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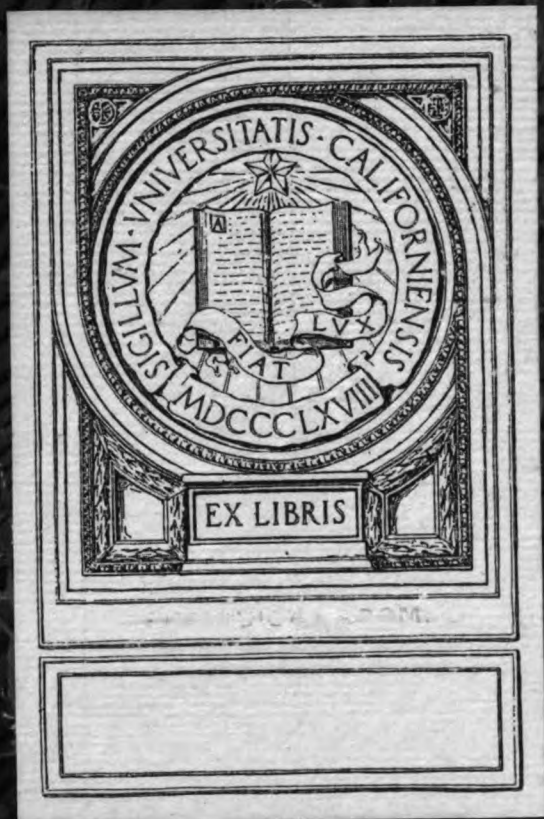
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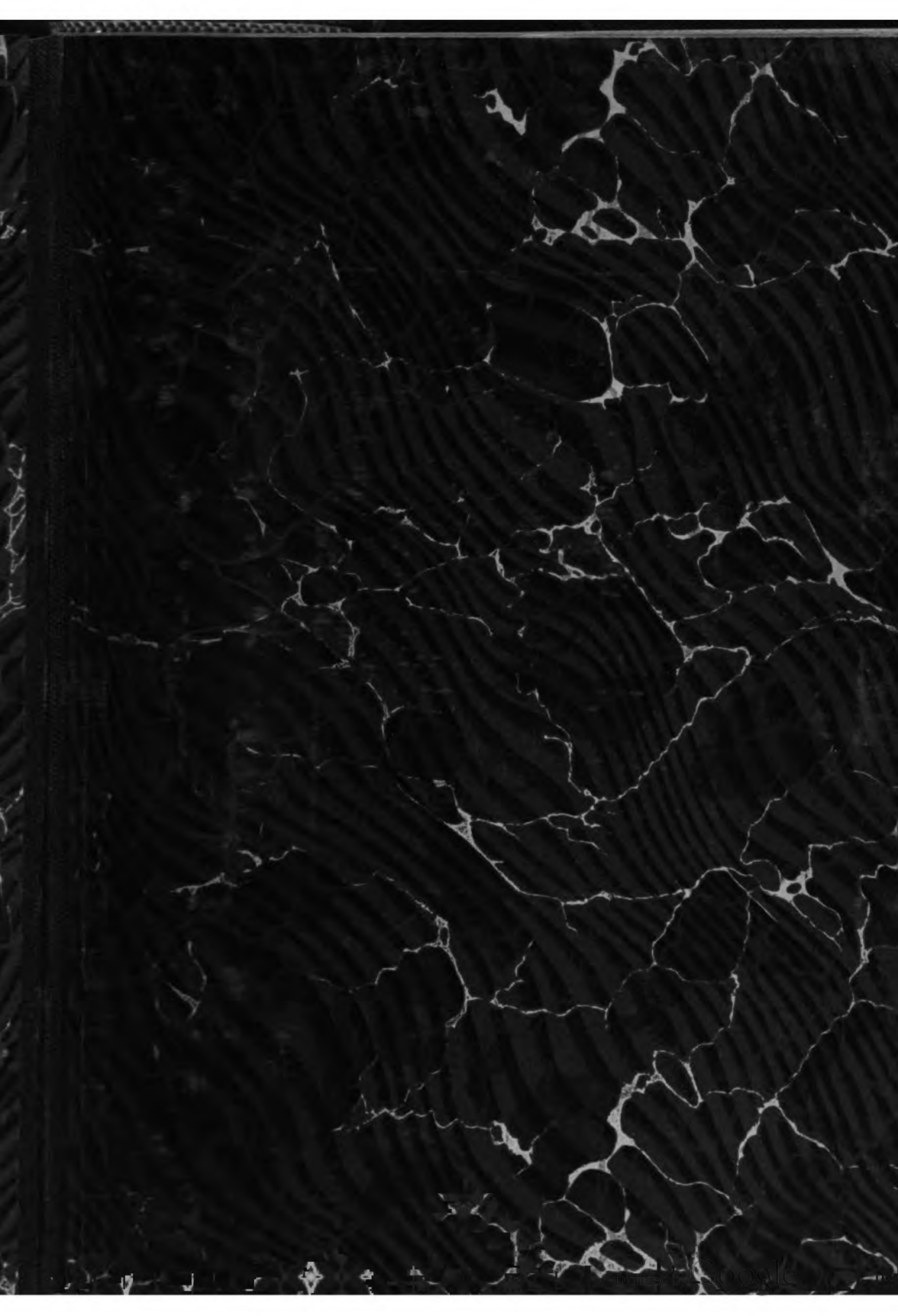
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The Bankers magazine





The BANKERS MAGAZINE

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Vol. XCI.

JULY 1915

No. 1

SPECIAL FEATURES

POLITICAL ISOLATION OF THE UNITED STATES

THE STEEL TRUST DECISION

AN ATTACK ON THE FEDERAL RESERVE ACT

COMBINING FOR EXPORT TRADE

THE NATURE OF THE BANKING BUSINESS

OBSERVATIONS BY A COUNTRY BANKER

HOW TO GET AHEAD IN BANKING

SOME OF THE BROADER PHASES OF BANK AND
TRUST COMPANY ADVERTISING

LEGAL INVESTMENTS IN NEW YORK STATE

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1915

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THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-NINTH YEAR

JULY 1915

VOLUME XCI, NO. 1

Political Isolation of the United States

IN the great drama now being enacted on the world's stage, the United States has thus far played no part, but has been content to remain an interested and observant spectator. A great many utterances in our newspapers and of our public men affect a tone of lofty superiority, as if we were a nation specially ordained to carry out the decrees of the Almighty, too proud ourselves to fight, but destined somehow to bring peace and good will to a war-cursed world.

No greater mistake could be made than to assume that this virtuous air endears us to the nations that are engaged in war. The Sunday school boy who has an excess of virtue is never popular with the average run of mortals who make up his associates; and it is so with nations. When we proclaim that we are too proud to fight, other nations that are fighting regard this as an evidence of phariseism. Some of them even go so far as to hint that this pride has kept us from protecting the lives and property of our citizens.

We shall be blind to facts if we fail to realize that the United States is the most hated nation in the world to-day. This ill-will may not arise from any injustice of which we have been guilty toward other nations, but may have its origin in an exactly opposite source. If we are practicing the lofty idealism we profess, other nations less regardful of their neighbors' territory and rights will hate us, not for our sins, but for our virtues. Here at our door lies Mexico, disturbed by years of revolution and anarchy; our citizens murdered, their property destroyed and unspeakable outrages committed. We have politely protested, but have taken no action; much less have we invaded and annexed the territory of our neigh-

bor as we might have done. One hundred and six of our citizens are ruthlessly murdered on the high seas, and we courteously discuss the tragedy with those responsible for it, "reposing confidence in their high sense of humanity."

Let us contrast this mild policy of the United States with what has been done by two other nations. Under the plea of military necessity, Germany invaded Belgium and without scruple destroyed its sovereignty. Japan, taking advantage of China's weakness and the inability of Europe to offer effectual protest, seized for itself immense commercial and territorial rights.

Germany's contempt and hatred toward the United States have been plainly shown; the German is usually blunt enough in his opinions and actions. Japan pays no attention whatever to our views respecting Chosen or China, but shows us always the most studied politeness, and quietly goes ahead with the policies her statesmen have marked out.

But it is not only Germany and Japan that have no love for the United States. The Allies like us little better. France alone, if acting for herself, and possibly Russia also, might have a genuine friendship for us. But they are not free in the present situation to indulge their feelings. Great Britain does not understand us. She profoundly mistrusts our present position. Notwithstanding the almost overwhelming sentiment of our press and people against Germany in the present conflict, the opinion seems to prevail in England that we are either in sympathy with Germany, or at least not friendly to the cause of the Allies. This view crops out in correspondence, in the newspapers, and in conversations with the English people. They can not understand how we failed to act when Belgium was devastated, or when the *Lusitania* was sunk. We have professed lofty ideals, they say, but when Belgium was sacked we stood still, and did nothing; we use fine phrases, they declare, about protecting our people in the exercise of their rights; but one hundred and six victims of the *Lusitania* horror—men, women and children—stretch their imploring hands to us in vain. Nations engaged, as France, Russia and Great Britain are, in a deadly struggle to uphold their liberties and their national existence can not comprehend the exalted idealism which enables the United States, under such circumstances, to content itself with finely-phrased diplomatic expressions.

If we have restrained our hands through fear, or because of the sentimental ideals we so loudly profess, in either case the belligerent nations have no use for us.

Turning from Europe to the Western Hemisphere, the situation is little better. Mexico certainly does not love us, while of the South American countries, Venezuela and Colombia do not take any pains to conceal their feelings, and there is hardly one of the other countries—except perhaps Bolivia and Peru—that does not regard us with suspicion.

The conclusion to which this condition leads—and we leave to thoughtful minds to determine whether what has been said is true or not—is this: that the United States in its international relations should be somewhat more economical in its profession of lofty sentiments, and should concede that we are not wholly free from some of the defects which appertain to humanity in general; and while practicing justice so far as we are able, we ought to disclaim any monopoly either of justice or benevolence. In short, our foreign relations need to be shaped more by practical common sense and less by that sickly sentimentalism of which William J. Bryan is perhaps the most conspicuous advocate.

Above all, the attitude which other nations have taken toward the United States makes it incumbent upon this country to keep its naval and military forces up to the highest standard of prepared efficiency.

CHANGES IN AMERICAN TRADE

THAT the huge balances of exports being piled up by this country are due to the war situation is, of course, apparent.

An examination of the classes of goods constituting these balances shows that they are made up largely of war materials or of food supplies needed by the belligerent nations. For the nine months of the war, August to April inclusive, the total exports have been \$2,070,000,000, compared with \$1,894,000,000 for the corresponding period in the preceding year—not a material difference; but this year's balance of exports was \$856,600,000, compared with \$472,000,000 for the previous year. This means, clearly enough, that our imports have fallen off.

Notwithstanding that exports show a slight gain, in many quarters of the world—in the Orient and in South America—we are selling less than we were before the war began, and this for the reason that these countries lack the means to buy.

We have largely increased our exports since the beginning of the war, in the following lines: explosives, horses, provisions, automobiles, leather, sugar and wool manufactures; on the other hand, we have exported less in these lines: agricultural implements, copper, raw cotton, iron and steel and mineral oil.

The gain made in our foreign trade on account of the war will gradually disappear when the conflict ends. With most of the neutral nations we have made no gain in our trade, but have actually suffered a decline. It must be evident that the conditions referred to give to the country an air of false prosperity, so far as the foreign trade is concerned, for the balance of exports consists largely of war supplies sold to Europe, and this demand will sharply decline once the war ends. In those quarters of the world where our permanent trade might have gained, it has actually declined. We are, therefore, at present living in a fool's paradise, and enjoying a counterfeit prosperity.

There is, however, one prominent compensating fact, and it is this: the large war orders have helped to keep labor employed and have increased the prices of farm products, so that our people have considerable money to spend, and this will in time gradually improve local conditions.

COLLECTING BANK DEPOSITS

ENTERPRISING banks in New York—and perhaps in other cities as well—have sought to retain the accounts of customers removing from the locality where the bank is located by sending out messengers to collect their deposits. Such practices, though no doubt indicating considerable enterprise on the part of the banks resorting to them, are not looked on with favor by the banking authorities, who contend that a bank is not really liable for the loss of deposits so collected, prior to their reaching the bank, and that the receipt of deposits in this manner is virtually the transaction of

a banking business at a place other than that named in the authorization certificate.

If all banks did business in this way and employed only properly accredited agents, who were adequately bonded for the faithful performance of their duties, the objections to the practice might disappear.

If banks are to collect deposits, they may also send money by messenger to pay checks; indeed, in the case of large establishments the sending of money for payroll purposes would have some advantage over the present system—at least for the bank's customer. If the practice became general it might cause the depositors to become rather too proud of their prerogative. Mr. Jones, for example, would hurriedly take up the telephone and order his bank to send him down right away \$100, in tens and twenties, new money, and not to delay in the matter. When his note came due he could phone to have it sent up for renewal, which would prevent his seeing the scowl on the banker's face when making the extension. Innovations along this line would be convenient to those who do not find time to visit their banks, but on the whole the practice is probably not safe. Still, there might be some properly constituted agencies for the receipt of deposits that would serve a very useful purpose in neighborhoods where banking facilities are scarce.

THE STEEL TRUST DECISION

ON the third day of June the United States District Court for New Jersey handed down a unanimous decision refusing the petition of the Government for a dissolution of the United States Steel Corporation. The decision rests upon the broad ground that the Steel Corporation is not such an organization as prejudices the public interests by unduly restricting competition or unduly obstructing the course of trade. Thus the "rule of reason" is extended to this particular case.

While the decision itself has had a reassuring effect on business, this result was somewhat modified by the report that the Government would appeal the case to the Supreme Court.

Gradually the view which seems to be taken in this decision is becoming the prevailing one throughout the country, and it is

that the mere size of a business does not of itself constitute a statutory offense; that is, in enacting the Sherman Anti-Trust Law Congress did not intend to prescribe a penalty upon success; but that whether or not a certain corporation was unlawful within the meaning of the act would depend in any given case, not upon the mere size of the corporation, but upon its acts. Before growing too enthusiastic over this view it may be well to remember that sometimes the size of a corporation will, of itself, practically destroy competition, though whether it will obstruct trade in so doing is another question.

Doubtless the law in regard to business organizations will finally settle along the lines laid down in this decision. A great deal will depend upon the actions of the big business combinations themselves. They can play fair with the public, with their employees and with their own shareholders and probably will not receive serious molestation from the courts. This seems to have been the history of the Steel Corporation; that is, it has been "a good trust."

On the other hand, if great business organizations throttle competition by high-handed and unlawful means; if they squeeze every possible dollar from the public and their workmen, and do not even play fair with all their own shareholders, they are pretty apt to encounter further legislative hostility and judicial correction.

COMBINING FOR EXPORT TRADE.

SUGGESTIONS have been made in various quarters for a combination of interests to push the export trade of the United States. But the most obvious union in behalf of extending our trade and financial operations abroad does not yet seem to have received much serious attention.

If there is any part of our machinery for dealing commercially with foreign nations that should possess unquestionable strength and efficiency and be broadly representative of American commerce and finance, it is our banks. They ought to be big enough to undertake very large operations and to assure strength; they ought to be able and wisely managed so that they will stand for the very best that our banking traditions represent, and no one bank ought to have a monopoly—unless it shall be organized and owned by the other banks and the merchants and manufacturers of the country.

What is going to happen if our foreign banking development proceeds along the lines established in the Federal Reserve Act? We know what has happened thus far—only one bank has availed itself of the privilege of establishing foreign branches, though others may do so if they choose. But is it likely that more than a very few of the large banks, principally on the Atlantic Seaboard, will ever go into the foreign field? Should the extension of our banking facilities abroad be thus limited, we shall have American banks in foreign countries, more or less monopolistic in character, and representing only a limited section of the country.

Or if a great many banks avail themselves of the privileges granted in the Federal Reserve Act, and establish foreign branches, we shall then have a host of comparatively small American banks competing with each other in foreign countries.

The first of these results has already happened, and the second may follow. We do not regard either of them as offering the best means of bringing American banking capital into the most effective service for extending our foreign trade and financial influence.

Do we not need a bank for this service that would represent all parts of the country? Its capital should be subscribed by the banks, merchants and manufacturers and investors generally. We would thus go into the foreign field, not with a distinctively New York, Chicago or San Francisco bank, but with a big, strong bank that really represents the merchants, manufacturers and bankers of the United States. It would be, primarily, a bank for handling foreign trade and finance, and would rather supplement than supplant the work being done by existing institutions.

This suggestion, of course, contains no novel proposal. It has been repeatedly made, in one form or another, by various persons and at different times. It has been tested practically by the organization and operation in other countries of banks for foreign trade.

ATTACK ON THE FEDERAL RESERVE ACT

SINCE its enactment at the close of the year 1913, the Federal Reserve Act has been regarded as a more or less sacred thing. Even its open and covert foes have hesitated to assail the halos

that surrounded it, or to penetrate the clouds of incense with which it has been perpetually enveloped by its devoted admirers and beneficiaries.

It is no wonder, therefore, that when ex-Congressman Fowler of New Jersey made a savage attack on the law at the recent convention of the New Jersey Bankers Association his remarks were received with "gasps of astonishment" by the assembled bankers—a fact which we gather from the press reports. Here is a portion of his address:

"The whole history of Anglo-Saxon civilization expressed in statutory law, which is worth preserving, indeed which is not a drawback, a hinderance, an actual block to the advancement of the race, is the rich product of human experience that finds expression in the practices and established habits of the people.

"There is nothing that has been more clearly proved, perfectly developed and completely demonstrated in American history than a banking system, which, humanly speaking, would be absolutely perfect and so well adapted to our peculiar conditions and particular needs as to challenge all criticism, for it would be founded upon the eternal principles of banking economics, and would be the rich fruitage of one hundred and twenty-five years' experience of American banking.

"There have been three distinct evolutionary periods in American banking, and each has taught us a great and essentially important lesson. Each has established a great fundamental principle as applied to our peculiar situation.

First: In thirteen different States, prior to the Civil War, we had demonstrated, under the widest possible range of circumstances, the wisdom and the advantage of that all comprehending banking principle laid down by Alexander Hamilton, when he said:

"Every loan which a bank makes is, in its first shape, a credit given to the borrower on its books, the amount of which it stands ready to pay either in its own notes or in gold or silver at his option."

"Following this principle, Hamilton drew the charter of the first Bank of the United States, and it became a law in 1791.

"Undoubtedly, owing to the great success of this bank, and the very friendly and intimate relations existing between the United States and France in 1803 France, following the same principle, established a Bank of France, the most successful and remarkable

bank that has ever existed in the world. It enabled Napoleon to carry on his wars on a metal basis. For more than a hundred years this remarkable institution has carried the Government of France through its wars and its revolutions, through its changes of government from a kingdom to a republic, and from a republic to an empire, and from an empire to a republic, and has often been the repeated and final resort of the Bank of England in times of great stress.

“In the midst of great business distress and when the credit of our Government was tottering in 1816 the charter of the second United States Bank was created.

“A careful investigation, I think, would disclose to any intelligent student that owing to the success of both the first and the second United States banks and the close business relations existing between this country and Canada, following this same fundamental principle, the Canadian Government granted three bank charters in 1822, and to-day, excepting the Bank of France alone, Canada has the best currency system in the world.

“But the United States, through political madness and insane party strife in 1832, and the supposed necessities of the Civil War, was torn from the safe moorings of a scientific banking system and has drifted far out to the sea of chance, and seems to have completely forgotten the great lesson she taught both France and Canada.

“But the second important lesson for us to learn came as a result of the National Bank Act which established a national currency of uniform appearance and of universal value everywhere throughout the United States. That is, it established an individual bank note of uniform appearance and universal value.

“The third great lesson taught by experience in American banking was the evolution of the most perfect mechanism ever known in the banking world in any age—the American clearing-house in its most highly developed form. This unique institution has developed not only without the aid of law, but in a degree in absolute defiance of law.

“In the American clearing-house, purely the product of experience, was developed a model, a complete model down to the last detail, for an American banking system.

“Here then were all the essential elements of the most natural,

most simple, most economical, most efficient, most perfect and most powerful banking system in all the world.

“First, the interconvertibility of bank book credits, bank note credits and gold.

“Second, the individual bank note of uniform appearance and universal value throughout the United States.

“Third, that most wonderful product of banking experience that has ever been evolved—the American clearing-house with its clearing-house committee, its self-appointed examiner, its united reserves and its issuance of bank credit.

“All that was wanted was a knowledge of history, banking economics, a single ray of intelligence, the slightest degree of appreciation of the opportunity at hand, and even a partial comprehension of the needs of the country. Of course the work to be done was that of the student, the statesman and the patriot, and not of the politician driven by mad fate to do something, whether right or wrong.

“But the men charged with the responsibility of legislation, ignorant of these great impressive lessons of American history, and still more ignorant of the great fundamental principles of banking economics, superimposed upon a naturally developed situation that only waited the hand of organization, a scheme that is wholly foreign to our institutions and banking practices, a device that is purely artificial and superficial, a gigantic, extravagant machine that must necessarily prove worse than useless because its tendency and effect is to paralyze and destroy the true purpose, the ultimate and infinite advantages growing out of the co-ordination and union of the American clearing-house into a truly American banking system.

“The fact is that when perfect order could have been brought out of a condition ripe in opportunity chaos has been added to chaos while the confusion of conditions increases and the controversy grows hotter because of the passing of this act.

“One of the most obvious but not the greatest evils that will follow in the wake of this gigantic blunder, will be a direct loss to the American people every year of at least \$100,000,000, or \$1.00 for every man, woman and child. Think of it, \$100,000,000 every year or ten per cent. of all the capital of all the National banks in the country, and yet this vast sum can be saved to the people by the adoption of the right banking system.

“I assert that there is not a single reason for its existence, unless

like the loss of the Titanic, or some other shocking, overwhelming calamity, it now leads to a persistent and unyielding demand for a true and real reform.

“I assert that it cannot be successfully defended anywhere, by anybody, before any intelligent American audience, where our own experience is illumined by the all-pervading sunlight of the eternal principles of banking economics.”

These are strong statements, and they are either true or false. If true, they should be given serious consideration; and if false they should be shown so, unless so glaringly biased as to carry their own refutation.

Mr. Fowler further said:

“If the Federal Bank Act should serve any other purpose than to arouse the American people, as it now promises to do, to a keen appreciation of their unfortunate situation and threatened peril, and should by any chance be allowed to cumber the statute books, interfere with the organic life of American banking and remain to curse the commerce of the country, it will prove the most stupendous economic blunder ever committed in the economic life of this nation.”

If the Federal Reserve Act is going to cause the American people a loss of at least \$100,000,000 every year, and is besides going to prove the “most stupendous blunder in the economic life of the nation,” the sooner these things are found out and remedied the better.

At the session of the American Bankers Association held in Boston, when the Federal Reserve Act was pending before Congress, there was a pretty full discussion of the measure, and it was fiercely denounced. Before enactment into law the bill was considerably changed and improved in the Senate.

It seems that the bankers of the country realized that the powers at Washington had decreed the enactment of this law and that it was useless to kick against the pricks. They therefore quietly accepted it. Nobody has been able to find out, since that time, just what the bankers really think of the new law. If they declared opposition to it, they possibly feared the wrath and the vindictive punishment of the not very complacent officials now having the oversight of the country's banking system. If this fear was well founded, it is rather a sad commentary on our supposedly free institutions that

bankers may not freely speak their minds on such an important matter without the penalty of loss to their institutions.

Mr. Fowler was for a number of years chairman of the Banking and Currency Committee of the House, and was the author of one or more banking bills which failed of enactment. In criticising the Federal Reserve Act, he is either correct in his statements or is merely voicing his personal opinions. His statement that the Federal Reserve Act is a gigantic blunder that will cause an annual loss to the people of at least \$100,000,000 is a serious indictment of that law. He should be given a public opportunity of a more specific statement, and asked to show just where this loss occurs and how it may be avoided.

The conventions of the American Bankers Association are appropriate places for discussing such important banking questions. Why not set aside a day at Seattle for thoroughly considering the structure and operations of this law, giving to its champions and friends full opportunity for presenting its advantages and to Mr. Fowler and others the opportunity of showing up its faults?

There is one most significant fact in regard to this act—the refusal of the state banks to come under its provisions. At the present time there are only eighteen state banks members of the Federal Reserve System, or about one in every thousand. The national banks were forced in; but if they had been allowed a free choice, and had been as reluctant about joining as the state banks have been the entire present banking membership of the Federal Reserve System would be about twenty-five! This on the assumption that the total number of the two classes of banks is 25,000; but if we assume the number to be thirty thousand, this would make the total voluntary membership only thirty!

Probably, as a matter of fact, the national banks would voluntarily have entered the system in larger numbers; indeed, the tendency of the smaller banks would most likely have been to follow the lead of their city correspondents. But this is speculation. We see what the state banks have done. They have almost unanimously decided to keep out of the new system.

We repeat that Mr. Fowler's assertions are either right or wrong. If right, no time should be lost in amending or repealing the law before its alleged destructive influences shall have caused

great injury to the country's commerce; if wrong, his assertions should be definitely refuted.

Discussion of the matter at Seattle might serve to show why the state bankers are hostile or indifferent to the system.

WITHDRAWAL OF STATE BANKS FROM FEDERAL RESERVE SYSTEM

ONE reason which probably has heretofore deterred many state banks from joining the Federal Reserve System was because they feared that once a member always a member. In other words, while it was easy enough to get into the system, there was no clear way of getting out of it. This difficulty has been removed by a ruling of the Federal Reserve Board promulgated on June 9, and which provides that state bank members may withdraw by giving twelve months' notice, receiving back their stock subscriptions with six per cent. interest from the preceding dividend payment. Several other rules have been formulated that will tend to encourage state banks to join the system. In a communication attached to these new rules it is declared by Governor Hamlin:

"A unified banking system, embracing in its membership the well-managed banks of the country, small and large, state and national, is the aim of the Federal Reserve Act. There can be but one American credit system of nation-wide extent, and it will fall short of satisfying the business judgment and expectation of the country and fail of attaining its full potentialities if it rests upon an incomplete foundation and leaves out of its membership any considerable part of the banking strength of the country. The way must therefore be opened for state banking institutions to contribute their share to the capital and resources of the Federal Reserve Banks, in harmony with the intent of the Federal Reserve Act and in accordance with its provisions. State banks, trust companies and national banks have their distinctive characters and places in the American banking organization, and these should be respected in co-ordinating them in the Federal Reserve System. The problem presented is to find a basis upon which these different types of banking institutions may thus be associated which shall be fair to each and

which will not require greater uniformity of operation than may be necessary to the attainment of the purposes of the Federal Reserve Act."

It may be that within the somewhat generous latitude thus defined by Governor Hamlin, the different classes of our banks may unite to the extent necessary and desirable while still retaining considerable independence, and without sacrificing their present form of organization. And besides, if the state banks should not find membership in the Federal Reserve System an advantage, they may withdraw by giving a year's notice.

THE MONEY CIRCULATION

NOW that the new Federal Reserve System is fairly in operation, interest attaches to what influence, if any, the new system will have on the money circulation of the United States. In this connection the circulation of the various kinds of money on May 1, 1914, and May 1, 1915, may be fittingly given.

	May 1, 1915.	May 1, 1914.
Gold Coin (including bullion in Treasury)	\$598,931,706	\$612,771,453
Gold Certificates	987,447,729	1,120,423,829
Standard Silver Dollars.....	65,238,522	71,031,235
Silver Certificates	479,712,421	456,703,117
Subsidiary Silver	158,274,798	159,406,069
Treasury Notes of 1890.....	2,277,907	2,472,307
United States Notes.....	332,573,594	340,409,162
Federal Reserve Notes.....	53,749,860	.....
National Bank Notes.....	814,832,339	713,008,207
Total	\$3,493,038,876	\$3,476,225,379

The Federal Reserve System has not been in operation long enough for its real influence on the monetary circulation to be revealed. Besides, conditions are so abnormal that correct conclusions can hardly be drawn. In normal times, if the rate for money were as

low as now, gold would probably flow out in large volume, while at present the contrary is true—gold is being imported.

The large supply of money—greater than before the war began—and the very low rates for its use may tend to inflation, with business rather stagnant. Thus far the process of displacing gold certificates in circulation by substituting Federal Reserve Notes for them has not gone very far. National bank notes are \$1,000,000 greater in volume than a year ago—thus bearing out the experience with the bond-secured notes in expanding when not needed and contracting when most required.

Superimposed as the Federal Reserve notes were upon a large mass of Government paper (which comprises the so-called bank notes), they have had little opportunity yet of demonstrating their elastic qualities; and, as already stated, the conditions have been such since the system was inaugurated that no satisfactory deductions are possible. With the return to a normal situation, the influence of the new system may then be determined with some degree of accuracy.

AMERICA'S FINANCIAL POSITION AFTER THE WAR

WHAT will be the financial position of this country after the war ends? That question is very frequently discussed both here and abroad. It formed the subject of an interesting address by Thos. W. Lamont of Messrs. J. P. Morgan & Co. before the recent meeting of the American Academy of Political and Social Science at Philadelphia. Some quotations from Mr. Lamont's address follow:

“As to foreign holdings of our securities they are still being sold in large volume, and we are easily absorbing them. We even welcome such sales, for they serve to ease up the foreign exchange situation, which now has turned almost as heavily in our favor as, last September, it was against us.

“Note well these sure indications of how we are turning from debtor into creditor. It costs England $1\frac{1}{2}$ per cent. more than normal to make her remittances to us. It costs France $2\frac{1}{2}$ per cent.,

Germany over twelve per cent. and Russia nearer twenty per cent.

"We are piling up a prodigious export trade balance. By the end of the Government year, June 30 next, it looks as if it would be over one billion dollars. Many of our manufacturers and merchants have been doing wonderful business in articles relating to the war. So heavy have been these war orders, running into the hundreds of millions of dollars, that now their effect is beginning to spread to general business, which, even if it is still depressed, shows distinct signs of improvement.

"And as a climax to all this improvement America is becoming a large factor in the international loan market. These foreign loans have been so scattered that perhaps the total of them has not been fully appreciated, but just let me enumerate:

"To various municipalities and provinces in Canada American investors have since January 1, 1915, loaned over \$60,000,000.

"To Russia, twenty-five millions, in addition to private credits which that Government has arranged to approximately the same amount, I should guess.

"To France, forty million dollars, or thereabouts.

"To Germany, it is stated, although I am not sure of my figures, about ten millions.

"To Switzerland, fifteen millions.

"To Norway and Sweden, about three millions apiece.

"To Argentina, fifteen million dollars.

"The grand total, therefore, of these foreign loans that we have made since the war broke out, is almost two hundred million dollars.

"Such is the situation to-day. Now what of the future? Many people seem to believe that New York is to supersede London as the money center of the world. In order to become the money center we must of course become the trade center of the world. This is certainly a possibility. Is it a probability? Only time can show. But my guess would be that, although subsequent to the war this country is bound to be more important financially than ever before, it will be many years before America, even with her wonderful resources, energy and success, will become the financial center of the world. Such a shifting cannot be brought about quickly, for of course to become the money center of the world we must, as I have said, become the trade center, and up to date our exports to regions other than Great Britain and Europe have been comparatively limited in

amount. We must cultivate and build up new markets for our manufacturers and merchants, and all that is a matter of time.

“I have pointed out that since the war began we have loaned direct to foreign governments something over \$200,000,000. Yet this is comparatively a small sum. Shall we become lenders upon a really stupendous scale to these foreign governments? Shall we become lenders for the development of private or semi-public enterprises in South America and other parts of the world, which up to date have been commercially financed by Great Britain, France and Germany? If the war continues long enough to encourage us to take such a position, and if we have the resources to grapple with it, then inevitably we shall become a creditor instead of a debtor nation, and such a development, sooner or later, would certainly tend to bring about the dollar instead of the pound sterling as the international basis of exchange.

“Here in America shall our manufacturers and merchants be able to take effective steps, with the active co-operation of the Government, for the development of foreign business? Will American producers be able to arrange for co-operation among their organizations for foreign sales so as to effect economies in capturing foreign markets? To-day our laws do not allow them. Will it be possible to bring about such a change in our shipping laws as to permit the establishment of an American Mercantile Marine? So that Americans, and not foreigners, will reap the benefit of all our enormous trans-Atlantic carrying charges? Will our diplomacy be both helpful and courageous? Will our merchants be wise enough in catering to foreign markets to build always for the long future and to exhibit the best that there is in salesmanship, quality and general disposition to please? I believe so. But these are all questions that, like the others I have enumerated, time only can solve.

“We must remember, too, that when we talk about this enormous trade balance in our favor, which, as I have said, may run up this year to one billion dollars, a considerable part of that balance is due to falling off of imports, rather than simply to an increase of exports; and another part of it is due to the fact that we are securing much higher prices than normal for a great many different commodities, wheat, for instance, selling at almost double the price per bushel that it commanded a year ago. Therefore, we must not look upon this year's heavy balance in our favor as a normal one. It is

abnormal because of the two factors that I have just mentioned. In our calculations we must be conservative and bear these most important facts in mind."

From this very conservative statement one may conclude that Mr. Lamont sees an enlarged opportunity for the United States both with respect to foreign trade and to international finance. The question is, Shall we take advantage of this opportunity?

MR. BRYAN'S BRILLIANT FINANCIAL PROPOSAL

AT one of the dinners incident to the recent Pan-American Financial Conference, William J. Bryan—he of the “cross-of-gold” and “crown-of-thorns” speech, the sixteen-to-one apostle, and the man who ran away from his post in the State Department at a critical hour in his country’s history—made this proposal: that the United States make an exchange of bonds with the South American countries, taking their four per cents. for our threes. This one per cent. difference was to be invested and held by the United States to redeem the bonds of the southern countries. This surprising proposal brought forth this comment from the letter published by the National City Bank of New York:

“Making allowance for all the difficulties that will be immediately thought of in the consummation of such a scheme, it still deserves to be pronounced not only a daring but a really brilliant conception. It is daring because it goes beyond the conventional in government finance, but it is brilliant because it appeals to the imagination as offering something that while attended by difficulties is not impossible of realization, and if carried through successfully would be an historic act of statesmanship. The benefits to the States that took advantage of such an opportunity for useful and practical purposes would be obviously very great, as they would not only pay a lower rate of interest than that to which they have been accustomed, but they would be under no necessity of making additional provision for the payment of the principal. On the other hand the United States would be nothing out of pocket if our South American neighbors always made their annual payments promptly.”

This brilliant scheme certainly requires a powerful imagination for the full appreciation of its beauties. "If our South American neighbors always made their annual payments promptly, the United States would be nothing out of pocket!" Nothing is said as to what might happen to the credit of the United States if the country went into debt-making on the colossal scale this scheme would require.

"The idea is unusual," it is said, "and the Secretary of State advanced it with some hesitancy, apparently with misgivings that his hearers might regard it visionary, but it is no farther removed from the authority of precedent than some of the recent measures of David Lloyd-George, which while creating astonishment at first have since caused the entire financial community of England to do him homage and to protest against his retirement from the position of Chancellor of the Exchequer. In fact, the interchange of credit that Great Britain is now making with her allies furnishes a complete example of what Mr. Bryan proposes."

One would have to compare the actual transactions in practice before being able to determine whether Great Britain's exchange of credit with her allies offers a complete example of what Mr. Bryan proposes.

It does not seem to have occurred to Mr. Bryan that the proud people of Argentina, Chili, Brazil, etc., might feel a little resentment at this proposal for bolstering up their credit by the United States.

The Nature of the Banking Business

By H. S. McKEE, President First National Bank of Long Beach, Cal.

UN^TIL recent years, banking seems to have been considered purely a private enterprise, conducted principally for profit, after the manner of private business in general, little regard being paid to the idea that a bank owed any duties to its customers other

than to be honest, to publish true statements of its condition and submit to Government examination.

The more modern view seems to be that banking is a public service. If this is correct, it seems important that the nature of the business should be more

widely understood and the obligations of banks and customers to one another more clearly defined, and that every customer of a bank should fully understand what service he and the other customers are now receiving and have a right to expect from the bank; and also, what the bank's rights are. This is all pretty well established by customs which are the outgrowth of experience, but they are poorly defined at best, and the reasons for them not universally understood. To state them in something like definite form ought to lead to a better understanding between customers and banks. Such an attempt, however, is of course based somewhat upon opinion and with no pretense to infallibility.



THE operations of the savings banks, being much simpler than those of commercial banks, will be disposed of first and very briefly. In reality, a savings deposit should be classified as an investment rather than as a bank account. A savings bank is not so much a bank, in the broad sense, as it is a standard public investment. The wise investment of money is an art which few live long enough to learn. The average investor has to deal with small sums, in odd amounts, and at irregular intervals. He is without experience or education in the selection of investments and, too, there are almost no suitable investments for such sums. In trying to find them the investor usually loses at least part of the money. It may be said that he buys experience, but without buying enough of it to do him much good.

The savings bank affords him an immediate investment for any amount, large or small, even including the odd cents, and it bears interest from the date of deposit. It is a safe investment, requires no investigation or study, pays about the same income that the very highest grade of investments pay the world over, and can be converted back into money upon reasonable notice, and without loss or shrinkage.

To maintain an institution that affords the public this kind of an investment for its savings as they accumulate is a sufficient public service, and its duties to the customer end here. The permanent nature of these savings deposits and the necessity for paying liberal interest upon them, allow, and even require, that the bank shall place them in investments of a rather permanent character, and it necessarily results from this that the depositor could not reasonably expect to withdraw his deposits (even though occasionally allowed to do so in moderation), without giving ample notice; and neither should the savings depositor consider that his deposits in a savings institution give him any implied or preferential right to borrow from it or expect it to perform other services for him, such as paying his checks, keeping his accounts, or collecting his debts.



THE commercial or business bank is a totally different kind of institution, and the relationship to the community and its customers much more involved, more intimate and not so generally understood. Most of the confusion of thought about banking is caused by the loose use of the word "money." Generally speaking, money is understood to mean either coin or paper currency. The total amount of this in the United States is about \$3,500,000,000 (or thirty-five dollars per person). About half of it is held by banks and is called their "cash reserves." When one speaks of money, he usually has coin or currency in mind, but he also speaks of his bank account as "money in the bank." This latter is not money. It is a debt the bank owes him, payable in money, if desired. Its correct name is "bank credit." The bank, in speaking of it, calls it "deposits." People use it in preference to money; it does nearly all the work of money; is accepted by every one as being a payment of money; and people have very naturally fallen into the habit

of calling it money; but it is really not money, but "bank credit," or "bank deposits."

Bank credit, then, is really the principal circulating medium of exchange. There is about five times as much of it in the United States as there is of money or, in other words, the total bank deposits are about \$17,500,000,000 or about \$175 per person. This volume of bank credit is the very life of all business. Its loss or destruction would entail consequences impossible to imagine. Even a slight contraction of it (the condition commonly spoken of as "tight money") causes a business convulsion. Where did this supply of circulating credit come from? Banks create it by exchanging their own credit, which is good anywhere, for their customers' credit, which is good, but so little known that it will not circulate. The customer signs a note, payable to the bank, due at an agreed date for the amount he needs. The bank then places the amount or proceeds of this note to the credit of the customers' deposit account and thus places it in circulation as money, by allowing the customer to draw checks on the bank for the same amount. When the bank enters this amount on its books to the credit of the customer's checking account, it has increased its "deposits" by that sum. When it enters the customer's note in the "bills receivable" account, it has increased its loans by the same sum. The customer speaks of this transaction as having borrowed that amount of money from the bank. In reality, no money whatever was involved in the transaction. The customer's credit has simply been converted into "bank credit." The customer refers to this as "money in the bank," and falls easily into the habit of considering it money.

Inside the bank, however, no such confusion of terms is allowable. The bank uses the word "money" only to describe its "cash reserve." The thing the customer calls "money in bank" the banker calls his "deposit liability." To him it is not money but a debt he must pay whenever the checks are presented.

He must not create too much of it. He cannot go on increasing it indefinitely. The limit is fixed by the amount of cash that can be kept in the bank reserves. It is severely contracted whenever the timid and the ignorant draw cash from the bank and hoard it. It can be increased only by depositing all available coin and currency in the banks, or by contriving improvements in the banking system that will make the cash reserves more efficient and capable of safely supporting a larger amount of bank credit.

Exactly the latter is being accomplished by the establishment of the Federal Reserve Banks. In a general way, these institutions will do for the national banks just what the banks are doing for their customers, and thus greatly increase the banking power of the entire system. They will hold most of the cash reserves of the country and thus make them always available where most needed, so that a bank which has for the moment a heavier credit demand than its reserves will support can convert some of its loans into cash at the Federal Reserve Bank until the pressure is relieved.

The banks of a city lose cash when the people of that city are buying from the outer world more than they are selling to it, and consequently paying out (through their banks, of course) more than they are taking in. Or, in other words, when the balance of trade, or money movement, visible or invisible, is against that city. This balance of trade or money movement, between cities must be settled in cash, and as the loss of cash in this way by the banks must be paid out of their reserves, they are compelled to shrink the amount of their outstanding circulating credit about five times as much as the amount of their cash lost in order to bring it down to what their diminished reserves will safely support. This results in what is called "tight money" in that city. Money being tight (that is, borrowers unable to obtain bank credit) they are compelled to restrict all business activities which involve expenditures and purchases; and when, in consequence of this, the

purchases have been sufficiently reduced so that the balance of trade turns again, the lost cash comes back to the banks and they are then enabled to again expand their credits by making new loans. At this point the immense benefit of the Federal Reserve System becomes easily apparent, as the banks of the city in question, if they are members of the Federal Reserve System, should in the future be able to tide over a temporary, or seasonal, unfavorable trade balance of this kind by temporarily re-discounting some of their paper (within reasonable limits), at the Federal Reserve Bank, thereby replenishing their reserves out of the immense reserves these Federal Reserve Banks will hold for just such purposes, and thus avoid subjecting the entire city to the evils of a sudden contraction of the circulating medium—bank credit.

From this it is apparent that each bank must endeavor, hereafter, to see that the loans it makes to its customers, so far as possible, are made in a form that will make them eligible for rediscount at the Federal Reserve Bank.



WHAT public service, then, do the banks perform? They create and furnish to the public a circulating credit more useful and convenient than money and several times greater in amount than the total money supply of the country. How does any particular customer obtain this credit from his bank? By exchanging with the bank his own notes for the bank's credit, in the manner described. What must the customer do to entitle him to this privilege? He must establish his own credit. He must satisfy the bank that his own note is good, and otherwise do his part in strengthening and supporting this entire credit system. The very foundation of the customer's credit is knowledge by the bank that he is the kind of man who, if he gives his note or promise, will certainly perform it; or, in other words, character, without which,

of course, no credit can exist. He must next satisfy the bank that he not only intends to, but is also able to, pay; and not merely pay sometime, but pay when the note is due. This is partly accomplished either by depositing security with the bank, or giving it a correct detailed written statement of his business condition, and the nature of his business operations.

But even to customers who meet these requirements, the bank can only extend a total credit which is limited by its total cash reserves, and these must consist of real money. They can only be increased by actual money which comes to the bank from newly coined supplies, from other cities, other banks, or from private hoards; and being thus limited, the bank must so deal with all its customers as to make its total available supply of credit go around among them equitably. No customer, then, should be allowed to borrow more than his fair proportion. How is this determined? It is measured by what he does to support and assist the bank. The simplest evidence of this, of course, is the amount of the average balance he keeps on deposit, but it is also tested by the promptness with which he pays his loans, the amount of desirable business he brings to the bank, and the extent in general to which he aids the bank in developing its growth and usefulness to the community.

In a rough way, then, the bank can extend credit to customers about in proportion to what they do to support and maintain this credit structure. The homely and practical expression of this is to say that the banks can best help those who help the banks. There is one further qualification. The bank can safely and properly loan the most to customers who borrow for the shortest time. The usefulness of bank credit is greatly increased when it is borrowed by a customer who uses it to serve a temporary need, and quickly repays it to the bank, to be used in turn by another customer, so that a given sum is used by several different customers in succession in the course of a year. De-

posits created out of loans of this character are responsive, elastic and serve the whole community. A permanent standing loan of bank credit to one customer is something like cash hidden in a safe deposit box. It is withdrawn from useful circulation; it impairs the usefulness of the bank and prevents it from serving its other customers. A bank cannot create a line of satisfactory, elastic, circulating credit out of a sodden mass of notes of customers who seldom pay. The bank, then, in order to be of the highest usefulness in the community, must extend credit to the customer who is known to be of high character, who is amply able to pay when due, who does not try to borrow more than his fair proportion or for too long a time, and who does his full part in co-operating with the bank and strengthening it as a vital agency in the business life of the community.

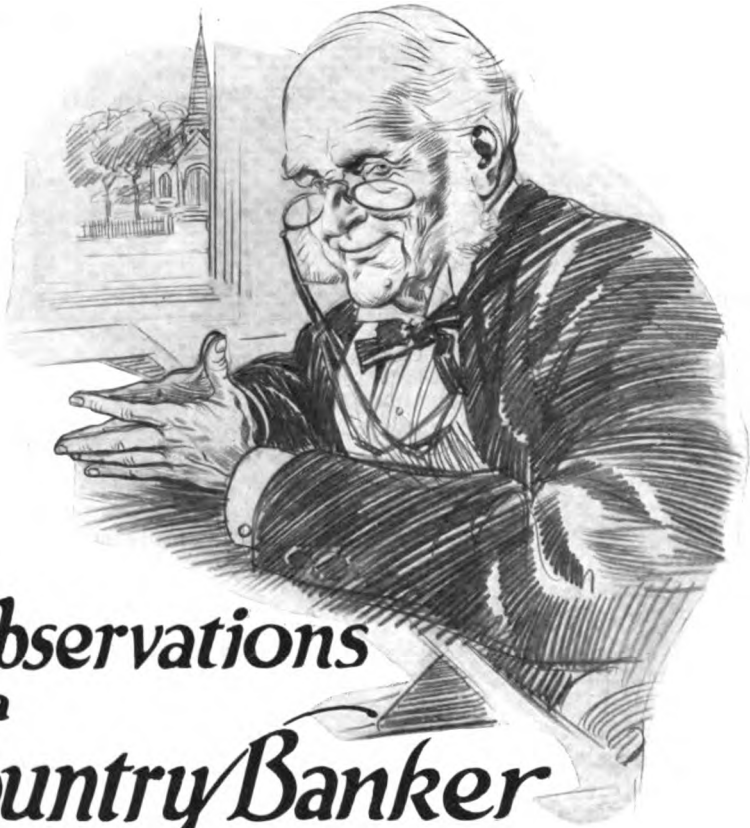
It is thus seen that the most important service the bank renders the public is to practically multiply the money supply, and this service benefits the non-borrowing as well as the borrowing customer, for even the non-borrower's bank balance is nothing but other people's bank credit which has been transferred to him in the form of checks. Probably the next most important service lies in receiving from its customers, as so much cash, checks drawn on distant cities. The value of this is little realized by customers. The customer can best understand it by thinking out some good plan for collecting the money on these checks without using a bank for the purpose.

A third service, so commonplace that its value is perhaps not fully realized, lies in holding the customer's deposit balance and paying it out as ordered by the customer's checks, under the risk of forged checks and numerous other risks, to say nothing of expenses. Besides these, there are the numerous minor or special services, like making collections of all kinds; furnishing business information, suggestions or occasional advice,

if desired, relating to business in general or in particular; obtaining special information through its correspondents; transferring funds from place to place by telegraph; and, in fact, any respectable service that an obliging bank is capable of performing with its extensive facilities, or having performed by any of its officers or employees.



It ought to appear from the foregoing that the banking system is something more in the community than a mere private enterprise, and also that the help a bank affords the right kind of a customer is of immense value, and that about the first step towards the achievement of any business success lies in forming a strong and close association with a carefully selected bank, and in making one's business and friendly co-operation of sufficient value to the bank to entitle one to the full benefit of its facilities. In practice about all that is necessary to this is the keeping of a desirable deposit account. A small stream of money merely "put through" the account will hardly do this. In fact, it merely makes additional expense. A small balance on deposit, averaging say one hundred dollars or less, usually costs the bank more than it earns, though banks seldom refuse to carry these accounts, because they often develop and also often attract others that are of value. A small deposit account, in itself, however, is not a benefit to the bank, especially if numerous checks and deposits are made on it. But, in general, the most substantial balance the customer can keep on deposit, coupled with scrupulously frank, punctual and honorable dealings, and a spirit of friendly co-operation to advance the bank's growth, strength and usefulness, should insure to the customers all the advantages of a bank association that are here discussed.



Observations of a Country Banker

By W. LIVINGSTON LARNED

SOMEHOW, I have more real regard for the man who SAVES a penny, than the one who spends a dollar foolishly. Of two possible nicknames, I think I'd rather be called a "Tightwad."



THE Chap who laughs at the familiar story of "Saving for a Rainy Day," is the first to run under somebody's umbrella when it begins to sprinkle. A bank account is pretty good weather-proofing against the Storms of Adversity.

IF there's one reason more than another why the farmers in this section are well-to-do, I think it's because they plant MONEY as well as CROPS. Oh, if the average man could only realize that a penny is live seed and the banks of the country fertile soil to drop 'em into!



HUMANITY forms into two very distinct lines. One is the bread line. The other forms just outside our receiving teller's window early on these fine, bright summer mornings. Odd

part of it is, that you seldom see th' two lines get mixed up. It's just the simple school-time story of ADDITION OR SUBTRACTION.



OH, if only MORE people would look upon the Money question as they do upon the HEALTH question. A liberal percentage of us appreciate that we can't SPEND Health and STILL HAVE IT. However strong our RESOURCES in that direction, there must come a time of close reckoning. One of the huskiest propositions in the whole eternal Universe is a GOOD, HEALTHY Bank Account.



A TYPICALLY American small boy was given an iron Savings Bank by his Ambitious Dad. Every time Father gave Son ten cents or a penny or Holiday quarters, the advice was quietly given that the little iron savings bank was the proper place for 'em. At the expiration of a month, Dad asked how much had been laid aside in this fashion. But Son smiled a doubtful little smile. "None, Daddy," he said.

"But I saw you put it all in that bank of yours," exclaimed the amazed parent. "what's the matter?"

"Guess somethin' has got to be done, Daddy," said the boy, "it's so hard to put in and so easy to get out, when you know th' combination, that I guess we'll have to change banks."

You can't trust a lot of fellows I know with a cheque-book.



THE one great trouble with the folks that say: "I believe in havin' a good time when I'm Young," is that somebody else has to take charge of them when they grow OLD. The Community in general is forced to pay the debts of the Spendthrift.



"Some money is green, but you've got to plant it to make it grow."

WHEN we die, we can't take our Money with us, but it's a mighty comfortin' last thought to know that our wives an' children can use what's left behind. Th' poorest mathematics on earth is th' sort that schemes things out so fine th' last fifty dollars goes to th' undertaker.



MAIN Street, in my village, is made up of all sorts of stores and all sorts of people runnin' 'em. At a base-

ball game the other afternoon, when th' weather was runnin' sort 'o hot and th' boys had their coats off, you could come up from behind and pick out th' Suc-

WALL Street isn't such a bad Boulevard to exercise in. It's th' feller that goes pestering up side alleys that finds th' going hard.



ONE live Evangelist in a tent made three hundred of our local citizens sign the pledge a month ago. What I want to see is the chap who can preach against SPENDING SPREES. A Money-Drunkard is th' worst sort.



OLD Ben Cubberd used to say to me, "I aint very Literary, but there's two books I know by heart—one's th' Bible an' th' 'tother is my Bank Book. They both stand fer SAVIN'."



TH' proverbs say that a Rich Man can't enter th' Kingdom of Heaven. Still . . . don't begin to worry until you r'e past th' fust BILLION.



"Pessimism never yet made a cash-register click."

cesses. It was hind-pocket Fortune-tellin'. Betwixt flasks an' Bank Books, there's one awful wide difference.



IF a lot of us kept as busy working as we do TALKING, War wouldn't hurt business. What a profitable investment SILENCE is, once in awhile. Pessimism never yet made a cash-register click.

MY ideas of conducting a country Bank were acquired from my Grandfather, who was in the same business. He traced his success back to getting the first flat-topped desk that ever came our way from Chicago. Every other banker in the country had the high sort. You couldn't see over th' tops of them. Grandfather COULD see over HIS. People came as much to *draw out* one of the old man's welcome smiles and "good mornings" as to *PUT IN* their money. The first thing I did when I hung out my shingle was to get th' sort of a desk I could see over. Gosh . . . but being pleasant . . . and LOOKING IT . . . a powerful asset.

THE sort of man I'm proud of is the **LITTLE** fellow who **SAVES** a **LITTLE** *REGULARLY*. The chap with the spasmodic banking fever somehow seems to give up before he goes the whole way 'round th' track. There are two ways of saving . . . one is by **REALLY PUTTING IT IN THE BANK**. The other is by promising that *some* day you'll do it. Experience has taught me that the man who makes **MODEST** promises **KEEPS HIS**.



SOME money is **GREEN**, but you've got to **PLANT IT** to make it grow.



ALMOST ANYBODY can **MAKE** money. It requires real **GENIUS** to **SAVE** it.



THERE'S Romance in **SAVING**. I have never yet known a case where the reformed **SPENDER** did not end by saying: "Why . . . I had no idea it would count up so fast." That's a stock phrase. An almost divine wisdom puts it in the mouths of the newly ambitious. The best two-column daily newspaper advertisement we ever ran for our bank started out with that line. And saving is not unlike **SWIMMING** takes a chap an awful long time to make up his **MIND TO JUMP IN**. But once he gets th' hang of it, it's **EASY**.



KNOWING the **VALUE** of money is a highly essential part of our education. Perhaps the cheapest thing in the world is money when it's squandered. You never fully appreciate how wonderfully sweet thrift can be, until you've saved up that first thousand.



"Old Ben Cubberd used to say to me, I aint very literary, but there's two books I know by heart—one's th' Bible, and th' 'tother is my bank book. They both stand fer savin."

BANK . . . An Institution for **SAVING YOU FROM YOUR OWN SELF**.



A PART of my day's banking business is to show an interest in the Little Shop-Keeper. Far too many Bankers confine their range of vision to their own banks. Helping all the little John Smiths in my village is really helping **ME**.



E. B. WILSON

MANAGER ADVERTISING DEPARTMENT BANKERS TRUST COMPANY, NEW YORK CITY

[Mr Wilson received his early education in the public schools, and was prepared for college at Redstone Academy, Uniontown, Pa. In 1901 he graduated (B. A.) from Princeton University, and in 1911, received the degree of M. A. He engaged in newspaper work during his college career and for a short time afterwards in Pittsburgh. In 1903 he became manager of the advertising department of the Real Estate Trust Co. of Pittsburgh, which position he held until 1909, when he accepted the managership of the advertising department of the Bankers Trust Co., New York.

Mr. Wilson helped to organize the Bankers Advertising Association of Pittsburgh and later became its president. He was elected first president of the Bankers Club (an organization of employees of the Bankers Trust Co.), and is the first president of the Bank Publicity Association of New York.]

Some of the Broader Phases of Bank and Trust Company Advertising*

By EDWIN BIRD WILSON, Manager Advertising Department,
Bankers Trust Company, New York

WHAT I have to say will be an unadorned statement of a few broad principles relating to bank and trust company advertising in which I firmly believe, and which I have gleaned from personal experience and study of the subject during the past twelve years.

It is only fair to the company with which I have the honor to be connected, to say that it is in no way responsible for my statements; I am speaking for myself personally, and not in any official or representative sense whatsoever.

Will you pardon me if I first indulge in a few generalizations? They form the background for the thoughts I have in mind and wish to present on a chosen subject. As it is my desire to point out to you some of the broader phases of financial advertising, it seems necessary to refer to outstanding general tendencies in the nation and between nations in order to make myself clear.



CO-OPERATION TO SUPPLANT CONFLICT.

OUT of the darkness of the great war come gleams of hope that seem to portend a brighter day for all the world. Out of the terrible suffering which half the world is enduring, and the other half witnessing, has come the conviction that humanity is bigger than nationality; that the common rights and interest of mankind transcend even the interests of nations;

that the disregard of these common human interests by any nation leads to direful results, which eventually plague that nation as well as others.

In these days of rapid communication, when all nations are close neighbors by grace of the "wireless"; when America instantly feels the pulse-beats of other continents, and Europe hears the quick breathing of America, no nation can live unto itself alone.

Every nation will have to shape its future conduct in the light of world interests, as well as its own interests.

Co-operation, not conflict, must prevail, otherwise the whole world will sink into a barbarism infinitely worse and more chaotic than that from which it has progressed by slow and painful stages through the centuries.

America, above all nations, must and does feel this responsibility. The nation has opened its mind to the truth that America must play a larger and yet larger part in the world's affairs of both thought and action, and that her interests are inseparably bound up with the world's interests, the interests of humanity.

And America is opening her mind to the complementary truth that there are really no classes within the nation, if by classes we mean naturally conflicting divisions of our population. Americans of all vocations, and of whatever antecedents, are at last beginning to realize that their interests are common and not antagonistic. At last, thank God, the man who tries to array class against class, and mass against mass in this country, is not popular. He who can bring together the apparently contend-

* An address before the convention of the North Dakota Bankers Association at Bismarck, June 17.

ing elements of our social, political and economic life is the man of the hour.



DUTY OF BANKERS TO THE COMMUNITY.

BANKERS, if they would be in harmony with the best thoughts of the present day, with the thought which makes for solidarity within the nation and between nations, must necessarily consider their duty toward the community, the country and the world, while considering their own business interests.

I do not hesitate to say that it is a duty of banks of the better sort to apprise the public of their facilities and usefulness.

There is the obvious reason of self-interest which impels the banker to advertise, the laudable desire to expand his business, to grow in public confidence, to increase his profits and dividends by increasing the volume of his business.

But I contend that there is an underlying obligation, not yet fully realized by the bankers of this country, to make known to the masses the objects and accomplishments of banking institutions, the economic purposes which they serve.

It is incumbent upon bankers to inform and educate the people as to how they can promote the business of the community, the state, the nation, and the world, by contributing to the working capital through their deposits in the banks.

It is the duty of bankers, and particularly of trust company bankers, to point out to the people the dangers of individual trusteeship, and the advantages offered by the incorporated trustee.

It is the duty of bankers to protect the public, by publicity of the right sort, against the insidious appeals of unscrupulous promoters of brass-edged securities, to try to divert into legitimate channels of trade the hundreds of millions of dollars which annually go into the treasure-chests of the pirates of

finance, who prey on widows and orphans, and sometimes on those who ought to know better than be caught by offers of seventy per cent dividends.

Bankers owe it to their towns and cities, owe it to the legitimate business of this country, owe it to the commerce of the world, to encourage the people to invest their money in legitimate enterprises, and to keep it away from the fraudulent schemer.

Bankers owe it to themselves, as well as to the business world, to encourage a wider exercise of thrift on the part of Americans than they have been accustomed to in the past.

It is hardly necessary to remark that thrift has not been, in this generation at least, a striking characteristic of the American people.

The first broad principle therefore, which I here commend for your consideration is this: That there is a duty laid upon bankers, as custodians of the people's wealth, to inform and educate the people as to the value of banking institutions.



COMMUNITY OR GROUP ADVERTISING.

OUT of the general ideas of co-operation and mutual interests which are, as has been pointed out, now so pronounced among the thoughtful people of the world, comes another broad principle of bank and trust company advertising.

I refer to the desirability of community or group advertising.

Consider for a moment: What is a bank? What is a trust company? What has one good bank to offer that another good bank cannot offer? What services can one good trust company render that differ greatly from the services of another good trust company?

Assuming that all the banks and trust companies in the community are sound, conservative and efficient. are not their functions largely common? Are not their services similar? Are not their interests mutual? Assuming

also the truth of the first broad principle mentioned, that it is the duty of banks and trust companies to make known their usefulness, it then follows that concerted publicity action by banking institutions is desirable.

I hold with many thoughtful bankers and bank advertising men, who have a strong conviction that the best advertising of banks and trust companies has not yet been done, that the separate competitive efforts at advertising by banks and trust companies is superficial and not fundamental. Many of us believe that what is needed in bank and trust company advertising, more than anything else, is co-operation by suitable groups of banking institutions in a campaign of publicity, designed thoroughly to inform all classes and conditions of people of the usefulness of banking institutions, and of the duty which the people owe to the business world, of bringing their surplus moneys into the storehouse of capital for the common good.

Various plans have been suggested for bringing this about, and discussions have been held in the councils of banking associations, both state and national. Some of the plans are entirely impracticable, but they all have the laudable intention of getting the bankers together to do something for the common good, as well as for their individual interests. One of the plans which seemed to me quite impracticable was for the trust companies of the country to appropriate a large amount of money for carrying on a campaign of information through the general magazines of national circulation. As there are only about 1,200 towns and cities in the United States where trust companies are situated, while the national magazines are distributed quite evenly throughout all the cities, towns and hamlets of the country, the enormous waste of such a plan is apparent.



PROPER PLAN OF CONDUCTING A CAMPAIGN.

IT seems to me that anyone who will thoughtfully and carefully consider

the subject of group advertising for banking institutions must inevitably arrive at the conclusion that the proper way to carry on such a campaign is for the bankers of any given community to combine and use local advertising mediums. The ties that bind banks of any particular town or city ought to be stronger than the ties between the banks of distant towns and cities or of distant states. If the banks of any community are not carrying on their business in a spirit of helpful co-operation there is something radically wrong, something which needs to be righted. If the bankers cannot get together on a common basis with the common good as the object, how can they expect the full and complete confidence and co-operation of the community at large?

It seems very unfortunate that the fear of some bankers that "the other banker" might gain some slight advantage has prevented concerted publicity action in some communities where efforts have been made to bring about such action. Contrast this attitude on the part of some bankers in certain communities with the attitude of business men in almost any other line, and you will wonder how it can be. Take a lesson from the manufacturers: how quickly they will rally around the standard of their common interests, either for defense or offense. Look at the real estate men of the average community; how they stand together to maintain and boost the price of real estate! Then look at the absurd situation of bankers declining to subscribe to a well-ordered and intelligent plan for boosting their common interests, because some brother banker might obtain a few thousand dollars more than his due proportion of the increase in deposits!

Permit me to register my firm conviction that a thorough, intelligent, and prolonged campaign of publicity in almost any community, carried on by the banks acting jointly, would result in increased business for all the banks, the greater proportionate share of such increase going to the banks which did the most intelligent work for new business

during the period of such advertising. I cannot agree with those who contend that in such a campaign the advantage would be with the biggest and strongest institutions; on the contrary, I believe that the advantage would be, and justly so, with those institutions deserving of confidence which did the fairest and most intelligent hustling for new business. Moreover, a campaign of community advertising ought not to be substituted for the individual advertising of the banking institutions of the community, but should be considered as the foundation for individual advertising and other business-getting efforts, the background which would make individual advertising all the more effective.

Let the banks of any given community subscribe to a common advertising appropriation of proper size; have strong, appealing copy written in plain understandable language, and publish it regularly as obvious advertisements (not "reading matter") over a long period, in the local newspapers; let them supplement this newspaper advertising with pamphlets, carefully prepared, which will explain in simplest language the purpose, practices, and services of banking institutions, the same pamphlets being distributed by all of the banks to their customers and prospective customers. Let them use, if local conditions seem to warrant it, advertising space in the local street cars and on the screens of the motion-picture theatres. Such a campaign would arouse an interest in the banking institutions of any community that would be of lasting benefit, not only to these institutions, but to the community at large.



ADVANTAGES OF COMMUNITY ADVERTISING.

OUR second broad principle of bank advertising is, therefore, that the similarity of services and mutuality of interests of banking institutions indicate that they could with advantage unite by communities to advertise their common functions. The efficient carry-

ing out of a well-ordered plan of community advertising by the banking institutions of any town or city should accomplish the following results:

First—Create a greater respect for, and confidence in banking institutions on the part of the general public. For example, I do not believe that such senseless runs as we have witnessed in New York city on mutual savings banks could have happened if the people had understood how thoroughly safe and sound such institutions are under the laws of New York State.

Second—Educate the public to the economic usefulness of banking institutions. Too many people look upon a bank as merely "a place to put your money," losing sight entirely of the important part which the bank plays in maintaining the prosperity of the business community.

Third—Increase the stream of small contributions of capital into channels of legitimate business, and diminish the stream which flows into the illegitimate channels where the money is finally lost in the "slough of despond." The people ought to be taught that banks of deposit are like reservoirs which collect capital from many small sources for use when and where most needed for carrying on the business life of the community.

Fourth—Educate the people to a higher standard of thrift, and thus actually increase the working capital of the community. America has a long way to go before it can approach the record of France for widespread thrift, and consequent widespread ability to invest in high-class securities.

Fifth—Stabilize the finances of any given community, and, if carried on by many towns and cities throughout the country, exercise a stabilizing influence on the finances of the nation and in turn the finances of the world.

Sixth—Increase the effectiveness of the individual advertising and other new business efforts of all the participating banks. It is a well-recognized law of advertising that the more business created for one advertiser the more there

will be for all advertisers in the same line. We have it on good authority that the first year's advertising of American Bankers' Association Travelers Cheques resulted in a large increase of sales of other kinds of travelers' cheques, as well as in large sales of "A. B. A." Cheques.

Parenthetically, I wish to emphasize what has been pointed out by some authorities on banking: For example, by Mr. Elmer H. Youngman in *THE BANKERS MAGAZINE*, that the *present time* is especially propitious for undertaking a plan of community advertising which will educate the public to greater thrift and lead them to invest in good securities, because the enormous losses of the world due to the great war must be met, and this country must face the problem of recouping its share of those losses.



CLEAR AND ATTRACTIVE PRESENTATION OF THE MESSAGE.

A THIRD broad principle to be observed in bank and trust company advertising is that what and how a bank speaks through an advertisement is fully as important as that the bank should advertise at all. If you have a message and will speak it clearly and attractively the public will read it; if you do not have a message, you had better not advertise.

In New York there is a grand old clergyman known as the "Bishop of Wall Street." Everybody in the neighborhood knows him by sight at least. He will step into the middle of the street, mount a little platform which he carries about with him, close his eyes reverently for a moment and then begin to speak. In a very few moments there will be a crowd of attentive listeners around him. Why do they listen? Because the "Bishop" has a *message* to deliver, a message he believes in; he is in earnest about it and the people believe in him.

You would not think well of a banker who tried to sell securities to his cus-

tomers which he did not believe in. You would think less well of a banker who received deposits when he knew his bank to be insolvent. But, on the other hand, what would you think of a banker who, although knowing his bank to be sound, progressive, and capable of rendering splendid service to the community, yet feared or neglected to tell the public about it? Or who spoke in uncertain tones, or in a language which could not be understood? Too many bankers are doing that very thing. They are willing to buy space in the newspaper and other publications, yet they seem unwilling to say anything worth reading in that space. Either they have no message to deliver, or are afraid to deliver it, or do not know how to deliver it. Let us use a homely illustration to see what this attitude really amounts to.

What would you think of a banker who, having completed a beautiful banking-house, furnished it with old furniture bought at a junk shop? You would question his judgment, if not his sanity; you would advise him to buy furniture in keeping with the beauty of the edifice which was constructed with such great care on the part of architect and builder. Yet are we not accustomed to seeing bankers buy beautiful white space in well-printed newspapers, and furnish that space with phrases meaningless to laymen, displayed in type culled from a junk-shop printery?

The furnishing of advertising space with worthy language and illustrations is an art, and requires careful study, as do any of the other applied arts. A good advertisement does not simply happen; it is designed and built. First, you must have your message, clear to yourself and believed by yourself; then you must study how to make that message clear to others and attractive graphically, so attractive that it will have a chance on the page with other strong announcements and messages. If I were asked to diagnose the trouble with bank and trust company advertising today, I should say that bankers are more willing to pay for advertising

space than for proper copy to go in the space. They seem still to believe in that old advertising heresy that the principal thing is to keep your name before the public. Some people have been doing that so persistently that their name is no longer popular.

Be not deceived; there is much more in advertising than merely keeping your name before the public. You must have a message, and you must make that message clear and appealing.



CONTINUITY OF EFFORT.

ANOTHER broad principle, our fourth, is that bank and trust company advertising to be efficient must be continuous.

Don't begin to advertise unless you intend to keep it up; advertising does not like "a quitter." That is a good motto of a big Eastern advertising agency which reads: "Keeping everlastingly at it brings success." Unlike many mottoes, this one tells the truth.

Make up your mind to *invest* (please notice, Mr. Chairman, I said *invest*, not *spend*), make up your mind to invest a reasonable sum in advertising each year, and invest that appropriation this year and next year, and the next, without regard to the returns obtained last year, and the year previous and the year before that. It is consistent, persistent, intelligent, year-after-year and week-after-week-during-the-year advertising that permanently counts; that builds a safe and sure foundation in public confidence.

Herein does bank and trust company advertising differ from some of the ordinary or garden varieties—that returns are usually slow in developing. If any self-styled advertising expert tells you he can take \$5,000 of your good money and so invest it in advertising as to produce quickly a twenty-fold or an hundredfold harvest, he is a liar and the truth is not in him. (I have good authority for that use of the short and ugly term.) A department store can

obtain quick results from advertising, but a bank cannot. A bank has no bargain days, no lines of "specials" to attract purchasers, no alluring cuts in prices of more alluring lingerie fresh from Paris. A bank's line of goods is about the same all the year and from year to year. A bank cannot expend \$5,000 in newspaper advertising and expect to make thereby \$50,000 immediately. Sometimes such things do happen, but they do not belong to the realm of reasonable expectancy. Once in a while a man does pin a \$500,000 check to a bank advertisement and send it in with the casual remark, "Please deposit to my credit in a checking account." But don't expect that to happen very often! Expect rather to see a gradual building up of your business, a gradual strengthening of confidence, a growing friendship through knowledge on the part of the public for your institution.

A bank that advertises intelligently and continuously is bound to win in the long race; but my advice is, do not go into the one-hundred-yard dash; enter the marathon.



PREPARATION OF ADVERTISEMENTS.

OUR fifth and final broad principle is that bank advertisements should be prepared by somebody who knows how. This self-evident truth is frequently ignored. Everybody seems to think he knows how to write "an ad"—and a good one, too—that is, until he has tried it. I do not recall having met anyone who was not at least willing to try; certainly there are no exceptions among bankers.

Why, it is easy to write a "bank ad!" The recipe is so simple. "Take white space in a local paper about the size of a slice of bread (this measure corresponding to the rising or falling cost of living will automatically regulate the advertising expenditure); select a few trite sayings about thrift from "Poor Richard's Almanac"; set in American

foundry, old-style bold, (or is it bold-style old?); and liberally sprinkle with variegated italics gathered from the last mess of the printer's devil's pi; put in capital, surplus, profits, deposits and resources, stuff with the whole board of directors, insert the officers, garnish with an unreadable trade-mark and surround the whole with an ancient brass rule, the heavier the better. Above all, be careful to put as much material into the space as it will hold without bulging. Don't bulge, it is unfair to the bank in the next column. The advertisement is now ready—all but the roasting—but the public and your brother bankers will attend to that.

Seriously, is not that a fair description of many bank announcements appearing in the newspapers? And why this condition? Because bankers are ignoring the self-evident fact that their advertisements should be prepared by somebody who knows how, who has studied, to some extent, at least, the art of advertising.

What would you think of a banker who would rely upon his own knowledge of the law in an important legal case involving the interests of his bank? What would you think of a banker, or any other business man, who would rely on patent medicines and household remedies when his wife and children were critically ill? What would you think of a banker who would personally do the only auditing of his bank that was done?

In all of these cases you would question his judgment, if not his sanity. You would advise him to retain a good lawyer, to send for the best physician available, to call in an expert accountant. And yet are you in the habit of questioning the good judgment of the banker who—without any knowledge of the art of advertising—attempts to plan and write his bank's publicity?

Now, advertising men are made out of various kinds of material, most often, probably, out of newspaper men. Some people go as far as to say that good advertising men are born, not made. At any rate they are seldom made out of

bankers. There are of course exceptions. Here and there throughout the country is a banker who is his own advertising writer and a good one. He has the right qualifications; imagination, ability to know his message and state it clearly, and above all the ability to get the outside point of view; but he is a rare specimen and when found should be given a special pedestal in the Bankers' Hall of Fame.

In general, the business of banking, long pursued, tends to kill those qualities which are essential to success in the advertising profession. The figuring of interest on money is not good preparation for figuring to interest the public. Imagination in a banker is not a necessary quality, in fact, it may be considered a dangerous one; but imagination in the advertising man is not only highly desirable but necessary.

If a banker must, by reason of the limitations of his organization, write his own advertisements, let him approach the subject in the attitude of a student who has much to learn on a subject which is quite different from banking and requires special training to accomplish worthy results.



WILL you be patient a moment longer, while I recapitulate:

First—In view of present general conditions it is a duty of bank and trust companies to advertise their services.

Second—In view of the similarity of services and common interests of banking institutions, the banks would do well to unite by communities for advertising.

Third—How and what a bank speaks in its advertisements is just as important as that it should advertise.

Fourth—Bank and trust company advertising to be efficient must be continuous.

Fifth—Bank advertisements should be prepared by somebody who understands the art of advertising.

Mr. Wilson concluded his address with an informal illustrated talk on concrete examples of good and bad advertisements.

Legal Investments in New York State

By LUIGI CRISCUOLO

THE State Superintendent of Banks issued a revised list of legal investments about the time my article on the subject was published in the April number of this *MAGAZINE*. It is notable that all of the bonds whose legality had been questioned in the first list were admitted, viz:

Manhattan Railway Consolidated 4s.
Lake Shore & Michigan Southern
First 3½s.

Pennsylvania Real Estate 4s.
Chicago, Santa Fe & California First
5s.

Morris and Essex 7s and 3½s.
Illinois Central, Litchfield Division,
First 3s.

The following issues, omitted entirely in the first list were also classified as legal investments:

Chicago, St. Paul, Minneapolis & Omaha, several issues.

Baltimore & Ohio Prior Lien 3½s.

Delaware, Lackawanna & Western,
several issues.

Louisville & Nashville, Unified 4s,
etc.

New York Central Refunding 3½s,
etc.

Of course the publication of the new list was somewhat of a relief, but the change of opinion with but a few stated reasons is to be regretted, inasmuch as an arbitrary decision of this kind may not affect the true status of a bond under the law.

In the case of New York Central Refunding 3½s, these bonds were omitted from the first list because, in the consolidation of the New York Central lines, the mortgage securing them did not provide for the refunding of all

prior liens. The case of Louisville and Nashville Unified 4s was identical, but a supplemental indenture providing that any remaining bonds could be issued to



LUIGI CRISCUOLO
STATISTICIAN FOR A PROMINENT NEW YORK
BANKING HOUSE

retire prior liens on property secured after the date of the mortgage, might have remedied the matter except for the fact that not enough bonds are reserved under the mortgage to retire all prior liens.

The Attorney-General is reported to have ruled on these cases that bonds which have been legal investments shall

not lose their legality when the mortgage securing them is extended over additional property, even though the mortgage does not provide for the retirement of the prior liens on the new property. This ruling was, of course, perfectly just but at the same time based on the opinion of one man backed up by his authority as a state official, and not on the law itself. Since the ruling was made, a provision was inserted in paragraph (a) of the law legalizing the Attorney-General's ruling, and the amendment passed by the Legislature and signed by the Governor.

However, if the Attorney-General can make rulings on one bond he can make them on another. This might at some time leave a loophole for persons who have political influence with an administration and result in bonds of an inferior grade being declared legal purely on a technicality. There should be a way to revise the law so that poor bonds cannot be thus admitted nor good ones excluded, and the law should be simple yet specific.

It is to be understood that criticism of the Banking Department is not the intent of these articles; none of us is perfect or infallible and it is certain that under the present system of appointment the men best qualified to hold office are not always the ones appointed. If these remarks will result in some intelligent thinking and planning and co-operative work on the part of bankers, railroad men and the Banking Department, the writer will feel very much gratified.

It is difficult to ascertain where to draw the line between a bond which should be classed as legal and one which should not be. Take the question of earnings; under paragraph (e) of the law, gross earnings must be at least five times all interest charges and rentals. Supposing a company has gross earnings of \$100,000,000, net earnings of \$25,000,000 and fixed charges of \$20,000,000, its bonds may be legal, other provisions of the law having been complied with. Of the fixed charges, only the interest on \$10,000,000 repre-

sents bonds which are legal, the balance representing rentals, interest on notes or debentures, etc. Now, supposing a lean year happens along and reduces the gross to \$99,000,000 or \$90,000,000; or supposing the company has to borrow additional funds which would result in its fixed charges increasing to \$20,500,000 or \$20,200,000; then, technically, the bonds which had been legal would no longer be eligible although they had a good equity and the interest was earned several times over.

Furthermore, inasmuch as the exact earnings of the company in question might not be known until the issuance of the annual report, a bank might have carried for months an investment which was not legal and not have known it. On the other hand, some clever people might have accurate advance information, from a director perhaps, on the company's earnings and might decide that certain bonds would not be legal after the publication of the report and when the figures became generally known. This would result in a possible break in the market value of the bonds which might be serious for a bank which held large blocks of such an issue. It would not be surprising to find that many savings banks are carrying bonds which have been legal investments but which are not so now due to minor but correctly interpreted points of the law. Banks which have purchased such bonds five points above current market prices can hardly be criticized for holding on to them inasmuch as better times may result in the bonds being reclassified as legal investments. Of course, there is no provision in the New York law about the disposition or the retention of bonds which have lost their legal feature; the only question considered in the laws of the more strict States seems to be that of investment. In Massachusetts a company whose bonds have been legal can fail to pay dividends for two years without affecting the legality of the bonds held, although no new investment may be made in such bonds during the period. If the company complies with the

dividend requirements during the third fiscal year following the default its bonds are readmitted. There certainly should be some such provision in the New York law.

The present law contains a provision that dividends of at least four per centum shall be paid on a company's capital stock for each of five years preceding an investment in its bonds. The Pittsburgh, Cincinnati, Chicago and St. Louis Railway Consolidated Mortgage bonds had been legal up to 1914, when the reduction in the dividend, made imperative by decreased earnings, resulted in the bonds being considered not eligible by banking houses long before the time of grace expired, viz: December 31, 1914, and by the Banking Department when the first list was issued. The company is controlled by the Pennsylvania Company through ownership of \$23,747,800 common and \$22,462,200 preferred out of a total of \$67,000,000 capital stock. The Consolidated Mortgage bonds, of which about \$73,000,000 have been issued, are a mortgage on the entire property of the company, 1,137 miles of road, subject to only \$2,131,000 prior obligations. The bonds are guaranteed as to principal and interest by the Pennsylvania Company by endorsement and have been considered for many years a very high-grade security. Yet, they were made ineligible because the company preferred not to draw upon its surplus or reduce its maintenance charges in order to pay dividends to its stockholders.

Of course, some bonds are so good intrinsically that even loss of legality would not affect their market value. This is seen in the case of Pittsburgh, Cincinnati, Chicago and St. Louis Consols, various series of which are selling on from a 4.35 per cent. to a 4.45 per cent. basis, while Chicago, Milwaukee and St. Paul General and Refunding $4\frac{1}{2}$ s are legal and sell on about a five per cent. basis.

As regards the ratio of gross earnings to fixed charges, let us consider Central Pacific Railway Company Refunding (now first) Mortgage four per cent.

bonds due 1949. These bonds had been legal investments in New York State for several years prior to 1914, when a question arose as to the ratio of gross earnings and fixed charges. The writer asked the Banking Department for an opinion in the matter, pointing out that the gross earnings had not been sufficient, and that perhaps the bonds were technically not to be considered as legal. After considerable correspondence, the Banking Department wrote that from the latest information available the bonds were to be considered legal and that the Attorney-General had so ruled. However, when the first list of legal investments was issued last January the bonds were not included therein. Liquidation on account of the European war seems to have been the principal cause for the decline in Central Pacific 4s from around 95 to 86.

These Central Pacific 4s are a high-grade security; they are a direct obligation of a company whose entire capital stock, \$17,400,000 preferred and \$67,275,500 common, is owned by the Southern Pacific Company and deposited as collateral for its Collateral Trust bonds due 1949. The Southern Pacific Company received during the fiscal year ended June 30, 1914, six per cent. on the preferred and six per cent. on the common stock owned. The bonds are additionally guaranteed by the controlling company as to principal and interest by endorsement. The security is a first mortgage on over 1,300 miles of railroad extending from Ogden, Utah, at a connection with the Union Pacific Railroad Company, to San Francisco, with a line extending northward to the Oregon-California State line, where connections are made with the Oregon and California Railroad Company for Portland. The bonds have a very substantial equity, being followed by \$12,401,500 mortgage $3\frac{1}{2}$ s. \$16,262,548 French 4s as well as by the \$84,675,500 capital stock. Yet these Refunding 4s have had to be excluded on a point in the law which is really only a minor one.

If the law can be stretched in the

cases of New York Central Refunding 3½s, Louisville and Nashville Unified 4s, and others as cited, why not in the cases of Central Pacific Refunding 4s and Pittsburgh, Cincinnati, Chicago and St. Louis Consols? The purpose of my argument is to show that if the admission of a bond to the legal class is based purely on the opinion of an Attorney-General and not on the law, it leaves

a possibility that a further holder of that office may decide the bonds to be ineligible unless in each case a cumbersome amendment is added to the law.

It is unfortunate that such a condition of affairs should exist, but as long as the law remains in the present shape there will always be difference of opinion, and that is what should be avoided if a new law is to be drafted.



Progress in North Dakota

ACCORDING to the Grand Forks (No. Dak.) "Herald," things are looking good in that State, as the following story tells:

North Dakota has 44,917,120 acres of land. When the last census was taken, 20,455,092 acres were improved. That was almost three times as much as the New England States; more than 11 times as much as Florida; more than Ohio or Indiana; it was almost as much as Wisconsin and Michigan had combined.

In the ten years covered by the census, the improved land in the State increased 112 per cent.—more than any other State. It increased 10,810,572 acres—or 1,800,000 more than any other State increased. One-sixth of all the increase in improved land in the entire United States during that period of time was in North Dakota.

See how values in North Dakota increased in the same time:

	Per cent.
All farm property	282
Farm lands	321
Farm buildings	263
Farm implements	212
Stock	155
Annual crops raised	23½

The annual crops raised increased 126,816,527 bushels. The increase in the entire United States was 73,707,452—without North Dakota it would have shown a decrease of 53,109,075 bushels.

Are we increasing the number of hogs? South St. Paul is our market for hogs. They report the following received from North Dakota:

Year.	Number.
1912	63,000
1913	163,000
1914	315,985

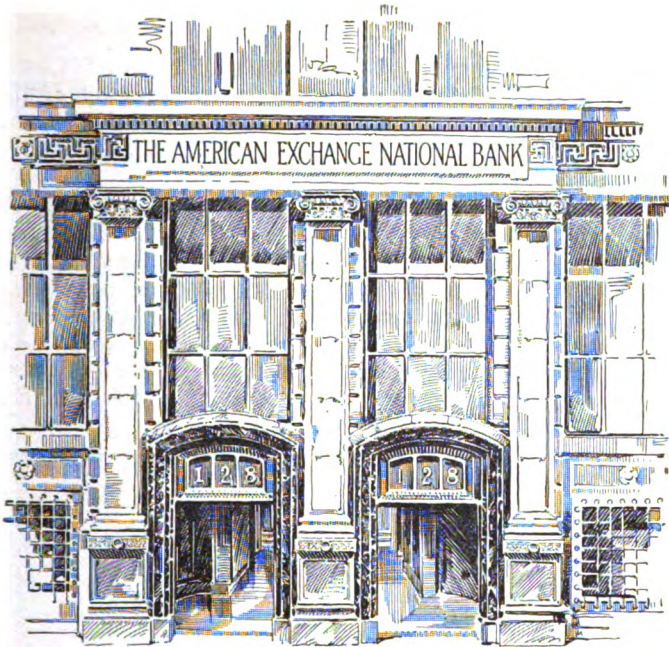
Does North Dakota need more farmers? The census shows the average size of farms in various States: Ohio, 89 acres; Michigan, 91¼ acres; Indiana, 98 acres; Wisconsin, 119 acres; Missouri, 125 acres; Illinois, 12 acres; Iowa, 156 acres; Minnesota, 177 acres; United States, 138 acres; North Dakota, 382 acres; North Dakota east of Missouri River, 40½ acres.

Some counties in North Dakota have more silos than any counties in Illinois. That means more corn, more alfalfa and more stock than ever before.



LEWIS L. CLARKE

PRESIDENT AMERICAN EXCHANGE NATIONAL BANK, NEW YORK



American Exchange National Bank of New York

A Record of Remarkable Growth

ATENTION is being attracted to the remarkable rate of growth made by the American Exchange National Bank of New York following the inauguration of the wisely-progressive policy which has marked the conduct of the bank's affairs since the accession of Mr. Lewis L. Clarke to the presidency about five years ago. Average deposits as shown by the Comptroller's calls in the year 1909 were \$35,952,933.38. In the following year, under Mr. Clarke's administration, the deposits made a substantial gain, in-

creasing about \$16,000,000 between June, 1909, and June, 1910. Succeeding years have shown a marked increase in the ratio of growth, the average deposits as shown by the Comptroller's calls being in 1912, \$52,947,300.38; in 1914, \$65,330,722.30. On March 4 of the present year, the deposits were \$71,773,948.88, and by June 23, they had increased to \$88,856,937.98, while the total resources had risen to \$107,283,062.77.

These figures are most substantial testimony to the efficient work done by

President Clarke in building up the business of this old and historic banking institution.

Of course, this growth is not explained by the change of policy in regard to the payment of interest on reserve and special deposits. That has been merely a contributing factor. The chief reason why the American Exchange National Bank has forged ahead so rapidly in the last five years is because President Clarke's management has effectually provided at every point

\$35,000,000 to over \$88,000,000, shows that the management of the American Exchange National Bank has been unusually efficient and conservatively progressive.

It has been seen that the total resources of the bank at the date of the last Comptroller's call were over \$107,000,000, a very gratifying sum, but it does not by any means represent the ultimate goal at which the bank is aiming, for the management of the American Exchange Na-

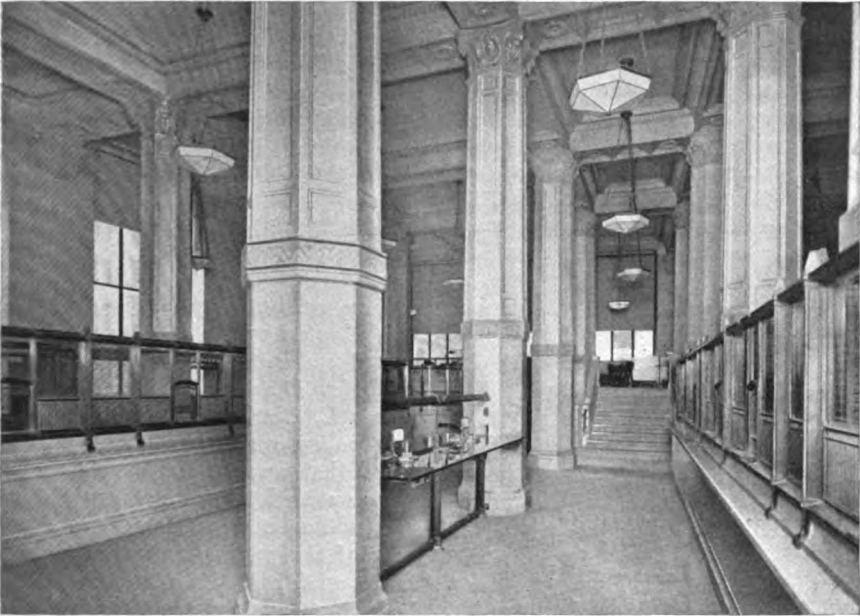


VIEW OF MAIN BANKING ROOM, AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

for complete banking service, while adhering strictly to the soundest banking principles. Mr. Clarke was quick to perceive the need of superior banking facilities following upon the general expansion of commerce and industry, and was equally quick in placing his institution in a position to provide such facilities and in bringing a knowledge of them to the attention of the banking and business community. The result attained in so short a period as five years, representing an increase of more than 100 per cent. in deposits, or from about

tional Bank has large faith in the future prosperity of this city and of the United States generally, and will spare no effort to keep the bank well abreast of the banking requirements of the city and country.

While, therefore, the rate of growth in the past five years has been naturally very gratifying, it by no means represents an achievement that will cause the bank to rest upon its laurels; rather is it regarded as a solid evidence of the ability of the American Exchange National Bank to supply satisfactory bank-



APPROACH TO OFFICERS' QUARTERS, AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

ing service, and may be taken as an earnest of its intention to push forward even more vigorously in the future. This old and honored institution has reached its rightful place in the very front ranks of the banks of the United States, and is still going forward.



A WORD OF HISTORY

THIS bank has had a long history in which it may well take pride, though the institution has no disposition to live upon its past. The American Exchange Bank was organized in 1838, long antedating the New York Clearing-House Association and the National banking system. Three of those who were prominently identified with the bank were later presidents of the New York Clearing-House Association. Shepard Knapp, one of the founders of the bank, served in 1860; George S. Coe, 1876-77 and 1899-90, and Dumont Clarke, 1904-5.

Mr. Geo. S. Coe, who was elected president of the bank July 31, 1860, was a man of unusual mental attainments and soon became an important figure in the councils of his fellow bankers. During the summer of 1861 he was instrumental, by a stirring address at a conference of bankers, in inspiring the New York bankers to arrange for a gold loan of \$50,000,000 to the United States Government. In 1861, 1863 and twice in 1864, the bank participated in important government loans and its course throughout the Civil War was of great service in upholding the Federal Government.

It was during the administration of Mr. Coe, in 1864, that steps were first taken toward converting the bank into a national association. This was finally effected on June 30, 1865.

The present June therefore marked the fiftieth anniversary of the bank's entrance into the national banking system.

Mr. Coe continued as president until January, 1894, when he became chair-

man of the board, serving in this capacity until his death, May 3, 1896. His successor as president of the bank was Mr. Dumont Clarke, who had entered the institution as a check clerk in 1863, but was rapidly advanced until 1868, when he became assistant cashier, and cashier on August 30, 1878. In 1883 he was elected a member of the board of directors and in 1887 vice-president of the bank. On January 7, 1894, he was unanimously elected to succeed President Coe. Mr. Clarke continued to be the head of the bank until his death on December 26, 1909.



PRESENT MANAGEMENT

ON the death of Mr. Dumont Clarke, he was succeeded on January 11, 1910, in the presidency by his son,

Lewis L. Clarke, who had entered the bank in 1889. Other changes at this time were the elevation of Edward Burns to the vice-presidency; Walter H. Bennett was elected cashier and A. K. de Guiscard assistant cashier.

