. & T. H.	—	—	—	—
Do pref.	—	—	—	—
St. Louis & San Francisco.	—	—	—	—
St. Paul & Duluth	—	24	23	—
Do pref.	—	88	88	—
St. Paul, M. & M.	—	107	105	—
Silver Bullion Ctfs.	—	—	—	—
Southern Pacific Co.	20⅞	20⅞	18	19
Texas & Pacific	8¾	9	7¾	8⅞
Union Pacific	19	19½	14⅞	15½
Wabash, St. Louis & Pacific.	7½	7⅞	6⅜	—
Do pref.	17¼	17⅜	14⅜	15⅜
Wisconsin Central	—	7	6¾	—
MISCELLANEOUS—				
Am. Cotton Oil Trust.	31	31	26½	27⅜
Nat. Lead Trust	41⅜	42	36¼	38½
Tenn. Coal & Iron	—	18	16	18
Express—Adams	—	153	148	—
American	—	114½	112¼	—
United States	—	51	51	—
Wells-Fargo	—	127	124	—
Sugar Refineries	105¾	109⅜	92¼	101¼
Do pref.	96¼	97¾	88½	92½
Western Union	85½	85½	81¼	84
Wheel. & Lake E.	13½	13½	9¾	11⅞
Do pref.	49⅞	49⅞	41¾	45½