Prior to his election as president of the bank, Mr. Geo. S. Coe had presented to the bankers of New York a paper written by himself, taking strong grounds against the payment of interest on current deposits. This policy was adopted by the bank, and was maintained under the presidency of Mr. Coe and Mr. Dumont Clarke. When Mr. Lewis L. Clarke was elected president this policy was changed, as he recognized that reserve and special deposits were entitled to unusual consideration, and while he appreciated the correctness of the principle of not paying interest on deposits, if generally followed, he also recognized the fact that it was of no substantial benefit to anybody



OFFICERS' DESKS, AMERICAN EXCHANGE NATIONAL BANK, NEW YORK



BOOKKEEPING DEPARTMENT. AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

where only two or three banks in a city like New York adopted the practice while all the other banks and trust companies were paying interest. He saw that the American Exchange National Bank, in order to meet competition, must conform to the general local practice, so that its growth might enable the bank to reap the advantages of its long and successful history, and place it in a position where its resources would be commensurate with the demands of modern business.

Nothing further need be said regarding the splendid success of this change of policy except to refer to the figures already quoted at the beginning of this article.

Passing reference must also be made to the fact that the remarkable record of success made by Mr. Clarke as president of the American Exchange National Bank has been made while he is yet on the sunny side of fifty, he being only in his forty-fifth year.

Mr. Walter H. Bennett, who had been elected cashier at the time of the change in the presidency, was made a vice-president in 1910. He has served the bank since 1886. George C. Haigh, also vice-president, entered the bank in his boyhood, and in 1910 was made an assistant cashier. Arthur P. Lee, cashier, has been with the bank since 1885, and was made an assistant cashier in July, 1910. A. K. de Guiscard, assistant cashier, has been with the bank since 1864. He, like Assistant Cashiers E. A. Bennett, Hugh S. McClure and Walter S. Tallman, owes his promotion to an official position to long, faithful and efficient service.



A MODERN BANK HOME

FROM modest beginnings at 49 William street in 1838, increasing business compelled the bank to remove to larger quarters at 50 and 52 Wall

street in 1842, and to its own building, Broadway and Cedar street, in 1858, the erection of a modern bank and office building in 1901, and finally, in 1912, the remodelling of the building, making the present completely-appointed banking house.

In the winter of 1912 occurred the great fire which destroyed the building of the Equitable Life Assurance Society, opposite the bank, and considerably

York News Bureau" of January 10, 1912:

"American Exchange National Bank Holds Election in Flood.—Undaunted by the proximity of the fire in the Equitable Life Assurance Society's building, across narrow Cedar street, which filled their offices with smoke, the officers and employes of the American Exchange National Bank lost no time, upon their arrival yesterday morning in



CHECK DESKS, AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

damaged the rooms of the bank itself. The building was so heated that for some time it was impossible to get at the contents of the vaults. It was found necessary to open in temporary quarters, but through the display of exceptional energy the bank was able to accommodate its customers without serious inconvenience.

How promptly the bank acted in this unusual emergency is shown in the following account, printed by the "New

making arrangements to conduct business in quarters more accessible to depositors, at 66 Broadway. The annual meeting of the stockholders was held in the president's office in the bank's building, corner of Broadway and Cedar street, despite the fact that firemen were directing streams of water from the open windows of the bank into the blazing Equitable Building.

"The enterprise shown by the officers of the bank in preventing interrup-

tion of business with depositors and the banking community, also led them to adhere to the announced intention of holding the annual meeting of the stockholders, as advertised in the 30 days' prior notice, in the offices of the bank, notwithstanding the chaotic conditions prevailing. While the election of the directors was being held, one of the largest of the four lines of fire hose, on the floor outside the president's office on

made practically on time at the temporary quarters of the New York Clearing-House, and its tellers were receiving and paying checks and money shortly after 10 a. m. from the offices at 66 Broadway."

The damage done to the building by the fire hastened the preparation of plans for the remodeling of the banking rooms, with the result of the beautiful marble and bronze banking rooms



MAIN DINING ROOM, AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

the Broadway side, burst and flooded the front offices with water. The judges of the election were compelled to stand upon chairs in order to canvass the 34,000 votes which were cast in person or by proxy.

"While arrangements were made by the bank for quartering the paying and receiving tellers and the bookkeeping department in the building at 66 Broadway, the correspondence and check desks were moved temporarily to 160 Broadway. The bank's exchanges were

which the bank now occupies. The location of the bank is one of exceptional prominence. At the rear of the building is the beautiful marble structure of the New York Clearing-House, while across Cedar street is the mammoth new Equitable Building.

The remodeled building, with its new banking rooms, is a monument to the enterprise which was a distinguishing trait of those who founded the bank, and of their successors.

Approaching the Broadway portals,

one sees just within the line of vision the three floors of the building—basement, first and second—which are devoted entirely to the requirements of the bank, save only the Cedar street elevator entrance, principally intended for offices on the upper floors, which are rented by the bank. In reality, the portals are a double vestibuled entrance, equipped with revolving doors leading directly from Broadway to the main banking-room. Passing through these entrance ways, which are protected by solid bronze doors of ornamental design, one sees first of all the vestibule, whose floor and walls are of Italian marble, and then comes the banking-room itself.

Straight down the middle of this room is the public space; on either hand the various banking departments, and overhead, at the Broadway front, is a mezzanine floor, reached by a short flight of marble steps on one side of the main entrance, where the principal officers have their desks. All along the Broadway front, and on the Cedar street side of this room, are great windows rising almost to the ceiling, which is twenty-four feet from the floor.

Throughout, from the very entrance, the main banking floor is designed after the best of the Italian Renaissance period. The architects, Messrs. Clinton & Russell, were instructed to employ simplicity of treatment and dignity throughout.

The room is seventy-five feet long, fifty-three feet wide and twenty-four feet high. The floor is of pink Tennessee marble and the walls of very light buff Italian marble, from the Tavernelle Claire quarries. These marbles have the hone finish which gives a more quiet effect than the usual highly polished surfaces. Fourteen panelled octagon columns of the same Italian marble rise in orderly and graceful array all down the room. It is noticeable how inconspicuous these columns are, their size considered. Like everything else in the architectural scheme, they satisfy the eye and suggest stability.

No one, however much impressed

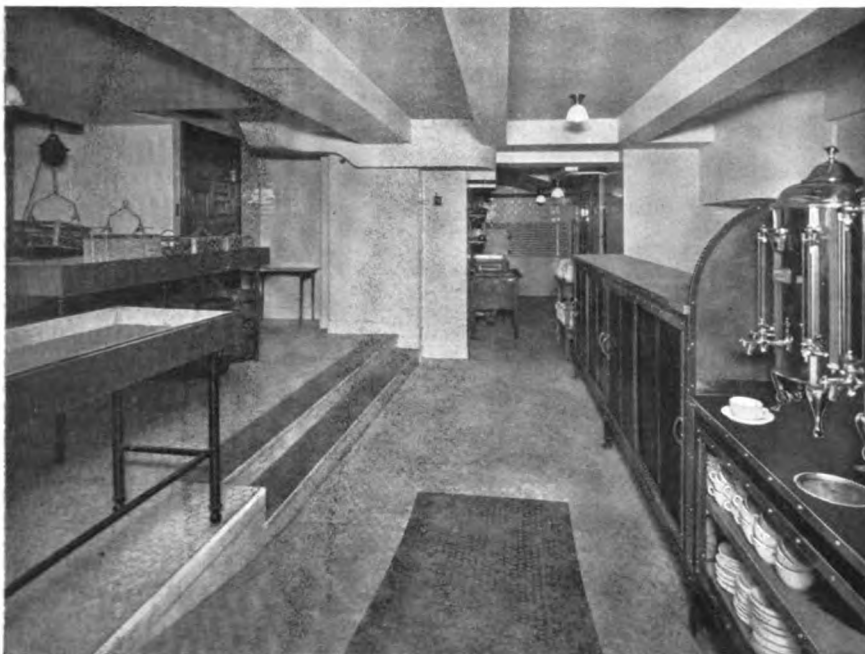
with the larger and more noteworthy features of this beautiful room, will fail to observe and admire its furnishings. The bronze counter, the other metal fittings—as, for instance, the cage partitions, separating the departments on either side of the public space, the doors, the hardware—all are of solid bronze, of a dull spun finish.

Under the officers' gallery, already described as a mezzanine, and on either side of the Broadway portal, are the board room and the president's conference room, both furnished in white, in the colonial style, with the floors of parquet and the furniture of Mexican mahogany, like that of the gallery above.

Passing down the main room again, one comes to a solid bronze and glass partition, constructed to be sound proof, back of which is a room for the adding machines—those modern, yet already indispensable "lightning calculators," which put to shame the arithmetical exploits of the itinerant "calculator," with his wonderful skill at figures, who mystified us in the early days at school.

The working portion of this floor is, sensibly enough, laid in cork. This helps to make the room quieter. Another thing that tends to make not only this floor, but the others as well, a livable, likable place to work in, is the ventilation, which is of a system right up to the moment. Even the fresh air is washed before it is breathed. Not only so; it is heated, too—as high as eighty-five degrees, if need be. The same up-to-dateness is found in the lighting, power and heating systems.

Should one happen here as evening falls, and the abundant daylight of the earlier hours no longer fills the banking-room, he will be greatly attracted by the artificial lighting effects, for these, although ingeniously contrived to prevent shadows, are sufficient for all practical requirements. It is the semi-direct system of electric lighting. Solid bronze chandeliers, fitted with Tiffany glass, illuminate this room. The indirect system is employed on the floor above, so that lights at individual desks are unnecessary.



KITCHEN, AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

The whole of the second floor is given over to about one hundred clerks, who have access to the other floors by either elevator or stairs. The entire working force of the bank numbers about two hundred. For these workers, as well as the officers, every convenience known to modern bank equipment has been provided. Placed in a special room—also sound-proof—at the rear of this floor there are more of that almost human calculator, the adding-machine.

To the casual visitor, unacquainted with the amenities of modern banking, there is a surprise in store on the basement floor. Here are dining-rooms, appropriately decorated, for officers and clerks, respectively. These rooms are served from a kitchen and a pantry on the same floor, both finished in white tile and furnished with every convenience for serving food hot and invitingly. The bank serves its entire working force with luncheon, and also with supper whenever the exigencies of business keep the workers overtime.

It is on the basement floor that the

bank's vaults are located. Here are watchmen, on duty day and night, besides whose services there is the protection of the service of the Mercantile Burglar Alarm Company, time-locks and fire-proofed walls, to guard the money and securities of depositors.

Among the remaining, and lesser features are the porcelain fountains, serving iced water, the telautograph system, the pneumatic tube, the vacuum cleaner, and a strictly modern, sanitary system of toilets.

To one who has seen these three floors throughout, and in use, who has seen the bank in full operation, with all its facilities employed, who has an eye both for the useful and the ornamental in business practice, it will invite the memory to think of them, perhaps to speak to friends about them.



A PROSPEROUS BANK

SINCE its organization in 1838 the bank has paid semi-annual dividends amounting to \$25,443,000, and



OLD BANK NOTE. AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

since nationalization in 1865 it has paid \$19,925,000. As this represents a rate of about eight per cent. on the average capital, it will be seen that the bank has been very profitable to its shareholders.

To trace the increase in each of the respective items of the bank's balance-sheets throughout the long course of its history would require considerable space, but it would undoubtedly tell a story of progress toward the present magnificent total figures, which exceed \$98,000,000. It will be interesting, however, to indicate the rate of this progress by making comparisons of the average deposits at the call of the Comptroller of the Currency in recent years:

GROWTH.

1900	\$30,523,685.36
1903	30,683,281.01
1906	33,952,874.08
1909	35,952,933.98
1912	52,947,300.38
1914	65,330,722.30
Deposits June 23, 1915	88,856,937.98

This is striking evidence that the bank is meeting the present-day demands for complete banking service.

More complete presentation of the existing position of the American Exchange Bank is shown in the following figures taken from the report of the Comptroller of the Currency on June 23, 1915:

RESOURCES.

Loans, discounts and investments	\$68,246,646.37
U. S. Bonds and other securities to secure circulation and postal savings deposits	7,270,105.94
Due from banks, bankers and trust companies	1,617,711.19
5% redemption fund	225,000.00
Due from U. S. Treasurer	76,000.00
Reserve in Federal Reserve Bank	6,011,818.96
Cash and exchanges for clearing-house	91,980,780.31
Loans made for correspondents	1,855,000.00
	<hr/>
	\$107,283,062.77

LIABILITIES.

Capital stock	\$5,000,000.00
Surplus fund and undivided profits	4,942,208.99
Circulation	4,490,000.00
Time acceptances	1,705,780.00
Letters of credit	433,135.80
Deposits	88,856,937.98
Liabilities other than those above stated	1,855,000.00
	<hr/>
	\$107,283,062.77



OFFICERS AND DIRECTORS

AS will be seen from this brief review, the American Exchange National Bank has numbered among its officers men of very high banking capacity who have officered the institution with rare fidelity and exceptional financial judgment and who have taken the position of leadership in local banking circles and have exercised wide and beneficial influence on banking opinion and practice throughout the country. The present officers are sustaining the sound traditions of management upon which the bank's success has been built, and have by their wisely progressive spirit kept the bank's facilities in every respect up to the highest standing.

A complete list of the officers and directors follows:

Officers: Lewis L. Clarke, president; Walter H. Bennett, vice-president; George C. Haigh, vice-president; Arthur P. Lee, cashier; A. K. de Guiscard, assistant cashier; Elbert A. Bennett, assistant cashier; Hugh S. McClure, assistant cashier; Walter B. Tallman, assistant cashier.

Directors: William M. Barrett, president Adams Express Company; Walter H. Bennett, vice-president; Lewis L. Clarke, president; R. Fulton Cutting, New York; William P. Dixon, Dixon & Holmes; Philip A. S. Franklin, New York; Rowland G. Hazard, president Peacedale Manufacturing Company; Edward C. Platt, vice-president Mackay Companies; Elbridge Ger-

ry Snow, president Home Insurance Company; Claus A. Spreckels, president Federal Sugar Refining Company; John T. Terry, New York.



A RECORD OF SAFETY AS WELL AS OF GROWTH

GRATIFYING as has been the growth of the American Exchange National Bank, its record for safety is the one in which its officers and directors take the greatest satisfaction. From its foundation in 1838 until now, many destructive panics have swept over the country, but this bank has withstood

them all, and even in such times has gained in deposits through the absolute confidence of the public in the trustworthy character of the management. The sound traditions of seventy-seven years of safe and successful banking have never been lost sight of, and they will ever be kept steadily in view while adapting the bank to the vast increase of the country's industry and commerce. It is the aim of the management to uphold the principles which have made the bank's history an honored one, and to build upon the solid foundations of the past a great institution to whose care the banking needs of the present and of the future may be confidently committed.



SEAL, AMERICAN EXCHANGE NATIONAL BANK,
NEW YORK

New President of the People's State Bank, Detroit, Mich.



GEO. E. LAWSON
PRESIDENT PEOPLES STATE BANK, DETROIT, MICHIGAN

GEORGE E. Lawson succeeds the late George H. Russel as president of the People's State Bank of Detroit.

Mr. Lawson entered the service of the People's Savings Bank in 1881, becoming cashier in 1890, and vice-president in 1907 upon the consolidation of the People's Savings Bank and State Savings Bank, under the title of the People's State Bank.

Besides being president of the People's State Bank, Mr. Lawson is a di-

rector of the Union Trust Company, Detroit City Gas Company, Peninsular Stove Company, and of various other industrial and financial corporations. He was president of the Michigan Bankers Association in 1914, and is at present a member of the executive council of the American Bankers Association. His other affiliations include memberships in the Country Club, Detroit Club, Detroit Golf Club, Detroit Bankers Club and Detroit Board of Commerce.



THIRD NATIONAL BANK, SAINT LOUIS



ELEVATORS AND ENTRANCE TO BUILDING

Third National Bank of St. Louis, Mo.

THERE was a time when a bank was looked upon as a private enterprise, designed and operated for profit to its owners. In the evolution of banking there has been a

drifting away from this idea, and the bank of to-day is the bank that considers itself a public institution, conducted indeed for a reasonable profit to the stockholders, but with a view to serving



F. O. WATTS
PRESIDENT THIRD NATIONAL BANK, ST. LOUIS, MO.

community interests in a broader way, and contributing to the public wealth.

On Christmas Day of 1863, the United States Government issued Charter No. 170 to the Third National Bank of St. Louis, and this bank therefore claims the distinction, not only of being the oldest national bank in Missouri, but also of being one of the first banks of the nation to establish a banking business under the direct supervision of the United States Government.

During all these years of swiftly changing scenes, through times good and bad, through business panics and depressions, this bank has stood firm, always holding to those high ideals of progressive service, never swerving from the path of conservatism, maintaining absolute faithfulness to those who have dealt with the bank, and making itself a potential factor in the business life of the country.



OFFICE ENTRANCE

THE BANK'S HOME

FROM an humble beginning in a little building at 215 Pine street, with deposits aggregating less than a million, and only a dozen employees, to a great bank with one hundred and sixty-three employees, and resources aggregating thirty-eight million dollars, is a record of which the Third National may be justly proud.

The bank is now located at the south-

west corner of Broadway and Olive, and occupies an eighteen-story building of gray brick, trimmed with terra cotta, one of the most imposing bank and office structures in the West.

The main entrance to the building on the Olive street side is reached through a beautiful bronze and marble doorway—finished in white Italian marble with panels of Scagliola; the ceiling, treated in ivory white and gold, is very ornamental. The offices above the first floor



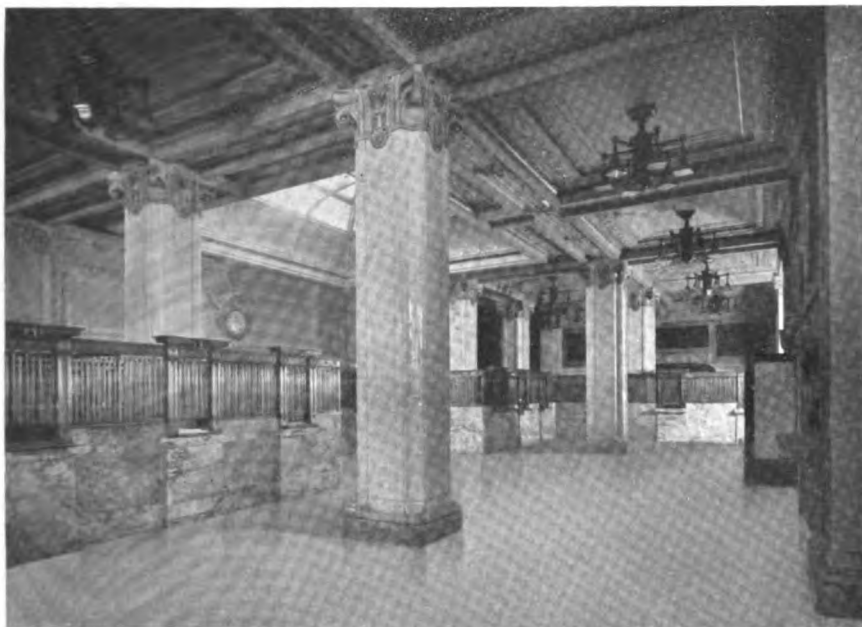
OLIVE STREET ENTRANCE (INTERIOR)

are reached by six electric elevators with a speed of six hundred feet per minute. The building is equipped with all modern appliances for the use and comfort of the tenants.

The treatment of the interior of the bank's quarters is rather Egyptian in character; the design is classic in effect and quite original. The general adjustment of the main floor is a central lobby scheme presenting an attractive and interesting vista. There are two en-

trances to the banking-rooms, one on Broadway and the other through the main lobby of the building.

The columns are massive in design, of white Italian marble, the capitals elaborately treated. The counters are of Greek Skyos marble, probably the most beautiful ornamental marble that can be secured and the first of the kind used in St. Louis. The top screen is of bronze, rich in design and hand-chased. The walls of the banking-room are wain-



VIEW FROM BROADWAY ENTRANCE

scoted to a height of nine feet with marmor glass and the floor laid with marble in elaborate inlays. One of the special features of the room is a large dome of metal bar glass that not only provides ample light for the tellers and the main lobby opening off Olive street, but is ornamental, and impresses one with its originality of design. All of the desks, counters and files throughout the bank are fireproof, being constructed of steel, and are very convenient in their arrangement.

The directors' room on the second floor is reached from the main lobby by a private electric elevator. This room is treated in a most artistic way and is one of the handsomest of its kind in the country.

The offices of the president are to the left of the room as you enter from the Broadway side; they are fitted up in Circassian walnut; the desks and chairs and accessories are of East India mahogany, so that the contrast is a most pleasing one. Opposite the president's offices are those of the cashier, which are treated in East India mahogany, the

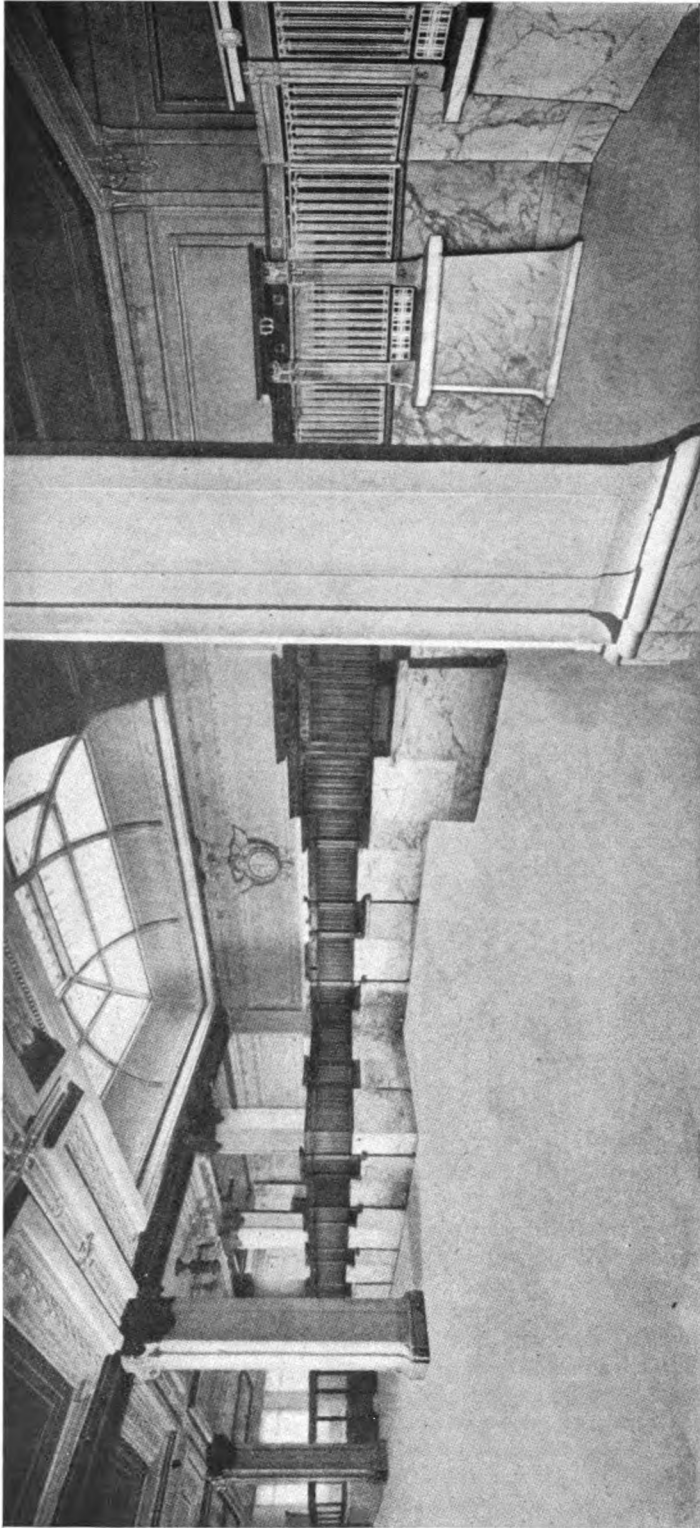
desks and chairs being made to harmonize. The assistant cashiers' offices adjoin those of the cashier, and are also in East India mahogany.

The woodwork and furniture are in fumed oak, and the draperies and rugs are all designed to be harmonious in color, scheme and treatment.

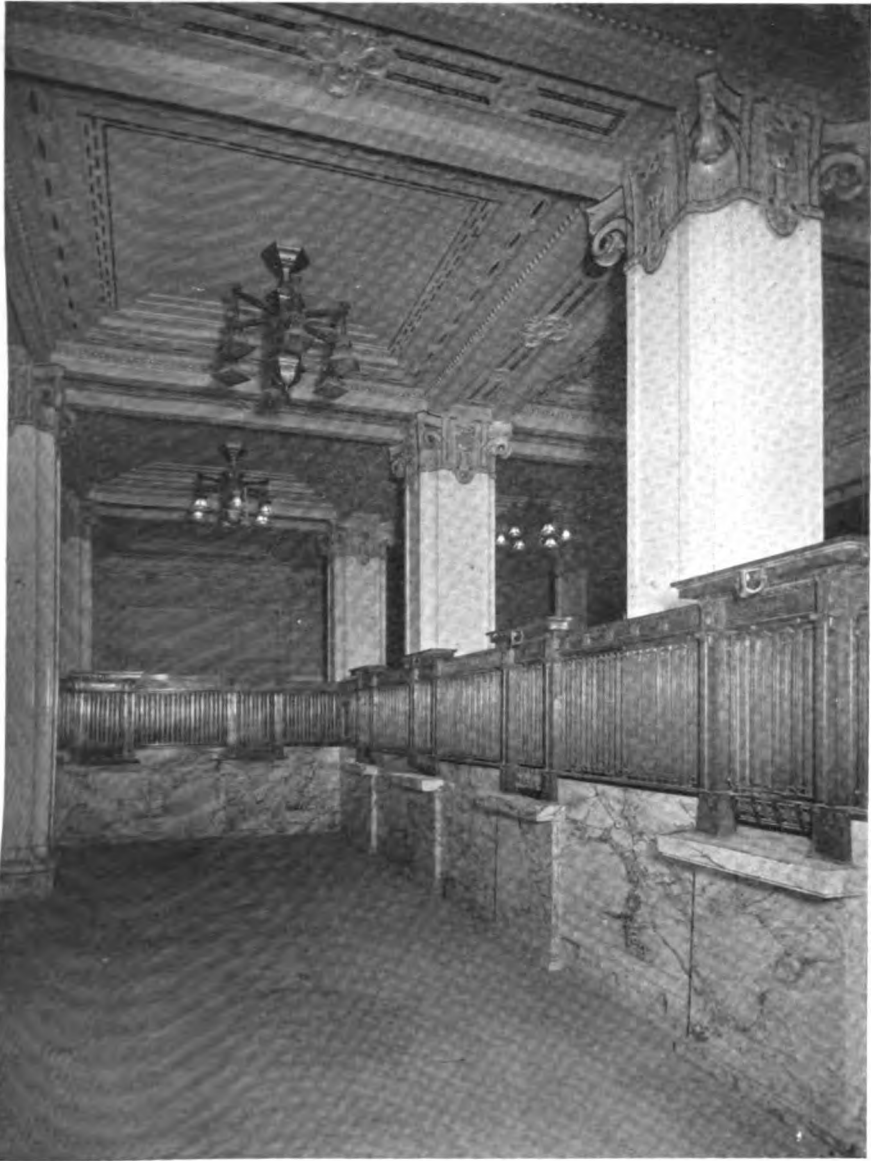
The huge vault on the main floor was designed and built by the Carnegie Steel Company. The vault is twenty-five feet wide, ten feet deep and nine feet high. Throughout it is constructed of nickel-steel harveyized armor-plate. The plate is practically one solid piece of steel, the one-piece idea being carried out by dove-tailing together the massive plates, forming the vault, averaging in weight twenty-one tons each. No bolts or screws were used.

All the outside doors are constructed with insulation devices built in midway between the inside and the outside, presenting an absolute barrier, not only against the blow-pipes, but also against the electric carbon, burning opposite the vital portion of the locking mechanism.

All the inside doors, together with



GENERAL VIEW MAIN BANKING ROOM AND PUBLIC SPACE, THIRD NATIONAL BANK, ST. LOUIS



WEST END OF LOBBY

their bolt frames, were solid forged from nickel-steel and then harveyized, forming a seamless, screwless construction, heretofore never accomplished in the art of burglar-proof safe construction. Every known improvement for fire protection is included.

The outer door is sixteen inches thick and ninety-one inches in diameter, being

one solid forged nickel-steel harveyized armor plate, seamless and screwless. The door weighs seventeen tons and is fitted with bolting device of the highest order of mechanism, workmanship and finish, all controlled by the latest combination and quadruple movement time locks.

Probably the most beautiful of the



RICHARD S. HAWES
VICE-PRESIDENT THIRD NATIONAL BANK, ST. LOUIS

many original ideas suggested by the architects are the three large bronzes in bas relief representing Industry, Agriculture and Commerce that are placed on the front face of the vault. They are real works of art, having been modeled from life by Hernant, a sculptor of note.

The vault is arranged with double entrance, the main one, and another for emergency purposes, as guarding against accidental lockouts; this door also provides for ventilation. The interior of the vault is divided into two independent compartments, each fitted with the latest type of safes of various sizes for the different departments of the bank.

The mail, transit, clearing-house and credit departments, constituting the larger part of the working forces, are on the second floor. The work of handling checks and items from different departments is made as convenient as

possible by the installation of a pneumatic tube system.



THE BANK'S OFFICIAL STAFF

TWENTY years ago Mr. Charles H. Huttig, known far and wide as a great-hearted personality in the banking world, caught the vision of altruism in banking and put this spirit into practice in the Third National Bank.

Mr. Huttig, after a most successful career, in which he had prevailed against every obstacle in business and successfully combatted many a foe to the city's progress, foresaw that he must soon yield to the ravages of disease. With characteristic forethought he looked the country over for the man to whom he should entrust the future destinies of the bank he loved.



DIRECTORS' ROOM

It was not strange that he should turn to that premier banker, Mr. F. O. Watts, then president of the American Bankers' Association, and a resident of Nashville, Tennessee, where he was president of the First National Bank. Mr. Watts came in as vice-president, succeeding to the presidency upon Mr. Huttig's death. He brought with him a great store of banking knowledge and experience, and a comprehensive understanding of national finance. These assets at once

brought him into notice in St. Louis, where he is now a conspicuous figure in banking and business circles.

The Third National official family and directorate form the best index to the methods that have been responsible for this bank's steady growth.

Mr. Thomas Wright, vice-president, is a prominent citizen of high business and social standing in the community. Mr. Wright is always alert and active and contributes judgment of a rare type to



W. W. SMITH
VICE-PRESIDENT THIRD NATIONAL BANK,
ST. LOUIS, MO.



F. K. HOUSTON
VICE-PRESIDENT THIRD NATIONAL BANK
ST. LOUIS, MO.



J. R. COOKE
CASHIER THIRD NATIONAL BANK,
ST. LOUIS, MO.



D'A. P. COOKE
ASSISTANT CASHIER THIRD NATIONAL BANK
ST. LOUIS, MO.



H. HAIL

ASSISTANT CASHIER THIRD NATIONAL BANK,
ST. LOUIS, MO.



E. C. STUART

ASSISTANT CASHIER THIRD NATIONAL BANK,
ST. LOUIS, MO.



M. E. HOLDERNESSE

ASSISTANT CASHIER THIRD NATIONAL BANK,
ST. LOUIS, MO.



W. C. TOMPKINS

AUDITOR THIRD NATIONAL BANK,
ST. LOUIS, MO.



OFFICERS' ROOM

the management of the bank which he serves.

Mr. R. S. Hawes, vice-president, is a native of Kentucky who has spent most of his life in St. Louis. He has been connected with the Third National for eighteen years, from which it will be seen he has grown up with the bank. Perhaps no contemporary banker is better known than Mr. Hawes. He has been prominently connected with nearly every public-spirited movement in St. Louis for the past decade. As distinctive banking honors, Mr. Hawes

held the presidency of the Reserve City Association for 1913-14, and presidency of the Missouri Bankers' Association for 1914.

From this last office he progressed to the executive committee of the American Bankers' Association.

Mr. W. W. Smith, vice-president, is a native of St. Louis, in which city he was for some time associated with another large bank, later becoming Clearing-house Bank Examiner.

On May 1, 1911, he became National Bank Examiner, which position he held



CLERICAL DEPARTMENT

at the time of his election as class "C" director in the Federal Reserve Bank. He accepted a vice-presidency of the Third National in February of this year.

Mr. F. K. Houston, vice-president, was trained in banking as secretary of the Tennessee Bankers' Association, and later on under Mr. Watts with the First National Bank of Nashville. He is an indefatigable worker and enjoys an extensive acquaintance.

Mr. J. R. Cooke, the cashier, was born in St. Louis, and has been connected with the bank for over forty years, having started in as a messenger boy. Mr. Cooke is the kind of man that everybody loves, and in his daily business fully justifies, by patience and fairness, the confidence and esteem of his co-workers and the patrons of the bank.

The assistant cashiers are: D'A. P. Cooke, H. Haill, E. C. Stuart, and M. E. Holderness.

Mr. W. C. Tompkins, the auditor, was formerly connected with the First National Bank of Chicago. He is rated as

one of the best auditors and bank experts in the country.

The directorate of the bank is composed of prominent and successful men, well known in St. Louis and throughout the South. They are: Eugene H. Angert, attorney; John I. Beggs, president and general manager St. Louis Car Co.; George W. Brown, chairman of the board Brown Shoe Co.; August A. Busch, president Anheuser-Busch Brewing Association; S. H. Fullerton, president Chicago Lumber and Coal Co.; Norris B. Gregg, president Mound City Paint and Color Co.; H. F. Knight, of A. G. Edwards and Sons; E. K. Ludington, president Chase Bag Co.; H. L. Parker, president Emerson Electric Mfg. Co.; A. J. Siegel, president Huttig Sash and Door Co.; James E. Smith, F. O. Watts, president; T. Wright, vice-president.

The bank employs one hundred and forty-one clerks. The clerks, like the officers and directors, devote themselves to the promotion of the bank's business,



VAULT

and an interesting illustration of this team work can be seen in the record for new business during the month of March when the employees brought into the bank more new business than was accredited to any other influence in the Publicity and Business-Building Department, with the exception of newspapers.

The spirit of the Third National is known far beyond the limits of the city in which it is located, and its service covers an extensive territory, forty-five out of the forty-eight States being represented by accounts on its books.

President Watts, in keeping with the progressive spirit that has characterized his banking career, was among the first bankers of the country to take advantage of the provision of the new Federal Reserve Act, making it possible for a national bank to install a savings department.

He opened a savings department for the Third National Bank on January 18, 1915, and placed in charge Mr. M. E. Holderness, formerly of the First Savings Bank and Trust Company of Nashville, Tennessee. This department has had phenomenal success.

How to Get Ahead in Banking

ONE of the very best-known and most successful bankers in the United States is James B. Forgan, president of the First National Bank of Chicago. The "Evening American" of that city found Mr. Forgan in a reminiscent mood for a half-hour at the fag end of the day, with the result given below:

"I started in a lawyer's office," related Mr. Forgan. "The attorney died, and a second attorney who was identified with the Royal Bank of Scotland at St. Andrews offered me a position in the bank.

"Through the years that have crowded their way between I have always had work thrown at me—perhaps because I have been willing to work.

"The only position I ever applied for in my life—the only position I ever made any effort to get—was on the day I applied for a position that transferred me from St. Andrews to America.

"I have never raised the question of an increase in salary. It has been my general experience that the boss is watching you just as closely as you are watching the boss—frequently more so.

"I have accepted what was offered, from St. Andrews to the First National. I have never spared myself, when the institution of which I have been the employee or the head has needed extra service. It has never made any difference whether that service was night or day. That, I believe, is the great big central idea of success.

"One cannot, however, in summing these things, ignore accident—or if you please, opportunity. And you must be prepared to make the most of accident when it becomes opportunity.

"Here is an example: Shortly after I passed the examinations in London and was appointed to the Bank of British North America, at Montreal, a man

broke his leg in our branch in Wall street, New York. I was sent down there to take his place.

"When he was about to return, John Paton, the manager, a fine gentleman, came to another young clerk and me, and announced that he had been ordered to send a clerk to Halifax. Which one wanted to go?

"Neither of us did. It got noised about the bank that one of us was 'going to Halifax' and the teasing made our determination the greater not to go. After fist fights had threatened, Mr. Paton said he would toss a coin to decide.

"I lost the toss, and my fellow clerk elected to remain in New York. I was banished, as I thought, to the most undesirable place on the continent.

"Instead I found a charming town, and delightful surroundings, and had only been there a few years when a series of promotions followed that changed the whole course of my life."

"And what became of the other clerk?" Mr. Forgan was asked.

"That's one of the tragedies of an almost forgotten friendship," answered Mr. Forgan. "I would rather not discuss it."

After a pause he continued:

"I met John Paton twenty years later as he stepped from the surf at my native town, St. Andrews.

"'Hello, Mr. Forgan,' he exclaimed. 'You lost the toss, but I see you have landed with the First National in Chicago. I've been watching your career.'

"Halifax was the scene of another important turning point. Barnum's circus came to town one day and gave the usual parade of the 'greatest show on earth.'

"The parade turned a certain corner a half block from the Bank of Nova Scotia, an opposition bank. The man-

ager was away, and the clerks, unable to see the parade from their windows, locked the doors and went down to the corner in a body.

"While they were watching the elephants, a sneak thief entered the rear of the bank, and stuffing full the pockets of a linen duster, walked off with \$40,000.

"The accountant and tellers in the looted bank were discharged, and



JAMES B. FORGAN
PRESIDENT FIRST NATIONAL BANK, CHICAGO

Thomas Fyshe, the cashier, sent for me and offered me the position of paying teller in the Bank of Nova Scotia. I accepted."

"Had you left your desk to see the parade?" was ventured.

"I don't remember," answered the canny Scot with a twinkling smile. "I forget whether I went to the window or whether I had tickets for the show that night. At any rate I stayed on the job.

"The months rolled around, and still I was an employee of the Bank of Nova Scotia.

"One afternoon Mr. Fyshe left his private office and stepped into the bank. Above the wiring of my telling cage he could see my head—one advantage in being tall," observed Mr. Forgan.

"The manager at Yarmouth, Nova Scotia, has diphtheria in his family," announced Mr. Fyshe as he came over to me, "and I think I'll send you up there to take charge while he is quarantined."

"Again accident and opportunity had linked themselves with whatever ability I had accumulated.

"How soon can you go?" Fyshe asked.

"I replied that I could take the next train.

"At Yarmouth I was unexpectedly asked by the directors at Halifax to make an inspection report on the branch bank.

"We had no inspection blanks in those days. I don't know that anybody ever made two reports alike.

"I ruled off a chart, and compiled a report, which, when it reached Halifax, was declared to be the most complete report the directors had ever seen. Naturally, it had taken a great deal of extra effort—night work, in fact.

"As the direct result of that report, I was instructed to inspect and report upon three other branches of the bank on that railroad line, in returning to Halifax.

"After brief experiences in Liverpool and Woodstock, in both of which I established branches, I was sent to Minneapolis to open a branch there for the Bank of Nova Scotia as manager.

"Four years later I accepted the offer to become cashier of the Northwestern National Bank in the same city.

"That brought me to Chicago frequently, on business with the First National. Four years more and Lyman J. Gage, president of this bank, invited me to come to Chicago as vice-president. When Mr. Gage accepted the secretary of the treasuryship under President McKinley in 1897, I succeeded him."

"And what has given you the greatest satisfaction in your banking career?" Mr. Forgan was asked.

Without hesitation he replied:

"Nothing has ever pleased me more than the petition of the Northwest Side business men, who came to me after the Stensland failure and wrecking of the Milwaukee Avenue State Bank and asked me to establish a neighborhood bank in which they could place their deposits with confidence.

"The Security Bank was the answer; I manned it with a hand-picked staff and I have been proud of its success. Certainly nothing has given me more personal satisfaction than the confidence in me shown by that invitation.

"To sum up, I should say that common sense rules one would use in a sanitary dairy make good banking rules. To these you may add individual devotion to duty that must never lag.

"Here are my dairy rules on banking:

"Cream (thumb)—The choice commercial paper and securities that a bank may purchase in the open market, with

regard only to their desirability as an investment.

"Sweet Milk (forefinger)—The loans a bank makes to its regular patrons; a contributing factor being the initial inducement of credit extended by the bank to obtain the customer's deposit account and other business.

"Skimmed Milk (middle finger)—Discounted paper or securities in a bank's possession that do not look as good as they did when first bought; perhaps because of the business conditions over which the maker had no control. Watch carefully and, if necessary, insist on supervision of the borrower's business to protect the bank.

"Sour Milk (third finger)—Loans that have become too bad to be any longer regarded as desirable bank assets. Clean out that milk can.

"Sediment (little finger)—It is the dirt of the dairy. Throw it out as you would any other refuse."



Modern Tendencies

THE distinctive trait of modern times is that the achievement of the highest is brought down to the service of the lowliest and thus the impress of value is stamped upon the individual human being.

The development of the modern world is toward all men. To build up the marvels of antiquity the few led, the many followed; the few ruled, the many were driven. The toiler was not considered. He was a beast of burden. He was used and he was sacrificed. He had no voice in affairs. He was built into the walls of cities; his blood outlined the boundary of nations; his labor wrought the luxury of kings, but himself had no civic existence. As a man to be considered or consulted, a man whose happiness or health or wish was to be taken into account, he was not.

Through the turbulent centuries the individual man has forged to the front. He is still in the heat of the struggle, but he has tasted power, he has tested

his strength, he knows that the world is his. The old Greek thought that philosophy demeaned itself by stooping to uses. Now man stands with a flaming sword at the gate of all Science and demands the watchword "USE!" No plan or project has any claim on success except through the conviction and consent of the masses. What was the luxury, the convenience, the amusement, the occupation of the nobility is now the home and the workshop and the common talk of men. The roads, the aqueducts, the temples, the statues, the masonry and the music, the paintings and the palaces, go on as best they may, striving to rival, not hoping to surpass the old; but the builders are not slaves. They are men. They are free. They have will, opinion, choice, responsibility, ambition, gratification. In this chiefly consists the superiority of the present, and it is the noblest of all superiority; for man is greater than anything man can do.

—James G. Blaine.



EUGENE V. R. THAYER
PRESIDENT MERCHANTS NATIONAL BANK, BOSTON

Modern Financial Institutions and Their Equipment

The Merchants National Bank of Boston

ON the site of the old United States Branch Bank building on State street, Boston, now stands one of the finest bank buildings in the country, the home of the Merchants National Bank of Boston, which has occupied the site continuously from 1836, when it remodeled the old Branch Bank building for its use, until the present day.



ALFRED L. RIPLEY
VICE-PRESIDENT MERCHANTS NATIONAL BANK
BOSTON

The erection of this modern building was one of the steps taken to place the old Merchants Bank, in general facilities and resources, on a plane with its prestige acquired through a splendid career of more than eighty years.

The new building, which has been occupied during the past year, is the last

word in bank architecture and arrangement and has been planned to give the public every facility and convenience for doing business and to permit the working force to carry on the work of the bank with convenience and despatch.

The main banking space is a noble room, lined with Boticino marble. The ceiling is vaulted, but penetrations open outward to the arched windows to admit abundant light. The floor, counter and banking screen are of the same marble. The plans are so arranged that the space occupied by the executive staff is separated from that of the public only by a counter. The public can therefore easily consult the bank's officers. Besides the main banking floor, the basement, mezzanine and second floors are occupied by the bank.



AN INTERESTING HISTORY

THE Merchants National has a very interesting history. It was incorporated as a state bank in March, 1831, and began business the following July. On the 9th of April in the same year it held its first meetings and elected a board of directors

The first return of the bank to the Commonwealth, made on the first Saturday in October, 1831, showed deposits of about \$350,000. The capital stock was \$500,000; its total resources \$1,065,000.

So greatly did the bank prosper, even from the start, that more commodious quarters soon became necessary. President Jackson's attacks on the United States Bank having resulted in the refusal of Congress to renew its charter, the Merchants Bank availed itself of the opportunity which presented, and on February 24, 1836, voted to purchase

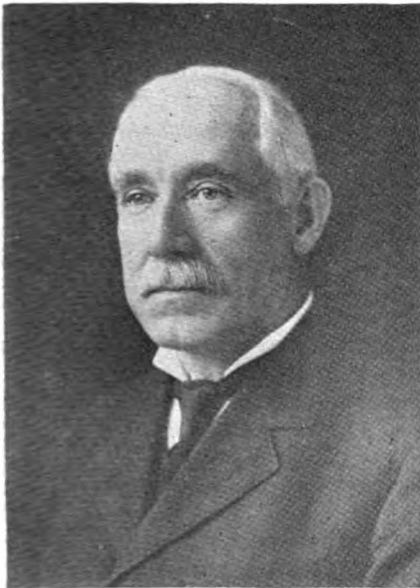


THE MERCHANTS NATIONAL BANK BUILDING, BOSTON

THIS BUILDING COVERS THE SITE OF THE OLD UNITED STATES BRANCH BANK ON STATE STREET, NEAR THE OLD STATE HOUSE. THE BANK HAS OCCUPIED THIS SITE SINCE 1836

the United States Branch Bank building and lot No. 28 State street. This location has been the home of the institution from that time, and on that site stands the present imposing structure. For the original building and lot the bank paid \$82,500.

The bank from its start sprang quickly into financial prominence and for more than sixty years, until the consolidation of banks in 1898 changed con-



A. P. WEEKS
VICE-PRESIDENT MERCHANTS NATIONAL BANK
BOSTON

ditions, it enjoyed the distinction of being the largest bank in New England. Under the two Franklin Havens, father and son, as presidents, the Merchants Bank became known all over the country as the very cornerstone of Boston banking.

The original capital of \$500,000 was augmented from time to time until prior to the war of the rebellion it stood at \$4,000,000, with legislative authority to increase it to \$5,000,000. When the National Bank Act was passed in 1863 the bank with its usual promptitude in such matters decided to obtain a national

charter, and thereby do all in its power to aid the Federal Government in its time of need. It was found impossible to do so, however, without considerable delay, as a large part of its stock was held abroad and the conservatism of its foreign shareholders inclined them to inaction. Recourse was had to the Legislature and an act was passed authorizing the bank to reduce its capital to \$3,000,000. The shares held abroad were then purchased by the payment of a reasonable premium and the bank with a capital of \$3,000,000 became a national bank in 1864.



RECENT IMPORTANT MERGERS

SINCE 1911 important steps have been taken by the bank in working out the belief of the present management that the continued growth of New England requires big banks, and that banking facilities must be adequate to the demands of modern business.

The first of these was the acquisition in January, 1912, of the State National Bank, which added \$10,000,000 to the deposits of the institution; another was the purchase of the National Bank of Commerce, which also added \$10,000,000, and the most recent was the purchase of the Winthrop National Bank May 4, 1915, which increased the bank's deposits by about \$3,000,000 and brought the total up to over \$50,000,000.



ITS DEPOSIT GROWTH

THE growth of the bank has not by any means been due entirely to the acquisition of other institutions, however, as the following record shows:

March 26, 1910.....	\$10,485,000
March 26, 1911.....	11,403,000
March 26, 1912.....	13,257,690
March 26, 1913.....	24,032,960
March 26, 1914.....	26,431,700
March 26, 1915.....	40,274,000
May 5, 1915.....	51,301,000



CHARLES B. WIGGIN
VICE-PRESIDENT MERCHANTS NATIONAL BANK
BOSTON

P. Weeks, Charles B. Wiggin, and Edward H. Gleason, vice-presidents; Frederick C. Waite, cashier; William F. Burdett, Ernest A. James, Charles H. Ramsey, Arthur T. Spring and Wm. R. Whittemore, assistant cashiers.

Eugene V. R. Thayer, who has been president since 1912, is the youngest bank president in Boston. He is a member of the well-known Thayer family of Lancaster and Boston, which has been prominent in Boston financial affairs for generations. In his taste for business pursuits, breadth of vision and quickness of decision he inherits the characteristics of his grandfather, Nathaniel Thayer, of the banking firm of John E. Thayer & Brother, who died in 1883, leaving one of the largest estates in Boston. Mr. Thayer has been the moving spirit in the changes that have brought the bank to its present commanding position. He is a director of the Old Colony Trust Co., the New England Trust Co., the American Telephone and Telegraph Co., the Chicago Junction Railway and Union Stock Yards Co., The Edison Electric Illuminating Co., the American Felt Co., and many other important cor-

BANK PRESIDENTS SINCE 1831

THE bank since its incorporation in 1831 has had but six presidents. Its first president, Edwin Eldridge, served until October 28, 1833. He was succeeded by Mark Healey, who in turn was succeeded on January 2, 1838, by Franklin Haven. Mr. Haven tendered his resignation November 12, 1883, and was succeeded by his son, Col. Franklin Haven, Jr., who held office until his death, which occurred April 18, 1908. Arthur B. Silsbee then became president, and upon his resignation in January, 1912, Eugene V. R. Thayer was elected at the annual meeting of the stockholders, January, 1912.



THE PRESENT OFFICIAL STAFF

THE present official staff consists of Eugene V. R. Thayer, president; Alfred L. Ripley, first vice-president; A.



FREDERICK C. WAITE
CASHIER MERCHANTS NATIONAL BANK, BOSTON

porations. He is a Harvard graduate of the class of 1904.

Alfred L. Ripley, first vice-president, is a graduate of Yale, class of '78, and studied at the Universities of Bonn and Berlin. He was a vice-president and director of the Hide and Leather Bank of Boston until 1901, when he went to

tinuously since, except for a period of about five years, when he was cashier of the Hide and Leather Bank. He became cashier when it was the largest bank in New England and has been for many years prominent in the management of the institution. He has been vice-president since 1908.



MAIN BANKING ROOM, MERCHANTS NATIONAL BANK, BOSTON

the State National as vice-president and later became president. When the State National was merged with the Merchants he became first vice-president of the latter institution. Mr. Ripley is a trustee of Yale University and of Phillips Academy at Andover.

A. P. Weeks, vice-president, has been connected with the bank for thirty-five years. He became associated with the bank in 1873 and has been with it con-

tinuously since, except for a period of about five years, when he was cashier of the Hide and Leather Bank. He became cashier when it was the largest bank in New England and has been for many years prominent in the management of the institution. He has been vice-president since 1908.

aggressive policy of the Merchants Bank was established under President Thayer, Mr. Wiggin was selected as an active vice-president.

Edward H. Gleason, vice-president, was an official of the National Bank of Commerce and was made a vice-president when that bank was merged with the Merchants.

Frederick C. Waite, cashier, started as clerk with the bank, was later made assistant cashier and became cashier in 1912. Mr. James was recently promoted to his present office. Mr. Ramsey was formerly cashier of the Winthrop Bank, Mr. Spring came to the bank in 1912 from the National Union Bank, and Mr. Whittemore was formerly connected with the National Bank of Commerce.

The statement of the bank, as of May 4, 1915, is as follows:

RESOURCES.

Discounts	\$21,914,587.33	
U. S. Bonds at par	1,470,000.00	
Other Bonds and Securities....	3,670,369.13	
U. S. Five Per Cent. Fund....	73,500.00	
Banking House	2,100,000.00	
Demand Loans...\$10,930,735.62		
Due from Other		
Banks	13,113,170.37	
Due from U. S.		
Treasurer	88,000.00	
Exchanges for		
Clearing House	2,780,759.87	
Cash in Vaults... 3,122,278.93	30,034,944.79	
Total	\$59,263,401.25	

LIABILITIES.

Capital Stock....	\$3,000,000.00	
Surplus	2,000,000.00	
Undivided Profits	1,334,035.07	6,334,035.07
Reserved for Taxes.....	160,000.00	
Circulation	1,467,997.50	
Deposits:		
Demand	44,415,544.21	
Time	6,885,824.47	51,301,368.68
Total	\$59,263,401.25	

First National Bank, Syracuse, N. Y.

IN 1913 the First National Bank of Syracuse celebrated the fiftieth anniversary of its founding, and two years later, in May last, opened to the public its new building, which is said to be the most modern and completely-equipped bank and office building between New York and Chicago.

The ground upon which the new building is erected, at Warren and Washington streets, was a large portion of the old and historic Vanderbilt Hotel plot. The structure has been so planned that the best of light and air are assured both the bank and its tenants. It is now only one-third of its eventual size, as the walls and steel work are constructed so that eight additional office floors can be added at any time in the future.

The exterior of the building is constructed of light gray granite. The architecture is of classic design, ornamented with stately columns and pilasters, adorned with Corinthian capitals. In the designing and construction safety has been the first consideration, and the building is of absolute fire-proof construction. The rate for insurance placed upon it by the underwriters is the lowest of any office building in Syracuse. The materials used in the walls, floors, ceilings and roof are all steel, terra cotta block and cement. All the window frames and sash are of rolled steel or cast iron, and wherever exposed to fire risk the sash are glazed with wire-glass.

The first two floors and part of the basement are given over to the banking rooms of the First National Bank; the main banking entrance being upon Warren street.



FIRST NATIONAL BANK, SYRACUSE, N. Y.

THE BANK QUARTERS.

UPON entering, one immediately appreciates the spaciousness and simple beauty of the room. The distance from the floor to the ceiling is twenty-six feet. The frontage on both streets is practically all open to the light and air, and a considerable portion of the ceiling over the space occupied by the working force is a skylight.

A special system of ventilation takes the supply of air from the roof down to the cellar, where it is washed and purified, and then distributed through the banking room after being heated in win-

ter and cooled during the warm weather.

The side walls of the room are faced to the ceiling with a combination of domestic and imported marbles. The screen, which encloses the main working portion of the bank, is of marble with a bronze grille behind the plate glass panels. The desks throughout are of steel and provided with scientific lighting systems.

The floor of the bank lobby is of marble, and the working space is floored with battleship linoleum.

All the departments of the bank are connected by telephone, and are arranged so as to give easy facility in com-



ALFRED W. HUDSON
PRESIDENT



ALBERT P. FOWLER
VICE-PRESIDENT



EDWARD S. TEFFT
VICE-PRESIDENT



1863



CHARLES W. SNOW
CHAIRMAN



1915



LOUIS S. BRADY
CASHIER



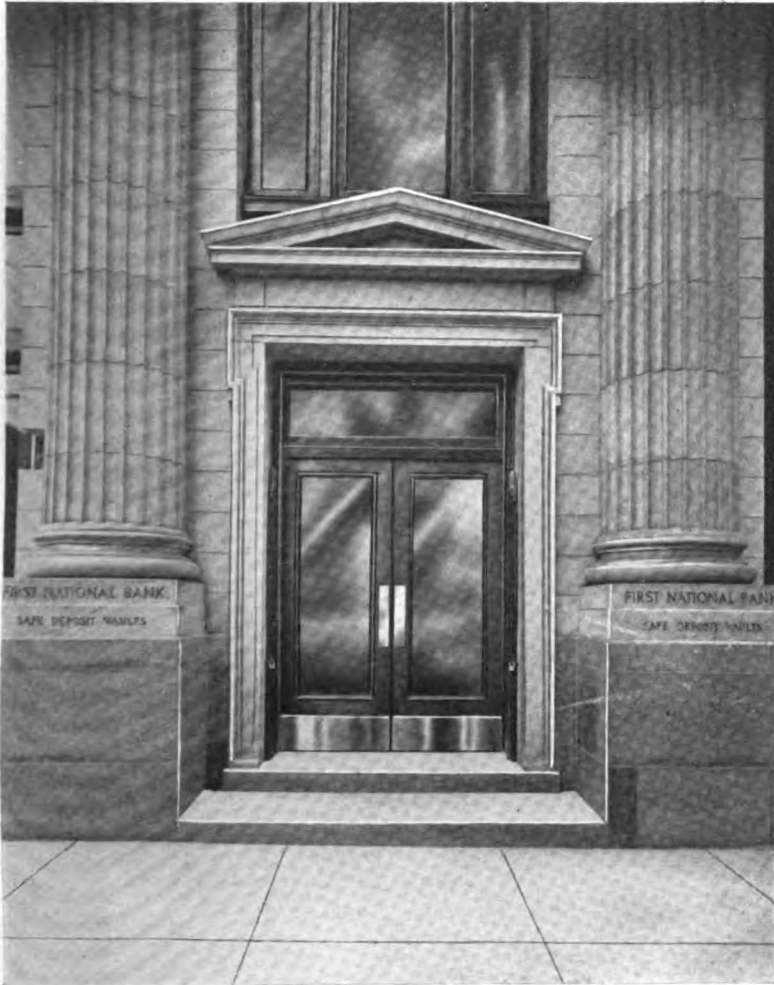
GEORGE A. CHOLET
ASSISTANT CASHIER



WILLIAM A. BOYD
ASSISTANT CASHIER

OFFICERS OF THE FIRST NATIONAL BANK OF SYRACUSE, N. Y.

(Mr. Fowler died May 20, 1915)



MAIN BANKING ENTRANCE ON WARREN STREET
FIRST NATIONAL BANK, SYRACUSE. N. Y.

municating and rapidity in working arrangements.

Directly to the right of the entrance a large space is devoted to the executive offices of the bank. The chairman of the board, president, vice-president, cashier and his assistants will all be located in this open room in direct communication with the public. Only a low railing is in front of their desks, and there is not even a gate to interfere with the welcome awaiting all visitors. To one side of this space is a private

room, which can be used for conferences when desired.

The directors' room as well as a library occupy a portion of the rear mezzanine floor, and are reached from the banking space by both a marble stairway and private elevator. The walls of this room are finished in gray enamel hung with tapestry and having slight gold ornamentations. An Oriental rug covers the floor, and the furniture is of brown mahogany upholstered in leather. Upon the walls are hung the



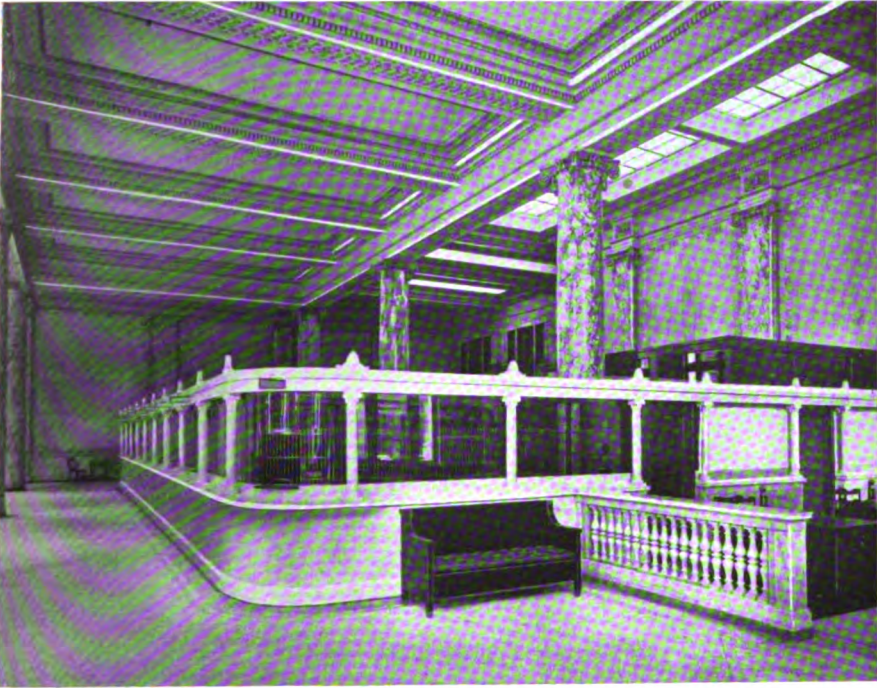
PARTIAL VIEW OF MAIN BANKING ROOM
FIRST NATIONAL BANK, SYRACUSE, N. Y.

pictures of Edward B. Judson, the founder and first president of the bank; Edward B. Judson, Jr., the second president, and Charles W. Snow, who relinquished the third presidency in October last to become chairman of the board of directors.

The ladies' room is a special feature of the institution, being located on the main floor adjacent to the safe deposit department, and is finished in dull tints of gray and old rose.

THE VAULTS.

THE institution is equipped with five vaults, all of which are large and of the latest and most improved construction. The safe deposit vault is located in the rear of the main banking room upon the first floor, and is safeguarded by a heavy bronze grille, which completely separates it from the lobby and other parts of the bank interior. This vault is of the most approved construction with walls of cement and steel



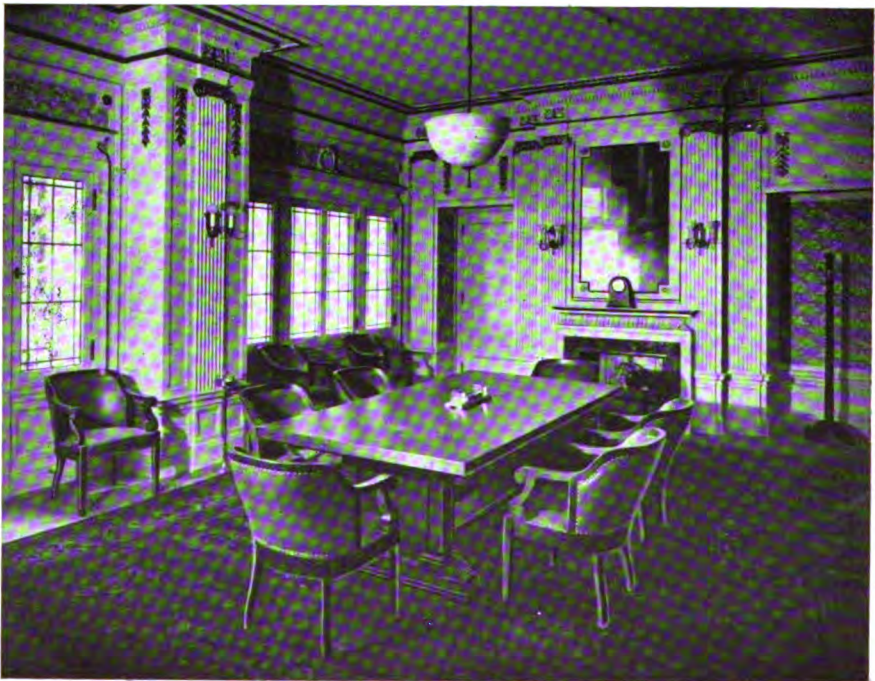
GENERAL VIEW OF PUBLIC SPACE, MAIN BANKING ROOM



PARTIAL VIEW OF EXECUTIVE OFFICES
FIRST NATIONAL BANK, SYRACUSE, N. Y.



CORNER IN THE LADIES' ROOM



BOARD OF DIRECTORS' ROOM
FIRST NATIONAL BANK, SYRACUSE, N. Y.



PRIVATE CONSULTATION OR COMMITTEE ROOM



LOOKING UP TO THE MEZZANINE FLOOR. THE DIRECTORS' ROOM IS BEYOND THE BALCONY
FIRST NATIONAL BANK, SYRACUSE, N. Y.



CURRENCY AND SECURITY VAULT SHOWING MASSIVE STEEL DOOR
FIRST NATIONAL BANK, SYRACUSE, N. Y.

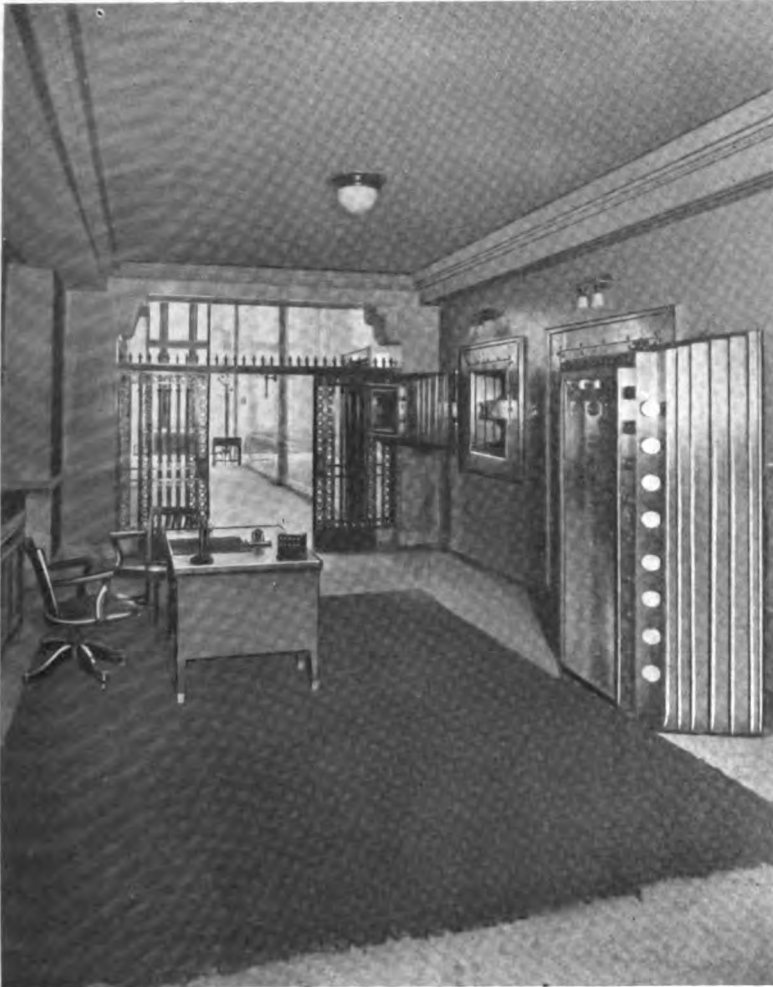
two feet in thickness. The massive doors are of the same thickness, and fully equipped with time locks and complete electric burglary alarm protection. Adjacent to the vault are the private coupon rooms for the use and convenience of the safe deposit customers of the bank, having all modern facilities for the private examination of the contents of safe deposit boxes.

A separate vault of the same construction is located in the working space and will be devoted entirely to holding the

cash and securities of the bank.

In the basement a third vault, steel lined, and properly protected, is for the storage of valuable boxes of silver, trunks, and other bulky packages belonging to depositors. A fourth vault located in the basement is arranged for the purpose of storing the bank's papers and books, while a fifth is a large storage vault in which will be placed the old records of the institution.

The bank expects to add materially to its present safe deposit business in



SAFE DEPOSIT DEPARTMENT, SHOWING VAULT DOORS, GRILLE PROTECTING DEPARTMENT,
AND THE MANAGER'S DESK

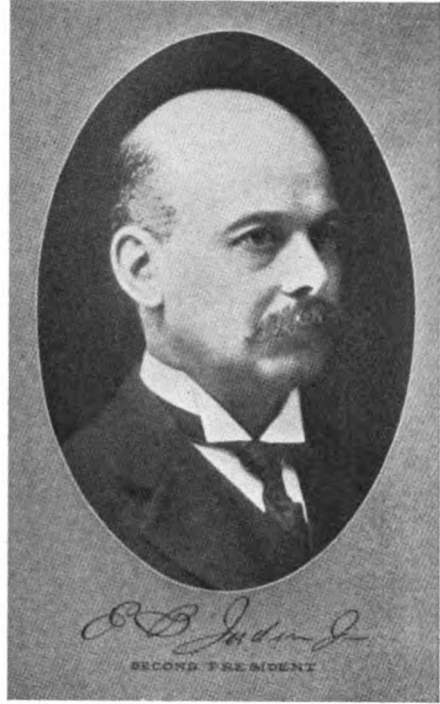
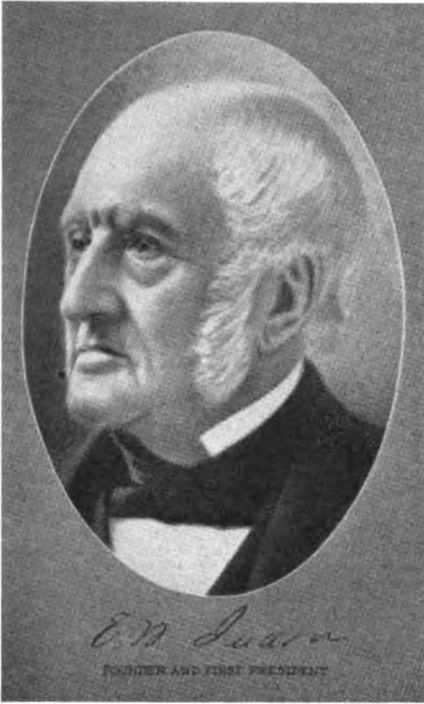
FIRST NATIONAL BANK, SYRACUSE, N. Y.

the new building, and this department has been designed with the intention to make it as complete in every detail as human ingenuity can suggest.

The basement book vault, the main banking floor, and the directors' room are all connected by a private automatic elevator, which is so arranged that the books and other records of the bank can readily be taken from either of the upper floors directly to the book vault in the basement.

MODERN DEVICES.

THE bank contains several new devices, which have been especially designed for expediting the routine work of the institution. Prominent among these are the handsome check desks in the main lobby, in the center of which has been placed a combination ink well, calendar and waste basket. This is the invention of William A. Boyd, one of the assistant cashiers of the bank, and



an application for a patent upon the device is now pending in Washington.

An unusual illumination feature is used on the exterior of the building. Across the top cornice appears the words "First National Bank" in bronze letters. These are illuminated at night by means of concealed electric bulbs so that they are readable as far as the eye can see.

The office portion of the building is equipped with two electric elevators, which give prompt access to the three upper floors, which are rented for office purposes.

No detail of planning has been neglected to make the building of the utmost attractiveness and convenience to the patrons of the bank and the tenants of the offices.



A BIT OF HISTORY.

THE origin of the institution and its development were largely due to Mr. Edward B. Judson and his son, Ed-

ward B. Judson, Jr., both of whom served as president.

Edward B. Judson, founder of the First National Bank of Syracuse, was born in Greene County, N. Y., in 1813, and gained experience in his uncle's banking office at an early age. He later successfully engaged in the lumber business, and then in iron manufacturing. Afterwards he became vice-president of the Merchants' Bank of Syracuse, and still later cashier of the Salt Springs National Bank of the same city. This position he resigned to aid in organizing the Lake Ontario Bank of Oswego, of which he became cashier. His success as a banker and business man made it natural that he should be called into consultation by Secretary Chase when the national banking system was being established. He was from the outset a believer in the new system, and was quick to take advantage of it in the organization of the First National Bank of Syracuse. Mr. Judson was the first president of the bank, being elected



ONE OF THE STORAGE VAULTS
FIRST NATIONAL BANK, SYRACUSE, N. Y.

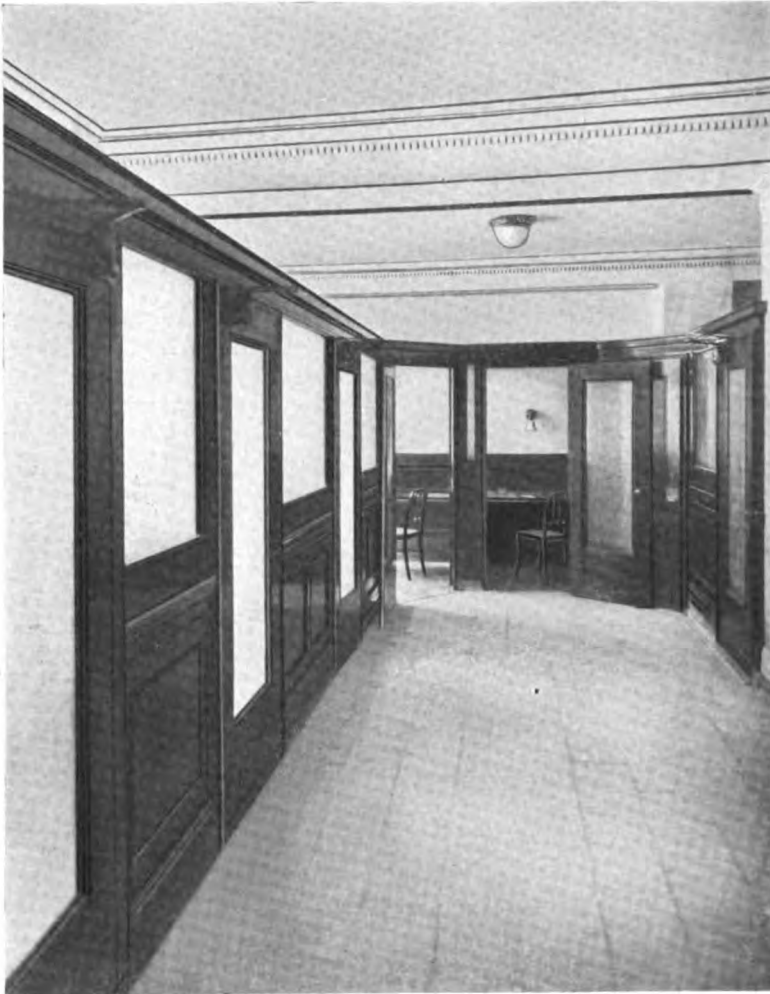
to that position April 20, 1863, and continuing to serve until his death on January 15, 1902. He was succeeded in the presidency by his son, Edward B. Judson, Jr., who had been a director of the bank since 1881 and vice-president since 1888. The younger Mr. Judson continued as president until his death, January 16, 1910.

Both father and son had been prominently engaged in general business as well as in banking, and had prospered greatly. They gave to the bank their close attention and firmly established

it in the public confidence by strict adherence to sound principles. Upon this foundation the growth of the bank in subsequent years has been built.

The First National Bank of Syracuse was one of the first to make application for a charter under the National Bank Act. Its charter was No. 6 in the entire system and the first in New York State.

It began business in modest quarters July 20, 1863, and so sure and strong were its foundations its success was immediate. Starting with a capital of



COUPON ROOMS AND TELEPHONE BOOTHS IN SAFE DEPOSIT DEPARTMENT
FIRST NATIONAL BANK, SYRACUSE, N. Y.

\$100,000, this was increased during the first year to \$250,000, at which figure it remained until 1913, when it was raised to \$1,000,000.

The confidence of the people of Syracuse in the First National Bank and its consequent growth is best stated in the following figures:

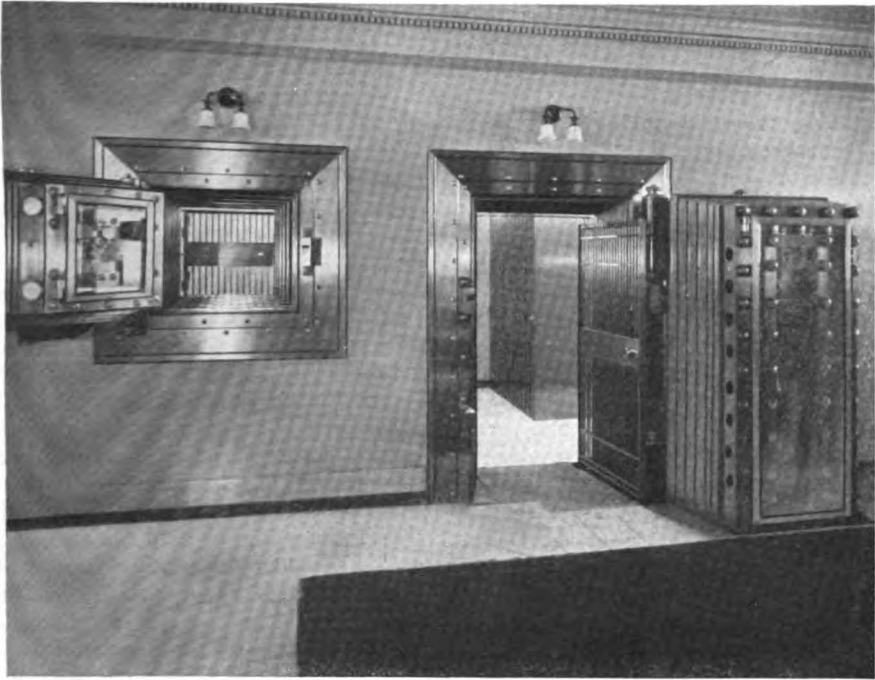
<i>May</i>	<i>Capital.</i>	<i>Surplus.</i>	<i>Deposits.</i>
1865	\$250,000	\$48,899	\$344,351
1875	250,000	161,398	288,559
1885	250,000	149,890	934,535
1895	250,000	270,660	2,181,924
1905	250,000	464,566	4,028,831
1915	1,000,000	747,995	7,308,068

The bank has the distinction of being one of the five banks chosen by the Comptroller of the Currency to act as one of the incorporators of the Federal Reserve Bank of New York.



PERSONNEL

THE present official staff of the bank is as follows: Charles W. Snow, chairman of the board; Alfred W. Hudson, president; Edward S. Tefft, vice-



ANOTHER VIEW OF ONE OF THE SAFE DEPOSIT VAULTS, SHOWING EMERGENCY DOOR
FIRST NATIONAL BANK, SYRACUSE, N. Y.

president; Louis S. Brady, cashier; George A. Cholet and William A. Boyd, assistant cashiers.

Mr. Snow, chairman of the board of directors, is one of Syracuse's leading merchants, and has been connected with the bank since 1888, at which time he was elected to the board. He served as vice-president from 1902 to 1910 and as president from 1910 until 1914, at which time he was elected chairman of the board of directors. He still continues active in the affairs of the bank.

Alfred W. Hudson, the president, was for many years connected with the Fifth Avenue Trust Co. of New York, now a branch of the Guaranty Trust Co. In 1908 he left its employ to become an examiner in the New York State Banking Department, and was later a deputy superintendent of banks. After serving two years as vice-president of the Windsor Trust Co. of New York, he was elected vice-president of the First Na-

tional Bank of Syracuse in October, 1913, and was chosen president at the time Mr. Snow was made chairman of the board.

Mr. Tefft, the active vice-president, has been connected with the institution over forty years, starting as a messenger when there were but three employees in the institution. He was elected assistant cashier in 1884, cashier in 1897, and vice-president in 1914.

Mr. Brady, the cashier, is a graduate of the Fifth Avenue Bank of New York, with which institution he was connected for over ten years. Previous to assuming his present position in January of this year he was an examiner connected with the New York Clearing House, and served as secretary of the loan committee during the fall of 1914.

Mr. Cholet, assistant cashier, has been in the employ of the bank since 1885, and has served it in every ca-

capacity up to his present position. Most of his time is devoted to the conduct of the bond department.

Mr. Boyd, assistant cashier, came to the bank as a messenger eight years ago, and was elected to his present position last January.

Mr. Albert P. Fowler, who had been a director of the bank since 1904 and senior vice-president since 1910, died on May 20, 1915. His death is a severe loss to the institution, as Mr. Fowler had been a strong, influential factor in the conduct of its affairs. He was a man of forceful personality, clear legal mind, sound business judgment, and practical common sense. As a member of the building committee he was entitled to much of the credit for the new home of the bank, and his death just at the time of occupying the new quarters is especially to be regretted.

The resources and facilities of the bank are devoted to the commercial and industrial development of its home city. It has pursued a liberal policy in aiding small industrial and mercantile enterprises, and as they have prospered the bank has shared in their success. Numerous business concerns in central New York have been customers of the bank for over half a century. Many departments in charge of skilled managers offer widely diversified facilities to customers who have been quick to appreciate this kind of service.

National City Bank, Mobile, Ala.

DATING from May 1, 1915, The City Bank and Trust Company, Mobile, became the National City Bank, and thus returns to the National banking system under which the bank was formed in 1899. When in 1903 the change was made from the National to the State system it was because the latter, on account of its broader pow-

ers, offered wider opportunities for banking service; but with the amendments to the National Banking Act as a result of the passage of the Federal Reserve Act, the National bank now has, in general, the powers of a State bank, trust company and savings bank. And since all national banks are members of the Federal Reserve System they enjoy certain privileges in the way of rediscounts and note issues denied the State banks and trust companies not members of the system.

The National City Bank thus went out of the national banking system because, at the time, by so doing it could render better banking service to more people. It now returns to that system for a like reason. Other things being equal, the national banks have considerable advantage over other institutions, on account of being under uniform laws and supervision, and having the prestige of a Federal charter.



THE BANK'S PROGRESS

THE changes above referred to are a striking illustration of the fact that this bank, from the time of its organization until now, has been alert to the demands of the people of Mobile and vicinity for the most complete banking facilities, and this has resulted in building up the bank to its present strong position.

The City National Bank was organized in 1899, with \$200,000 capital, and in 1903 was converted into the City Bank and Trust Company, its capital then being \$500,000, surplus \$350,000, and deposits \$1,342,000. In the summer of 1911 the business of the Central Trust Company was purchased and consolidated, and the deposits at that time were \$4,300,000. With the recent return to the national banking system the National City Bank has \$750,000 capital; \$375,000 surplus and profits; \$3,490,000 deposits, and total resources in excess of \$5,000,000.



THE NATIONAL CITY BANK OF MOBILE, ALABAMA
ROYAL STREET ENTRANCE



CAPT. PAT. J. LYONS
VICE PRESIDENT



A.C. TONSMEIRE
CASHIER



J.R. STEVENS
ACTIVE VICE PRESIDENT



ENGLISH CODY
ASST. CASHIER



E.J. BUCK
PRESIDENT



T.H. HALLIWELL
ASST. CASHIER



E.C. MEREDITH JR.
TRUST OFFICER



J.F. JOSSEN
ASST. TRUST OFFICER

OFFICERS OF NATIONAL CITY BANK, MOBILE, ALABAMA

It will thus be seen that each successive stage of the bank's history has been marked by a decided improvement, embracing addition to capital and surplus—the provision for adequately protecting its depositors—as well as substantial gains in deposits, indicating the widening usefulness of the institution to the business public.

In another most important respect

and the latest equipment, but each of the several departments for serving the banking needs of the public, has had special provision made for it.



THE MANAGEMENT

IT was due to the energy and foresight of President E. J. Buck that the National City Bank of Mobile was organ-



ST. JOSEPH STREET ENTRANCE
NATIONAL CITY BANK, MOBILE, ALA.

the National City Bank has kept abreast of the times. It erected the first modern bank and office building in its city—a structure which affords the highest degree of physical security as well as comfort and convenience, to the conduct of the bank's large business, and also supplies the demand for up-to-date offices. Not only are the officers and employees provided with ample space,

and the management of the institution has been continuously in his hands. Mr. Buck is a native of Mississippi, but got his first banking experience as cashier of a bank in Kansas. He returned to Mississippi, and in 1893 organized the Bank of Biloxi. Later he organized several banks in Louisiana, Mississippi and Alabama, before establishing the City National

Bank of Mobile in 1899. Throughout his long experience in banking, Mr. Buck has shown himself to be possessed of sound financial judgment combined with the progressive spirit required to keep a bank fully up to the needs of the times. It has been his special aim to make the bank useful and helpful to the largest possible number

J. R. Stevens has been recently elected a vice-president.

Mr. Stevens at the time of his election was clearing-house examiner of the New Orleans Clearing House Association and prior to holding that office was for a number of years national bank examiner for the district of Alabama, Mississippi and Louisiana. He was a



OFFICERS' QUARTERS
NATIONAL CITY BANK, MOBILE, ALA.

of people—an aim in which he has been highly successful.

Hon. Pat J. Lyons, vice-president, is a native of Mobile, and early in life was engaged in steambotting on the Alabama River, and later went into the wholesale grocery business. His interests in various Mobile enterprises have made him a leading factor in the city's growth. He is politically prominent, having been a councilman, chairman of the board of aldermen, mayor for several terms, and became one of the three commissioners of the Board of Commissioners of the City of Mobile when the commission form of government was adopted.

candidate for the office of Comptroller of the Currency to succeed Lawrence O. Murray, and had the endorsement of the bankers' associations of Alabama, Mississippi and Louisiana besides the support of sixteen United States Senators.

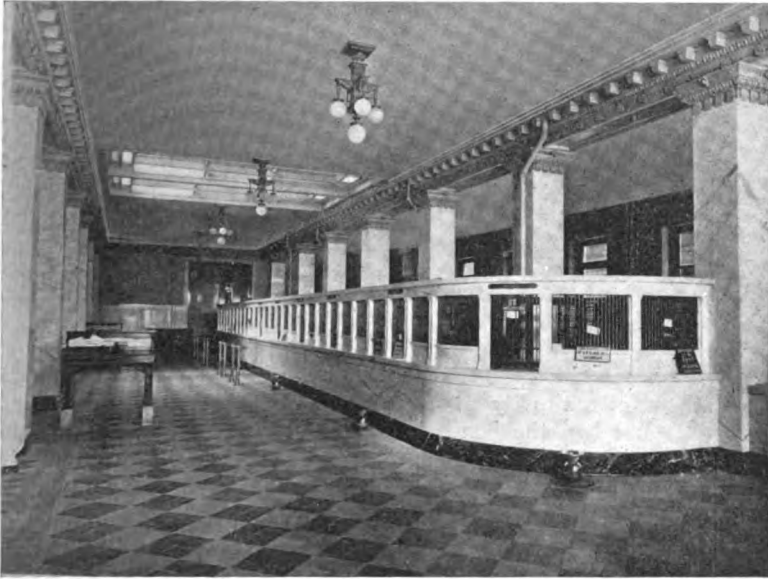
Mr. Stevens is a native of Alabama. In addition to his extensive experience as an examiner, he has a practical knowledge of actual banking, having at one time been president of a bank at Huntsville, Ala.

A. C. Tonsmiere, cashier, began his services with the bank as a collector soon after its organization, and has occupied the various positions until his

election as assistant cashier in 1910, and later cashier.

English Cody, assistant cashier, entered the employ of the "Citibank" in 1904 as collector and has held a number of clerical positions in the bank, being promoted from time to time, and

ated from Georgetown University in the law class of 1899. In October, 1899, he was admitted by the Supreme Court of Alabama to practice law. Immediately thereafter he formed a partnership with the late J. P. McQueen of Eutaw, but practiced law only a short



MAIN BANKING ROOM
NATIONAL CITY BANK, MOBILE, ALA.

in 1912 was elected to his present position as an assistant cashier.

T. H. Halliwell, assistant cashier, entered the banking business in June, 1910, as paying teller of the Central Trust Company of Mobile, and when that institution was combined with the City Bank and Trust Co. he became discount teller, July 1, 1911. He was promoted to receiving teller January 1, 1912, and on September 1, 1913, was elected to his present position—assistant cashier.

E. C. Meredith, Jr., trust officer of the National City Bank, received his first business training in Washington, D. C., under the late United States Senator Edmund W. Pettus. He gradu-

while when he was elected cashier of the First National Bank of Eutaw, in which capacity he served ten years.

In April, 1911, Mr. Meredith was appointed a state bank examiner, which place he held until August, 1912, when he was elected cashier of the Union Bank and Trust Company of Montgomery, Ala.

He resigned his position as cashier of the Montgomery bank on March 1, 1914, to accept his present position.

John F. Jossen, assistant trust officer, was born in Mobile, Ala., and has always resided there. He received his education at Barton Academy and Spring Hill College.

He began with the City National



DIRECTORS' ROOM

Bank (now the National City Bank) when it opened, and had the honor of being its first messenger.

In January, 1908, he was elected to

be one of its assistant cashiers, and in October, 1913, was elected to his present position.

Supporting the official staff are the



SAFE DEPOSIT VAULT
NATIONAL CITY BANK, MOBILE, ALA.

following directors: E. J. Buck, president; A. P. Bush, of T. G. Bush Grocery Company; O. F. Cawthon, capitalist; F. S. Cleveland, of Cleveland Bros.; John T. Cochrane, president Alabama, Tennessee and Northern Railroad Company; Paul Danner, president and treasurer Mobile Coal Company; E. G. Dreaper, of Dreaper & Burns; M. C. Forchheimer, of Forchheimer & Co.; Wm. N. Hunter, Benn & Co.; A. S. Lyons, president Mobile Brewery; Pat J. Lyons, Commissioner City of Mobile; G. M. Luce, capitalist; Wm. H. Monk, Jr., furniture; J. F. McGowin, timber exporter; Wm. F. Owen, vice-president and general manager N. O. M. & C. Railroad; Gregory L. Smith, attorney-at-law; F. C. Turner, of F. C. Turner & Co.; H. H. Wefel, Jr., Southern investments; T. A. Yeend, of Yeend Bros., real estate.

Greenebaum Sons Bank and Trust Company, Chicago

THE sixtieth anniversary of the establishment of the Greenebaum banking house in Chicago was marked by the removal on May 1, 1915, of the Greenebaum Sons Bank & Trust Co. to its new home in the Lumber Exchange building, which has just been erected at the southeast corner of La Salle and Madison streets.

In the new location this institution has a most attractive banking home, with all branches of banking under one roof. A spacious and artistic entrance leads from La Salle street to the bank floor, as well as to the safety deposit vault, which is located in the basement of the building. In addition to the private entrance, the bank floor may be reached by seven elevators as well as from the public lobby of the building.

The entire interior is finished in mahogany in combination with rarely beautiful Hauteville marble. Every detail of the arrangement has been studied with a view to promoting the convenience and comfort of the patrons. Well-equipped meeting and rest rooms have been installed. The bank fittings are of the latest design and most substantial construction.

The house of Greenebaum is the oldest banking house in the city of Chicago. It was founded in 1855 by Elias Greenebaum, who at the age of 93 is still active in the business. The family has been prominent in banking circles ever since Chicago assumed the dignity of a city, and the business is now conducted by three generations.

In 1911 the business of the private banking house was merged into a State bank under the name of Greenebaum Sons Bank & Trust Co., and it now has a capital of \$1,500,000, with surplus and profits of more than \$400,000.

The various services of the bank include general banking, saving, trust, foreign, loan and investment departments and safe deposit vaults, all under one roof and conveniently located in the heart of the downtown business and financial district of Chicago. All officers are seated at the open counter and are always accessible and glad to give personal attention and advice. The new banking offices are equipped with every facility for rendering complete service in all of these branches and to that end there has been installed every known convenience of proven worth which will facilitate the work of such an institution.

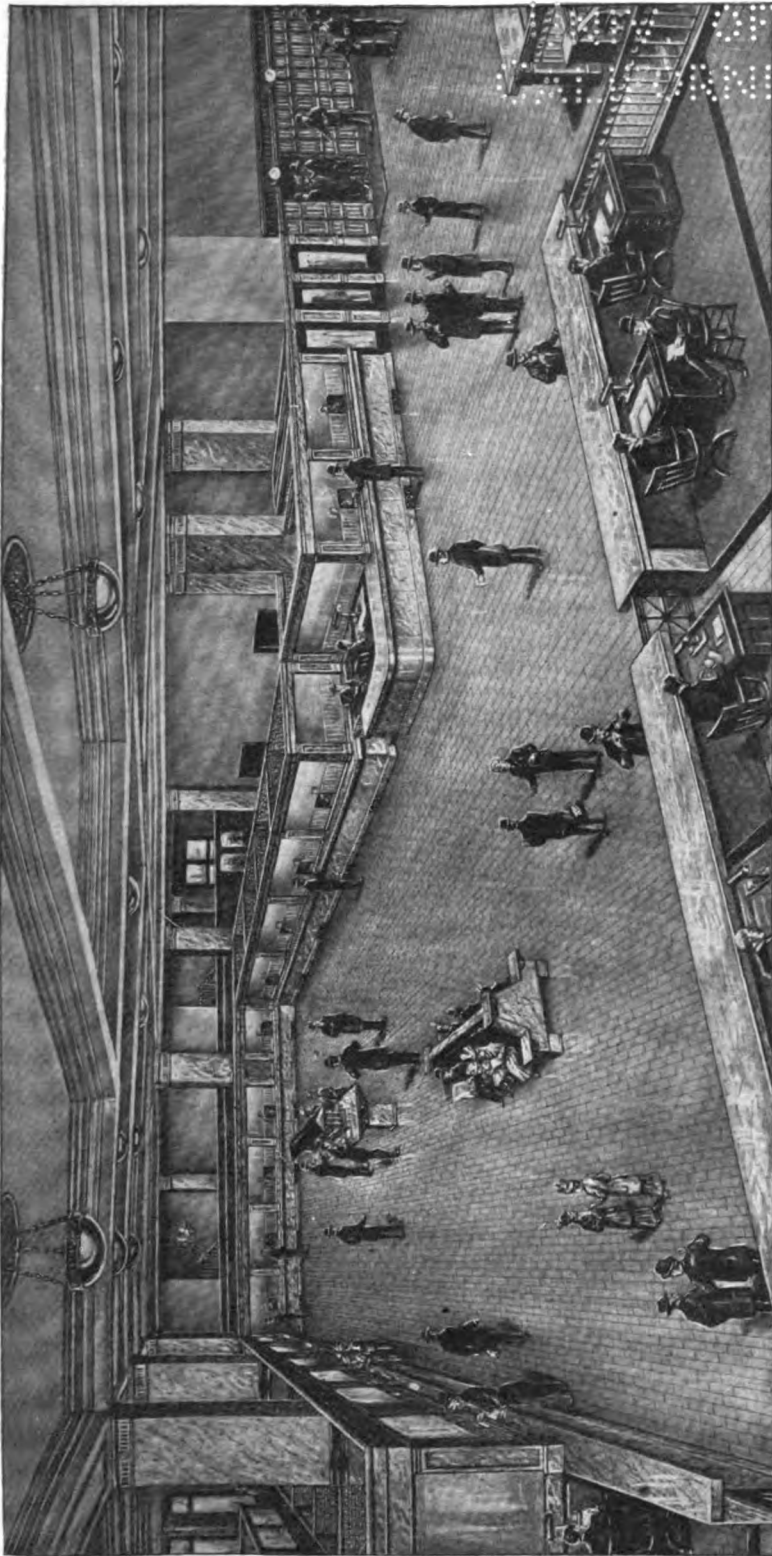
The bank's statement makes a strong showing in its proportion of capital and surplus to deposits, which total \$3,200,000. Loans and discounts figure at \$2,380,000, bonds and other securities \$1,580,000, cash on hand and in banks \$1,175,000; total resources, \$5,140,000.

The officers of the company are as follows: M. E. Greenebaum, president; H. E. Greenebaum, vice-president; J.

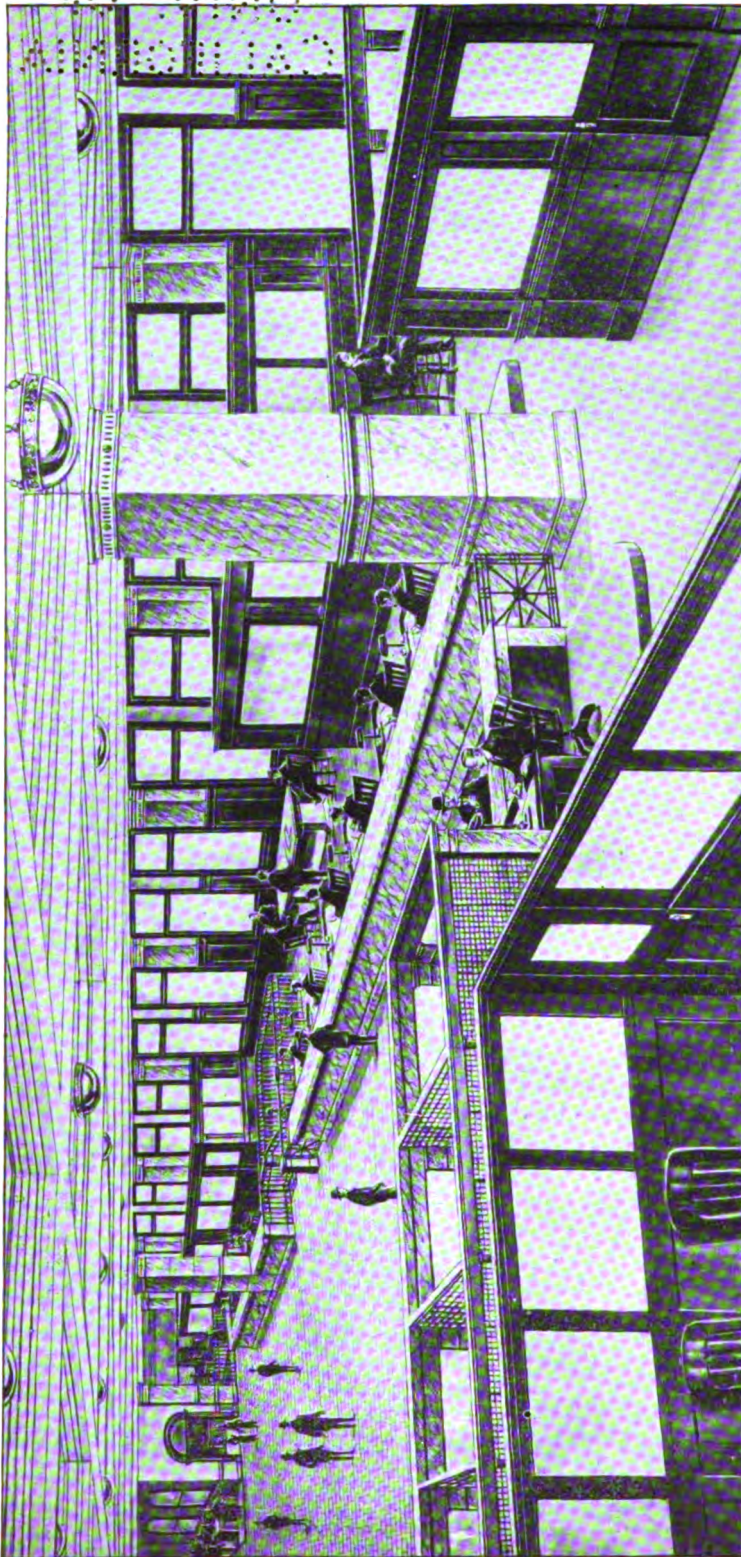
TO YOU
ASSOCIATES



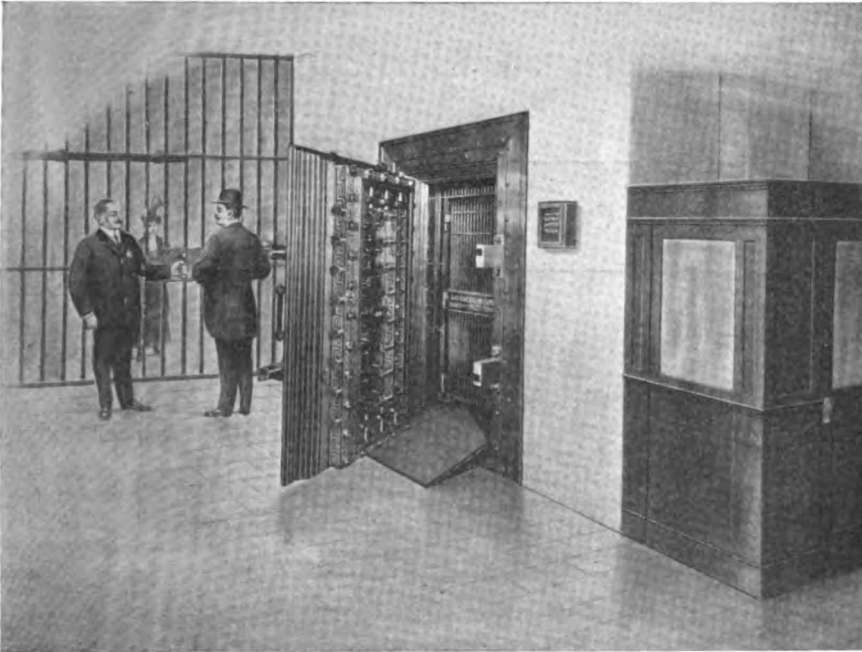
LUMBER EXCHANGE BUILDING, NEW HOME GREENEBAUM SONS BANK AND TRUST
COMPANY, SOUTHEAST CORNER LASALLE AND MADISON STS., CHICAGO
SPECIAL BANK ENTRANCE ON LASALLE STREET



GENERAL VIEW OF MAIN BANKING ROOM SHOWING PARTIAL VIEW OF OFFICERS QUARTERS IN FOREGROUND
GREENEBAUM SONS BANK AND TRUST CO., CHICAGO



GENERAL VIEW OF OFFICERS' QUARTERS AND MAIN BANKING ROOM WITH TWO ENTRANCES
GREENEBAUM SONS BANK AND TRUST CO., CHICAGO



A PARTIAL VIEW SHOWING SAFE DEPOSIT VAULT IN BASEMENT
GREENEBAUM SONS BANK AND TRUST CO., CHICAGO

E. Greenebaum, vice-president; Walter J. Greenebaum, cashier; John Greenebaum, assistant cashier; Milton E. Falker, assistant cashier; M. E. Greenebaum, Jr., secretary; Edgar N. Greenebaum, assistant secretary.



Organization of National Banks

DURING the month of March ten formal applications for conversion of State banks or reorganization of State or private banks were filed, and nine formal applications to organize national banks by individuals not connected with existing State or private banks.

During the same month sixteen applications were approved, nine of these being for conversion of State banks or reorganization of State or private banks.

During the month of March nine banks, with a total capital of \$280,000, were authorized to begin business, of which number seven, with a capital of \$180,000, had individual capital of less than \$50,000, and two, with a capital

of \$100,000, had individual capital of \$50,000 or over.

On March 31, 1915, the total number of national banks organized was 10,719, of which 3,113 had discontinued business, leaving in existence 7,606 banks, with an authorized capital of \$1,075,359,175, and circulation outstanding, secured by United States bonds, \$718,984,138, and by other securities, \$15,154,695. Circulation to the amount of \$165,409,147, covered by lawful money deposited with the Treasurer of the United States on account of liquidating and insolvent national banks and associations which had reduced their circulation, is also outstanding, making the total amount of national-bank circulation outstanding \$899,547,980.

Banking and Commercial Law

CASE COMMENT AND REVIEW

Joint Deposits

THE two-name account, payable to "either or the survivor," has become so common in banking practice that it is everywhere recognized as a proper and convenient form of account, through the operation of which disposition of personal property in the form of bank deposits is made without the formality of a will.

The cases arising from this form of deposit are numerous, and the questions involved are of sufficient importance to warrant a text-book on the subject. It would be safe to assert that fully fifty per cent. of the litigation arising out of savings accounts involves the ownership of deposits made in joint names.

The intent in most cases is to make the fund payable to either party, during life, the balance to go to the survivor upon the death of either. Some banks merely indicate the nature of the fund by the entry on the pass-book and ledger in joint form: "John Smith or Mary Smith," sometimes adding the clause, "either to draw, survivor to take all," or words to this effect; while others have a clear and explicit evidence of intent in the form of an agreement or statement signed by the parties, which sets forth the purpose of the joint form of deposit.

Controversy usually arises between the estate of the deceased and the joint depositor as to the intent of the principal depositor in thus favoring the co-depositor to the exclusion of the other relatives. The claimants generally contend that it was done for convenience, and not to create a trust or a

joint tenancy; that the co-depositor had no interest in the original fund; that it was a gift to take effect at death, and therefore properly the subject of a will, etc. The co-depositor usually claims a gift of the fund or a joint tenancy, created by the opening of the account, or joint ownership existing prior to the deposit. But whatever the contention of the various parties, the courts usually look to the motive for opening such an account, and if it can be shown that it was the intent to make the fund a joint tenancy, the balance due thereon will be held to belong to the survivor.

In a case decided by the Supreme Court of California in February last, the parties signed an agreement reading as follows:

"We, the undersigned, each for himself and not one for the other, declare that the sums deposited to this account are, and those sums hereafter to be deposited shall be, joint as to time, title and possession, and further declare that they are not and have never been the separate property of either, and said sums are hereby made payable to either of us; and we hereby agree that the receipt of either of us shall be a full acquittance and discharge to the Mutual Savings Bank of San Francisco therefor."

Irrespective of whether the fund belonged to both prior to the deposit (which it did not) the court read into the instrument a clear intent to create a joint tenancy vesting title at death in the survivor.

Banks generally would do well to use such agreements in opening two-name accounts, for the protection of the parties in interest as well as their own.

(See Kennedy vs. Kennedy in this number.)



Is Typewriting "Printing"?

THE use of the typewriter has become so common that it ranks with the fountain pen as a business instrument. The personality of the penned letter has given way to the impersonal, but no less dignified and surely more readable "typed" epistle or document. We no longer write—we dictate—even our private mail. Many firms fill out their checks and promissory notes on the machine, which practice is giving way to the "check writers" which print the amount indelibly in and not on the paper.

Ordinarily it makes little difference whether typewriting is "writing" or "printing," but in a Wyoming case it was the point at issue. A note was filled in with the typewriter and the rate of interest indicated by the figure "7." A circle was drawn around the "7" and the figure "8" made above it in ink. The defendant contended that this was not a negotiable instrument by reason of the alteration from the original form.

The Negotiable Instruments Law provides that where difference exists between printed and written provisions, the written govern. If the figure "7" had been made by a printing press, the written "8" would prevail; but a typewriter made the impression, and it has yet to be held that the typewriter is a printing press.

Having a Century Dictionary to help solve the question, the court found that "writing, as distinguished from printing, stamping, incision, etc., is the act or art of tracing graphic signs by hand on paper, parchment, or any other material, with a pen and ink, style, pencil or other instrument;" and "printing" is to "stamp by direct pressure, as from the face of types, plates, or blocks covered with ink or pigments; impressed with transferred characters or delineations

by the exercise of force, as with a press or some other mechanical agency." Typewriting is "the process of printing letter by letter by the use of a typewriter."

Under the circumstances in this case the court held that typewriting is printing, but does not mean to imply that all typewriting is printing, but may become so under certain conditions.

This instrument is negotiable, for the interest rate is eight per cent., as indicated by the pen-and-ink alteration. (*Acme Coal Co. vs. Northrup Nat. Bank of Iola, Kansas*, in this issue.)



The United States Not Excepted

IT is a rule of law that the drawee of a draft must know the signature of the drawer; and having accepted the instrument cannot claim that the signature of the drawer is a forgery and recall the payment as made under a mistake of fact. It is incumbent upon the drawee of a bill or check to be satisfied that the signature of the drawer is genuine. This has been settled law for a century and a half.

The Negotiable Instruments Law adopted this view, in declaring that the acceptor "admits the existence of the drawer, the genuineness of his signature, his capacity and authority to draw the instrument."

The United States is no exception to this rule; for while in many things it has rights and privileges denied to its citizens, when it becomes a party to commercial paper, it incurs all the responsibilities of private persons under the same circumstances.

Therefore, when a draft is presented to the Secretary of the Treasury, drawn on him, and paid, and it subsequently proved a forged document, the law will make no distinction, and holds that in commercial paper dealings there is but one law for all. (*See United States vs. Bank of New York* in this issue.)

Joint Deposit

CALIFORNIA

Survivorship—Joint Ownership

Supreme Court of California, Feb. 11, 1915.
KENNEDY VS. KENNEDY.

Where deceased deposited funds in bank under an instrument signed by himself and defendant, his daughter, declaring that such funds and those thereafter to be deposited were and should be joint between the parties as to time, title, and possession, that they were the separate property of neither, and were payable to either, and that the receipt of either therefor should be an acquittance of the bank as to the other, on deceased's death, defendant was entitled to the fund on deposit as against his personal representative; such a written instrument being conclusive of deceased's intention to create a joint ownership, the right of survivorship following as a legal incident, and so not needing to be expressed. (146 Pac. Rep. 647.)



ACTION by William J. Kennedy, administrator, against Mary E. Kennedy and others. From a judgment for plaintiff and an order denying a new trial, defendant appeals. Reversed, with directions.



STATEMENT OF FACT AND OPINION

LORIGAN, C. J.: This action was brought to determine diverse claims to \$3,240 and interest on deposit with the defendant bank.

The complaint averred that this deposit consisted of moneys of which the deceased, Bartholomew Kennedy, was the sole owner in his lifetime, and which from time to time he deposited personally in the defendant bank, and that such deposit was at the time of his death a part of his estate; that the defendant Mary E. McMurray asserted a claim to said deposit as her separate property which asserted claim was without right; that both plaintiff and said defendant Mary E. McMurray had demanded pay-

ment thereof from the bank separately, and that by reason of said different and conflicting claims thereto the bank had refused to pay the deposit to either. Plaintiff asked for a judgment determining that said Mary E. McMurray had no right or interest in said deposit and against the bank requiring it to pay over said deposit to plaintiff.

The defendant Mary E. McMurray filed an answer and cross-complaint. In her answer she denied that her claim to said deposit was without right and asserted that it was her sole and separate property. In her cross-complaint she averred that prior to her marriage to the defendant William J. McMurray (and as he filed a disclaimer of any interest in the deposit he may therefore be eliminated from this action) her name was Mary E. Kennedy, also called May E. Kennedy; that on July 26, 1902, said Bartholomew Kennedy, who was her father, and herself opened an account with the defendant in the names of "Bartholomew Kennedy or May E. Kennedy," and then and there said Bartholomew Kennedy deposited with said bank \$3,000, which sum was deposited by him in the names of "Bartholomew Kennedy or May E. Kennedy"; that thereafter during his lifetime other moneys were deposited by said Bartholomew Kennedy and certain moneys were withdrawn from said account by him, and at the death of said Bartholomew Kennedy there was on deposit in said bank in the names of said "Bartholomew Kennedy or May E. Kennedy" the sum of money mentioned in the complaint.

The cross-complaint then proceeded to aver: That said account was so opened and said original deposit of \$3,000 and all moneys thereafter deposited therein on the understanding and agreement made and entered into between said defendant bank and said Bartholomew Kennedy and the defendant Mary E. Kennedy that any and all moneys deposited in said account should be held by said defendant bank in trust upon the following terms:

"That all moneys * * * at any time deposited or on deposit * * * in said

account were to be paid by said bank upon the order at any time of either said Bartholomew Kennedy or this defendant and upon the death of either said Bartholomew Kennedy or this defendant any and all moneys then at the time * * * should be the sole and separate property of the survivor of said two persons, to wit, said Bartholomew Kennedy and this defendant, and to be payable by said Mutual Savings Bank of San Francisco to such survivor as his or her, as the case might be, sole and separate property."

And that as the survivor of said two persons defendant is the owner of said deposit. It is then alleged that the claim made by the plaintiff as administrator of the estate of said Bartholomew Kennedy, deceased, to the money on deposit is invalid, that the estate of said deceased has no interest therein, but that said money is the sole and separate property of the defendant and cross-complainant. Her prayer was that it be decreed that said property is the sole and separate property of the defendant and for a judgment against the bank requiring it to pay over to her said deposit.

Plaintiff by answer denied the averments of the cross-complaint. The defendant bank filed an answer to both the complaint and cross-complaint, and on information and belief denied that the deceased, Kennedy, was the sole owner in his lifetime of the moneys deposited with it, or that they were the sole and separate property of the cross-complainant. It was conceded by both sides on the trial that the bank was a mere stakeholder in this matter.

The trial court made general and special findings. It found generally that the allegations of the complaint were true, and that the denials in the answer of the defendant Mary E. McMurray were untrue. It found specially that the cross-complainant did not at any time open an account with the defendant bank as alleged by her, but that the account referred to by her in said pleading was opened by said Bartholomew Kennedy and the title and said ac-

count opened and the books and records of the bank was "Bartholomew Kennedy or May E. Kennedy," and that none of the moneys deposited in said account were ever deposited upon any trust agreement or understanding as set up in the paragraph of the cross-complaint averring that fact. The court then proceeding made what will be designated as special finding No. 6, in which it found:

"That the only agreement which the defendant bank ever made with said Bartholomew Kennedy in respect to said deposits of money was reduced to writing and was signed by him and said Mary E. McMurray, then May E. Kennedy, and that said agreement so reduced to writing consisted of two separate documents as follows:

" 'Conditions of deposit account No. 11233:

" 'San Francisco, July 26, 1902.

" 'We, the undersigned, each for himself and not one for the other, declare that the sums deposited to this account are, and those sums hereafter to be deposited shall be, joint as to time, title and possession, and further declare that they are not and have never been the separate property of either, and said sums are hereby made payable to either of us; and we hereby agree that the receipt of either of us shall be a full acquittance and discharge to the Mutual Savings Bank of San Francisco therefor.

" 'Bartholomew Kennedy.

" 'Mary E. Kennedy.

" 'Witness: W. H. Cameron.'

" 'Depositors subscriptions to conditions of agreement with the Mutual Savings Bank of San Francisco:

" 'No. 11233. July 26, 1912.

" 'We hereby agree to be governed by the by-laws, copy of which is in our passbook, in regard to all deposits we may have with the Mutual Savings Bank of San Francisco.

" 'Payable to the individual order of either.

" 'Signature: Bartholomew Kennedy.

" 'Signature: May E. Kennedy.' "

As conclusions of law from the facts found the trial court held that the defendant and cross-complainant Mary E. McMurray had no right to or interest in said deposit and gave plaintiff judgment against the defendant bank for the sum of \$3,240, with interest from January 1, 1910. Defendant and cross-complainant appeals from the judgment and an order denying her motion for a new trial.

On the appeal from the judgment the contention of the appellant is that special finding No. 6 is controlling in the case; that the trial court should have determined as matter of law therefrom that appellant was the owner of the deposit in controversy and given her judgment accordingly. In this regard her claim is that as a joint ownership or interest in personal property, including a deposit in a savings bank, may be created to which the incident of survivorship attaches (*Denigan vs. S. F. Sav. Union, 127 Cal. 142*), the clear legal effect of the instruments specially found by the court to have been executed by appellant and her father at the time the deposit was made was to create a joint ownership or interest in both as to the deposits then made by her father, and deposits thereafter to be made with the defendant bank; that as an incident to this joint ownership the right of survivorship attached, and appellant, being the survivor of the joint owners, was entitled to the deposit, and the court should, under the special finding referred to, have so held.

We are satisfied that this contention of appellant must be sustained. We are cited by respective counsel to cases in our courts which it is claimed announce principles under which a proper construction of the instruments executed when the deposit here involved was made is to be reached, but we do not think that any of them have particular application to the subject.

These cases are *Booth vs. Oakland Bank of Savings, 122 Cal. 19*; *Carr vs. Carr, 15 Cal. App. 480, 261*; *Drinkhouse vs. German Sav. & Loan Soc., 17 Cal. App. 162*; *Denigan vs. Hibernia*

Sav. & Loan Soc., 127 Cal. 137; *Robinson vs. Mutual Sav. Bank, 7 Cal. App. 642*; *Estate of Hall, 154 Cal. 527*.

In those cases the question was presented, in one form or another, as to who was entitled to a deposit in a savings bank where a deposit account had been opened on the books of the bank by a depositor in his own name "or" that of another, or where the deposit was entered on the books of the bank to the "joint account" of the depositor and another person, or the question was whether the deposit was made in trust for the benefit of another. The actions were brought either by the survivors to the deposit account or the beneficiaries under the alleged trust.

But on examination of those cases it will be observed that in none of them was there any written instrument executed by the parties in whose names the account stood in the bank declaring their rights or interests respecting the deposit, or the terms under which it was made and was to be held by the bank. In the cases referred to the terms of the deposit consisted simply of an entry in the passbook and an entry in the records of the bank. No written instrument was executed between the parties to the deposit and accompanying its making. So that in the mentioned cases the question was as to the intention of the depositor in making the deposit in the form he did; whether he intended to make a gift, or create a joint interest in the deposit with right of survivorship, or to establish a trust as to any balance on deposit at his death.

In the absence of any written instrument clearly disclosing his intention in those respects, such intention was open to inquiry and to be determined from all the facts and circumstances connected with the deposit. The whole matter rested in parol, and whether, as asserted in the *Denigan Case, supra*, it was the intention of Mrs. Denigan, in having a deposit entered in the books of the bank and in her passbook in the names of "Frank Denigan or Ellen Denigan," to thereby create a joint interest or ownership in the deposit to

which the incident of survivorship would attach, or in the Carr Case, supra, whether it was the intention of Michael Carr, by changing his deposit on the books of the bank to the names of Michael or M. K. Carr as "joint owners" payable to either or the survivor, thereby to create a trust in favor of M. K. Carr, the survivor, was a question open to determination from a consideration of all the facts surrounding the making of the deposit.

In none of the cases cited could the mere fact of deposit and the entry in the books of the bank be conclusive of the matter of intention. It was accompanied by no written declaration of the depositor which could be taken as determining his intention respecting it, and hence, as the question was an open one, it was for the court to determine the intention from all the facts and circumstances proven in the case. But in the case at bar we have a written declaration signed by the father and his daughter relative to the deposit declaring the character of the property then deposited or which might thereafter be deposited, the interest which both have and are to have in it and fixing their rights respecting it.

It is true that there was evidence in the case showing that prior to making this particular deposit the money constituting it was money which Mr. Kennedy had already on deposit with the bank in his own name. It was at that time his individual property. When the written instruments were executed by himself and his daughter and as part of the transaction he had this money transferred from his account on the books of the bank and deposited in the names of himself or the appellant. The prior ownership by the father of this money, however, is a circumstance of no importance if the written instruments declare and disclose a purpose and intent on his part in having the old deposit transferred to the new deposit account to thereby give his daughter a joint interest with him in it. It was his property and he could do with it as he pleased. We are not aware of any

Code provision or principle of law which would prevent him by this transfer of deposits from his sole account to a joint account from giving her a joint interest or making her a joint owner with him in the latter deposit. Whether he intended to do so or not is the essential element in the case, and if that clearly appears from the instruments executed by him and his daughter when he made the deposit in their names we cannot look beyond those instruments. If it is clear on the question of intent the right of the parties must be determined solely from its consideration. No parol evidence could affect it.

Coming now to a consideration of the instrument: While it consists of a mutual declaration of the father and the daughter as to the deposits, the particular question is: Does it clearly disclose an intention on the part of the father, when the deposit was made by him to the account of himself and his daughter, to constitute it and future deposits the joint property of himself and her? We do not perceive how any other reasonable construction can be given to the instrument than that he did.

The written declaration as applying to him says so in express terms. The moneys were his before the deposit account was opened. He declares that as deposited by him it is not his separate property, but the joint property of himself and his daughter; "that the sums deposited to this account are, and other sums hereafter to be deposited shall be, joint as to time, title, and possession." There is no ambiguity or uncertainty about this language. It was undoubtedly intended to and did create a joint interest or ownership in the deposit, and this being the intention, and as the right of survivorship applies to joint interests or ownership of personal property, it must have been the intention of the deceased Kennedy, in declaring the deposit to be joint property, to have intended that the incident which follows joint ownership should apply to it, and that upon his death his daughter should take the deposit as survivor.

Certainly, more apt language, where by a joint ownership in the deposit or a right to the withdrawal of it (because the legal title to the money deposited was in the bank and the relation of debtor and creditor between Kennedy and appellant and the bank was created by the deposit) could not have been employed than is used in the instrument in question. It was unnecessary to accompany the creation of the joint ownership with a declaration respecting survivorship. That followed as a legal incident to the creation of the joint interest, a matter which Kennedy must be held to have known and intended to effect by the clear creation of the joint interest between himself and appellant in the deposit.

As against such a conclusion from the terms of the instruments, it is insisted by respondent that they were simply forms prepared by the bank to protect it in its payments to either of the two parties, regardless of their rights as between themselves, and had nothing to do as affecting the relations between themselves concerning the moneys deposited; that, further, the deceased Kennedy by the terms of the instruments retained the right to draw against the deposit and so exhaust it, and likewise himself retained the passbook without the production of which at the bank the appellant would be unable to draw any of the funds; and that these matters are inconsistent with an intention on the part of Kennedy to create a joint ownership between himself and appellant in the deposit with the right of survivorship.

No doubt but that as claimed by respondent this form was provided by the bank in a measure to protect itself in making payments. But taking into account the well-known fact that deposit accounts are largely opened with savings banks, particularly between husband and wife and near relations for the express purpose of having the amount remaining on deposit in such bank go on the death of one of the parties to the survivor, this form was doubtless provided for by the defendant

savings bank here for execution by depositors wishing to do this and as legally sufficient to effect that intention.

As to the other matters suggested, we do not see how they can have any bearing to defeat the intention clearly appearing from the instruments that the deposit should be the joint property of the parties to it. There was no exclusive right to draw on the deposit retained by the deceased Kennedy by the terms of the written instruments. On the contrary, thereunder both he and appellant had an equal right to do so. Instead of being inconsistent with an intention to create a joint ownership in the deposit, this right of withdrawal extending fully to either party to the deposit would rather tend to sustain such an intention. Nor could the fact (which would be a matter outside of the terms of the agreement respecting the deposit if proven) that the deceased Kennedy retained exclusive control of the passbook during his lifetime affect the terms of the instrument. As said in *Farrelly vs. Emigrant Industrial Sav. Bank*, 92 App. Div. 529, 87 N. Y. Supp. 54:

"Where, however, the deposit is in joint names, and the intent appears to create the joint tenancy, its effect is to vest title to the whole fund in the survivor; and, under such circumstances, whether the book be delivered to the survivor or not, or whether he ever has had it in his possession during the lifetime of his joint owner, is not of consequence, as the intent existing to create the relation of a joint tenancy title vested in the survivorship *eo instanti* upon the death of the joint owner, and no delivery of anything is necessary to effectuate such result."

In our opinion the instrument executed by the deceased Kennedy and the appellant in opening the account with the bank clearly constituted the moneys deposited therein and in controversy here the joint property of both of them and vested in the appellant as survivor of such joint ownership all interest therein and the sole right to withdraw them. The court found specially as to

the execution of these papers, but found generally that Kennedy was the owner of the deposit at his death. This general finding is controlled by such special finding, and on it the trial court should have reached a conclusion in favor of the right of appellant to a recovery. Reaching this conclusion on the appeal from the judgment, it is unnecessary to consider the appeal of appellant from the order denying her motion for a new trial.

Our order is that the judgment and order denying a new trial be reversed; that the trial court set aside its conclusions of law and draw others in conformity with the conclusion reached in this opinion; and that thereon a judgment be entered in favor of appellant on her cross-complaint for the recovery from the defendant bank of the sum of \$3,240 and interest thereon.

146 Pac. Rep. 647.



Altered Instrument

WYOMING.

"Typewriting"—"Writing"—"Printing"—Alteration in Rate of Interest—Negotiability.

Supreme Court of Wyoming, March 8, 1915.

ACME COAL CO. VS. NORTHRUP NAT. BANK OF IOLA, KAN.

Where a note drawn on a printed blank and filled in on a typewriter specified the rate of interest at 7 per cent., but a circle was drawn around the typewritten figure "7" with pen and ink and the figure "8" written above it with pen and ink, the typewritten figure was "printed" within Comp. St. 1910, Sec. 3175, subd. 4, providing that where there is a conflict between the written and printed provisions of the instrument the written provisions prevail; and hence there was no uncertainty as to the rate of interest rendering the bill non-negotiable, as "writing," as distinguished from printing, stamping, etc., is the act or art of tracing graphic signs by hand on paper, parchment, or other material with a pen and ink, style, pencil, or other instrument, "print" means to stamp by direct pressure as from the face of types, plates, or blocks covered with ink or pigments, or to impress with transferred characters or

delineations by the exercise of force as with a press or other mechanical agency, while "typewriting" is the process of printing letter by letter by the use of a typewriter, and section 3349, providing that in that chapter unless the context otherwise requires "written" includes printed, and "writing" includes print, had no application. (146 Pacific Rep.)



ACTION by the Northrup National Bank of Iola, Kansas, against the Acme Coal Company and others. Judgment for plaintiff, and defendants bring error. Affirmed.



STATEMENT OF FACT AND OPINION.

BEARD, J. This is an action on a promissory note brought by the defendant in error against the plaintiffs in error. Trial was had to the court and judgment rendered in favor of plaintiff below, and defendants bring error.

The note was given by the Acme Coal Company, and indorsed by Ora Darnall and A. K. Craig, and payable to the order of the United States Iron Works Company, and by said company indorsed to the bank. The note bears date November 9, 1912, is for \$1,589.15, due 90 days after date with interest from date.

A blank printed form was used, and the blanks filled in on a typewriter, and in the blank space for the rate of interest, after the printed word "at," the typewritten figure and words are "7 per cent from date." There is a circle drawn around the figure 7 with a pen and ink, and above it is the figure 8, also made with pen and ink. The defendants denied the execution of the note, but averred that if they did execute it it was given in renewal of a former note dated August 3, 1912, which was given for a part of the purchase price of certain pit cars for use in the coal company's mines; that said cars were purchased from the iron works company by the coal company under an agreement that they were to be of the

same kind and in all substantial respects like cars formerly purchased by the coal company from the iron works company; alleged certain defects in the cars which could not be discovered by inspection, but which the iron works company knew or should have known, and that the cars were practically worthless. That the cars were delivered during the year 1911 and forepart of the year 1912. That the plaintiff knew or should have known that said cars were defective and useless and worthless to the coal company, and if it purchased the note in suit it did not do so in good faith, but for the purpose of defeating the coal company's claim for damages against the iron works company.

The defendants contend that the note is not a negotiable instrument by reason of an uncertainty in the rate of interest it bears appearing on its face, there being a conflict between the rate as inserted in the printed blank by the typewriter and that with pen and ink. The rule of construction provided by our statute (it being what is known as the Uniform Negotiable Instrument Act) is, where there is a conflict between the written and printed provisions of the instrument, the written provisions prevail. Subdivision 4, section 3175, Comp. Stat. 1910. Had the figure "7" been printed in the blank as it was, printed on a printing press, and the figure "8" written with pen and ink, the rule of the statute would unquestionably apply. The question here is: Is that portion of this note which is typewritten to be considered as printed, or as written? When we consider what we conceive to be the reason for the rule as laid down in the statute, and the connection in which the words "written" and "printed" are there used, we think the question is not difficult of solution. The printed form or blank is used for convenience and is prepared in advance of the final agreement between the parties; and, when a conflicting provision is afterward inserted therein in writing, the natural and reasonable presumption is that the later and written provision expresses the true intent of the par-

ties. The word "writing" is defined in the Century Dictionary:

"Specifically, as distinguished from printing, stamping, incision, etc., the act or art of tracing graphic signs by hand on paper, parchment, or any other material, with a pen and ink, style, pencil or other instrument."

And the word "print" is defined by the same authority:

"Specifically, to stamp by direct pressure, as from the face of types, plates or blocks covered with ink or pigments; impress with transferred characters or delineations by the exercise of force, as with a press or some other mechanical agency."

And "typewriting" is defined, "The process of printing letter by letter by the use of a typewriter." When, as in this case, it clearly appears from an inspection of the instrument that the blank form used was "printed," using that term in its common and ordinary sense, and the blanks therein are filled in on a typewriter, and it then further appears that there is a conflict between a typewritten provision and one afterward made with pen and ink, we think the typewritten portion of the instrument must be considered as "printed" within the meaning of the statute. We do not wish, however, to be understood as holding that in all cases and under all circumstances typewriting is to be construed as printing; but that in the circumstances here presented it is to be so construed, and that the rule adopted by the statute applies, and that the rate of interest in the note is not uncertain, and that it is a negotiable instrument. Nor have we overlooked the further provisions of the statute (section 3349) with reference to the construction of words, viz.:

"In this chapter, unless the context otherwise requires: * * * 'Written' includes printed and 'writing' includes print."

To so construe those words in the case before us would render the rule prescribed by section 3175 meaningless

and of no force; and in our opinion the case comes within the exception; "unless the context otherwise requires."

The defendants further alleged in their amended answer (upon which the case was tried) that they relied upon the agreement and representations of the iron works company that the cars were like the cars purchased prior to 1911 and could be used for the purpose for which they were intended, and it was by reason of said agreement and representations that the coal company was induced to buy and did buy said cars. As to those allegations, counsel for plaintiffs in error say in their brief:

"By failure to deny, the reply of defendant in error admits the ninth paragraph of the answer"—that being the paragraph containing said allegations.

If a reply was necessary, the reply to the original answer denied the new matters set up in the answer; and we find in the record a written stipulation, signed by the attorneys for the respective parties and filed in the court below, that the reply filed to the original answer should stand as the reply to the amended answer. That point is not, therefore, well taken.

The note being negotiable, the statute provides (section 3217):

"Every holder is deemed prima facie to be holder in due course; but when it is shown that the title of any person who has negotiated the instrument was defective, the burden is on the holder to prove that he or some person under whom he claims acquired the title as a holder in due course."

And by section 3213, Id.

"The title of a person who negotiates an instrument is defective within the meaning of this chapter when he obtained the instrument or any signature thereto, by fraud, duress, or force and fear, or other unlawful means, or for an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to a fraud."

Assuming the allegations of the amended answer to be sufficient to pre-

sent the issue of defective title in the coal company on the ground of false representations and fraud in procuring the note, the evidence, including certain testimony stricken out by the court on plaintiff's motion, is insufficient to establish those allegations. The most that can be said of it is that it tended to prove a breach of contract. It was to the effect that the iron works company agreed to furnish cars like those previously purchased by the coal company from it, but failed to do so. There is an entire lack of any evidence that the plaintiff had, prior to or at the time it purchased the note, any notice or knowledge of any defect or infirmity in the note, or knowledge of such facts that in its action in taking the instrument amounted to bad faith; which notice or knowledge was necessary to let in the defense of failure of consideration, breach of contract, or breach of implied warranty. *Ireland vs. Shore*, 91 Kan. 326, 137 Pac. 926. The finding of the district court is general, but it must necessarily have held the note to be negotiable, and found that the defendants failed to establish fraud in the inception of the note, or notice of any infirmity or defect therein, or bad faith on the part of plaintiff as holder of the note.

We think the record sustains the judgment, and it, accordingly, is affirmed.

Affirmed.

(146 Pac. Rep. 593.)



Forgery

Payment by the U. S. Treasurer of a Forged Draft; Rights of the United States in Matters Relating to Negotiable Instruments.
Negotiability.

United States Circuit Court of Appeals,
Second Circuit, Dec. 15, 1914.

UNITED STATES VS. BANK OF NEW YORK N. B. A.

The drawee of a draft is bound to know the signature of the drawer. The United

States Government is no exception to this rule.



STATEMENT OF FACT.

THIS action was brought by the United States to recover from defendant the amount of a draft paid by plaintiff to defendant on March 19, 1912, together with interest from date of payment.

The complaint alleges that defendant on or about March 14, 1912, presented to the Treasury Department at Washington, D. C., a draft dated Rosario (Argentine Republic), February 8, 1912, for \$463.73, drawn on the Secretary of the Treasury, payable to the order of the British Bank of South America, Limited, and purporting to be signed by Robert T. Crane, American consul, and bearing the indorsement of the British Bank of South America, Limited, followed by the indorsement of defendant as the last indorsement on the back thereof; that, without Crane's knowledge, Crane's signature to the draft had been forged; and that on March 19, 1912, the Secretary of the Treasury, under a mistake of fact and in ignorance that Crane's signature was a forgery, paid defendant the amount of the draft which sum defendant has refused to return to plaintiff, though requested so to do.

A copy of the instrument follows:

Consulate of the United States of America.

Rosario, February 8th, 1912. No. 5.

Fifteen days after sight (acceptance waived and indorsements by procurement, excepted) of this sole of exchange.

\$463.73

Pay to the order of the British Bank of South America, Limited, four hundred, sixty-three dollars, seventy-three cts., U. S. gold. Dollars

Value received and charge the same to account for Relief of Seamen and balance of salary.

To the Secretary of Treasury.

(Seal)

Robert T. Crane,

Washington, D. C. American Consul.

The indorsements upon the back of the instrument are not herein set forth as they are not involved.



OPINION OF THE COURT:

ROGERS, C. J.: It is true that in some cases where a person has been induced by fraud to make payment of a bill or note such payment may be recovered back. And in like manner under some circumstances one who has paid a bill under a mistake of fact is allowed to recover the amount thereof. So under some circumstances a party who has made a payment on a forged instrument may be permitted to recover it back from the party receiving it. (Welch vs. Goodwin, 123 Mass. 71; Goddard vs. Merchants' Bank, 4 N. Y. 147 [1850].)

But if one accepts forged paper purporting to be his own and pays it to a holder for value, the Supreme Court has said that it is undoubtedly true as a general rule of commercial law that he cannot recall the payment. What he has done amounts to an adoption of the paper as genuine. He is presumed to know his own signature. Cooke vs. United States, 91 U. S. 389. So it is incumbent upon the drawee of a bill or check to be satisfied that the signature of the drawer is genuine. He must know, is conclusively presumed to know, whether the signature of the drawer is genuine.

The case of Price vs. Neale, 3 Burrows, 1354, decided in 1762, established the principle that the drawee of a draft, having accepted or paid it, cannot compel repayment of the money upon discovering that his drawer's name was forged. And for more than a century and a half it has been settled law that the drawee of a bill must be presumed to know as a matter of law the handwriting of his correspondent the drawer of the bill, and that it is incumbent upon him to be satisfied of the genuineness of the drawer's signature. If he accepts or pays a bill to which the

drawer's name has been forged, he is thereby estopped by his act and cannot thereafter repudiate his acceptance or recover back the money he has paid. The principle applies as well to the case of a bill paid upon presentment as to one accepted and afterwards paid. See *National Park Bank vs. Ninth National Bank*, 46 N. Y. 77 [1871].

In *Price vs. Neale* two bills of exchange had been paid by the drawee, the signature of the drawer having been forged. One bill was paid when it became due, without acceptance. The other was accepted and paid at maturity. When the forgery was discovered, an action was brought to recover back the money paid; it being admitted that both parties were equally innocent. The action was for money had and received, in which no recovery could be had unless it was against conscience for defendant to retain it. Lord Mansfield said that in such a case as the one then before him it could not be affirmed that it was unconscientious for defendant to retain the money he having paid a fair and valuable consideration for the bills. He continued:

"Here was no fraud, no wrong; it was incumbent upon the plaintiff to be satisfied, that the bill drawn upon him was the drawer's hand, before he accepted or paid it; but was not incumbent upon defendant to inquire into it. There was notice given by the defendant to the plaintiff, of a bill drawn upon him, and he sends his servant to pay it, and take it up; the other bill he actually accepts, after which the defendant, innocently and bona fide, discounts it; the plaintiff lies by for a considerable time after he has paid these bills and then found they were forged. He made no objection to them at the time of paying them; whatever of neglect there was, was on his side. The defendant had actual encouragement from the plaintiff for negotiating the second bill, from the plaintiff's having without any scruple or hesitation paid the first; and he paid the whole value bona fide. It is a misfortune

which has happened without the defendant's fault or neglect. If there was no neglect in the plaintiff, yet there is no reason to throw off the loss from one innocent man upon another innocent man. But in this case if there was any fault or negligence in any one, it certainly was in the plaintiff and not in the defendant."

It is true that it has been held in one case at least that the doctrine of *Price vs. Neale* should not be adhered to in cases where the holder of an unaccepted bill presents it to the drawee for acceptance or payment, and that in such cases the unrestricted indorsement and presentation of the draft to the drawee is a representation on the part of the holder and indorser that the signature of the drawer is genuine. (*Ford & Co. vs. People's Bank of Orangeburg*, 74 S. C. 180.) And in North Dakota the doctrine of *Price vs. Neale* has been rejected in its entirety. (*First National Bank vs. Bank of Wyndmere*, 15 N. D. 299.) But the two cases last cited are without support in the decisions of the English courts and have little, if any, support in the American decisions.

Indeed, the principle established by *Price vs. Neale* has been incorporated into the uniform Negotiable Instrument Act which has been adopted in the District of Columbia and was in force there at the time this payment was made. That act provides that the acceptor by accepting the instrument engages that he will pay it according to the tenor of his acceptance and admits "the existence of the drawer, the genuineness of his signature, his capacity and authority to draw the instrument." As payment is equivalent to acceptance, the United States under the act admitted the genuineness of the drawer's signature (*Act Jan. 12, 1899, c. 47, 30 St. at L. p. 785, Sec. 62*), if the bill was negotiable.

As early as 1825, the Supreme Court applied the principle of *Price vs. Neale* in *United States Bank vs. Bank of Georgia*, 10 Wheat. 333, 6 L. Ed. 334. The Supreme Court, through Mr. Justice Story, in *United States Bank vs.*

Bank of Georgia, referred approvingly to *Price vs. Neale*, saying:

"The case of *Price vs. Neale* has never since been departed from; and in all the subsequent decisions in which it has been cited, it has had the uniform support of the court, and has been deemed a satisfactory authority."

Price vs. Neale goes upon the same theory as do those which hold that a bank is bound to know its customer's signature, and has no remedy where it has paid or certified a forged check to a bona fide holder for value. The presumption is that it has greater means and better opportunities to become familiar with the handwriting of depositors than are afforded the holder.

The courts have in a number of cases held that the rule that the drawee is presumed to know the signature of his drawer does not apply if the holder by his negligence has contributed to the success of the fraud practiced. (*Meyers vs. Southwestern National Bank*, 193 Pa. 1, 44; *Woods vs. Colony Bank*, 114 Ga. 683; *Brennan vs. Merchants', etc., Bank*, 62 Mich. 343.) But in this case the government makes no claim that defendant has been guilty of any negligence contributory to the fraud practiced. Counsel for the government comes into court with the statement that the Secretary of the Treasury of the United States is not presumed to know the signatures of such agents of the United States as are authorized to draw on him. It is argued that the United States is entitled to greater protection than an individual from the unauthorized and fraudulent acts of its agents. And it is said that to charge the government with knowledge of the genuineness of the signatures of those of its servants who may be entitled to draw upon it is to impose a liability on it which public policy demands should be borne by individuals dealing with it. We are informed that to hold the Treasury Department liable in a case such as the case at bar is not only not common sense, but is against the recognized principles of law. Attention is called to the

recent case of *United States vs. National Exchange Bank* (1909) 214 U. S. 302, 317, where the present Chief Justice said:

"The exceptional rule as to certain classes of commercial paper proceeds upon an assumption of knowledge or duty to know, naturally arising from the situation of the parties, entirely consonant with their capabilities, and in accord with the common sense view of their relation. To apply the rule, however, to the government and its duty in paying out the millions of pension claims, which are yearly discharged by means of checks, would require it to be assumed that that was known, or ought to have been known, which on the face of the situation was impossible to be known, would besides wholly disregard the relation between the parties, and would also require that to be assumed which the obvious dictates of common sense make clear could not truthfully be assumed."

In that case the United States was held not chargeable with knowledge of the signatures of the vast number of persons entitled to receive pensions. The action was brought by the United States to recover the sum of payments made at the subtreasury in Boston upon 194 pension checks the signatures of the persons to whom the checks were payable having been forged. The Supreme Court held that the government had the right to recover. A similar ruling had been rendered in an earlier decision made by Judge Coxe in 1889 in *United States vs. Onondaga County Savings Bank* (D. C.) 39 Fed. 259, which we affirmed in 64 Fed. 703, 12 C. A. 407. * * * *

The contention of the government that an exception should be made in its favor to the well-established rule of *Price vs. Neale* must be disregarded. The number of persons who can have a right to draw bills upon the government is relatively small, and it should protect itself as do banks and other large corporations against imposition in such cases. The Supreme Court, in *Cooke vs. United*

States, 91 U. S. 389, 23 L. Ed. 237 (1875) said:

"When the United States become parties to commercial paper, they incur all the responsibilities of private persons under the same circumstances."

And we find no warrant for saying that the United States is not bound by the same law as an individual when it enters into transaction of this nature.

A bill is negotiable paper, except where the rule is changed by statute, only where it is made payable at all events and unconditionally. And this is expressly required under the Negotiable Instruments Law in the United States and under the Bills of Exchange Act in England. Counsel contend that the draft in this case was not negotiable because it was upon its face conditional. It is said that the words appearing on the draft, "and charge the same to account for relief of seamen and balance of salary," made the draft conditional, and that it was not to be paid at all unless Congress had appropriated and set aside a fund, which was not exhausted at the time the draft was presented, for the payment of salaries and for the relief of seamen. If no such fund existed for the relief of seamen, or if nothing remained unpaid in salary account, the draft would have been worthless as the holder was bound to know.

We do not, however, find it necessary to determine whether the claim that this bill is conditional, and therefore not negotiable, is sound or unsound. In our view of the matter it is unimportant whether it is conditional or unconditional, negotiable or nonnegotiable. And we are not called upon to say whether a bill can be drawn upon the Secretary of the Treasury which is unconditional, and whether every bill drawn upon him is inherently conditional. That question can be decided when it arises. But in our opinion the doctrine of *Price vs. Neale* is as applicable to nonnegotiable bills as it is to negotiable ones. *Price vs. Neale* went upon the theory that a drawee knows the signature of his drawer and that it is negligence in him if he

accepts or pays without first satisfying himself respecting the genuineness of the signature. There seems to be as much reason for applying the principle to nonnegotiable paper as to paper which is negotiable, and we are unaware that any case has been decided in which a court has held the principle applicable to instruments which are negotiable under the law merchant. And sometimes it is said that without regard to the principle of negligence the drawee who pays the money should bear the loss, assuming that both himself and the holder who presented the bill for payment are equally innocent, as he is the one whose act occasioned the loss. But upon whichever of these two theories the doctrine of *Price vs. Neale* may rest, and the first of the two seems the better reason, they apply with as much force where the bill is nonnegotiable as where it is negotiable. The importance of the distinction between negotiable and nonnegotiable paper grows out of the principle that the bona fide holder of negotiable paper takes free from equities while the holder of nonnegotiable paper takes subject to them. But that distinction does not affect the question now under consideration. The act of payment follows the acquisition of the title by the holder, and it is the effect of the act of payment alone which is to be determined, and, in determining it, it can make no difference whether or not the holder acquired the paper free from or subject to existing equities, and, if it is not unconscientious for the holder of a negotiable bill who is paid on a forged signature of the drawer to retain the money paid him by the negligence of the payee no more is it unconscientious in the holder of the nonnegotiable bill who has been paid in the same way to retain what he has been paid.

We are asked to hold, under the authority of *Guaranty Trust Co. vs. Grotian*, 114 Fed. 433, and of *Hannay vs. Guaranty Trust Co. (C. C.)* 187 Fed. 686, that the money paid can be recovered back. In the first of these cases a draft directed the drawee to pay and

charge the same to account of certain flax seed, forged duplicate bills of lading for which were attached to the draft. The acceptance was "Accepted against indorsed bills of lading" for flax seed. The draft was paid without knowledge that the bills of lading were forged and before the arrival of the steamship on which the flax seed should have been according to the bills of lading and without knowledge that the flax seed was not there.

It was held in that case that the acceptance was conditioned on the delivery of genuine bills of lading and that, as this condition was not waived by payment, the acceptor could recover the money paid. The same principle was involved in the second of these cases. But those cases are not in point as respects the question now before us. In the two cases cited, the forgery was not of the signature of the drawer, but of the bills of lading which purported to have been issued by the carrier. The drawee of the bill of exchange was not presumed to know the genuineness of the signatures to the bills of lading. The court holding the acceptance and payment to have been conditional on the genuineness of the bills of lading allowed the money to be recovered back as the condition had not been realized.

Judgment is affirmed.

(219 Fed. Rep. 648.)



Stockholder's Liability, U. S. Court

Insolvency—Assessment—Revocation.

U. S. Circuit Court of Appeals, First Circuit, January 7, 1915.

PEPPER VS. SPRINGFIELD INSTITUTION FOR SAVINGS ET AL. SPRINGFIELD INSTITUTION FOR SAVINGS VS. PEPPER.

Where an assessment of 100 per cent. had been levied on the stockholders of a national bank, a subsequent assessment of forty-nine per cent. could not be sustained while the original assessment continued in force.

The Comptroller of the Currency having found a national bank insolvent and made

an assessment of 100 per cent. on its stock, such assessment was not vacated or annulled by a letter written by the Comptroller to the directors, approving a contemplated sale of bonds held by the bank, and stating that, if such sale was made, he did not hesitate to say that there would be no necessity for an assessment on stockholders, unless an unlooked-for shrinkage in the value of the assets should occur, which was highly improbable. (218 Fed. Rep.)



APPEALS from the District Court of the United States for the District of Massachusetts; George H. Bingham, Judge.

Suit by Ellis S. Pepper, as receiver, etc., against the Springfield Institution for Savings and others. From a judgment in favor of defendants, plaintiff appeals, and the Springfield Institution for Savings and others prosecute a cross-appeal against the receiver. Affirmed.



STATEMENT OF FACT AND OPINION.

PUTNAM, Circuit Judge: The propositions submitted to the court at the trial of this case suggested the necessity of determining whether we could be required to make offsets or rebates, involving any such troublesome questions as grew out of the failure of the Pacific National Bank, some of which appeared in *Delano vs. Butler, Receiver*, 118 U. S. 634. An examination of this record, however, shows that the case was disposed of by the District Court on a very simple proposition, which enables us to affirm the results reached in that court without concerning ourselves at present about what may hereafter follow.

It seems there were two assessments on the stockholders of a failed national bank, the first one being for the full amount of the par of its stock, and the second one being for forty-nine per cent. of the same par. There was an incomplete attempt to annul the first assessment of the par of the stock, and the present proceedings were instituted on

the second assessment of forty-nine per cent. As we have said, there was an attempt to annul the first assessment and hold the second assessment valid; the court conceding that both assessments, which amounted to 149 per cent., could not stand together, citing in support of that proposition *Studebaker vs. Perry*, 184 U. S. 258. It is not apparent that *Studebaker vs. Perry* ruled this particular point; but we have no occasion to cite authorities in reference to it, because it is too plain a proposition that assessments of \$149 a share would not be valid under the statute to require any citation of authorities in reference thereto.

The attempt to invalidate the first assessment was put on the following grounds by the court below. Our references to what was thus said do not require us to go into dates, or any details except those which we give, as follows:

After the assessment of \$100 per share was laid, an arrangement was entered into by which the creditors of the bank, and perhaps some others, arranged to take up a mass of bonds held by the insolvent bank, issued by the American Writing Paper Company, on terms which it was thought would make the insolvent bank solvent. Thereupon the Comptroller of the Currency sent to the directors of the insolvent bank a letter, of which the following is a copy:

"The Board of Directors, Pynchon National Bank, Springfield, Mass.

"Gentlemen: In view of the effort now being made by the directors and stockholders of the Pynchon National Bank of Springfield, Mass. (insolvent), to dispose of to the stockholders a large number of the first mortgage bonds of the American Writing Paper Company, I wish to say to your board that this will effect a settlement of the affairs of this bank that will be eminently satisfactory to all interests, and one which I am very hopeful will be accomplished.

"I am just in receipt of the report of the special examination of this trust, made by an official of this department,

sent to Springfield for that purpose, and I am quite satisfied if this sale of bonds is effected the receiver will be able to pay out to the creditors one hundred (100) cents on the dollar, and that within a very few months.

"I wish further to say that after this examination it is very plain that there will be no escape from an assessment of 100 per cent. against the stockholders, if the receiver had to put the Writing Paper bonds on the market at 65 or thereabouts.

"The receiver and the special examiner report most confidently that if these bonds are taken at ninety-five (95), the trust will pay out in full, and I do not hesitate to say there will be no assessment necessary against the stockholders, unless some unlooked-for shrinkage in value of assets should happen, which, of course, is highly improbable.

"I trust that you, gentlemen, will use every possible effort to effect this most satisfactory settlement of these matters.

"Respectfully,

"Wm. B. Ridgely, Comptroller."

This letter was written by the Comptroller in good faith, and with the expectation that it would be shown, and it was shown, to the shareholders, including the savings banks, parties to these proceedings. Those banks made certain payments to the receiver, which were not directly by way of purchasing any portion of the bonds of the American Writing Paper Company aforesaid, but were intended to make up certain deficiencies which came from disposing of some of those bonds to other parties, so as to leave the receiver in the same condition in which he would have been if the savings banks, parties to these proceedings, had taken these bonds on the same terms that other stockholders took them. These details we need not go into further, because the case as we leave it does not rest there. Thereupon, however, the enforcement of the first assessment of \$100 on each share was suspended; but subsequently, for reasons which were not explained to us, it was thought necessary to make this other assessment of

\$49 per share, which other assessment forms the basis of the present litigation, the primary question as to which is whether or not this assessment can be enforced.

So far as we can discover, the action of the Comptroller about not enforcing the first assessment was in pursuance of the letter which we have copied into this opinion. Neither that letter, nor anything which followed it, in terms annulled the first assessment; and all that can be said about it further is that no attempt was made to enforce it. The agreed statement which makes a part of the record states as follows:

"Said letter of the Comptroller of the Currency addressed to the board of directors related to an effort then being made by the directors, stockholders, and the receiver to procure the purchase from the receiver of said American Writing Paper Company bonds at the price at which they had been bought by the bank. Said directors and the receiver were then of the opinion that if said purchase upon said terms could be effected it would provide sufficient funds to enable the receiver of said bank to pay its debts in full, thereby obviating the necessity for the payment of said assessment or the enforcement of any personal liability whatsoever on the part of the stockholders."

We find nothing further in the record, or in the opinion of the District Court, which shows any definite action in reference to the first assessment. Neither the record nor the opinion of the District Court assumes to discuss the question whether or not the assessment of \$100 per share, laid by the Comptroller, could be annulled, or in any way disposed of, in this informal manner. The history of the statutes of the United States on this topic, and their nature, are well shown by *Kennedy vs. Gibson*, 8 Wall. 498; *Bushnell vs. Leland*, 164 U. S. 684, and *Studebaker vs. Perry*, *ubi supra*, at various points through the opinion. These citations show that the duty of the Comptroller in this connection was a quasi-judicial one, with the result that any findings,

though *ex parte*, were absolutely binding on the shareholders, and were of a character which involved an accounting and a solemn record on the part of the Comptroller's department. It is not credible that the solemn findings of the Comptroller of such a character should be nullified and wiped out by a mere letter such as we have quoted, followed by the mere inaction of the kind we have described. However this may be, there is no thorough discussion in the record, or in the opinion of the District Court, which enables us to ascertain that the first assessment of the par of the stock was ever annulled. The correspondence merely shows an intention not to enforce it. On this account, we agree without hesitation that the decree of the District Court dismissing the receiver's bill for the enforcement of the assessment of forty-nine per cent. was correct; and, as the fate of the cross-bill here necessarily follows the fate of the original bill, the dismissal of the cross-bill was also correct.

The decree of the District Court refused any costs on the cross-bill, and the relations of the parties, on the whole, relieve us from the necessity of determining any right to costs on these appeals. Therefore the judgment will be as follows, in each appeal.

The decree of the District Court is affirmed, without costs.

(218 Fed. Rep.)



Book Review

HOW TO FINANCE A BUSINESS. Chicago. A. W. Shaw & Co.

IN this book of 127 pages are set forth "202 proved methods of raising capital and using credit." It contains a great deal of really helpful advice on the important subject of which it treats, and the information is very clearly presented. Books like this aid one in the difficult art of getting on in the world and are decidedly useful. The suggestions made are practical, and carefully observed will serve to assist in winning business success.

New President of the National Bank of Commerce, St. Louis



JOHN G. LONSDALE
PRESIDENT NATIONAL BANK OF COMMERCE, ST. LOUIS

AT a meeting of the board of directors of the National Bank of Commerce of St. Louis, on June 15, John G. Lonsdale was elected president and Tom Randolph was elected chairman of the board.

John G. Lonsdale was born in Memphis, Tennessee, in 1872. In 1891 he established a real estate and insurance business in Hot Springs, becoming in 1894 a member of the firm of J. P.

Mellard & Co. Mr. Lonsdale was appointed receiver of the Little Rock, Hot Springs & Texas Railway by the United States Court, and so successfully did he administer the assets of the corporation that in 1899 he and his associates reorganized the road as the Little Rock, Hot Springs & Western, and Mr. Lonsdale became its vice-president.

About that time he formed a partnership under the title of Gaines & Lons-

dale, private bankers, to deal in investment securities, afterwards acquiring the interests of his partners and continuing the business under the title of J. G. Lonsdale & Co. He became the New York partner of Logan & Bryan, bankers and brokers, in 1905, and his position brought him in contact with many of the bankers throughout the country.

Mr. Lonsdale has always been a student of financial and economic subjects, and has had practical experience in banking, having been one of the organizers and a director of the Security Bank, of Hot Springs, and he was instrumental in bringing about the consolidation in 1904 of the Citizens Bank with the Exchange National Bank of Little Rock, of which he was for a time a director. He had been a regular attendant at the conventions of the Amer-

ican Bankers' Association for many years, and has kept in close touch with the banking fraternity and interested himself in the subjects which interested bankers.

Socially Mr. Lonsdale is well known, being one of the executive committee of the New York Southern Society and president of the Tennessee Society in New York. He is also interested in public welfare work.

In going to the bank Mr. Lonsdale severs all other connections, and having no entangling alliances, and as he was the unanimous choice of the board, he will no doubt have complete harmony in the institution to which he will in future devote his business life.

The National Bank of Commerce has a capital and surplus of \$12,000,000 and deposits of \$44,000,000.



Unique Deed

IN consideration of the payment of \$1, and with other due formalities of law, says the Syracuse, N. Y., "Post-Standard" of recent date, the First National Bank of Syracuse has sold and delivered to the New York Telephone Company eighteen inches of four-pair, lead-covered cable, be the quantity of the same more or less, penetrating the wall of the great cash vault on the ground floor of the bank's new building, South Warren and East Washington streets.

President A. W. Hudson, of the bank, who signed the document under which the transfer is made, thus explained the transaction.

The construction of the vault included two cables carrying wires for electric lighting purposes to the interior. A few days ago the bank decided to have a telephone inside the vault. To put additional wires through the heavy steel plates and concrete was out of the ques-

tion, especially as the route is made intricate for protective purposes. Moreover, one of the requirements of the telephone business, under the Public Service Commission act, is that the telephone company shall own the wires over which service is maintained right up to the instrument.

To overcome this difficulty, the bank decided to get along with one set of wires for lighting and deeded the other section of about eighteen inches to the telephone corporation, the ownership to revert to the bank if the vault station is discontinued.

Two bank employes will be in charge of the cash inside the vault. Summoned outside to answer a 'phone call while handling bills and coin, either would have to lock up the money or count it all over upon his return in order to maintain responsibility. Hence the innovation of a vault telephone and the unique real estate deal.

Banking Publicity

Conducted by

T. D. MACGREGOR

Bank Advertising in a Small Town

By J. B. Powell, Columbia, Mo.

DOES it pay to advertise a bank in a small town?

James P. Hinton, cashier of the Hannibal National Bank, Hannibal, Mo., believes it does, and he even goes farther and proves that it pays even in a period of financial stringency.

In 1911 the Hannibal National Bank opened a regular savings department and began to advertise it, and as a result in four years \$156,000 have been attracted to its savings department.

Previous to this time only one of the banks of Hannibal had made any effort to push a savings department. All four of the banks had, of course, been receiving time deposits by the issuance of time certificates with three per cent. interest.

The bankers of Hannibal were like the bankers of all growing towns—they knew they should have regular savings departments, but hesitated to make the start because of the fear that the cost of operation would eat up all the profits.

Finally, Mr. Hinton decided to take the plunge. He contracted for space in the evening newspaper, the size of the space being five inches double column and the frequency of insertion being every other day throughout the year. Mr. Hinton is now using both papers in Hannibal and since the first insertion of his ad, there has been no let up in the publicity.

In addition to the newspaper publicity, the bank uses a letter system and a booklet and has originated many unique stunts. Two years ago Mr. Hinton

made everybody in Northeast Missouri talk about his bank by offering \$1 deposit free to every baby in the community whose parents would register it at the bank. When parents bring their



JAMES P. HINTON
CASHIER HANNIBAL NATIONAL BANK,
HANNIBAL, MISSOURI

babies to the bank and register their names the bank starts the deposit with \$1. This can not be drawn out until the parents have deposited another dollar and left the whole deposit in the bank for one year. The writer was amazed to see how some of these "baby

depositors" had added to their accounts, several of them running from \$25 to \$50.

As to the effect of the advertising on the savings department, I will let Mr. Hinton tell the story himself:

"We opened up our savings department in 1911 and without in any wise interfering with any of our other departments, have accumulated a deposit at the present time of \$156,000. Although we pay three per cent. interest on all time and savings deposits, as a matter of fact our savings deposits cost us, during 1914, but 2.6 per cent. We reserve the right, of course, to demand notice in the withdrawal of these deposits, but neither the National Bank nor any of the other banks in Hannibal have availed themselves of this privilege.

"We have four general classes of deposits: (1) country banks subject to check on demand; (2) counter customers subject to check on demand; (3) certificates of deposit which when the

deposit is made carries a contract for payment at the end of six months or one year; (4) regular savings department deposits.

"We have just about the same number of depositors in our savings department that we have in our commercial department. We have two bookkeepers who have charge of our commercial accounts. The savings bookkeeping requires on an average one and one-half hours each day for one bookkeeper. Of course at the end of each six months' period there are two or three days when all hands are kept busy figuring interest. We, however, did not make any additions to the force when we put on the savings department. One of our regular bookkeepers took on this work in addition to his other duties.

"And here is the important part of the story:

"During the past two years of depressed business conditions, our savings deposits are the only line of deposits

HANNIBAL NATIONAL BANK			
In account with			
<i>Martha B. Powell</i>			
Date	With-	Deposits	Balance
1914	drawals		in Bank
July 13		1 00	1 00
" 8 13		1 00	2 00

Rules for Baby Depositors.

Rule 1. Any baby under the age of one year whose parents have a deposit in the Hannibal National Bank may be registered on the Baby Savings Register of the bank.

Rule 2. Any baby so registered will be given one of the special baby pass books showing a deposit of one dollar to the credit of the baby.

Rule 3. This deposit cannot be withdrawn until an additional deposit of one dollar has been added to this account and the deposit has remained in the bank for one year or more.

Rule 4. Interest will not begin on this deposit until after an additional dollar has been deposited to the credit of this account.

Rule 5. This baby pass book may be exchanged for one of the regular blue Savings Department Pass Books at any time after the second deposit has been made.

Rule 6. After this deposit begins to draw interest, it will be subject to all of the rules and regulations of the Savings Department of this bank.

that have shown a continuous growth; the other three lines have all shown a shrinkage."

There are many other unusual features to be found in the Hannibal National Bank, and most of them can be traced back to the spirit the bank has created largely through its advertising and service ideas. This is the largest bank and does more business than any other in Northeast Missouri. In spite of this fact, it is operated with a much smaller clerical force than any other institution in that section. This is due to a profit-sharing plan that the bank has with its employees. This system has been in force for five years and every clerk who has been with the bank for a certain length of time becomes a member of the profit-sharing system and receives his check semi-annually with the stockholders of the bank. The amount rebated to the employee is in proportion to his salary.

One wonders what kind of training has developed this unusual banking ability in a small city bank cashier. Before Mr. Hinton was appointed cashier of the Hannibal National Bank he had never been in a bank before except as a customer. He was a coal and ice dealer, the owner of the largest coal and ice business of his section. He had attracted the attention of the bank directors through his unusual business ability. He perfected a system of credit ratings for customers of ice and coal business that was adopted by every dealer in his section.

And Mr. Hinton has other activities. He was president of the Missouri Bankers Association and during his term every bank in Missouri was a member of the State Association, a record that has never been equaled. He is chairman of the executive board of the Y. M. C. A. of Missouri. He is a friend of the boys and at one time organized a Sunday school class that contained only boys who had never been to Sunday school in their lives. In the summer he organizes boys' camps.

All of this latter, of course, is foreign to the banking business; but perhaps it

shows why his bank is different from many other banks. It also shows why Mr. Hinton has been offered some of the most attractive banking positions in several large cities, which he has always refused because he prefers to live in a small city.



A Good Old Bank

And It Does Some Good Advertising

WE recently received this letter:

The Savings Bank of Utica,
Utica, N. Y.

CHARLES A. MILLER, PRES.
RUFUS P. BIRDSEYE, TREAS.

My dear Mr. MacGregor:—

A few years ago I had the pleasure of meeting you, and although you have doubtless forgotten it, your enthusiasm and spirited argument for greater banking publicity infused a similar spirit in me.

For five years I have been studying, practicing and preaching publicity for banks. Your books and articles have been invaluable to me. Recently I organized and am at present conducting a Service Department in this bank. You will get the idea from the inclosed booklets. It's working splendidly.

I wish to keep in touch with your work and methods and most of all to reflect as much as possible the personal, human touch your work has shown in the past.

Cordially,

CHAS. D. JARVIS,
Service Dept.

Mr. Jarvis is an apt pupil all right, as may be judged from the newspaper advertisements of his bank reproduced herewith.

The gist of the Service Department idea is expressed in these two paragraphs from one of the leaflets issued by the bank:

A Depositors' Service Department has recently been installed and we cordially invite all our past, present and prospective depositors to make use of it. We desire, especially, to serve women, boys and girls, and others who wish to discuss such matters as investments, banking, where to go to school, home savings plans, home buying, etc.

When you come in, whether you have an account or not, we want you to feel at home.

This Bank Is Owned by Its Depositors



It is a purely mutual institution, and every depositor owns as much of it as any other in proportion to his deposits. Every one shares equally in dividends, ALL of which go to the depositors. There are no stockholders to share dividends. If or more opens an account and makes you a pro rata owner of Utica's only Savings Bank. You can join by mail if you wish. Write or call for booklet.

TO EVERY DEPOSITOR
who makes a deposit and to every one who opens a new account for \$1.00 or more before the third day of June, we will present a copy of "Meet My Husband's Booklet."
—THE SAVINGS GRACE—
Be sure and ask for it. Dividends start the First of Every Month.

The Savings Bank 1839 of Utica 1915

Cameron Street at Bank Place. Established 76 Years
Utica's Only Savings Bank Resources Over \$17,000,000.00.
Dividends Start the First of Every Month.

How to Make "Clean-up Week" Start a Savings Account

Sell your old rubbish, etc., and use the money to start your first savings account at Utica's only Savings Bank, the Savings Bank of Utica.

This is a purely mutual institution, owned entirely by its depositors, established 76 years and now having over \$17,000,000.00 resources. It is **THIS** Bank for sav-
ings. Write, phone or call for valuable booklet.



Dividends Start the First of Every Month.

The Savings Bank of 1839 Utica 1915

Established 76 Years.
Resources Over \$17,000,000.00.

HUMAN INTEREST CCPCY

Most of all we desire your friendly cooperation that the bank may continue to be more and more worthy of your friendship and good will—that its usefulness to you and your friends may constantly increase.

"Our Strength Is Your Protection" is the title of another excellent folder explaining "Why the Savings Bank of Utica is Your Bank."

This bank has over 33,000 depositors, which is a very large number for a city the size of Utica. Let us assume that the good advertising of Mr. Jarvis has helped, though the fact that the bank is seventy-six years old and its being the only savings bank in the city must have had something to do with its success.

Advertising That Paid

A Kansas Bank's Campaign Brought in \$7,500 in One Roll

A RECENT news item from Junction City, Kan., is of interest to bank advertisers who yearn for direct results from their advertising. It was dated April 20 last and read as follows:

A Geary County farmer motored into town today with a "flash roll" that made the ordinary bundle, consisting of a yellow-back draped around a bunch of \$1 bills, look like a motor boat putting on airs in the presence of a dreadnaught.

There was \$7,500 in the roll, and it mostly was in \$1 bills, the whole filling a grain sack. It took bank officials more than an hour to count the money.

The farmer brought in the currency as a result of a savings account campaign conducted by a local bank. The farmer had done no business with banks in years.



What D'ye Mean Nature's Nature?

A Piece of Bank Advertising Which Is as Clear as Mud

FOLLOWING are a few paragraphs taken from a piece of advertising literature submitted to us for criticism by a bank whose name charity bids us to withhold:

Along the business path of Nature's nature loom some characteristics which have never met disaster.

Search as you may, you will always find success emphasized where trained ability, armored with tenacity and true character, meets the wants of men and women, by extending a receptive hand and an open heart, adopting and maintaining a policy broad enough to compass and grasp the opportunity to make conversations congenial while placing the arm of guidance unnoticed around each individual proposition and separating the possibilities.

Would you not feel more at home with a bank which is making stepping stones out of a depression and is pushing forward with a stride that swings its customers also along safe channels to the admiration of all?

The writer has tried to be hifalutin in his language and the result is a plethora

of words and a paucity of ideas. Of course it may be a cipher message, but we submit that an advertisement in code has only mild virtue from an advertising standpoint.



How Banks Are Advertising

Note and Comment on Current
Financial Advertising

THE Enterprise Bank of Bamberg, N. C., sends out a card bearing an interest table showing results of saving and depositing from \$1 to \$25 monthly for from one to ten years at five per cent. compound interest.



A "Service Book" with a very attractive cover in colors is issued by the Cleveland Trust Company. It is an index and a statement of what the Cleveland Trust Company can do for its patrons. The half tone illustrations are particularly fine.



This strong argument is used by the Second Ward Savings Bank of Milwaukee:

The Second Ward Savings Bank has a dozen depositors who have been depositors for over fifty years—speaks well for pleasant and satisfactory banking relations, doesn't it?



The Mercantile Trust Company, of St. Louis, is running the reproduced loan advertisement in daily newspapers in different sections of the country. We suppose the copy is from the able and prolific pen of John Ring, Jr.



The People Trust and Savings Bank of Chicago is conducting a "boy" thrift campaign, using street car advertising

and other publicity directed toward getting the future business and professional men of Chicago to open savings accounts

MONEY to Loan on Business Properties

We are in a position to make loans (first mortgage security) on retail or wholesale business properties in centrally located business districts in large cities.

Loan Repayable
by our
Serial Payment Plan

We invite correspondence from corporations and individuals requiring large sums on above security—only.

Money advanced on
construction loans

as work progresses. Amount of loan limited only by proportionate security.

Current rates of
interest
and commission

All correspondence regarded as confidential. Prompt answers to all applications.

Real Estate Loan Department

**MERCANTILE
TRUST CO.**

Member Federal Reserve Bank

St. Louis, Mo.

*Capital and Surplus
Nine and One-Half Million Dollars*

SOMETHING NEW

at that institution, with the double idea of making them thrifty and securing them as customers on a broader scale in the future. The Federal Title and Trust Company of Beaver Falls, Pa., is making a similar effort and has published a booklet of boys' experiences in saving.

©

A prize of \$50 was awarded by the Old Dominion Trust Company, of Richmond, Va., for the design shown here. The contest resulted in many good designs, but it was considered that the one



A PRIZE EMBLEM

shown could not be improved upon. In commenting on the design in a newspaper announcement, the company said:

Strength is represented by the rock outlining the State of Virginia, which is as strong as the nation itself and will endure forever—and typifies the foundation on which is built the Old Dominion Trust Company.

Fidelity and service are symbolized in the experienced and faithful life guard, a figure recognized the world over as the highest embodiment of human endeavor in the service for others—always prepared and ready to serve and to save. This figure in connection with the lighthouse shedding forth its guiding rays of protection and safety and the strong links of the endless chain binding all together, characterize every feature of service and perfect combination.

The First National Bank, of Grand Forks, N. D., used this out-of-the ordinary line of talk in a recent ad., addressed to farmers in its territory:

FARMER BROWN'S ONLY
MISTAKE

"This is Brown's farm—the best in the county. Brown began here twenty years ago, with nothing. Now you see what he has. He doesn't owe a cent. He never borrowed a dollar. He has gone it alone."

We all respect such a man. But wait a minute! Doubtless there have been times when Brown could have used some additional money with much greater profit. Why didn't he? Had he borrowed money freely from his bank, it is almost certain that he would be A FAR RICHER MAN THAN HE IS. It will be a sound business move when you open an account with the First National Bank and become a banking farmer.

FIRST NATIONAL BANK
Grand Forks, N. D.

©

The National Bank of Commerce of Williamson, W. Va., has adopted an emblem which features a "N. & W." coal car and the slogan "Ask the Man Who Banks Here." This slogan is all right though patently an adaptation of the Packard automobile's "Ask the Man Who Owns One."

©

When the First National Bank, of Syracuse, N. Y., moved into its new building recently, one of the local department stores, Dey Brothers & Co., ran this little supplement to its regular advertising:

ANOTHER NEW BUILDING FOR
SYRACUSE

The opening of the new building of the First National Bank increases the importance of Syracuse as a financial center.

This is a notable occasion for our business friends, and for us as well. For now we are nearer neighbors than we were before.

We extend our congratulations and best wishes to the officers upon their achievement.

Dey Brothers & Co.

©

D. L. Hardee, manager of the Department of Publicity and New Busi-

ness of the Wachovia Bank and Trust Company, of Winston-Salem, N. C., sends us some of the excellent advertising matter of that institution, including two house organs, "The Solicitor," a monthly magazine of banking, and the Thrift Edition of the "Official Bulletin" of the bank. They are both extremely effective pieces of advertising matter.



The First National Bank of Commerce, Hattiesburg, Miss., reproduced in leaflet form an article from a local newspaper on "National Banks."



The Commercial National Bank of Raleigh, N. C., reproduced from "The Progressive Farmer" some good agricultural advice as "A Prosperity Program for Wake County."



"The Autobiography of Mr. Dollar Bill" is a good booklet issued by the Scandinavian American Bank, Grand Forks, N. D.



Two ways of featuring in its advertising the growth of a bank are illustrated in the reproduced advertisements of The Bank for Savings, of Seattle, and the San Diego Savings Bank. It is perfectly legitimate to do a little crowing once in a while, if you have anything to crow about.

The draped figure of Liberty with the American flag is the emblem of the National Bank of the Republic, of Chicago. The bank is now using it quite



A NOBLE BANK EMBLEM

extensively on a poster stamp, being one of the increasing number of institutions that are using this form of publicity.



Grover Keyton, manager of the Savings Department of the New Farley National Bank, of Montgomery, Ala., writes:

I am enclosing herein photograph of Window Display of Home Savings Banks which I recently used for our bank in the window of the Light Company of this city. We did not have a window of our own large enough;

\$57,019.01

Is the total amount of interest paid by this bank to its depositors for the six months ending Dec. 31, 1914

This sum represents the interest on the deposits of over 12,000 depositors, computed on the basis of 3% and 4% per annum—3% on ordinary savings accounts, with checking privileges, and 4% on time deposits of six months.

A BANK FOR THE INDIVIDUAL

DEPOSIT the past four years this bank has paid to its depositors, an interest on their accounts the sum of **\$395,268.28**

MONEY deposited in this bank up to the 31st day of January will commence to bear interest from January 1st 1915, at 3% or 4% according to the nature of the account.

OFFICERS:

M. T. GLANCE	President
J. W. SEPTON, Jr.	Vice-President
E. M. BARNES	Cashier
C. L. HUBB	Asst. Cashier

DIRECTORS:

A. H. Street	W. M. Cross
R. M. Powers	J. Perry Lewis
C. L. Williams	F. R. Burman

4 1/2%

Since January 1st, 1915
We Have Opened

429

New Savings Accounts

Monthly growth has always been a feature of this bank. It is a great one, an unusually high percentage, and has been maintained ever since the opening of the bank.

Money deposited in this bank up to the 31st day of January will commence to bear interest from January 1st 1915, at 3% or 4% according to the nature of the account.

The Bank for Savings is a member of the National Savings Bank Association, and is a member of the National Bank of Commerce, and the National Bank of Chicago.

A. H. Street, President
 J. W. Septon, Jr., Vice-President
 E. M. Barnes, Cashier
 C. L. Hubb, Asst. Cashier

THE BANK FOR SAVINGS

1111 Broadway, N. Y. C.

EMPHASIZING GROWTH



A FINE WINDOW DISPLAY, PART OF A THRIFT CAMPAIGN

hence we obtained the use of Light Company window.

I also enclose copy used on cards in this window. In addition we used about four hundred small savings banks, together with a number of savings bank books showing the result of saving different sums weekly and monthly, together with the interest that would be allowed by us on such deposits. One book also explained in every-day terms "compound interest."

In connection with this display we placed in one of the Sunday papers large advertisement, copy of which is enclosed herein, together with news item appearing in same edition.

My one idea in writing copy for cards and newspaper advertisement was to reach the class of people with small sums, and I endeavored to impress upon them the fact that we wanted to help them better themselves, and that their account would be welcome at our bank.

We were very much pleased with the results obtained, for we opened quite a number of savings accounts and in most instances were asked for a Home Safe. Besides the actual results obtained we heard many favorable comments upon the display, and believe that we created quite a lot of good will for ourselves.

The cost of the display was nominal. If you think the matter enclosed herein worthy of mention in your Magazine, I shall be pleased to have you make such comment as you might deem proper.

We reproduce a photograph of the window display. This same photograph formed the *piece de resistance* of a

quarter-page newspaper ad. in the "Journal," which likewise ran this excellent "write-up" in the news columns:

The value to the business public of the great stress being now laid on savings by the Farley National and other banks can hardly be overestimated. The recent savings displays of the New Farley National Bank in the windows of the Montgomery Light and Water Power Company have been the subject of much favorable comment on all sides. Mechanics, salesmen, businessmen, young people and fashionable society folks all have viewed and studied the display showing that the habit of saving is now an interested and animated topic to every one.

The unusual and attractive display of savings banks can be seen all this week at the Light Company. This display is of unusual educational value. Numerous cards with appropriate lettering on the subject of savings commands the attention. The subject matter of these cards was no doubt the product of one who has studied both the banking business as well as human nature. Just enough is said to cause a person to think.

Stretched across the entire width of the back of the window, elevated above the display of formations, is a large streamer on which is printed the following general inscription: "Make Montgomery thrifty is the Slogan of this Helpful Bank—Every New Saver is a Better Citizen—One Dollar Starts an Account. Government Supervision and Conservative Management Guarantee Absolute Safety."

Doubtless as soon as banks in other cities learn of the success of the Montgomery

display there will be countless numbers of exhibits in many cities throughout the country. There is every indication at present that some of the leading banking journals of the country will request a photo of the display and reproduce same along with a write-up of the Montgomery bank in an early issue of their publications.

A leading business man of the community employing seventy-five people said to-day: "I am glad such an exhibit has been arranged. I want to see the banks encourage savings. The savings habit spread throughout Montgomery will be a blessing to institutions employing large numbers of people."



AMERICAN NATIONAL BANK, RICHMOND, VIRGINIA
A PATRIOTIC BANK

The American National of Richmond, Va., sends out a postal bearing the reproduced photograph of its building "all dolled up" for a patriotic occasion.

©

J. Stanley Corwin, of the Columbia Trust Company, New York, sends sample of its recent publicity. A "Calendar for Taxpayers" contains important in-

formation concerning the Federal Income Tax and local taxation in the city of New York. "Trust Company Efficiency" is a syndicated booklet giving the customary trust company information. Both are good pieces of advertising literature.

©

Vice-president E. T. Wilson, of The National Bank of Tacoma, writes:

We have been quite interested in following the comments of Mr. MacGregor in his department of the magazine and are enclosing herewith two clippings from our local papers showing the character of advertising which this bank is now doing. While the publication of questions and answers has only been followed for a couple of weeks, it is attracting considerable attention and we believe it is proving effective in accomplishing results. Questions are coming in quite rapidly and are frequently subjects of discussion among newspaper readers. We would like to know what you think of the idea.

We think this is a splendid idea, chiefly because it is comparatively new in bank advertising. Of course, it is not necessary to wait until readers actually send in questions, as suitable ones can be suggested and answered just as

"Ask the National Bank of Tacoma"

There are many features of a bank's operation concerning which the public generally is but little informed.

Realizing this fact, The National Bank of Tacoma will answer in these columns on Mondays and Wednesdays questions relative to banking laws and practices.

Are there any such points with which YOU are not familiar? Any banking rules you do not understand? If so, write your question and send it to "Natbank," care Tacoma Daily Ledger, and we will answer it as soon after receipt as practicable.

April 7, 1915

QUESTION—I noticed a statement of your condition in the Ledger this morning. I have seen similar ones from time to time in the paper but never understood the reason for it or understood what it is all about. Will you kindly explain?—J. G.

ANSWER—Complying with the National Banking Laws, at least five times a year, the Comptroller of the Currency requires a statement of condition from all National Banks and a very complete report of all matters of importance concerning it. The Bank is also required to publish in a newspaper the figures showing its condition at those times. These figures should be very interesting to everyone concerned in the welfare of the Bank of the City.

THE NATIONAL BANK OF TACOMA

CAPITAL \$1,000,000.00
TACOMA'S LARGEST AND OLDEST BANK
"SOLID AS THE MOUNTAIN"

THE SOCRATIC METHOD

the "sob sister" editor of a newspaper answers the alleged questions in the "Advice to the Lovelorn" column.

Though there is no reason why there should not be plenty of genuine and sincere questions along financial lines.

◎



"Strength and Service."

Foreign Exchange Facilities


The European struggle has stimulated the efforts of our merchants and manufacturers to capture an increased foreign trade. Bankers have an important part to play in this development and unless you have facilities

Of Your Own

your customers must seek other sources of service. We can arrange to supply your need so that you can deal directly with your depositors.

Write for details.

Tradesmens National Bank
PHILADELPHIA, PA.
ESTABLISHED 1848



"Strength and Service."

The American Dollar

The Federal Reserve System granting powers of acceptance to member banks, gives the Nation the necessary machinery to make the American Dollar

The International Medium of Exchange

An unusual opportunity exists in the present situation to advance this development, and imports are now being received against drafts on American Institutions drawn in dollars. With an established credit in all the important cities of the world, this bank has the proper facilities for the insurance of the necessary Credits. Correspondents are invited to make use of this service for the benefit of their customers.

Tradesmens National Bank
PHILADELPHIA, PA.
ESTABLISHED 1848

WELL WRITTEN AND WELL SET

The two reproduced advertisements of the Trademens's National Bank, of Philadelphia, are very good specimens.

Their perfect balance, typographically, is especially pleasing to the eye, while the appropriate emblem and slogan add distinctiveness to the advertisement. The top and middle display lines are good, too, telling a story all their own for the person who doesn't take time to read the whole advertisement.

◎

The Union Trust & Savings Bank, trustee, has issued a booklet explaining the new Spokane Foundation, a community trust, modeled after those in Cleveland and St. Louis. In brief, the purpose of the Foundation is for the advancement of civic enterprises in the city of Spokane. The Union Trust & Savings Bank was asked to take charge of the principal sum, as trustee.

◎

The Merchants Bank & Trust Company, of Jackson, Miss., prints on a leaflet, in an official-looking border, this certificate of guaranty:

No. 1.
CERTIFICATE OF GUARANTY.
This Is to Certify That
THE MERCHANTS BANK & TRUST
COMPANY
of Jackson,
Mississippi,
has complied with the provisions of the Mississippi Banking Law of 1914 and that its depositors are now guaranteed by the Bank Depositors' Guaranty Fund of the State of Mississippi.
Given under my hand and the seal of the Banking Department of the State of Mississippi, this, the 11th day of May, 1914.
(Seal) E. F. ANDERSON,
State Bank Examiner.

◎

The First National Bank of Richmond, Va., sends out a postal on one side of which is a picture of the evacuation of Richmond in 1865, and showing the location of the first two homes of the First National Bank. On the message side is printed a message with blank spaces for the handwritten names

of the addressee and the sender. The message reads:

Note the picture on the reverse side. You should see Richmond now. It is a beautiful city, wonderfully grown and still growing rapidly. Its people are alive, industrious, hustling and full of civic pride. The First National Bank, whose building nineteen stories high stands in the center of the commercial district, has been and is a powerful factor in the upbuilding of the community.



Bank Advertising Exchange

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

Watch for new names and other changes.

F. R. Adams, Will Co. National Bank, Joliet, Ill.
American National Bank, Richmond, Va.
D. Ansley, care Central Trust Co., San Antonio, Texas.

Carl W. Art, manager publicity department, Union Trust & Savings Bank, Spokane, Wash.

A. F. Bader, publicity manager, City National Bank, Evansville, Ind.

C. W. Bailey, cashier, First National Bank, Clarksville, Tenn.

The Bankers Magazine, New York.

H. C. Berger, Marathon County Bank, Wausau, Wis.

C. J. Bevan, cashier, Exchange Bank, Genoa, Ill.
E. L. Bickford, cashier, First National Bank, Napa, Cal.

W. O. Boozer, treasurer, American Trust Co., Jacksonville, Fla.

R. A. Bradham, cashier, The Commercial & Savings Bank, Sumter, S. C.

Jesse E. Brannen, cashier, First National Bank, Westwood, N. J.

Bank of San Rafael, San Rafael, Cal.

E. M. Baugher, president, The Home Building Association Co., Newark Ohio.

C. W. Beerbower National Exchange Bank, Roanoke, Va.

H. C. Bollman, assistant cashier, First National Bank, Collinsville, Okla.

T. J. Brooks, cashier, The Guaranty Trust & Savings Bank, Jacksonville, Fla.

J. A. Buchanan, Guaranty Trust Co., Lancaster, Pa.

F. B. Bunch, cashier, Merchants & Farmers Bank, Stateville, N. C.

E. C. Burton, vice-president, Penn. National Bank, Chester, Pa.

Stephen L. Burwell, vice-president, First National Bank, Jackson, Miss.

A. Bush, Jr., Ladd & Bush, bankers, Salem, Oregon.

The Citizens Bank & Trust Co., Tampa, Fla.

Citizens National Bank, Oconto, Wis.
Commercial Bank, Midway, Kentucky.

Allan Conrad, Box 385, Port Huron, Michigan.
E. S. Cootan, 518 W. 63rd Street, Chicago, Ill.

H. Reed Copp, assistant advertising manager, Old Colony Trust Co., Boston, Mass.

J. Stanley Corwin, Columbia Trust Co., 353 Fifth Avenue, New York, N. Y.

Arthur S. Cory, Chehalis National Bank, Chehalis, Wash.

David Craig, Tradesmens National Bank, Philadelphia, Pa.

M. Clarence Crowson, cashier, Home Banking Co., High Point, N. C.

Eugene E. Culbreth, Commercial National Bank, Raleigh, N. C.

H. A. Dalby, Naugatuck Savings Bank, Naugatuck, Conn.

Dexter Horton National Bank, Seattle, Wash.
T. R. Durham, assistant cashier, Chattanooga Savings Bank, Chattanooga, Tenn.

W. R. Dysart, assistant cashier, First National Bank, Ripon, Wis.

J. C. Eberspracher, assistant cashier, First National Bank, Shelbyville, Ill.

A. A. Eklrch, secretary, North Side Savings Bank, New York City.

F. W. Ellsworth, publicity manager, Guaranty Trust Co., New York.

Federal National Bank, Denver, Colo.
The Franklin Society, 38 Park Row, N. Y.

E. W. Finch, assistant cashier, Birmingham Trust & Savings Co., Birmingham, Ala.

First National Bank, Lead, S. D.
E. Gavere, asst. cash. of Scandinavian American Bank, Grand Forks, N. D.

B. P. Gooden, advertising manager, New Netherland Bank, New York.

C. F. Hamsher, First National Bank, Los Gatos, Cal.

Victor F. Hann, manager publicity department, The Fifth Avenue Bank, New York City.

J. W. Hansen, cashier, Citizens State Bank, Sheboygan, Wis.

D. L. Hardee, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.

E. A. Hatton, cashier, First National Bank, Del Rio, Texas.

John R. Hill, Barnett National Bank, Jacksonville, Fla.

Jessamine G. Hoagland, publicity manager, National City Bank, Chicago, Ill.

N. M. Hokanson, State Bank of Chicago, Chicago, Ill.

Frank K. Houston, vice-president, Third National Bank, St. Louis, Mo.

L. M. Howard, vice-president, Continental Bank & Trust Co., Shreveport, La.

Indiana Bldg. & Loan Association, South Bend, Ind.
W. L. Jenkins, Farmers & Mechanics Trust Co., West Chester, Pa.

Theodore Jessup, Woodlawn Trust & Savings Bank, 1204 E. 63rd Street, Chicago, Ill.

N. W. Johnston, president, Illinois Trust & Savings Bank, Champaign, Ill.

W. P. Jones, assistant cashier, First National Bank of Commerce, Hattiesburg, Miss.

W. R. Kay, Jr., advertising manager, Sacramento Bank, Sacramento, Cal.

C. B. Keller, Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.

Grover Keyton, New Farley National Bank, Montgomery, Ala.

M. R. Knauft, assistant cashier, Merchants National Bank, St. Paul, Minn.

George L. Kreeck, treasurer, Farmers State Savings Bank & Trust Co., Lawrence, Kans.

Henry M. Lester, National City Bank, New Rochelle, N. Y.

A. E. Lindhjem, assistant cashier, Scandinavian American Nat. Bank, Minneapolis, Minn.

L. W. Lovell, assistant cashier, The Lovell State Bank, Monticello, Iowa.

E. G. McWilliam, publicity manager, Security Trust & Savings Bank, Los Angeles, Cal.

Ralph H. Mann, President Gloucester National Bank, Gloucester, Mass.

H. Warner Martin, assistant cashier, Lowry National Bank, Atlanta, Ga.

Charles S. Marvel, The First-Second National Bank, Akron, Ohio.

H. B. Matthews, S. W. Straus & Co., Straus Bldg., Chicago, Ill.

J. C. McDonald, advertising manager, The City National Bank, Sulphur Springs, Texas.

Frank Merrill, advertising manager, The Northwestern National Bank, Minneapolis, Minn.

Chas. H. Moore, publicity manager, Spokane & Eastern Trust Co., Spokane, Wash.

Will E. Morris, assistant cashier, Farmers & Merchants Bank, Stockton, Cal.

E. R. Mulcock, Commercial National Bank, Syracuse, N. Y.

Nebraska State Bank, Ord., Neb.
Northwestern Trust Co., R. P. Sherer, vice-president, St. Paul, Minn.

Old State National Bank, Evansville, Ind.

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

R. B. Parrish, cashier, National Bank of Commerce, Williamson, W. Va.

A. E. Potter, president, Broadway National Bank, Nashville, Tenn.

W. W. Potts, treasurer, The Federal Title & Trust Co., Beaver Falls, Pa.

John W. Pratt, Real Estate Officer, The Kennett Trust Co., Kennett Square, Pa.

C. W. Rowley, manager, Canadian Bank of Commerce, Winnipeg, Can.

Wm. J. Ruff, cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

W. W. Russell, cashier, First National Bank, White River Junction, Vt.

George J. Schaller, cashier, Citizens Bank, Storm Lake, Iowa.

Almot Schlenker, assistant cashier, First National Bank, Brenham, Tex.

Paul T. Schuize, assistant cashier, State Bank of La Crosse, La Crosse, Wis.

E. P. Simpson, Jr., assistant cashier, First National Bank, Toccoa, Ga.

Sloux City Trust & Sav. Bank, Ben W. Frieden, cashier, Sloux City, Iowa.

T. K. Smith, Jr., manager, Gimbel Brothers, Bankers, New York City.

J. G. Spangler, cashier, The Mesa City Bank, Mesa, Ariz.

F. E. Stewart, secretary and treasurer, Commercial Savings Bank & Trust Co., Toledo, Ohio.

T. H. Stoner, cashier, The Peoples National Bank, Waynesboro, Pa.

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

A. C. Tonsmeire, cashier, City Bank & Trust Co., Mobile, Ala.

Union Trust Co. of D. C., Washington, D. C.

F. H. Williams, assistant treasurer, Albany City Savings Institution, Albany, N. Y.

John W. Wadden, Lake County Bank, Madison, S. D.

Wessels Van Blarcom, assistant cashier, Second National Bank, Paterson, N. J.

C. C. Willson, care of Continental & Commercial Trust & Savings Bank, Chicago, Ill.

Frank A. Zimmerman, Chambersburg Trust Co., Chambersburg, Pa.

Paul E. Zimmerman, cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAME

Merchants National Bank, Lawrence, Kansas.

A Financial House Organ*

By G. PRATHER KNAPP, Manager of Publicity, Mississippi Valley Trust Co., St. Louis

THE little girl immortalized by Mother Goose, whose classic brow was decorated with a ringlet that hung over her organ of benevolence, would serve quite well as a patron saint of house organs.

When they are good they are very, very good; and when they are bad they are horrid.

I believe that any business which has or wants a large number of customers can use a house organ effectively. But there are some things about the modern trust company which make its customers and prospects an especially fertile field for this kind of cultivation.

In the first place, all its advertising must be, to a considerable extent, educational.

It cannot rest its case on an attractive brand, burnt into the cuticle of the buying public. It cannot appeal in any sense to the bargain-hunting instinct. The talking points which distinguish it from its competitors are seldom of such a character that he who runs may read them.

Many advertisers are free from the necessity of creating demand. The desire to travel; to chew gum; to wear shoes; or to see moving pictures is fairly well established. But eagerness to open an account, take out a letter of credit, buy a bond, invest in real estate, make one's will or rent a safe deposit box, is, to say the least, latent, in a wide range of cases.

Awakening it is not always a matter to be accomplished by a striking picture or a forceful sentence.

The prospective customer must be interested, reminded of facts not habitual-

*From a talk before the House Organ Conference of the Associated Advertising Clubs of the World, Chicago, June 22.

ly before his attention, given more or less detailed arguments and, as often as possible, really informed and served by the advertising matter of a financial institution. And nothing lends itself more readily to the attainment of these ends than the well-dressed, well-written, financial periodical.



FINANCIAL house organs have passed the experimental stage, several that I know having been published regularly for more than three years. Where issued by a syndicate and turned over ready made to the individual trust company's "bushel-man," their results have not been ideal. But where an institution has employed a house organ editor of its own, publications have resulted that, in my opinion, rank well among the leaders of house organs in all lines of business. Notable among a host of these are the "Solicitor," published by the Wachovia Bank & Trust Co., of Winston-Salem, N. C.; the "Security," published by the Security Trust & Savings Bank of Los Angeles, Cal.; and more recently "The Americas," published by the National City Bank of New York.

This latter is, in the judgment of bankers, merchants and government officials throughout North and South America, one of the strongest forces at work today in promoting our foreign trade.

As you gentlemen know, the first thing that became apparent, when Uncle Sam decided to wake up and get into the South American field, was that without supplying the credit facilities which England and Germany had been extending to South American buyers the United States could never hope to take the place of Europe in Latin-American trade.

Financial writers told our people this in all sorts of well chosen words, but few merchants understood just how the difficulty was to be overcome until the National City Bank commenced explaining it periodically in their new magazine.

I TAKE it that these conferences are more or less in the nature of experience meetings, and even at the risk of boring you I am going to describe how my own institution, the Mississippi Valley Trust Company, commenced to publish a house organ, in April, 1911, and how we have proceeded with it to date.

We were awakened to our need of a customer magazine in a wholly accidental way. Our twentieth anniversary took place in 1911 and we naturally wished to send some announcement of the fact to all our customers.

We had at that time some 30,000 active relationships, distributed among six departments (the financial, trust, bond, real estate, safe deposit and savings departments), and we were surprised to find that a number of people were using only one of our departments when from our knowledge of the person in question he must be in a position to use our other facilities.

We began to think that we had been elevating our gun too high in previous advertising campaigns and that a large number of very logical prospects who occupied positions inside the breastworks, as it were, were not being developed to their full capacity.

We selected a list of 15,000 customers and issued to them the first number of "Service."

In it we said editorially: "It Pays to Centralize. An individual needs for a trust company's services are things of gradual growth and in some cases the same man will have his current account with one institution, and his savings account, his safe deposit box, or his fiduciary relations with another. How much simpler it would be for him if all his financial and fiduciary affairs could be transacted with one corporation, through one set of men and under one roof. Of course he would have to select a completely organized institution and each separate service that it sought to perform for him would have to stand the test of comparison with similar services elsewhere, but the Mississippi Valley Trust Company bases its appeal for anyone's business on just three things.

"In the services they require, our patrons vary widely; in the services they receive we strive to have them all alike."

Naturally with the varied propositions of six well defined departments (our new Farm Loan Department makes seven of them), for subject matter, "Service" has been able, like the knight in Alice in Wonderland, to "Go on from day to day getting a little fatter."

It has told the deposit customer about investments, new home subdivisions, storage for silverware during vacations, methods of securing life incomes to wives and daughters, proper procedure in applying for loans, and dozens of other things that the trust company wanted to acquaint him with. And of course the customers of other departments have heard a great deal about current accounts, savings accounts and certificates of deposit.

It has published a regular column of answers to questions on all sorts of subjects connected with investments, personal finances, home economy and the general business of safeguarding money or property. It has introduced the officers and directors of the company to its patrons by means of photographs and short personal sketches.

It has published humorous or pseudo-humorous skits, such as the story of the teacher who said it was unnecessary for us to pay her checks in new bills as she was convinced that no microbe could live on her salary.

It has acquainted customers, on interest-paying days, with the size of the disbursements being made to them and the fact that the company in its 25 years of existence has paid considerably more in interest to its depositors than in dividends to its stockholders, despite the fact that the stockholders have had the profits of five departments to draw from, while the depositors are paid out of the earnings of but one.

It has set up for itself the policy that each number shall not only offer a service in itself, and to this end it has endeavored to outline methods of securing equitable tax assessments; of making income returns to the United States Treasury Department; of keeping household accounts; of arranging for proper insurance premiums; of keeping track from time to time of the market value of securities owned, and so on.

It has published matters of interest in regard to St. Louis whenever possible, and this year its cover designs will be a series of rather striking impressionistic views of St. Louis and its environs.

Some question arose in some minds about a year ago as to the efficacy of the medium and between \$700 and \$1,000 was spent in taking a referendum vote on the question, "Do You Read Service?" with the result that the publication will be continued and that only about 30 per cent of the names on its mailing list at the time of the test have been removed.



Foreign Banking and Finance

European

SAVINGS DEPARTMENT FOR LLOYD'S BANK.

THIS announcement was recently made by Lloyd's Bank, Limited, of London:

"For some time past, public men of all parties have been urging those whose earnings are larger than usual to save part at least of their additional income, so that, if employment should slacken and wages diminish in the future, there may be something in hand with which to meet those contingencies.

"The directors of Lloyd's Bank, Limited, have pleasure in announcing that they have decided to place the services of the bank, with its widespread system of branches, at the disposal of the public for the deposit of savings, however small. The bank already has a large savings bank department in the south-west of England, of which advantage is taken by a great number of small deposit customers, and the same facilities are now available throughout the whole of its system.

"Wherever, therefore, a branch of Lloyd's Bank is established, such deposits can now be made, and interest will be allowed thereon, on terms as to rate, withdrawal, etc., which can be obtained on application.

"It is not the intention of Lloyd's Bank to enter into competition with established banks and other institutions which are already doing useful service in this direction, but to extend existing facilities so that they may be within the reach of the small depositor wherever there is a branch of Lloyd's Bank."

Lloyd's Bank has 880 offices in England and Wales. Its deposits are £124,937,017.

Commenting on this action, "The Statist" of London says:

"It is, of course, unnecessary to point out that, especially since the beginning of the war, appeals have been made by the chancellor of the exchequer and others emphasizing the necessity of economy and thrift upon the nation. In his last budget speech the chancellor laid special emphasis on this subject, and in view of the great need Lloyd's Bank has taken a patriotic step in placing the facilities given by its widespread system for inducing men and women of all classes to recognize the importance of saving at least a part of their income so as to meet any contingencies that may arise perhaps in the not distant future. It will be of interest to see what effect, if any, the

FOUNDED 1844

G. LAWTON CHILDS & CO., Ltd.

AMERICAN BANKERS

HAVANA

CUBA

Transact a general domestic and foreign banking business. All banking matters entrusted to us handled promptly and with care.

Special attention paid to collections in Havana and all parts of Cuba.

Principal Correspondents

NEW YORK CITY :

**National Bank of Commerce
in New York**

LONDON :

Baring Bros. & Co., Limited

PARIS :

Morgan, Harjes & Co.

BERLIN :

L. Behrens & Soehne

MADRID :

Garcia, Calamarie y C.

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

new move will have on the post office savings bank. * * * It can scarcely be expected that Lloyd's will be allowed a monopoly in the new business, and doubtless other large institutions will follow the good example set."



BRITISH BANK SHARES.

THE war has naturally had a bad effect on the prices of banking shares, says the London "Economist," and the slight movement towards a higher level which was noticeable at this time last year has unhappily been stopped. Prices are lower than they were last May, and there is little like-

lihood of a revival for some time to come. In the last ten months the world's credit has been in the melting pot, and the first quotations to show the effect of the change must obviously be those of companies who deal entirely in credit. Apart from the direct results of war on business, the depreciation of securities would alone be enough to discourage the buying of bank shares, and if the war is to be a long one, it is still too early to say that its direct permanent effects on British banking will not be serious. At the same time, the war period has this one encouraging thought for shareholders—a precedent has been established of helping banks in time of trouble, and it will be difficult, if not impossible, for any government in the future to allow British banking institutions to get into a state of hopeless embarrassment. Apart from a universal catastrophe, or almost incredible individual mismanagement, we can scarcely conceive circumstances in which the great banks of London would be permitted to collapse. Conditions worse than those of last August are doubtless imaginable, but they are most improbable, and if the government could, and did, step in to run the banks, then they are not likely to let them down at any future crisis. It would not be a mistake to say that the government is behind the banks, for it has been proved that the banks are essential to the national finances, and the treasury will

MERCANTILE BANKING COMPANY, Ltd.

Avenida Francisco I. Madero No. 12

CITY OF MEXICO, D. F.

Capital and Surplus, \$600,000.00

GEO. J. McCARTY,
President

K. M. VAN ZANDT, Jr.,
Vice-President and Manager

H. C. HEAD,
Cashier

Members: American Bankers' Association, Texas Bankers' Association, Mexico City Clearing House

GENERAL BANKING TRANSACTED

TELEGRAPHIC TRANSFERS

Foreign Exchange

Unsurpassed Collection Facilities Throughout the Republic

SEND US YOUR MEXICO BUSINESS

WRITE US UPON ANY SUBJECT WHICH MAY BE OF INTEREST TO YOU IN THE
REPUBLIC OF MEXICO. P. O. Address: Apartado 1346.

make almost any sacrifice to keep the machinery in motion. From the point of view of bank shareholders this is a most comfortable and satisfactory feeling.



Australasia

ROYAL BANK OF QUEENSLAND.

FOR the last half-year the net profits of the Royal Bank of Queensland, as reported at the shareholders' meeting at Brisbane, April 27, were £17,223.



Asiatic

BANK OF CHOSEN.

NET profits of this institution for the last half-year were yen 413,312, which added to the amount brought forward from the previous half-year made a total of yen 501,570. The Bank of Chosen (formerly Bank of Korea) has a capital of yen 10,000,000, and deposits, yen 17,598,503.



CHINESE-AMERICAN BANK.

ANNOUNCEMENT was made recently in New York by Cheng Hsu Chang, that he and other Chinese

NOYES & COMPANY

Established 1879

Foreign Bills

Government and Municipal Bonds

8, Place Edouard VII.

PARIS - FRANCE

financiers had united with American financiers to form a Chinese-American bank to be capitalized at \$10,000,000, Shanghai currency, approximately \$6,000,000 gold. The shares of stock in the bank will be sold in equal parts in America and China.

It is not stated who are the American promoters of the bank, but it is understood that they are leading capitalists of San Francisco and New York.

These articles from the prospectus outline the contemplated character of the bank:

"This bank is established with capital subscribed by Chinese and United States merchants.

"The head office shall be established in Shanghai, with a chief branch office in San Francisco, while the establish-

Banco de Nuevo Leon

MONTEREY, N. L., MEXICO

ESTABLISHED OCT. 1, 1892

Capital paid up, \$2,000,000 Reserves, \$919,682.79 Deposits, \$3,308,318.68

GENERAL BANKING BUSINESS TRANSACTED

Principal Correspondents:—NEW YORK, National Park Bank, Mechanics & Metals National Bank; LONDON, Dresdner Bank, Credit Lyonnais; BERLIN, Deutsche Bank, Berliner Handels Gesellschaft; PARIS, Credit Lyonnais; Comptoir National d'Escompte; HAMBURG, Deutsche Bank Filiale Hamburg, Commerc und Disconto Bank; MADRID, Banco Hispano Americano, Banco de Castilla; HABANA, Banco de la Habana.

RODOLFO M. GARZA, Manager

ARTURO MANRIQUE, Accountant

AMADOR PAZ, Cashier

ment of branch offices or agencies in the various treaty ports of China shall be left to the discretion of the managing committee.

"The bank shall have a capital of \$10,000,000 (Shanghai currency), which shall be divided into 100,000 shares of \$100 each. In the event of the capital subscribed by Chinese merchants exceeding the amount of \$5,000,000, the United States shareholders shall be requested to subscribe to an equal amount in order that equal opportunity and authority may be given to shareholders of both countries.

"The business of the bank shall be as follows: To negotiate all classes of foreign and Chinese bills of exchange and to arrange mortgages thereof, to issue bank notes, to receive and accept deposits and savings, to act as agents for the issue of Government loan bonds and to advance loans on negotiable shares

and other kinds of securities, to make advances against delivery orders or goods or share certificates of joint stock companies or banks which are paying dividends, to negotiate with other banking establishments, to do exchange business on the various gold and silver currencies, and to do other kinds of business in connection with banks."



Latin-America

PAN-AMERICAN FINANCIAL CONFERENCE

THE Pan-American Financial Conference, already referred to in these pages, concluded its session at Washington on May 29.

Questions of large importance occupied the attention of the conference—uniform commercial laws (so far as practicable), telegraphic communication, improved ocean transportation, additional credit and banking facilities—these and other like subjects were fully discussed.

As usual in conferences of this character, the deliberations were only tentative, but an excellent beginning was made in the work of adopting regulations that will facilitate trade between all the countries embraced in the Pan-American Union.

The conference was welcomed to Washington by President Wilson, and appropriate responses were made by representatives of the various governments.

It is possible that the conference will reassemble at an early day to give further consideration to the several important matters brought up at the recent meeting. Following adjournment the foreign delegates were taken on a tour, as guests of the United States Government, and a number of the important cities of the country were visited.

Banco de Guatemala

Established
July 15, 1895

Guatemala
C. A.

Guatemala

Directors

ADOLFO STAHL. **D. B. HODGSDON**
J. R. CAMACHO
C. GALLUSSEK, Manager

Authorized Capital **\$10,000,000.00**
Capital subscribed and paid up **2,500,000.00**
Reserve Fund **7,300,289.69**
Contingency Fund **3,000,000.00**

Foreign Correspondents

New York: Messrs. G. Amsinck & Co.; Messrs. J. & W. Seligman & Co.; The National City Bank of New York. San Francisco, Cal.: The Anglo & London Paris National Bank of San Francisco. New Orleans: The Whitney-Central National Bank. Mexico: Banco Nacional de Mexico. Paris: Messrs. de Neufville & Cie. London: Deutsche Bank (Berlin). London Agency: London County & Westminster Bank, Ltd. Hamburg: Deutsche Bank Filiale Hamburg; Messrs. L. Behrens & Sohne, Messrs. Schroder, Gebroder & Co.; Mr. Carlo Z. Thonmen. Madrid: Messrs. Garcia Calamarte & Cia. Barcelona: Messrs. Garcia Calamarte & Cia.; Banco Hispano Americano. Milano: Credito Italiano.

Agencies in Guatemala

Antigua	Puerto Barrios	Escuintla
Jutiapa	Zacapa	Mazatenango
Pochinta	Coban	Ocoz
Coatepeque	Retalhuleu	Tumbador
Livingston	Salama	

General Banking Business. Special Attention Paid to Collections from Abroad and Letters of Credit.

Banking and Financial Notes

EASTERN STATES

New York City

—The Merchants' Exchange National Bank has issued a call to its shareholders for a meeting to be held July 12 for the purpose of changing its name to the Atlantic National Bank of the City of New York.

The Merchants' Exchange National Bank was organized in 1829, and has for the past thirty years, under the presidency of President P. C. Lounsbury, occupied an important position among the commercial banks of the city of New York. The bank will continue under its present national charter, and will retain its clearing-house position and number; the change is merely in its corporate name, and is made to avoid confusion caused by the similarity of its title to that of other institutions doing business in the city of New York.

—Edwin F. Rorebeck, vice-president of the Metropolitan Trust Company, has been notified that the trustees of Marietta College, Ohio, at their annual meeting recently elected him a trustee for the term expiring in 1920. Mr. Rorebeck received his degree from Marietta, and for years has been an enthusiastic worker in behalf of his alma mater. While getting his education Mr. Rorebeck paid his way through college by working in the First National Bank of Marietta, in this way receiving his early training in banking.

—For several years past, and especially during recent months, the investing public has regarded with increasing favor the various issues of municipal securities to which its attention has been directed. This is due not only to their attractive interest return but also

to their exemption from the Federal income tax, and in many States from local taxation.

Another contributing cause for the preference accorded investments of this character is the assurance of their additional safety resulting from certification as to their genuineness as well as from the precautions made use of in the actual preparation of the bonds with a view to safeguarding the purchaser from over-issue, forgery, fraudulent coupons, etc.

The United States Mortgage and Trust Company, recognizing the necessity for standardizing the work of pre-



Thomas Branch
Our first President

Merchants National Bank

RICHMOND, VA.

Capital . . . \$200,000
Surplus and Profits over 1,000,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"

Standardize Your Accounting

Why expose your individual finances to others? Why burden your Banker with work you should do? Why risk over-payment to Government?

End your **INCOME TAX** perplexities by using an accurate, scientific, easily understood form approved by leading banking institutions and lawyers.

**Solve the problem for \$1 by using
Rombauer's "Simple Method"**

FOR SALE BY

E. E. ROMBAUER

2289 Woolworth Building - New York

paring these securities, has maintained for many years a special department for this purpose and for the certification as to their genuineness.

Bonds aggregating over \$200,000,000 have been prepared and certified as to genuineness by that company for municipalities in thirty-two States during this period, a record which testifies to the value placed upon such service by public officials throughout the country.

—Redmond & Co. are distributing a folder offering an attractive selection of standard railroad and public utility bonds which at current prices yield from five to six per cent. Some of the bonds offered, together with their approximate yield, are:

	Yield per cent.
New York Central R. R.	
Conv. Deb. 6s, due 1935.....	5.70
Consolidated Gas Co. of New York.	
N. Y. & Westchester Ltg. Co. Gen.	
4s, due 2004.....	5.05
Omaha & Council Bluffs St. Ry.,	
First Mtge. 5s, due 1928.....	5.35
Chicago, Mil. & St. Paul Ry.,	
Genl. & Ref. Mtge. 4½s, due 2014... 5.00	
Legal for N. Y. Savings Banks.	
Houston, East & West Texas Ry.,	
First Mtge. 5s, due 1933.....	5.00
Southern Pacific R. R. Guarantee.	

American Tel. & Tel. Co.	
Collateral Trust 4s, due 1929.....	5.20
Chic., St. P., Min. & Omaha Ry.,	
Debenture 5s, due 1930.....	5.00
Stamped Tax Free in N. Y. State.	
Southern Pacific Co.,	
Convertible 4s, due 1929.....	5.95
San Fran. Term. 1st 4s, due 1950....	5.25
Oregon Short Line R. R.	
Ref. Coll. Mtge. 4s, due 1929.....	5.05
Union Pacific R. R. Guarantee.	

—W. R. Grace & Co.'s Bank, which was incorporated at Albany in April to do the banking business of the firm, which is largely with the countries on the west coast of South America, has begun operations. J. P. Grace is president, J. L. Schaefer, vice-president, and W. H. Klinger, cashier. The bank will be run as an adjunct to the business of W. R. Grace & Co. now carried on at 7 Hanover Square.

Mr. Schaefer said that the establishment of the bank should prove a further stimulus to the growing trade relations between the United States and its sister republics in South America. W. R. Grace & Co. have thirty branches, largely in Chile, Ecuador and Bolivia, and every one will be related to the new institution. The firm does an annual business with these firms aggregating \$25,000,000.

—The semi-annual report of the Metropolitan Trust Company of New York, as of June 30, 1915, shows total

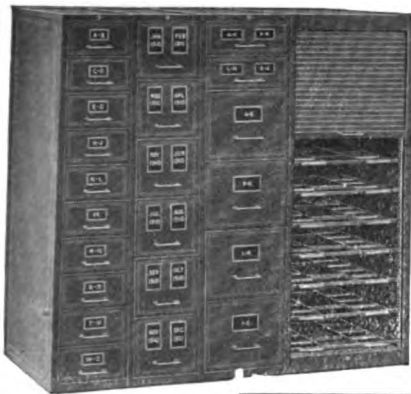
THE HOGGSON BUILDING METHOD

A Single Contract and a guaranteed limit of cost for a complete building operation.

Write for Method Book

HOGGSON BROTHERS
7 East 44th St., New York

NEW YORK BOSTON NEW HAVEN
CHICAGO ATLANTA



Vault Filing Equipment on the UNIT Plan

Our facilities and experience enable us to properly equip a vault complete for a bank of any size. The Baker-Vawter Unit plan enables the small bank to install one section at a time and add to it as its growth demands.

If you are interested in the best method of filing Checks, Deposit Tickets, Pass Books, Documents, Correspondence, Reports, or any of the records the average bank has to file, you will find it to your interest to write us for particulars.

We carry in stock for immediate shipment a large variety of High Grade Steel Filing Sections for High Grade Banks.

Baker-Vawter Sections are built for service—not to fit a price. *Ask for catalogue.*

BAKER-VAWTER COMPANY

Bank Accounting Systems Steel Filing Equipment

BENTON HARBOR, MICH. HOLYOKE, MASS.

OFFICES—In all principal cities SALEMEN—Everywhere

resources of over \$52,500,000, and deposits of nearly \$45,000,000. Comparing the deposits in this report with those of July 1, 1913, of 19,900,000, and July 1, 1914, of \$29,300,000, this growth should be most gratifying to the officers and management of the company.

—Robert H. Cox, who for the past three years has been manager of the bond department of the Guaranty Trust Company of New York, will hereafter be associated with the banking department and will act as assistant to the

president, with the title of assistant secretary.

He will be succeeded by N. Dean Jay, vice-president of the First National Bank of Milwaukee and manager of the bond department of that institution.

Mr. Cox is a graduate of Harvard, Class of 1905. Since graduation he has been engaged in the investment banking business. He has been with the Guaranty Trust Company of New York since 1909. He was appointed chief clerk in 1910, and in February, 1912, took up his duties as head of the bond



R. H. Cox

ASSISTANT SECRETARY GUARANTY TRUST COMPANY OF NEW YORK



N. D. JAY

MANAGER BOND DEPARTMENT, GUARANTY TRUST COMPANY OF NEW YORK

A California Banker makes an interesting statement.

He writes: "*In checking up New Accounts we find the majority were influenced by your plan. We consider this publicity the best there is.*"

Every Banker will find it profitable to take the time to write for the new business-building plans.

COLLINS
PUBLICITY SERVICE
PHILADELPHIA

America immediately after leaving college. In 1907 he became associated with the Milwaukee Trust Company, and in 1910 was made manager of its bond department. In 1914 he became vice-president of the First National Bank of Milwaukee, which is the oldest national bank as well as the largest bank in the State of Wisconsin.

The appointment of these two men to official positions in a company whose assets now exceed \$300,000,000 again emphasizes the fact that young men are being placed in responsible positions in the banking business of New York.

—Preliminary steps have been taken for organizing the Directors Trust Company of New York, with a capital of \$500,000.

—A booklet containing some specimen advertisements has been issued by the Bankers Trust Company of New York. In design, typography and message, these advertisements are clear and forceful, and may well serve as models of good bank advertising.



department. Mr. Cox is a young man, not yet having reached his thirty-third birthday.

Mr. Jay is a native of Illinois and graduated from Knox College at Galesburg in 1905. His first employment was with the Aluminum Company of

Philadelphia

—The June 23d statement to the Comptroller of the Currency made by the Philadelphia National Bank shows that institution to be still maintaining

Kings County Trust Company

City of New York, Borough of Brooklyn

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

OFFICERS

JULIAN P. FAIRCHILD,
WILLIAM HARKNESS,
D. W. McWILLIAMS,
WILLIAM J. WASON, JR.,

JULIAN D. FAIRCHILD, *President*

Vice-Presidents

THOMAS BLAKE, *Secretary*
HOWARD D. JOOST, *Assistant Secretary*
J. NORMAN CARPENTER, *Trust Officer*
GEORGE V. BROWER, *Counsel*

ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS.

Redmond & Co.

High-Grade Investment Securities

33 Pine St., New York

the remarkable record of gains in deposits which it has been making for some time past. Surplus and profits have also increased, and are now above \$5,000,000. Deposits are \$72,049,405.47, compared with \$68,096,132.96 on May 1. Total resources are \$82,819,608.52.

—The recent announcement of the Philadelphia National Bank that O. Howard Wolfe has been made assistant cashier of that institution is received by Mr. Wolfe's friends with more than ordinary satisfaction.

Mr. Wolfe for the last three and one-half years has been secretary of the Clearing-House Section of the American Bankers Association, and in becoming associated with the Philadelphia National is simply "going back home," as he left the latter institution in 1911 to go with the American Bankers Association. This substantial promotion which has come to him is but another signifi-

cant comment on the efficient work performed by the American Institute of Banking, in which Mr. Wolfe has been a conspicuous figure for a number of years. He joined Philadelphia Chapter of the A. I. B. in 1907, took an important part in the transit symposium at the Chattanooga Convention, and later represented Philadelphia Chapter on several occasions as a member of their debate team. The prominence attained by him in this work resulted in his being chosen by the Philadelphia Clearing-House to represent it at a conference of transit managers held in Chicago in December, 1910. This conference was called together to devise what is now known as the "Universal Numerical System." He attracted the attention of the officers of the Clearing-House Section during that meeting, and in October, 1911, became the first secretary of the Clearing-House Section of the American Bankers Association. This compelled his removal from Philadel-

Citizens State Bank and Trust Company

DALLAS, TEXAS

Opened For Business May 31, 1913

Comparative Statement Showing Growth in
Deposits

Deposits June 4, 1913 . . .	\$144,606.51
Deposits August 9, 1913 . . .	296,299.27
Deposits October 21, 1913 . . .	552,788.95
Deposits June 30, 1914 . . .	730,000.00

*Prompt attention given to all Banking
Matters entrusted to our care.*

phia to New York, where in 1913 his activity in institute affairs resulted in his being elected president of New York Chapter. He served in this capacity until June 1, 1915.

Mr. Wolfe began his banking experience in the Bryn Mawr National Bank, Bryn Mawr, Pa. He entered the



O. HOWARD WOLFE

ASSISTANT CASHIER PHILADELPHIA NATIONAL
BANK

Philadelphia National Bank as clerk on June 5, 1899. He remained with that institution for eleven years and served in practically every department.

During his term as secretary of the Clearing-House Section, a few of the more important constructive things which have been accomplished are the general introduction of the Numerical System; publication of a book of forms for national and state banks; adoption of the plan of reporting total bank transactions; increase in the membership of the Clearing-House Section from 122 to 164, and the extension of the Clearing-House Examination System.

Mr. Wolfe's contribution to the success of the Federal Reserve Bank System has been considerable. When the Federal Reserve Banks were being organized he was asked to serve on the preliminary Organization Committee, and as a member of this committee originated a plan for the gold settlement fund at Washington which is now in operation. He devised the forms for this plan and was honored by the Federal Reserve Board by being requested to supervise and "put through" the first two

THE GARFIELD NATIONAL BANK

Fifth Avenue Building
Corner Fifth Ave. and Twenty-Third Street.
NEW YORK

CAPITAL	SURPLUS
\$1,000,000	\$1,000,000

OFFICERS

RUEL W. POOR, President
CHARLES T. WILLS, Vice-Pres.
WM. L. DOUGLASS, 2d Vice-Pres.
ARTHUR W. SNOW, Cashier
R. T. THORN, Asst. Cashier
JOHN W. PEDDIE, Asst. Cashier

DIRECTORS

Charles T. Wills	Morgan J. O'Brien
Ruel W. Poor	Thomas D. Adams
Samuel Adams	Robert J. Horner
Wm. H. Geishenen	A. Pagenstecher, Jr.
Frederick T. Fleitmann	

clearings between the Federal Reserve Banks.

Mr. Wolfe has been in great demand as a speaker before banking associations in all parts of the country, and his articles on banking and finance, with special reference to the Federal Reserve Bank and its practical operation, have added much valuable practical information to the literature of modern banking.

Mr. Wolfe is to be congratulated upon again becoming associated with so excellent an institution as the Philadelphia National Bank, and in turn that institution is to be congratulated upon securing the services of so able a banker.

—With the idea of promoting efficiency among its employes the Philadelphia Trust Company has organized an Employees' Association, of which every employee is to be a member. The association has as its primary object close co-operation between officials and employes, with the purpose of securing efficient carrying on of the company's business.

The force of 125 employees is thus organized under the direction of a chairman, a vice-chairman, secretary and treasurer, with such committees as may be appointed to govern such activities as lectures, entertainments, athletics, pensions and the company's annual dinner. A most important committee appointed will be known as the service committee, whose duty will be to receive suggestions from the management and employees looking toward the welfare, betterment of service and general efficiency of the trust company's business.

The Philadelphia Trust Company is the first concern in this city to take such a progressive step, and its development will be watched with keen interest. The following officers of the association have been elected for the first year: John C. Wallace, chairman; Albert J. Southall, vice-chairman; Mary A. Forderer, secretary and treasurer; Service Committee, John C. Wallace, Vincent R. Tilden, Louis Busche, Frank O. Pearce and A. Raymond Bishop.

**Sooner or later
you will want
your Banking
house to reflect
the real charac-
ter of your in-
stitution.**

To help you in achieving this result, we offer the services of our organization that, for seven years, has devoted itself, exclusively, to work for bankers. Our work for over four hundred banks bespeaks the reliability and thoroughness of our methods.

Our contract covers the work as a whole, every detail thought out and provided for.

We have a book of actual photographs of some of our work which we are glad to send free for the asking.

**BANKERS ENGINEERING
COMPANY**

NO. 106 EAST 19TH STREET
NEW YORK

FIRST NATIONAL BANK TRUST & SAVINGS CO.

CLEVELAND, OHIO

Capital \$3,750,000.00

Deposits \$45,500,000.00

Resources over \$53,200,000.00

Our institutions offer complete banking and trust company facilities.

Our officers and directors are all successful men—well known for their experience, judgment and integrity.

Their interest in these banks extends to all who deal with them.

Large resources, perfect banking organization and equipment, and a genuine desire to be helpful are at your service.

—For the purpose of devising a plan to facilitate collection of trust company checks, a committee of five trust company officials has been appointed to confer with the committee of the Philadelphia Clearing-House Association in charge of that matter. The committee of the trust companies consists of the following: John H. Mason, of the Commercial Trust Company; H. G. Beatty, Northwestern Trust Company; William Gibbons, Haddington Trust Company; James V. Ellison, Commonwealth Trust Company, and Clement J. Cramp, of the Central Trust Company.

The present system of check collection is regarded as antiquated, for it necessitates the services of runners of banks, who daily visit the trust companies to make collections. Under the arrangement now proposed representatives of the trust companies would go to the clearing-house and receive in packages the checks upon their institutions from the different banks.



Pittsburgh

—An exciting contest in which the votes were almost evenly divided between the two tickets characterized the annual election of officers held by the Pittsburg Chapter, American Institute of Banking on the evening of May 25. The vote for treasurer was a tie, the decision being reached by tossing a coin.

The following officers were elected:

President, Donald A. Mullen, Real Estate Savings and Trust Company; vice-president, W. A. Korb, Columbia National Bank; secretary, Robert E. Gibson, Commercial National Bank; treasurer, Frank Benbow, Mellon National Bank; directors, H. E. Reed, Union National Bank; Joseph W. Ward, Peoples National Bank; David H. Thomas, Commonwealth Trust Company; J. E. Hill, Union Trust Company; Robert Patterson, First National of Cecil, Pa., and Jean Phillips, Bank of Pittsburgh, N. A. Mr. Benbow's opponent for treasurer was James G. Saint of the Anchor Savings Bank. The result of this vote was declared tie on three counts, Mr. Saint losing when a coin was tossed.



—The building of the National Savings and Trust Company, Washington, is to be reconstructed, the improvement representing an outlay of about \$200,000.

—To encourage savings the First National Bank of Princeton, N. J., is using a book containing 200 numbered coupons. With each coupon must be deposited \$1.25. If that amount is deposited weekly the book would mature in four years, when the depositor would have to his credit \$250, in addition to accrued interest at the rate of three per cent.

The depositor can, however, deposit as many coupons as he desires each

week by doubling up and thereby mature the book that much quicker. This system is now in vogue in many of the larger cities throughout the country, but the Princeton Bank is the first to start it in New Jersey. It has all the advantages of a building loan stock and industrial insurance, as well as a saving account. A strong feature of the coupon system of saving lies in the fact that it can be started at any time and draw interest immediately. Another feature of interest is a small stub numbered to correspond with each coupon, and which remains in the book, showing the amount of money on deposit at all times.

—The annual meeting of the New Jersey Savings Banks' Association was held in Somerville, May 19.

The election of officers resulted as follows: President, Philander B. Pierson of Morristown; vice-president, Ralph P. Crane of Montclair; secretary and treasurer, Howard Biddulph of Bloomfield; members of executive committee, for three years, Asa F. Randolph of Plainfield, H. C. Hurt of Elizabeth.

—A new home for the First National Bank of Scranton, Pa., entirely of white marble and costing at least \$200,000, is to be built on the property of the Lackawanna Trust Company, at 400-404 Lackawanna avenue.

—Charles J. Rhoads, Governor of the Federal Reserve Bank of Philadelphia, was the chief speaker at the annual meeting of Group No. 6 of the Pennsylvania Bankers Association, at Altoona on June 1. He discussed the Federal Reserve Act and explained the discounting of paper, collection of checks, mobilization of reserves and other features about which some of the 125 delegates were not clear.

Congressman L. T. McFadden, president of the Pennsylvania Bankers Association, in his address said: "The fundamentals of our country are right, and it is time for us to get back to fundamen-

Resources

\$10,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



**Try our Service
and you will be entirely
satisfied**

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Cashier
C. G. FEIL, Asst. Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier



Planters National Bank

RICHMOND, VIRGINIA

Capital - - \$300,000

Surplus & Profits \$1,584,000

Total Resources \$8,000,000

JAMES N. BOYD
President

J. J. MONTAGUE
Vice-President

RICHARD H. SMITH
Vice-President and Cashier

R. LATIMER GORDON
Assistant Cashier

CONWAY H. GORDON
Assistant Cashier

D. V. MORTON
Assistant Cashier



**Unsurpassed Facilities for
collecting Items on Vir-
ginia and the Carolinas**

tal principles. Our main situation is eminently sound, the hearts of our people are true and their intentions are right, and we must not demand a greater degree of purity from our business men than we do from our law-makers."

Officers were elected as follows: President, A. W. Buck; secretary and treasurer, John D. Myer; member of council, F. K. Lukenbach; executive committee, H. B. Powell, S. C. Bond, W. T. Bell, C. G. Avery.

—The annual meeting of the Sussex County Group of the New Jersey State Bankers Association was held in the Sussex National Bank, Newton, June 8, and these officers chosen: President, Reeve Harden, president Hardyston National Bank; vice-president, Ephraim Morrison, president of the Merchants' National Bank of Newton; secretary, Lewis A. Dalrymple, secretary and treasurer of the Newton Trust Company; treasurer, Ford W. Margerum, president of the Farmers' National Bank of Sussex.

Those who will serve on the executive committee are Frank Holbert, cashier of the Farmers' National Bank of Sussex; T. D. Edsall, cashier of the Hardyston National Bank; Marcus L. Bond, cashier of the Branchville Bank; Lewis M. Morford, cashier of the Sussex National Bank; George A. Smith, cashier of the Merchants' National Bank, and Levi H. Morris, president of the Newton Trust Company.

After the business session adjourned the members of the association attended a banquet given by the retiring president, Theodore Simonson, at Earl's Hotel.

—William H. Truesdale, president of the Delaware, Lackawanna and Western Railroad, has been elected a director of the Marine National Bank of Buffalo, to fill the vacancy caused by the death of Seymour H. Knox.

Baltimore

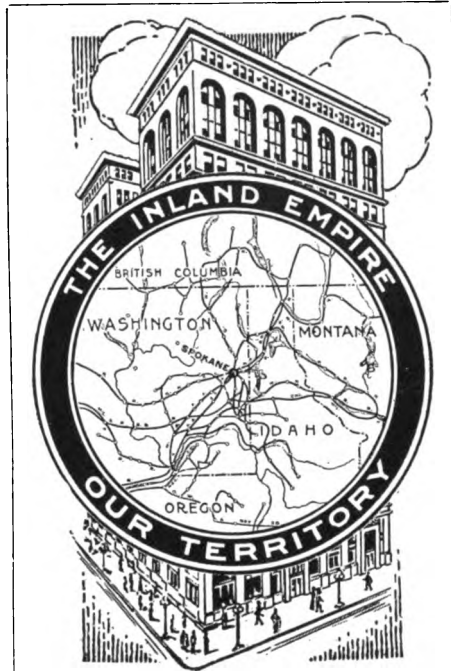
—At a recent meeting of the board of directors of the Title Guarantee and Trust Company, Baltimore, Albert N. Smith, president of Baltimore Chapter, American Institute of Banking, was elected vice-president and head of the



ALBERT N. SMITH
 PRESIDENT BALTIMORE CHAPTER AMERICAN
 INSTITUTE OF BANKING

banking department to succeed Edwin W. Adams, who recently resigned.

Mr. Smith has held the position of receiving teller at the Merchants-Mechanics National Bank ever since the consolidation of the Merchants National with the Mechanics National Bank several years ago. Prior to that time he had been associated with the Merchants National Bank for a number of years. He is one of the best-known and most popular of the younger Baltimore bankers, and under his administration Baltimore Chapter, A. I. B., has made unusual progress. All of Baltimore



**The
 Old National
 Bank
 of Spokane**

WITH direct connections in every banking point throughout the "Inland Empire" — a region three times the size of Alabama, of which Spokane is the financial and railroad center — The Old National has the facilities to collect your Pacific Northwest items with exceptional economy and dispatch.

OFFICERS

- D. W. TWOHY, President*
- T. J. HUMBERD, Vice-President*
- W. D. VINCENT, Vice-President*
- J. A. YEOMANS, Cashier*
- W. J. SMITHSON*
- G. H. GREENWOOD J. W. BRADLEY*
Assistant Cashier

RESOURCES : \$13,000,000





40 State Street

BOSTON

QUALIFIED EXPERT
EXAMINER
QUESTIONED DOCUMENTS
WRITING, SIGNATURES
AND ACCOUNTS

Chapter members are greatly pleased with the well-merited advancement of their president.

—Articles of incorporation of the Baltimore Commercial Bank were filed recently. The incorporators are Asa G. Candler of Atlanta, Ga., Ovington E. Weller, Willoughby M. McCormick, Samuel L. Willard, Robert S. Mooney and Roland R. Marchant, all of Baltimore. The foregoing and J. Ross Myers, Frank Goul, Patrick Flanigan, James Carey Martin and Arthur Tufts constitute the board of directors. The capital stock of the new institution is \$500,000 and the paid-in surplus \$100,000.



NEW ENGLAND

Boston

—The United States Trust Company is now in its new quarters at 30 Court street, where the company began business twenty years ago. Besides having ample public space and well-appointed quarters for officers and employees, there are directors' rooms, committee rooms, waiting rooms, ladies' rooms, and book and money vaults of modern construction. Finishings in marble, bronze and mahogany lend a very attractive air to the new banking rooms.

—Stockholders of the Old Colony Trust Company voted unanimously recently to make application for the company to enter the Federal Reserve System. This action was based upon the belief that the Federal Reserve System is an important forward step in banking in the United States which will succeed in full measure only if the best types of

commercial banks and trust companies become a part of it.

—Consolidation of the Winthrop National Bank with the Merchants National Bank has been approved.



—The Orange (Mass.) National Bank, which was organized in 1875, recently made another twenty-year extension of its charter.

—For the Old Town branch of the Eastern Trust and Banking Company, Bangor, Me., a fine modern building was lately completed and is now occupied by this institution.



Providence

—At the annual meeting of the Providence Chapter of the American Institute of Banking, held May 20 at the rooms of the Noonday Club, Fred W. Ellsworth, publicity manager of a New York concern, was the speaker of the evening, his subject being, "The Growth of the Bank."

The following officers were elected: President, J. Harry Marshall, Rhode Island Hospital Trust Company; vice-president, Walter F. Farrell, Union Trust Company; treasurer, George H. Berry, Mechanics National Bank; secretary, Milton W. Poofer, Merchants National bank; executive committee, William A. Readie, Mechanics National Bank; J. Edgar Nickerson, Industrial Trust Company, Pawtucket; G. Irving Toomey, National Exchange Bank; Augustus J. Wood, Massasoit-Pocasset

Miners Bank, Joplin, Mo.

We cordially invite correspondence relative to opportunities and investments, the advantages of Joplin as a manufacturing point, etc. Accounts and collections also invited.

Capital, \$100,000 Surplus, \$100,000 Deposits, \$950,000

Bank, Fall River; W. Howard Perry, National Bank of Commerce.



—The annual meeting of the Berkshire County Chapter of the American Institute of Banking was held May 20 at the Park Club, Pittsfield, Mass., when these officers were elected: President, Charles S. Shaw, of Pittsfield; vice-president, John Hainsworth of Pittsfield; secretary, Leroy P. Ogden of Pittsfield; treasurer, David B. King of Pittsfield; executive committee, Arthur E. Kemp of North Adams, Malcolm W. Lehman of Lee, Clifford F. Martin and Raymond C. Sears of Pittsfield, and Lawrence C. Walsh of Lenox.

During the past winter the chapter has been taking a study course in economics and the theory of banking under the direction of Principal H. C. Pratt of the high school.

—At the annual meeting of the Hartford Chapter, American Institute of Banking, held May 18, these officers were elected: President, Wilbur F. Lawson, First National Bank; vice-president, Calvin C. Bolles, State Bank and Trust Company; secretary, Clarence T. Hubbard, Security Trust Company; treasurer, Victor I. Nielson, Riverside Trust Company; board of governors, George F. Kane, Earl W. Outtrim, Hartford National Bank; Harold C. Alford, Manchester Trust Company. The officers and two others, whose terms expire next year, also serve on this board.

The report of Secretary C. C. Bolles showed that the season started with 241 members. Since then twenty-two new

members have been enrolled, and twenty have left the organization, leaving the total membership at present 243. There are four honorary members.

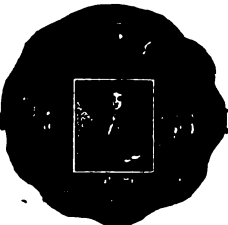
—Quarters for the First National Bank of Bangor, Me., are being fitted up in the new Graham Building. The improvements will include a new vault and other modern equipment.

—Harry C. Robinson, since 1913 cashier of the First National Bank, Greenfield, Mass., was recently elected cashier of the Mechanics National Bank, New Bedford, Mass., E. S. Brown, heretofore cashier of that institution, having been promoted to the presidency.

Mr. Robinson entered the Atlantic National Bank in Boston in 1890 and eight years later became discount clerk for the Hamilton National Bank. He later became a bank examiner, and in 1911 went to the Southbridge National Bank as cashier, and from there to Greenfield. He is first vice-president of the Massachusetts Bank Cashiers' Association.

—The Houlton (Me.) Trust Company now uses the envelope system, balancing the pass-books on the first of each month and returning checks to the makers.

—Exceptionally good results are shown in the construction of the new building of the Broadway Bank and Trust Company, New Haven, Conn. The materials employed, the plan of the building, and the arrangement of the various departments and the public space all reveal sound taste and judgment. The officers of the bank who are thus keeping their institution up to the de-



Capital, \$1,000,000

Surplus, \$600,000

Located at the "Gateway of the South"

Having been established as The State Bank of Virginia 45 years ago, we have served continuously financial institutions in all parts of the South. This long period of successful service has resulted in a banking equipment that is unexcelled at

Richmond, Virginia

Another result of handling the accounts of Southern Bankers for these many years is that we know accurately the needs of financial institutions located in Southern States. Your Southern business solicited. Direct routing of items our specialty. Correspondence cordially invited.

National State and City Bank

WM. H. PALMER, President

JOHN S. ELLETT, Vice-President
J. W. SINTON, Vice-President

WM. M. HILL, Vice-President
JULIEN H. HILL, Cashier

mands of the times are: President, John B. Kennedy; vice-president, Robert C. Lightbourn; vice-president, Frederick S. Ward; vice-president, James A. Murray; counsel, Frank S. Bishop; secretary and treasurer, George L. Moore.

—At Worcester, Mass., on the evening of June 10 there was celebrated the twentieth anniversary of the connection of Dr. George McAleer with the Bay State Savings Bank. Dr. McAleer, who is treasurer of the bank, has given his long service without compensation. He was presented, on the occasion named, with a massive silver loving cup from the trustees in memory of his long and honorable service. The bank was established in 1828, and its deposits are now \$2,404,013.

—On June 16 the Lawrence (Mass.) Trust Company moved to their new quarters, corner Essex and Hampshire streets.

SOUTHERN STATES

—The Georgia Bankers Association, at the final session of the convention at Savannah, May 29, elected these officers: President, F. S. Etheridge, Jackson; first vice-president, Charles B. Lewis, Macon; second vice-president, Rufus H. Brown, Augusta; third vice-president, Joseph W. Heffernan, Savannah; fourth vice-president, T. R. Turner, Haddock; fifth vice-president, H. Warner Martin, Atlanta; secretary, Haynes McFadden, Atlanta; treasurer, E. C. Smith, Griffin, general counsel, Orville A. Park, Macon.

The new executive council is composed of F. S. Etheridge of Jackson, C. B. Lewis of Macon, C. H. Sheldon of Brunswick, L. S. Radford of Winder, J. T. Duncan of Douglasville, R. L. Saviile of Dawson, J. H. Arnall of Tennesse, E. C. Smith, of Griffin, and Haynes McFadden of Atlanta. The executive council met after the convention

adjourned and elected Mr. Sheldon chairman.

Macon gets the next convention. In describing the last day's session, the Savannah "News" said:

"Thomas B. McAdams of Richmond entertained the bankers with a talk that was out of the ordinary. His subject was 'Colored Glass.' Why he selected it was as much of a puzzle to his hearers as to himself. His talk was optimistic and cheerful, tinged with humor. It was intended to be a message of encouragement to the bankers, and it was. Mr. McAdams is a fluent speaker. The association gave him a rising vote of thanks."

Savannah bankers, after the convention, gave the visitors a trip to Tybee, winding up with a dinner.

—A contract has been let for the construction of a new \$75,000 building for the Commercial National Bank, El Paso, Tex. At present the building will be but three stories, but the foundation will be able to carry eleven more floors, which it is proposed to add later.

—Texas bankers concluded their annual convention at Waco by electing the following officers: President, Joe Hirsch, vice-president Corpus Christi National Bank; vice-president, first district, Aug. de Zavala, Houston; vice-president, second district, R. K. Mims, Laredo; vice-president, third district, R. J. Eckhardt, Taylor; vice-president, fourth district, C. M. Campbell, Temple; vice-president, fifth district, J. W. Murchison, Athens; vice-president, sixth district, L. L. Shields, Santa Anna; vice-president, seventh district, F. H. Sherwood, Fort Worth.

After the proceedings were finished a large number of those attending the convention started on a trip to the Pacific Coast. Next year's convention will meet at Houston.

—Groups one and two of the Kentucky Bankers Association met at Paducah May 31. About 150 bankers and their friends were in attendance.

Utah Savings & Trust Company Salt Lake City, Utah

General Banking—Trust—Bonding
Title Insurance—Safety Deposit Vaults

Capital . . . \$300,000
Surplus & Profits, 40,000

OFFICERS:

W. S. McCornick, President
 Anthon H. Lund, Vice-President
 Geo. Albert Smith, Vice-President
 F. M. Michelsen, Cashier

**Facilities for thorough
Banking service.
Expeditions and Intellig-
ent handling of collec-
tions throughout this In-
ter-mountain country.**

25 Years Old

The meeting was opened by J. Fort Abell of Paducah, president of Group One. After the invocation and welcome, "The Difficulties of Banking in Kentucky," were presented by J. W. Stoll of Lexington. Mr. Stoll's address was followed by a discussion on banking problems and adjournment was taken at 12 o'clock.

President Charles Ellis of Sturgis, presiding officer of Group Two, convened the afternoon session, which was featured by two addresses: "Confidence," by C. C. Grassham of Paducah, and "The Practical Workings of the Federal Reserve Bank," by William C. Martin, chairman of the St. Louis board. Reports of the committees were heard, election of officers and adjournment following. At the conclusion of the session the bankers made an automobile tour of the city.

Officers were elected as follows: President, Solon Palmer Benton; secretary,



The American National Bank

SAN DIEGO, CAL.

Capital \$200,000.00
 Surplus and Undivided Profits 185,000.00
 Total Resources 2,300,000.00

J. W. SEFTON, Jr., President

C. L. WILLIAMS, 1st Vice-Pres. L. J. RICE, Cashier
 I. ISAAC IRWIN, 2nd V-Pres. T. C. HAMMOND, Asst. Cash.

Q A new building, the best equipment, an able and experienced staff of officers and employes—these are some of the things that enable us to give excellent service to customers and correspondents. We are thoroughly familiar with investment opportunities in this prosperous region and cordially invite correspondence in regard to them.

Marvin Scyster. Group Two: President, Fred Stumm, Madisonville; secretary, Ed. Withers, Hopkinsville.

—Group Six of the Kentucky Bankers Association now comprises in its membership every bank in its territory, the Union Deposit Bank of Union being the last to come in. The annual meeting of the group was held at Falmouth May 24.

—An excellent type of bank building has just been finished for the First National Bank, Hickory, N. C. It was built on a plot of ground 50 by 55 feet, is thirty-eight feet in height, and its exterior construction is of brick, granite and terra cotta.

—Group Three of the West Virginia Bankers Association met at Huntington May 28 and adopted a resolution favoring an amendment to the State Constitution providing for the classification of property for the purpose of taxation.

The group elected officers as follows: President, H. O. Aleshire, vice-president of the Day and Night Bank, Huntington; secretary and treasurer, J. T. Garrett, president of the Putnam County Bank, Hurricane.

S. Floyd Hoard, the retiring president, acted as toastmaster, and there were addresses by C. P. Snow, cashier of the Huntington Banking and Trust Company; Robert M. Evilly, First National Bank of Cincinnati; Robert L. Archer, cashier of the First National

Bank of Huntington; Senator W. P. McAbey, cashier of the Twentieth Street Bank, Huntington; Col. Joseph S. Biller, president of the First National Bank of Kenova; G. E. Thornburg, Barboursville; Mr. Garrett of Hurricane and H. C. Harvey of the American Bank and Trust Company, Huntington, who proposed the resolution asking for an amendment to the Constitution of the State.

Huntington bankers tendered an elaborate dinner to the visiting bankers.

—On June 7 the National Bank of West Virginia, Wheeling, opened in its fine new building, and was visited by over 5,000 of its friends. An illustration of the new structure appeared in the August, 1914, issue of this MAGAZINE, on page 201.

—The annual meeting and election of officers of the Birmingham Chapter of American Institute of Banking, was held at the chapter rooms in the American Trust Building recently. After hearing the annual reports of the committees the election of officers was held, resulting as follows: President, W. D. Robertson, First National Bank; vice-president, C. P. Hilty, First National Bank; secretary, J. A. Holcombe, First National Bank; treasurer, W. W. Crawford, Jr., American Trust and Savings Bank, and an executive committee composed of M. H. Sterne, Traders' National Bank; W. C. O'Farrall, First National Bank; M. M. Bellah, Ameri-

can Trust and Savings Bank, and H. L. Badham, Jr., First National Bank.

The retiring president, A. J. Daly, was congratulated on his highly successful administration and thanked for his efforts toward the upholding of the chapter.

The next regular meeting of the chapter will take place in September.

—Commissioner of Banking Patterson has announced the appointment of J. S. Erwin, formerly of the Waxahachie National Bank, to be Texas State bank examiner to fill the vacancy caused by the resignation of C. E. McCutcheon. Mr. Erwin is assigned to the Wichita Falls district.

—After the fire which took place a short time ago in Durham, N. C., destroying the main block of the town, the Fidelity Bank, of which Mr. B. N. Duke, the Tobacco King, is president, and the Merchants, of which Judge W.

J. Christian is the president, decided to obtain new quarters. To do this both of these banks retained Mr. Alfred C. Bosson, the New York bank architect, to design their new homes for them.

The Merchants Bank will be constructed entirely of white Pennsylvania marble, granite and bronze externally, and Tavernelle marble is to be used for the counter screen and all of the interior decorations.

This bank will be finished for occupancy very shortly.

—At Nashville, Tenn., the Tennessee National Bank and the Hermitage National have merged into the Tennessee-Hermitage National Bank with \$300,000 capital. Its officers are: President, E. A. Lindsey; vice-presidents, Watkins Crockett, M. C. McGannon, J. W. Charlton, George A. Washington, J. O. Leake, W. J. Cude, Henry Sperry and Charles Brower; cashier, J. L. Campbell.

—“Those who conceive that the European war is solely responsible for all the misfortunes and ills, real and imaginary, of the past nine months, take but a superficial view of things,” said J. A. Pondrom of Houston, president of the Texas Bankers Association, in his annual address at the recent convention.

“There were other contributing causes. There were agencies long at work. There were factors in our situation that would sooner or later in the natural order of things have brought us into real trouble.

“In the first place, people in all walks of life, individually and collectively, were spending too much, saving too little, everywhere living beyond their means, indulging in an unwarranted degree of extravagance, consuming more than they produced, anticipating incomes, disposing of profits yet to be earned, mortgaging the future for present speculation or extravagance, mortgaging and spending the value of crops before they bloomed into maturity, creating an ever increasing volume of debt, without a corresponding volume of liquidation.



MERCHANTS BANK, DURHAM, N. C.



THROUGH THE FACILITIES OF

The Live Stock Exchange National Bank

AND

The Chicago Cattle Loan Company

Bankers interested in financing the development of the live stock industry or in the purchase of high grade, self liquidating paper, are assured prompt and satisfactory service. Correspondence invited.

Address : UNION STOCK YARDS
CHICAGO, ILLINOIS

"Whole communities, cities, counties and districts were constantly increasing their load of debt, too often without sufficient provision for its requirement, frequently issuing securities maturing far beyond the life of the improvement in which their proceeds were invested, retiring matured obligations with new issues, marking up assessed values and tax rates to support and frequently to justify the increased volume of debt.

"Credit was entirely too cheap. Instead of too much cotton, our troubles of last fall were more properly attributable to the existence of too much credit, and we bankers are ourselves largely responsible for the fact that we are now carrying over a large volume of unliquidated credits. Merchants and bankers have been extending credit too freely upon doubtful security, often to those without moral character, advancing upon crop mortgages practically the full value of crops long before they have been harvested, and frequent-

ly making these advances to roving arabs, that will abandon their crops and depart the moment it appears that the yield and price will only prove sufficient to satisfy the mortgage."



WESTERN STATES

Chicago

—Bankers of the city as represented in the Illinois Bankers Association, the Chicago Clearing-House Association, and other organizations, entertained the visiting Pan-American Financial Conference delegates. Luncheon was served at the La Salle Hotel on June 7, and a banquet was given at the Congress Hotel in the evening of the same day.

—William G. Edens of the Central Trust Company of Illinois, Chicago,



Securities

Our six departments offer exceptional facilities for the investigation, selection, purchase and sale of high-grade securities.

Mississippi Valley Trust Company

ST. LOUIS

Capital, Surplus and Profits over . . . \$8,000,000

was indorsed for the three-year term in the executive council of the American Bankers Association at a recent meeting of Group Four of the Illinois Bankers Association at the Chicago Golf Club, Wheaton. Group officers elected were: President, Dan Norman; treasurer, F. E. Fairchild; secretary, E. W. Woodruff, and executive committee member, C. L. Wright.

—Privileges of the Chicago Clearing-House Association have been extended to the Federal Reserve Bank of Chicago.

—Joseph J. Schroeder is the new president of Chicago Chapter of the American Institute of Banking, and John H. Grier vice-president.



—Acting on the general demand throughout Missouri for a more ample understanding of the recently enacted banking law, Breckinridge Jones, president of the Mississippi Valley Trust Company, whose committee of the Missouri Bankers Association drafted the measure, has arranged for a model demonstration of the new law at the Missouri State Fair at Sedalia from September 25 to October 2.

At the recent State convention of the Missouri Bankers Association Mr. Jones introduced a resolution calling on State Bank Commissioner Mitchell to install at the fair an exhibition of the

practical workings of the new law which would show it was the best State banking act in the Union. In introducing the resolution, Chairman Jones said:

“At such an exhibit, the forms used by the examiners could be exhibited and explained and the work of the examiners exemplified, the work of the labor-saving devices used in banks could be exhibited and would add great interest. Charts showing the banking strength of the State, comparisons with the laws of other States, maps showing groups in this association, a comparison of the number and resources of national banks of Missouri as compared with the State banks, and many other interesting details, not only to bankers, but to depositors as well, could be demonstrated.”

In conference with B. C. Biggerstaff of Sedalia, representing the concession and publicity department of the State Fair, Chairman Jones said that aside from the exhibit proposed by the State Banking Commission Department, the Missouri Bankers Association would arrange for a model bank, a model savings bank and a model clearing-house exhibit.

Governor Major said that he would commend it heartily to the State Banking Department and lend every possible aid to bring the new banking act to the attention of the public as one of the most constructive bits of legislation enacted during his administration.

Chairman Jones characterized the new banking act as the best in the Union.

The National Cattle Loan Company



NATIONAL STOCK YARDS, ILLINOIS

Capital, \$200,000.00

Sells over its endorsement loans made by responsible cattle men, secured by cattle inspected by our own representatives to banks wishing safe, short-time, liquid investments.

CORRESPONDENCE INVITED

AT THE ST. LOUIS NATIONAL STOCK YARDS

Minneapolis

—Ground has been leased by the Metropolitan National Bank and other interests at Second avenue South and Sixth street, on which a ten-story office building will be put up, the bank to occupy the first floor.

—Two Minneapolis banks opened business in new quarters June 1. The Scandinavian-American National Bank, for years located on Fourth street near Nicollet, moved to its new home in the Security Building, taking the ground floor occupied by the Security National Bank before it amalgamated with the First National. The Savings Bank of Minneapolis moved from Fourth street and Second avenue South into the quarters made vacant by the Scandinavian-American Bank.



St. Paul

—On Monday, June 28, the Merchants' National Bank opened for business in its handsome new building at Fourth and Robert streets.



—The value of a new bank building from the publicity standpoint was illustrated at the recent opening of the new home of the Central Trust Company at Rock Island, Ill., some 15,000 or 20,000 visitors having been received.

—Owing to increase in business, the Commercial Savings Bank of Des Moines, Iowa, has leased the room directly west together with their present quarters for a period of twenty years. After remodeling is finished they will occupy a room with about forty feet frontage on Locust street running back fifty-seven feet, together with basement under the north half of the same. New vaults will be built with new safety deposit equipment which will be modern in every way. The Commercial Savings Bank has doubled its business in the last three or four years and its new banking room will add greatly to the convenience of customers. During remodeling the bank will remain in present quarters.



Denver

—The fourth annual convention of the Investment Bankers Association of America has been called to meet in Denver on September 20, 21 and 22. The Brown Palace Hotel has been selected as the headquarters.

Social features of the convention are practically completed. Monday evening the Denver investment bankers will entertain all delegates on top of Look-out Mountain, some seventeen miles from Denver. The trip will be made both ways by automobile.

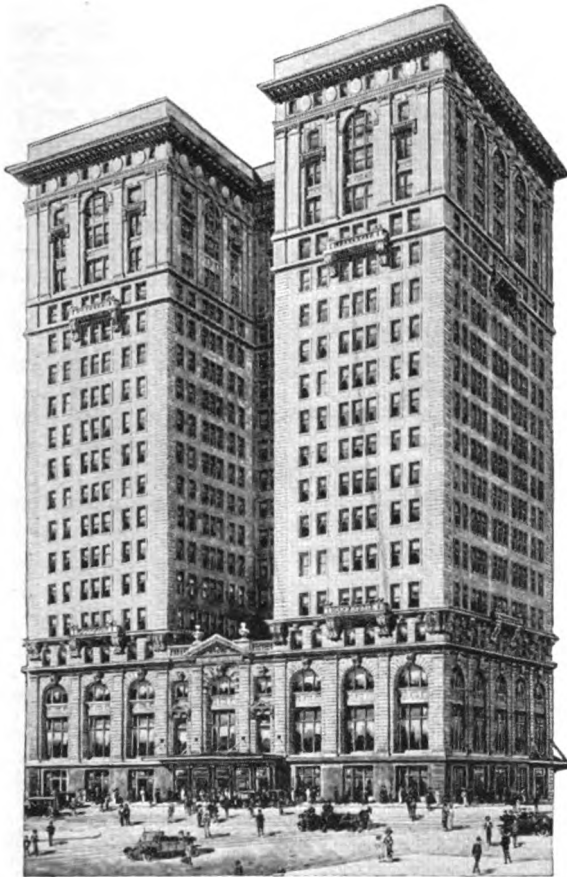
On Tuesday delegates will be taken by automobile to Estes Park, seventy-five miles from Denver, in the heart of

MINNEAPOLIS

First and Security National Bank

Resources \$60,000,000

A Strong Consolidation under Wise Administration



HOME OF THE FIRST AND SECURITY NATIONAL BANK, MINNEAPOLIS

Your business on Minneapolis and the Northwest will be welcomed and will receive prompt and intelligent service

the newly formed "Rocky Mountain National Park." Wednesday morning there will be a tour of Estes Park of about fifty miles. The village of Estes Park has extended an invitation to the association to be its guests at a mountain trout fry in the canyon of the Big Thompson River for luncheon on Wednesday. Immediately thereafter, the delegates will leave by automobile for Denver. The convention will close with a banquet in El Jebel Temple.



—Alfred M. Corcoran, assistant secretary of the Superior Savings and Trust Company, is the new president of Cleveland Chapter, American Institute of Banking.

Carl A. Palmer of the First National was chosen vice-president of the chapter recently. Franklin Hawk of the Garfield Savings was made recording secretary, F. P. Weber of the Bank of Commerce, N. A., financial secretary; L. J. Hajek of the Woodland Avenue Savings and Trust, treasurer; H. D. Cozad of the Garfield, chief consul, and the following were made members of the board of governors, W. A. Bennett of the National City, W. T. Bissell of the First National, George A. Everson of the Citizens Savings and Trust, Elmer Guentzler of the Guardian Savings and Trust, Charles Piwonka of the Broadway Savings and Trust, and J. L. Wadsworth of the State Banking and Trust. Mr. Corcoran succeeds H. H. McKee of the Garfield as president of the chapter.

—At South Saginaw, Mich, the Bank of Saginaw has a new building. It is a one-story bank structure of brick, with stone trimmings.

—Early the coming fall the German-American Bank of Fort Madison, Iowa, expects to have its new building finished. It will be one of the very attractive and complete bank homes of the Central West.

—To encourage desirable immigration and develop better methods in farming, twenty-five Eastern Oklahoma bankers representing twelve of the leading cities served by the M. K. & T. Railroad, met at McAlester recently and formed an Eastern Oklahoma farm bureau, adopting a constitution, but leaving the election of officers to directors from the fifteen counties to be included in the organization. The chief aim is to get reliable information before northern and eastern investors concerning farm lands in Eastern Oklahoma. To accomplish this, annual dues provided in the constitution insure a fund of approximately \$15,000. Bankers will be the only voting members, although reliable realty men will be admitted as associate members of the organization.

—A contract has been entered into for a new eight-story building for the First National Bank of Boone, Iowa, to cost \$100,000.

—Some eastern banker who attended the recent convention of the Oklahoma Bankers Association at Tulsa, went out for wool but was shorn, according to this item from the Tulsa "Democrat," describing the convention:

"There have been no complaints but one of the big bugs here from the East felt as though he was bumped a little when he noticed a sign in a barber shop '25 cents for a shave.' He should not worry. There is one shop at least that charges 'two bits' and Mr. Banker will only feel as though he has been somewhere, because of the price of a shave being higher than he is used to at home."

—For the German-American National Bank at Peoria, Ill., a very fine building is approaching completion. The exterior, of marble and granite, presents an imposing appearance.

—Galena entertained the meeting of Group Three of the Illinois Bankers Association on June 2. At the business session these officers were chosen:

Ask Your Stationer for
Bankers Linen and Bankers Linen Bond

Made in Flat Papers, Typewriter Papers and Envelopes

They are fully appreciated by the discriminating banker desiring high grade, serviceable paper for correspondence and typewriter purposes

SOLE AGENTS

F. W. ANDERSON & COMPANY
34 Beekman Street, New York

Chairman, Chandler Starr, Rockford; secretary, F. L. King, Kings; executive committee from the counties—Boone, W. M. Webster; Winnebago, N. F. Thompson; Carroll, R. H. Campbell; Ogle, W. H. Dickinson; Stephenson, George S. Wagner; Lee, A. B. Arrington; Jo Daviess, Miss Lois Nash; De Kalb, J. R. Waterman.

At the luncheon speeches were made by Dr. H. E. Hieronymus, community adviser of the University of Illinois; Chandler Starr of Rockford, and David Sheean of Galena.

—An increase of business prompts the Old State National Bank, Evansville, Ind., to begin the erection of a new building. It will be located at 420 Main street, on a plot 55x144 feet, and will have five stories and basement. The bank will occupy the entire lower floor, the other floors being for rental. It is expected that the building will be completed next spring.

—Group Five of the Nebraska State Bankers Association met in Grand Island, May 27, with about fifty bankers in attendance from outside cities. The convention opened with an invocation by Rev. L. L. Lipe, followed by an address of welcome by Mayor Ryan, himself a banker-lawyer. Response was made by President F. J. Taylor of the Citizens State Bank of St. Paul.

In the address of the president, Elmer Williams, Commercial State Bank, Grand Island, and in the annual report

of the secretary-treasurer, Frank Cleary, the affairs of the group organization were found to be in splendid condition.

The feature of the programme was the address of J. C. McNish of Wisner, president of the state association.

Grand Island was again selected as the place for the next annual meeting of the group.

The officers elected for the ensuing year are: President, Dan Morris, City National, Kearney; vice-president, E. M. Williams, First National, Ord; secretary-treasurer, Frank Cleary, Grand Island National.

—Pursuant to authority of the Federal Reserve Act, the Marion (Ind.) National Bank has established a separate trust department. It is the intention of the bank to put its prestige behind the trust department and bring it up to a high standard in all respects. The action of the bank's officials in establishing a trust department shows that they are ready to offer complete banking service to the people of their community.

—"The oldest and largest national bank in Northern Indiana," describes the First National Bank of Fort Wayne, which has \$500,000, \$200,000 surplus, and \$4,294,423 deposits (May 1).

—Mr. G. J. Johnson, the new State Examiner of North Dakota, is an experienced banker. He is a native of

Jefferson, Iowa. On leaving school he was appointed deputy county auditor of his home county, retaining this position for three years, when he accepted a position in the City Bank of Jefferson, and after three years' service in this bank went to North Dakota and was employed in the farm loan department of the Union National Bank, Grand



G. J. JOHNSON
STATE EXAMINER, NORTH DAKOTA

Forks, N. D., under D. H. Beecher, its president, during the years 1902 and 1903. From there Mr. Johnson went to the First National Bank, Crookston, Minn., where he held the position of general bookkeeper for two years. In 1905 he was elected assistant cashier of the Mechanics Savings Bank, Des Moines, Iowa, and remained there until poor health caused him to retire and he went to North Dakota again in 1907 and bought control of the Farmers and Merchants State Bank of Monango, becoming its president. Increasing person-

al investments of farm lands and farm loans made it seem necessary to sell his interest in the bank in 1910. He conducted his personal business until appointed chief deputy examiner in 1913, and in May, 1915, he was appointed State Examiner by the Governor upon the resignation of S. G. Severtson.

—The First National Bank of South Bend, Ind., which is 126 in the national banking system, reports: capital, \$105,000; surplus and profits, \$143,707; deposits, \$1,646,338, and total resources, \$1,993,545.

—June 1st was the date of the fiftieth anniversary of the First National Bank of Ottawa, Ill., an event which the bank asked its friends to help in observing.

One can see how this bank has grown from this little table, showing deposits by decades:

1865.....	\$ 127,827.25
1875.....	233,397.49
1885.....	385,674.29
1895.....	362,986.15
1905.....	1,321,184.41
1915.....	2,439,114.61



Cleveland

—Col. J. J. Sullivan established the Central National Bank in Cleveland a quarter of a century ago, an event which was commemorated a short time since, when directors and employees of both the Central National Bank and the Superior Savings and Trust Company (an affiliated institution) were entertained at dinner as guests of the Central National Bank.



—At the recent annual convention in Kansas City of the Missouri Bankers Association—which was perhaps a record-breaker for attendance, with a registration of 1,752—these officers were chosen: President, W. C. Gordon, Marshall; vice-president, Thornton C.

ADRIAN H. MULLER & SON

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REGULAR AUCTION SALES OF ALL CLASSES OF STOCKS AND BONDS EVERY WEDNESDAY

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Prompt Returns on all business entrusted to us

Cooke, Kansas City; treasurer, W. B. Sanford, Springfield; secretary, W. F. Keyser, Sedalia; assistant secretary, E. P. Neef, Sedalia.

The following were also elected:

Members of the executive council A. B. A.—R. S. Hawes, St. Louis, to succeed J. S. Calfee, St. Louis; J. W. Perry, Kansas City, to succeed A. D. Buckner, Paris, Mo.

Vice-president of the A. B. A. for Missouri—George R. Baller, St. Louis.

Member nominating committee at coming A. B. A. convention—E. F. Swinney, Kansas City; alternate, Edward Buder, St. Louis.

This session of members of the American Bankers Association adopted a resolution unanimously indorsing P. W. Goebel, president of the Commercial National Bank of Kansas City, Kan., for vice-president of the American Bankers Association and instructed its member of the nominating committee, which will meet in Seattle, to use every effort to bring about Mr. Goebel's nomination.



PACIFIC STATES

San Francisco

—Some interesting facts regarding the total of this city's banking transactions are given in a recent monthly letter of the American National Bank, as below:

San Francisco bank clearings for the

first four months of 1915 show a slight increase over the same period last year. The figures are:

1914	\$824,811,000.00
1915	827,829,000.00

These are not the totals generally published, but are less the daily debit balances of the Oakland Clearing-House, which are settled in drafts on San Francisco banks.

While these drafts are cleared through the San Francisco Clearing-House, to include them in San Francisco's figures is manifestly wrong, if such figures are of use in determining business and financial activities of the city. We might go further, and say that the clearing-house figures of several Eastern cities should not be published as they are, for the fact that it is their common practice to settle balances with cashiers' checks, which are cleared the following day, increasing clearing totals a very considerable amount. Clearing-house figures at best are of value only when used comparatively and with due allowance for the increase or decrease of the number of banks over the preceding period.

A truer index is found in a compilation of the total debits of the individual banks, taken from their own books, as these figures include all transactions, whether passing through the clearing-house or over the counters.

Total debits of San Francisco Clearing-House banks for the first four months of 1914 and 1915 are as follows:

1914 \$1,751,183,000.00
 1915 1,770,515,000.00

showing that only forty-seven per cent. of the business of the banks passes through the clearing-house.

—At the annual election of San Francisco Chapter American Institute of Banking these following officers were elected: President, William A. Marcus; vice-president, H. A. Haske; secretary-treasurer, E. V. Krick; governors, Alfred Gock, James L. Lowsley, B. A. Supple, Roy Tierney and John T. Wallace.

John A. Curran, the former president, was presented with a gold cigar-cutter and chain in appreciation of his services.

—Bankers in this city are giving a warm welcome to banker-visitors to the exposition. Among those recently entertained were the California Bankers Association, and the associations from several of the Pacific-Coast States, as well as the convention of the supervising officers of state banks.

Next month there will be the meeting of the American Institute of Banking, and in September many bankers will come here from the convention of the American Bankers Association at Seattle. To all these San Francisco bankers extend a most cordial welcome.



Seattle

—Preparations for holding the annual convention of the American Bankers Association in this city September 6-10 are practically complete so far as relates to the work of local committees which have been busy for some time.

Addresses of welcome are to be made by the Governor and Mayor and by M. F. Backus, president of the Seattle Clearing-House Association. Elaborate arrangements have been made for a programme of social entertainments and sight-seeing trips on land and water.

Reservations already made for hotel accommodations indicate a very large attendance.

—Washington bankers will hold their annual convention in this city September 6 and 7, the week of the meeting of the American Bankers Association.

—The Guardian Trust and Savings Bank, capital, \$100,000, will succeed Joseph T. Thomas & Co.



Tacoma

—In the statement of May 1st the National Bank of Tacoma, with which is closely affiliated the Tacoma Savings Bank and Trust Company, made this very strong combined showing.

ASSETS.

Loans and discounts.....	\$5,173,800.77
Overdrafts	344.29
Bank building and real estate	229,100.00
Stock Federal Reserve Bank..	33,600.00
U. S. bonds.....	700,000.00
Bonds, warrants, etc.....	1,729,372.91
Cash and due from banks.....	1,777,943.07
	<hr/>
	\$10,644,161.04

LIABILITIES.

Capital	\$1,200,000.00
Surplus and profits.....	221,199.30
Reserved for taxes and interest	20,404.14
Circulation	487,400.00
Deposits	8,715,157.60
	<hr/>
	\$10,644,161.04

Officers of the National Bank of Tacoma are: Chairman of the board, Chester Thorne; president, Ralph S. Stacy; vice-presidents, W. M. Ladd, Geo. S. Long and E. T. Wilson; cashier, Stephen Appleby; assistant cashiers, D. A. Young and R. R. Mattison.



Los Angeles

—Under the title of "Milestones in History," the Citizens National Bank of Los Angeles has issued a most beau-



CITIZENS NATIONAL BANK, LOS ANGELES, CALIFORNIA

tifully printed and illustrated story about the bank's new home, and the institution's progress since its organization October 6, 1890. The bank now has \$1,500,000 capital and over \$700,000 surplus and profits. Its officers are: President, A. J. Waters; vice-presidents, J. Ross Clark, M. J. Monnette, and Wm. W. Woods; cashier, E. T. Pet-

tigrew; assistant cashiers, Geo. E. F. Duffet, Geo. Bugbee and H. D. Ivey.



—The Salt Lake Chapter of the American Institute of Banking at its recent election chose the following officers: President, G. H. Butler, Utah State

THE FIRST NATIONAL BANK OF ST. PAUL
 OLDEST BANK IN MINNESOTA
 CAPITAL AND SURPLUS \$5,000,000
 SOLICITS YOUR NORTHWESTERN BUSINESS

National Bank; vice-president, Otto Hoebel, National Copper Bank; secretary, W. T. Patrick, McCornick & Co.; treasurer, L. F. Tietjen, National Bank of the Republic; delegate to the Utah Bankers Association, J. A. Nailia, National Copper Bank; delegates to the national convention in San Francisco, August 18-20, Q. B. Kelly, Citizens' State Bank of Bingham; G. H. Butler, Utah State Bank; Mel Saville, McCornick & Co.; Clarence Tingey, Zion's Savings Bank and Trust Company; Brent Lynch, Utah State National Bank. The delegates to the national convention were pledged to support Q. B. Kelly for the vice-presidency of the national organization.

—A. E. Edwards, formerly president of the California Bankers Association, was recently elected president of the First National Bank of Pasadena and the Pasadena Trust and Savings Bank.

—The First National Bank of Berkeley, California, has introduced a unique

feature in its lobby. A daily bulletin is posted to inform visitors from other places of the daily events that have been arranged for their entertainment. This bulletin includes not only the daily programme of the exposition but also offers suggestions for short trips to interesting points in this locality.

The information is received through reliable sources and is from one to two days ahead of the dates upon which the events are scheduled to take place.



CANADIAN NOTES

—A branch of the Quebec Bank has been opened at Ryley, Alberta, under the management of R. M. Watson.

—Dudley Dawson, who left Winnipeg to assume the position of acting manager of the Victoria, B. C., branch of the Dominion Bank, has been re-

transferred to Winnipeg to fill the post of assistant inspector of western branches.

—N. O. Lee has been promoted to the managership of the branches of the Bank of Ottawa in Regina.

—J. H. Mitchell, manager of the Bank of Ottawa in Regina, has been transferred to Alexandria, Ontario.

—The Dominion Bank advises that the First street branch in the city of Edmonton has been closed.

—La Banque Nationale had its fifty-fifth annual meeting of shareholders on June 9. Profits of the past year were \$333,207. Of this \$160,000 was applied to dividends, \$100,000 to reserve fund, and the remainder to contingent and various other funds, leaving \$48,006.47 to be carried forward to credit of next account.

—The fifty-second annual meeting of shareholders of the Merchants Bank of Canada was held in Montreal, June 2, the vice-president, K. W. Blackwell, presiding in the absence of the president, Sir H. Montagu Allan.

Net profits for the year were \$995,431, which added to the sum brought forward from last year made \$1,243,-

566. Of this amount \$700,000 was applied to dividends; \$250,000 was applied to writing off investments; various other funds were provided for, and \$245,140 carried forward to next account.

Mr. A. Browning proposed a vote of thanks to the president, vice-president and directors, the general manager and staff for their work during the year.

He remarked: "I think we should especially thank the board and the general manager for the able manner in which they have looked after the interests of the bank during the past very trying year. It must have been a period of trial and great difficulty to them to meet the unique experiences which have faced the whole world. Both the world and the banks are making history. The reports presented to-day show that our management are devoting their full energy, experience and intelligence to the work, and I am sure the shareholders are grateful to them."

The resolution was unanimously adopted, and briefly acknowledged by the vice-president, Mr. K. W. Blackwell, and the general manager.

This concluded the business of the meeting, which then adjourned. At a subsequent special meeting of the directors, Sir H. Montagu Allan was re-elected president and Mr. W. W. Blackwell vice-president.

With Bankers Magazine Advertisers

Bankers Engineering Company

THE Bankers Engineering Company of New York has succeeded to the business of the Bankers Building Bureau and proposes to offer greater facilities than were possible to the older organization in the construction, remod-

eling and equipping of banking houses.

The president of the new organization is Mr. Eugene Schoen, an architect of New York, who for many years has specialized on work of this character. Mr. A. Stanley Miller, formerly gen-

eral manager of the Bankers Building Bureau, becomes associated with the new organization. During the past fifteen years, Mr. Miller has been associated in the construction and equipping of over one thousand banking houses in this country. As will be readily appreciated, each of these undertakings presented special problems and the solution of each problem has added its quota to the store of experience that should make the services of the new organization particularly valuable.

It is purposed by the Bankers En-

gineering Company to make their undertaking cover every detail of the work of building and remodelling banking houses. This will include the work on the building itself, the vaults, equipment of the interior woodwork, arrangement of desks, as well as lighting, plumbing and ventilation.

The new corporation will continue at 106 East Nineteenth street, New York, and invites inquiries from bankers who may be considering alterations or new bank buildings.



A Simple Method of Accounting Which Makes it Easy to Prepare Correct Income Tax Returns

THE Income Tax Law, enacted on October 3, 1913, has proved puzzling not only to the individual who is compelled for the first time to try to understand the intricacies of an unfamiliar method of taxation, but even expert lawyers and Treasury officials have found it difficult to agree on just how the details of the Income Tax Return should be made up.

In fact, the whole matter has become so perplexing to the average individual with a taxable income, that he has turned the blanks sent him over to his lawyer or bank, washing his hands of responsibility for the reports they may make.

Many banks have been compelled to assign a large portion of their staff to the work of gratuitously preparing income tax returns.

It has been found that even expert lawyers have made out returns in a manner which caused their clients to pay a greater amount of tax than they were really liable for.

The key to a correct preparation of the returns under the Income Tax Law

consists in a simple method of accounting that will concisely assemble the required information and also clearly and accurately summarize gross incomes, gross disbursements and net income, and at the same time will show specific exemptions and deductions under the law.

In "A Simple Method for Finding and Summarizing Gross Incomes, Gross Disbursements and Net Incomes," published by E. E. Rombauer, 2289 Woolworth Building, New York, it is claimed that the keeping of private accounts is rendered easy, as well as the making of proper returns under the Income Tax Law, and that this "Simple Method" covers all essentials required by the law, and is readily adjustable to any condition that may arise, enabling individuals to make statements comprehensible to any person.

The blank forms and the explanations for preparing the report have been submitted to bankers, brokers, lawyers and other competent authorities, who have given the methods high commendation.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, *Editor*

SIXTY-NINTH YEAR

AUGUST 1915

VOLUME XCI, NO. 2

Death of Former President Diaz

THE recent death in Paris of Gen. Porfirio Diaz, former President of Mexico, brings forcibly to mind the condition of affairs in that country during his long rule, and those that have existed since his exile began. For although there was a short season of tranquility under Madero, it was but the prelude of the frightful storm that has since burst upon the country.

The Diaz régime spread over a generation, in which time, all things considered, Mexico made remarkable progress in education, in religious liberty, in railway building, and in the gradual diffusion of prosperity, a process which must necessarily be slow in any country peopled so largely as Mexico was with a backward race.

Probably the criticism most commonly made of the administration of Diaz referred to his tardiness in liberalizing the government under which he ruled. Mexico of course had a very liberal constitution; the republican forms of government were to be met with on every hand. There was a Senate and a House of Deputies, a Cabinet, composed of able ministers, governors of the respective states, legislative assemblies in these states, and so on. But these were hardly more than the mocking symbols of liberty masking an autocratic power.

Diaz had seen the chaos which preceded his accession to power; "Presidents," dictators, and even emperors had all been tried and found wanting. He came into popular favor as a military hero who had experienced hairbreadth escapes and many moving accidents by flood and field. He had been imprisoned by his political enemies and escaped. He had jumped overboard from a ship, swam

ashore, and launched a fresh and victorious revolution. He was the picturesque, dashing and able "Man on horseback." But he became much more than any of these things—a wise, far-seeing and capable administrator. He reformed the finances; gave Mexico a peaceful, stable government; restored the public credit; kept faith in the payment of debts; built railways, established schools, hospitals and other public institutions; cultivated a regard for the fine arts, and made the City of Mexico one of the world's most beautiful capitals. And beyond all this, he gave to the people the opportunity to labor in peace and protection. These were some of the many constructive forces with which the name of General Diaz will be linked in the history of his times.

Of course it will be said that he was an autocrat; that "grafters" flourished under his rule; that the land was largely held by rich and powerful friends of his—and all that.

These assertions may be true; but on the other hand, look at Mexico before he came into power, see what it was while he ruled, and look at its pitiful plight now.

A continuation of the progress which Mexico made under Diaz presupposed one of two things: namely, that he could either have trained some one equally strong who would have maintained his policies, or that he would have so liberalized the government that at least a qualified democracy would have been able to assume the reins of power.

It was commonly stated in Mexico that General Diaz expected that Vice-President Ramón Corral would be his successor. But Corral was extremely unpopular. Indeed, it has been said that the overthrow of Diaz was due largely to this fact.

As for liberalizing the government, that policy did not accord with the school of statesmanship in which General Diaz was trained, if he can be said to have received any training outside his own experience. He had ruled Mexico by the iron hand of power. The method was effective for a generation. He either did not see that public opinion had gradually come to condemn his methods, or did not know how to provide an alternative.

It seems remarkable, however, that General Diaz did not surround himself with younger advisers who were capable of solving the problem, that is if it could be solved.

A great many people came to regard Mexico as a one-man

country while Diaz was in power. This was a mistake. Mariscal, Limantour, Macedo, Casassus, Roméro, de la Barra, Caléro, Creel, and others were strong and able men. Some of them were brought up in the Diaz school and were apt students. Their traditions and interests forbade them from being the instigators of a new deal that would give the people greater power.

Perhaps Diaz was right in saying as he did at Vera Cruz, in starting on his journey to Europe, from which he was never to return, that whoever successfully governs Mexico in the future will follow his methods. Yet, it does seem that some portion of the people who are indisputably qualified for the privileges of citizenship might have been given a wider participation in governmental affairs. If failure to see this was the vital fault of the Diaz regime, as we believe it to have been, it may be pleaded in exculpation that his own experiences and his knowledge of the Indian character led him to distrust such a policy; or, perhaps, that he did not think the opportune time had yet arrived.

The fantastic schemes of Madero were on a par with the scholastic pratings about Mexican constitutional liberty which have even found a place in American state papers in recent years. Of our own attitude of "watchful waiting," which we have followed since the downfall of the visionary who succeeded Diaz, little need be said. The vultures hovering over Mexican ruin and desolation are the ominous witness of its blind fatuity so far as it concerns that unhappy land. Sacrificed American lives and property attest its costliness as related to our own people.

In the last two or three years of his presidency General Diaz was still the erect and imposing figure that had so long been the idol of the Mexican people. He was born a day before the national holiday commemorating the country's independence, and as the celebration of the latter day began on the previous night, his birthday and that of his country were celebrated, in part at least, at the same time.

Mexico under General Don Porfirio Diaz made giant strides toward progress and prosperity. Much of that advance has been lost in the struggle of the contending factions since he gave up the reins of power rather than stain the last years of his official life with a long civil war to uphold his rule.

The beautiful Paseo de la Reforma in Mexico City, from the "Iron Horse" to Chapultepec, is lined with many statues of men

eminent in Mexican history. Surely, in future years, when one passes down that stately drive he will see the lofty figure of Porfirio Diaz, who gave to Mexico its longest season of peaceful rule, and who deserves a place in the nation's affections with Hidalgo and Benito Juarez.

LEGITIMATE FRUIT OF A FOOLISH PROPAGANDA

THE attempted assassination of Mr. J. P. Morgan is the country against the exportation of arms to the European legitimate fruitage of the propaganda being carried on in this belligerents. While this propaganda has received much lung support from the sentimentalists who prefer slavery and degradation to war, its real instigators have been those who want to see the United States take a position that will preserve to Germany the military advantage which that country gained through its long period of preparation for the conflict now under way. The stoppage of the export of arms from the United States, under existing conditions, would be a powerful aid to Germany. That country itself can not get any of our munitions, owing to the blockade maintained by France and Great Britain. Our manufacturers would probably be willing to sell military supplies to Germany, if that country could get them. That it is unable to do so is one of the fortunes of war which Germany doubtless calculated beforehand. Certainly we are not responsible for her dilemma.

But crack-brained peace enthusiasts, consciously or unconsciously instigated by those who wish to give Germany an advantage in the contest, have raised such a hue and cry against the "unholy" traffic in arms, that no wonder an inspired lunatic considers himself an instrument of God in stopping this unhallowed business. Doubtless he "reasoned" that in this case he could kill two birds with one stone—shut off the export of arms to Europe and "remove" a hated monopolist at the same time.

Our laws are enacted to punish the wealthy; there are more statutes aimed at prosperity than at any other "crime"; men lecture against piling up wealth, and themselves get rich by it; editors preach against the rich and roll in money as a result of their agita-

tion; orators ride into popular favor and political power by sniveling about "peace." Is it any wonder that misguided lunatics take for truth the idle vaporings of the demagogues who agitate for applause, for money and for power, and seek to kill those whom they believe responsible for war and for wealth?

POST-BELLUM FINANCIAL PROBLEMS.

FOR the time being the financial problems arising out of the war, so far as they affect this country, are causing little concern, and attention is now turning to after-war finance. The demand upon this country for food and war supplies, the falling off in American foreign travel, the diminution of imports—these and other factors have tended to strengthen our immediate financial position. But the future will have some interesting problems. In a recent address before the Academy of Political and Social Science at Philadelphia, Mr. Alexander J. Hemphill, chairman of the board of the Guaranty Trust Company, New York, interestingly discussed some of them. From his address we quote:

"The conclusion of the war will create new conditions and the greatest demand will then be made upon our financial America. The destruction and wastage of capital occasioned by the war has been estimated on the basis of a year's duration at \$40,000,000,000; and while it may not be necessary to restore all of this at once, yet from present indications the demand on us will be enormous. First, there will be the call on our merchants to furnish materials in connection with the rehabilitation or rebuilding of the devastated country and, secondly, we will have to give credit either through making direct loans or through the repurchase of American securities held abroad. From present indications the foreign investors will part from our securities slowly and will be tempted to liquidate only at high prices. It is more than probable that several of the foreign countries will ask us for some of our gold in order that they may restore or build up their gold reserves. These demands upon our financial resources seem to presage more than an active and firm money market.

"There is no doubt that should we continue to practise economies and follow the sound business methods which we have recently pur-

sued, we will not only have abundant resources for our own prosperous business but also be able to take care of the reasonable demands of other nations."

We are already furnishing capital to a considerable extent to some of the Latin-American countries hitherto looking to Europe. As Mr. Hemphill points out, we shall later be called on for goods, credit and gold to fill up some of the gaps made by the European struggle.

WHAT SHALL WE DO WITH IT?

BY "it" is meant the phenomenal balance of \$1,000,000,000 which stands to our credit as a result of international trading up to the close of the fiscal year.

For one thing, it seems pretty sure that if American factories are to be kept busy making war materials for the belligerents we shall have to lend Europe money with which to pay for these supplies. It is not a very beneficially productive use to make of our money, though in diverting the gold into this channel we should merely be returning it to its source very largely.

A considerable part of our surplus funds will no doubt be employed in making loans to neutral nations, and particularly to the Latin-American countries where we already have large and growing trade interests, and where money is much needed to fill the gap made by the falling off of loans from European nations.

Should the war suddenly terminate, we might need a good deal of this surplus to take over our securities which Europe may want to return to us. We shall also have demands from some of our railroads and industries heretofore financed abroad.

This flood of gold is not an unmixed blessing, for it may tempt to extravagance and inflation, particularly since we have still outstanding a huge volume of government paper in the form of so-called bank notes, and with another kind of bank note injected into the circulation under the new banking law. A further incentive to inflation lies in the disposition of certain of the Federal Reserve Banks to urge upon the member banks the propriety of using the rediscount facilities which the new banks offer. Fortunately, how-

ever, the chief direction of the country's banking funds does not repose in the hands of government officials anxious to justify their existence by forcing out money, but is still by the laws of commerce and finance committed to skillful bankers who may be trusted to exercise wise discretion in putting the golden stream to the best use.

BANKERS LOOKED ON WITH SUSPICION.

THAT the demagogue has been able to thrive on the prejudice he has fanned and kept alive against bankers is a fact that no careful student of our political institutions can well have overlooked. It stands out like the Statue of Liberty in New York Harbor, the Washington Monument, or perhaps as distinctly as a good deed shines in a naughty world.

The banker himself is conscious of this. He knows that when the community has any real hard work to be done, it calls on him. When there is any good cause that needs boosting, he is looked to as the chief booster. Among his home people the banker is respected and liked. But in the legislative halls of his State, or in Congress, his popularity declines suddenly and seriously. Or, as President Pondrom said in addressing the last annual convention of the Texas Bankers Association:

“You are the custodians of the wealth of the people, frequently their confidential advisers on business matters. You are among the largest taxpayers of every community, and you pay more taxes proportionately than any other class of men. You flatter yourself with the reflection that you are leaders in your respective communities, and you are leaders wherever any public enterprise of a benevolent, religious or educational character needs a donation. Whenever any uplift movement or any work of charity is on foot, you are expected and freely called upon to lead, but in your legislative halls, state and national, you have about as much influence and consideration as so many Frenchmen in Germany or so many Germans in England. You are regarded with the utmost suspicion, and if you publicly advocate any particular measures, it is regarded as *prima facie* evidence that these measures are designed to destroy, or at least impair the liberties of the people. Politically, you have no voice ever. The

political literature of the day, the demagogue upon every stump classifies you as a barnacle upon the system, a parasite that produces nothing and preys upon the body politic."

This reputation the banker has rather too meekly accepted. He seems to fear that any attempt to defend himself from these attacks will cause the colors to be laid on blacker and thicker, and so keeps silent.

There is, however, no solid reason for such inertia. Bankers are not exempt from the just criticism that may be made legitimately of all classes of business so far as their operations affect the public generally. But, on the other hand, they have a right to be fairly judged and not singled out for political attacks. Perhaps the banker himself is chiefly to blame for the conditions which Mr. Pondrom justly described. The banker is not a weakling, either in purse, position or intelligence. If a somewhat unfavorable reputation has been given him by cheap demagogues, no sympathy should be wasted on him. He has the means of defending himself, and of placing his business in a clear light before the public so that all its relations will be understood. If he does not choose to employ these means, that is his own fault, and he should uncomplainingly shoulder the consequences.

A FINE BIT OF FINANCIAL WISDOM.

FROM one of the distinguished authors of the Federal Reserve Act, we get the following illuminating bit of financial wisdom.

We extracted this nugget from an address which Hon. Carter Glass made at the joint bankers' convention held in San Francisco at the end of May:

"So that the two fundamental difficulties with the old system, as I have indicated, were the inelasticity of the currency and the fictitious nature of our reserve system, which congested all of the reserve funds of the country in the great money centers at New York; so that on the March preceding the date upon which the new Federal Reserve Act went into operation the country banks of the United States had on deposit in the reserve banks of New York City \$893,000,000; whereas, the banks of New York City at the same time

were only loaning to the country banks of the United States \$186,000,000. Gentlemen, we have lived for fifty years under the delusion that New York City's financial institutions were necessary to the country; whereas, the fact is, as has been demonstrated, that the country is necessary to New York City (applause)—New York City \$893,000,000 in debt to the balance of the country and loaning to the country banks only \$186,000,000."

As the question of the owl and the egg continues to vex the brains of those who have a fondness for such speculations, we shall not stop to inquire whether New York is necessary to the country or not. We are willing to admit that New York would be put to hard shifts to get along without the country.

But imagine the author of the Federal Reserve Act telling a gathering of bankers that New York city was in debt \$893,000,000 and had loaned to the country banks but \$186,000,000, and think of bankers actually applauding that statement!

Did the figures which Mr. Glass gave represent merely the loans to national banks, or did they include all classes? Unless banks other than national were included, the figures are absurd. They are anyhow, for what do they prove? Nothing. Mr. Glass says the New York banks had only \$186,000,000 loaned to country banks. He is silent as to how much commercial paper they had bought of country merchants and manufacturers. He says nothing about loans direct to such customers. He speaks of bank loans only. How does he know that in March, 1913, the country banks wanted to borrow money? It is not a season when country banks are borrowing, as a rule, but when they are sending idle funds to the money centers. Very likely the New York banks do not seek to lend to the limit except at the season when the demand is greatest for crop-moving.

It is Mr. Glass's notion that the chief business of the Federal Reserve Act is to compel the country banks to borrow as much money as possible? It's a dangerous doctrine, but one which, we fear, is widely held at this time. We have actually heard officers of the Federal Reserve System imitating the "barkers" at a country fair, and virtually saying to the bankers of the country, "Now is the time, gentlemen, to get your money; bargain rates; quantities and terms to suit all requirements; walk right up to the counter now and put in your application." If they don't accept these tempting

offers, shall we be so impolite as carefully to inspect the balance-sheet of the Federal Reserve Bank and say, "Look here! you fellows have \$500,000,000 which you commandeered from the banks of the country, holding them up with a gun in order to get it, and yet you have lent the country banks who "gave" you this money only \$113,000,000."

No, we shall not do that, for Mr. Glass was only making a fling at wicked New York bankers, and if we should even hint at any imperfections in the Federal Reserve Board, that would be attacking a sacred thing, and we forbear.

THE BANKERS' CONVENTION AT SEATTLE.

INDICATIONS point to a very large attendance at the convention of the American Bankers' Association to be held at Seattle September 6 to 10. Preparations have been made by the bankers of that city for an unusually attractive programme of entertainment, and the visitors may expect a royal time.

In this number of the **MAGAZINE** may be found information as to the attractions offered by several of the railway lines that will run special trains to the convention and to San Francisco, Los Angeles and San Diego. Next month other information in regard to the convention will be presented.

It seems that most of the itineraries thus far arranged contemplate a visit to the expositions after the close of the bankers' convention rather than before. This will take the tourists over the northern route, either through the Canadian Rockies or over some of the northerly American lines. Those who have never made the journey before will wonder at the far stretch of country, and begin to inquire whether it ever really comes to an end. They will find that the seemingly interminable prairies of Minnesota, North Dakota and Montana finally merge into the mountains of Idaho and Washington. Unless some of the parks are taken in on the way, Spokane will be the first stop, where at the Davenport they will find a hotel that combines the solid luxury of New York with the elegance of Paris and the democracy of America. They will be taken along High Drive, Sunset Boulevard, and to Point Vincent, where they will see some

really wonderful scenery. They can hardly fail to be impressed by the beauty of the city's location, its fine residences and imposing business streets. Leaving Spokane they will journey through mountains, by flashing rivers, and on to the lovely shores of Puget Sound, where they will reach Seattle, nestling on its many hillsides, with the bay and lakes contributing to the picturesque effect, and the mountain ranges surrounding all. The drives about Seattle are marvels of beauty, and the city itself a striking witness of the "Seattle spirit."

Then, when the convention is over, there is the longed-for visit to the south—through the splendid cities of Tacoma and Portland, to San Francisco with its great exhibition, and on to Los Angeles with its activity and its charming surroundings, on to San Diego, where there is another exposition, and then home perhaps by the Grand Canyon of the Colorado, or the Arkansas and Green, and a stop at Great Salt Lake or the Yellowstone, Colorado Springs, and so on home, if one's home lies to the east.

These varied attractions ought to draw a large number, not only of bankers, but of others. The bankers could perform a useful service by urging their friends to take the trip also, for it is certainly delightful and instructive. The bankers' convention at Seattle is a strong magnet to attract the bankers, but the scenery, the interest attaching to visiting a new region, and particularly the great exposition at San Francisco, and the lesser one at San Diego, should also serve to draw many who are not bankers.



New Counterfeit \$5 National Bank Note

ON the United States National Bank of Owensboro, Ky.; series of 1902-8; check letter "B"; W. T. Vernon, Register of the Treasury; Chas. H. Treat, Treasurer of the United States; Portrait of Benjamin Harrison; charter number 9456; bank number 13761; Treasury number U352998A.

This counterfeit is apparently from etched plates, printed on two pieces of paper, between which silk threads have

been distributed. It has a faded appearance, the seal, numbering, and back of note being much lighter than the genuine. The bank number, which appears immediately under the portrait of Benjamin Harrison, is uncolored, being the original black of the photograph. The portrait of Benjamin Harrison is blotchy, or has a moth-eaten appearance. Altogether the counterfeit is a poor one.

“The Cause of the Allies”

By A BRITISH BANK OFFICIAL

IN the course of a sympathetic article in the May number of this MAGAZINE entitled “Fighting King Alcohol” there occurs this pregnant phrase, “What the Allies fail to perceive is that the overthrowing of one great combination of military power by another combination implies the supremacy of the latter, with the possibility of aggressiveness which not infrequently follows great victories.”

This one sentence reveals in a flash the American point of view which put more bluntly is that if both combatants are bullies what matter who wins. The writer of this present article is an Englishman and naturally his views may be tinged with race-prejudice, but I confidently assert that, on the contrary, the Allies are well aware of the point of view expressed in the quotation given above, and because I would like American opinion to be thoroughly convinced that England does not aspire to any kind of military autocracy in conjunction with her allies I venture to set down certain facts and broad lines of argument which, to an Englishman’s mind, wholly controvert the suggestion.

When war between Great Britain and Germany was declared on that fatal fourth of August of last year, the former had at her disposal a regular army of perhaps 180,000 men. Her territorial forces were at the best only partially trained. Contrast that with Germany’s millions of trained men with equipment ready to the last button on the last haversack, and it gives the lie immediately to any assertion that England was or is a nation with an aggressive military ideal. Her power certainly lay in her navy but the point to be insisted upon is this, that though England is the first naval power in the

world, she could not be an aggressive power with a great navy only at her command. It must always be borne in mind that England is an island of small area and that in consequence her navy is indispensable to her since her food supply comes almost entirely from “beyond the seas”—to borrow the lawyers’ quaint phrase. Germany is many times larger in area and therefore not in the same position, as her staying power in this respect has proved.

It may be argued further that a power which intended to be overwhelmingly military would not as England does, rely still on voluntary service even in the midst of the greatest war in her history. True, all sections of the British public do not agree on the maintenance of the voluntary principle and their continual cry is for conscription, but it says much for the ideals of the country generally that so far the British Government has taken no such measure. It may here be observed that had England had the mind to be a great dominating military power, surely she would have sought and found a *casus belli* long ere this in order to crush the Germanic powers before they attained their present strength, economic, military and naval. Indeed in some irresponsible quarters of English journalism, it has for years been suggested that we should ask Germany “Why these huge naval building for programs?” and failing a satisfactory reply, declare war at once. Needless to say, such a step was never even contemplated by English diplomacy.

Looking to the other side of the picture, it will hardly be denied by any unprejudiced observer that the tremendous military preparations made by Germany for years previous to this war are

an indication that she intended to become the greatest military power on earth. She had adopted the gospel of Blood and Iron. Like a Colossus she wished to stand astride the world as its conqueror. The peace of the world has been nigh broken by them many times in the last fifteen years, as witness the Kruger telegram, the Agadir and Panther incidents. Their literature teems with testimony to the undoubted fact that the Central European power whose Emperor and autocrat is William II, aspired to a military domination of the globe. The following incident would not, I am aware, be accepted as Court of Law evidence, but in the light of later events it bears the impress of truth. One of your countrymen, ex-Senator Beveridge of Indiana, writes that in an interview he had recently with M. Hanotaux, for many years French foreign minister, the latter related that twenty years ago the Kaiser, in conversation with the then Russian chief of the general staff, exclaimed, "I shall sign the peace of the world in London." The Kaiser has shot his bolt and the world waits to see the result.

Germany's intentions, however, are not, I think, in question, though it may be added as a final argument that the grounds on which Italy refused to enter the war were that her partners in the Triple Alliance were the aggressors. The point is rather, however, will the Allies when victory crowns their titanic efforts establish another military domination greater than its foes? Such will not be the case, and that for many reasons. Should it be attempted, history almost without exception teaches that an alliance formed for mutual defense if and when it degenerates into an aggressive partnership almost invariably breaks down. The attitude adopted by Italy in this war is an opposite case. Psychologically there is a world of difference in the bonds between nations for defense of high moral principles and those existing primarily to secure the aggressive domination of the contracting parties.

It will be remembered also that prior

to the war the British foreign minister definitely informed the French foreign office that England would not under any circumstances assist France against Germany if the former country were the aggressor.

Another important consideration is that, relatively speaking, neither England, France nor Russia has much to gain by aggression. England and France have colonies enough to satisfy their hunger for empire; Russia has vast natural resources which await development and of recent years she has awakened to the fact that her future lies in internal development and not external extension: she does not crave for territorial aggrandizement. There are certain prizes, no doubt, she will claim at the end of this war, but it will be remembered that the great suspicion under which Russian foreign policy lay for years was her envy of Britain's Indian possessions. But that has passed.

Finally, it is admitted by neutral countries the world over that the Allies, despite the utmost provocation of a ruthless foe, are conducting this huge struggle with due regard to the tenets of international law and the dictates of humanity. Friction at times there may be with neutral countries, but none denies that England's great foreign minister—Sir Edward Grey, is not open to fair argument.

The destiny of the world hangs in the balance; the choice is between Might and Right. Fate ordains that Right, to conquer its foe, must couple Might to itself. But the vital question is which ideal governs the contending combination and the answer, I think, is not in any doubt.



TO the above very temperate statement we should oppose but one objection, namely, that the writer has laid rather heavy stress upon a single sentence, separating it from its context and thus giving it an emphasis not intended by this MAGAZINE. In what was

said in the May number, we merely were inquiring whether the Allies, if victorious, might not themselves become imbued with something of that same spirit of military domination which they ascribe to Germany and against which they are contending. Our correspondent finds warrant for a lack of further ambition for territorial aggrandizement on the part of Great Britain and France in the fact that they already have colonies enough to satisfy their hunger for empire, and believes that Russia realizes that her interests lie in the direction of internal development. Presumably, though he does not say so, Japan has also satisfied its present territorial hunger by what has been gained from China, under a virtual threat of employ-

ing force. Italy seems still to have some unsatisfied longings.

The world must derive what security it can from the present satiety of the land-hunger of the allied powers, hoping that the struggle now going on may not result in increase of appetite.

Should either Germany or the Allies become the masters of Europe, it will imply the possession of vast powers. We have already expressed the opinion that the Allies would use those powers with moderation, but have addressed to them the reminder that they may themselves become the prey of that very ambition they ascribe to their foes. What a supreme test of nations, as of individuals, to wield almost omnipotent strength!—Editor BANKERS MAGAZINE.

The Woman and the Bank

By L. AND R. DEAN

WANTED! By 2,000 women in Your Town, a few inducements to open accounts with Your Bank. Only a slight expenditure of time and money needed to bring this business to Your Door. (Apply locally as needed.)

IF you picked up a copy of the "Weekly Barometer" of Your Town on a Saturday morning to find these words staring out at you from the front page, what would you do?

That ad. would be a true statement of fact in a majority of places outside the big cities, where for some years now catering to women in every branch of business, including banking, has developed into a highly specialized art.

Would you care for "full particulars"? If you would, perhaps some of the following tricks of the banking trade, which have proven successful in luring and holding the feminine account may be interesting reading and profitable of application.

How many women in Your Town are in the same position as this one? "I was talking with a woman just yesterday," said the manager of an uptown branch of one of New York's biggest banks, "who said she didn't open an account with us because she didn't 'need to.' I asked her if her husband didn't give her some money every month to run the house with. 'Oh, yes,' was the quick reply; 'he gives me \$300 a month, but I just keep it in the upper drawer of my bureau. I spend it all by the last of each month, so it wouldn't be worth while to put it in the bank.'"

A few wise words as to the unsafety of such a course of procedure and the convenience of a checking account won her over completely, and she then and there made her initial deposit with the significant words, "Why, I didn't know you would want the account!"



DO the women of Your Town know you want their accounts? Be sure to let them know it. They are the logical disbursers of a greater part of the family income, which in homes of moderate means finds its way monthly to the butcher, the baker and the candlestick-maker. Just the other day, a New York judge handed down the decision that a man need not pass over his pay-envelope to his wife of a Saturday night unopened. He might sneak out a quarter or so for a haircut, or fifty cents for carfare, but no one questioned the fact that he must hand over to her the major part of his earnings. To lure these from the tea-caddies, handkerchief-baskets, wrist-bags and more personal hiding places to the bank, en route to the landlord and tradesmen, it is absolutely essential to let the women know that it means good business for you and greater safety and convenience for them. Whether it be a simply worded statement in a conspicuous place in your local paper, or a pleasant invitation placarded in your ample window space, let them know you want them as depositors and also the amount of the monthly balance you would want them to keep. (Concessions in this latter are generally made to school-teachers and professional women, but that is a matter for personal adjustment later.) Many women do not open an account because they imagine you would want them to keep some impossible balance on hand, and like everyone else they dislike to ask and risk being told they are not desirable customers.

When a woman who has read your invitation, crosses the threshold of your bank for the first time, there should be

someone to step forward immediately and put her at her ease by finding out exactly what she wants and showing her how to go about getting it. To a woman unaccustomed to business, there is no more awkward moment than when she stands just inside the bank door, uncertain whether to try to see the president or the paying teller, and usually conscious of the rude stares of a number of clerks who are too busy to leave their work and find out what they can do for her, but not too busy to gaze at her curiously and then exchange whispered guesses with each other as to who she is, what she wants, etc., etc. One city bank had to make a special rule prohibiting clerks whose work was finished early from standing on the bank steps and staring at the women who went in. However, if there is some young clerk, preferably clean-cut and carefully dressed, of attractive personality, whose duty it is to greet newcomers who look about uncertainly, and pilot them safely to a proper destination, the awkward moment can be agreeably abridged.

If your bank is not large enough to warrant employing a "new account" man whose sole duty it is to attend to that branch, this young man should be possessed of sufficient knowledge to explain to the new depositor the essential details of handling a bank account. He must be patient and courteous above all, and over-ready with information rather than reticent, as women dislike to ask questions on unfamiliar subjects, thereby perhaps displaying their ignorance of the simplest business transactions, particularly in a bank.

Banking has never quite shaken off its age-old attitude of suspicion. Bank employes, unlike the law, always seem to regard customers as guilty until proved innocent. The slightest blunder is greeted with grave frowns and head-shakings, and the unfortunate person is usually made to feel that although the bank realizes fully her attempt to defraud it, they will let her go this time provided she never, never does it again. Women as a class are peculiarly sensi-

tive about making mistakes, and as they are usually peculiarly ignorant about most banking customs, the utmost tact and cordiality are necessary attributes of the clerk who assists them in their first transactions.

When considering who this clerk should be, you may be in the position of old Henry F——, president of a Boston bank a good many years ago. Young Henry, Jr., had just graduated from Harvard at a time when the courses in Greek, Latin and Hard Work were just easing up in favor of How to Tie a Bow Tie Correctly. The old man "put Henry in the bank" as a matter of course, and was very scornful of his lack of sound banking knowledge and of ambition to buckle down and acquire some. To his father, his thorough knowledge of social etiquette was no compensation. One day a small business matter came up which required no knowledge of banking principles, but considerable delicacy in the treatment of the feelings of the parties involved. "Oh, let Hank do it," said the old man, slightly; "his time ain't worth nothin'."

Now, almost every bank has its Henry (whose fathers are generally not so mercifully frank as to their limitations) and it is a good chance to make the most of his tactful manner and ability to dress well. These qualities count as very definite assets in the case of a woman opening an account, and the *per hora* value of his time will soar amazingly.



WHEN some Henry, then, has assisted the depositor to fill out the necessary blanks, and made out her pass-book (in attractive printing, if he writes poorly—in any case, neatly and legibly in ink which will not come off and soil her gloves the instant she grasps it), he usually has the task, one which requires considerable tact, of finding out exactly how well she knows various officers in the institution—whether well enough to warrant their taking up their time with a chat with

the new depositor. If she knows no one, Henry pilots her over to the women's receiving teller, if the bank has one; an individual who, like his associate, the women's paying teller, is a person of particular ability in dealing with women, unlimited patience to insist on her counting her money before leaving the window, endorsing checks right side up in the same form as on the face, etc., etc. *Women's* receiving teller, you note, not woman receiving teller. In very few cases has it proved advisable to introduce women clerks. At the risk of bringing the wrath of the suffrage hordes down upon my head, I can only say that women seem to be inherently distrustful of their sex's ability in such matters and prefer to do business with a man. Or it may be—well, that they just prefer to do business with a man. Let it go at that.

After the new depositor has concluded her transaction at the teller's window, she may then be given her choice of several attractive, dainty forms of check-books "made especially for her" with checks of varied hue, to suit the most capricious taste. She may choose suede or shiny leather of a color to match her party-box or wrist-bag, and it is hers only to decide what size and shape, as the bank has provided numerous kinds, from the business-like three-decker for the woman lawyer, perhaps, to the tiny one which folds up in three, that it need not protrude from her fashionable gold-mesh purse.

Henry now advises his companion to *print* her name in her new book (so that in case of loss a finder of unknown ethical standards will not be conveniently furnished with a specimen signature), and this she does at a desk with a plate-glass top. This not only has the advantage of always being scrupulously clean and never soiling her white gloves or filmy sleeve, but also permits her to see distinctly the various compartments beneath, which hold deposit-slips, folders of interest, perhaps blank checks, etc. This has been found a great convenience for banks of any clientele, as the customer is reminded

automatically of any need of deposit tickets., etc., and the slips themselves are kept neatly piled where they do not blow around, soil or grow mussy, yet are easy of access.



NOW, if the customer be a woman of considerable means, whose monthly balance will compensate for much trouble in her behalf, she will be apprised of several interesting ways in which the bank would like to serve her.

If her check-book defies all rules of feminine arithmetic, and stubbornly refuses to balance with her pass-book, she need not (as ordinary mortals) write

November 2d Error Minus
 \$10.00

(it always is minus, of course); but she may bring the offending books blithely in, deposit them with some unlucky clerk designated for the purpose of untangling, not mercifully cutting, Gordian knots, and trip light-heartedly away. Next day, her morning mail will bring the books neatly reconciled, and she is more than ever positive that she has made a wise choice in selecting a kind and humane institution which will not permit its fair depositors to puzzle their brains over tiresome figures.

Has she an income? Is it taxable? One more burden has the white man had to shoulder for his weaker sister during the last couple of years. For some time past the bank has taken upon itself the duty of receiving and crediting dividends, semi-annual mortgage interest, etc.; but now not only does it collect income, but compute the intricate tax thereon. No slight service, may it be remarked, but a very arduous and much-appreciated one.

Does the fair depositor's balance run well into six figures? If so, you may not be surprised to find she is used to turning over the numerous bills attendant on the running of her elaborate

menage, the purchase of her extensive and expensive wardrobe, and a thousand and one other social obligations, to her bank to pay. However, this is a service which will not be often demanded of the average country banker, for which he should be duly thankful.



THERE is also a service which the large city bank renders women which it may be as well to include, for it is intimately connected with a department comparatively new in banking, but already firmly established and rapidly growing in importance and popularity—the bond department. This department not only shares in the underwriting of bond issues for various enterprises or countries, but buys and sells securities for its own account or for its customers. (How an old-time banker would recoil at the horrifying sight of an officer seated at the Stock Exchange ticker tape, hanging on its writhing abbreviations like that most degraded of gamblers, a Wall Street broker!) And here to this department may the rich widow, for years considered fair prey for the family lawyer and financial sharper alike, come for advice as to her investments. It goes without saying that any bonds which a bank recommends to its customers for purchase are believed to be sound. What the bank sells it has first bought. In common with the better bond houses, moreover, it will often take off a client's hands an investment which has turned out badly and for the purchase of which it is responsible. The moral obligation here is strong.



TO return to our supposititious new depositor. It is time her attention is called to the safe-deposit vaults. This is a type of bank service which is oftenest, yet still too seldom, advertised. Has she jewels she rarely wears? Has she silver she must leave

in the custody of a neighbor every time she closes her home? Where does she keep the deed or lease to her house? Has she not some treasured keepsake she fears may sometime be burned or lost? If you have not asked her these questions through the medium of your local paper, ask her now. The rental of a safe-deposit box is cheap enough burglar and fire insurance. Besides, it is a guarantee of safety, not a promise of substitution of mere money for priceless belongings.

Undoubtedly, before the new depositor leaves the bank, she will want to telephone some one. If the bank is foresighted, as well as eager to please, it will show her to an instrument in a nook a little apart from the bustle of the main room, yet not so secluded as to invite unduly prolonged conversations with dear Ethel or Alice about Tommy's measles or the new cook's flaws of character. Careful study of the location of such a telephone will be amply repaid.

If the bank is large enough and clever enough, it may with profit devote an entire room of its valuable space to the use and comfort of its women depositors. This room may not, for the reasons stated above, contain the telephone consecrated to their use. For similar reasons its own location should be a happy medium between remote inaccessibility and a place so handy as to invite abuse of its privileges. This principle a large Boston trust company has learned to its cost. Their own delightfully-situated women's apartment was reached immediately on entering, without the bother and annoyance of passing through the main banking-room at all. In consequence, its attractions were daily enjoyed by not only the institution's own customers, but by hundreds of other women, who, alas, felt on their part no obligation to open an account. The trust company in question, being renowned for business instinct and no philanthropist, wisely closed its too-inviting quarters and reopened them in another part of the building, where no one unentitled to

their benefits could go without first being exposed to the gaze of the officers of the institution and to the pricks of their own guilty consciences—a psychological point well worth keeping in mind.

In all other details, however, the bank cannot be too eager to please. Luxurious furnishings, rivalling those in the homes of even its most wealthy depositors, may be installed. Flowers will aid in creating an atmosphere pleasantly unsuggestive of business. There should be a long mirror, in which madame may survey the *ensemble* of her toilette, and still more secluded retiring-room where she may rearrange her hair, assisted by a trim maid in attendance. Should she wish to while away a quarter of an hour before some other engagement, the usual women's magazines may be ready to her hand—and eye. And when at last she emerges from her charming and restful environment on her way to leave the bank, it will be, not with the relief felt at the completion of most business transactions, but with real regret.

At the door Henry—we had almost forgotten him—thanks her again for the privilege of her account, and with a smile and a "You may find this of service," places in her hand a small booklet. Outside in her motor, or once more at home, she finds it to be a handy digest and reminder of those points of banking and commercial law with which she is likely to come in contact. We spoke above of the instinctive feminine aversion to asking questions. Such matters as the proper endorsing of checks, for instance, are to the average woman the deepest of mysteries. This booklet will tell her all she needs to know for the every-day handling of her bank account with the minimum of trouble and annoyance, and obviate the many mistakes to which she is liable through ignorance. Such a pamphlet may, modestly bearing the bank's advertisement, be mailed with profit to desirable prospective customers, and will often overcome their reluctance to open an account by making clear the

merely technical, but none the less confusing, details of banking practice.



OUR fair depositor has now completed her first transaction with our imaginary bank. It is a well-warranted assumption that relations so pleasantly established will be lasting. At all events, do not the methods outlined seem worth a trial in Your Bank? Start to-day to apply in the daily routine of your institution the service-features just described. These ways and means have been gradually worked out by New York city banks who are

glad to number many thousands of women among their depositors. The eternal feminine does not vary to any considerable extent with the latitude and longitude of the country, and you will find surprisingly many points practicable to adopt and productive of quick and satisfactory results. More and more will you find this class of business coming to your doors, and more and more will you find cause for self-congratulation that you "answered the ad." which appeared at the beginning of this article and devoted a little time to the study of How to Attract the Woman to the Bank.

Banking and Commercial Law

LEADING CASES OF THE MONTH

Forgery

MISSOURI.

Raised Check—Money Paid Under Mistake of Fact.

St. Louis Court of Appeals, March 2, 1915—Rehearing Denied March 16, 1915.

M'CLENDON ET AL. VS. BANK OF ADVANCE.

Under Rev. St. 1909, Section 10032, providing that the acceptor by accepting a negotiable instrument admits the genuineness of the drawer's signature, a bank, by accepting and paying a check thereon, in the hands of one who received it in due course and good faith, or, what is the same thing, charging them to the account of the drawer and passing the amount thereof to the account of the depositor, is precluded from disputing the forged signature of the drawer.

A bank, by paying raised checks drawn on it, is not concluded thereby, but on the ground of mutual mistake it may recover the amount that they had been raised; it, as well as the depositor, having acted in good faith. (174 S. W. Rep.)

ACTION by Ella McClendon and another, partners as Ella McClendon & Co., against the Bank of Advance. Judgment for plaintiffs, and defendant appeals. Reversed and remanded.



STATEMENT OF FACT AND OPINION.

NORTONI, J. This is a suit for a balance of deposits made by plaintiffs with defendant bank. Plaintiffs recovered, and defendant prosecutes the appeal.

Plaintiffs, Ella McClendon and William McClendon, are copartners and as such conduct a mercantile business or store under the firm name of Ella McClendon & Co., at Sturdivant, while defendant is an incorporated banking institution doing business in Advance, a place not far distant from Sturdivant.

The suit involves one item of \$108.67,

said to have been deposited by plaintiffs with defendant on August 3, 1910, and for which it is asserted defendant gave plaintiffs credit on the books of \$8.67 only, and the amount in dispute with respect to this is \$100. This matter may be put aside for the present in the view we take of the case, because other items of deposit which are said to involve certain altered or raised checks and two forged checks are for immediate consideration, in view of the fact that the court obviously misdirected the jury with respect to the law of the case touching raised checks, and treated them all under the rule pertaining to forgeries of the signature of the drawer.

The facts relevant to the matter for present consideration are substantially as follows: Plaintiffs conducted a store at Sturdivant and maintained a checking account with defendant bank at Advance, with which they made frequent deposits, while James Kinder & Son, copartners, conducted a sawmill near by at Eaglette. James Kinder & Son maintained a checking account with defendant bank, made deposits therein and drew checks thereon. In conducting the sawmill business, James Kinder & Son paid their workmen by issuing checks to them on defendant bank, and such checks were usually presented to plaintiffs, Ella McClendon & Co., at their store at Sturdivant and cashed by them. After having cashed the checks, it appears plaintiffs forwarded them by mail to defendant bank for deposit.

Upon receipt of the checks thus forwarded by plaintiffs, the bank would deposit them to the credit of plaintiffs, Ella McClendon & Co., and charge the account of James Kinder & Son with the amount so credited. During the summer of 1910 James Kinder & Son were informed by the bank that their account was overdrawn and went about investigating the matter, for it is said there should have been a balance to their credit at that time. The investigation revealed that some five checks, issued by James Kinder & Son to as

many different men in their employ, had been altered or raised in the amount after issue, and were cashed by plaintiffs at their store, and deposited in defendant bank by plaintiffs, for which they received credit.

Moreover, two checks appeared to have been forged—that is, the signature of James Kinder & Son forged thereto—and those checks were likewise cashed by plaintiffs at their store and forwarded to the bank and deposited to their account. All of those checks either raised or forged were charged at the time for the amounts appearing on their face to the account of James Kinder & Son in the bank.

The several altered checks—that is, checks raised in amount—were as follows: James Kinder & Son had issued a check in favor of James Reagan for \$14.60, and this check was raised in amount so as to appear to be for \$44.60, and, being so raised, was deposited by plaintiffs in defendant bank to their account. James Kinder & Son had issued one check in favor of Bill Reagan for \$3.78, and this check was raised in amount so as to appear to be a check for \$30.78, and, after being so raised, was deposited by plaintiffs in defendant's bank, for which they had been given credit. James Kinder & Son had issued one check to James Davis for \$16.04, and this check was raised in amount so as to appear to be a check for \$66.04, and, after being so raised, was deposited by plaintiffs in defendant bank, for which they were given credit. James Kinder & Son had issued one check to Albert Davis for \$17.74 and this check was altered and raised in amount so as to appear to be a check for \$70.74, and, after being so raised, was deposited by plaintiffs with defendant bank, and they were given credit therewith for such amount. James Kinder & Son had issued one check to James Fielding for \$17.89, and this check was raised in amount so as to appear to be a check for \$77.89, and, after being so raised, was deposited by plaintiffs with defendant bank to their account, and for which they were given

credit. All of the checks above mentioned were duly indorsed by the respective payees mentioned therein to plaintiffs.

It appears, too, that plaintiffs deposited with defendant bank one check for \$250, purporting to have been issued by James Kinder & Son in favor of James Fielding, and that they received credit for such amount in their account with the bank. This check purports to have been signed by James Kinder & Son and indorsed by James Fielding to plaintiffs, though the signature of Kinder & Son is said to be a forgery. Also plaintiffs deposited with defendant bank one check for \$150, purporting to have been drawn by James Kinder & Son in favor of Charles Castor. This check appears to have been indorsed by Charles Castor and James Fielding to plaintiffs, and appears to have been signed by James Kinder & Son, though their signature to the check is said to be a forgery.

At the time of the deposit of the several checks mentioned by plaintiffs in defendant bank, the bank credited plaintiffs' account with the amounts represented on their face after being so raised, and charged such amounts against the account of their customer James Kinder & Son, and it appears the overdraft above referred to was thus occasioned. Investigation revealed circumstances of suspicion, at least against plaintiffs, tending to suggest that Ella McClendon, of the firm of McClendon & Co., had altered and raised the several checks above itemized after having purchased them from the payees and before depositing them with the bank, and also it may be that she had forged the name of James Kinder & Son to the two checks—one for \$250 and the other for \$150—likewise the indorsements thereon, and deposited them with defendant bank.

It is true there is no direct evidence to this effect, but the case abounds with circumstances giving rise to a strong inference suggesting that Ella McClendon, who it appears was the manager of plaintiffs' store and conducted the busi-

ness generally pertaining to the cashing and depositing of checks, altered or raised the amounts of the five checks above itemized and, it may be, forged the signatures to the check for \$250 and the one for \$150. In this view, defendant bank insisted on plaintiffs, Ella McClendon & Company, making good the entire loss entailed, and withheld a sufficient amount of money of plaintiffs on deposit to that end. Plaintiffs insisted that the checks which appear to be raised in amount were altered and raised before they cashed them, and there is an abundance of evidence tending to prove that the forged checks were signed James Kinder & Son, by A. T. Kinder, of that firm. Four other witnesses gave evidence, tending to support the testimony of Ella McClendon with respect to the alleged forgeries, that such checks were genuine and actually drawn by A. T. Kinder, and the evidence on the part of plaintiffs is abundant to the effect that all of these checks were received by them in due course and in good faith for the amount they appeared to represent at the time they were deposited with the bank.

In other words, there is an abundance of evidence on the part of plaintiffs tending to prove that the \$150 and the \$250 checks involved were genuine and not forgeries at all, also that the five checks which appear to have been altered and raised in amount were raised, if at all, before being presented to plaintiffs at the store for the purpose of being cashed, and this, too, without the knowledge of plaintiffs. Defendant bank continuing in its refusal to pay plaintiffs the balance represented by the respective amounts, the several checks were raised and those of the forged checks as well, also the \$100 discrepancy on the item of deposit on August 3, 1910, plaintiffs instituted this suit to recover the same.

From what has been said, it appears that there are two classes of checks to be considered here: First, five separate checks which bore the genuine signature of the drawer and the genuine indorsement of the payee, but were al-

tered by some one through being raised in amount after they were issued; and, second, two separate checks which are said to be forgeries, in that they bore a spurious signature. Two separate and distinct rules of law obtain with respect to the different subject-matters, for as to the altered and raised checks defendant bank is not concluded by the mere act of acceptance, while such may be true, in a proper case, in so far as the forged signature of its customer is concerned, for the bank is presumed to know the signature of its depositors. But the court treated both subjects on the same plane—that is, as if defendant bank was concluded by its acceptance of the raised checks from a holder in due course and in good faith precisely as if they were forgeries, in that they bore the forged signature of its customer, the drawer, and such is not the law. It is entirely true that the acceptor, by accepting the instrument—and a bank who pays the check of its customer is such—admits the existence of the drawer, the genuineness of his signature, and his capacity and authority to draw the instrument, and the existence of the payee and his capacity to indorse. See section 10032, R. S. 1909. In so far as the two alleged forged checks are concerned—that is, those which bore the alleged spurious signature of James Kinder & Son—the bank is concluded by its acceptance and payment of them from disputing the signature of its customer, provided, of course, that Ella McClendon & Co. received such checks in due course and good faith. See *Bank vs. Bank*, 148 Mo. App. 1; *Missouri, etc., Trust Co. vs. Third Nat. Bank*, 154 Mo. App. 89. But such is not true with respect to the five checks, above described, which bore the genuine signature of James Kinder & Son, the drawer, and were altered or raised after their issue. Touching these, the mere acceptance as by receiving and cashing them—that is charging them to the account of Kinder & Son and passing the amount they represented to the account of plaintiffs—in no wise concludes the bank if it was without fault, for such

a matter is reckoned with in the law on the ground of mistake, where it appears both the bank and the depositor are innocent; that is, act in good faith.

In such circumstances, both the Supreme Court of the United States and our own Supreme Court thus state the law on the subject:

“The principle that money so paid under a mistake of the facts of the case can be recovered back is well settled, and in the case of raised or altered checks so paid by banks on which they were drawn there are numerous well-considered cases, where the right to recover has been established, when neither the party receiving nor the party paying has been in any fault or blame in the matter.”

See *Espy vs. Bank of Cincinnati*, 18 Wall, 604; *Third National Bank vs. Allen*, 59 Mo. 310, 314. Therefore, though it appears that plaintiffs received these altered and raised checks in good faith and without fault and deposited them with defendant, who accepted them likewise in good faith and without fault according to their raised amounts, defendant may withhold a sufficient amount to reimburse the losses entailed on account of them alone—that is, the amount of the respective checks were raised—for it is entitled to this on the grounds of mistake. It goes without saying if plaintiffs raised the checks, as defendant's evidence tends to prove, or took them with knowledge of the fact of their being altered and raised, no right of recovery exists on the part of plaintiffs with respect to such raised amounts, for obviously such savors of fraud.

Then, too, if plaintiff Ella McClendon forged the name of the drawer, James Kinder & Son, to the two checks—one for \$250 and one for \$150—and deposited them with defendant, the bank ought not to be concluded as to these on the presumption that it is bound to know the signature of its customer, for no one may be allowed the benefit of his own wrong, and such would be the result in denying defendant bank the right to show the fraud

and covin of the forger, and thus awarding to the wrongdoer the benefit of the forgery. The court instructed the jury at the instance of plaintiff as follows:

"The court instructs the jury that if you believe from the evidence that the plaintiffs during the year 1910, and not later than August 3, 1910, delivered to defendant bank various sums of money, drafts, and checks representing money of which plaintiffs were innocent holders for value, for deposit, and that defendant placed the same to the credit of plaintiffs and subject to plaintiffs' checks, and subject to withdrawal by plaintiffs, at and before November 15, 1911, and if you further find from the evidence that plaintiffs drew out of defendant bank all of said sums of money except the sum of \$734.67, or any other sum, and that plaintiffs have demanded payment, and that payment has been refused by defendant, your verdict will be for the plaintiffs."

This instruction authorizes a recovery on account of both of the raised checks and the forged checks as if they were under the rule of law which obtains with respect to the forgeries of the signature of the depositor and is erroneous in so far as the raised checks are concerned. The error seems to run throughout the case, for it appears in other instructions as well and is manifestly prejudicial.

The judgment should be reversed and the cause remanded. It is so ordered.

(174 S. W. Rep. 203.)



Ultra Vires

OREGON.

Right of National Bank to Act as Loan Broker—Right of National Bank to Borrow Money.

Supreme Court of Oregon, Feb. 23, 1915.

BYRON VS. FIRST NAT. BANK OF ROSEBURG.

A national bank cannot act as loan broker in lending depositor's money to third person.

ACTION by Elizabeth Byron against the First National Bank of Roseburg, Oregon, a corporation. Judgment for plaintiff, and defendant appeals. Affirmed.



STATEMENT OF FACT.

THIS is an action to recover certain sums of money which plaintiff claimed to have loaned to the defendant bank. The complaint alleges, in substance, that between about the 6th day of February, 1905, and about the 17th day of June, 1911, the said plaintiff was a customer and patron of the said defendant bank, and during said time deposited large sums of money with said bank, and from time to time checked out portions of the same; that during said time it was understood by and between the plaintiff and defendant that the defendant might use and borrow from the plaintiff of said moneys to her credit as a depositor in said bank such sums and at such times as might be desired by the said defendant, and to pay plaintiff interest thereon; that between said dates the said defendant borrowed from plaintiff from said amounts to the credit of the said plaintiff at various times and in various amounts, and at various times and in various amounts repaid a portion of the same by depositing moneys and credits to the credit of plaintiff in its said bank, and thereby repaid all of said sums so borrowed, excepting an aggregate amount of \$3,254.25, which said balance of \$3,254.25, together with \$959.83 interest, is due and owing from defendant to plaintiff on account of said transactions. The answer alleged that all the dates set out in the complaint plaintiff was a customer and patron of the bank and from time to time deposited and checked out large sums of money from the same, and made general denial of all the other allegations of the complaint; containing this further affirmative defense:

"For a further separate, and affirmative defense to plaintiff's cause of action,

defendant alleges that on or about the 17th day of June, 1911, the defendant rendered and delivered to the plaintiff a true and correct statement of her account with the defendant, showing that all the moneys deposited with the defendant by the plaintiff had been withdrawn by her and her account had been balanced; that said account so rendered and stated to the plaintiff by the defendant was acquiesced in and approved by the plaintiff, and the plaintiff never made any objection to the defendant to said account as so stated to the defendant."

The new matter in the answer having been put in issue by the reply, a trial was had, and a verdict for plaintiff was rendered by the jury for the sum of \$3,254.25. From a judgment upon this verdict, defendant appeals.



OPINION OF THE COURT.

MCBRIDE, J.: (after stating the facts as above). The fact that plaintiff deposited \$3,254.25 more in the defendant bank than she herself checked out is clear. The only question arising on this branch of the case is whether she authorized T. R. Sheridan in dividually to check out the money and lend or use it for himself, or whether she contracted to lend it to the bank. The evidence discloses the fact that Sheridan was president of the bank and active in its management; that when plaintiff transacted business with it she usually transacted it with Sheridan if he was present, but with the other employes in his absence. The plaintiff, a woman past 60 years of age, had by inheritance from her husband resently become the owner of a deposit made by him in the defendant bank, which amounted in all to about \$3,000. Shortly after her husband's death, she went to the bank to make a further deposit, when she had a conversation with Sheridan, which it is claimed constitutes the contract sued upon. The whole conversation was as follows:

"Just when I was leaving there (referring to the bank), T. R. Sheridan said, 'Mrs. Byron, you have got too much money in the bank to be laying idle,' and I says: 'What will I do with it? If I loan it, I will lose it.' And he says, 'I will keep it working and give you seven per cent. and keep one per cent. for the bank.' Those are just the words that he said. * * * That was all that was said. That was all the bargain that was made. * * * I said, 'All right, for if I loan it I will lose it.' He was president of the bank and doing busiess for the bank, I suppose."

Later the following question was asked, and the answer was permitted over defendant's objection and exception:

"Q. Who was you dealing with, the bank or with him? A. The bank; he was president of the bank. * * * Mr. Sheridan was president of the bank, and when I wanted money I went to the bank and got it."

Putting aside for the present the question of the authority of the president to borrow money on behalf of the bank, we will determine whether this testimony was sufficient to justify the jury in finding that the contract was made on its behalf, or whether it merely discloses a contract between plaintiff and Sheridan individually to act as a broker for plaintiff in lending her money to third persons. It may be conceded, and it is the law, that a national bank cannot act as a broker; so, if the contract is to be construed in that aspect, plaintiff's case must fail. It is either a loan to the bank or a private transaction with Sheridan. It is a rule of law that, where a contract is reasonably susceptible of several constructions, that must be taken which is most favorable to the promisee. *Hoffman vs. Aetna Ins. Co.*, 32 N. Y. 413; *Moore vs. Aetna Ins. Co.*, 146 Pac. 151, decided by this court February 16, 1915.

From the authorities cited in the foregoing cases, we also derive the rule that in such instances the court will consider the relations of the contracting parties

with a view of determining how the promisee must reasonably have understood the contract. In this case we find, on the one hand, a woman evidently unaccustomed to business and evidently so distrustful of her own capacities as to be afraid to lend her money. She is in a bank, displaying no doubt the usual evidences of wealth and solidity calculated to impress her with confidence that in its hands her little hoard would be entirely safe. That she had such confidence is shown by the fact that she had allowed her money derived from her husband to remain there, and for the second time since her husband's death had that day made an additional deposit of a considerable amount. She feared to trust individuals, but to her the First National Bank of Roseburg was the emblem of solidity, and, when the president of that institution advised that her money ought not to lie idle, but that he would keep it working and give her seven per cent., and take one per cent. out for the bank, she no doubt thought that he was speaking for the bank, and that it was the responsible party. There is no testimony to indicate that she had ever at any time had any business relations with Sheridan personally, or even any acquaintance with him, except that derived from her transacting business at the bank, and, under the circumstances, it is reasonable to infer that she supposed the bank would take her money and use it for its own purposes.

She was in the bank talking to the president, who was bargaining to make one per cent. out of the money for the benefit of the bank, and she no doubt thought she was lending the money to the bank, and that its intention was to relend it at a higher rate of interest. Her intent in the matter was to lend her money to a safe debtor. Perhaps, her idea as to how the bank would make any profit on such a transaction may have been a little hazy, and a man accustomed to business would have hesitated to enter into the transaction without further inquiry; but there is enough here to authorize a jury to infer that she thought she was lending the money

to the bank and that Sheridan intended she should think so. That he intended she should still have this impression is shown by the statement furnished her in May, 1906, when she asked for a statement of the interest that had accrued, and received the following:

"First National Bank. No. 4624. Roseburg, Oregon, May 5, 1906. We credit Mrs. John Byron on \$3,000, as interest, \$210. T. R. Sheridan."

The late Roscoe Conkling once remarked that only three classes of persons were privileged to use the pronoun "we" in reference to themselves individually, namely, "editors, emporors, and men with tapeworms"; and it is common experience that nobody uses the plural noun when writing in regard to business pertaining to himself as an individual. The "we" was calculated to, and no doubt did, convey the impression to Mrs. Byron that the statement furnished was that of the corporation, and not of Sheridan personally. Having arrived at the conclusion that there was evidence sufficient to go to the jury that Sheridan actually made the contract on behalf of the bank, and that the loan was to the bank and not to him personally, the next question confronting us relates to his authority to bind the bank by such a contract.

The power of a national bank to borrow money except in emergencies was seriously questioned in some of the early cases, as may be seen from the authorities cited. Magee on Banks and Banking, p. 351, contains an exhaustive discussion of the subject; but the latter authorities seem to indicate the general adoption of a broader rule. 1 Michie on Banks and Banking, Sec. 97, and authorities there cited. We conclude that the contract in question was one which it was in the power of the bank to make.

A more serious question is that of the authority of Sheridan to make it. It seems to be a general, though not universal, rule that the president of a bank as such does not possess power to borrow money without express or implied authority from the board of directors, and there are cases in which the lender

has been denied a recovery where large sums have been loaned upon the solicitation of the president of the debtor bank without this authority having been conferred upon him. *Western National Bank vs. Armstrong*, 152 U. S. 346, 14 Sup. Ct. 572, 38 L. Ed. 470.

But while the president may not have such technical authorization as empowers him in the first instance to secure the loan, it does not follow in all such cases that the creditor must lose his money. The bank may actively or passively conduct itself with reference to such a transaction as to be estopped from asserting that the transaction was beyond the power of the particular officer to enter into, and by its negligence and lack of supervision place itself in, a position where to allow it to avoid the transaction would be to permit it to perpetrate a fraud upon the creditor. *Alldrich vs. Chemical National Bank*, 176 U. S. 618, 20; *Wyman vs. Wallace*, 201 U. S. 230; *Poppleton vs. Wallace*, 201 U. S. 245; *U. S. National Bank vs. First National Bank*, 79 Fed. 296; *Merchants' Bank vs. State Bank*, 10 Wall. 604. While none of the authorities above stated are parallel in all their features with the case at bar, we may fairly deduce from them the general rule above stated. In the instant case, the testimony tends to show that Sheridan was practically the manager of the bank and prominent in its affairs; that he was permitted to check out from the moneys sued for here, signing Mrs. Byron's name to memorandum checks without any question as to his authority to do so, and without any written authority. It is fair to assume that no person outside of the circle of bank officials would have been allowed to check out a single dollar without some demand being made upon him for authority from his principal for so doing. This he was permitted to do evidently because of his position, and this custom extended over a period of more than two years and could not have escaped the notice of other officials of the institution if they had been at all attentive to their duties. The presumption is that they did know,

and, if they knew, they must have acquiesced. It is a significant fact that Sheridan was in the vicinity at or near the time of this trial and was not called by the defendant to explain this transaction by which, under color of his office as its president, a large proportion of plaintiff's savings had been drawn out; for what purpose or for whose benefit does not clearly appear. The plea of an account stated cannot prevail. It does not purport to be a full statement of all transactions between her and the bank, but is merely a writing or summary of her deposit account showing what sums had been drawn out. Under her contract with the bank, she, no doubt, expected Sheridan or some other official to draw out the money, and the casual credit of certain notes in the account is too equivocal to charge her with notice that the money was being loaned on her account. From the whole case it appears that the defendant through its president decoyed an ignorant old woman, who relied upon the credit of the bank, into making an equivocal contract, whereby she must probably lose her money unless the defendant pays it, as in good morals it ought to do. Under such circumstances, courts will not be astute to search for technical reasons to enable the defendant to escape from the consequences of a contract made for it by its chief officer.

The judgment is affirmed.
(146 Pac. Rep. 516.)



Books of Account as Evidence

NEW YORK.

Proof of Error in Crediting Deposit by Evidence That Books Were in Balance.

Supreme Court, New York, Appellate Term, March 17, 1915.

JENNINGS VS. LINCOLN NATIONAL BANK,
MARCH 17, 1915.

Evidence that error had been made in crediting deposit examined and held insuffi-

cient to sustain a verdict finding that the entries of two separate deposits of the same amount on the pass book and duplicate slips of the depositor and on the bank's books were erroneous and that there was but one deposit of the amount.



ACTION by Mary W. Jennings against the Lincoln National Bank. Judgment for defendant, and plaintiff appeals. Motion for reargument upon the appeal granted, judgment reversed, and new trial ordered.



STATEMENT OF FACT AND OPINION.

GUY J.: The motion for a reargument herein is granted. The controversy is as to whether there were two deposits of \$300 each, made by plaintiff in defendant bank, one on the 7th day of May, 1908, and the other on the 15th day of May, 1908, or whether there was but one deposit of such amount. The defendant conceded in open court that a deposit of \$300 had been made by plaintiff on May 15, 1908, upon being confronted with documentary evidence in the form of a duplicate deposit slip of that date, signed by an authorized employe of the bank, with whom plaintiff testifies she left the money for deposit after banking hours. Plaintiff also introduced in evidence her bank deposit book, in which there appears an entry, under date of May 7, 1908, of another deposit of \$300. The defendant denied that there was any deposit made on May 7, 1908, of any amount, claiming that the entry of a deposit of \$300 on that date in plaintiff's deposit book, and a similar entry in the loose-leaf ledger kept by defendant, was erroneously made, and that said deposit was, as matter of fact, the deposit made by plaintiff after banking hours on May 15, 1908. In support of this contention, defendant introduced evidence as to the

method of receiving and recording deposits which prevailed in the bank, and further evidence to the effect that during the month of May, 1908, there was no difference in the balancing of the books of the bank of an amount of \$300, or thereabouts, and urged that, had plaintiff made two deposits of \$300, and been credited with one such amount, of necessity the books would not have balanced, and would have shown a difference of \$300. This contention of defendant is not entirely convincing, because, through an erroneous crediting of the deposit of May 7th to the account of another depositor, the books would have balanced.

Plaintiff further meets this contention of defendant by producing written evidence of her deposit in the form of a duplicate deposit slip, crediting her with a deposit of \$300 as of May 7, 1908, which she testified was given to her by defendant's assistant cashier a considerable time subsequent to May 15, 1908, after the assistant cashier had communicated with the clerks in the bookkeeping department and obtained the information set forth in the duplicate deposit slip. The assistant cashier testifies that he sent the slip up to the bookkeeping department, apparently with only the name of the plaintiff depositor written thereon, and received from that department the information from which he finally made out or completed the slip which he delivered to plaintiff. When asked where the clerks in the bookkeeping department would go to get such information, he testified, although he had previously stated that he had no personal knowledge in the matter, that they would go to the teller's ledger. The clerk who received the slip in the bookkeeping department and furnished the information to the assistant cashier was not called as a witness, nor was his absence accounted for. The evidence does not disclose whether he got his information from the teller's ledger or from an inspection of an original deposit slip. The president of the bank, Mr. Warren, testified as follows:

"The modous operandi of receiving a

deposit from ladies is that it goes to the receiving teller on the female side of the bank, where there is a separate window. He receives the deposit and enters it in the passbook, and the deposit ticket is checked by an assistant, who enters it in the teller's deposit book, then the deposit ticket is sent to our bookkeeping department, which is on an upper floor, and is entered into a daily balance ledger of which there is a daily proof taken. The deposit ticket then goes to the original book of entry, known as the 'teller's ledger.' The deposit slip is then entered into a deposit book, known as the 'book of deposit entries' in the bookkeeping department, run by a third man or assistant, known as a 'debit and credit clerk.' Then it is filed away and retained in the bank records of the deposits of the day."

It is hardly conceivable that, under the system of daily balancing of books which prevails in banks, an erroneous entry in the loose-leaf ledger and in the teller's deposit book, referred to by the president of the bank, could have been made on May 15, 1908, or on the morning of May 16, 1908, erroneously crediting plaintiff with a deposit as of May 7, 1908; but, assuming that such a thing is possible, it is not credible, in the absence of further explanation, that a second error of the kind could have been committed, after the controversy had arisen as to whether there were one or two deposits, by still another clerk, on whose information the assistant cashier made out a duplicate deposit slip as of May 7th. At least the testimony of each one of the clerks connected with such erroneous entries is essential to the proper disposition of the case. The evidence is vague and unsatisfactory as to who made the original entry in plaintiff's deposit book; the witness Witter, apparently, having merely initialed the entry with the letter "W." The clerk or assistant who made the entry in the deposit book originally should have been called as a witness, or his absence accounted for; also the clerk who kept the loose-leaf ledger and made the alleged erroneous entry in that book. No reasons were

given for the failure to produce these witnesses.

The learned trial judge committed reversible error, which, in the light of all the evidence, was highly prejudicial to plaintiff's case, in allowing the assistant cashier, Steubing, over plaintiff's objection and exception, to give the following testimony:

"Q. Now, look at that book and tell me whether or not, after your recollection has been refreshed, this lady, the plaintiff, made a deposit in your bank on the 7th day of May, 1908. A. She did not."

The witness having previously testified that he had no personal knowledge or recollection whatever in connection with the transaction, and did not make any of the entries in the book, the admission of this evidence was, in effect, permitting the witness to assume the function of the jury in determining the only vital issue in the case.

To properly dispose of this unfortunate controversy, it is essential that all doubt as to the actual occurrences should, as far as possible, be removed, and all material evidence produced. For this purpose a new trial is necessary.

The judgment must therefore be reversed, and a new trial ordered, with costs to the appellant to abide the event.

(152 N. Y. Sup. p. 1.)

Bijur dissenting.

Replies to Law and Banking Questions

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

SAVINGS DEPARTMENTS IN NATIONAL BANKS.

Editor Bankers Magazine:

SIR—In the May number of your MAGAZINE we notice an article on "Savings Departments in National Banks Under the Federal Reserve Act," written by Wm. H. Kniffin, Jr., in which he cites the Federal Reserve

Board's letter of January 15, in regard to what constitutes savings deposits. In the paragraph beginning at the bottom of the first column of page 589 Mr. Kniffin suggests that national banks have one of their rules reading that the bank will ordinarily pay savings deposits on demand, but reserves the right to require thirty days' notice. In my opinion a rule like this would make the deposits demand in place of savings. Am I right? In the next paragraph he gives the amount of reserve required, which would be correct; but we can not see why anyone would give a notice of withdrawal when the account was "ordinarily payable on demand."

I would be willing to accept Mr. Kniffin's interpretation of the board's ruling as given in the article referred to, if it would conform with the spirit of the board's definition. I would thank you to advise me whether or not this rule would be correct for savings deposits under the Federal Reserve Act.

Thanking you for your attention, I am, etc.,

CASHIER.

ANSWER: A careful reading of the regulations of the Federal Reserve Board issued January 15 and covering time and savings accounts will establish the following points: (1) That the Board intends to allow a reduction in reserves held against certain deposits, as contemplated in the act; such reduction being "intended to apply only to deposits under written agreement not to be withdrawn within thirty days from the date as of which the reserve calculation is made."

While the Board indicates its willingness to allow a reduction in reserves against certain deposits, it is its purpose "to countenance or permit a reduction to five per cent. only upon deposits which are in fact as well as in form entitled to such reduction within the spirit of the act." The Board reaffirms its position when it says that it "desires to make it clear that the act requires the full reserve at the rate prescribed for demand deposits to be carried against all savings accounts and all time deposits, whether on open account or certificate, which are subject to check, or which the bank has been notified are to be withdrawn within thirty days."

As to the reserve requirements on de-

mand deposits, and what are demand deposits, there can be no question; nor is there any question as to the nature of a time deposit or the reserve required against the same. The time deposit is one payable at a designated time, and the reserve is five per cent. until thirty days prior to maturity, when it becomes a demand deposit and as such is subject to the larger reserve. No deposit is a time deposit if it is payable within thirty days of the date of computing the reserve, or has had notice of withdrawal filed against it.

The sole question is in regard to the savings accounts, which are in a sense demand deposits, at least in practice, but theoretically time deposits, if subject to notice of withdrawal.

In the language of Section 19 of the act, "time deposits shall comprise all deposits payable after thirty days and all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment."

It follows then to discover the form of account which will permit a reduction of reserves within the Board's ruling. This form would plainly seem to be: an account not subject to check and subject to notice of withdrawal by agreement. Such accounts must be recorded separately and not mingled with checking accounts. The instruments must be a pass book or a certificate, which must be presented at every transaction. The instrument must also be a contract and contain the rules under which the deposit is made, these rules being agreed to by the depositor when the account is opened. One of these rules must, in substance, provide that the "depositor may at any time be required by the bank to give notice of an intended withdrawal not less than thirty days before the withdrawal is made."

Therefore, if savings accounts are accepted with the following characteristics, they will be subject to the lesser reserve until notice of withdrawal is lodged against them.

(a) The account must not be subject to check under any circumstances.

(b) The deposit must be evidenced by certificate or pass book, (preferably the latter, since it may have the rules printed therein).

(c) The book must be presented at every transaction.

(d) The depositor must agree in writing to be governed by the rules.

(e) One of these rules should cover notice of withdrawal, even though the notice is, as a daily procedure, waived.

A suggested wording is as follows:

"Deposits made on this account are subject to thirty days' notice of intended withdrawal. The bank will, however, as a rule, pay withdrawals on demand, but such payments will not be deemed to waive the right to require such notice as a precautionary measure."

On the above points you are respectfully referred to the following ruling made by the Federal Reserve Board:

"Savings accounts." This item refers to accounts which are evidenced by (a) pass book, certificate of deposit, or similar form of receipt, which must be presented to the bank whenever a deposit or withdrawal is made; and (b) which accounts are subject to printed regulations which were accepted by the depositor at the time the account was opened under which the depositor may be required by the bank to give notice of intended withdrawal not less than thirty days before the withdrawal is made.

The pass book which you inclosed refers to accounts which may be classed as savings accounts, provided that such deposits are not subject to check. If, however, the depositor has the privilege of drawing checks on the account in your interest department, under regulation E issued by the Board, your bank will be required to carry full twelve per cent. reserve against such accounts. If withdrawals can only be made upon the presentation of pass books, such accounts may be classed as "time savings accounts" upon which it will be necessary to carry but five per cent. reserve.

CHECK DRAWN AGAINST NO FUNDS.

Detroit, Mich., June 10, 1915.

Editor Bankers Magazine:

SIR—Will you kindly inform me if there is either a Federal law or a Michigan law prohibiting the issuance of checks on a bank when party has no funds on deposit to cover same, and is aware of the fact; also penalty, if any, attached to act. **SUBSCRIBER.**

ANSWER: When a check is given by one who has no funds in the bank upon which it is drawn, and knows that he has no funds, whether or not the act constitutes an offense for which he can be criminally prosecuted depends upon the law of the State. Generally the mere giving of a check without sufficient funds to meet it is not in itself a crime. It may be that the drawer has made an innocent mistake, or he may have an arrangement with the bank by which the check will be paid, as where he has given security for overdrafts. But where one knowingly issues a worthless check to one who, on the strength of the check, parts with money or property, he is, in most States, guilty of obtaining money or property under false pretenses.

In *People vs. Ranney* (1908) 153 Mich. Rep. 293, defendant in Grand Rapids procured a worthless check to be cashed at a hotel where he was stopping; paid his bill out of the proceeds and retained the balance. On an indictment for obtaining money by false pretenses, the confession of the accused that he knew the check was worthless is sufficient corroboration of the above facts shown at the trial, and that the check was forwarded to the bank upon which it was drawn returned unpaid, and the hotel man never received the money. The conviction was sustained.

In the case of *State vs. Hammelsy*, 52 Oregon, 156, it was held that one who obtains money by giving his check, knowing that he has no money in the bank to meet the check, is guilty of obtaining money under false pretenses.

The Michigan penalty for obtaining money under false pretenses is one to

ten years; for offenses under \$25, fine \$100 and imprisonment in a county jail three months.



PROTEST OF CHECK.

Yankton, S. D., June 13, 1915.

Editor Bankers Magazine:

SIR—We wish to get your counsel's opinion on the check herein enclosed, and the attached certificate of protest given on November 20, 1914, by the Auto Company to the Motor Company, and drawn on the Bank of South Dakota.

What we desire to know is this: The check above referred to was mailed by the Auto Company to the Motor Company, at their branch office in Fargo, North Dakota, in payment of account. The company deposited this check for credit with their bank at Fargo; the bank at Fargo in turn sent it on to its correspondent; the check took its natural course and was received in Madison, South Dakota, by the First National Bank, and by this bank presented for payment to the bank on which the check was drawn. Payment was refused for certain reasons. The First National Bank of Madison, South Dakota, made due presentment by their notary, and protested said check for non-payment.

Kindly inform us through your columns if this is a protest item under the laws of the State of South Dakota. When this check was served its purpose, kindly return it to us in the enclosed envelope.

Is any check dated at Madison, South Dakota, and sent to a wholesale house or other firm in payment of account, subject to protest, when returned to any bank in the town where it was originally drawn?

CASHIER.

ANSWER: The Negotiable Instruments Act, now in force in your State, regulates the matter of protest. By this law only foreign bills of exchange, which includes checks, require protest to hold the parties. A foreign bill is one drawn in one country or State and payable in another. (Tompkins on Commercial Paper, p. 184.)

While foreign bills must be protested, inland bills may be protested and frequently are. Any dishonored instrument may be protested.

The check in question was drawn in Madison, South Dakota, and was payable in the same place. It was there-

fore an "inland bill." It circulated outside the State, but that did not alter its status. It could be protested, but did not need to be to hold the indorsers.

The answer to your last question depends upon whether the check is drawn in one State and payable in another, thus making it "inland" or "foreign" as the case may be. If it is payable in the same State where drawn, protest is not necessary where the Negotiable Instruments Act is in force, but may be and would be protested as a rule if the amount is sufficient to justify such act.



STALE CHECK

Jacksonville, Fla., May 1, 1915.

Editor Bankers Magazine:

SIR—Will you please advise me on the following:

Check dated April 28, 1914, in favor of "H.," signed by the "D." Company, per "S.," as secretary, which was an authorized signature, was refused payment on account of insufficient funds.

"S.," the secretary, severed his connections with the "D." Company, and the signature was ordered cancelled. April, 1915, the same check was presented again. Please advise if the same should be paid. You will note that the signature was authorized at the time the check was drawn, but is cancelled upon the date check is presented the second time.

Thanking you in advance, I am, etc.,

CASHIER.

ANSWER: A check properly drawn continues to be a bona-fide order on the bank to pay the amount according to the tenor of the instrument until the same is paid or the order revoked. The resignation of the secretary in no wise cancels the instrument, and it continues to be authority for the payment until he company by due process voids the instrument. The only question at issue is the date of the check, which being a year past, makes it a stale check, and therefore open to inquiry before payment. A stale instrument holds out warning to the drawee to inquire the reason for the age of the same before paying, and your proper course would be to have the in-

strument properly authenticated by the company before paying, not because of any question as to the execution of the check, but on account of the date.



Galveston, Tex., June 1, 1915.

Editor Bankers Magazine:

SIR—Please be good enough to have your legal department give us the law on the following point, which is an actual occurrence:

We cashed a check over our counter for a traveling man, drawn by a well-known St. Louis jobbing house on a St. Louis bank. The check was returned to us protested, marked "Payment Stopped." We were unable to recover from the endorser, as he had lost his job, and had no money. We called on the drawers of the check to pay same, and were met with the explanation, that after this check had been mailed to the traveling man, he had wired the house that check had failed to reach him, and for them to wire him the money, which they did, stopping payment on the check. A few days later, the check did reach him and he cashed it at our bank, we of course being entirely ignorant of the stop-payment. The drawers say that they have fired the drummer, and owe him nothing and disclaim responsibility to us, saying that our only recourse is on the endorser. As innocent holders of a negotiable instrument, we claim that we are entitled to recover from the drawers of this check, the St. Louis wholesale house. Kindly advise us of your opinion on the matter.

Yours very truly,

ASST. CASHIER.

ANSWER: This is a Missouri contract. The check being drawn in Missouri and payable in the same place, brings it under the Negotiable Instruments Law, in force in that State. And inasmuch as the Negotiable Instruments Law stipulates that "a check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, the bank is

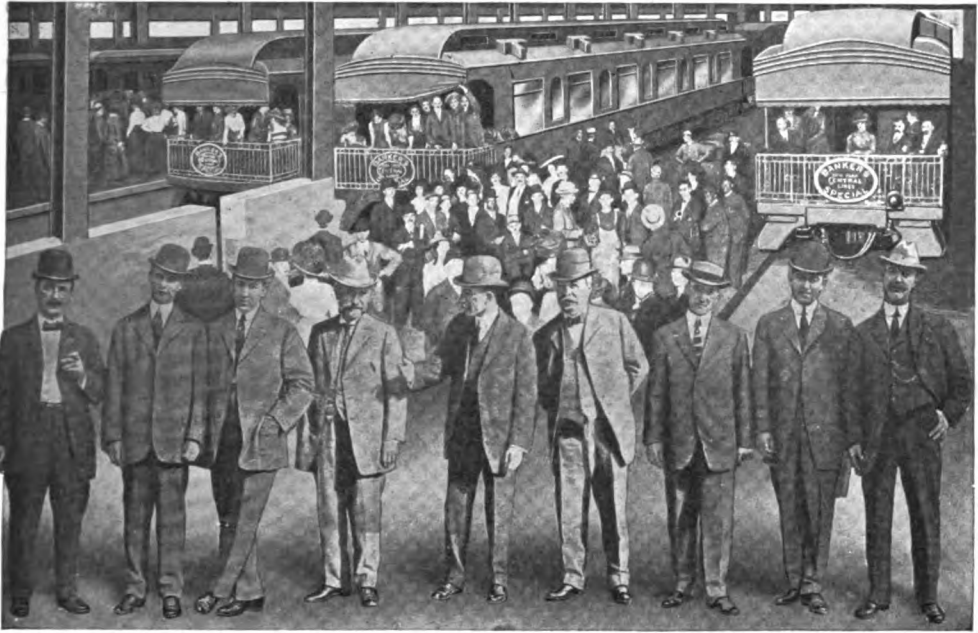
not liable to the holder, unless and until it accepts or certifies the check," the drawee bank is in no way liable. The loss must fall, therefore, upon one of three parties: (a) the maker; (b) the payee-indorser; (c) the holder, the bank cashing.

It is the undisputed right of the maker of a check to stop payment, and the bank, having honored his notice in this instance, there is no question of its liability, such as would arise if the check had been paid. The maker is therefore fully within his rights.

Relying upon the indorser, with whom it must have been acquainted, or had proper identification, your bank has cashed the check, knowing or being held in law to know, that the maker had the right to stop payment. The indorsement of the payee warranted, among other things, that "upon due presentment the instrument would be paid, or accepted, or both, as the case may be, according to its tenor, and that if it be dishonored and the necessary proceedings on dishonor be taken, he would pay the amount to any holder, or to any subsequent indorser who may be compelled to pay it." (Quoting from the Negotiable Instruments Law.) Inasmuch as the bank cannot collect upon this indorsement warranty, and having no other recourse, it must stand the loss.

You do not state whether or not the indorser knew payment had been stopped; but if so, it would constitute a fraud, for by the same law, the indorser warrants that the instrument is, at the time of negotiation, a valid and subsisting instrument, which this was not. He would be liable on this warranty also. The bank must suffer the loss as an incident to its business of cashing checks for those irresponsible, unless it can recover from the indorser who is the party legally liable.





DEPARTURE OF THE BANKERS' SPECIAL TRAINS FROM GRAND CENTRAL TERMINAL, NEW YORK, VIA NEW YORK CENTRAL LINES TO THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION, HELD AT LOS ANGELES, CALIFORNIA, OCTOBER 3-7, 1910



Tours to the Bankers Convention at Seattle and California Expositions

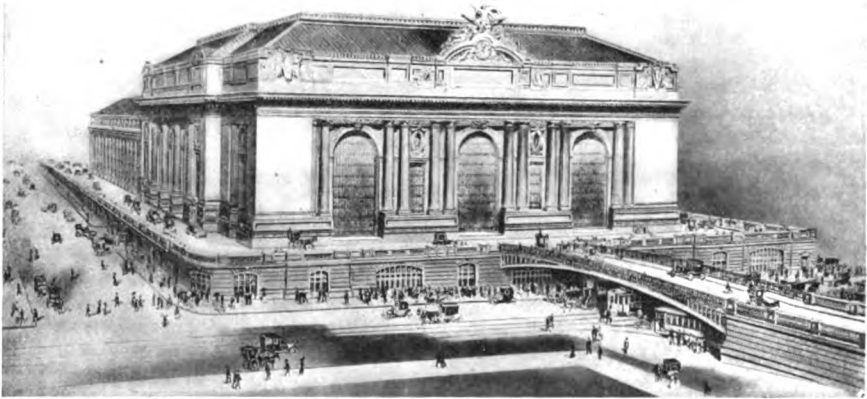
UNDER the auspices of the New York State Bankers Association the New York Central lines will send out four special trains to the convention of the American Bankers Association at Seattle, September 6-10, giving opportunities for visiting the expositions at San Francisco and San Diego, as well as many points of interest on the way.

The tours, which in each case will be accompanied by a representative of the passenger traffic department of the railroad, have been arranged via the New York Central Lines under the official authorization of the Transportation Committee, and cover various routes

west of Chicago, giving opportunity to visit many of the places of scenic and historic interest in the western part of the United States.

The tours, which are summarized herein, cover all expenses, including round trip railroad and Pullman transportation, hotel accommodations, side trips, together with all meals en route; in fact all necessary expenses except hotel accommodations and meals at Seattle and meals at San Francisco.

The New York State bankers extend a particular invitation to bankers throughout New England, the South, and the Eastern States contiguous to New York, to join with them in this



GRAND CENTRAL STATION, NEW YORK

tour, as there is every promise of a most delightful and interesting trip in congenial company.

The tours are under the direction of the New York State Bankers Association, and full information may be obtained regarding them from the chairman of the association's transportation committee, Mr. George E. Lewis, assistant cashier of the Hanover National Bank, New York, or of Mr. W. J. Henry, secretary New York State Bankers Association, 11 Pine street, New York.



FOR the convenience of those desiring to take advantage of these trips, they have been divided into different sections, as given herewith.



TOUR "A"—RED SECTION

THE Red Section will leave New York via the New York Central Lines on Saturday, August 28, arriving Chicago on the afternoon of August 29. From Chicago the line of Chicago, Burlington & Quincy R. R. is used to St. Paul, traversing the rich farming

country of Illinois, Wisconsin and Minnesota.

From St. Paul the trip is continued via the Great Northern Railway across Minnesota, North Dakota and Montana to Glacier National Park, the most recently acquired of Uncle Sam's great national reservations, which is reached on the evening of August 31. Two days will be spent in a tour of the park.

From Glacier National Park the party will proceed to Spokane, reaching there on the morning of September 3, where the day will be spent. Leaving Spokane in the evening Seattle is reached on the morning of September 4. The convention will be in session from September 6 to 10, with headquarters at the Hotel Washington.

After the close of the convention, on Friday, September 10, the train, which will be ready for occupancy at 10.30 p. m., will leave via the Great Northern Railway for Portland, arriving on the morning of the 11th, where the day will be spent. The special will leave Portland on the evening of the 11th via the Shasta Route of the Southern Pacific Railway and making a brief stop at Shasta Springs will arrive at San Francisco on the morning of September 13. Three days will be spent visiting the Panama-Pacific Exposition and the

points of interest in and around San Francisco.

Departure from San Francisco will be made on the morning of September 16 for Del Monte, stopping en route at The Big Trees, Santa Cruz. The Big Trees are the oldest living things in the world, their age being estimated at four thousand years, but the secret of their longevity has never been discovered.

At Del Monte accommodations have been engaged at the beautiful Hotel Del Monte. One of the features of the stay here will be the famous seventeen-mile coast drive, passing through Monterey, Pacific Grove and Cyprus Point.

The special will leave Del Monte on September 17 for Pasadena, the residential suburb of Los Angeles, which will be reached on September 18 at 6:30

p. m. A stop en route of several hours will be made at Santa Barbara to visit the old Spanish Missions. The new Maryland Hotel will be the headquarters during the two-day stay at Pasadena and there will be ample opportunity for trips to the outlying country, probably the most beautiful in southern California.

Leaving Pasadena on the afternoon of September 20, San Diego will be reached the same evening at 6 o'clock. That night and the following day will be spent in visiting the Panama-California Exposition and the many places of interest in the vicinity. During the stay here the party will enjoy accommodations at the famed Hotel Coronado on Coronado Beach.

On September 21 the party will re-



SOME OF THE LUXURIES OF TRAVEL ON THE SPECIALS



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GLACIER NATIONAL PARK



ENTRANCE TO CANADIAN ROCKIES

tire on the train, arriving at Riverside via the A., T. & S. F. Railway early the following morning. Here a treat has been prepared in the way of an automobile drive of about three hours to San Bernardino, passing en route through Magnolia and Prospect avenues and wonderful Smiley Heights at Redlands.

At San Bernardino the party will again board the special train for the Grand Canyon of Arizona, where the entire day of September 23 will be spent.

Leaving Grand Canyon the train passes through the region of the Petrified Forests.

While in New Mexico a brief stop will be made at Albuquerque to visit the Indian Village and the Harvey Indian Museum. During this part of the trip the train passes through the great Raton Range and begins the descent of the eastern slope of the Rockies. No stop of importance will be made after leaving Albuquerque until the arrival at Chicago, where the train is due on the morning of September 26.

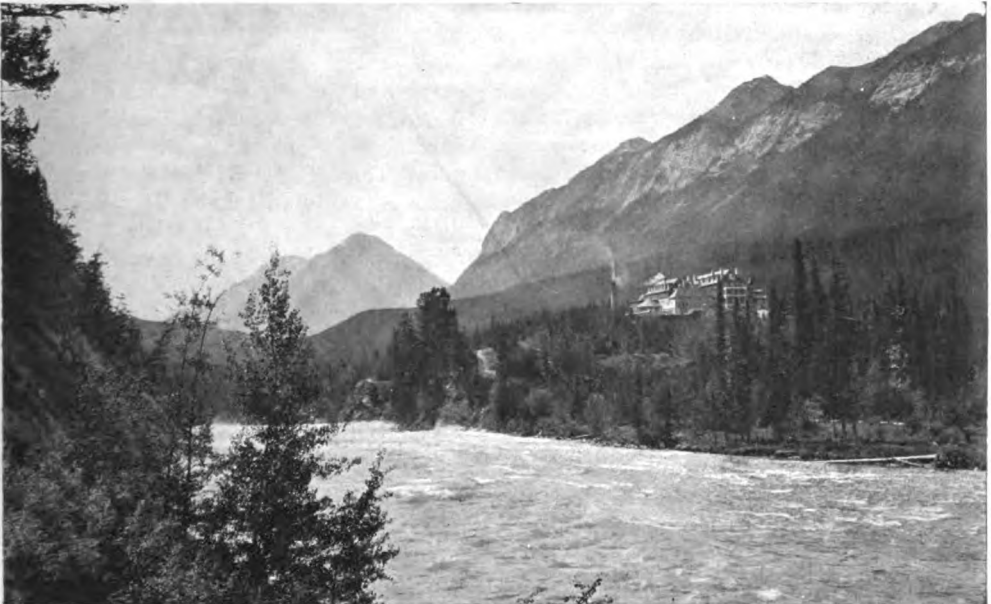
The train will leave Chicago via the New York Central Lines on the evening of September 26, arriving at New York 5.25 p. m., September 27, after having traversed a distance of 8,357 miles.



TOUR "B"—WHITE SECTION

THE White Section will leave New York on Saturday, August 28, arriving Chicago early the following afternoon. From Chicago the Chicago Great Western Railway is used to St. Paul, then the Soo Line through the lake region of Minnesota and the rolling prairies of North Dakota into Canada at Portal.

From Portal the Canadian Pacific Railway is used to the Pacific Coast. This part of the journey lies through the vast wheat-growing territory of the Canadian Northwest and the wonderful mountain scenery of the Canadian Rockies. Stops will be made at Banff Hot Springs, Lake Louise, Field and Glacier



BANFF HOTEL AND BOW RIVER, BANFF, ALBERTA



ONE OF CALIFORNIA'S BIG TREES

to afford opportunity of seeing to advantage this wonderland.

Descending the western slope of the Selkirk Range the route follows the Illicilliwaet through Albert Canyon, a gorge of great depth. Vancouver is reached on the evening of September 4 and the following morning at 10 o'clock the party will board one of the Canadian Pacific's splendid steamers for the trip through Puget Sound, via Victoria, to Seattle, which is reached the same evening.

Leaving Seattle after the convention the tour will follow exactly the same route, making the same stops on the same dates and embracing the same features as are included in Tour "A"—Red Section.

The total distance traveled on this tour is 8,433 miles.



TOUR "C"—BLUE SECTION

THE Blue Section will leave New York on August 30, making a two-day tour of Glacier National Park, the

same as outlined under the schedule of Tour "A." Leaving Glacier National Park on the evening of September 2 the special will proceed direct to Seattle, arriving at 8.15 p. m., September 5.

From Seattle this tour will accompany Tour "A"—Red Section, and Tour "B"—White Section, making same stops and embracing the same special features until departure from San Bernardino on September 22. From this point Tour "C" will be via the Salt Lake Route to Salt Lake City, arriving there at noon on September 23. On this part of the trip the beautiful Palisades Canyon, a remarkable formation of gorgeously-colored rock walls over 100 miles in length are seen.

After a few hours' stop in Salt Lake, giving opportunity to see the city and attend an especially arranged organ recital in the Mormon Tabernacle, the train will leave via the Denver & Rio Grande R. R. for Glenwood Springs, where a brief stop will be made on the morning of September 24.

Thence the route lies through rugged mountain scenery crossing the Continental Divide at Tennessee Pass, 10,240

feet above sea level. During the afternoon the climax of mountain scenery is reached in Royal Gorge, with its sheer half mile walls only thirty feet apart, plenty wide enough though for the train to slip between on the remarkable Hanging Bridge.



ELECTRICAL AURORA—EVER-CHANGING COLORS—TWO BILLION CANDLE POWER

Colorado Springs is reached on the evening of September 24. The next day will be spent in and about Colorado Springs. The entire day of September 26 will be spent in Denver, and that evening the train will leave via the Union Pacific R. R. for Omaha, thence via the Chicago & North Western Railway for Chicago, reaching there on the morning of September 28, and arriving at New York via the New York Central Lines on the afternoon of September 29, after having traveled a distance of 8,585 miles.



TOUR "D"—GREEN SECTION

THE Green Section will leave New York on September 2 and on the same schedule and with the same equipment as the famous 20th Century Limited. This special is run for the accommodation of those who desire to economize time on the going trip, omitting the stop-overs provided in the other tours. The train will arrive at Seattle on the morning of September 6 in time for the opening of the convention on that date.

After the close of the convention this special will follow the same route, making the same stops on the same dates, as outlined for Tours "A" and "B" and will arrive in New York at 5.25 p. m., September 27, after having covered a distance of 8,272 miles.



HOTELS

ARRANGEMENTS have been concluded with the leading hotels at all stop-over points, including the Palace, St. Francis, Fairmont and Cliff hotels at San Francisco, the New Maryland at Pasadena, Hotel Del Monte at Monterey, Hotel Del Coronado at San Diego and the Antlers at Colorado Springs for the accommodation of the members of the various tours.

EQUIPMENT OF SPECIALS

ALL of these four special trains will be made up of equipment of the highest grade and will include on each train club and dining cars and drawing-room, compartment and observation sleeping cars.

There will be valet and barber on each train, and in addition a maid whose services will be at the disposal of the lady passengers.

Each train will also carry a stenographer, whose services will be free to the members of the party.



BAGGAGE

PASSENGERS will be entitled to the usual free allowance of baggage with access thereto any time while

en route. Special colored baggage tags corresponding in color with that designating the train will be forwarded on purchasing tickets. These tags should be attached to all trunks and hand bags taken on the tour. Baggage should be sent to the baggage room, Grand Central Terminal, prior to noon of the date of departure.



THESE tours will enable the bankers to see many of the most wonderful scenic attractions of the American continent, to attend the convention at Seattle, and to visit the two great California expositions. As the trips are specially arranged and conducted, with the most careful forethought for comfort and convenience, it is expected that a large party of bankers in the East and South will take advantage of their opportunities.



A Prominent Young Banker

ONE of the best-known of the younger bank men of the Pacific Coast is undoubtedly Mr. Frank C. Mortimer, cashier of the First National Bank of Berkeley, whose work in his own institution and the addresses he has delivered on banking subjects have brought him into national prominence. He has done especially fine public service in insisting on the teaching of thrift among school children. His views on this important matter are thus succinctly stated:

"The science of thrift ought to be taught in every school, in every city and every countryside. We should place in the hands of every teacher and pupil

a new text-book, the keynote of which should be Thrift.

"It is the custom to teach children to read and write, to direct their minds in approved channels of higher education to prepare them for life's work. These things are essential, but by no means do they complete the child's education.

"In the polytechnic drills to which certain classes are subjected the scope has not been sufficiently widened to take into consideration the technique required for saving the income resulting from the making of articles of more or less usefulness that are turned out from these industrial schools.

"What does it profit a man to be master of seven languages or jack of half a dozen trades, if he lose all his substance through extravagant habits that might have been checked or eliminated altogether. We teach children control of their minds and their bodies and we try to teach them control of

bulwark against future misfortune. These precepts will have a lasting and beneficial effect on the career of the pupil, helping to develop useful citizenship.

"The habitual spendthrift is a menace to the community and to the nation; the careful citizen, guided by a sense of the true value of property is a safeguard to our institutions. Habits of extravagance tend to disrupt the family, the community, the nation."

As a bank officer Mr. Mortimer has carried these principles into practice, and with excellent results.

Mr. Mortimer's banking studies have been comprehensive, and he has spoken and written on these, among other topics: "The Investment of Trust Funds"; "The School Saving System"; "The New Banking and Currency Law"; "Bank Loans to Manufacturers." His addresses before the bankers' conventions in California and other States, and before the University of California on banking and kindred subjects have shown a wide range of sound and practical information.

Mr. Mortimer is still a young man. He was born in Boston in 1876, but his business life has been confined to the Pacific Coast. He has been honored with a number of official positions, and besides being cashier and secretary of the First National Bank of Berkeley is treasurer of the Westinghouse Pacific Coast Brake Co.; vice-president Conservative Loan and Investment Co., San Francisco; secretary insurance committee and member executive council California Bankers' Association; member committee on public affairs American Institute of Banking, and ex-president San Francisco Chapter of the Institute.

Mr. Mortimer has always shown a lively interest in all matters relating to banking and in public affairs generally. He is widely known and has hosts of friends in California and throughout the country.



FRANK C. MORTIMER

CASHIER AND SECRETARY FIRST NATIONAL
BANK, BERKELEY, CALIFORNIA

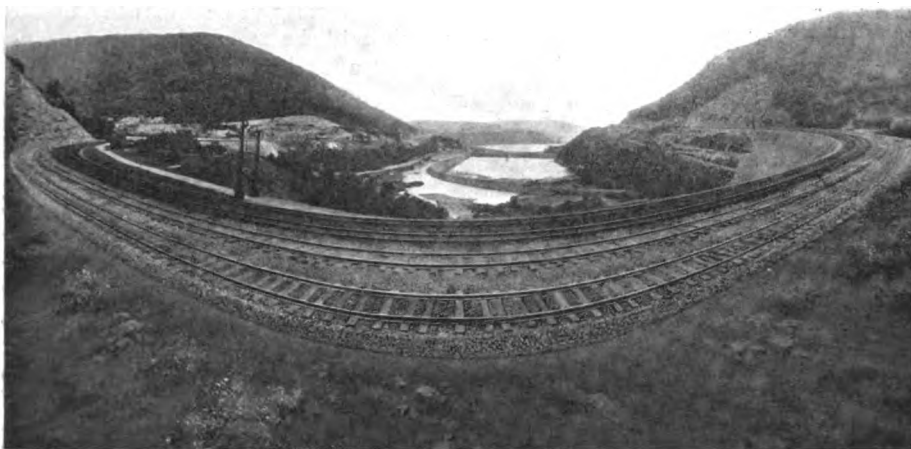
their tempers and desires. Why not teach them to control their pocketbooks? It gives the child an object lesson in economic management. It impresses on the youthful intellect the value of money, its earning capacity and its relation to the economic life of nations.

"Educators should awaken the mind of the child to the important truths of thrift and show the inevitable evil consequences of improvidence, and place a



WILLIAM H. DOUGLASS
NEWLY ELECTED PRESIDENT CONNECTICUT BANKERS' ASSOCIATION

As head of the wholesale house of Dillon & Douglass in New Haven, Mr. Douglass is the largest distributor of his class of goods in the country, doing a business of four millions a year. Applying the same business methods to his bank, the Mechanics Bank of New Haven, of which he is president, he has transformed it from the smallest to one of the largest banks in New Haven.



HORSE SHOE CURVE, PENNSYLVANIA R. R.

Bankers' Tour de Luxe to the Pacific Coast for the Forty-first Annual Convention of the American Bankers' Association, Seattle, Wash., September 6-10

AT the suggestion of a number of the leading bankers of the East, members of the American Bankers Association, the Pennsylvania Railroad Company has arranged an attractive sight-seeing tour which will afford members of the association in New York, New England, New Jersey, Pennsylvania, Maryland, Delaware and the District of Columbia, and those of their friends who contemplate a trip to the Pacific Coast, an enjoyable tour under the most favorable conditions.

This tour de luxe, by special train, is designed to provide at once the most

convenient route to the annual convention of the American Bankers Association, to be held in the city of Seattle, Wash., September 6 to 10, as well as a vacation trip embracing a wide variety of scenery and visits to the chief tourist centers of the West.

Operated under the direction of the Personally-Conducted Tourist System of the Pennsylvania Railroad, which has had charge of many similar trips for the banking fraternity, as well as of the trips made by guests of the United States Government, Presidential trips and other extensive trans-continental

movements, members of this party will be ensured perfection of detail and service. The Pennsylvania Railroad will have a special representative on the train throughout the tour who will relieve those who take the trip of much of



BOW RIVER VALLEY, BANFF, ALBERTA

the inconvenience of travel. A special baggagemaster, stenographer, ladies' maid and barber add to the attractiveness of the service.

This party will leave Pennsylvania station, New York City, in a special electric-lighted all-Pullman train of parlor, smoking, dining, drawing-room and compartment sleeping and observation cars, on Monday, August 30. This train, all-steel from "cow-catcher" to observation platform, will be a counterpart of the "Broadway Limited" and will be at the constant command of the party, except during the stops in Seattle, San Francisco and Los Angeles, where hotels will be utilized.

The first day's trip will take the party through the picturesque scenery of the Pennsylvania's main line between New York and Pittsburgh, traversing the fertile valleys of New Jersey and Eastern Pennsylvania and crossing the main ridge of the Allegheny Mountains beyond the world-famed "Horse Shoe Curve" late in the afternoon. With a brief pause for changing engines in

Pittsburgh, the "Steel City of the World," the special will speed on through the States of Ohio and Indiana over the Pennsylvania Lines to Chicago, which will be reached next morning shortly after breakfast.



FROM Chicago the special train will turn northward along Lake Michigan, passing through Milwaukee, Madison, the picturesque capital of the State of Wisconsin, and the pretty lake region in the center of the State.

The Wisconsin River, noted for its rock formation, known as "The Dells," is crossed about one hundred and fifty-five miles northwest of Chicago, and the great Mississippi just before reaching St. Paul. This country, still unbroken wilderness in possession of the Red Man as late as the Black Hawk war of 1832, is today under rapid development as an agricultural lumber and ore center.



LEAVING St. Paul at night, the party will again turn in a northward direction through the Minnesota lakes and the North Dakota prairies to the international border line, whence



ROCKVILLE BRIDGE, PENNSYLVANIA R. R.

a twenty-four-hour run over the great plains of Saskatchewan will bring the party into the heart of the Canadian Rockies at Banff.

Around Banff the scenery is superb.

Mountain peak surmounts mountain peak; rock lies piled upon rock and rushing waters and lakes like gems among the roughness, give color to the scene. Here the Canadian Government has reserved a National Park, twenty-six miles long and ten miles wide, through which the Bow River winds around towering mountains.

Thirty-four miles west of Banff, lying like a giant emerald in the shadows of Mt. Temple, Mt. Aberdeen, Mt. Lefroy and Mt. Victoria, is lovely Lake Louise, where the party stay a day. The lake is two and one-half miles from the railroad and on its shore is the charming Lake Louise Chateau, overlooking the placid waters and the wonderful glaciers on Lefroy and Victoria to the west. One thousand feet higher up the mountain slopes are the lakes in the Clouds. Mirror and Agnes.



THE next day's journey is through Nature's wonderland. Skirting the foot of Mt. Hector, one passes through the Kicking Horse Canyon, a wild bit of country, crosses the divide

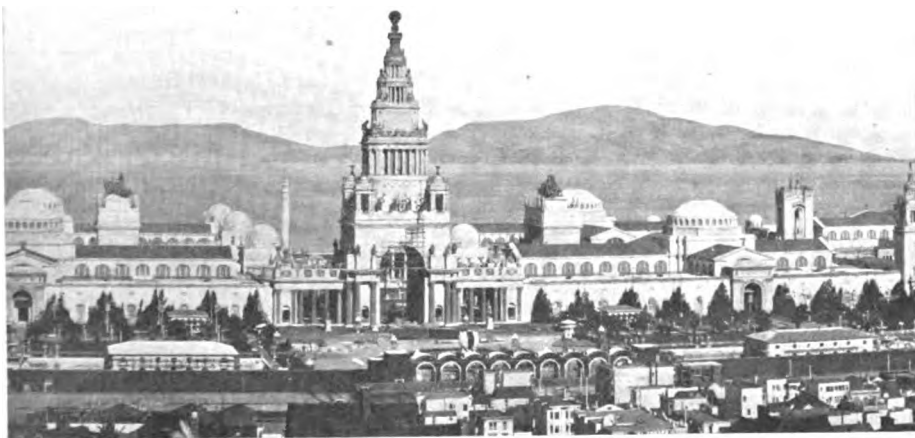
near Stephen station, at the foot of Mt. Stephen, and comes down into the valley of the Columbia River at Golden.

To the west lie the snowy steeps of the Selkirk Mountains, whose summits are not so lofty as the Rocky Mountains proper, but which are wilder in aspect and almost all snow-capped throughout the year.

Passing up through Rogers Pass, with the beautiful Hermit Range spreading out to the north, one comes to Glacier station, where a stop is made to enable the party to visit the Great Glacier of the Selkirks, a vast sea of ice by the side of which all the glaciers of the Alps rolled into one would be insignificant.

It is a forty-minute walk or a twenty-minute ride by pony to the front of this great glacier by way of a good trail crossing the Asulkan River and following the Illecillewaet River almost to its source in the moraine at the foot of the ice field.

Traversing the steep Albert Canyon by which the railroad descends from the Selkirk summit to the valley of the Columbia west of the ridge, a stop during the night at Kamloops, where the



BIRDS EYE VIEW PANAMA-PACIFIC INTERNATIONAL EXPOSITION GROUNDS, SAN FRANCISCO, CAL.

Thompson River, coming from the north widens out into Kamloops Lake, is made to provide for a daylight trip through the wild gorge of Fraser Canyon.

This wild gash in the slope of the



LOS ANGELES, CALIFORNIA

Coast Range, through which the mighty Fraser River flows to reach the Pacific, is one of the most awe-inspiring trips on the western continent. Leaving the mountains behind, at Mission Junction, one turns to the south across the Fraser and through the foothills of the Cascade Range to Seattle, the Convention City.



THE party will remain in Seattle from 7.30 p. m. on Sunday, September 5, until 1 a. m., Saturday, September 11, which will give ample time, not only for the sessions of the conven-



THE GREAT PLAINS

tion, but for thoroughly reviewing this most progressive city.

Seattle not so many years ago was the site of a windmill. To-day it is one of the chief ports in the trade with trans-Pacific countries and with Alaska; in fact, the bulk of the Alaskan trade flows through it.

Not only as a business center and manufacturing point does Seattle hold interest for the tourist, but no city in the country can boast of greater advantages from a picturesque point of view. Its suburbs present an incomparable prospect of wild and rugged mountain scenery, dense forests and wave-washed beach.

Puget Sound, with its many local steamer routes, is overlooked by the snow-capped peaks of the Olympian



THE GRAND CANYON OF ARIZONA

Range of mountains. But a few hours away by train is Mt. Rainier National Park, a National Government reservation surrounding Mt. Rainier, 14,532 feet high, one of the giants of the Cascade Range whose snowy summit is in sight for many miles as one travels up and down the coast.



FROM Seattle to San Francisco, the next objective of the De Luxe Special, the route will extend southward down the Pacific coast, with a half-hour

stop at Portland, Ore., the Rose City; thence up the picturesque valley of the Willamette and across the summit of the Siskiyou Range, past the foot of mighty Mt. Shasta, and down the winding val-

a city of the Orient brought to the Occident and artist and artisan alike have striven for excellence and perfection of detail in every department.



GREAT GLACIER OF THE SELKIRKS FROM
GLACIER, B. C.

ley of the Sacramento to Oakland and San Francisco, facing each other across the wide expanse of San Francisco Bay.

Almost four days will be devoted to San Francisco and the Panama-Pacific International Exposition. And members of the party who have not before visited the Pacific Coast will find San Francisco—the “City of One Hundred Hills”—the most cosmopolitan city in the Union.

Its business section, all new since the earthquake and fire of 1906; its charming hotels and restaurants; its beautiful residential section and its many parks; Chinatown, with its ten thousand Celestial inhabitants leading lives just like those led in the Orient; all seen under the magic of the California climate at one of the best seasons of the year to visit California, combine to make a prospect that few will find elsewhere.

The Panama-Pacific Exposition, with its eight exposition palaces, glowing with mural decoration, statuary and jewels, and its wonderful gardens in which a profusion of flowers and tropic foliage charms the eye on every hand, is a sight long to be remembered. It is

FROM San Francisco the party will turn down the coast again, stopping for a day at beautiful Del Monte, the wonderful pleasure resort on the shore of Monterey Bay. The automobile trip along the shore of the bay, which is part of the itinerary provided for this party, is one never to be forgotten in the annals of the trip.

The following day is spent at Santa Barbara, the Nice of the New World, where charming gardens and esplanades, magnificent hotels and private residences, lying along the bright shores of the Pacific under the shelter of the Santa Ynez mountains, make a paradise for the tourist and the health-seeker alike. A drive to the old mission, one of the best preserved of the Spanish Mis-



SEAL ROCKS AND CLIFF HOUSE SAN FRANCISCO,
CALIFORNIA

sion churches, established in California before it became part of the United States, is always enjoyable.

From Santa Barbara the party go to San Diego for a day at the Panama-California Exposition—not a rival, but

a sister wonder city with the San Francisco Exposition, each with a distinctive charm of its own.

San Diego, with its summer all the year around, is an ideal site for an exposition, and on the heights of Balboa Park, overlooking San Diego's Harbor of the Sun, where back in the sixteenth century Spain laid the foundations of civilization on the Pacific Coast, there outstretches along the Prado a group of buildings of the purest Spanish colonial architecture, surrounded by marvelous gardens and fruit orchards in full bloom and fruitage.

Here one sees the great southwest at work, for the Panama-California is distinctively an exhibit of motion. So far as is possible every exhibit shows some product of energy in creation. The exposition of the primitive life of the southwest as exemplified in the Painted Desert display of the Santa Fe Route is remarkable.



LEAVING San Diego the party return to Los Angeles for a two days' visit which will be spent in visiting the many attractive points of interest around that growing metropolis of Southern California. Pasadena, the millionaire's paradise; Redlands and Riverside, in the heart of the great citrus fruit belt, Mt. Lowe and Santa Catalina Island, are only a few of the many things to be seen.

A day's trip over the Mojave Desert which shuts in California west of the Colorado River, and a few hours among the semi-desert lands of western Arizona will bring the party to the Grand Canyon whose mysterious beauty enralls the visitor.

It is impossible to describe the Grand Canyon in mere words. When one imagines a great cleft in the earth, six thousand feet deep and at places twenty miles wide; rocks colored in every hue of the rainbow, and far below the mighty Colorado pitching and tossing in the narrow confines of its black granite bed, man shrinks in importance and only the Creator is great.

An entire day will be devoted to the Grand Canyon by this party, which will



PANAMA-CALIFORNIA EXPOSITION, SAN DIEGO,
CALIFORNIA

afford not only an opportunity for drives to the more important points of interest, but a burro trip down one of the trails into the heart of the canyon. To one with a fairly steady head this is not an arduous undertaking and is well worth the exertion.

Eastward from the Grand Canyon, brief stops will be made at Albuquerque, N. M., to visit the famed Harvey Museum of Indian relics; at Kansas City and St. Louis, the last lap of the journey being made from St. Louis, through Pittsburgh by the Pennsylvania System.



The Bankers' Specials via Glacier National Park

ON the way to the Seattle Convention of the American Bankers' Association a number of bankers' special trains are to follow, via Glacier National Park, the "See America First" route of the Great Northern Railway. Two specials for the New York bankers, one special for the Chicago bankers, one special for the Missouri bank-

ers and Glacier Park and between Glacier Park and Puget Sound, along every mile there is something of America to see.

At St. Paul and Minneapolis the Great Northern's transcontinental track begins—neighbor cities with a combined population of 600,000 spreading over 100 square miles on both banks



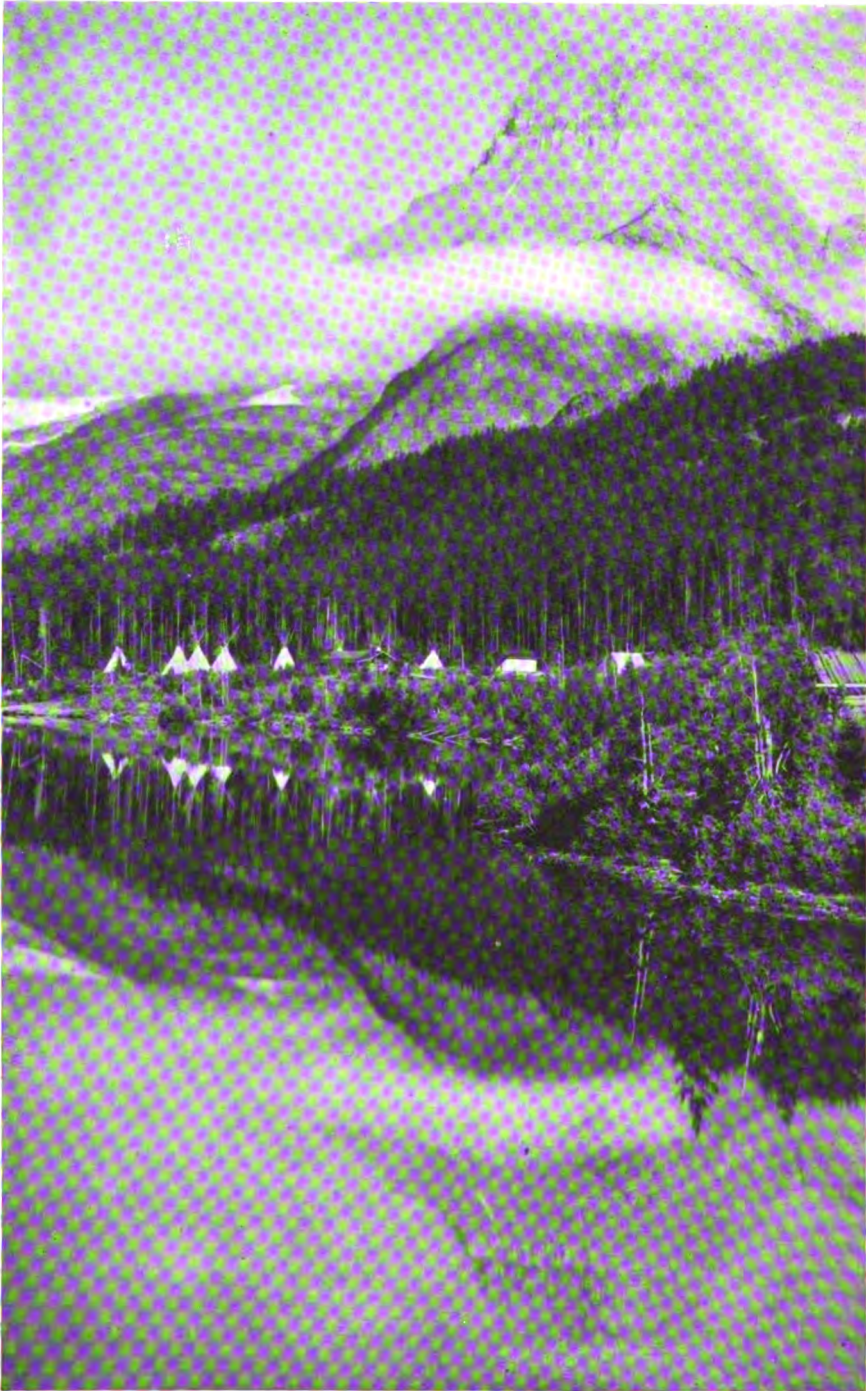
MOUNT CLEVELAND (10,438 FEET) THE SNOW-CAPPED MONARCH OF THE MOUNTAINS OF GLACIER NATIONAL PARK. A VIEW FROM THE SUMMIT OF CHANEY GLACIER

ers and one for the Kansas bankers are among those arranged for.

Bankers who follow the Great Northern's "See America First" route will see a great deal of America. Glacier National Park, at which all of the bankers' trains will tarry, in many respects is the most wonderful of the national playgrounds. In the 3,000 miles, besides, of transcontinental tracks that are included in the Great Northern's lines between the Mississippi Valley

of the Mississippi, that are two gateways to the Great Northwest The Great Northern's Stone Arch Bridge spans the river.

Across central Minnesota—from southeast to northwest—the Great Northern tracks follow through the Lake Park region, where Minnesota's 10,000 "lakes of sky-blue water" of the bygone Dakotahs are—a bountiful belt of the "Bread and Butter State." As Minnesota's border is neared the Red



MOUNT WILBUR AND McDERMOTT LAKE, GLACIER NATIONAL PARK

River Valley is entered—the bed of glacial Lake Agassiz of the dim time after the Ice Age during the past half-century famous for its No. 1 hard wheat. At Moorhead (250 miles out from St. Paul) the Red River of the North, flowing to Hudson's Bay, is bridged.

Across the golden grain-carpeted prairies of North Dakota—from Fargo and Grand Forks on the Red River—the Great Northern makes almost straight westward. The richest section of this State that possesses 70,000 farms, 100,000 "big red barns" and 2,000 huge grain elevators—and is really one vast farm of 45,000,000 acres—is traversed.

At Williston (606 miles out), close to North Dakota's western edge, the Great Northern sets a course along the north bank of the upper Missouri River—the "Big Muddy"—in the old steamboat days the route of many big boats bound from St. Louis to Fort Benton, laden for the military posts and the Helena "diggings."

At Mondak (629 miles) the Great Northern enters Montana.

So big a State is Montana—only Texas and California are bigger—that 685 miles of the Great Northern's rails are necessary to the crossing of it.

For the first four hundred miles of this distance the track is laid across the high plains of northern Montana; that as they outstretch westward gently rise from an altitude of 1,900 feet at the Dakota line to one of 3,700 feet at the foothills. The ride across Montana's wide plains—where vast sweeps of open country everywhere meet the eye, and the sunshine-saturated, clean air is glorious—is a novel one. These plains—~~to-day~~ fast developing into an agricultural empire—are rich in romance: much stirring Indian fighting took place hereabouts in frontier days, and later on this was the land of the Montana long-horn and the cowboy. Cabins and "false-fronted" stores of the cattle days are yet to be glimpsed—relics of the vanishing old West.

Following the Missouri first—for more than a hundred miles—the track traverses the Fort Peck Indian Reservation country; on their lands some 1,800 Assinaboine and Yankton Sioux, many of whom took part in Sitting Bull's campaigns, are nowadays thriftily farming. Poplar (692 miles) is the agency headquarters. The Milk River is followed—for nearly two hundred miles. Much of that grain growing that has made Montana the champion of the United States in bushels to the acre is carried on along the Milk. Near Chinook (894 miles) is the battlefield on which United States troops under General Miles defeated Chief Joseph and his Nez Percés. Near Havre (915 miles) is old Fort Assinaboine; the Bear Paw mountains, outposts of the Rockies, rise out of the plains.

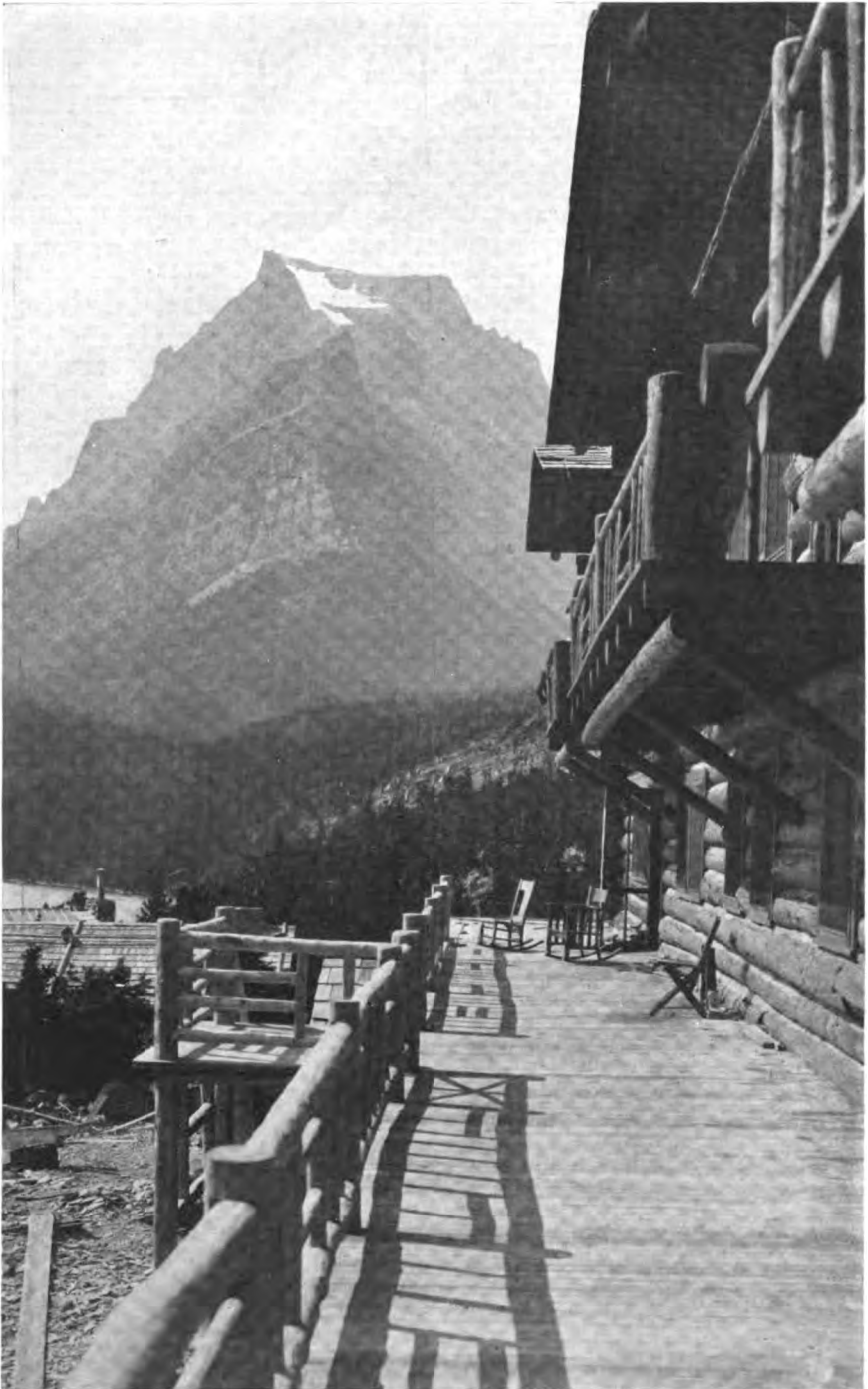
At Cut Bank in the foothills (1,044 miles; altitude 3,698 feet) the Great Northern begins its climb up the long east slope of the main range of the Rocky Mountains—across the reservation of the Blackfeet Indians; 3,000 of that one-time proud nation are here. Browning (1,078 miles; altitude 4,400 feet) is the agency town.



GLACIER NATIONAL PARK.

AT a distance of 1,091 miles from St. Paul, at an altitude of 4,784 feet, the Great Northern reaches the log-built station of Glacier Park, the gateway to Glacier National Park.

The tremendous mountainland of Glacier National Park sits high up in the splendid Rocky Mountains of northwestern Montana—on and about the Continental Divide. Glacier Park's mountains outstretch from the Great Northern's tracks all of the way northward to the Canadian border, and from the reservation of the Blackfeet westward to the Flathead River—a mountainland that is 1,525 square miles in extent. With Mount Cleveland (10,438 feet), Mount Jackson (10,023 feet)



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-30
(352)

GOING-TO-THE-SUN MOUNTAIN, GLACIER NATIONAL PARK. A VIEW FROM
GOING-TO-THE-SUN CHAETS

and Mount Siyeh (10,004 feet) its generals, a veritable army of magnificent peaks, giants of the Divide, for all time is encamped here—peaks that rear from 8,000 to 10,000 feet above sea level, with their bases thickly forested up to the timber line, and their limestone crests by sun and wind painted in many colors—reds and browns and blues and purples. The “roof of America” is what this region is oftentimes termed: from these heights waters start on journeys west to the Pacific Ocean, north to Hudson’s Bay and south to the Gulf of Mexico.

Atop these mountains are eighty living glaciers that are every bit as inspiring as those ice fields Americans have been crossing to Switzerland to see; of these the great Blackfoot Glacier has an area of five square miles. Up in these high places, too, are droves of nimble-footed Rocky Mountain goats—and deer and elk. Among the mountains, in the forested valleys where gorgeous wild flowers riot, are 250 glacier-fed blue mountain lakes and scores of noble cataracts and rollicking mountain streams. Many of nature’s phenomena are within the Park beside—like the Iceberg Lake, where, between flower-carpeted shores, icebergs serenely float the summer through.

At Glacier National Park all of the bankers’ specials will tarry a while—some of them for twenty-four hours, others for forty-eight. During these stop-overs memorable pilgrimages will be available to the bankers. By auto-stages they may journey up the fifty-mile automobile highway to the mammoth new mountain hostelry, the “Many Glacier.” Here, in the Park’s heart, are beautiful McDermott Lake and Falls, Grinnell Mountain and Glacier, Gould Mountain, Mount Wilbur, Iceberg Lake, Swiftcurrent Pass and the Garden Wall. By launch they may cruise up St. Mary Lake, the finest of the mountain lakes of America, to Going-to-the-Sun Chalets, where grand Going-to-the-Sun Mountain is, and Little Chief and Red Eagle and Fusilade and Citadel. Or by auto-stage they

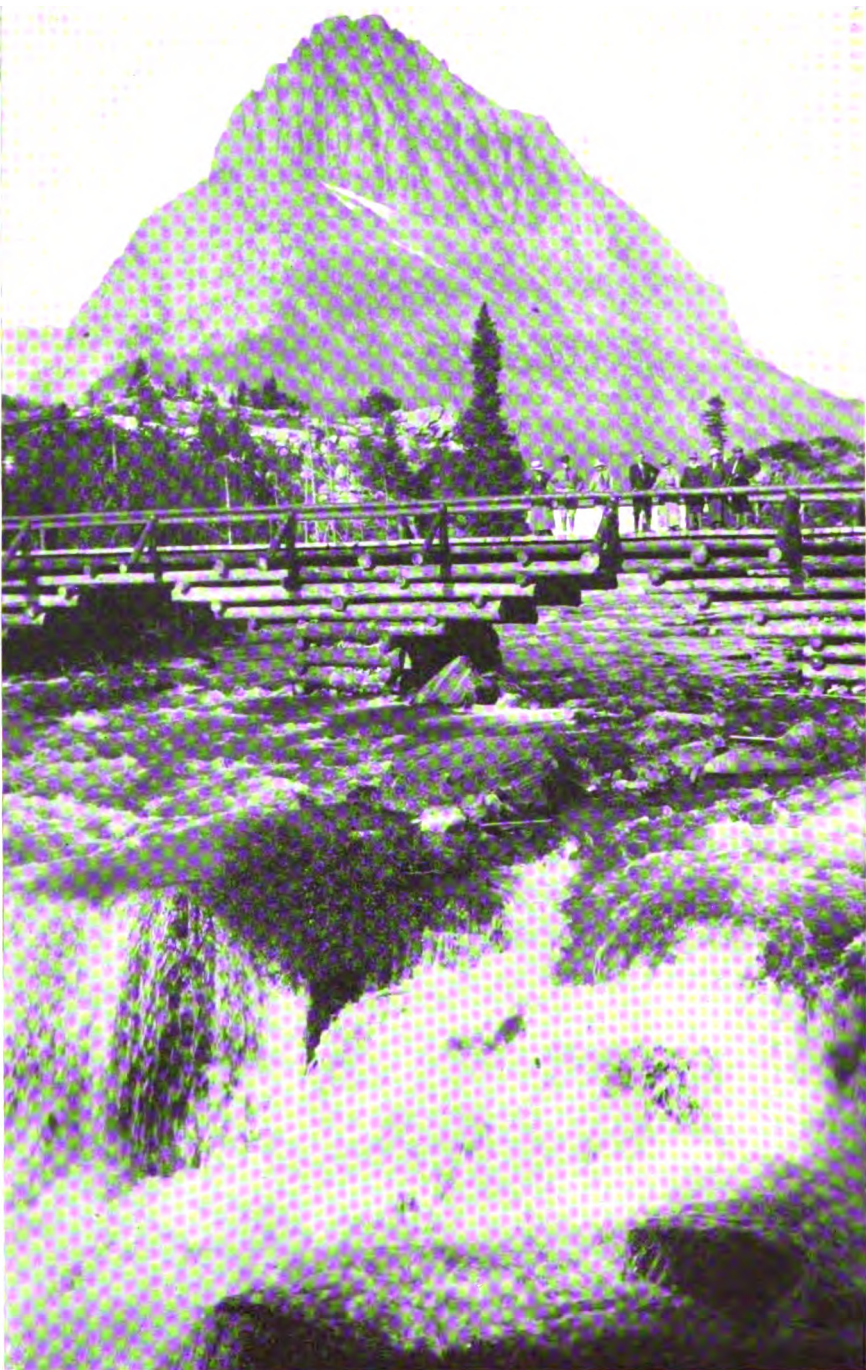
may gain the Two-Medicine country, where the Two Medicine Lakes and Trick Falls and Rising Wolf and Apistoki and Triple Divide arc.

On westward from Glacier Park the Great Northern sets its course along Glacier Park’s southern boundary, the only transcontinental track in the United States that lies alongside a national playground.

Summit (1,104 miles) marks the spot where the Great Northern scales the Continental Divide—through that gap in the Rockies that’s called Marias Pass—5,202 feet above sea-level.

The ride down the steep west slope of the main range of the Rocky Mountains—from Summit down to Columbia Falls—is a fine one. In a distance of sixty miles the railway descends 2,100 feet; in the first fifteen of these miles the descent totals 1,200 feet. The track lies all among majestic mountains, among the tall pines of the Flatland National Forest, and follows close beside rushing mountain streams—Bear Creek first, the middle fork of the Flathead River next, and finally the Flathead itself. From the horseshoe curve at Skyland a wonderful view is had down into the Bear Creek Valley, its floor a thousand feet below the railroad. The middle fork of the Flathead, from Java station followed for thirty-five miles, is a mountain river particularly beautiful. Belton (1,149 miles), stands at the western gate to Glacier Park.

Then from Rexford (1,234 miles), the Great Northern Railway does some more mountaineering—through the canyon of the Kootenai. The Kootenai River has its source in the high glaciers of the Canadian Rockies, hastens southward into the States—a big, vivid-green river—and among the west spurs of our own Rockies describes a wide “horseshoe” through the northwestern corner of Montana and the “Panhandle” of Idaho. Entering the Kootenai’s canyon at Rexford, crossing the Montana-Idaho line just beyond Yakt (1,314 miles) and leaving the canyon at Bonner’s Ferry (1,339 miles), the Great Northern for



GRINNELL MOUNTAIN AND McDERMOTT FALLS, GLACIER NATIONAL PARK

105 miles follows this horseshoe of the Kootenai's—through the Wolf Range, the Purcell Range and the Cabinet Mountains—another very fine rail ride.

The Kootenai National Forest, the Libby Creek and Yakt River placer gold fields; the lively saw-milling towns of Libby in Montana and of Bonner's Ferry in Idaho; the rugged Cabinets where mountain lions and bears roam—these are interesting things in and about the Kootenai Canyon. Out of Idaho, from Sand Point (1,372 miles) the track follows another brawny and green mountain river—the Pend Oreille.

The State of Washington the Great Northern enters at Newport on the Pend Oreille (1,391 miles); 1,447 miles out from St. Paul the Great Northern reaches Spokane.

Spokane, about the mighty falls of the Spokane River—makers of 400,000 horsepower for electrical purposes—is the hub of Eastern Washington, of Idaho, and of Western Montana—of what's called the Inland Empire. Spokane in 1880 was a village of 300, today with 120,000 people it's Washington's second city. In the shelter of the Cabinet and Coeur d'Alene ranges, a chain of fine apple-growing valleys surrounds it. Hayden Lake—an hour away—is a delightful resort in the Coeur d'Alenes.

Westward from Spokane the railway makes across the high prairies of the eastern Washington Big Bend country—taking its name from the big bend of the Columbia River off to the north and west of it—a wheat-growing land of 7,000 square miles.

From the little depot that's called Crater (1,590 miles) the Great Northern descends from the highlands to the east bank of the mighty Columbia—by a track that winds down the walls of the weird, volcano-rent Crater Coulee. The railway follows up the Columbia, beneath its basalt Palisades—beyond Rock Island (1,610 miles) the railway bridges it.

Wenatchee on the Columbia (1,621 miles) is the hub of the Wenatchee Valley, the "Land of the Big Red Ap-

ple." A generation ago this was a desert of volcanic ash, where only sage-bush grew; to-day under irrigation the Wenatchee Valley, from end to end, is one vast orchard that bears "big red" Wenatchee apples that are shipped even over-sea.

Up the Wenatchee Valley the transcontinental track heads toward the Cascades—through the spurs of the Wenatchee Range and alongside the snow-fed Wenatchee River, hurrying down from Glacier Peak.

Leavenworth (1,644 miles, altitude 1,165 feet), stands at the eastern base of the main range of the Cascade Mountains; here the Great Northern begins its scaling of the Cascades—the most wonderful ride by rail in all America. A second big locomotive—a "helper"—is coupled to overland trains.

Tumwater (Talking Water) Canyon the railway enters immediately, and for ten sharply-climbing miles the track twists up this wonder place—a tremendous cleft where the Wenatchee tumbles and foams between mountains forested with firs, hemlocks, spruces and cedars of the Wenatchee National Forest, and so high that never-melting snow lies in the shadowed crevices about the crests of them. Rare bear, deer and goat hunting is hereabouts.

Nason Creek Canyon the railway climbs from Nason Creek station (altitude 2,153 feet)—another tremendous cleft in the mountains with brawling Nason Creek at its bottom.

From Cascade Tunnel station (1,677 miles) at 3,375 feet altitude the Great Northern through the Cascade Tunnel passes under the ridge of the Cascades.

Tye (1,680 miles) stands at the west portal of Cascade Tunnel and is perched high up on the north wall of Tye River Canyon; here the Great Northern begins the descent of the Cascade's west slope—the track following a shelf along the canyon's wall. The "doll's house" that's glimpsed from this high track, down in the canyon, is the big hotel at Scenic Hot Springs. The shoulder of Windy Point is tunneled. A bit further on the track bridges the chasm of Mar-

tin's Creek and runs through the unique Martin's Creek Tunnel—both of whose portals are east portals and which describes a complete down-hill horseshoe in the mountain. At Scenic the railway horseshoes into the west again—a descent of 1,007 feet in nine miles of track—at that delightful mountain resort, in the Snoqualmie National Forest, Scenic Hot Springs. Skykomish (1,701

miles) 1,168 feet below Scenic, marks the bottom of the descent of the main range of the Cascades.

The salt waters of Puget Sound the Great Northern reaches at Everett (1,753 miles)—and from Everett southward to Seattle—still another fine rail ride—the Great Northern, over what's nicknamed the "Coast Line," follows along the Sound's shore.



Bankers Magazine an International Medium



FRANCIS J. REITZ, President
C. B. ERLow, Cashier J. H. BIPPEL, Asst. Cashier
BYRON KURK, Asst. Cashier

THE CITY NATIONAL BANK

CAPITAL \$ 350,000.00 SURPLUS & PROFITS OVER \$ 400,000.00

EVANSVILLE, INDIANA

June 7, 1915.

Mr. E. H. Youngman, Editor,
Bankers Magazine,
New York, N. Y.

Dear Sir:

All records for long-distance advertising were broken when I received the following request for one of our booklets written by the late Elbert Hubbard:

"Malmö den 14/5 1915.

Mr. A. F. Bader,
Evansville, Ind., U. S. A.

Dear Sir:

I should be very thankful, if you would have the honour of sending me the booklet at the City National Bank referred to in the Bankers Magazine.

Yours respektfully,
(Signed) Ivar Hansson,
Adr. Norregatan 3,
Malmö, Sweden, Europe."

Mention of this booklet appeared on page #478 in the April number of your magazine. According to such results your publication will be an excellent medium to employ in furthering the establishment of international trade and banking facilities.

Yours very truly,

Manager of Advertising and
Safe Deposit Departments.

JMcC-AFB

Banking Publicity

Conducted by

T. D. MacGREGOR

Floriculture and Agriculture

An Eastern and a Western Bank Encourage Flower and Corn Growing Respectively.

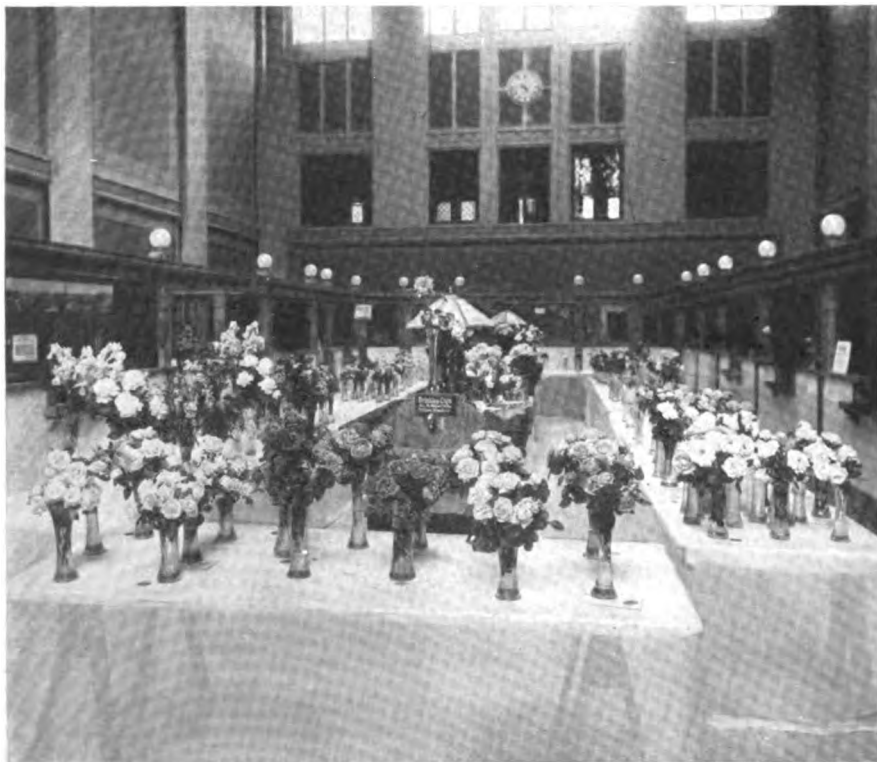
IT is some trouble for a bank to conduct a flower show or a corn contest, but it pays in the sense of satisfaction at having performed a public service, and undoubtedly also from an advertising point of view.

Wessels Van Blarcom, assistant cashier of the Second National Bank, Paterson, N. J., writes us:

I am enclosing some clippings relating to the recent rose and peony show held in our institution. This is our third venture along these lines and we feel that the advertising so effected tends to increase our deposits materially, particularly in the savings department. I likewise send you a photo of the interior of our bank on the occasion of the show.

The local newspaper account of the show read:

Thousands inspected the flower show which was held Saturday at the Second National Bank under the auspices of the Paterson Floricultural Society. Hundreds of magnificent blooms were exhibited and a great deal of interest was shown in the



FLOWER DISPLAY IN THE LOBBY OF SECOND NATIONAL BANK, PATERSON, N. J.

awarding of prizes. The judges were: James McCollom, superintendent of the public parks; Arthur Vesceilius, the florist, and Thomas Heminsley, a flower grower. The entire display was under the management of Wessels Van Blarcom, assistant cashier of the bank, who originated the idea of giving these displays annually at the Second National institution.

The "Times-Republican" of Marshall town, Iowa, contained this item:

Forty-eight farmer boys of the county have entered the acre corn growing contest for the prize free trip to the San Francisco Exposition this fall that is offered by the Marshalltown State Bank. Entries have just closed. The forty-eight boys who are eligible to compete for the grand prize, and several lesser township prizes, represent fourteen of the eighteen townships. The townships not represented by entrants are LeGrand, Timber Creek, Logan and Greencastle.

The contest is promoted by the extension department of Iowa State College, Ames. The boys who entered are between the ages of 10 and 18 years. They must do all the work of growing an acre of corn, except perhaps the plowing. They must keep a record of the cost of all seed, labor and all materials going into the acre, and at the end of the season they must make a detailed written report to the Ames college of their experience. The boy who shows the best results, and who makes the best report will win the free trip, worth \$136.



Co-operative Bank Advertising

THE idea of banks getting together to promote thrift and advertise banking facilities in their communities is growing.

The banks of Des Moines, Iowa, unite in publishing the "Talks on Thrift" in a certain, good-sized space in the "Register and Leader" every Saturday.

A movement is on foot for a co-operative thrift campaign among the banks of St. Louis.

The Pasadena (Cal.) banks publish their cards together in equal space and uniform style. Mr. R. C. Davis, manager of the Pasadena Clearing-House Association writes

We have a plan of co-operative advertising which is used only in relation to adver-

tising for which we are solicited. We adopted this system several years ago as a matter of convenience and economy in handling advertising which really was not advertising, but amounted to a donation for charity or to assist some local organization. Under this plan, all our advertising is in the hands of the manager, thus relieving each individual bank from the annoyance of having to consider every advertising proposition which comes up.

At the convention of the North Carolina Bankers' Association at Wrightsville on the 18th of June last, a committee of bank publicity men was chosen to make an effort to conduct a campaign of popular education in that state on the subject of thrift and the safety and service of banks.

The following committee was named to handle the matter:

Chairman, Eugene E. Culbreth, publicity manager, Commercial National Bank, Raleigh, N. C.; J. B. Sparrow, cashier, Savings & Trust Co., Washington, N. C.; and Hinton James, cashier, Scotland Co. Savings Bank, Laurinburg, N. C.

The suggestions of E. B. Wilson, advertising manager of the Bankers Trust Company, New York, as offered the North Dakota Bankers Association were as follows:

"Permit me to register my firm conviction that a thorough, intelligent and prolonged campaign of publicity in almost any community, carried on by the banks acting jointly, would result in increased business for all the banks, the greater proportionate share of such increase going to the banks which did the most intelligent work for new business during the period of such advertising. I cannot agree with those who contend that in such a campaign the advantage would be with the biggest and strongest institutions; on the contrary, I believe that the advantage would be, and justly so, with those institutions deserving of confidence which did the fairest and most intelligent hustling for new business. Moreover, a campaign of community advertising ought not to be substituted for the individual advertising of the banking institutions of the community, but should be considered as the foundation for individual advertising and other business-getting efforts, the background which would make individual advertising all the more effective.

"Let the banks of any given community subscribe to a common advertising appro-

priation of proper size; have strong, appealing copy written in plain, understandable language, and publish it regularly as obvious advertisements (not 'reading matter') over a long period, in the local newspapers; let them supplement this newspaper advertising with pamphlets, carefully prepared, which will explain in simplest language the purposes, practices, and services of banking institutions, the same pamphlets being distributed by all of the banks to their customers and prospective customers. Let them use, if local conditions seem to warrant it, advertising space in the local street-cars and on the screens of the motion-picture theatres. Such a campaign would arouse an interest in the banking institutions of any community that would be of lasting benefit, not only to those institutions but to the community at large."



Unwise Advertising

WE perhaps do not realize how banks themselves in their advertising are constantly creating distrust of all banks by their intimations of the unsoundness of other banks. Pick up any paper here in Chicago and you find such advertisements as this: "Service in the Blank Trust and Savings Bank is prompt and courteous. *Absolute safety* is assured depositors."

Another: "Large capital and surplus, strong management, and a half century of safe banking assures *Absolute security*."

Again: "The more you know about this Bank, the better you understand why your savings here are *always safe*."

Once more: "The Savings Department of the Blank National Bank is—*under the direct supervision of the government of the United States*."

These are all (downtown) "loop" Banks.

Two outlying National Banks: "We are the only national banks in our section of the city,"—repeated over and over again, with a picture of Uncle Sam leaning on their bank buildings.

The suggestion in all these advertisements is that a bank which is not so old, or so large, or a national bank perchance, is possibly not quite as safe as



How a Woman Saved the Day

We know a kind-hearted, open-handed man who couldn't save a cent. But his splendid wife, realizing his weakness, pressed him for a larger household allowance. Out of this she saved \$20 a month.

Ten years later, in hard times, he lost his position. He hadn't a dollar. Idleness and want faced him. But his wife smilingly produced her Savings Bank book with \$2,946 to their credit. She says it was fun fooling her husband, and they never missed the money.

Why not start a Protection Fund at this bank?

4% COMPOUNDED QUARTERLY
CAPITAL & SURPLUS \$500,000.00

CAPITAL TRUST & SAVINGS BANK
CAPITAL BANK BUILDING 517 & ROBERT STS.

Help for the Inexperienced

We pay particular attention to the requirements of those unfamiliar with the details of business. Our aim is to make their dealings with this bank pleasant and easy, and to save them unnecessary work and worry in connection with their financial affairs.

THE FIRST NATIONAL BANK
Of St. Paul



Don't Sell Your Birthright!

In the United States all men are born free and equal. Did you ever stop to think that here you are entitled to financial, as well as mental, moral and political freedom?

Don't give up your right to money independence by frittering away all of your earnings now. Save at least nickels, dimes and quarters—the fragments of fortune. Deposit them at this strong bank. Soon they will enable you to build an enduring structure of INDEPENDENCE.

MERCHANTS NATIONAL BANK
CAPITAL \$2,000,000. SURPLUS & PROFITS \$2,300,000

ESTABLISHED 1872

THE BANK OF PERSONAL SERVICE

THREE GOOD 'UNS FROM ST. PAUL

the one advertised and it would be well for the reader to shift his deposit accordingly. In times of panic when fear spreads like a conflagration, the suggestions contained in such advertisements bear fruit and many depositors,

as in 1914, withdraw from one bank and deposit in another, or in their safety deposit boxes. Perhaps the climax of this absurdity, giving a glimpse into the workings of the average depositor's mind, was the Chicago woman who had thus solved her banking worries: First, she had been told that the adoption of the Federal Reserve System had made it impossible for national banks to fail; secondly, she, wishing to be safe above all things, withdrew her deposit from the First Trust and Savings Bank and deposited it in the First National Bank.—*Theodore Jessup, Assistant Cashier, Woodlawn Trust and Savings Bank, Chicago.*



How the San Diego Savings Bank Has Attracted Business by Special Service.

By C. A. Williams.

IT has been said that any big industrial achievement is but the elongated shadow of one or more personalities. Just so San Diego's wonderful exposition reflects the keen, progressive, forceful methods of her bankers and her business and professional men.

An example: Along in 1914, it occurred to one of the leading state banks of the city, the San Diego Savings Bank, that the biggest service that could be performed for the visitors to the exposition would be the furnishing of a central bureau to supply all reasonable needs with a maximum of efficiency in a minimum of time. A few of the directors, who are also directors of the exposition, had been to world's fairs of venience and the advantages, which the past, and had experienced the contrived introductions to fellow bankers in these exposition cities gave them, and they saw opportunities to carry the conventional bank courtesy idea further.

They decided it would be something of a novelty to have a place where responsible people could go and without delay obtain just what they needed.

Some time before there had been established in the bank a general service bureau modeled after that of any number of New York and Chicago banks, devoted to supplying assistance a bit more extensive than that which the most patient assistant cashier could be expected to give. The bank had conducted that bureau in a manner which would do credit to the bureau in a leading institution of a much larger city. But it was not satisfied.

"A lot of our visitors in 1915 are going to be country people," said one of the directors. "I used to live in a little town in the Middle West, and whenever my neighbors wanted to make an investment or realize on one, they went to the village banker and got his advice. If they were going to make a long trip they went to him for letters of credit, and more advice. The village banker is a general adviser to the town. He serves a purpose the city banker does not have time to serve. Organize this bureau so it will take care of the man from the small town."

That was the start.



EARLY in the fall of 1914, several months before the New Year's Eve opening of the exposition, the bank compiled a list of state banks in all cities of under 75,000 population in the United States. To each banker there went a brief letter, explaining what the general service bureau of the San Diego Savings Bank was trying to do; in brief, to act as the San Diego agent of the distant institution—not for local collections, not for discounts, but for real service, the same service the banker in the small town was called on to perform for his customers. A booklet, notably artistic and notably comprehensive, accompanied the letter.

The letter told briefly what the bureau had to offer. Here is some of the service:

Prompt payment of drafts on the bank at home.

Identification of accredited visitors, for various outside purposes.

Immediate accommodation, at hotels or apartments previously selected, or furnishing of information as to accommodations not reserved in advance.

Supply of tickets for varying periods at the exposition.

Forwarding of mail, express and freight.

Exchange of paper.

Assistance in validation of tickets and purchasing or reserving outgoing tickets.

Arranging sightseeing tours of the famous back country.

Information service.

That final item is worth analysis. The information supplied is not a matter of telling where the postoffice is, or what the hour is, or how far it is to the Mexican line. Its enlarged service being based on the idea of doing for the distant banker just what that banker is expected to do at home, the information has to be of a general character, and comprehensive.

One visitor has heard that Southern California is the greatest citrus country in the world. The service bureau tells him where the best orchards are situated and how to get there. It tells him where to find the best orange crops, and the prices compared with previous years. It tells him about what a growing orchard is worth per acre, and how much operating costs amount to, and how much revenue may be expected. It tells him the cost of equipment and labor. If the visitor also knows that the California olive is supplanting that of Italy, and wishes detailed information, it is given him, from statistics gathered by an extraordinary amount of labor. If he knows vaguely of the vineyards of

California, he is given clear ideas. If he wants to know about alfalfa or cotton—the Imperial Valley, just east of San Diego, is growing better cotton than that of the old South—or walnuts, or cherries, or melons, or apples—or anything else, that information is placed in his hands. It is not guesswork. It is information gathered by several years of labor by the same shrewd, scientific methods which built the exposition itself.

The man who wants to work with his hands or with his brain can get information. So can the man with permanent connections elsewhere, who has no idea of living in the Southwest, but is thinking of investment.

The man looking for entertainment can get what he wants just as promptly. If he has heard that San Diego's all-year climate makes it possible to play polo in January as in July, and wishes it proved, he will be told when the next polo game is scheduled for Coronado. He will be told how to get to the old mission of San Diego de Alcalá, the oldest of the coast missions, and how to travel up El Camino Real to see the others. He will be told how in a few hours he can be whisked from the coast, up through valleys of citrus and grape and olive, up to the liveoak forests and the never melting snows of the mountains a few miles to the east. He will be told how he can take a few hours off and see the rare marine life of the Mexican Islands a few miles to the southwest. He will be told how he can see Mexican life on the mainland still nearer. Almost anything he wants to know, he will be told. And if some cocksure native on the street outside tells him the weather on the next day will be fair, the statement has a strong chance of being accurate, for San Diego sees nothing but fair weather for months at a time.

The bank does not serve as a weather prophet, but there is scarcely a legitimate subject for information that is not at the finger tips of the employees in the service bureau.

The special service, of course, in the way of identification of payment of drafts, is carefully guarded. The manner is interesting.

With the letter to each banker went a small packet of cards, so perforated as to be torn into two sections. On one section is a brief message to the San Diego Savings Bank, signed by the cashier of the correspondent bank. It reads:

"We have this day issued to the party whose signature appears above, an identification card to your bank, and will appreciate the extension of your usual courtesies."

The prospective tourist signs his name, and without delay the coupon is torn off and transmitted to San Diego. The tourist takes the other section of the card, in the margin of which is a space for his signature. This section bears also the following:

"This will introduce to you (the San Diego Savings Bank) Mr. ———, a specimen of whose signature appears on the margin of this card, and whom we commend to your courtesies."

This coupon is signed by the cashier, and the seal of the bank is affixed. Checking of this card against the other portion, mailed direct to San Diego, establishes the necessary identification. For positive proof, of course, the San Diego Savings Bank makes up special correspondence with the correspondent bank.



EXPENSIVE for San Diego? Yes.

The service bureau costs money to operate, but so do the other activities of the bank. Also it produces money. Ten days after the letters were issued a new account was opened from a Middle West town which amounted to more than the total cost of the engraving and a week's maintenance of the bureau. Two months later nearly a hundred new accounts were opened. All were from banks which wished to furnish home

clients with direct service in a distant city. So much for that part of the story. Here is another part.

A person in ———, Wisconsin, wrote the bank and said he had heard at home of the general service bureau. He wanted advice about settling in the Southwest. He wanted to start an industry, and was willing to put into it his whole capital, \$2,000, which he had saved during twenty years of steady work at home.

That letter went up to the president to be answered, and there was an immediate answer dictated.

"I cannot advise you to come," it said, in effect. "There is no special demand for the industry you outline. Also if in twenty years you have been able to accumulate only \$2,000, we cannot advise you, at your time of life, to come to a new country where you must be prepared for a two or three years' pull. We advise you to stay where you are."

The Southwest wants settlers. Its development is directly dependent on settlement. But the bank realizes that the settlers must be of the right sort, and there must be safeguards against failures, complete or partial. It would have been easy to get that Wisconsin man to go to the coast. It would be hard to send him away if he was not a success. The bank has a duty to its reputation and to the prosperity of the Southwest alike. It must have optimism, but optimism of the best sort, with reasons as a guiding power.



THIS whole thing is a departure in banking. It is a combining of the personal touch of the country bank and the efficiency of the city bank. It is a deft attention to the needs of the traveler and the settler alike, and an appreciation of exactly what the country banker wants—a friend who will serve in his stead and aid his clients.

This is the San Diego idea, the meeting of every need which can be foreseen, the supplying of efficient service. It is a working out of the principle which gave to the San Diego Savings Bank a building that would do credit to La Salle street, a vault system that Wall Street could not criticize, a close attention to detail that the largest banks of Boston or Philadelphia or St. Louis cannot improve upon. San Diego has produced an exposition that is a marvel, but it produces other things. It can show to the North and East a variety of marvels.



Comment on Reproductions

THE First National Bank, of Syracuse, recently entered a new home. Its advertising agent decided that it was a good idea to use the building as a kind of trademark in each advertisement and also to illustrate it piecemeal. It is a good idea, and a big bank can well afford to pay for the art work and extra space to do the thing up right at such a time. The original space used in these advertisements was 7 inches by 2 colums. We like the bold-face signature used in two of the ads. better than the other one.

Everybody seems to feel that the Ford is a good thing, let's push it along. But we have the authority of the song for it that the Ford doesn't need any pushing for "the little old Ford it rambled right along." Anyway the Los Angeles Trust and Savings Bank was "right onto its job" in putting in a bid for the Ford-owners' profit sharing dividends as savings deposits.



The City National Bank of Oshkosh in a well-displayed advertisement holds up the thrifty immigrant as a saving model for native sons.



The Bank of Italy makes a good point of the vast aggregate of savings interest paid out at interest periods.



The Home Savings Bank ad. writer was likewise a student of history. Everybody else will have to wait another century before using the Waterloo idea.



Human interest sticks out of the "Weekly Saver" ad. of The Old National Bank of Oshkosh.



Some of our ancestors hid their valuables in stoves or between feather beds.

There is as much need for caution today; but there are much better methods for preventing loss by theft or fire.

A safe deposit box in the vaults of this bank costs little, but relieves many doubts as to the safety of your most valued possessions, jewelry, documents, etc.

Trunks, packages and large articles may be left with our Safe Keeping Department.

FIRST NATIONAL BANK
SYRACUSE, N.Y.
ESTABLISHED 1863

The Old National Bank in the State of New York 



The rental of a safety deposit box in our vault assures more than a fire and thief proof storage place for valuables.

It carries with it the responsible custodianship of our Safety Deposit Department.

A distinctive feature of the bank is the Safe Keeping Department which cares for trunks, packages and large articles of value.

THE
FIRST NATIONAL BANK
SYRACUSE, NEW YORK
FOUNDED 1863

The Old National Bank  in the State of New York



The observance of detail in the handling of bonds and other investments is all-important.

The Bond Department of this institution attends to all the details of the collection, buying and selling for many of our depositors.

This methodical attention and supervision of securities is of great benefit to investors, whether in or absent from Syracuse.

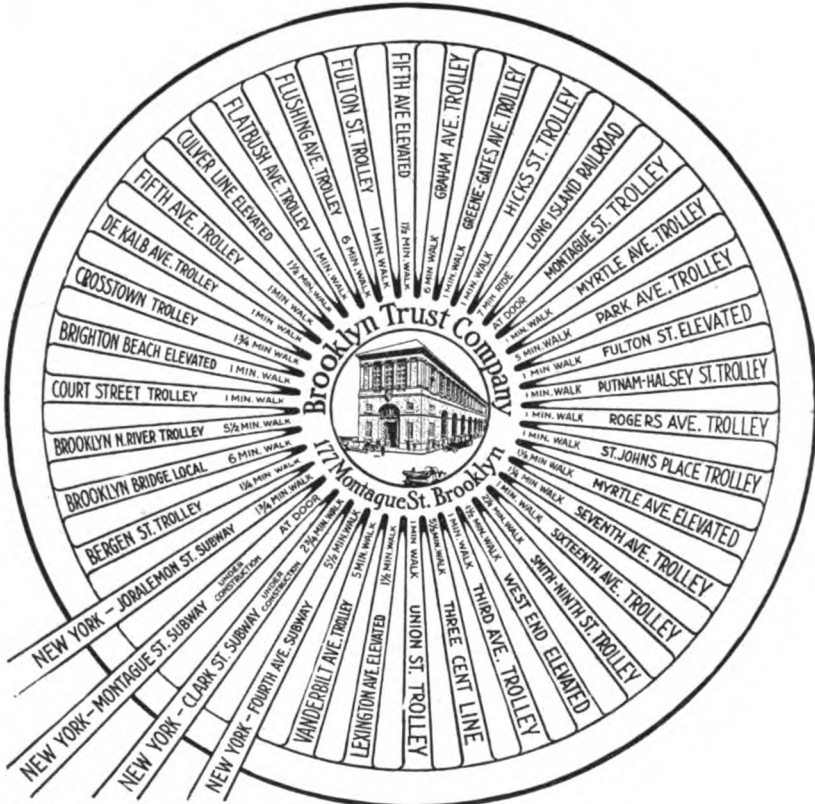
The safest growing big bank in its community.

FIRST NATIONAL BANK
SYRACUSE, N.Y.
ESTABLISHED 1863

The Old National Bank in the State of New York 

Accessibility

The development of the transportation lines of Brooklyn and the four subways connecting Manhattan centralizes the location of the new office building of the **Brooklyn Trust Company and the Brooklyn City Safe Deposit Company** Montague, Clinton and Pierrepont Streets, Brooklyn



Convenience of location, contributing to the rapid transaction of business, is of vital importance to a financial institution and to its patrons. The main office of this Trust Company may be reached from the principal sections of Brooklyn and Manhattan in a few moments. Its officers, too, are easily accessible to help solve your financial problems.

Brooklyn Trust Company

Chartered 1888

Bedford Branch
Fulton St. and Bedford Ave.

Main Office
177 Montague Street

Manhattan Office
Wall Street and Broadway

Capital, Surplus and Profits, \$4,861,036

HAS BROOKLYN SUPERSEDED BOSTON AS "THE HUB"

If it doesn't make you dizzy to look at the "wheel" advertisement of the Brooklyn Trust Company, it won't take

you long to draw the inference that the institution is centrally located and accessible. We wish Brooklyn was as

easy to get around in as this map seems to indicate.

How Banks Are Advertising

Note and Comment on Current Financial Advertising

The Hannibal National Bank ad. inside a mortised coin is the first one of this kind we have ever seen, though it would seem quite an obvious one for a

CHICAGO is a good field for bank house organs because there are so many local or outlying banks each serving its own particular territory.

\$400,000⁰⁰
will be distributed to
8000 FORD OWNERS
in Southern California

The Ford Motor Company announces that Southern California's portion of the profit-sharing dividend, to be paid Ford owners amounting to approximately \$400,000.00. Every owner of a Ford this year will receive \$50.00 (Five Dollars).

If you are one of the 8000 people who will receive \$50.00 at this time, may we suggest to you the advisability of getting it in the strong bank to form the nucleus of a Term Savings Account, which will pay a low cost interest compounded semi-annually. Call our New Account Department for particulars about this form of deposit—learn how your \$50.00 when added to systematically will soon provide "a rainy day fund" of credit property.

LOS ANGELES TRUST AND SAVINGS BANK

Sixth and Spring Streets.
Branches, Second and Spring, First and Grand Avenues.



Around Your Family Table

In a group of happy faces. As you look at them and think of the future so well as of the present needs of those who depend upon you, what kind of a feeling does it give you?

If you want to keep these faces happy and your own mind easy, there is just one thing to do. Put money regularly into an Old National Bank savings account. This, with life insurance and stock investments from time to time—will make you and yours truly independent. What are you going to do about it?

The Old National Bank
Oakbrook, Wis.

THE BANK NEXT TO THE POSTOFFICE

Save Some.

Emigrants from the old countries travel far in order to earn enough to SAVE SOME.

Once they have found work here it is characteristic of them to start a Savings Account and make their work yield up a profit that no amount of toil could formally produce.

If you were born and raised here in the U. S. A. do not take the opportunities and wages for granted. Remember the Emigrant and SAVE SOME. Savers, both foreign-born and native-born, are welcome at this bank.

Three per cent interest paid four times a year in our savings department.

City National Bank

Capital \$200,000.00

Northwest Corner Main and High Streets
Oakbrook, Wis.



The Battle of Waterloo was fought 100 years ago today

You will most pay. Whether you fall in with a regular amount proportionate to your income and let it draw interest for you day and night until a need arises or a desirable investment presents itself.

LIKE THE PRUSSIAN AT WATERLOO your Savings will appear as reinforcements just at the strategic moment of your business career and win for you the day!

Home Savings Bank
Savings Commercial

Billpayer's Problem Solved!

One of the leading Minneapolis merchants has recently advised:

Billpayer is the column of this paper to—

Seek to increase ability to earn. Always live within your income. Refuse all temptations to speculate. Invest your savings safely at interest. This is good advice. If

Billpayer will carry it out, his prosperity is certain.

To help him we have worked out a plan so that he can regularly deposit money in our Savings Department until he has accumulated enough to buy a bond or mortgage. We will keep on hand for this purpose approved securities ranging in size from \$100 up, and bearing interest at from 4 1/2 to 6 per cent. When the accumulation is sufficient to pay for half the security selected, we will loan the balance, which can be paid in regular installments.

So no now and start an account. You will be surprised to see how soon you will be an owner of interest-bearing securities. We would prefer to see you personally and explain this matter, but, if not convenient, a postal will bring you the required information.

The Minnesota Loan and Trust Company
405 Marquette Avenue.
Affiliated with the Northwestern National Bank.

THIS IS A CHOICE COLLECTION

bank ad. We guess banks have hesitated on account of the strict laws relative to making pictures of money.

There would be too much waste circulation for these banks to advertise profitably in the large dailies of general circulation and high advertising rates, but they can each cultivate their own field by means of a house organ. Some of the big downtown Chicago banks are doing it, too, making up their lists largely of the names of persons having places of business in the vicinity of the bank. Among the good house organs of Chicago banks we have recently seen are:

The Minnesota Loan and Trust Company's "Billpayer" ad. was made timely by a discussion running in the Minneapolis "Journal" at the time, dealing with the saving problems presented by a correspondent of the paper who signed himself "Billpayer."

"The Englewood State Banker," the Englewood State Bank.

"Woodlawn Bank Notes," the Woodlawn Trust and Savings Bank.

"Peoples Trust and Savings Monthly," Peoples Trust and Savings Bank.

"Aetna State Bank Magazine," Aetna State Bank.

"Thrift Magazine," Drexel State Bank.

"Saving and Investing," Madison and Kedzie Street Bank.

to adapt them. They are not copyrighted, either literally or metaphorically."

©

The National City Bank of New Rochelle, N. Y., is trying the coin "good for 50 cents" scheme. The provisions are that the deposit coin is good for half a dollar "in opening a new account in the interest department with \$5.00 or more in the City Bank which must be left on deposit for one year and pay you compound interest on your savings. This deposit coin may be used by any

The changes at Wall and Nassau Streets typify this City's progress.

The national days John Hancock's 15th leaves much for the newspaper writer to fill and think about. Today, and the same for the future, the Greater City of New York is the epitome of the city's strength and progressive energy.

The Greater City's progress reflects the city's progress in various other ways. The Greater City's progress is reflected in a new banking, trust and foreign exchange business.

You are invited to investigate the Greater City's progress and to call on us in regard to any financial matter in which we can be of service. Interest is paid on deposits of \$1,000 or more.

BANKERS TRUST COMPANY
10 WALL STREET NEW YORK
Capital, Surplus and Profits, \$12,000,000

To those who would make a personal friend of Exporter and Trustee

OFFICE is located in the Bankers Trust Company Building, 10 Wall Street, New York City. The office is open from 10:00 A. M. to 4:00 P. M. on weekdays. The office is also open on Saturdays from 10:00 A. M. to 1:00 P. M. The office is also open on Sundays from 10:00 A. M. to 1:00 P. M. The office is also open on public holidays.

BANKERS TRUST COMPANY
10 Wall Street, New York City

This Company's deposits have grown to more than \$146,000,000 during its eleven years of business.

A **SAVINGS** program provides for the accumulation of funds for the future. The program is designed to meet the needs of individuals who wish to save for their children's education, for their own retirement, or for any other purpose. The program is flexible and can be adapted to the needs of any individual.

BANKERS TRUST COMPANY
10 Wall Street, New York City

Solving Banking Problems for Importers and Exporters

ONE OF the most difficult problems confronting the business man when his dealings with foreign countries is to arrange for payments—in other words, the banking problem.

It is the business of the Foreign Department of this Company to help customers solve such problems and to facilitate their transactions with foreign countries by offering unimpaired foreign exchange facilities. The Company issues dollar credits to cover the importation and exportation of merchandise. It is also authorized under the law of the State of New York to accept drafts upon it for its customers, payable at future dates, for domestic business as well as foreign.

The Company purchases and sells bills of exchange, issues commercial and tourist letters of credit and remittance advices, and makes payments in any part of the world, either by mail or by telegraph.

Bring your foreign exchange problems to us and let us help you solve them. Telephone Room 4922 or call at 10 Wall Street.

BANKERS TRUST COMPANY
Capital, Surplus and Profits \$12,000,000

EXCELLENT COPY USED IN NEW YORK NEWSPAPERS

We reproduce samples of the excellent advertisements of the Bankers Trust Company which recently appeared. Advertising Manager E. B. Wilson says of them:


"It is entirely in keeping with the policy of this company to pass on to other banking institutions these results of the study and work done in its advertising department, and our sincere wish is that the advertisements here shown may not only be of interest, but of some practical use to many banks. If any of the headings, paragraphs, or arrangements appeal as being adaptable to the requirements of your own institution, you are at perfect liberty

person who has no interest account in this bank, but more than one cannot be used by any depositor. Deposits can be made at any time. Interest begins quarterly. If you have an account with us, kindly hand to someone who has not, as the natural assumption is we have spent the full quota in advertising to obtain your account."


In inviting people to inspect its new home, The Dime Savings Bank, of Toledo, O., said in its advertisement:



Lincoln
President and Emancipator
Said:
"Thank heaven, it lights with every coming."
While your neighbor is spending, take care that you are saving. It's the long pull that counts and the cover saves when. Join the hundred thousand depositors in this safe bank and increase your income by 4% on all your money.
The Cleveland Trust Company
Bank and East Sixth
Over \$20,000,000.00




Gladstone
the "Grand Old Man" of England
Said:
"A big share is exempt to your money will rarely be of a man or a nation."
Said:
"A big share is exempt to your money will rarely be of a man or a nation."
Savings is success-insurance. It is a privilege for everybody. Save, but make sure of the safety of your savings. You get unquestionable security at this bank and four per cent interest.
The Cleveland Trust Company
Bank and East Sixth
Over \$20,000,000.00



Roosevelt
fourth President of the United States
Said:
"If you could be sure that you are beginning right, begin to save."
Said:
"If you could be sure that you are beginning right, begin to save."
This bank offers safety for savings. It has fourteen convenient branches that make it easy for you to begin. It pays 4 percent interest on accounts opened with one dollar or more. Begin right, before the week ends.
The Cleveland Trust Company
Bank and East Sixth
Safe Deposit Vaults.



Hill
inventor and railroad builder
Said:
"If you would be sure that you are beginning right, begin to save."
Said:
"If you would be sure that you are beginning right, begin to save."
This bank offers safety for savings. It has fourteen convenient branches that make it easy for you to begin. It pays 4 percent interest on accounts opened with one dollar or more. Begin right, before the week ends.
The Cleveland Trust Company
Bank and East Sixth
Traveler's Checks.



Wilson
President and Educator.
Said:
"We have not studied economy as we should."
No matter how little or how much you have, final success depends on thrift. And thrift means saving. Save with safety, convenience and profit by opening your account here with a dollar or more. 4% interest.
The Cleveland Trust Company
Bank and East Sixth
Safe Deposit Boxes.

"LIVES OF GREAT MEN ALL REMIND US"

Not only will you admire the surpassing beauty of the building—you will be impressed with the remarkable system of safeguards with which it is equipped. It is protected against all possible hazard—physically—and by soundness of its directorate and business experience of its officers. You will be impressed with our ability to render a complete banking service. We pay 4% interest on deposits, compounded semi-annually.

are practically worthless from an advertising standpoint. The banks in every community ought to form an *entente* or a *Dreibund* against that form of assault on their exchequers. Let such expenditures, if made at all, be charged against the charity account. Don't burden the advertising account with it.

J. C. Peters, cashier of the Mohall (N. D.) State Bank, speaking of advertising, says:

"We believe we get the best results from personal visits, and through personal letters. The writer makes it a point during the summer months to go out in an automobile and make personal visits, but refrains from talking shop as much as possible. I also take photographs of the farms which I visit and give each farmer about three pictures."

"They Said" is the title of a booklet reproducing a series of newspaper advertisements of the Cleveland Trust Company. They are based on quotations from famous men found in "Talks on Thrift," and each ad. contains a portrait of the man quoted. The list includes: Franklin, Washington, Lincoln, Hill, Garfield, Wilson, Rockefeller, Hanna, Roosevelt, Bismarck, Wanamaker, Carnegie and Gladstone. Five of them are reproduced herewith.

A Southern banker in telling how his bank's annual advertising appropriation had been spent, said:

"About \$2,000 in daily newspapers, about \$1,000 in booklets, financial statements, etc., and about \$1,000 in 'hold-ups,' that is, church programs, college publications, labor union papers, etc."

It seems too bad that a bank has to spend one-fourth of its advertising appropriation for these "hold-ups" which every experienced publicity man knows

Local pride and community interests are fostered by a letter sent out by the Old State National Bank of Evansville, Ind. "Buy in Evansville" is the slogan, because:

- Shopping will be convenient.
- Larger and finer stocks will be carried in the stores.
- Co-operation in local trade will increase the quality of service.
- Local concerns will be better off.
- Employees will be happier and indirectly everyone in Evansville will prosper.

"Getting at the Facts" is the title of a booklet issued by Knauth, Nachod & Kuhne, New York, "for the benefit of those who are seeking information before buying securities."

©

An ad. of the Union Bank and Trust Company in a Helena, Mont., newspaper was meant to have been headed "Your Peace of Mind." It appeared "Your Piece of Mind." That's when the advertising manager should have given the printer and proofreader "a piece of his mind."

©

A good street car card is that of the People's Trust & Savings Bank, of Chicago, containing pictures of young people starting off on their vacation trip, and this wording:

**LET US HELP YOU EARN A
VACATION TRIP!**

Join Our Vacation Club—Just Starting.
Same Plan as the Christmas Club.
Start With Any Amount—
Two Cents to Five Dollars.

A 5-cent deposit, increased 5 cents each week for fifty weeks means \$64.21 saved for your next year's vacation.

©

A successful attempt to inject personality into an advertising form letter is that in the following paragraph from a letter sent out by C. W. Bailey, cashier of The First National Bank, Clarksville, Tenn.:

Miss Sallie Fox receives saving deposits and you will find her at the last window on the right of the lobby. She will be glad to give you full information and answer any questions. I will do the same.

Will you accept the invitation?

©

When the First National Bank of Berkeley, Cal., installed some Bur-

roughs ledger posting and statement machines it took occasion to advertise the fact in various ways, among others in the "movies." This was Slide No. 1:

Six wonderful new machines, that add, subtract, make statements and do book-keeping have been added to the equipment of this bank.

**FIRST NATIONAL BANK,
BERKELEY, CALIFORNIA.**

©

Talking points galore has The People's National Bank, of Waynesboro, Pa. On a blotter the bank claims that it is safe because:

It is under supervision of United States Treasury Department.

It belongs to the National Banking System of United States.

Members of Federal Reserve Association of the United States.

A Roll of Honor bank—having surplus in excess of its capital.

Member of American Bankers' Protective League.

Member of Pennsylvania State Bankers' Association.

Carries large amounts of burglary insurance.

Officers are bonded by the largest fidelity insurance company in America.

It has capital, surplus and double liability of stockholders amounting to \$400,000.

It has total assets of more than \$1,400,000.

Always carries a large surplus reserve for protection of depositors.

Supervised by a capable board of directors.

Managed by experienced officers.

Examined frequently by National Bank Examiners.

Examined semi-annually by a committee of its directors.

Steady and continuous growth for quarter of a century.

Oldest bank in Waynesboro.

Two large burglar and fireproof vaults with heavy steel doors controlled by six time locks.

As a consequence of being safe the People's National Bank is entrusted with a United States deposit.

Your money with us is safe and it will be here for you when needed.

Since the new banking law authorized it, some national banks have been seeking trust business, not very many as yet, however. How the American National of Richmond, Va., did is shown in this advertisement:

THE NEVER DYING EXECUTOR.

An inestimable value is attached to the appointment of our Trust Department as executor of your estate:

1. Your administrator will never die.

2. Your family is protected from having to pay executor's fee more than once. Whenever a new administrator is appointed on account of the death of the executor or administrator, *full fee must be paid again.*

Protect your beneficiaries from all legal or other entanglements by appointing

THE AMERICAN NATIONAL BANK

—of—

RICHMOND, VA.

Your Executor

©

The premium idea in bank advertising seems to be gaining ground. The Cedar Rapids, Ia., National Bank made these offers to openers of a savings account of \$5.00 or more:

To boys: An Ingersoll Watch.

To girls: A Premo, Jr., No. 1 Model B Camera.

To men: A Gem Safety Razor.

To women: A Genuine Black Leather Hand Bag.

The bank had a window and lobby display of the premiums.

Why wouldn't it be a good idea for a bank making such premium offers as are mentioned herein to include also a book on thrift so that the depositors would be stimulated to keep up his depositing after he got the premium?

Bank Advertising Exchange

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

Watch for new names and other changes.

F. R. Adams, Will Co. National Bank, Joliet, Ill.
American National Bank, Richmond, Va.
D. Ansley, care Central Trust Co., San Antonio, Texas.

Carl W. Art, manager publicity department, Union Trust & Savings Bank, Spokane, Wash.

A. F. Bader, publicity manager, City National Bank, Evansville, Ind.

C. W. Bailey, cashier, First National Bank, Clarksville, Tenn.

The Bankers Magazine, New York.
H. C. Berger, Marathon County Bank, Wausau, Wis.

C. J. Bevan, cashier, Exchange Bank, Genoa, Ill.

E. L. Bickford, cashier, First National Bank, Napa, Cal.

W. O. Booser, treasurer, American Trust Co., Jacksonville, Fla.

R. A. Bradham, cashier, The Commercial & Savings Bank, Sumter, S. C.

Jesse E. Brannen, cashier, First National Bank, Westwood, N. J.

Bank of San Rafael, San Rafael, Cal.
E. M. Baugher, president, The Home Building Association Co., Newark Ohio.

C. W. Beerbower National Exchange Bank, Roanoke, Va.

H. C. Bollman, assistant cashier, First National Bank, Collinsville, Okla.

T. J. Brooks, cashier, The Guaranty Trust & Savings Bank, Jacksonville, Fla.

J. A. Buchanan, Guaranty Trust Co., Lancaster, Pa.

F. B. Bunch, cashier, Merchants & Farmers Bank, Statesville, N. C.

E. C. Burton, vice-president, Penn. National Bank, Chester, Pa.

Stephen L. Burwell, vice-president, First National Bank, Jackson, Miss.

A. Bush, Jr., Ladd & Bush, bankers, Salem, Oregon.

The Citizens Bank & Trust Co., Tampa, Fla.
Citizens National Bank, Oconto, Wis.

Commercial Bank, Midway, Kentucky.
Allan Conrad, Box 385, Port Huron, Michigan.

B. S. Cooban, 518 W. 63rd Street, Chicago, Ill.

H. Reed Copp, assistant advertising manager, Old Colony Trust Co., Boston, Mass.

J. Stanley Corwin, Columbia Trust Co., 358 Fifth Avenue, New York, N. Y.

Arthur S. Cory, Chehalis National Bank, Chehalis, Wash.

David Craig, Tradesmens National Bank, Philadelphia, Pa.

M. Clarence Crowson, cashier, Home Banking Co., High Point, N. C.

Eugene E. Culbreth, Commercial National Bank, Raleigh, N. C.

H. A. Dalby, Naugatuck Savings Bank, Naugatuck, Conn.

Dexter Horton National Bank, Seattle, Wash.

T. R. Durham, assistant cashier, Chattanooga Savings Bank, Chattanooga, Tenn.

W. R. Dysart, assistant cashier, First National Bank, Ripon, Wis.

J. C. Eberspracher, assistant cashier, First National Bank, Shelbyville, Ill.

A. A. Eklirch, secretary, North Side Savings Bank, New York City.

F. W. Ellsworth, publicity manager, Guaranty Trust Co., New York.

Federal National Bank, Denver, Colo.
The Franklin Society, 28 Park Row, N. Y.

E. W. Finch, assistant cashier, Birmingham Trust & Savings Co., Birmingham, Ala.

First National Bank, Lead, S. D.

H. Gavere, asst. cash. of Scandinavian American Bank, Grand Forks, N. D.

B. P. Gooden, advertising manager, New Netherlands Bank, New York.

C. F. Hamsher, First National Bank, Los Gatos, Cal.

- Victor F. Hann, manager publicity department, The Fifth Avenue Bank, New York City.
- J. W. Hansen, cashier, Citizens State Bank, Sheboygan, Wis.
- D. L. Hardee, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.
- E. A. Hatton, cashier, First National Bank, Del Rio, Texas.
- John R. Hill, Barnett National Bank, Jacksonville, Fla.
- Jessamine G. Hoagland, publicity manager, National City Bank, Chicago, Ill.
- N. M. Hokanson, State Bank of Chicago, Chicago, Ill.
- Frank K. Houston, vice-president, Third National Bank, St. Louis, Mo.
- L. M. Howard, vice-president, Continental Bank & Trust Co., Shreveport, La.
- Indiana Bldg. & Loan Association, South Bend, Ind.
- W. L. Jenkins, Farmers & Mechanics Trust Co., West Chester, Pa.
- Theodore Jessup, Woodlawn Trust & Savings Bank, 1204 E. 63rd Street, Chicago, Ill.
- N. W. Johnston, president, Illinois Trust & Savings Bank, Champaign, Ill.
- W. P. Jones, assistant cashier, First National Bank of Commerce, Hattiesburg, Miss.
- W. R. Kay, Jr., advertising manager, Sacramento Bank, Sacramento, Cal.
- C. B. Keller, Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
- Grover Keyton, New Farley National Bank, Montgomery, Ala.
- M. R. Knauff, assistant cashier, Merchants National Bank, St. Paul, Minn.
- George L. Kreeck, treasurer, Farmers State Savings Bank & Trust Co., Lawrence, Kans.
- Henry M. Lester, National City Bank, New Rochelle, N. Y.
- A. E. Lindhjem, assistant cashier, Scandinavian American Nat. Bank, Minneapolis, Minn.
- L. W. Lovell, assistant cashier, The Lovell State Bank, Monticello, Iowa.
- E. G. McWilliam, publicity manager, Security Trust & Savings Bank, Los Angeles, Cal.
- Ralph H. Mann, President Gloucester National Bank, Gloucester, Mass.
- H. Warner Martin, assistant cashier, Lowry National Bank, Atlanta, Ga.
- Charles S. Marvel, The First-Second National Bank, Akron, Ohio.
- H. B. Matthews, S. W. Straus & Co., Straus Bldg., Chicago, Ill.
- J. C. McDonald, advertising manager, The City National Bank, Sulphur Springs, Texas.
- Merchants National Bank, Lawrence, Kansas.
- Frank Merrill, advertising manager, The Northwestern National Bank, Minneapolis, Minn.
- Chas. H. Moore, publicity manager, Spokane & Eastern Trust Co., Spokane, Wash.
- Will E. Morris, assistant cashier, Farmers & Merchants Bank, Stockton, Cal.
- E. R. Mulcock, Commercial National Bank, Syracuse, N. Y.
- Nebraska State Bank, Ord., Neb.
- Northwestern Trust Co., R. P. Sherer, vice-president, St. Paul, Minn.
- Old State National Bank, Evansville, Ind.
- J. A. Overton, cashier, The National Bank of Smithtown Branch, Smithtown Branch, N. Y.
- R. B. Parrish, cashier, National Bank of Commerce, Williamson, W. Va.
- A. E. Potter, president, Broadway National Bank, Nashville, Tenn.
- W. W. Potts, treasurer, The Federal Title & Trust Co., Beaver Falls, Pa.
- John W. Pratt, Real Estate Officer, The Kennett Trust Co., Kennett Square, Pa.
- O. W. Rowley, manager, Canadian Bank of Commerce, Winnipeg, Can.
- Wm. J. Ruff, cashier, Luzerne County National Bank, Wilkes-Barre, Pa.
- W. W. Russell, cashier, First National Bank, White River Junction, Vt.
- George J. Schaller, cashier, Citizens Bank, Storm Lake, Iowa.
- Almot Schlenker, assistant cashier, First National Bank, Brenham, Tex.
- Paul T. Schulze, assistant cashier, State Bank of La Crosse, La Crosse, Wis.
- E. P. Simpson, Jr., assistant cashier, First National Bank, Toccoa, Ga.
- Sioux City Trust & Sav. Bank, Ben W. Frieden, cashier, Sioux City, Iowa.
- T. K. Smith, Jr., manager, Gimbel Brothers, Bankers, New York City.
- J. G. Spangler, cashier, The Mesa City Bank, Mesa, Ariz.
- F. E. Stewart, secretary and treasurer, Commercial Savings Bank & Trust Co., Toledo, Ohio.
- T. H. Stoner, cashier, The Peoples National Bank, Waynesboro, Pa.
- C. E. Taylor, Jr., president, Wilmington Savings & Trust Co., Wilmington, N. C.
- A. C. Tonsmeire, cashier, City Bank & Trust Co., Mobile, Ala.
- Union Trust Co. of D. C., Washington, D. C.
- F. H. Williams, assistant treasurer, Albany City Savings Institution, Albany, N. Y.
- John W. Wadden, Lake County Bank, Madison, S. D.
- Wessels Van Blarcom, assistant cashier, Second National Bank, Paterson, N. J.
- C. C. Willson, care of Continental & Commercial Trust & Savings Bank, Chicago, Ill.
- Frank A. Zimmerman, Chambersburg Trust Co., Chambersburg, Pa.
- Paul E. Zimmerman, cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAME

Bradley Currey, c/o Fourth & First National Bank, Nashville, Tenn.

Mutual National Bank, Boston

CHANDLER M. WOOD, who has been recently elected president of the Mutual National Bank of Boston, is a member of the law firm of Barker & Wood. He is a graduate of Tufts College, and the Boston University Law School, where he is now a professor of

law. Mr. Wood is connected with a number of important corporations and with his election the Mutual National takes on a more aggressive business policy, with bright prospects of future growth and success.

The present board of the bank, with

recent additions, comprises John Abbott of the Lehigh & Wilkes-Barre Coal Co.; F. R. Bangs, a prominent Boston real estate operator; Augustus T. Beatey, lawyer; Philip Cabot, president Turners Falls Co.; Charles W. Cheney, vice-president Mellins Food Co.; Walter S. Crane, assistant treasurer Massachusetts General Hospital; George U. Crocker, president United States Hotel Co.; Charles P. Curtis, chairman of the board; Charles H. W. Foster, of the American Piano Co.; Henry Howard, vice-president Merrimac Chemical Co.; Alexander H. Ladd, of the New England Fuel Oil Co.; Arthur Lyman, director Old Colony Trust Co.; Arthur R. Sharp, treasurer Hamilton Mfg. Co.; Forrest S. Smith, of Hosmer, Robinson & Co.; William H. Stickney, cashier; Henry S. Thompson, of the Amherst Gas Co.; Charles Walcott, of the Newmarket Mfg. Co.; Arthur C. Wise, of Millett, Roe & Hagen, bankers; Edward Cary Williams, of the Union Fuel Co.; Chandler M. Wood, president; Max Shoolman, real estate.

The bank now has capital of \$500,000 and deposits of over \$2,000,000.



CHANDLER M. WOOD
PRESIDENT MUTUAL NATIONAL BANK, BOSTON



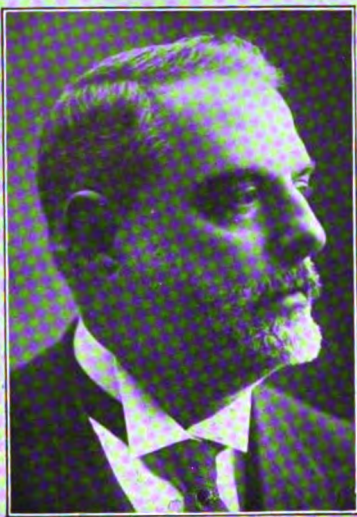
Banking School to Open

National City Will Train Men for Cuba and South America

THE National City Bank of New York on August 1, will open a school to train young men for its branches in South and Central America and Cuba. The first class will be limited to twenty, and already this number has been selected from many applications. It was said that plans call for the acceptance of college graduates as far as possible, while those who have made economics and banking a special study will have preference, but

members of the bank's local staff will have priority over all other applicants.

The course will last one year, and during the training period students will receive the pay ordinarily paid to beginners in banking. In addition to a fixed schedule of classroom work and lectures the men will pass through all departments of the bank for a quick insight into the work in New York. The study of Spanish will be a feature of the course.



SEBASTIÁN GELABERT
MANAGING - DIRECTOR



JOHN S. DURLAND
SUB - MANAGER



JUAN B. ROQUÉ
MANAGER FOREIGN EXCHANGE DEPT.



JUAN PALET
ACCOUNTANT

Modern Financial Institutions and Their Equipment



Bank of Havana

THE Bank of Havana, one of Cuba's representative and rapidly growing financial institutions, has recently completed and occupied a new building which is a credit both to the bank and to the city. The building was planned by Mr. José Antonio Sanchez, a rising young Cuban architect, and is in the Ionic style, of chaste

design. It is of two stories and will eventually be occupied entirely by the bank.

The general banking quarters occupy the nave of the building, which is a room of noble proportions, giving ample accommodation for the business of the bank's customers.

At the rear of this room is the great vault. This is of the most modern construction, and nothing has been spared



BANK OF HAVANA

MAIN ENTRANCE. DOOR ON THE RIGHT, ENTRANCE TO MANAGING-DIRECTOR'S OFFICE.
DOOR ON THE LEFT, ENTRANCE TO STAIRCASE TO THE UPPER STORY

that would add to its strength and safety. There are many ingenious combination safety clocks, and it has been built so as to be absolutely secure both from thieves and fire.

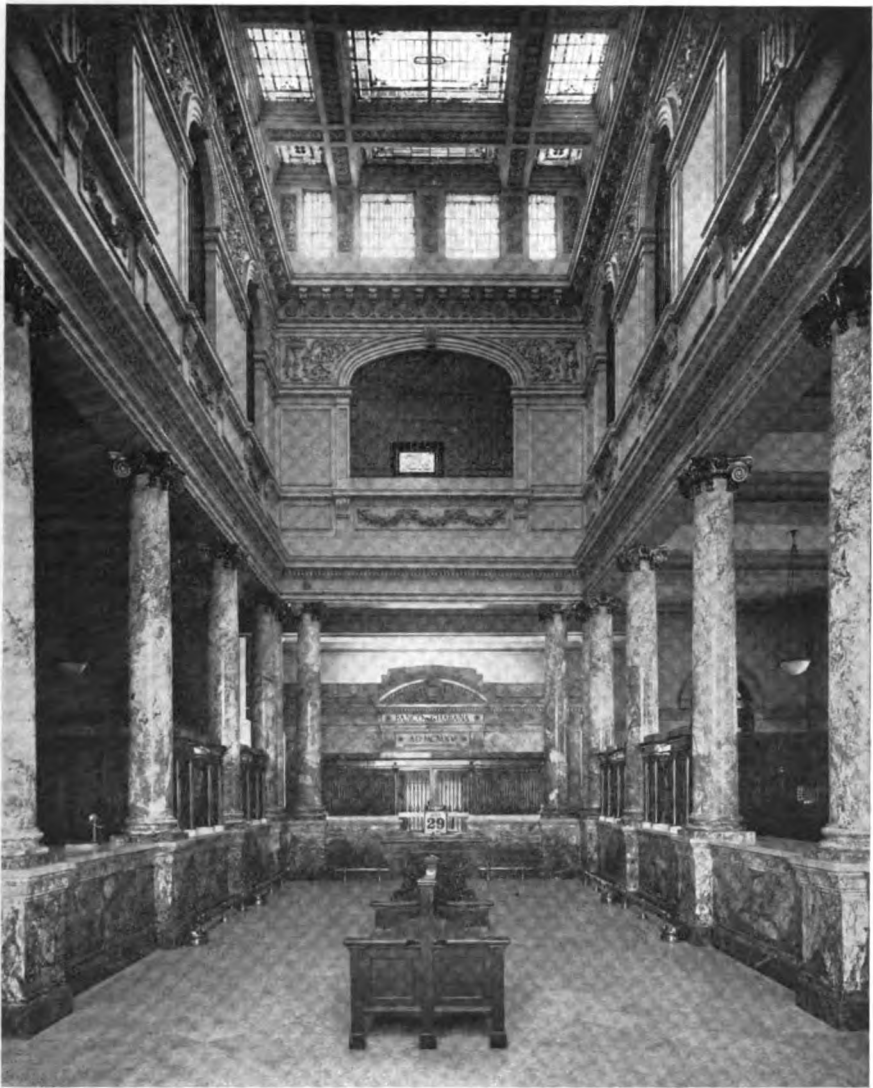
One section is for the exclusive use of the bank, and the other consists of private safety boxes which are rented to customers.

The bank archives are contained in another vault, equally safe from thieves and fire, which stands by the side of the main one already described.

A FEATURE of the banking room is the fine cupola and skylight which admit an abundance of soft light. Handsome Ionic columns, with gilded bases and capitals, support the second floor and contribute to the architectural beauty of the room.

The second story has been isolated from the main banking room, but can be converted into a mezzanine by slight changes.

The spaces on the main floor between the columns are occupied by the collec-



BANK OF HAVANA
GENERAL VIEW OF MAIN PUBLIC SPACE FROM ENTRANCE

tion, foreign exchange and other departments. The directors' room is on the second floor.



THE Bank of Havana was organized in 1906 by important French, American and English capitalists and during the past nine years has made

for itself an enviable reputation as a progressive and conservative institution.

The bank has a fully paid capital of one million dollars, which affords ample guarantee for the protection of its clients; but these are still further safe-guarded by the terms of its code of regulations, by which its operations are restricted to the usual transactions of

American banks. The various departments employ the modern methods used by the leading banks abroad, and the equipment of the bank is adequate for the prompt handling of collections, securities, mail or telegraphic payments, and foreign exchange.

The system of administration

and favorably known in Cuba, on account of their international business relations.

The New York committee are equally well known, the members being John E. Gardin, vice-president National City Bank, New York; Alvin W. Krech, president Equitable Trust Co., New



BANK OF HAVANA

ANOTHER VIEW OF MAIN BANKING ROOM OR LOBBY LOOKING TOWARDS ENTRANCE TO BANK; TELLERS' CAGES ON THE LEFT

adopted by the bank is unique in Cuba, although it has been used successfully in other Spanish American countries. Its affairs are conducted by a local board of directors with the assistance and counsel of an American committee. They represent the leading branches of Cuban commercial activity and important banking interests as well. The members are: Sabás E. de Alvaré, Sebastián Gelabert, Eusebio Ortiz Torres, José I. de la Cámara, Carlos de Zaldo, Federico de Zaldo, Leandro Valdés. All of these gentlemen are well

York; James H. Post, of B. H. Howell, Son & Co., New York.

The officers are as follows: Carlos de Zaldo, president; José I. de la Cámara, vice-president; Sebastián Gelabert, managing-director; John S. Durland, sub-manager; Carlos I. Párraga, secretary. Mr. Sebastián Gelabert, managing-director, has held many important positions of trust both public and private, and is now director of various notable corporations. He has also made numerous reports at the request of the government and different



BANK OF HAVANA

VIEW OF MAIN BANKING ROOM, LOOKING TOWARD ENTRANCE, SHOWING THE FOREIGN DEPARTMENT ON RIGHT



BANK OF HAVANA

GENERAL VIEW MAIN BANKING ROOM. SUB-MANAGER'S OFFICE IN FOREGROUND. CHIEF ACCOUNTANT'S OFFICE TO THE LEFT



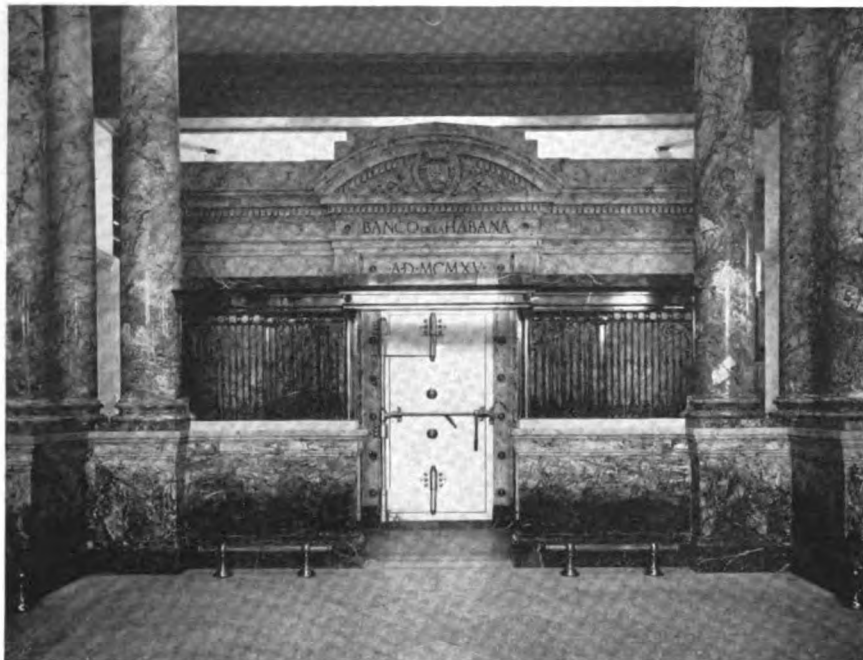
BANK OF HAVANA
MANAGING-DIRECTOR SEBASTIAN GELABERT SEATED AT DESK IN HIS OFFICE



BANK OF HAVANA
RECEPTION AND CONFERENCE ROOM; MANAGING DIRECTOR'S OFFICE IN THE REAR

associations on various matters, principally on treaties of commerce which have been negotiated by the Republic of Cuba, and has also been a member of various committees appointed for the study and resolution of economic and financial problems. Besides being a banker and business man, he is an artist of recognized merit.

Mr. Juan B. Roqué, manager of the foreign exchange department, was educated in the United States and entered the Banco Nacional de Cuba in 1905. In 1909 he became manager of the collection department of the Bank of Havana, and in 1912 assumed charge of the important foreign exchange department.



BANK OF HAVANA

MONEY AND SECURITIES VAULT, WITH SAFETY SCREEN OPEN, SHOWING THE MASSIVE AND MODERN DOOR

Mr. John S. Durland, sub-manager, is a native of the United States and was for some time one of the staff of the New York Life Insurance Co. Becoming deeply interested in Cuban affairs he connected himself with the North American Trust Co., later the Banco Nacional de Cuba, where he organized and managed the Matanzas branch and subsequently became acting cashier of the parent institution. He severed this connection in 1905 and joined the staff of the Bank of Havana, of which he has been a valued member.

Mr. Juan Palet came to Cuba at the age of 20, after an early experience with the Barcelona agency of the Credit Lyonnais. He went to the Bank of Havana in 1907, serving in various departments, and in 1911 was made chief accountant and later head of the loan and discount department.



THE Bank of Havana with its modern building and trained staff, is now prepared in every way to render



THE AMOSKEAG BANK BUILDING, MANCHESTER, NEW HAMPSHIRE

satisfactory service in all departments. As a correspondent of American banks and trust companies it is admirably equipped. In the erection and occupancy of its new building it has placed itself in line with the important interests of the Republic, in whose financial system it plays so conspicuous a part.

for transacting a banking business adequate in every way.



THE VAULTS.

THE vaults which are ample in size to contain some 4,000 individual safes besides the chests for the use of the banks, have been so designed and equipped as to make the safety of their contents beyond question. Besides the main vault there is a storage vault apart from the main vault and so fitted that it is convenient for the reception of boxes and other articles of bulk. After passing the protective grill and entering the vault apartments these two vaults are accessible to customers of the banks while two book vaults and a second entrance to the main vault are accessible only through the rooms of the bank itself.

The concrete casing around the main vault is two feet thick, reinforced with beams and rods, and under this vault is an observation space about four feet high which is accessible from the basement floor. Along the right hand side, glass tile has been substituted for marble and by means of mirrors placed at an angle of 45 degrees, the under side of the entire vault can be seen from the floor above. The observation space is kept lighted by electricity at night as well as day, thus enabling the watchman to detect anything wrong while on his regular inspection trips throughout the building.

Inside of the concrete casing is the steel vault proper, $3\frac{1}{4}$ inches thick, made up of three layers of steel, the center one of which is drill proof material. These layers are screwed together from the inside with drill proof screws $1\frac{1}{4}$ inches in diameter and about 8,000 of these screws were used in the construction of the vault. The individual plates forming these layers average from 1 to $1\frac{1}{2}$ tons in weight.

At the front and rear ends of this vault are vestibuled entrances. These

Amoskeag Savings Bank Amoskeag National Bank Manchester, N. H.

PROMINENT as one of the most dignified, modern and convenient bank buildings in New England, stands the new home of the Amoskeag Savings Bank and the Amoskeag National Bank at Manchester, New Hampshire. This building, whose architectural excellence is well illustrated in this article, is fittingly located at Elm and Hanover streets, a corner which is the busiest in the State.

The building, of steel frame construction, is of Indiana limestone, ten stories in height, the basement, main and mezzanine floors being wholly occupied by the banks. The main banking room is lofty, handsome, and spacious, with a most inviting aspect.

The banking rooms are finished in Italian marble and are well lighted from large mullioned windows which give uniform and ample light, and the bronze grill surmounting the counters, designed and cast especially for this room, is particularly graceful and artistic. A small room equipped and furnished exclusively for the use of ladies, and a second similar room provided for the private use of customers are among other special conveniences which the banks provide, and indeed no expense has been spared to make the facilities

vestibules are the heaviest north of Boston and weigh with the two doors complete about 65,000 pounds each. The outer doors are built up with plates



MAIN ENTRANCE TO THE BUILDING

from $1\frac{1}{4}$ to 3 inches in thickness to a total thickness of 13 inches, forming what is called "solid construction" that is, they are not built with a hollow space in the center and filled in with concrete.

The main vault and storage vault are both equipped with the bankers' electric protective system which is so adjusted that once the vaults are closed they can not be opened, even by the officials of the bank, before the time locks have run off, without sounding an alarm. Desks and spacious coupon rooms as shown by accompanying illustration have been provided for the use of those who rent safety deposit boxes, and these are each fitted with all desirable conveniences.

HISTORICAL FACTS.

THE Amoskeag Savings Bank was established in 1852, and has enjoyed continual prosperity and growth, and to-day its deposits amount to more than fifteen millions of dollars, which are owned by over 26,000 depositors, resident in nearly every city and town in the state. The bank points with pride to total assets of over \$18,000,000, which rank it as one of the foremost savings banks in New England.

The Amoskeag National Bank was incorporated as a state institution in the year 1848, with a capital of \$150,000, and occupied rooms on the second floor of a building on a side street. Two years after its establishment its deposits were some nineteen thousand dollars. In 1864 it became a national bank, receiving a new charter from the Federal government, and five years later increased its capital to \$200,000, at which amount it remains to-day. During these years it has gradually increased its surplus and profits until they now stand at over \$400,000, which together with the stockholders' liability makes a fund of over \$800,000, all for the protection of its depositors.

During this period the banks have



ENTRANCE TO MAIN BANKING ROOM



MAIN BANKING ROOM, LOOKING TO THE REAR



MAIN BANKING ROOM LOOKING TOWARD THE ENTRANCE



TRUSTEES' ROOM, AMOSKEAG SAVINGS BANK

three times outgrown their quarters. In 1870 they moved from their original location to an office on Elm street, on the site of their present building. In 1893 these banking rooms in turn becoming confined, were remodeled and enlarged, and then in 1912 the erection of their present home was begun.



PERSONAL.

BOTH banks feel that their growth is largely due to the prominent and capable men who have always been associated with their management. Moody Currier, governor of New Hampshire from 1885 to 1887, was the first cashier of the Amoskeag Bank, and on its conversion into a national bank in 1864, became its president. The late Henry Chandler and his son, the late George Henry Chandler, each for a long period occupied the position of treasurer of the savings bank, and contributed in a very large degree to its prosperity; while the

late George Byron Chandler, at the time of his death president of the national bank and treasurer of the savings bank, was connected with these institutions for over fifty years. His efficiency and ability as a banker are reflected in the growth of the banks during his term of office.

Albert O. Brown, whose first connection with the bank was as trustee and president, is now its treasurer. Mr. Brown was formerly a member of the law firm of Burnham, Brown, Jones & Warren, but withdrew from the practice of law to become the bank's treasurer. He is a graduate of Dartmouth College and an active trustee of that institution, and has also for some years past been chairman of the State Tax Commission. He is assisted in the management of the bank by two assistant treasurers, James E. Currier and Harry L. Davis.

The savings bank is fortunate in having among the present trustees such well-known men as James W. Hill, treasurer of the James W. Hill Co., and long prominent as a success-



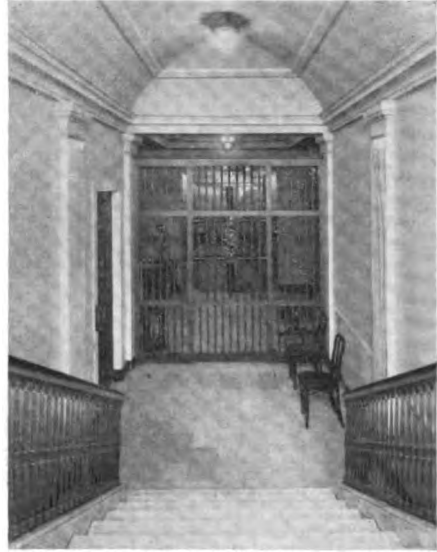
DIRECTORS' ROOM, AMOSKEAG NATIONAL BANK



OFFICERS' QUARTERS, AMOSKEAG NATIONAL BANK

ful dry goods merchant; Lewis W. Crockett, secretary of the New Hampshire Fire Insurance Co., the largest insurance company organized under the laws of this state; Wm. Parker Straw, president of the savings bank and general superintendent of the Amoskeag Mfg. Co.; Col. William Marcotte, long conversant with the clothing trade and prominent among the French population of the city, also State Senator from his district, and Elwin C. Foster, president of the Manchester Traction, Light & Power Co., the activities of which extend throughout Manchester and many nearby towns.

On the death of George Byron Chandler in 1905, Arthur M. Heard, then cashier, succeeded to the presidency of the National Bank, being the third to hold that office since incorporation. Mr. Heard has been favored with a wide banking experience. Soon after graduating from Amherst College in 1888, he entered the employ of a bank in Arkansas City, Kansas, of which he later

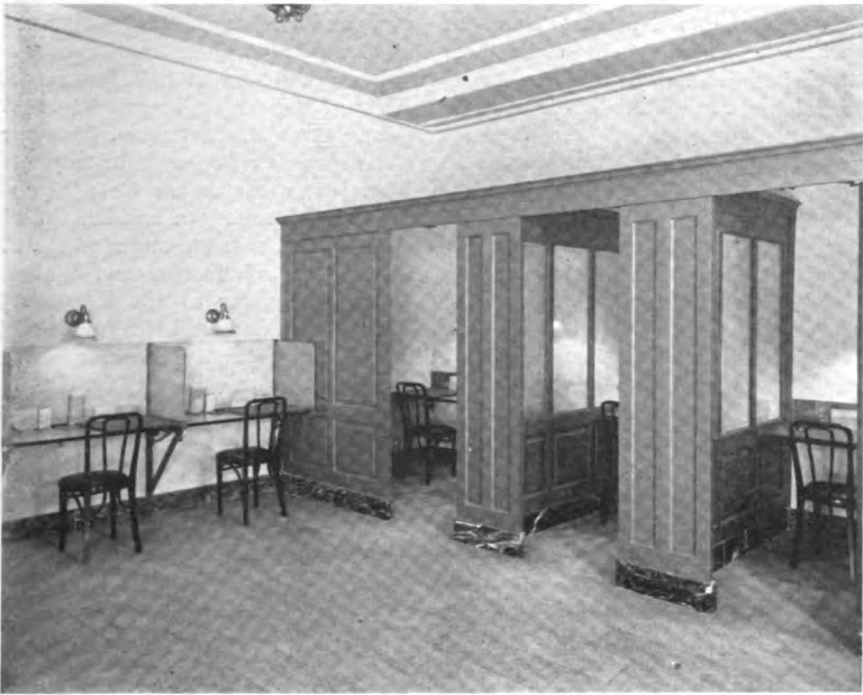


ENTRANCE TO SAFE DEPOSIT DEPARTMENT

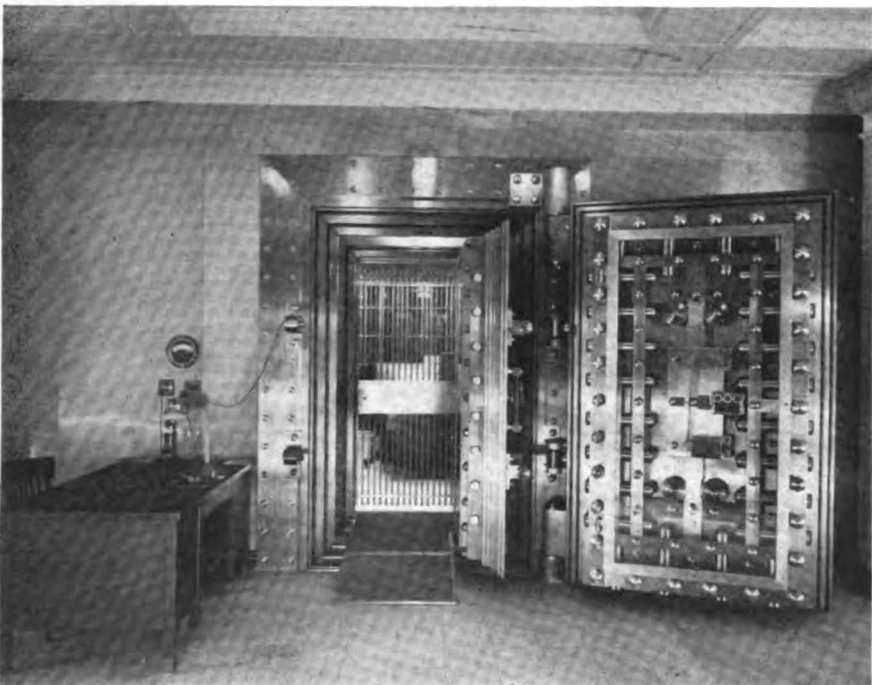
became cashier. He was appointed National Bank Examiner in 1893, and in 1895 resigned to accept the cashiership



SAFE DEPOSIT DEPARTMENT



THE COUPON ROOMS



SAFE DEPOSIT VAULTS

of the Merchants National Bank of Manchester, which position he held until elected cashier of the Amoskeag National Bank in 1902. He is at present also a director of the Federal Reserve Bank of Boston, president of the People's Gas Light Co., director and member of the finance committee of the New Hampshire Fire Insurance Co., trustee of the Amoskeag Savings Bank and trustee of the People's Savings Bank.

The bank has as cashier Willis B. Kendall, familiar with the bank's affairs since 1875, and two assistant cashiers, John G. McAllaster, who has been with the bank since 1879, and H. Ellis Straw, who has been with the bank since 1908. The desks of all these gentlemen are so located that they are readily accessible to customers of the bank who may desire their assistance or advice.

The board of directors has always included men prominent in city and state affairs. At present, for example, the board includes the Hon. Robert J. Peaslee, justice of the Supreme Court of New Hampshire; Albert O. Brown, treasurer of the Amoskeag Savings Bank; George P. Crafts, treasurer of the G. P. Crafts Co., manufacturers of shoes; Frank P. Carpenter, president of the Amoskeag Paper Mills, director and member of the finance committee of the New Hampshire Fire Insurance Co., trustee and director of the Boston and Maine Railroad, director of the Hanover Fire Insurance Co. of New York, director of the Amoskeag Mfg. Co., vice-president of the Burgess Sulphite Fibre Co., and treasurer of the Mechanics Savings Bank; Thomas R. Varick, treasurer of the John B. Varick Co., the largest hardware concern in New England, and president of the People's Savings Bank; Henry E. Burnham, formerly United States Sen-

ator, and attorney-at-law. Other gentlemen who give their assistance to the board are Roger G. Sullivan, manufacturer of the widely known "7-20-4" cigar; Aretas B. Carpenter, treasurer of the Amoskeag Paper Mills and of the Manchester Hardware Co.; Lewis H. Josselyn, formerly a resident of Manchester, and now treasurer of the C. F. Osgood Co. of Boston, and Walter G. Africa, treasurer of the People's Gas Light Co. The board also includes Herman F. Straw, senior director, and long agent of the Amoskeag Mfg. Co.



A THRIVING CITY.

THE city of Manchester, well situated on the Merrimack River, is a thriving community of some 80,000 people which has increased and developed in wealth and beauty through many years, as have few cities in northern New England.

The city is preëminently a manufacturing town. The Amoskeag Mfg. Co., incorporated in 1831, now employs some 16,000 hands. It is the largest textile manufacturing plant in the world. Its influence has been helpful in all matters involving the city's welfare and the people regard with satisfaction its unrivaled growth. Besides this textile industry, Manchester makes millions of pairs of shoes each year, the W. H. McElwain Co. having its principal factories here, and there are many other industries of magnitude and importance. The city is also the center of a large trade.

Thus a natural pride is developed in its citizens who point to the Amoskeag Bank building as typifying the growth and condition of the city of Manchester.



Foreign Banking and Finance

European CAPITAL WEALTH OF THE UNITED KINGDOM.

DISCUSSING different methods of estimating the capital wealth of the United Kingdom, "The Economist" of London concludes as follows:

"It is difficult to say which of the two methods arrive at the truest result, but if a mean of the two figures be taken, we get a total of £10,000,000,000, which may be regarded as a fair estimate of the capital of the United Kingdom. If Mr. Lloyd George is correct when he says that in time of peace the income of this country is £2,400 millions, the capital wealth of the country is producing income at the rate of seventeen per cent. if we take our estimate

of £14,000 millions, or twenty-four per cent. if we take Mr. Mallet's figure."



Australasia

BANKING RETURNS FOR FIRST QUARTER OF 1915.

SUMMARIZING the Australasian banking returns for the first quarter of 1915 the "Insurance and Banking Record" says:

"The summary, in our usual form, of the quarterly averages for the quarter ended 31st of March, 1915, of the twen-

ty-two banks transacting business in Australia and New Zealand appears on another page. The averages of the Commonwealth Bank, which are not included, principally because they include Savings Bank deposits and the corresponding investments, appeared in the 'Record' for April, page 316. There also appear in separate tables the New South Wales, Queensland, and Western Australian averages. Those for Victoria, South Australia, Tasmania, and New Zealand appeared last month. The usual tables stating deposits, advances, coin and bullion and Australian notes per bank per State, and the individual movements for the past quarter, will also be found elsewhere.

"The grand totals for Australia and New Zealand of the principal items compare with those for the corresponding quarter last year as follows:

	March Quarter, 1914. £	March Quarter, 1915. £	Move- ment. £
Deposits	180,733,193	186,006,073	+ 5,272,880
Advances	142,988,908	147,900,715	+ 4,911,807
Coin and bullion.....	40,091,349	39,711,605	- 379,744
Australian notes	5,109,313	15,156,935	+10,047,622

The increase in deposits for the past twelve months is slightly larger than that in advances. A question of importance in connection with the increase in deposits is that of the extent to which it is based upon the season's production. Australia and New Zealand experiences during the past twelve months have been divergent. New Zealand has enjoyed a good season, and after making allowance for the period immediately after the outbreak of war, when the wool market was depressed pending the stimulus of army clothing orders, the prices realized for New Zealand produce have been highly remunerative. New Zea-

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

land deposits have increased during the twelve months by £3,384,435 (of which £585,445 is accounted for by government deposits); while the increase in Australia, which has suffered from an adverse season, is only £1,888,445. The position of employment and manufacturing in Australia has been sustained in recent months by large government disbursements by the commonwealth for military purposes and by the states in the construction of public works, and the effect of this, and the individual tendency amongst the general public to avoid extravagance under present circumstances, help to account for accumulation of money. But after making allowance for special causes, production in the great natural industries of the commonwealth appears to have furnished only a moderate amount for fresh accumulation. The proceeds of the reduced wool clip have largely come into the March quarter instead of the December quarter, as usual; while the proceeds of the wheat harvest, which generally swell the figures for the March quarter, have this year been small. The production of metals has also been on a greatly reduced scale. With less enterprise there is a tendency to allow money to remain with the banks pending investment. One important fact to be remembered is that some parts of Australia have done well, contrary to the general experience for the season, and

this has helped to improve the average result.

"While the increase in deposits for the twelve months has been greater in New Zealand than in Australia, the whole of the increase in advances (including government securities) has been in Australia. All the reasonable borrowing requirements of the banks' customers have continued to be met, but those requirements have been reduced in consequence of the general contraction in trade, especially in the form of exports, wheat and flour contributing nothing, and metals comparatively little, to the supply of bills drawn against shipments, while the irregularity of the wool-selling season has been reflected in the manner in which the wool bills have been available. A greater demand for advances in the country during the winter months may, however, be expected. The increase in New Zealand deposits has been accompanied by an increase in coin and bullion held in the Dominion, this being partly the result of accumulation of gold since the export was stopped last August, and partly the result of movements of coin from Australia, the New Zealand demand for coin helping to display clearly the difference between notes and gold when an export demand is concerned. The following is a comparison of the movements in deposits and advances (for Australia and New Zealand together) for annual periods from March quarter to March quarter for the last few years:

	Increase in Deposits.	Increase in Advances.
1908-1909	£927,687	£704,275*
1909-1910	13,004,649	2,913,320*
1910-1911	15,923,541	13,251,526
1911-1912	8,931,771	14,820,549
1912-1913	2,918,539*	2,988,015*
1913-1914	8,778,812	1,543,213*
1914-1915	5,272,880	4,911,807

* Decrease.

"As stated above, the larger part of the increase in deposits for the past twelve months has been in New Zealand, and the whole of the increase in advances in Australia."

Asiatic

JAPAN'S FINANCES.

SOME figures on the national debt will be of interest, says "The Economist" of London. The annual statement shows that on March 31 last the Japanese debt stood at 2,506,371,242 yen, as against 2,545,080,700 yen on the corresponding date last year, a reduction of 38,709,458 yen. The high-water mark of the national debt was reached in 1911, when it stood at 2,650 million yen. There was a decline to 2,553 millions in 1912, and to 2,493 millions in 1913; then came a rise to 2,545 millions in 1914, while the total of 2,506 millions on March 31 this year marks another decline in the total. But the decline is actually greater than appears from the figures given above. For some years the finance department adopted the principle of financing its current obligations by means of short loans. At the close of the financial year 1913 this floating debt amounted to 249 millions. This seemed a mistaken course, as these short loans were placed on the market at a comparatively high rate of interest, and neutralized the effect produced by the redemption of debt. In 1914, as the result of the criticism passed, the treasury bills were withdrawn, exchequer bonds to the amount of 77,400,000 yen being issued in Paris, but temporary loans and railway bonds still brought up the floating indebtedness to 141 millions at the end of the fiscal year 1913-14. These have totally disappeared from the latest official statement, from which it would seem that there is now no floating debt. It is not apparent what has taken its place, but presumably the government has been using the surplus funds at its disposal instead of resorting to the money market for temporary accommodation. Railway bills amounting to a total of twenty-nine millions have been placed on the foreign market in sterling, and therefore appear as part of the foreign loans instead of under the head of temporary indebtedness. The result is that the actual reduction in debt is

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greater than it appears at first sight. Including floating loans, on March 31, 1913, Japan's total indebtedness amounted to 2,743 million yen. As these loans have now been liquidated or consolidated, the indebtedness shown on March 31, 1915—2,506 millions—shows a very substantial decrease. During the year redemption to the extent of 68 millions took place, while new debt to the amount of 29 millions was incurred. As the latter sum was raised in connection with the railways, and was of a reproductive character, it may be regarded as capital rather than debt.

The general effect of the survey is to show that Japanese finances are, on the whole, in a satisfactory condition, despite the difficulties in which Japan, alike with neutral and belligerent powers, has been involved. Unfortunately, the war has given a heavy blow to Japan's foreign trade, which has suf-

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PARIS - FRANCE

ferred still more from the policy towards China which the government has adopted. For the first three months of this year imports show a falling off of 71 million yen, as compared with the corresponding period of last year, while exports have fallen off by 131½ millions. With the settlement of the China difficulty accomplished, and economy in national administration, especially on the military side, there would seem hopes of a trade revival.



Latin-America

BRAZILIAN FINANCE NOTES.

(From a Special Correspondent at Rio de Janeiro.)

BRAZIL seems to be in something the situation of a millionaire who might find himself stranded in a strange town without his check-book and with no money in his pockets. She has been in the habit for so many years of drawing lightheartedly upon unseen resources, and of receiving the polite attentions of the financial and industrial world, that she cannot believe it when she suddenly finds herself without the money to pay her bills and with no kind friends standing near with open purses.

Brazil has never been trained to economy. Enormous streams of gold

have been coming over from Europe for over a hundred years, and the products of the country have been so extraordinarily successful in world markets, that it is not surprising that repeated administrations have involved the republic in huge undertakings which hang to day about her neck as staggering burdens.

Big revenues from coffee and rubber, and unceasing investments from Europe, together with the affectionate court paid to her by everybody with something to sell, led Brazil into flowery paths; it was a land of milk and honey, and nobody troubled to think very much where the milk and honey came from or when the flow would cease. Temporary dryings-up of certain affluents were nearly always, as it happened, accompanied by a bigger flow from another direction, and it was not until coffee stayed obstinately down in world markets and at the same time rubber was definitely fronted by the rivalry of the plantation product from the East, that Brazil realized that she was after all out upon the cold highway.

During all the year 1913 she felt the pinch; 1914 opened badly, and she ceased to buy so largely finding that she had reduced revenues and could not borrow readily; then came the European War with its shock to world finance.

Probably in the long run it will be found that a severe shock was the best thing that could happen to the country; it seems to induce a genuine effort to put the whole series of states into a really sound economical condition, and to force administrations into the narrow path of thrift. The resources of the country in the way of agricultural development on a more self-supporting plan are being studied and advocated, and it will very possibly happen that Brazil will find herself in a healthier situation than she has ever been before. Meanwhile her big trouble is the financial one arising from depreciated currency together with the burden of debt incurred in past years. The Funding Loan of 1914 made through Rothschilds, which staved off the day of reckoning for the Federal Government with regard

to payment of interest on the majority of the external debts, was a relief in one direction; but lack of money with which to continue large public works commenced several years previously has had a stultifying effect upon these developments.

It was in connection with French financial interests, which are intimately concerned with many state loans, and with port works and railroad construction in several parts of Brazil, that the famous Mission Baudin came to Brazil in April of this year. The detailed objective of M. Baudin has not been authoritatively stated, but as he represents strong financial interests of Paris it is supposed that some special advantage was hoped for from this personal attention to business, and it has been suggested that the guarantee of the Federal Government has been sought in respect to the obligations of various States.

It is not too much to say that the Mission Baudin caused a great deal of excitement in Brazil. While on some sides were emitted profound expressions of cordiality with regard to France, the visit was also made the occasion for raking up grievances with regard to Franco-Brazilian loans, and the difference between dealings with France and dealings with England was very forcibly emphasized in some of the newspaper articles published.

There is little doubt that several of

the States will be hard put to it to find interest on their separate loans, and it seems to be expected that international bankers will exercise what pressure they can upon the Federal Government to guarantee these payments, before they will make new loans to the Federal authorities.

After the outbreak of the European War, the Brazilian Government found it necessary to emit a quantity of new paper money; out of a total of 250,000 contos* of reis issued, 100,000 contos were lent to the national banks throughout the country to obviate possibilities of "runs."

Presently the government found that the emission made was not sufficient for their own needs, and as exchange had already dropped with the first issue, it was decided to avoid disturbance of the market as far as possible by putting out treasury bills (Letras do Tesouro) in lieu of paper money; their employment is in the payment of government debts, and subsequently the government agreed to consider them as legal tender for the repayment of the loans above mentioned made to national banks.

These bills were issued to the value of 150,000 contos of reis, and of the total amount 50,000 contos are to be re-

*A conto was before the war worth a little over £60 or say \$330. To-day (May, 1915) it is worth about \$250. One conto = 1,000 milreis or 1,000,000 reis.

MERCANTILE BANKING COMPANY, Ltd.

Avenida Francisco I. Madero No. 12

CITY OF MEXICO, D. F.

Capital and Surplus, \$600,000.00

GEO. J. McCARTY,
President

K. M. VAN ZANDT, Jr.,
Vice-President and Manager

H. C. HEAD,
Cashier

Members: American Bankers' Association, Texas Bankers' Association, Mexico City Clearing House

GENERAL BANKING TRANSACTED

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Unsurpassed Collection Facilities Throughout the Republic

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WRITE US UPON ANY SUBJECT WHICH MAY BE OF INTEREST TO YOU IN THE
REPUBLIC OF MEXICO. P. O. Address: Apartado 1546.

deemed in gold, bearing five per cent. interest; the other 100,000 contos are "paper," bearing six per cent interest, to be redeemed at the end of a year (January, 1916) although the government retains the right to extend this period if necessary. It is in regard to the fate of this paper emission that an interesting situation has arisen.

When the government paid creditors with these treasury bills, the merchants or contractors who accepted them then offered this paper in the market for sale; the only buyers who appeared were the national banks, who were able to make use of the bills in repayment of their debts to the government. Now see what happens!

The banks gradually reduced their offers for the bills from ninety-eight per cent. of the face value until they stood in the middle of May at just below eighty per cent. of their nominal worth. The banks could quite safely lower their bids as they had to fear no competition from private money; there were already on the market for the absorption of such sums the more inviting bonds of the Consolidated Internal Debt quoted at rates from 80 to 82 and bearing interest at five per cent.

By these purchases of the Letras do Tesouro and transference of them to the government, the national banks have paid back (May) about 66,000 contos of the 100,000 lent to them; they only need 34,000 more in order to repay their loan, and we may thus take this as the limit of the market for the bills. Now occurs the aggravating circumstance that the government, sorely needing more means of paying their debts, which total it is said about 300,000 contos, have been obliged to issue another 50,000 contos of treasury bills; it is also certain that further issues will eventually be necessary, and that relief will still be found in this form instead of emitting paper money, as the latter would tend to send exchange down lower than it stands to-day—a fraction over a shilling per milreis, or about twenty-five cents.

With none or very few private buyers, and with no demand from the banks, it is a foregone conclusion that the market value of the treasury bills will continue to fall, the losers being the creditors of the government.

That is the curious part of the transaction; the banks which borrowed the hundred thousand contos, on the understanding that they should pay the government six per cent. for this accommodation, find themselves in the happy situation of having made an actual profit of fifteen to eighteen per cent. on the money loaned to them; this profit has not been made out of the Brazilian Government, to whom the banks are debtors, but comes from the pockets of the creditors of the government.

In spite of the complications of Brazilian finance, where so much responsibility rests upon the twenty-two separate State administrations, there is an undoubted recovery from the first shock of economic upheaval on the outbreak of the European War set in with the first months of 1915.

Commercial statistics show a very large augmentation in exports from Brazil, for her coffee and sugar and rubber have been called for by the belligerent countries at satisfactory prices, higher than those prevailing before the war commenced; her imports show a big drop, but this is not entirely an occasion for pessimism. As far as it denotes economy and a desire to buy no more than can be paid for, the fall has been one of commercial adjustment only; but the flourishing condition of Brazil's exports shows that she is not short of purchasing power and that the drop in imports is largely due to curtailments of supplies from her usual markets. She cannot buy in the Austrian, Belgian or German markets, and her intercourse with France and England has been restrained by shipping shortage and high freights; reorganization of commerce with orientation towards North America has not, at any rate as yet, been sufficient to make up for this gap in European trade.

It is the Federal Government which

suffers from curtailed importation, since all import dues find their way into the Federal cash-box; on the other hand, export dues are imposed by and paid to the separate States, and it is they who benefit from the present call for Brazilian products. In only one instance, that of the Federal Territory of Acre, on the Amazon, does the Federal Government receive export taxes, but here we enter upon the intricate question of conditions upon the Amazon River, which are undoubtedly improving, but outside the scope of the present notes.



AMERICAN BANK FOR
COLOMBIA.

THE Continental Banking & Trust Co. of Panama has announced that it will immediately open a branch bank at Santa Marta, Colombia, a seaport on the north coast of that country. This town has come into prominence in recent years as a shipping port for bananas, and the United Fruit Co. has extensive holdings there and is pursuing considerable development work. The town at present has about 6,000 inhabitants and is growing. The climate is hot and the streets are unpaved. People of means live in the suburbs in the hills, where it is cooler and more healthful.

The Continental Banking & Trust Co.

of Panama is a West Virginia corporation composed of business men, bankers, and others in New York, New Jersey and Pennsylvania. It has branches at David, Bocas del Toro and Chorillo, Panama. It has been doing a good business in Panama and its management is progressive. The establishment of this branch at Santa Marta will be of considerable assistance to American business interests.



ARBITRATION OF TRADE
DISPUTES.

ARRANGEMENTS have been entered into between the United States Chamber of Commerce and the Chamber of Commerce of Buenos Aires for the voluntary arbitration of disputes arising in mercantile dealings between the citizens of Argentina and the United States, so far as the influence of these two commercial organizations may permit.



TRADE WITH LATIN AMERICA.

SPEAKING at the annual convention of the New York State Bankers' Association, Benjamin Strong, Jr., governor of the Federal Reserve Bank of New York, said:

"Our banks do not seem to realize

Banco de Nuevo Leon

MONTEREY, N. L., MEXICO

ESTABLISHED OCT. 1, 1892

Capital paid up, \$2,000,000 Reserves, \$919,682.79 Deposits, \$3,308,318.68

GENERAL BANKING BUSINESS TRANSACTED

Principal Correspondents:—NEW YORK, National Park Bank, Mechanics & Metals National Bank; LONDON, Dresdner Bank, Credit Lyonnais; BERLIN, Deutsche Bank, Berliner Handels Gesellschaft; PARIS, Credit Lyonnais; Comptoir National d'Escompte; HAMBURG, Deutsche Bank Filiale Hamburg, Commerz und Disconto Bank; MADRID, Banco Hispano Americano, Banco de Castilla; HABANA, Banco de la Habana.

RODOLFO M. GARZA, Manager

ARTURO MANRIQUE, Accountant

AMADOR PAZ, Cashier

that of our \$4,000,000,000 of foreign commerce, over 20 per cent., that is over \$800,000,000, is conducted with republics to the south of us alone; and this great trade represents 30 per cent. of all the foreign trade of the Central and South American Republics. It has largely been conducted upon credits established in foreign lands with foreign banks. It is our trade, and we should extend the credit upon which its continuance depends. If we do not do so, some part of that trade will surely be lost."



South Africa

SOUTH AFRICAN CURRENCY AND BANKING IN TIME OF WAR

By D. P. Morgan

Associate of the Institute of Bankers, London, and Member of the Institute of Bankers, South Africa

WITH the outbreak of the great war in 1914, South Africa, at its present stage of development, was more dependent than ever on its means of communication with Europe. For the British fleet to have lost command of the sea, or to have failed to give adequate protection to the steamers passing between the Cape and Britain, would have placed South Africa in a much worse plight than she was in during the Napoleonic wars. For let it be remembered that this country exports to Europe products like gold, diamonds, wool, ostrich feathers and mohair; and if she cannot get value for these commodities, she has nothing wherewith to pay for her imports. The country is not self-supporting, and a good deal is imported in the way of foodstuffs.

Prior to the outbreak of war the weekly mail steamer from the Cape to England carried native gold from the mines valued on the average at about £800,000 per shipment. It was not deemed expedient to continue these ship-

ments regularly, and so a problem arose as to what should be done with South Africa's leading product. Eventually it was decided to deposit the bars in the vaults of the South African banks, and the Bank of England agreed to make advances to the extent of ninety-seven per cent. of the value of the gold so deposited.

Then there was the question of an adequate supply of specie. In times of normal trade the state of exchange favors the importation of specie on a considerable scale into South Africa. But times were now abnormal, for not only had South Africa's purchasing capacity diminished, but conditions at the outset made it a risky matter to ship specie; and there was further the danger of the withdrawal of bank deposits in a time of such uncertainty. Even in ordinary times it appears necessary to import specie into South Africa to keep the currency in a healthy condition; for in a country of such vast dimensions and so mixed a population as South Africa, there are leakages in existence which are rather difficult to locate. The mining industry is in a manner responsible for one of such leakages. The mines employ large numbers of natives from distant territories, and many of these after a given period return to their kraals to enjoy the fruit of their labors. They regard paper money with suspicion, and so must be paid in specie. In this fashion large sums of money disappear from the union periodically. Some of the money returns via the banks at Lourenco Marques; but there is ground for thinking that a portion regularly filters into hoards in different parts of this vast continent, never to return to active circulation within the union. This partly accounts for the fact that despite the additions to the country's stock of gold during the last four years, recent bank returns, within the union have shown the reserves of specie at a lower figure than they were four years ago.

Soon after the beginning of the present war various schemes were considered with the idea of enlarging the sup-

ply of currency in case of need. At one time it was thought feasible to resume the business of minting in South Africa. Then a bill was passed through Parliament for the protection of the currency in case of emergency. The whole intent of this bill was to permit the increase of the paper currency of the union in case of necessity, making the same "legal tender" under government guarantee.

Fortunately for the country, it has not been necessary to resort to any artificial means to provide a sufficiency of currency. Trade is gradually returning to its normal channels, and markets are found for such products as wool, mohair, etc. The government, in the first instance, went to the length of making provision for the storing of such commodities as wool and mohair, and of making advances to owners against a proportion of the stocks so stored. The fact that these facilities are not being availed of is a testimony to the normal character of trade in a difficult period.

Though it has not been necessary to force quantities of legal tender paper money into circulation, a movement has been on foot since the outbreak of war to economize specie by the use of small notes. This has had gratifying results in a province like the Transvaal with a large industrial and agricultural population, where the system of note issue is more or less unrestricted. In the Cape Province, where the law necessitates full cover in the shape of government securities for all notes issued, the circulation does not show the same upward trend. There has of course been an increase, but not in the same ratio as in the Transvaal, for it is not always convenient to invest in government securities, and those who make such investments have always to face the possibilities of depreciation in values.

Despite the shock which accompanied the outbreak of war, so well did those at the head of affairs work together to face the situation at the outset that panic was but momentary; and withdrawals of bank deposits on a large scale never took place. Bank returns recently published show deposits at a

Banco de Guatemala

Established July 15, 1895

Guatemala C. A.

Directors

ADOLFO STAHL D. B. HODGSDON
J. R. CAMACHO
C. GALLUSSEK, Manager

Authorized Capital \$10,000,000.00
Capital subscribed and paid up 2,500,000.00
Reserve Fund 7,200,280.69
Contingency Fund 3,000,000.00

Foreign Correspondents

New York: Messrs. G. Amsinck & Co.; Messrs. J. & W. Seligman & Co.; The National City Bank of New York. San Francisco, Cal.: The Anglo & London Paris National Bank of San Francisco. New Orleans: The Whitney-Central National Bank. Mexico: Banco Nacional de Mexico. Paris: Messrs. de Neuville & Cie. London: Deutsche Bank (Berlin), London Agency; London County & Westminster Bank, Ltd. Hamburg: Deutsche Bank Filiale Hamburg; Messrs. L. Behrens & Sohne, Messrs. Schroder, Gebruder & Co.; Mr. Carlo Z. Thomsen. Madrid: Messrs. Garcia Calamarte & Cia. Barcelona: Messrs. Garcia-Calamarte & Cia.; Banco Hispano Americano. Milano: Credito Italiano.

Agencies in Guatemala

Antigua	Puerto Barrios	Escuintla
Jutiapa	Zacapa	Mazatenango
Pochuta	Coban	Ocos
Cotepeque	Retalhuleu	Tumbador
Livingston	Salama	

General Banking Business, Special Attention Paid to Collections from Abroad and Letters of Credit.

relatively high level. For two or three years prior to the outbreak of war the demand for capital for purposes of development had been so abnormal that banks had advanced to a point beyond which they could not proceed without endangering their safety. The war has naturally resulted in a decreased demand for accommodation; so that as banks have experienced a gratifying increase in deposits and a fair improvement in their note circulation, they have larger sums of liquid funds available.

A considerable falling-off in business is reflected in the clearing-house returns of the principal centers. This was most noticeable during the first two or three months of war, owing to the general uncertainty, the closing of the Stock Exchanges, etc. In many centers business is now returning to its normal channels, and there has been a gratifying improvement in the clearing-house returns of recent months.

Banking and Financial Notes

EASTERN STATES

New York City

—Charles H. Imhoff resigned a vice-presidency of the Irving National Bank recently to become acting vice-president of the Union National Bank, Newark, N. J.

—At a recent regular meeting of the board of the Hanover National Bank James M. Donald presented his resignation as chairman of the board.

For a considerable time Mr. Donald

has felt his many years of labor were telling on his health and that it would be better to withdraw from the active management of the bank. While offering his resignation he retains his interest in the bank and remains as one of the directors.

The resignation, which was accepted with regret, relieves Mr. Donald from many duties after more than forty-two years of continuous service. Mr. Donald joined the institution as junior clerk on February 23, 1873, rose to be assistant cashier in 1880, cashier in 1882, vice-president in 1891 and, after the death of James T. Woodward, its president for a great many years, became in 1910 chairman of the board of directors.

—Deposits of the Hanover National Bank, as per the June 23d statement to the comptroller, were \$86,053,949.29, and total resources \$148,270,525.57.

—On June 30, 1865, the American Exchange National Bank entered the national banking system, and is now a fifty-year national bank. Its organization as a State bank dates back farther—to 1838.

—The Broadway Trust Company is the first state institution in New York to decide on entering the Federal Reserve System.

—Stephen H. Voorhees, New York agent of the Royal Bank of Canada, is a new vice-president of the National City Bank.

—The Bankers' Trust Co. and the Irving National Bank have arranged a credit of \$500,000 to the Republic of Costa Rica, making New York exchange to cover imports, available in Costa



The Branch
Our first President

Merchants National Bank

RICHMOND, VA.

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Surplus and Profits over 1,000,000

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"ON TO RICHMOND"

Rica. This is a practical result of the Pan-American Financial Conference recently held in Washington.

—Announcement was made June 24 at the Federal Reserve Bank of New York that with the approval of the Federal Reserve Board the bank had put into operation a new discount rate of three per cent., which is to apply to commercial paper having not more than ten days to run. The rate on paper of longer maturities remains at four per cent., and the five per cent. rate on agricultural paper is unchanged.

—The Columbia Trust Co., in their official statement of June 23, 1915, published below makes a very strong showing:

Assets.	
Cash on hand	\$4,550,934.30
Cash in banks and exchanges..	11,470,899.87
N. Y. State and N. Y. City Bonds*	1,023,071.04
Other Bonds and Stocks*.....	8,351,813.81
Loans and bills purchased.....	33,867,183.23
Short term securities.....	13,919,540.19
N. Y. City mortgages.....	2,409,356.01
Real estate, banking houses....	5,719,397.71
Accrued interest receivable....	302,148.21
	\$81,614,344.37

*Market value.

Liabilities.	
Capital stock	\$2,000,000.00
Surplus and undivided profits.	7,409,317.46
Deposits	70,031,730.01
Office cheques	1,601,672.94
Reserved for taxes and divi- dend	253,945.87
Accrued interest payable.....	317,678.09
	\$81,614,344.37

—Knauth, Nachod & Kuhne, the international bankers, have issued a significant pamphlet on the effect of foreign liquidation. This subject, which has been the bugbear of financial circles for nearly a year, is thoroughly analyzed and reviewed and robbed of many of its terrors in the process. Estimating the amount of foreign holdings of American securities at \$2,144,000,000, it is the opinion of this concern that at worst not over half of these



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We want every banker to know what the bank engineering service of our organization can mean in the development of business. Will you let us send booklet about this service and what it offers?

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An Alabama Trust Company consulted Collins Service as to means of increasing Commercial Accounts

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What we have done for this Company can be duplicated for many financial institutions. Details on request.

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PUBLICITY SERVICE
PHILADELPHIA**

holdings would be liquidated. Such an amount, \$1,072,000,000, would about offset our foreign trade balance for the year ending June 30th last. That our market could stand such a liquidation if called upon is not doubted. In conclusion the pamphlet states that the potential buying power of this market is greater than it has been at the opening of July for many years past.

—The Liberty National Bank announces that Alexander M. Hall, 2d, formerly a member of the firm of Rhoades & Co., bankers, has been elected a vice-president of that institution. Zoheth S. Freeman has resigned as vice-president, but remains a director.

—John McHugh has resigned his position as president of the First National Bank of Sioux City, Iowa, and has been elected vice-president and director of the Mechanics and Metals Na-

tional Bank of New York, to succeed Mr. Frederic W. Allen, who resigned last January to become a partner in Lee, Higginson & Co. Mr. McHugh was born in Belleville, Ontario, in 1865, and began his banking career with the State Bank of O'Neill, Nebraska. Subsequently he removed to Sioux City and became officially connected with the Iowa State National Bank. At the death of Mr. George Weare, president of that institution, Mr. McHugh was made president. Later he effected a consolidation with the First National Bank, assuming the presidency of the enlarged institution under the name of the First National Bank. Mr. McHugh has held many positions of honor and is well and favorably known throughout the West. He has been president of the Iowa Bankers Association, and is now the Iowa member of the executive committee of the American Bankers Association. Mr. McHugh will assume the duties of his new position about August 1st and has the best wishes of his many friends.



Philadelphia

—The Clearing-house committee's plan for clearing checks of trust companies and non-members has received the approval of the clearing-house association.

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NEW YORK BOSTON NEW HAVEN
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—O. Howard Wolfe, assistant cashier of the Philadelphia National Bank, and former secretary of the clearing-house section of the American Bankers' Association, is the author of a valuable book on "Elementary Banking" just issued by the American Institute of Banking.



—On June 29 Justice McCoy, in the Equity Branch of the Supreme Court of the District of Columbia at Washington, announced that his final decision in the suit of the Riggs National Bank against certain officials of the Treasury Department would not be handed down before the October term of court.

—An interest department has been opened by the First National Bank of Utica, N. Y., under the terms of the Federal Reserve Act.

—The cornerstone was recently laid for the new \$100,000 building of the

Pennsylvania National Bank of Pottsville.

—Here's an interesting story about the collection of bank statistics as told by the Reading, Pa., "Eagle":

Reading and rural Berks bankers are discussing the clash between the state banking commissioner and Comptroller of Currency John Skelton Williams over the gathering of statements of conditions of state banks, under the regular calls from the comptroller for condition of federal banks.

Mr. Williams wants the State of Pennsylvania to assume the expense attending the distribution to the state banks of the forms sent out by the comptroller to the banks. The state commissioner has refused to do so and has returned such blanks to the comptroller's office in the treasury.

The filing of conditions of state banks with the comptroller of the currency is

Citizens State Bank and Trust Company

DALLAS, TEXAS

Opened For Business May 31, 1913

Comparative Statement Showing Growth in
Deposits

Deposits June 4, 1913 . . .	\$144,606.51
Deposits August 9, 1913 . . .	296,299.27
Deposits October 21, 1913 . . .	552,788.95
Deposits June 30, 1914 . . .	730,000.00

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Matters entrusted to our care.

voluntary on the part of the state bank management. It has been urged by Comptroller Williams and by the federal reserve board as part of the plan to unify the American banking system. Many state banks have complied willingly, and the plan had not been opposed by the state commissioner so long as it imposed no additional financial responsibility or burden on his office.

It has been the practice of the comptroller's office at Washington to mail to the individual state banks throughout Pennsylvania the necessary forms for the making of the statements desired by the comptroller. Within a few weeks, however, Comptroller Williams, to save expense, decided to send all the forms here that they might be mailed from this office to the state banks.

Besides saving the treasury money the plan was ingenious in that it gave to the request for information sought an official aspect as coming from the office of the state commissioner. To some bankers this would amount to a specific demand on them for the information, and the giving of the information would no longer be voluntary.

Commissioner Smith has not been given funds for the mailing of the government blanks to the state banks, and he refuses to have his office used to force information for the use of the comptroller's office when the information sought can be obtained only with the assent of the officials of the state banks.

Comptroller Williams has not replied to the letter of the Pennsylvania official, and it is not known what action he will take in the premises. It is believed he will continue for a time at least the sending of the statement forms to the individual state banks, because stress has been laid in Washington on the value of state bank statements in connection with the solving of problems in connection with the new fiscal system being put into effect throughout the country.

—Construction work is now progressing on the new building of the Liberty Bank of Baltimore county, Md. This is a new bank, located at Gwynn Oak Junction. It has \$25,000 capital and \$5,000 paid-in surplus.

Kings County Trust Company

City of New York, Borough of Brooklyn

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

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Henry Hall Johnson, Architect.*

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Special equipment, the attention of experts, and a thorough understanding of your particular requirements is assured when J-M Lighting Service is applied to bank problems.

As proof of this, thousands of banks all over the country are using the Frink and J-M Linolite Bank Lighting System today, on account of its high efficiency and adaptability to peculiar conditions.

To augment the Frink and Linolite Systems, which are being applied to bank screen, desk and specialized lighting problems, we can offer the Mitchell Vance Company's lighting fixtures and bronzes, with the "Parian" illuminating glassware of the Gill Brothers Company.

Years of experience in bank lighting back of this broad service is your assurance of proper and efficient lighting — skillfully planned, designed and installed, whether one fixture or the installations for an entire bank.

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New York and



Every Large City





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RICHMOND, VIRGINIA

Capital - - \$300,000

Surplus & Profits \$1,609,000

Total Resources \$8,000,000

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collecting Items on Vir-
ginia and the Carolinas**

—Stockholders of the Bank of Buffalo, Buffalo, N. Y., have unanimously voted to erect a new building. Under the presidency of Elliott C. McDougal this institution has steadily increased its business. Its capital has been increased from \$300,000 to \$1,000,000, its surplus keeping step with the advance.

When the bank moved into its present home its deposits totaled \$3,352,470.04. Its last report shows aggregate deposits of \$16,097,027.78, an increase of \$6,699,801.39 during the two years last past, following steady increase year by year previously.

—The Bergen County, N. J., Bankers' Association was formed recently at Hackensack. At the organization meeting all but two or three banks in the county were represented. The officers elected were:

Judge Cornelius Doremus, president Ridgewood Trust Company, president; Edward J. Turner, president Rutherford National Bank, first vice-president; Mathew J. Bogert, president of the Closter National Bank, second vice-president; Edwin F. Carpenter, president of the Ramsey National Bank, treasurer.

Executive committee—Herbert G. Lowe, vice-president of the Northern New Jersey Trust Company, of Edgewater; Abram De Ronde, president of the Palisade Trust Company, of Englewood; Edgar H. Lee, president of the People's National Bank, of Hackensack; John Zahn, president of Carlstadt National Bank.

—A legislative committee of six to consider asking the New Jersey Legislature to pass a law enabling national banks to do trust company business under the Federal Reserve Act, has been appointed by President Edward S. Pierson, of the New Jersey Bankers' Association. The association is split on the desirability of seeking such legislation.

The committee is made up as follows:

Representing national and state banks, Edward C. Stokes, Mechanics'

National, Trenton; Charles L. Farrell, Essex County National, Newark, and Edward L. Howe, vice-president of the Princeton Bank of Princeton.

Representing trust companies, Uzal H. McCarter, Fidelity Trust Company, Newark; William C. Heppenheimer, Trust Company of New Jersey, Hoboken, and Alex C. Wood, Camden Safe Deposit and Trust Company of Camden.

This is the first step toward settling the controversy between national banks and trust companies and state banks over the question raised by a bill before the last legislature to give trust company functions under the federal reserve act to national banks of the state.

Many bankers doubted that the special committee would be named and some still doubt that harmony can be brought about by this method. The action taken is the outcome of a motion offered by former Governor Stokes at the bankers' convention at Atlantic City in May.

—The annual meeting of the Fulton County (N. Y.) Bankers' Association was held at Lake Pleasant June 10. The banks in the county were represented by four officers or directors and at noon dinner was served at Morley's Hotel.

—At Scranton, Pa., the contract has been let for a new building for the First National Bank.

—On the occasion of its recent fiftieth anniversary, the First National Bank, Glens Falls, N. Y., entered its fine new building, and took advantage of the occasion to invite the public to an inspection of the bank's new home.

—New York bankers assembled at Saratoga Springs for their annual convention on June 24.

John A. Kloepfer, president of the Union Stock Yards Bank of Buffalo, was elected president; Benjamin E. Smythe, president of the Gramatan National Bank of Bronxville, vice-president, and F. L. Barnes, cashier of the National Bank of Syracuse, treasurer.

Resources

\$10,000,000.00

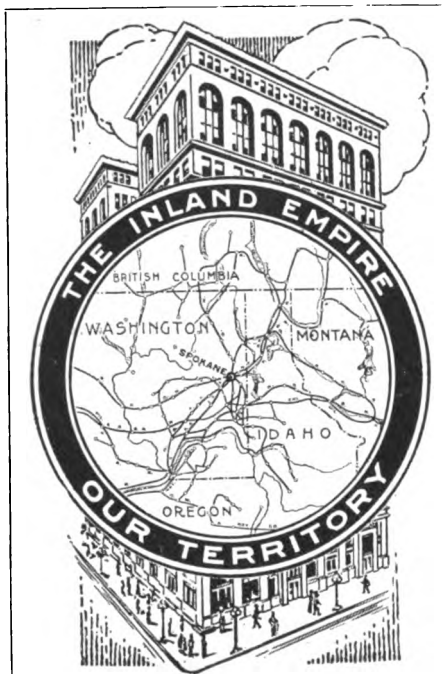
If intelligent handling of items and low rates appeal to you send us your Buffalo business



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and you will be entirely satisfied

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Cashier
C. G. FEIL, Asst. Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier



The Old National Bank of Spokane

WITH direct connections in every banking point throughout the "Inland Empire"—a region three times the size of Alabama, of which Spokane is the financial and railroad center—The Old National has the facilities to collect your Pacific Northwest items with exceptional economy and dispatch.

OFFICERS

D. W. TWOHY, President
T. J. HUMBIRD, Vice-President
W. D. VINCENT, Vice-President
J. A. YEOMANS, Cashier
W. J. SMITHSON
G. H. GREENWOOD J. W. BRADLEY
Assistant Cashier

RESOURCES : \$13,000,000



—At a meeting of the members of the American Bankers' Association, held in connection with the state meeting, James H. Perkins of New York, was elected a member of the executive council; B. E. Smythe of New York, was chosen a vice-president and Daniel M. Hopping of Yonkers was made a member of the general nominating committee.

—In session at Cape May, N. J., on June 18 the Pennsylvania Bankers' Association elected the following officers:

President, E. Pusey Passmore, vice-president Franklin National Bank, Philadelphia; vice-president, J. W. B. Bauman, president Farmers' Trust Co., Lancaster; secretary, D. S. Kloss, Tyronne; treasurer, G. J. Newman, president First National Bank, Leechburg.

The trust company section of the association elected George W. Reilley chairman and decided to continue the section for another year.

Ellis Pusey Passmore, vice-president and cashier of the Franklin National Bank, Philadelphia, was elected president of the Pennsylvania Bankers' Association. Although a young man, he is well known in his city and state.

He was born in Maryland in 1869, and was educated in the public school and at the Friends' Select School at Rising Sun, and was graduated at Swarthmore College in the class of 1893. Mr. Passmore at once chose banking as his profession, and has steadily risen to the important position he now holds. He was elected cashier of the Franklin National Bank in 1904 and vice-president later. Last year he was chosen vice-president of the Pennsylvania Bankers' Association.

Mr. Passmore is a member of the Union League, the Art Club and Huntingdon Valley Club, and has always been interested in outdoor sports.

—The July letter of the Peoples National Bank of Pittsburgh reports that more active progress was made in June towards restoring normal conditions in the steel trade than in any previous

Four Personally Conducted Tours
to the
Forty-First Annual Convention
American Bankers'
Association

Seattle, Wash., Sept. 6-10, 1915

via the



THE OFFICIAL ROUTE

Visiting the California Expositions

**Grand Canyon, Canadian Rockies,
Glacier National Park, Portland, Salt
Lake City, Colorado Rockies, etc.**

**Four Special Trains Under the Direction of the
New York State Bankers' Association**

**The best opportunity you will
ever have of making such a trip.**

Applications for reservations and complete information with
illustrated itinerary should be sent promptly to

WILLIAM J. HENRY, Secretary
New York State Bankers' Association
11 Pine Street, New York

FIRST NATIONAL BANK TRUST & SAVINGS CO.

CLEVELAND, OHIO

Capital \$3,750,000.00

Deposits \$52,200,000.00

Resources over \$60,000,000.00

Our institutions offer complete banking and trust company facilities.

Our officers and directors are all successful men—well known for their experience, judgment and integrity.

Their interest in these banks extends to all who deal with them.

Large resources, perfect banking organization and equipment, and a genuine desire to be helpful are at your service.

month this year. It is stated that while the war order boom has given the revival its main impetus it is also true that the needs of domestic consumers, especially the railroads, is becoming more urgent. An increased demand for steel for agricultural implements is also expected, owing to the greatly increased area of cereal crops to be harvested this year. The rapid substitution of motive power for animal power is also having its effect on the steel trade. It is stated that the mills and furnaces of the Pittsburgh district have participated in the improvement to a relatively greater extent than those in other centers.



NEW ENGLAND

Boston

—E. Elmer Foye & Co. is the title of a new investment firm doing business at 35 Congress street. Mr. Foye was formerly vice-president of the Old Colony Trust Co.

—There was an attendance of thirty at the recent dinner given by the Charlestown Trust Co. to directors and employees. Alfred V. Lincoln was toastmaster, and remarks were made by Luke D. Mullen, president; J. P. O'Riorden, Richard S. Teeling, and Edward S. Heustis, vice-presidents, and Clinton S. Hebard, treasurer.

—At the recent convention of the Maine Bankers' Association at Augusta these officers were elected: President, Sumner C. Parcher, president Saco and Biddeford Savings Institution, Saco; vice-president, Ernest J. Eddy, treasurer Fidelity Trust Co., Portland; secretary, Edward R. Kennard, cashier Rumford National Bank, Rumford; treasurer, George A. Safford, treasurer Kenduskeag Trust Co., Bangor (re-elected); executive committee, H. F. Libby of Pittsfield, Sewall T. Maddocks of Boothbay Harbor, Hascall S. Hall of Waterville, Frederick W. Adams of Bangor, and Charles S. Hichborn of Augusta. E. A. Butler of Rockland, president of the Rockland Trust Company, was elected Maine vice-president of the American Bankers Association; Frederick W. Adams, member of the executive council, and Sewall T. Maddocks of Boothbay Harbor, member of the nominating committee, with S. C. Parker alternate.

—On June 19 the First Bridgeport (Conn.) National Bank moved into its new building.

—At a recent meeting of the New Hampshire Bankers Association, held in connection with the annual meeting of the New England Association in New London, Conn., the following officers were elected:

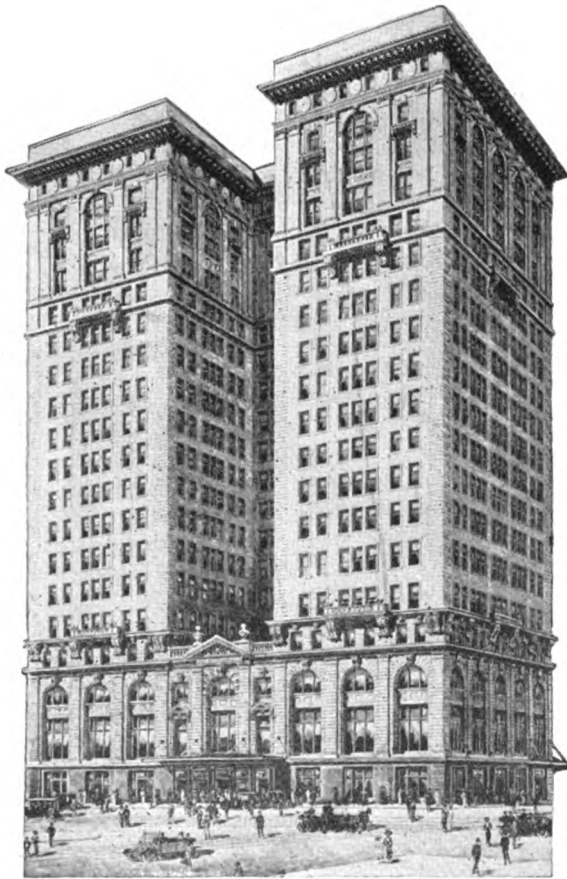
President, Frederick W. Sawyer, Milford; secretary, Harry I. Additon, Manchester; treasurer, Bernard Q. Bond, Rochester; vice-presidents, Alan-

MINNEAPOLIS

First and Security National Bank

Resources \$60,000,000

A Strong Consolidation under Wise Administration



HOME OF THE FIRST AND SECURITY NATIONAL BANK, MINNEAPOLIS

**Your business on Minneapolis and the Northwest will be
welcomed and will receive prompt and intelligent service**

son C. Haines, Newmarket; Frank W. Hamlin, Charlestown; Edward A. Leighton, Somersworth; Edmund Little, Laconia; M. L. Morrison, Peterborough; Edward N. Pearson, Concord; Charles L. Rich, Jaffrey; A. M. Stahl, Berlin; Ernest A. Trickey, Wolfeboro; William C. White, Bristol; executive committee, Lester F. Thurber, Nashua; Perley R. Bugbee, Hanover; John K. Bates, Portsmouth; William H. Bellows, Littleton.

—Several hundred bankers from all parts of New England attended the annual meeting of the New England Bankers Association, which convened in New London on the evening of June 18. The bankers, many accompanied by their wives, attended the sessions which were held at the Hotel Griswold.

The state banking associations first held their annual sessions. These were followed by a general meeting with addresses by Charles S. Hamlin, Governor of the Federal Reserve Board; W. P. G. Harding of the Federal Reserve Board and others.

Alfred L. Aiken, Governor of the Federal Reserve Bank of Boston presided at the general sessions.

The bankers and their guests were entertained by a sail in Long Island Sound, with a visit to Fort Wright, Fishers Island and other points of interest.

At the banquet which opened the convention President Nathan D. Prince presided and there were addresses by Governor Marcus H. Holcomb, William A. Law, president of the American Bankers Association, and former President William H. Taft.

—On June 22 Walter Learned completed fifty years' service with the Savings Bank of New London, Conn. Directors of the bank, in honor of this fiftieth anniversary, presented Mr. Learned with a handsome silver loving cup.

The cup was taken to Mr. Learned's home by Frank L. Palmer, president of the bank, and given to him. It was filled with fifty beautiful roses.

Mr. Learned is treasurer of the bank and a member of the board of trustees.

—On June 21 the Haverhill (Mass.) National Bank opened for business in its new banking rooms.

—Prior to the annual convention of the New England Bankers Association at the Griswold Hotel June 19, the State Bankers' Association of Connecticut elected these officers:

President, William H. Douglass, Mechanics' Bank, New Haven; vice-president, F. S. Chamberlain, New Britain National Bank; secretary, Charles E. Hoyt, South Norwalk Trust Co.; treasurer, Charles H. Colt, First National Bank, Litchfield; executive committee, Charles P. Treadway, Bristol, chairman; W. D. Bassett, Hartford; Charles L. Spencer, Waterbury; W. D. Daskam, Stamford.

—The Merchants National Bank, Manchester, N. H., is putting up a seven-story building.

—At an expenditure of about \$55,000 the City Bank and Trust Co., Hartford, Conn., is remodeling both the exterior and interior of the building formerly occupied by the Charter Oak National Bank. It is expected that the work will be finished by October 1.

—New quarters for the Commercial Trust Co., New Britain, Conn., will be fitted up in a prominent business block on Main street.

—Hon J. Lewis Ellsworth, president of the Worcester Chamber of Commerce, is named a member of the preliminary committee to organize the Massachusetts Farmland Bank under the State Farmland Bank Act passed by the 1915 Legislature.

—In New England savings banks many of the officers have seen long service. Of these may be mentioned M. L. Walton, treasurer of the North Avenue

1870

1915



Capital, \$1,000,000

Surplus, \$600,000

Located at the "Gateway of the South"

Having been established as The State Bank of Virginia 45 years ago, we have served continuously financial institutions in all parts of the South. This long period of successful service has resulted in a banking equipment that is unexcelled at

Richmond, Virginia

Another result of handling the accounts of Southern Bankers for these many years is that we know accurately the needs of financial institutions located in Southern States. Your Southern business solicited. Direct routing of items our specialty. Correspondence cordially invited.

National State and City Bank

WM. H. PALMER, President

JOHN S. ELLETT, Vice-President
J. W. SINTON, Vice-PresidentWM. M. HILL, Vice-President
JULIEN H. HILL, Cashier

Savings Bank, Cambridge, Mass. Mr. Walton has held this position for forty-three years.



SOUTHERN STATES

—The July business letter of the Birmingham Trust and Savings Company, Birmingham, Ala., is in keeping with the general character of all of the literature issued by this institution. A thorough and scientific analysis of the business conditions of the country is supplemented by a forecast of what can be expected in the near future.

—The first branch bank of the Federal reserve system is to be established at New Orleans. The Federal Reserve Board announced on June 24 that it had approved the request of the reserve bank at Atlanta for permission to open a branch at New Orleans. New Or-

leans bankers had sought to have a doubly strong branch bank established there, applying for a branch of the Dallas reserve bank as well as one of the Atlanta bank. The board decided to grant the latter request.

No definite assignment of territory to the New Orleans branch has been made, but it is understood it is intended to give it the member banks of Louisiana and Mississippi in district 6 and those of Mobile and Baldwin counties, Alabama. The banks so segregated will deal with the New Orleans branch only.

The board has directed that the New Orleans branch shall conduct operations only in the discount and purchase of commercial paper and acceptances and clearing, collection and exchange transactions and transfers of funds. The transactions will be considered as the transactions of the Federal Reserve Bank of Atlanta and so reported.

No other Federal reserve bank has made a request for branches and the board does not expect to take further



The American National Bank

SAN DIEGO, CAL.

Capital	\$200,000.00
Surplus and Undivided Profits	160,000.00
Total Resources over	2,200,000.00

J. W. SEFTON, Jr., President

C. L. WILLIAMS, 1st Vice-Pres.

L. J. RICE, Cashier

I. ISAAC IRWIN, 2nd V.-Pres. T. C. HAMMOND, Asst. Cash.

Q A new building, the best equipment, an able and experienced staff of officers and employes—these are some of the things that enable us to give excellent service to customers and correspondents. We are thoroughly familiar with investment opportunities in this prosperous region and cordially invite correspondence in regard to them.

action until more experience has been gained.

—A booklet recently issued by the American National Bank of Richmond gives some convincing facts about the investment value of farm mortgages such as are permitted under section 24 of the Federal Reserve Act. The book contains a fund of valuable information as to the absolute safety of this form of investment under the provisions of the Reserve Act. It is pointed out that the real estate security of these loans must be improved farm land and figures based on United States census reports show that the total area of improved farm land has been increasing steadily since 1850. The peculiar investment value of the farm mortgage in Virginia is also shown by census figures which prove the annual yield on the average value of improved land to be far greater in Virginia than in the great Middle Western agricultural states. The information is agreeably presented and as a piece of publicity the booklet should do much towards increasing the demand for this class of investment.

—The recent address of Albert Breton, vice-president of the Canal Bank and Trust Company, before the New Orleans Chapter of the American Institute of Banking, on the acceptance of drafts by American banks, was listened to with deep interest.

Mr. Breton's subject was timely in view of the fact that the Louisiana

State Legislature has just passed a bill authorizing state banking institutions to accept drafts and issue letters of credit.

Mr. Breton said that the acceptance of drafts by American banks while a new thing in this country was an old custom in Europe, and was in vogue as far back as 1462 and probably longer. He added that while Americans usually are so progressive in their business and financial methods, they have been backward in discovering the advantage of bank acceptances, and, as result of this over-conservatism the financing of the vast import and export trade has been left entirely to foreign money centers, particularly London, and a very profitable business was surrendered to foreigners which American bankers should have enjoyed.

He explained the many advantages of bank acceptances and in conclusion pointed out the various classes of acceptances and described the efforts that the National City Bank of New York and other large financial institutions are making to create a great market for dollar exchange and to compete with London and Paris in the financial control of the world's foreign trade.

—The contract has been let for a new \$25,000 building for the Citizens Bank at Monticello, Ark.

—Texas bankers, through an executive committee of the State Bankers Association, have taken steps for providing

Does It Pay to Solicit Deposits?

With some bankers this is still a question. Others have learned the answer and profited by results.

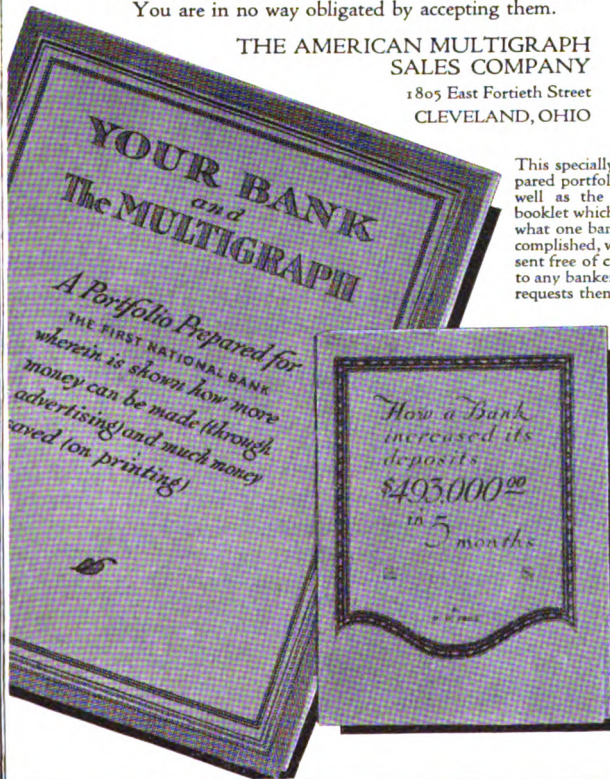
We shall be glad to make up for you a special portfolio containing plans and methods of increasing your business and lowering costs. The information is not theory, but practice—passed along to us by hundreds of banks, big and little—with whom we are in close touch.

In the booklet you will find an interesting story of one particular bank's application of the same principles that you will find embodied in the portfolio.

Both these books may be had from us without charge. You are in no way obligated by accepting them.

THE AMERICAN MULTIGRAPH
SALES COMPANY

1805 East Fortieth Street
CLEVELAND, OHIO



This specially prepared portfolio, as well as the little booklet which tells what one bank accomplished, will be sent free of charge to any banker who requests them.

The National Cattle Loan Company



NATIONAL STOCK YARDS, ILLINOIS

Capital, \$200,000.00

Sells over its endorsement loans made by responsible cattle men, secured by cattle inspected by our own representatives to banks wishing safe, short-time, liquid investments.

CORRESPONDENCE INVITED

AT THE ST. LOUIS NATIONAL STOCK YARDS

adequate storage facilities for the 1915 cotton crop so that it may be marketed gradually and to the best advantage.

—New quarters will be provided for the Salisbury (N. C.) branch of the Wachovia Bank and Trust Co. of Winston-Salem.

—Improvements are being made at the Traders National Bank, Birmingham, Ala., by providing additional lobby space and three more windows for accommodation of customers, one in the savings department, another for the head bookkeeper and the third in the receiving department.

The fixtures are being readjusted and moved back and additional space at the rear of the banking rooms is being utilized.

—Group Ten, Kentucky Bankers Association, of which Judge James P. Lewis, of the Union Bank, Whitesburg, is president, and William H. Courtney of the First National Bank, Whitesburg, is secretary, held its annual meeting at Jenkins June 10.

Dr. W. L. Gambill of Jenkins made the address of welcome, while W. T. Kinchloe of Louisville, national bank examiner, spoke on the Federal Reserve Act.

R. R. Revill, Assistant State Banking Commissioner, spoke on "Taxation;" J. W. Stoll of Lexington, president of the State Bankers Association, "Banking." Arch B. Davis of Louisville.

Monte J. Goebel of Fifth-Third National Bank, of Cincinnati; John E. Buckingham of Paintsville, George B. Anchor of Prestonsburg and W. E. Williams of Jackson, made interesting talks along banking lines.

A large number of bankers from different parts of the State were in attendance. The Federal Reserve Act was ably discussed as well as the financial and business interests of the country. During the afternoon the bankers visited points of interest around Jenkins.

—Virginia bankers held their annual convention at Old Point Comfort June 17, 18 and 19, and had a record-breaking attendance. Questions of interest were ably discussed by invited speakers and a social programme of exceptional excellence added to the pleasure and interest of the meeting. These officers were chosen:

President, C. E. Tiffany, Warrenton; vice-president, E. B. Spencer, Roanoke; treasurer, Colonel Julian Hill, Richmond; secretary, Walter Scott, Farmville; members of executive committee, J. B. Neill, Berryville; T. E. King, Marion; E. L. Roby, Fairfax; C. Taylor Burke, Alexandria; Garland E. Vaughan, Lynchburg; B. B. Jones, Petersburg; R. S. Marshall, Portsmouth; James I. Pritchett, Danville; Carroll Pearse, Alexandria.

—Bankers of Group 10 of the North Carolina Bankers Association held their

second annual meeting at Asheville June 10, electing the following officers for the coming year: President, Thomas H. Shipman, Brevard; secretary and treasurer, C. E. Brooks, Hendersonville; members of the advisory committee, Erwin Sluder, Asheville; W. B. Ramsey, Marshall, and D. J. Weaver, Weaverville. The association adopted resolutions unanimously endorsing Erwin Sluder for the position of vice-president of the state association. The business meeting was followed by a Dutch lunch.



WESTERN STATES

St. Paul

—Splendid entertainment was provided by the bankers of this city for the twenty-sixth annual convention of the Minnesota Bankers Association, which met here June 29 and 30, and was largely attended.

Among the topics discussed at the convention were: "Economic Effects of the War," Geo. E. Roberts, National City Bank, New York; "Development of International Trade," John J. Arnold, vice-president First National Bank, Chicago; "Rural Credits," F. W. Thompson, president Farm Mortgage Bankers Association, Chicago.

—The Merchants National Bank of St. Paul announced recently that on and after June 28 it will occupy quarters in its new building, Fourth and Robert streets, and cordially invites its friends and patrons to call and inspect the new banking room.

—The Produce Exchange Bank is a new institution, designed especially to accommodate gardeners and marketmen.

—On July 1 the Merchants Trust and Savings Bank began business with \$500,000 capital. George H. Prince and Donald S. Culver of the Merchants National Bank are among the incorporators.

Chicago

—The July circular of the National City Bank of Chicago opens with a few timely words about the advantages of investing now. "Prices," it says, "are low now. Investments can be made at higher interest rates than in many years. We advise taking advantage of present conditions and are always glad to confer with those contemplating investment for income."

—Robert R. Forgan has been appointed vice-president of the National City Bank of Chicago, and has withdrawn from his other business interests to devote his entire attention to the affairs of the bank. Mr. Forgan is a son



ROBERT R. FORGAN
VICE-PRESIDENT NATIONAL CITY BANK
CHICAGO



THROUGH THE FACILITIES OF

The Live Stock Exchange National Bank

AND

The Chicago Cattle Loan Company

Bankers interested in financing the development of the live stock industry or in the purchase of high grade, self liquidating paper, are assured prompt and satisfactory service. Correspondence invited.

Address : UNION STOCK YARDS
CHICAGO, ILLINOIS

of David R. Forgan, president of the City Bank, and has for the past ten years been actively engaged in the commercial paper business in Chicago. He is a graduate of the Hill School, Pottstown, and attended Princeton University. After leaving college he was for five years connected with the firm of Hathaway, Smith, Folds & Co., leaving there to become an active partner in the firm of the W. T. Rickards Co., commercial paper dealers. Mr. Forgan's training, experience and personality will make him a valuable addition to the staff of the National City Bank.



—The Old National Bank, Grand Rapids, Mich., has moved into its new home in the Pantlind Hotel Building.

—Work has begun on the construction of the new building of the Mason County Bank at Havana, Ill.

—Dr. George R. Alsop of the German National Bank, Vincennes, Ind., was elected chairman of Group Eight of the Indiana Bankers Association at their annual meeting held in that city on June 19, and Charles L. Howard of the West Side Bank of Evansville was the choice for secretary. As the place of meeting is determined by the home of the secretary-elect, the 1916 meeting will be held at Evansville.

—Plans have been approved for a new thirteen-story building to be erected by the Grand Rapids (Mich.) Savings Bank.

—At Omaha, Neb., the First National Bank is putting up a sixteen-story building at Sixteenth and Farnam streets.

—By November 1 the First National Bank, Sidney, Ohio, expects to be in its new building. The structure, both interior and exterior, is to be of white marble. It will have a one-story front, 37 feet high, and in front of the vestibule will be two marble pillars, 20 feet

high, resting on four-foot bases. The interior of the building will be lighted by means of skylights, two sets being used, one above the other. At night light will be furnished by twelve 100-candle-power lights.

—June 22 was the date of the meeting of bankers of Grant County, Wis., at Platteville. About sixty-five were present at the meeting, and every bank in the county, with four exceptions, was represented. The Grant County Bankers Association was formed with these officers:

President, C. H. Baxter, Lancaster; vice-president, W. H. Doyle, Platteville; secretary, James R. Villemonte, Fennimore; treasurer, M. F. Woodhouse, Bloomington; directors, B. C. Berg, Hazel Green; G. A. Stevens, Cassville, and David James, Montfort.

—Prominent Indiana bankers addressed the sixth annual meeting of Group Three of the Indiana Bankers Association held at Winchester on June 9. The nominating committee named the following officers to serve for the ensuing year: Robert C. Morris, Fairmount, president; George S. Davis, Kokomo, secretary; executive committee, J.

Utah Savings & Trust Company

Salt Lake City, Utah

General Banking—Trust—Bonding
Title Insurance—Safety Deposit Vaults

Capital . . . \$300,000
Surplus & Profits, 45,000

OFFICERS:

W. B. McCornick, President
Anthon H. Lund, Vice-President
Geo. Albert Smith, Vice-President
F. M. Michelson, Cashier

Facilities for thorough Banking service. Expedient and intelligent handling of collections throughout this inter-mountain country.

26 Years Old

C. Shirk, Delphi; James Curtis, Kokomo; James Curtess, Swayzee; N. G. Hunter, Wabash, and S. J. Phillips, Alexandria.

—The Second district group of Minnesota bankers closed their annual convention at Mankato on June 10, after electing the following officers: President, George W. Sugden, Mankato; vice-president, M. S. Dasset, Madelia; secretary-treasurer, F. H. Davis, Blue Earth; executive committee, E. G. Hage, New Ulm, and W. J. Clark, Windom.

—Group Four of the Nebraska Bankers Association met at Hastings on June 9 and elected B. F. Hastings president and C. A. Phillips, secretary and treasurer.

—C. D. Probert is the new president of the Waukesha (Wis.) County Development Association, having been elected at the meeting held in Oconomowoc June

**THE
GARFIELD
NATIONAL BANK**

Fifth Avenue Building
Corner Fifth Ave. and Twenty-Third Street.
NEW YORK

CAPITAL	SURPLUS
\$1,000,000	\$1,000,000

OFFICERS

RUEL W. POOR, President
CHARLES T. WILLS, Vice-Pres.
WM. L. DOUGLAS, 2d Vice-Pres.
ARTHUR W. SNOW, Cashier
R. T. THORN, Asst. Cashier
JOHN W. PEDDIE, Asst. Cashier

DIRECTORS

Charles T. Wills	Morgan J. O'Brien
Ruel W. Poor	Thomas D. Adams
Samuel Adams	Robert J. Horner
Wm. H. Gelsheuen	A. Pagenstecher, Jr.
Frederick T. Fleitmann	



Securities

Our six departments offer exceptional facilities for the investigation, selection, purchase and sale of high-grade securities.

Mississippi Valley Trust Company

ST. LOUIS

Capital, Surplus and Profits over . . . \$8,000,000

10. The other officers are: Oscar A. Olson of Dousman, vice-president; John A. Rodgers of Waukesha, secretary, and A. H. Eckhart of Menomonee Falls.

of W. C. and J. C. Jones. He was appointed assistant city counselor under Mayor Wells, in 1907, and after the election of Mayor Kreisman was promoted to the position of associate



St. Louis

—The bond department of the Mississippi Valley Trust Co., announced the issue of their publication, "Well Secured Bonds," for July, 1915, on Thursday the 15th. This is a 12-page magazine issued semi-annually, as a guide to investors in the sort of bonds the Mississippi Valley is offering.

It described twenty-eight issues of municipal, drainage, real estate, public utility and corporation bonds.

Copies are being distributed to banks, brokers and private investors throughout St. Louis and the Southwest.

—A. H. Roudebush, counsel for the Civic League, and former associate city counselor of St. Louis, has been elected assistant trust officer of the Mississippi Valley Trust Co., succeeding William McC. Martin, who has been appointed chairman of the board of the Federal Reserve Bank of St. Louis. Born in New Orleans, and graduated from the University of Mississippi in 1894, Mr. Roudebush came to St. Louis in 1896, and graduated in law at Washington University in 1900. In 1901 he entered the practice of law with the firm



A. H. ROUDEBUSH
TRUST OFFICER MISSISSIPPI VALLEY TRUST CO.

city counselor in 1910. He completed his term in 1911, and since then has engaged in the independent practice of law with offices in the Rialto building. He is well known in civic and educa-

THE FIRST NATIONAL BANK OF ST. PAUL
OLDEST BANK IN MINNESOTA
CAPITAL AND SURPLUS \$5,000,000
SOLICITS YOUR NORTHWESTERN BUSINESS

tional circles, being counsel for the Civic League and lecturer on banking law for the St. Louis chapter of the American Institute of Banking.



Cleveland

—Under date of June 23, 1915, the First National Bank and the First Trust and Savings Company, allied institutions of Cleveland, issued a statement of condition which becomes strikingly significant when compared to a similar statement issued by the same organizations on March 4 last. The deposits of the First Trust and Savings Company show an increase of from \$8,948,947.29 in March to \$11,630,008.51 in June. The deposits of the First National Bank increased from \$36,537,628.99 in March to \$40,634,458.34. This is a total deposit gain of over six millions in three months, a remarkable growth for so short a period and quite

in line with the steady development which has characterized the affiliation of these two strong institutions.



—The first page of the July circular of the bond department of the International Trust Company of Denver is devoted to a summary of the service to investors rendered by this department. A special feature is made of the statistical department which is placed at the disposal of clients and of the fact that the bank, under normal conditions, maintains a market on the securities which it sells, enabling the investor to realize on his bond at a fair market price whenever he may need his funds.

—The annual convention of the Wisconsin State Bankers Association was held at Milwaukee July 14 and 15 and was largely attended.

—The fourth annual convention of the Investment Bankers Association of



40 State Street

BOSTON

QUALIFIED EXPERT
EXAMINER
QUESTIONED DOCUMENTS
WRITING, SIGNATURES
AND ACCOUNTS

America has been called to meet in Denver, September 20, 21 and 22.

—The Dime Savings Bank, Toledo, Ohio, recently took possession of its fine new building, which the "Times" describes as "one of the finest banking establishments in the city." The bank was organized in 1900, the original capital being \$50,000, but now \$200,000, and deposits have also largely increased.

—Articles of incorporation have been filed for the First State Bank of Paxton, Mont., with a capital of \$20,000. Forest R. Hopkins, G. W. Davison and Fred Johns are among the incorporators.

—Increasing business has led the directors of the Peoples State Bank of Detroit, Mich., to increase the capital of the bank from \$2,000,000 to \$2,500,000, the increase being authorized and a directors' meeting held on July 14.

—One of the facts incidentally brought out at the last annual convention of the Iowa Bankers Association at Davenport was that this association is practically acting as a ward of two boys whose father was killed some years ago by bank robbers. The man who lost his life in defending a bank was John Sunblad, and he left two boys, now thirteen and fifteen years old. A fund amounting to \$5,930.61 was collected by the Iowa bankers for the education of these boys.

Harry T. Blackburn, cashier of the Iowa National Bank, Des Moines, was elected president of the association; W. A. Dexter of Toledo, vice-president, and C. J. Wohlenberg of Holstein, secretary.

—There was an attendance of 600 bankers at the opening session of the convention of the Ohio Bankers Association at Cedar Point on June 23.

John Barrett, Director-General of the Pan-American Union, in his address on "International Relationship and Trade Development," advocated an amendment to the Federal Reserve act which will permit Central West banks to organize a great bank to do business exclusively with South America. Our financial interests properly employed, he said, would make this country first commercially everywhere in South America.

Officers elected are: President, O. N. Sams, Hillsborough; vice-president, A. E. Adams, Youngstown; secretary, S. D. Rankin, Columbus, and treasurer, W. S. Lamb, Toledo.

The convention unanimously adopted a resolution recommending legislation placing the building and the loan associations in the State Banking Department. A committee will prepare legislation to be submitted at the next annual convention.

An unexpected development at the bankers' meeting at Cedar Point was the organization of the Trust Companies' Association of Ohio.

Miners Bank, Joplin, Mo.

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The meeting had been quietly called by trust company men of Cleveland, Cincinnati and other cities who felt that such an organization would better conserve their interests by giving consideration to questions purely affecting their business. Other States have had such organizations for a long time. It was announced that new associations would co-operate in every way possible with the Ohio Bankers Association. Officers elected were F. H. Goff, Cleveland, president; H. I. Shepherd, Toledo, vice-president; Wilbur Baldwin, Cleveland, treasurer; William R. Craven, Dayton, secretary, and J. A. House, Cleveland, chairman of the executive committee.

—Colorado bankers will hold their annual convention at Greeley August 18 and 19.



PACIFIC STATES

San Francisco

—John Clausen, the well-known manager of the foreign department of the Crocker National Bank of San Francisco, was recently named by Secretary McAdoo as a member of a committee of American bankers and business men to visit Central and South America with a view to improving commercial and financial relations with those countries. Mr. Clausen was a delegate to the recent Pan-American Financial Conference at Washington.

Spokane

—Spokane's three national banks will not avail themselves of the intradistrict collection feature which the Federal Reserve Bank of San Francisco purposes to place at the service of the member banks in the twelfth district. It is not incumbent upon any member bank to make use of the collection department, although Governor Kains is endeavoring to secure their co-operation, as the service is without cost to the banks and he believes will have a tendency to strengthen the position of the district bank. Some time ago the banks were furnished with forms on which to express their attitude regarding these collections. All the Spokane banks answered the proposition negatively. In its formal reply the Old National Bank says:

“We have carefully considered the offer regarding intradistrict collections and beg to say that on our part we do not feel like entering into the plan proposed at this time. To our mind there are a number of elements entering into this question that are not yet defined sufficiently for us to commend ourselves favorably to the plan. It has always been our intention to do everything in our power to aid in the workings of the Federal Reserve Act. Our belief is that the Federal reserve bank should be a bank of deposit for reserves, a bank of discount and a bank of note issue. Consequently we do not at this time feel like co-operating to make it a bank for

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Tacoma

—The Bankers Trust Co. building at Tacoma has been remodeled and greatly improved, both the exterior and interior being made to conform to modern standards of bank architecture.

—This city is preparing to entertain a large body of delegates who will attend the American Bankers Association convention at Seattle. The Tacoma entertainment will take place on September 10, and the guests will be brought down from Seattle on two steamers. S. M. Jackson, manager of the Bank of California, is chairman of the local committee appointed to look after the welfare of the visiting bankers.



—Under a new law in California the state banks are authorized to join the Federal Reserve System, and also to accept bills of exchange.

—On June 15 Group Five of the Washington Bankers Association met at Ellensburg with fifty bankers from Yakima, Kittitas and Benton counties, as well as several bankers from larger cities present. Mayor Kreidel and Vice-President Sterling of Group Five welcomed the visitors. W. L. Steinweg

of North Yakima, president of the association, responded.

An address written by John Perrin, federal reserve agent at San Francisco, was read explaining how country banks should co-operate with the national system. Edgar H. Sensenich, cashier of the Northwestern National Bank of Portland, spoke on "The Banker and His Loans." F. E. Desellem, district horticultural inspector, spoke on "Blight, Its Origin and Cure."

After a business meeting the bankers were taken for an automobile ride through the Kittitas Valley and were entertained at a banquet at the Antlers' Hotel.

The following are the officers elected: President, Harry Jones of Wapato; secretary-treasurer, L. J. Goodrich of Toppenish; vice-presidents, for Yakima County, H. E. Schroeder of Outlook; Kittitas, Harry W. Higman of Kittitas; Benton, Guy H. Pearl of Prosser; Klickitat, S. A. Rossier of Bickleton.

—At the closing session of the Utah Bankers Association at Salt Lake City on June 11, M. S. Browning, president of the First National Bank of Ogden, was elected president; John Pingree, president of the Merchants Bank of Salt Lake, was unanimously chosen first vice-president; George C. Whitmore, president of the Nephi State Bank, was selected second vice-president, and J. E. Shepard, cashier of the Cache Valley Banking Company, was unanimously elected to his sixth term as secretary-treasurer of the association.

Guy Lewis of Richfield, P. P. Dyring of Manti and E. O. Howard of Walker Brothers, Bankers, Salt Lake, were selected as members of the executive committee, and J. A. Malia, assistant cashier of the National Copper Bank, Salt Lake, was selected as the representative of the American Institute of Banking on the executive committee. The members of the executive committee serve for two years. The association tendered Charles S. Burton, retiring president, a vote of thanks.



CANADIAN NOTES

—During May, says the "Financial Post of Canada," the Canadian chartered banks opened nineteen branches and closed thirteen. Nine of the new branches were opened by the Banque Provinciale, four by the Nationale, three by the Hochelaga, and one each by the Commerce, Quebec and Molsons. Of these, sixteen were opened in the Province of Quebec, one each in New Brunswick, Nova Scotia and Alberta. Four of the branches closed were by the

Provinciale, two each by the Quebec and Ottawa, and one each by the Nova Scotia, Merchants, Union, Imperial and Northern Crown.

—H. D. Burns, who recently relinquished the Vancouver branch of the Bank of Nova Scotia, where he has been located since 1906, has been appointed superintendent of western branches, with headquarters at Toronto. His jurisdiction extends to the branches of the bank west of Ontario.

—Net profits of the Imperial Bank of Canada for the last year were \$1,031,359.08, to be added to \$1,265,919.12 brought forward from last year. After making various provisions, and applying \$840,000 to the payment of dividends at the rate of twelve per cent., \$1,012,989.23 was carried forward to next account. Deposits of the bank now exceed \$55,000,000.

—In point of immediately available assets the recent half-yearly statement of the Bank of Montreal is one of exceptional strength.

The analysis of the "Financial Post" shows that the total of the immediately

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available assets is \$147,075,080 as compared with \$127,773,670. This is an increase of nearly \$20,000,000. Other assets have increased from \$135,182,744 to \$141,905,589, which is an improvement of over \$6,700,000, and makes a total increase of assets of \$26,606,258. Liabilities to the public have increased from \$229,297,021 to \$255,749,741, or about \$26,450,000, while the liabilities to shareholders have increased by about \$200,000.

In percentage the immediately available assets stand at over fifty per cent. in relation to total assets—the actual figures being 51.3—as compared with 48.6 a year ago and in relation to liability to the public the available assets show an increase from 55.7 per cent. to 57.7 per cent.

“Altogether,” says the “Financial Post” “the report is probably the strongest in relation to assets that the bank has ever presented.”



Texas Bankers Guests of Bankers Trust Company of New York at the Exposition

THE Texas Bankers visiting San Francisco were the guests at the exhibit of the Bankers Trust Company of New York on June 14 at the Panama-Pacific Exposition, where they arrived at about 10 o'clock and were received by Mr. George G. Thomson, secretary of the company, who extended to them a most hearty welcome.

After inspecting the exhibit and registering, the Texas bankers were escorted to the Palace of Liberal Arts to the American Telephone and Telegraph Company exhibit, where a further entertainment was arranged.

Through the courtesy of the American Telephone and Telegraph Company a special demonstration of their interesting exhibit was given to the Texas bankers, consisting of moving pictures showing the construction of the telephone line from Denver to the Pacific Coast, followed by long-distance telephone conversations between banking officials of New York and San Francisco. The ceremonies opened with a speech of welcome to the Texas bankers by Mr. Seward Prosser in New York, who is president of the Bankers Trust Company, and was replied to by Mr. J. W. Butler in San Francisco, who is president of the First Guaranty State Bank of Clifton, Texas, and manager of the Texas Bankers Tour, after

which there were informal talks between bankers in New York and San Francisco.

Those speaking from San Francisco were James K. Lynch, vice-president First National Bank; I. F. Moulton, vice-president Bank of California; John Clausen, manager Foreign Exchange Department, and J. B. McCargar, assistant cashier, Crocker National Bank; Tucker Royall, president Royall National Bank, Palestine, Texas; Travis Holland, president Southern Trust Company, Houston, Texas; A. M. Graves, cashier Red River National Bank, Clarksville, Texas, and Mrs. Annie Laurie Moss, National Bank of Commerce, Dallas, Texas.

Those speaking from New York were W. North Duane and Fred I. Kent, vice-presidents Bankers Trust Company; Samuel Woolverton, vice-president Hanover National Bank; Samuel H. Miller, vice-president Chase National Bank, and A. W. Jones, assistant secretary Guaranty Trust Company.

All those present were greatly impressed with this wonderful demonstration, and particularly pleased at the courtesy extended to them by the Bankers Trust Company, especially in supplying guide service to the exposition for the afternoon.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-NINTH YEAR

SEPTEMBER 1915

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The Panama-Pacific International Exposition

Editorial Correspondence

FOR once this MAGAZINE departs from its usual monthly review of current banking and financial events to direct attention to something of greater interest and importance—the Panama-Pacific International Exposition at San Francisco. No confidence is violated in stating that the Exposition will be the principal objective of the majority of bankers who visit the Pacific Coast this month. In saying this there is no intention to underrate the value and importance of the Seattle convention. On the contrary, there are several reasons why this meeting will be exceptional in character. To begin with, the convention will be held in a very live, progressive and picturesque city; and then there are special circumstances which will tend to make the proceedings of deep concern to the bankers of the country: the financial situation brought about by the war, the opportunities for banking with Latin-America, the practical operations of the Federal Reserve Act—these and other matters of vital moment will no doubt engage the earnest attention of the bankers who assemble at Seattle this month.

But nearly every banker who packs his grip or trunk and starts toward the setting sun in these days will look longingly forward to the time when he sees the Market Street Ferry looming up, with the gigantic figures “1915” outlined on its striking tower, for he will then realize that he is near the town of jewels, which is his objective.

The journey to the Pacific Coast will be made from various points and in innumerable ways. To describe all these routes, or even to indicate them, is impossible. But some hints may be given those who came, as I did, from the East—meaning by that, from the Atlantic seaboard. There are many excellent lines of railway. From New York to Chicago one can take choice of trips that will lead through the Alleghenies or along the Hudson, by Niagara Falls and other interesting places. Traveling through States like Ohio and Indiana, one is less impressed with the landscape than with the abundant crops—so heavy in fact in early July that they had fallen to the ground under the stress of rainstorm and winds. There are diverse ways of going from Chicago to the Pacific Coast. Some will go out toward the south, taking in the Grand Canyon on the way; others will go by the northern route and return by the southern. This is purely a matter of choice, and convenience. Not a few will want to view the magnificent scenery of the Canadian Rockies, and they will be well repaid for the somewhat greater distance travelled by this route. I made the trip by a northerly line from St. Paul, passing through the rich farming country of Minnesota and North Dakota, beautified with numerous lakes and bearing many evidences of solid prosperity. The interminable plains stretch on through these States across Montana, until at last the mountains are reached, and Idaho crossed and Washington entered, interesting Indian reservations and villages here and there breaking the monotony of the trip. A great many travellers stop to see Glacier National Park, or Yellowstone National Park, but my first halting place was Spokane. It is a fine city, and one should not miss the "High Drive" and other interesting points. Moreover, it has such an excellent hotel that you are likely to want to remain there forever.

Everybody will tell you that the journey from Spokane to Seattle should be made by daylight—advice upon which I have never acted. In consequence some splendid scenery has been missed, yet it is delightful in the early morning hours when one awakens by the blue waters of the Sound and sees the forests of gigantic pines fringing the shores and covering the hills and mountain sides—all but a fleeting glimpse before the convention city is reached.

So much is said about Seattle elsewhere in these pages, that I shall not repeat that information here. It is a city set upon a hill, and can not be hid. Its great business thoroughfares, splendid

harbor and docks, the numerous hotels, fine parks, beautiful drives and attractive homes, and more than all, its picturesque waters, hills and mountains, enchant the visitor.

From Seattle one goes in an hour or so, either by boat or train, to Tacoma. Here you will get, almost surely, a fine view of Mount Tacoma (which you may previously have seen at Seattle under the name of Mount Rainier), and will find a splendid and thriving city.

Five or six hours more of travel will afford a stopping place at Portland—not infrequently called the Boston of the Pacific Coast. Its solid air of prosperity justifies the title. The hotel accommodations are of the best, and there is much to see—the new Columbia Highway being one of the most interesting trips.

If one is fond of the sea, steamers may be taken here for San Francisco. But one may take a train about mid-afternoon which reaches San Francisco around seven o'clock the next afternoon. This brings the traveller through part of the famed Willamette Valley—one of the most fertile regions I have ever beheld. Indeed, what may be seen of the State of Oregon in the course of the railway journey down the coast surely creates a most favorable impression. Possibly it awakens one's enthusiasm less than some other places, but it surely appeals to the judgment; at least, it did to mine. Probably when you awaken in the morning, over the California border, you will be refreshed by a view of snow-crowned Shasta, towering more than 14,000 feet in the sky; and you may, possibly, catch a glimpse of Mount Lassen, a volcano that long slumbered but which has lately become active. As the day wears on, and you get through the Liskigons and into the Sacramento Valley, the sight of the snow becomes a little bit tantalizing, for the sun grows very hot, until along in the afternoon, when you strike the Bay and there is a sudden drop in the temperature. Shortly after six o'clock you reach Oakland, cross the ferry and are in San Francisco—your real objective in making the journey to the Pacific Coast. You will frankly acknowledge this, of course; and why not?

I think America should applaud the marvellous achievement that is here witnessed, for it is a perfect demonstration of the genuine American spirit. The prostrate city of 1906 has become, in less than a decade, a splendid example of a modern metropolis, and has glorified its own renaissance by an exhibition which in beauty and magnitude must challenge the wonder and arouse the enthusiasm of all who

behold it. To those who know the history of San Francisco and of California this occasions no surprise, for it is but a survival of that indomitable pluck that caused the pioneers to defy the dangers of the long voyage or the journey overland to found this new Empire of the West. The descendants of the men of '49 have rebuilt in solidity and splendor their devastated city, and they have crowned this stupendous work by giving to the world—sickened and wearied by war—a celebration most fittingly commemorating one of the greatest peaceful achievements of this or any time—the completion of the Panama Canal.

Getting to the Exposition on any of the various lines of the Municipal Railway is very easy. If you go out on the Fillmore Street line, there will be times when you think you are going down hill at a rather risky incline; but it is probably safe enough, and if you don't think so, you may go out by way of Polk street, or some other way, or you can take a jitney if you prefer. The Fillmore street entrance takes you in somewhat near the center of the grounds; the Polk street line at Van Ness avenue entrance, at the beginning of the Zone concessions—a pleasant enough introduction if you are in the mood for it. When you have passed through the Zone, you come across a wide plaza and into the famous Avenue of Palms, the trunks of the trees beautifully festooned with flowers and creeping vines. I think most of the beautiful buildings and the vast sweeping courts, with their symbolism of wall and dome and statues and mural pictures, lie on the right of this avenue, though a few fine buildings—notably that of France—are to the left. These great and majestic courts, flanked by the imposing structures, colored with their soft hues, are the striking architectural feature of the Exposition. Their long rows of columns, with the blue California sky above, and the waters of the Bay glimpsed through them at intervals, form a scene of surpassing and almost unearthly beauty. The great tower of jewels, flashing in the sunlight, or its lofty pillars illuminated by colored lights at night, will linger in your memory long after it has disappeared from its present noble setting.

I was fortunate to see the tower on a misty night, when its outlines, clear enough at the base, gradually grew fainter and fainter in their shadowy seeming until they became indiscernible. And on another evening I saw all the castellated walls beneath the light of a crescent moon.

A work of art so vast as is the Exposition, from the architectural side alone, must ever lack adequate interpretation. One properly equipped may convey some idea of certain phases, possibly of the general effect; but there are so many aspects of this stupendous spectacle of beauty that they must be seen with the eye and with the soul. The walls of the Palace of Fine Arts with their clambering vines, and their deep-toned hues, give the effect of ancient ruins. Byron's lines rise to memory:

I do remember me, on a night, when I was wandering,
I stood within the Coliseum's walls
'Midst the chief relics of almighty Rome;
The trees which grew along the time-worn arches
Waved dark in the blue midnight,
While from afar the watch-dog bayed beyond the Tiber.

Of the many noble palaces rearing their majestic piles toward the skies, this surpasses them all.

It has been said that Americans take their pleasures sadly. This is not true of this Exposition's crowds. They are in a joyous mood—a feeling consistent with the atmosphere of San Francisco itself, for this is not a city where one may appropriately wear a woe-begone countenance. There is a sparkle in the air that transmutes all within its magical influence into harmony with the universal spirit, which is one of life and gaiety. If I should say that San Francisco is the Paris of America, it would be a mere meaningless phrase, but it would be, I think, correct to say that the city has much of that lightness of heart commonly associated with the French capital before these heavy days fell upon her people with so crashing a weight of sorrow.

May I just remark, in passing, that after a stay of two weeks here I have yet to see the first intoxicated person.

Every one who visits the Exposition will find it in some way suited to his or her particular mood or bent of mind. The art lover will find its buildings along a source of infinite delight, while pictures and statues abound. Hardly any phase of human achievement here lacks a wealth of representation. You may study exhibits of every kind from many lands; you may listen to lectures by the scores, from distinguished men. In a recent fortnight the speakers on the Exposition grounds or in the city have included such national figures as

Speaker Clark of the House of Representatives, ex-President Roosevelt and ex-Secretary Bryan, while the Governor of some State may nearly always be counted on.

The best way to see the Exposition is to see it as one likes; by schedule, if you prefer to work upon a definite plan, or in a desultory way if you have scant time and are content with a general impression. Along the Marina, one gets a splendid view, not alone of the picturesque buildings fronting the Bay, but of the Bay itself and the sentinel hills and mountains which form the background. Sometimes the fog hangs down upon all but a thin strip of land or water where the sun is brightly shining, and then the effect is transcendently beautiful.

If one must economize time, there is a feeling after a little experience, that some of the State and government buildings may be skipped, as they are in several instances only formal structures or incidental resting places. Yet should one put this resolution into practice, and miss the exhibits in the French, Canadian and Australian buildings, or fail to see the fine display in the state buildings of California and Oregon, there would be a loss to be sorry for.

There are two or three important things that have much to do with enjoyment of an exhibition like this. For example, the climate, the hotel accommodations, and by no means least, the spirit in which visitors are received.

The climate in San Francisco, as I have found it in midsummer, resembles that of New York, Boston or the Middle West in the latter part of October, except that the nights are apt to be colder, and fog quite common. Steam heat in one's rooms in the evening and morning is comfortable, though not a necessity. But there is something that is a necessity—an overcoat or wrap of some kind. Even in the city proper this precaution against the cool days and colder nights is wise, and at night, on the Exposition grounds, it is indispensable. For it must be remembered that the Exposition grounds front on the Bay, and almost anywhere this would mean cool nights. But the atmospheric conditions here are peculiar. A temperature of seventy during the day may be followed by much colder weather at nightfall when the heavy fog rolls in from the Pacific, as it does with surprising regularity at this particular season. Clothing customarily worn in the late fall or early spring in the sections mentioned above will

be found appropriate; though, on the other hand, it is not infrequently warm in the sun.

On the whole, the weather will be found compatible with the highest degree of enjoyment, if the simple precaution mentioned above is taken.

The hotel accommodations in San Francisco are all that could be wished. The number of large, new and really fine hotels is amazing. Prices are no higher than usual, and are very reasonable. You will miss a feature of San Francisco life if you do not for yourself seek out some of the many excellent restaurants to be found here. If you incline to the view that oddity of name implies culinary superiority, there are "The Barn," "The Cold Day," "The Poodle Dog," "The Red Onion," "The Jumping Off Place" and "The Fly Trap" offering an opportunity of testing this theory. On the Exposition grounds are some good dining places and many indifferent ones. Visitors may have the luck to discover the former and to avoid the latter. They can diminish the risk of unsatisfactory experiences by limiting their patronage, so far as circumstances permit, to the numerous downtown hotels and restaurants where the food, services and prices leave little, if anything, to be desired. It may not be out of place to suggest that in the food products exhibition are many places where cheap and wholesome food may be obtained at very moderate prices, and especial care has been taken to make these clean and inviting.

While the hotel accommodations are ample, it is well to make advance reservations if you wish to stop at a particular place, for conventions and other important events sometimes cause the large downtown hotels to overflow.

As to the other facts referred to—the spirit in which visitors are received—there will be, I am sure, pleasant experiences in store for all who come to the Exposition. Courtesy and a disposition to be helpful will be met with universally.

It is the common tendency of mankind to glorify success. The Panama-Pacific International Exposition is a magnificent success. As a spectacle of magnitude and beautiful originality it eclipses all its predecessors. As an exhibition of products and an illustration of modern progress it arouses the highest commendation of the discriminating visitor. From the purely financial standpoint also the Exposition is a success.

But beyond all this it is a magnificent triumph of human energy, foresight, courage and genius—a superb illustration of the possibility of man's achievement. Its history must forever remain to the credit of the men who conceived and carried out the complex detail of its mighty mechanism. San Francisco has vindicated the faith of the people in the still greater future that awaits the city in the years to come. Every American must feel a thrill of pride when he sees for himself what has been here accomplished to-day and what is so surely promised for to-morrow.

It was my rare good fortune to see the Exposition under the convoy of a party of bankers, and you will have similar experiences if you visit it, as I earnestly hope you may. One of these bankers—a genial, scholarly man—said: "I never leave these beautiful buildings without a feeling of sadness that they are so soon to pass away." This feeling must be universal to all who become enraptured with the rare architectural charm of the mighty structures. Yet, I suspect that this is one of the supreme elements in our affection for them. They shall soon become but a haunting memory, as all earthly beauty in its highest form forever eludes our permanent possession. But they will be long and reverently cherished in recollection, an inspiration toward ennobling endeavors, an admonition solemnly pointing our thoughts to the things that are enduring here and hereafter.

E. H. Y.

San Francisco, July 31.



Thrift Day

CALIFORNIA, which is noted for its high per capita of savings deposits, has given to the world a new day to be celebrated. In a proclamation issued by Governor Johnson on August 2 it was said:

"August 12, the closing day of the International Congress for Thrift, which will convene in Oakland August 9, has been set apart as 'Thrift Day' at

the Panama-Pacific International Exposition. In response to requests from the exposition management and from various bodies and individuals, I hereby designate Thursday, August 12, as 'Thrift Day,' and trust that the attention of the people of California will be so drawn to the propaganda of the congress as to give it the hearty encouragement it deserves."

The Modern Field for the Bank Note

Its Service in Emergencies and in the Present War

By CHARLES A. CONANT, Author of "A History of Modern Banks of Issue"

THE bank note has been put to several serious tests since the breaking of the war-cloud of last July, and the heavy burden subsequently imposed upon the finances of European countries to meet war expenditure. It was fortunate that the outbreak of the war found the bank-note system in practically all European countries already unified by the grant of the monopoly of issue to a single institution. The policy of a single bank of issue was steadily pursued in Europe during the closing quarter of the nineteenth and the early years of the twentieth century, in order to concentrate in strong hands a degree of control over the exchanges which would protect the natural stock of gold and ensure prudent action in periods of crisis. To this extent the theory of note issue which was accepted by many economists before the evolution of the central bank—that the bank note might be employed by local institutions as a means of supplying the deficiencies of local banking capital—has been subjected to the qualification that the entire mechanism of note issue should be under a single control.

The gradual extension of the check and deposit system has restricted in some respects the field for the bank note, but has not detracted from its importance for certain purposes. In those countries where other forms of credit have come to be fully developed, the bank note has become to a consid-

erable extent merely a convenient paper symbol for coin, as was the case with the Bank of England notes prior to the European war in 1914, and in the United States with the gold certificate. A greater degree of flexibility than that represented in these cases is generally recognized, however, as the legitimate property of the bank note, even where the reserves of the central bank have come to constitute a large ratio to the amount of notes outstanding. The functions of the bank note under these modern conditions may be classified under the following heads:

1. To supply the demand for currency at seasons of special trade activity, as during the movement of the crops or at the time of periodical settlements which call for large transfers of credit liability.

2. To supply the special demand for currency which arises when the ordinary means of granting and transferring credit have become clogged or have become subject to distrust as the result of commercial or political crises.

3. To permit the concentration of the gold stock in the central bank of issue by substituting paper for coin as far as possible in the hands of the public.

The first two of these uses of the bank note have not been unknown even in countries where the system of central banking has failed to obtain a footing. Scotland and Canada were long cited as examples of the most intelligent and efficient use of bank notes by

a plurality of local institutions, each dowered with the power to issue notes under certain general regulations. In Scotland, indeed, prior to the restrictive legislation of 1844, there was practically no regulation except that imposed by the judgment of intelligent bankers and of the financial community; and even in Canada the development of regulation by the state followed a long period of banking and of note issue comparatively unfettered by law. In both these countries, it is to be noted, however, that the security of the system of note issue without central control was due to the fact that the number of banks was limited and that (with some exceptions in Canada) the capital of each institution was large. In this respect, both the Scotch and Canadian systems differed from the systems of small local institutions which prevailed in several parts of the United States before the Civil War and was perpetuated under the national banking system. In Scotland there were only four important banks of issue up to 1825 and the number stood, after several important failures, at only eight institutions in 1908. In Canada, in spite of continuous development in the strictness of government and banking control under the legislation of 1890, 1900 and 1910, there were several failures of small banks, which with a few consolidations, reduced the number of institutions from a maximum of thirty-nine in 1894 to twenty-two in 1914.



I. MEETING THE SEASONAL DEMAND FOR CURRENCY.

AN interesting illustration of the advantages of the bank note in affording a convenient means for meeting a periodical expansion of money demand was afforded by the circulation of the Scotch banks, especially before the restrictive legislation of 1845. May and November were the months when interest on mortgages was usually settled in Scotland, annuities were paid,

the country people took the interest on their deposits, and servants received their wages. It was customary, prior to the general introduction of the check system in the middle of the nineteenth century, to settle such transactions by bank notes. This made it simpler for the banks to keep their accounts than under the system of drawing odd amounts in checks; since a depositor having payments to make would draw out the entire sum in notes, would receive payments to himself in the same form, and would deposit the net proceeds in one sum in notes at the bank.¹

Even the legislation of 1845, which forbade the issue of bank notes in Scotland beyond a fixed limit, except upon a corresponding increase in gold reserves, was not successful, in the language of Mr. Gilbert, "in imparting to the people of Scotland a taste for gold."² The banks succeeded, in the reorganization of the currency laws, in preserving the right to issue notes for £1. They pointed out that the abolition of small notes would require a reduction in the number of banking branches, because of the increased expense in the transmission of gold, and a reduction in the rate of interest paid on deposits, because it would be necessary to keep a large stock of gold, which would be almost wholly unproductive. With the power left them to issue notes for £1, they met the seasonal demand for currency, when the note issue exceeded the legal limit, by quietly bringing gold from London to Edinburgh and keeping it locked up in their vaults until the necessity for the increased issue was at an end.

How completely the note issue in recent times has been merely an instrument of retail transactions, leaving to the check system the consummation of larger operations, is indicated by the fact that of Scotch note issues outstanding during February, 1914, the amount in notes for less than £5 was

¹Cf. the author's "History of Modern Banks of Issue," pp. 160-161.

²"History, Principles and Practice of Banking," II, p. 181.

£5,009,068, or a ratio of 69.9 per cent. of total outstanding issues of £7,190,981.

In Canada also the freedom of note issue has been peculiarly advantageous in meeting the demand for currency which occurs at the time of moving the crops. Under the Canadian banking system there is no legal restriction on the size or employment of reserves. The prudent management of the twenty-two banks of issue depends upon their responsiveness to intelligent financial opinion; but mutual watchfulness is stimulated by the general redemption system established by the legislation of 1890, which requires that every bank "shall make such arrangements as are necessary to ensure the circulation at par in any and every part of Canada, of all notes issued or re-issued by it and intended for circulation." To this end the banks are required to establish agencies at seven provincial centres and such other places as may be designated by the Treasury Board.³

The month of January is usually marked by a lull in business activity in Canada, which brings to the banks for deposit notes not required in the circulation. The revival of activity in the spring requires some increase in the circulation, but it is only with the beginning of the crop movement in August that the call for additional notes becomes urgent. Between August 31 and October 31 there is usually an increase of from fifteen to twenty per cent. in the amount of notes outstanding. So rapid was the increase of population and business in Northwestern Canada, that about the time of the crisis of 1907 even the authority to issue notes without restriction up to the amount of banking capital proved inadequate to meet the requirements of the crop-moving season, and authority was given by

a law of 1908 and a further act of 1913 to increase issues under special regulations.

The Act of 1908 permitted additional issues up to fifteen per cent. of paid-up capital and reserve funds, subject to a tax at the rate of not more than five per cent.; but this authority could be availed of only from October in any year to January 31 following. Under the law of 1913 the banks were permitted to increase their note issues at any time of the year to the amount of gold or Dominion notes deposited in central gold reserves, without payment of any tax, and without arbitrary limitation of amount. While it might seem that such issues, being fully covered by gold, afforded no room for profit to the banks, the system permitted those banks which carried strong reserves to transform a part of them into notes (unhampered by the restrictions upon the ratio of notes to capital) without essentially weakening their position.⁴ The banks generally preferred this method of increasing their issues to the payment of the tax on excess issues authorized by the law of 1908 and by November, 1913, had outstanding against gold deposits notes to the amount of \$5,554,634.

One of the most successful modern instances of the employment of bank notes to meet an anticipated but temporary demand is found in the modification made in the charter of the Imperial Bank of Germany by the law of 1909. The change pertained to the authorized issue, known as the "contingent" or the maximum of notes which might be issued without regard to the metallic cover and without being subject to special tax. In addition to an increase in the amount which might be regularly issued there was a special provision that there might be an additional issue of 200,000,000 marks (\$47,600,000) for the last week of March, June, September and December, of each year, which should not be subjected to the tax imposed upon uncov-

³Vide the author's "History of Modern Banks of Issue," page 464-66. A sort of tacit understanding exists that reserves should not ordinarily fall below fifteen per cent. of demand liabilities, and banks disregarding this rule are admonished by the Bankers' Association.

⁴Vide New York "Bankers' Magazine," July, 1913, LXXXVII, p. 22.

ered issues above the contingent limit. It was declared by the committee which reported the new law to the Reichsbank that "in establishing this increase, the fact has to be reckoned with that the demands on the Imperial Bank of Germany were regularly made to an especially large extent at the quarter days." According to German custom, interest on mortgages, rents and salaries fall due in very large proportion at quarter ends, and this causes at such times a heavy demand for instruments of payment. It was found, prior to the amendment of 1909 that the tax of five per cent. levied upon the notes of the Reichsbank, in excess of the amount fully covered by the metallic reserve, was almost invariably paid at the quarter ends. These payments swelled considerably the total levy upon the bank and were not, according to the committee, "in accordance with the intent of the contingent system."⁵



II. MEETING THE CRISIS DEMAND FOR CURRENCY.

SOMEWHAT apart from the use of the bank note as a medium of exchange under normal conditions is the enlarged demand for it which has often arisen in periods of panic or financial crisis. Recurrence at such times to the use of the bank note is a step backward in the employment of the credit mechanism, because it indicated that the usual forms of carrying on exchanges by means of the discount and check system have been clogged or have fallen under distrust. The bank note represents a more safe and convertible credit instrument, at least in public opinion, than the instruments of individual credit which are usually accepted. This form of the demand for bank notes is quite different from that which arises during a period of business expansion which may partake of the character of

inflation. The demand which occurs in periods of panic does not afford the means for further inflation, but only for the replacement of the usual means of carrying on exchanges. Hence it is highly desirable that the banking system should permit, when such conditions arise, the liberal issue of notes. Where the ability to issue them freely is denied by law, the intensity of the panic is much magnified by the fear that neither gold nor notes can be obtained.

The typical cases where panic has been rendered more acute by reason of arbitrary restrictions upon the power of note issue are those of the crises of 1847 and 1857 in England and of 1893 and 1907 in the United States. In the panic of 1847 the Bank of England was hampered by the law passed only three years before, providing that notes could be issued by the Bank of England, above a legal maximum of £14,000,000, only upon gold holdings for the full amount of such additional issues. The result was that the metallic money in the bank was rapidly reduced by the withdrawal of deposits and the government was finally compelled to announce that if notes were issued in excess of the legal limit the government would seek a bill of indemnity from Parliament for the technical violation of law. The knowledge that money could be had by merchants presenting sound assets quickly arrested the panic. The bank did not even find it necessary to issue the £400,000 in additional notes which were prepared.⁶

In the crisis of 1857 the Bank of England was again reduced to sore straits by reason of the narrow limitations upon its power of note issue. Again the government, after much hesitation, acted in the same manner as in 1847. A letter reached the bank on November 12, authorizing the issue of notes in excess of the legal limit, provided the discount rate was maintained at ten per cent. The public excitement was calmed, but the demand for dis-

⁵*Renewal of the Reichsbank Charter*, National Monetary Commission, Senate Document No. 507, 61st Congress, 2nd Session, pp. 94-97.

⁶*Vide* the author's "History of Modern Banks of Issue," pp. 634-35.

counts continued heavy for a fortnight and swelled the uncovered circulation in the hands of the public to £928,000, in addition to the notes which were added to the banking reserve. In the panic of 1866 the bank was again authorized to exceed the legal limit of issue and within five days made advances, which could not otherwise have well been made, to the amount of £12,225,000.⁷

The waning importance of the bank note as a representative of banking credit was illustrated in the Baring crisis in 1890, when the government offered to allow the Bank of England to issue notes in excess of statutory requirements, but the offer was declined. England had grown so accustomed to the check and deposit system that if there was any occasion for unusual measures, it was for authority to the bank to extend deposit credit freely and not to increase the issue of currency. Indirectly, the suspension of the Bank Act would have increased the power of the bank to make loans, by permitting it to put the additional notes into the banking reserve which was held against deposits. This was unnecessary on this occasion, because the disaster to the Barings affected chiefly the world of high finance and did not involve a crisis in general trade.

The paralysis of credit which marked the outbreak of the European war of 1914 called for the adoption of the most heroic measures available at the moment, and among those which naturally suggested themselves was the suspension of the Bank Act. For the first time the suspension was sanctioned by statute, but it was not availed of by the bank, because the government, in the terse language of Mr. Withers, "made this suspension unnecessary by issuing notes itself."⁸ The adequacy of these government issues in allaying fear of a scarcity of currency may be judged from the fact that any bank or banker was allowed to apply for the notes to

the amount of twenty per cent. of his liabilities on deposit and current accounts, which gave the right, if it had been generally availed of by the banks, to issue about £233,000,000. The amount taken by the banks under this provision was only about £6,000,000, of which practically the whole was redeemed by the end of September. The notes proved so generally acceptable, however, that they continued to be issued on government account, until the total amount outstanding rose in May, 1915, to £43,519,000; but of this amount £28,500,000 was covered by gold coin and bullion.⁹

In Germany, the employment of the resources of the Imperial Bank, largely through the issue of bank notes, contributed greatly to the means of carrying on the war. One of the first acts of the government on the eve of the conflict was the suspension of the famous requirement, that a tax of five per cent. should be paid on the issue of bank notes above the contingent limit, when not fully covered by gold. This left the bank free to grant credit to any amount required, either for the purpose of commercial loans or for advances to the Treasury upon short-dated government obligations, without becoming liable to the heavy tax to which the excess of note issues would otherwise have been subjected. These large issues of paper went largely into the Treasury for war purposes, but also aided the government in another way by enabling the bank to loan notes freely to individuals who desired to subscribe for the national loans. A quantity of notes beyond the normal was absorbed also by the depreciation in German exchange in neutral lands, which during the greater part of the war ranged from 12 to 15 per cent.¹⁰ The total circulation of the Imperial Bank outstanding,

⁹London "Statist," May 15, 1915, LXXXIV, p. 307.

¹⁰A part of the increase in circulation of notes was explained by Count Havenstein, Governor of the bank, upon the ground that they were circulating in parts of Belgium, France and Poland occupied by Germany.—*Wall Street Journal*, March 6, 1915.

⁷See the author's "History of Modern Banks and Issue," p. 651.

⁸"War and Lombard Street," p. 32.

which was only 1,890,895,000 marks (\$449,100,000) on July 23, 1914, a week before the war crisis, rose on December 31, 1914, to 5,045,899,000 marks (\$1,199,000,000), and on March 31, 1915, to 7,030,000,000 marks (\$1,670,000,000).

These figures of the circulation of the Imperial Bank include the notes issued by the loan offices, which was one of the ingenious devices adopted by the German government at the beginning of the war to give a liquid character to capital which would ordinarily not be readily negotiable. These loan offices were authorized to extend credit upon non-perishable merchandise, personal property of various kinds, and securities of types which might not be readily accepted at the joint-stock banks. The form in which such credit was issued was in loan office bonds (*Darlehenskassenscheine*), or notes, which were to be accepted at their face value at all government offices, including those of the German states, but were not legal tender between individuals. The denominations, first fixed at five, ten, twenty and fifty marks, were brought down by the ordinance of August 31, 1914, to one mark and two marks.¹¹ The object of the loan offices at the beginning was apparently to aid merchants who might be temporarily embarrassed by the paralysis of credit and the failure to collect obligations due them. The loan offices proved useful, however, in the distribution of the war loans, because they afforded a means of supplying credit to those who wished to make subscriptions to these loans. From this cause the amount of loan office bonds rose suddenly from 754,000,000 marks (\$180,000,000) on March 23, 1915, about the date of the offer of the second big war loan, to 1,574,000,000 marks (\$374,000,000), on April 15, 1915. The fact that exchange depreciated only by fifteen per cent. was evidence that this method of financing the war was at least better than the direct issue of government paper, since the quantity of

notes remained to some extent under the control of the Imperial Bank and could be reduced from time to time when large amounts were received from the public in subscriptions to the loans.

The somewhat stronger financial position of France was indicated by the fact that the increase in her issue of bank notes, while larger in amount than in Germany, was a much smaller proportion of her issues in time of peace. Promptly upon the outbreak of the war an act was passed increasing the maximum limit of circulation of the Bank of France, from 6,800,000,000 francs, fixed by the Law of December 29, 1911, to 12,000,000,000 francs. This was followed in March, 1915, by a further increase of the limit to 15,000,000,000 francs (\$2,895,000,000). The actual circulation of the bank, which stood on July 23, 1914, at 6,912,000,000 francs (\$1,334,000,000), rose on December 31, 1914, to 10,047,899,720 francs, and on May 14, 1915, to 11,738,037,925 francs (\$2,265,500,000). In France, as in Germany, the government was aided by the acceptance by the bank of short-dated securities, against which it received bank notes for making current disbursements. The French Minister of Finance refused, however, to create an inflated borrowing power by advancing paper money to existing holders of securities, and declared that the value of the notes of the Bank of France, which inspired exceptional confidence abroad as well as at home, should not be put in jeopardy by such dangerous rivals as substitute or deputy bank notes.¹²

The manner in which the note issue of the Bank of France was availed of to break the force of the panic at the outbreak of the war is brought into relief by the item of extended paper (*effets prorogés*), representing the commercial bills which had been rediscounted by the bank in order to avert the paralysis of credit and the inability to collect domestic and foreign obliga-

¹¹*Bulletin de Statistique*, August-October, 1914, LXXVI, pp. 320-30, 346.

¹²*Vide* address of M. Ribot, Chamber of Deputies, March 18, 1915, *Bulletin de Statistique*, March, 1915, LXXVII, p. 228.

tious. The amount of this paper discounted by the bank, under the various decrees extending the time for payment, rose early in the war to nearly 4,500,000,000 francs (\$870,000,000), but was reduced by December 24, 1914, to 3,477,683,000 francs; on February 25, 1915, to 3,053,454,277 francs; and on May 14, 1915, to 2,494,608,696 francs (\$481,500,000). The Bank of France, even before the delays granted by the moratorium had expired, sent notices to the drawers of the paper in its portfolio on which they were debtors, and at the beginning of the year 1915 was already able to report assurances of early payment, stimulated "by that respect for the matured obligation which always characterized French commerce and which maintained its privileged credit in the eyes of the world."¹³

In Russia, as in France and Germany, the great resources of the State Bank were availed of by the government to meet pressing needs. Issues of small notes were increased, the payment of gold for notes was suspended, and additional bank notes were issued freely to cover the discount of Treasury bonds for short terms in the assets of the bank. By May 21, 1915 (western calendar), the bank carried in its assets treasury bonds to the amount of 1,617,000,000 rubles (\$815,000,000), while the issue of bank notes had risen from about 1,640,000,000 rubles (\$844,600,000) on July 21, 1914, to 3,397,000,000 rubles (\$1,750,000,000). Thus the increase in circulation represented in large part advances to the government, but the notes were no doubt largely absorbed in circulation by the increased activity of buying and selling for the government, and by the large circulation of currency on the frontiers, where the armies and their great supply trains were concentrated.

In the United States the inability to issue bank notes except upon the security of United States bonds, was one of the chief causes of the suspension of currency payments in the crises of 1893

and 1907. It was with a view to avert this evil that many plans for bank note reform were formulated, prior to the crystallization of sentiment in favor of a central bank, practically all of which provided for the issue of emergency currency in some definite ratio to banking resources, as under the Canadian Act of 1908. At the outbreak of the European War in 1914, the Federal Reserve Act of December 23, 1913, was on the statute books, but the regional banks which it provided for had not been organized. There were in operation, however, or capable of being quickly put in operation, the provisions of the Aldrich-Vreeland Act of 1908, with some important amendments which had been made by the Federal Reserve Act.

While the New York banks suffered serious depletion of their reserves during the last week of July and the first two weeks of August, 1914, and decided to issue clearing-house certificates for settlements among themselves, their ability to issue bank notes under the Aldrich-Vreeland Law as amended prevented any deficiency of currency or the anxiety regarding the ability to obtain currency which had marked previous crises. The power to issue notes under the original Aldrich-Vreeland Act expired on June 30, 1914, but this period had been extended by the Federal Reserve Act to June 30, 1915. The currency associations authorized by the act had been formed in the principal banking centers of the country and currency had been printed in considerable amounts and deposited in the sub-treasuries, to be issued when called for. In consequence of this precaution, the Treasury was able to issue to the national banks of New York city alone, within the first six days of August, \$38,780,000 in new notes, and these amounts were rapidly increased, until the amount thus issued had risen on August 27 to \$103,309,260, in addition to a nearly equal amount to national banks in other places.

In the meantime action was promptly taken by the government to remove some of the burdens imposed

¹³*Assemblée Générale des Actionnaires de la Banque de France, 1915, p. 19.*

upon the issue of this currency under the law of 1908. The tax on new issues, fixed by the act of 1908 at the rate of five per cent. per annum for the first three months, was reduced by the Federal Reserve Act to three per cent. and the additional tax accruing after three months for each additional month was reduced from one per cent. to one-half of one per cent. These rates of taxation were not changed in the law which was passed by both houses of Congress during the first three days of August and was approved by the president on August 4, 1914. The original law required, however, that a bank must have a bond-secured circulation of not less than forty per cent. of its capital stock, in order to obtain new circulation; that the total circulation of any bank, including that secured by bonds, should not at any time exceed the amount of its unimpaired capital and surplus; and that the total amount of circulation issued under the provisions of the law should not exceed \$500,000,000.

All these requirements were placed by the act of August 4, 1914, in the discretion of the Secretary of the Treasury, to suspend, if he saw fit, provided the total circulation of any bank should not exceed 125 per cent. of its unimpaired capital and surplus. These changes greatly diminished the burden imposed upon the banks by the issue of additional notes and raised the limit of possible emergency issues to about \$1,400,000,000, which was the difference between the maximum limit of circulation fixed by the new law and the amount of national bank notes already outstanding.

This circulation served an emergency purpose primarily by enabling the banks to husband their stocks of lawful money, which alone was available for reserves. Evidence of this was afforded by the early retirement of these "emergency notes" after regularity had been restored to the foreign exchanges and the pressure upon the New York money market had been relieved. Applications for emergency notes were made

promptly and in considerable amounts by the banks of New York because it was upon them that the greatest demands were made. Between August 3 and August 15, 1914, such applications reached \$82,323,910; between August 15 and September 15, \$57,750,650, and from the later date to October 6, \$5,224,400. The total emergency issues issued in New York, therefore, were \$145,298,960, which was 47.86 per cent. of the total amount which the banks might legally have taken under the authority to issue up to 125 per cent. of their combined capital and surplus of \$242,324,000. Early in October, however, retirements of these notes began. By November 15, the amount left outstanding charged to New York banks was reduced to \$96,292,830, and by December 15 to \$24,469,610. By January 25, 1915, the entire amount had been cancelled by the deposit of lawful money in the Treasury and the collateral required under the law had been returned to its owners.¹⁴

The retirement of emergency notes issued under the Aldrich-Vreeland Act was less rapid in some other parts of the country, owing to the continued demand for currency for moving certain crops. The highest point reached by such issues throughout the United States at any one time was \$368,616,990, on October 25, 1914. By December 31, 1914, the amount outstanding was reduced to \$150,836,692; on January 31, 1915, to about \$65,000,000; on February 28 to about \$31,000,000; on March 31, to about \$13,000,000; on April 30, to \$3,568,000, and on May 31, to \$2,508,900.¹⁵

The banks, by the aid of this additional circulation, were enabled to employ bank notes in meeting obligations to the public, to retain gold and gold certificates in their reserves, and to refrain from calling loans to stock-brokers and other borrowers in a manner which would have caused difficulties

¹⁴Vide report of the Executive Committee of the National Currency Association, "New York Times," February 10, 1915.

¹⁵"Wall Street Journal," June 4, 1915.

and perhaps numerous failures, in view of the fact that the open market for the sale of securities had ceased to exist with the closing of the stock exchanges and that such sales could be made outside the market only at low and uncertain prices.



III. PERMITTING THE CONCENTRATION OF THE GOLD STOCK

THE employment of the bank note as a means of husbanding the gold stock of the banks of issue assumed new importance early in the twentieth century and especially during the European war. Preoccupation on this subject had already become serious in Germany as early as 1906, when the privilege was first accorded to the Imperial Bank of issuing notes in denominations of twenty and fifty marks. It was contended that the example of other countries showed that such a measure might become necessary at critical moments, but that its execution at such times was difficult. Hence the step was taken in advance, and the policy was adopted at the same time of paying out notes for the obligations of the bank whenever practicable. The wider use of checks was encouraged by the law of March 11, 1908, removing some of the restrictions previously imposed upon them. The effect of these measures was soon obvious in the increase in the gold stock of the Imperial Bank and in the larger use of bank notes in the quarterly settlements which are a feature of German commercial life.¹⁶

During the war the substitution of notes for gold was still more effective in raising the gold stock of the Imperial Bank. It was made a crime to export gold or to quote the notes of the bank in terms of depreciation in the precious metal. By retaining all gold received through the various public agencies, in-

cluding the state railways, and paying out only notes, the gold reserve of the bank was increased from 1,253,199,000 marks (\$297,640,000) on July 31, 1914, to 1,716,071,000 marks on September 30; 1,991,254,000 marks on November 30; 2,092,811,000 marks on December 31; 2,271,000,000 marks on February 28, 1915, and 2,362,000,000 marks (\$561,000,000), on April 23. A large part of the increase in the reserve during the first few days of the war was due to the immediate transfer of two sums of 120,000,000 marks each (making a total of about \$57,000,000), from the government funds to the Imperial Bank.¹⁷ The retention of gold subsequently received was facilitated, however, by the rapid substitution of small notes for the gold pieces of ten marks (\$2.38) and twenty marks (\$4.76), previously in common use. The increase was large in notes of all denominations, but was much less marked in notes for fifty marks (\$11.90) than in those for twenty marks. Of the denomination of fifty marks, the increase in amount between July 31 and December 31, 1914, was from 283,970,600 marks to 601,901,950 marks (\$143,000,000), or about 112 per cent.; while in notes for twenty marks the increase was from 528,664,200 marks to 1,525,879,140 marks (\$352,500,000), or about 188 per cent.¹⁸ In these two items appeared an increase within five months of about 1,315,000,000 marks—an amount more than equal to the increase of the gold stock during the same period.

In France, as has been seen, the increase in note issues was much less in proportion than in Germany and less effort was made to increase the gold stock, in view of the large amount on hand at the beginning of the war. The end of the year 1914 disclosed, however, an increase for the year of 641,100,000 francs (\$123,750,000) and the existence of a total stock of 4,158,500,000

¹⁶Vide letter of the Chancellor of August 2, 1914, to the Reichstag, *Bulletin de Statistique*, August-October, 1914, p. 322.

¹⁸Annual Report of the Reichsbank, 1914, p. 27.

¹⁷Von Lumm, *Politique d'Écompte*, in *Revue Economique Internationale*, July, 1912, pp. 86-87.

francs (\$802,600,000). The increase was attributed by the bank management to "constantly favorable exchanges and a policy of monetary foresight which found, under the circumstances, new and decisive justification."¹⁹ It was acknowledged, however, that the contraction of credit invoked by the substitution of cash payments for periodical settlements had resulted in a demand for small monetary instruments, which the bank had promptly supplied. The amount in notes outstanding of twenty francs, which had been only 1,216,080 francs (\$234,700) at the close of 1913, was 803,505,000 (\$155,100,000) at the close of 1914, and notes for five francs (96.5 cents) had in the meantime been issued to the amount of 390,171,670 francs (\$75,300,000). Issues of larger denominations had also increased, the increase in notes for 100 francs (\$19.30) being 1,203,000,000 francs (\$232,200,000).

The issue of currency notes which was made in Great Britain after the outbreak of the war, in denominations of £1 and ten shillings, undoubtedly arrested a tendency towards hoarding which had begun and checked the demand upon the Bank of England for gold sovereigns and half-sovereigns. This demand, which was serious for a day or two, was not due primarily to panic among the public, but to the fact that several of the joint-stock banks were paying out only notes and silver and telling their clients to go to the Bank of England if they wanted notes converted into gold.²⁰ By the issue of the Treasury notes, it is declared by Prof. Keynes, several important objects were served at the same time.²¹

"The banks were reassured as to their capacity to meet any reasonable claims on the part of their depositors, their depositors were reassured by the appearance of a sufficient supply of serviceable legal-tender money, the Bank of England's stock of gold was conserved, and

the necessity of an excess issue of bank notes, with the ill effect of this on the appearance of the bank return and of the bank's reserve, was avoided."

In the United States a substantially similar influence was felt from the issue of notes under the Aldrich-Vreeland Law. A large part of the gold stock of the country was wastefully diffused through the circulation in the form of gold certificates and it was one of the objects of the issue of emergency bank notes to permit the gold certificates to be retained by the banks as they were received to contribute to the strengthening of their reserves. This object, as we have seen, was fully accomplished even before the Federal Reserve Banks were opened on November 16, 1914. The payment of capital stock and the transfer of reserve deposits to these banks brought together gold resources which reached on December 4, 1914, the sum of \$230,960,898 and other lawful money to the amount of \$32,501,916. So large were the issues of emergency currency still outstanding and so substantial the increase of lending power obtained by the national banks by the reductions in their legal reserve requirements under the new law, that the Federal Reserve Board expressed the opinion "that the Federal Reserve Banks upon their organization would not be instantly called upon for a substantial issue of Federal reserve notes."²² It was their policy apparently, however, to substitute the notes of the new system for gold in circulation, as rapidly as conditions permitted. Hence the issue of notes upon commercial assets from time to time, which were promptly covered by the deposit of gold in the redemption fund of the Treasury. By this process the total of notes outstanding was increased as early as March 28, 1915, to \$41,200,000, of which, however, only \$8,889,000 represented a net liability of the banks, while their fund of gold coin and certificates on hand was \$242,168,000.

¹⁹*Assemblée Générale des Actionnaires*, January 28, 1915, p. 14.

²⁰Wither's "War and Lombard Street," p. 13.

²¹*Quarterly Journal of Economics*, November,

1914, xxix, p. 68.

²²Annual Report of the Federal Reserve Board, 1914, p. 16.



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Seattle: A World Port and Financial Centre

By GEORGE R. MARTIN, Manager Martin-Severyns Co., Seattle

SINCE the opening of the Panama Canal the shipments from Pacific coast ports to the Atlantic seaboard exceed by \$8,000,000 those from the Atlantic to the Pacific. Moreover, the foreign commerce of the Pacific coast has increased to an un-

precedented extent. The significance of these facts is challenging the attention of the financial interests of both coasts.

World trade is again capturing the imagination of the nation. The new relationship between the United States and the countries of the world, resulting



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**MEMBER EXECUTIVE COMMITTEE SEATTLE CON-
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AND FORMER PRESIDENT OF THE 1909 YUKON
PACIFIC EXPOSITION. ALSO FORMER PRESIDENT
SEATTLE CHAMBER OF COMMERCE.**



N. H. LATIMER

**PRESIDENT DEXTER HORTON NATIONAL BANK
MEMBER OF EXECUTIVE COMMITTEE AMERICAN
BANKERS ASSOCIATION**

ing better transshipment facilities, im-
proving their harbors and emphasizing
their natural advantages.

from the present war in Europe, is turning the interest of the people of this country to its great maritime problems. It is a vision of a new day unfolding itself in the commercial life of the country—a vision of a re-established shipping industry, of a restored independence from foreign merchantmen, and new fields for American influence. The United States is self-contained no longer. Moved by a spirit of enterprise akin to that which built a flourishing merchant marine during the days preceding the Civil War, it is irresistibly advancing to a heretofore unknown foreign trade dominance. Thus with a sense of assurance that an increasing over-sea commerce is bound to come, the country's great ports are now provid-



SEATTLE'S IMPORTANT POSITION

AT this time of readjustment, Seattle finds itself in a peculiarly important position as a world port. Statistics show that Puget Sound has already outstripped San Francisco and on several recent occasions has been second only to New York in the matter of foreign commerce. Seattle holds fast to two fundamental ideas; first, any material prosperity of the country at large will be attended by a demand for the lumber resources of the Pacific Northwest; second, its geographical location and its possession of the largest deep-



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FREDERICK KARL STRUVE
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water harbor in North America makes it the New York of the Pacific Coast.

This position puts Seattle at the door of Alaska. It also brings Seattle nearer to the Orient by twelve hundred miles than San Francisco, and closer to the Great Lakes by half a day's time than San Francisco. Contrary to the prevailing impression, the direction of the course of ships sailing from San Francisco and Seattle to the Orient is not due westward. The laws of navigation reveal the fact that the shortest distance from Pacific Coast ports of the United States to China and Japan is by way of the Great Circle Route. This means that ships bound for these countries in the Far East pass northward until within sight of Alaska, thence westward and thence southward. It is a fact that a cargo can be sent from New York to Seattle by rail and from Seattle to the Orient by the Great Circle Route and return to New York over the same course in less time than that required

for a single trip by a cargo sent from New York to the Orient by way of the Panama Canal and Honolulu. It seems practically certain that the larger share of the products or shipments destined for the Orient from Eastern States will in the future go by rail to Seattle and thence by boat to China and Japan.

There was a time when in the West skepticism existed to a large extent, as to the benefits that would come to the cities on the Pacific Coast from the completion of the Panama Canal. Because the Canal was to give the ports of Europe a short, easy, direct route to the Orient, the shipping interests of the Pacific Coast were considered in danger of being practically cut off—their trade snatched away by European rivals. But Seattle kept on in its resolute support of the Panama Canal. In newspapers, magazines, through its wide-awake commercial organizations and representatives in Congress, it continually called the attention of manufacturers, export-



R. H. MACMICHAEL

ASSISTANT CASHIER AND MANAGER BOND DEPARTMENT DEXTER HORTON TRUST AND SAVINGS BANK



M. A. ARNOLD

**PRESIDENT FIRST NATIONAL BANK
CHAIRMAN CLUB COMMITTEE SEATTLE CONVENTION AMERICAN BANKERS ASSOCIATION.**

ers and importers to western possibilities, to the unbounded resources of Alaska, and the tremendous purchasing power lying undeveloped in Asiatic Russia, China, Japan, Australia, New Zealand and South America. It was Seattle which first petitioned the United States Government to recognize the new Republic of China that has done so much to bring about the cordial relations now existing between the two governments. It was Seattle which first conceived the idea of sending trade commissioners to the newly-awakened nations of the Orient for the purpose of developing trade and commerce. It was Seattle which first demanded that the Government unlock the great store-house of Alaska and laid the foundation for the two laws passed at the last session of Congress... which are to open Alaska's coal fields and give that country its much needed railroad. It was Seattle which for more

than a decade led the cities of the country in its persistent and continuous campaign for more and regularly run merchant ships that the growing commerce and industries of the country and particularly of the West might not be retarded. That Seattle's judgment reflected real foresight can now be read in the results.

During the period that the Panama Canal has been in operation, or for the nine months ending March 31, 1915, the bulk of the trade going through the Canal from the Pacific Coast to the Atlantic Seaboard was greater by \$8,000,000 than that which reached Pacific ports from ports on the Atlantic, the totals being \$29,707,273 and \$21,383,075, respectively. That the Canal has opened within less than a year's time new markets in the Gulf States, Atlantic States, South America and Europe for the lumber, grain, flour, canned fish,



GEORGE R. MARTIN

MANAGER MARTIN-SEVERYNS CO.
SECRETARY NATIONAL ADVERTISING COMMITTEE
SEATTLE COMMERCIAL CLUB



N. B. SOLNER

VICE-PRESIDENT UNION SAVINGS AND TRUST CO.
CHAIRMAN PUBLICITY COMMITTEE AMERICAN
BANKERS ASSOCIATION

canned and dried fruits, sugar and wool of the Pacific Coast, in exchange for their manufactured articles, iron, steel and cotton, cannot be gainsaid. It is a remarkable showing, made under the most irregular conditions, with lumber, the Pacific Coast's principal industry, moving slowly in small quantities, with ships hard to obtain and still harder to enter ports of Europe because of the war.

The foreign commerce of the Pacific Coast has also been making wonderful strides. Seattle and the Puget Sound District in spite of an exceedingly adverse lumber market, has overtaken San Francisco, and during the present year in imports has a number of times outstripped every port in the United States with the exception of New York. The exports and imports of this district have increased from \$632,542 and \$11,561, respectively, in 1865, to \$3,184,908 and \$238,036 in 1885, to

\$48,848,178 and \$7,378,328 in 1905, and to \$55,391,565 and \$55,012,215 in 1914. During the present year the gains have been so marked, in April the exports reaching the high total of \$11,034,986 and the imports \$6,008,507, that if the same proportion is maintained the foreign commerce of Seattle and Puget Sound will double itself before the end of the year.

The largest items of exports from the Puget Sound District are lumber, grain, flour, cotton (raw and cloth), fish, fruits, meat products, dairy products, paper, iron, steel and copper. Imports consist chiefly of raw silk, tea, rice, tin, copper and Manila hemp.



A SPLENDID HARBOR

SEATTLE'S natural opportunities for harbor improvement are unlimited. Its harbor is everywhere deep,



RAYMOND R. FRAZIER

PRESIDENT WASHINGTON SAVINGS AND LOAN
ASSOCIATION



C. S. HARLEY

VICE-PRESIDENT GERMAN-AMERICAN MERCAN-
TILE BANK OF SEATTLE

easily accessible from the sea, and absolutely free from rocks or shoals, vessels bound for Seattle reaching their berth under their own steam in all weather. The warm Japan current also keeps Puget Sound, Elliot Bay, and the fresh water lakes of Seattle free from ice, the trees and grass of the Puget Sound District being green the year around. In size the harbor can compete with any other in this country.

Elliot Bay proper is two miles in diameter and embraces over four thousand acres. If the shore line of the East and West Water Way, each one thousand feet wide and over a mile in length, Smith's Cove, Shilshole Bay, and the four miles of tidal, canalized Duwamish River be added, a deep, salt water frontage of thirty and one-half miles is obtained within the city limits. The inner or fresh water harbor includes Lake Union with forty feet of depth and seven miles of frontage, the shores of Lake Washington-Government ship canal, and

a considerable part of the frontage of Lake Washington, a deep, wide, fresh water lake which bounds the city on the east and which is now connected through a great \$3,000,000 concrete tide lock with Puget Sound. The lock will allow any vessel floating the Pacific Ocean to pass, being eighty feet wide and eight hundred twenty-five feet in length, and thirty-six feet in depth, an engineering work but slightly smaller than the great locks at Panama. When the canal is completed, ships can lie in either salt or fresh water.

The docks of Seattle are of the pier type, about fifty in number. Until 1913 they were all under private ownership. The construction of the Panama Canal, shortening the water route between Seattle and New York eight thousand miles, resulted in the expenditure of \$5,000,000 for new public terminal wharves, warehouses, public grain elevators, cold storage plants, etc. The public terminals operated directly by a



JUDGE THOMAS BURKE
PRESIDENT SEATTLE CHAMBER OF COMMERCE



ROBERT S. BOYNS
PRESIDENT SEATTLE COMMERCIAL CLUB

Port Commission were designed to articulate rail and water commerce with special reference to the leading Northwest commodities such as lumber, wheat, fish and fruit. Back of these wharves, warehouses, etc., are great stretches of reclaimed tide lands—the established district for manufacturing plants and factories, supplied with rail and water transportation, permitting of the most economical transfer of bulk cargoes, and providing an inexhaustible supply of the cheapest fuel and power anywhere to be found on the Pacific Coast, if not in the country.

This wide manufacturing area was made with the earth washed from Seattle's hills, which before their removal had been a threatening impediment to the continued growth of the city's business section. Over 34,000,000 cubic yards of earth was removed from these hills, or more than one-eighth of the amount handled at the Panama Canal.

But no task has been too overwhelming for Seattle when plans for civic betterments have been at stake. No shortsighted policies have been tolerated when its future size and importance as a world port, a financial center, and a tourist center have been under consideration. Municipal improvements have been real civic achievements—typical of its active, intelligent, resourceful community life. Great as the city's expenditures have been for harbor improvements, for the development of its public-owned utilities, for widening and leveling its streets, for perfecting and beautifying its parks and boulevards, for providing numerous playgrounds for children, for building good roads, and for the care and construction of its serviceable public buildings, such as the new court-house and city hall, public schools, libraries, hospitals, etc., the people of the city have found compensation in money well spent and remarkably free from taint or graft, and a sound mu-



J. D. HOGE

PRESIDENT UNION SAVINGS & TRUST CO., CHAIRMAN BALL COMMITTEE, SEATTLE CONVENTION AMERICAN BANKERS' ASSOCIATION



J. W. MAXWELL

PRESIDENT NATIONAL CITY BANK; VICE-PRESIDENT SEATTLE CLEARING-HOUSE ASSOCIATION; CHAIRMAN AUTOMOBILE COMMITTEE, SEATTLE CONVENTION AMERICAN BANKERS' ASSOCIATION



PART OF SEATTLE'S BUSINESS SECTION WITH PUGET SOUND AND THE RUGGED-SNOW-CAPPED OLYMPIC MOUNTAINS IN THE BACKGROUND



E. L. GRONDAHL
CHAIRMAN DECORATION COMMITTEE AND
PRESIDENT STATE BANK OF SEATTLE



J. W. SPANGUER
SECRETARY EXECUTIVE COMMITTEE AND VICE-
PRESIDENT SEATTLE NATIONAL BANK

municipal credit that has made strong rivals of conservative Eastern trust companies and bond houses for the city's bonds and short-time loans. Its system of pure water from Cedar River, fed from numerous springs and glaciers high in the Cascade Mountains, together with the city's naturally equitable climate, has given Seattle the record of being the healthiest city in the world and with the lowest death rate in the United States. Its lighting system, in efficiency, public service and rate reduction, has been called the best city-owned plant in America and has earned for Seattle the title of being the best lighted city in the country and the city with the cheapest power.



THE CITY'S BANKS

THE greatest single factor in the whole wonderful development of Seattle, outside of the character and en-

terprise of its citizenship, was its banks. The city was but a frontier village—a saw mill camp, with a population of less than a thousand, when the first bank was established in 1870. It gave Seattle the distinction of being the only banking town in the Puget Sound country and centered in Seattle what trade there was in that early day. From that time, however, until 1897, the year the first gold ship arrived from Alaska, the city passed through a period of struggles peculiar to a pioneering community. In 1889 it was almost destroyed by fire and for a long period suffered in the up-building because of inadequate railroad and water transportation facilities. It was a time when business was limited but faith abundant and credit justly given by the banks to trustworthy merchants who required it.

With the discovery of gold in Alaska and the extension of the trans-continental railroad lines into the city from Tacoma, Seattle became almost in a day a



BIRD'S-EYE VIEW OF THE CLOSE-IN BUSINESS AND FINANCIAL DISTRICTS OF SEATTLE FROM THE TOWER OF THE FORTY-TWO STORY L. C. SMITH BUILDING

full fledged city—crowded with men from every part of the country, thrilled with the spirit of adventure and with one object—the Klondike Gold Fields. But many of those who came in search for gold became pleased with Seattle, its climate and opportunities and decided to cast their lot with the city on Puget Sound; and the wisest of those who did reaped in the rich timber and agricultural fields of the State of Washington, almost as great, if not a greater harvest, than the luckiest sourdough in Alaska.

At the close of 1897 the population of Seattle was estimated at 65,000. Its bank deposits reached the sum of \$4,904,000 and the bank clearings for the year totaled \$36,045,228. Within the

next three years the population increased to 80,000, bank deposits to \$14,464,000, and the bank clearings to \$130,323,281.

During the next ten years the aggressiveness of Seattle banks was again shown in the remarkable way they were instrumental in bringing new capital to the development of Seattle and the Pacific Northwest, and a larger number of the wealthy Easterners who invested their money in the West during this period became permanent and useful citizens of the future metropolis. The population of Seattle during this decade trebled itself and the bank deposits and bank clearings increased nearly five times. The population of Seattle in

1910 was 237,194, bank deposits \$78,376,000, and bank clearings \$590,093,364.

Seattle at present has an estimated population of 330,834. It has twenty-nine banks with a combined capital of \$7,930,700 and \$80,829,770.98 in deposits, \$42,428,198.52 in loans, \$15,273,029.62 in bonds and \$26,774,594.86 in cash and exchange.



FORTY-TWO STORY L. C. SMITH BUILDING



AMERICAN BANK BUILDING
HOME OF THE AMERICAN SAVINGS BANK AND TRUST CO.

The bank deposits of Seattle are more than forty per cent. of the total bank deposits of the State of Washington and forty per cent. of the cash and exchange of the banks of Washington are in the banks of Seattle. The clearings of Seattle banks amounted last year to \$633,061,083. Real estate transfers during the past six months came to \$6,607,717.82 and building permits totaled \$3,274,110.

The gold which has come to Seattle from Alaska since 1898, the year the Government Assay Office was established in the city, amounted up to January this year \$227,539,655. The fisheries of Puget Sound and Alaska pour into Seattle over \$25,000,000 annually. An analysis of the above statistics coupled with the fact that the city is the terminus for seven trans-continental railroads and that the State of Washington, the country back of Seattle, produces 50,000,000 bushels of wheat annually and millions of dollars every year in other agricultural products, as well as



J. H. EDWARDS

CHAIRMAN GENERAL ENTERTAINMENT COMMITTEE AND RECEPTION COMMITTEE
VICE-PRESIDENT DEXTER-HORTON TRUST & SAVINGS BANK

great wealth in lumber and coal, show an amazing development.



ALASKA'S WONDERFUL RESOURCES.

THE remarkable progress in Seattle's commerce has been powerfully aided by the city's relative proximity to Alaska, a region whose vast wealth is just coming to be understood.

In 1914 merchandise and treasure to the value of \$66,500,000 moved between Alaska and the United States, an increase of \$4,000,000 over 1913. Shipments from the continental United States to Alaska last year, according to the Bureau of Foreign and Domestic Commerce, Department of Commerce, aggregated \$22,500,000, including ap-

proximately \$14,300,000 worth of manufactures, \$6,200,000 worth of food-stuffs, and \$2,000,000 worth of gold, silver and miscellaneous materials, including foreign merchandise valued at \$500,000. As a market for the products of the United States Alaska, having a population of only 65,000, is of equal importance with China with a population of 336,000,000.

Alaska's great purchasing power is a natural corollary of its enormous resources, mainly gold, copper, fishery products, and hitherto undeveloped beds of coal and other minerals. In the period since 1867 Alaska has given to the world 250 million dollars worth of gold, 183 million dollars' worth of fish, 65 million dollars' worth of seal and other aquatic fur skins, 20 million dollars'



HOGE BUILDING

HOME OF THE UNION SAVINGS AND TRUST COMPANY



J. A. SWALWELL.
CHAIRMAN TRANSPORTATION COMMITTEE AND
VICE-PRESIDENT NATIONAL BANK OF
COMMERCE



E. SHORROCK
CHAIRMAN AUDITING COMMITTEE AND
PRESIDENT NORTHWEST TRUST AND
SAFE DEPOSIT CO.



FEDERAL BUILDING, THIRD AND UNION STREETS



WHITE, HENRY AND STEWART BUILDINGS. THE METROPOLITAN BANK IS LOCATED IN THE WHITE BUILDING

worth of copper, nearly 5 million dollars' worth of whale, walrus and fish oils, 2 million dollars' worth of silver, and whalebone, coal, gypsum, marble, tin and vegetables in sufficient sums to bring her total output to more than \$500,000,000. This result has been achieved with a sparse population and an inadequate system of railway and other transportation facilities. With the new era of Government railway construction recently announced by the Department of the Interior the development of Alaska will be greatly accelerated and that Territory, which already yields as much gold as the State of California, which produces half the world's salmon, and which includes a domain as large as our area east of the Mississippi River and an acreage for tillage several times that of those sections of Norway, Sweden, and Russia of similar latitude with 11,000,000 souls, may be expected to attain an even greater degree of industrial and commercial importance.

Alaska's commercial relations are chiefly with the United States. Shipments to the United States last year were valued at \$44,000,000. Canned salmon, \$18,000,000; Alaska gold, \$14,600,000; Canadian gold, \$3,500,000; Alaskan copper, \$3,300,000; fresh sal-

mon, \$750,000; seal and other fur skins, \$600,000, and miscellaneous fish and fish products from Alaska last year totaled \$20,000,000, or five times as much as imports of this class from Norway. Of salmon alone the United States bought from Alaska 200 million pounds in 1914, or an average of two pounds per capita.

Trade between the United States and Alaska has doubled in ten years. Shipments of merchandise to Alaska increased from \$11,448,423 in 1904 to \$21,610,860 in 1914, while receipts of merchandise from Alaska have grown from \$10,647,592 to \$25,815,832. Receipts of foreign gold from Alaska fell in value from \$9,950,520 in 1904 to \$3,452,192 in 1914, while those of domestic gold rose from \$9,090,957 to \$14,598,237 in 1914, or double the sum of \$7,200,000 paid by this country to Russia in 1867 for the territory in question.



SEATTLE'S ATTRACTIONS FOR THE TOURIST

SEATTLE is also of surpassing interest and attraction to the tourist. It is becoming one of the great convention cities of the country and is overtak-

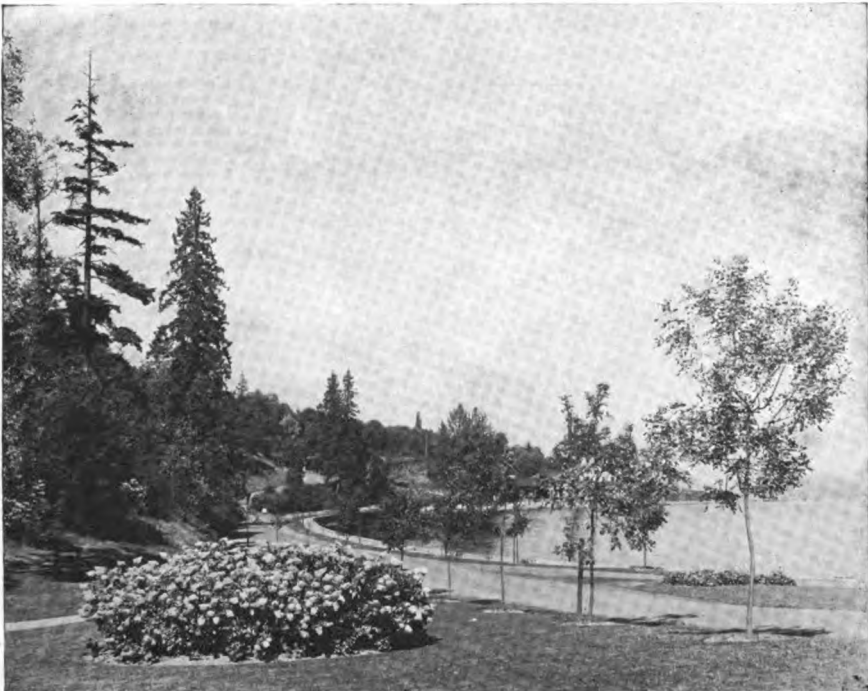


LEARY BUILDING, HOME OF THE NATIONAL BANK OF COMMERCE



A SCENE IN VOLUNTEER PARK, ONE OF SEATTLE'S MOST BEAUTIFUL NATURAL PARKS

ing Los Angeles and San Francisco on the Pacific Coast in this respect. The interest in Seattle to the general tourist is not due so much to historical associations as to the wonderfully natural scenic attractions of the Puget Sound



ALONG THE MT. BAKER PARK BOULEVARD



A GROUP OF SEATTLE HOMES

country. Of these the chief center of interest is Mt. Rainier, rendered accessible by a government road for automobiles to an elevation of perpetual snow.

To get the most impressive view of Seattle, the approach to the city is best made by water. From off-shore there

seems to be no limit to its extension. From the bay on one side is seen the rugged Olympic Mountains, whose snowy peaks form a border for a forest of evergreen, at the foot of which appear scattered multitudes of summer homes and cottages. On the other side



SEATTLE NATIONAL BANK, THE LARGEST BANK IN SEATTLE



LOOKING ACROSS PUGET SOUND TOWARD SEATTLE FROM THE HOME OF THE SEATTLE YACHT CLUB

of the bay is seen the city itself. The great sweep of tall buildings is the first to greet the eye. Back of these, as if rising tier above tier, can be seen many of the beautiful homes, church spires and ornamental buildings of the city,



SEATTLE GOLF CLUB WHERE SEATTLE BANKERS PLAY GOLF



SNOQUALMIE FALLS, ONE OF THE BEAUTIFUL SCENES, AN HOUR'S DRIVE OUT OF SEATTLE

and beyond in the far distant background the snow-covered Cascade Mountains.

As one nears the city, its long chain

of wharves, docks, grain elevators and manufacturing plants come into bold relief and steam craft of every description are noticed plying their traffic in



PICTURESQUE LAKE UNION IN THE HEART OF SEATTLE



SHINGLE MILLS (LARGEST IN THE WORLD) ON THE NEW GOVERNMENT CANAL CONNECTING PUGET SOUND WITH LAKE WASHINGTON AT SEATTLE

as many different directions. Looking southerly, one sees beautiful Mt. Rainier. Surely few places in America present such a magnificent assembly of mountains, hills, valleys, ravines, bays, lakes, blue sea, and forests of pine and cedar.

In the city, the homes, business blocks

and bank buildings are both in size and character representative of the newer and greater Seattle. Its splendid shops are as attractive as any to be found in the East; its public market as interesting as the quaint old French market of New Orleans. It is a city filled with ambitions and the bigness of the virile



LOOKING ACROSS PUGET SOUND TO THE RUGGED SNOW-CAPPED OLYMPIC MOUNTAINS FROM KINNEAR PARK, SEATTLE



A PORTION OF SEATTLE'S WATER FRONT SHOWING THE FORTY-TWO STORY L. C. SMITH BUILDING AT THE RIGHT

West; and the visitor who comes within its gates soon feels the thrill of anticipation of the still greater city which is to come.



The Seattle Commercial Club

ONE of the most forceful factors in the civic welfare of the commercial and industrial development of Seattle is the Seattle Commercial Club, an organization designed to advance no mere per-

sonal interests, but having for its object the upbuilding of the moral and material interests of the city, the State and the nation.

In order to best realize this purpose, the plan of organization is democratic, the New England town meeting form of government substantially prevailing, where each member is given the right of expressing his opinions, and where the policy is determined by the membership, after a full and free exchange of views.

The popular character of this civic



A CLOSE VIEW OF THE SUMMIT OF MOUNT RAINIER



LOOKING UP CHERRY STREET, THE CENTRE OF SEATTLE'S FINANCIAL DISTRICT

and commercial association was shown in May last when the new club rooms were dedicated in the presence of more than 5,000 of the citizens of Seattle.

The club rooms, occupying the whole top floor of the First avenue side of the Arcade Building, have been furnished and equipped in comfortable and handsome style at a cost of over \$50,000. From the club windows one gains a splendid view of Seattle's Harbor, with the snowy Olympic Range in the background.

The work of the club is divided into ten departments—agricultural, Alaska, civic, industrial, foreign trade, finance, wholesale and retail, waterways and transportation, publicity and conventions, and social and entertainment.

Agricultural development of the State of Washington, the collection and dissemination of full and accurate information about Alaska, helping to maintain the United States Assay office and land office at Seattle, improving Mount Rainier National Park, upbuilding of the Bremerton Navy Yard, reservation

for public use of the Lake Washington and West Waterway Shore lands (saving the people of Seattle over \$2,000,000), and valiant work in behalf of laws to safeguard the interests of the people of the city and State—these are some of the things in which the Seattle Commercial Club has either taken the leading and active part or lent its helpful co-operation to others working with the same ends in view.

The departments relating to foreign trade, waterways and transportation have been especially active in promoting the foreign commerce of Seattle, and in improving transportation and harbor facilities. The Seattle Commercial Club was influential in securing legislation giving the city control of its harbor facilities. It is the aim of the club to keep in mind the great and rapidly developing importance of Seattle



NORTHERN BANK BUILDING
HOME OF THE NORTHERN BANK AND TRUST COMPANY



TO THE LEFT, NEW YORK BLOCK, HOME OF THE DEXTER HORTON NATIONAL BANK, AND THE DEXTER HORTON TRUST AND SAVINGS BANK. ON THE RIGHT, ALASKA BUILDING, HOME OF THE SCANDINAVIAN-AMERICAN BANK

as a world port, and to favor all wise measures for aiding this development.

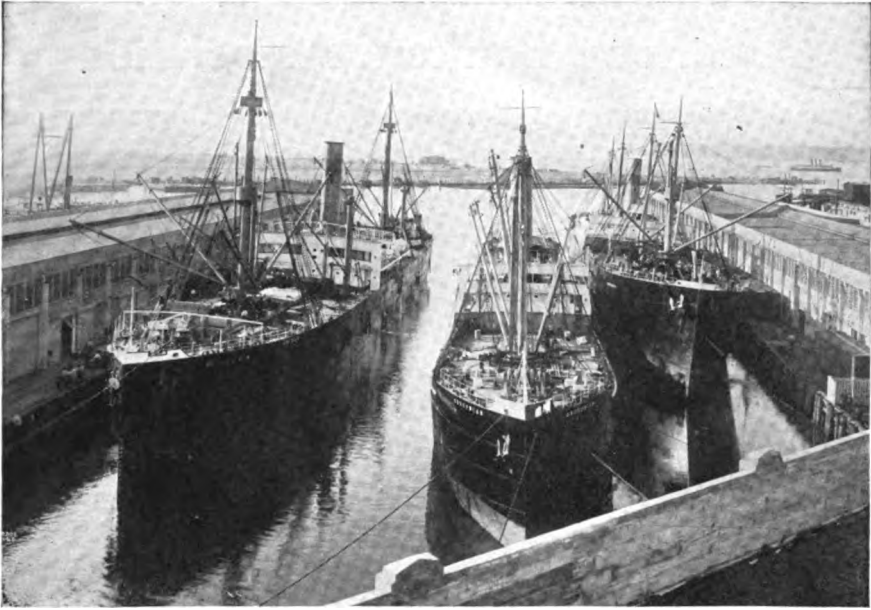
The committees on publicity and conventions have been active in bringing to Seattle a number of important gatherings, the Shriners and American Bankers' conventions being two of the notable assemblies at Seattle this year.

For its financial support the Seattle Commercial Club is dependent upon annual dues and initiation fees. By laboring disinterestedly for the welfare of Seattle, and the community at large, it aims to enlist popular approval, and in this effort distinct success has already been attained.

The Seattle Commercial Club is wisely directed by the following official staff and board of trustees: Officers, president, Robert S. Boyns; first vice-president, Ernest Carstens; second vice-president, W. E. Stevens; treasurer, Earle R. Jenner; Otto A. Case, secretary; trustees, Fred W. Bert, Jr., Louis Baeder, G. E. Beechler, M. F. Brown, Roland W. Cotterill, M. J. Carkeek, A. B. Clark, Geo. B. Cole, Dr. J. E. Crichton, O. J. C. Dutton, Carl A. Ewald, Wm. F. Eckart, Albro Gardner, Jr., Cassius E. Gates, M. A. Gott-



SECTION OF WASINGTON BOULEVARD, AT MT. BAKER PARK, SHOWING MT. RAINIER IN DISTANCE



TWO OF THE NEW DOCKS OF THE PORT OF SEATTLE

stein, Fred Hoyt, H. E. Jones, M. V. Kellogg, Otto L. Luther, Clifford Wiley and W. H. Gorham.

The very notable achievements already justly attributable to the energetic and well-directed efforts of the Seattle

Commercial Club stamp it as one of the most effective instrumentalities in the upbuilding of the city, and give it a deservedly high reputation among the commercial organizations of the United States.



The Fighting Edge

IN an address which ex-President Theodore Roosevelt delivered before a large crowd assembled in the Court of the Universe on the San Francisco Exposition grounds, July 21, occurs this stirring summons:

"Finally, and most important, let us remember that there can be no efficient preparedness against war unless we prepare our own souls. If we become soft and flabby physically and morally, we shall fail. No nation ever amounted to anything if its population was composed of pacifists and poltroons, if its sons did not have the fighting

edge, if its women did not feel as the mothers of Washington's continentals felt, as the mothers of the men who followed Grant and Lee felt; men who are not ready to fight for the right are not fit to live in a free democracy. The only women fit to be wives and mothers in a free republic are those who feel that their sons are not sons of theirs unless when their country calls their souls are eager and their feet jubilant to answer the mighty trumpet note which announces that the hearts of men are being sifted out before the judgment seat."

American Bankers Association

Official Programme of Forty-first Annual Convention at
Seattle, Sept. 6 to 10, 1915

FOR the entertainment of the delegates and guests attending the forty-first annual convention of the American Bankers Association, September 6 to 10, the city of Seattle, Wash., by reason of its location in that "Wonderland of the Northwest," has right at hand unusual facilities; and extensive plans are being formulated and carried out.

The committees of Seattle bankers, with the hearty co-operation of city authorities, representative organizations and clubs, have about completed the preparation of an attractive programme for the entertainment, education and pleasure of the visitors, which the natural resources of that section afford.

That this convention will be one of the most successful in the history of the Association there is no doubt, and a large attendance is already indicated for the various meetings of this vast organization of the banking world.



THE BUSINESS PROGRAMME.

THE details of the general programme for the convention at Seattle will follow largely the form adopted for the conventions at Boston and Richmond.

MONDAY, SEPTEMBER 6.

Association Committee meetings in the morning. A meeting of the Executive Council will take place at 2 o'clock in the afternoon at the Washington Hotel.

TUESDAY, SEPTEMBER 7.

The entire day will be given over to meetings of the Trust Company, Sav-

ings Bank, Clearing House and Organization of Secretaries Sections, with morning and afternoon sessions. These meetings will be held in the Washington Hotel and in buildings adjacent thereto.

WEDNESDAY, SEPTEMBER 8.

The first day of the convention. Invocation by Bishop Keator, of the Diocese of Olympia.

Addresses of welcome by Hon. Ernest Lister, Governor of Washington; Hon. Hiram C. Gill, Mayor of the city of Seattle; M. F. Backus, president of the Seattle Clearing House Association.

Response to addresses of welcome by William A. Law, president American Bankers Association, who will then deliver his annual address.

Reports of officers.

Reports of committees.

At 11 o'clock, address, speaker to be announced later.

Afternoon session—Routine business.

Address by Hon. Henry D. Estabrook, member of the New York Bar and one of the Empire State's most famous orators.

THURSDAY, SEPTEMBER 9

This session will be given over to the activities of the Agricultural Commission of the American Bankers Association, B. F. Harris, chairman.

Afternoon session—Routine business.

Election of officers.

Address by Hon. William H. Taft, ex-President of the United States.

T h u r s d a y evening—Organization meeting of the Executive Council, with installation of members-elect in Washington Hotel.

ENTERTAINMENT PROGRAMME

FOLLOWING is an outline of the entertainment programme for each day, as arranged by the local committees:

MONDAY, SEPTEMBER 6.

Entertainment for visiting ladies at the Seattle Golf Club. At 2.30 p. m. automobiles will leave New Washington Hotel (and street cars from points in close proximity) for the club. Tea will be served at the club from 4 to 6 p. m. Music.

Smoker for men at 8.30 p. m. at the Hippodrome.

TUESDAY, SEPTEMBER 7.

At 10 a. m. automobile trip through the city and over the boulevards, and yacht trip on Puget Sound under the auspices of the Seattle Yacht Club.

At 8.30 p. m. concert in the Moore Theater, Second avenue and Virginia street; grand opera artists.

WEDNESDAY, SEPTEMBER 8.

Entertainment and luncheon for visiting ladies at the Sunset Club, Eighth avenue and University street. Autos will be provided. Music at the Club.

At 9 p. m. grand ball and reception at the Armory.

THURSDAY, SEPTEMBER 9.

Automobile rides for guests in and about the city and over the boulevards. Golf tournament for men at the Seattle Golf Club, beginning at 10 a. m.

FRIDAY, SEPT 10.

There will be no business sessions whatever on Friday and the entire day will be given up to a trip on Puget Sound. Two steamers will leave Colman Dock at 9 a. m. and proceed to Bremerton, United States Navy Yard; pause, without disembarking, to allow guests to view the navy yard and dry docks; then on to Tacoma, where guests will be met by the entertainment committee of the Tacoma bankers. The

latter have arranged an interesting programme, including luncheon. The visitors will be returned to the boats at 5 p. m. and should arrive at Seattle about 6.30 p. m.

SPECIAL CHURCH SERVICES.

On Sunday evening, September 5, there will be special services in all the larger churches.

GOLF PRIVILEGES.

Golf privileges at all the country clubs of Seattle will be extended to guests throughout the week.

WASHINGTON STATE BANKERS' CONVENTION.

The Washington State Bankers Association will hold their annual convention in Seattle on Monday and Tuesday, September 6 and 7, with hotel headquarters in the New Richmond Hotel, Fourth avenue and Main street, and convention and registration headquarters in the Seattle Clearing House Association's rooms, fourteenth floor of the Alaska Building, Second avenue and Cherry street. Outside of their convention hours and subsequent to Tuesday they will assist the Seattle bankers in entertaining the American Bankers Association guests.



TRUST COMPANY SECTION.

THE twentieth annual convention of the Trust Company section will be held Tuesday, September 7, in connection with the annual convention of the main Association.

The past year has been one of activity and the reports of the officers, the Executive Committee and the several committees to be made at that meeting will undoubtedly be of much interest to the membership of the Section. The relation of trust companies to the Federal Reserve Act, and the provision in

that act granting trust company powers to national banks are of such importance that it is hoped there will be a large attendance of the Section's membership so that the point of view of different parts of the country may be thoroughly elucidated.

As the membership has already been advised, the Executive Committee, after full and thorough consideration of the matter, decided to test by friendly suit the constitutionality of Article K, Section 11, of the Federal Reserve Act granting trust company powers to national banks. To that end the services of John G. Johnson of Philadelphia and Henry M. Campbell of Detroit were secured as counsel, and a test case has already been instituted in the courts of Michigan, the Attorney-General of the State joining with our counsel in this proceeding. Mr. Campbell is to deliver an address at the Seattle meeting and will explain his views as to this provision of the Federal Reserve Act. It is intended also to have another address by a representative trust company official as to the attitude of trust companies toward the Federal reserve system.

The programme as tentatively arranged is as follows:

Invocation.

Address of welcome.

Reply to address of welcome, and annual address of the president, Ralph W. Cutler, president Hartford Trust Company, Hartford, Conn.

Report of the Executive Committee, Uzal H. McCarter, chairman, president Fidelity Trust Company, Newark, N. J.

Report of the Committee on Legislation, John H. Mason, vice-president Commercial Trust Company, Philadelphia, Pa.

Report of the Committee on Protective Laws, Lynn H. Dinkins, chairman Interstate Trust and Banking Company, New Orleans, La.

Report of the Secretary, Philip S. Babcock.

Address, "Can Congress Confer Trust Powers Upon National Banks?" Henry M. Campbell, Detroit, Mich.

Discussion—Speakers limited to five minutes each.

Address.

Discussion—Speakers limited to five minutes each.

Roll-call of States, to be answered by the vice-presidents of the Section in brief written reports dealing with the history of the trust companies in the several States during the preceding year, and with the conditions under which they are now operating, and other matters of interest now pertaining to them. (Vice-presidents may be heard from in brief addresses amplifying or explaining any topics contained in their reports by giving previous notice of their intention to the secretary.)

Election and installation of officers.

Unfinished business.

As the whole day has been set apart for the Section meetings, it is planned to have two sessions, morning and afternoon, so that it is hoped that there will be ample time at the afternoon session for the roll-call of States and for the reading of the reports of the State vice-presidents. These reports have always been of much interest and the several State vice-presidents have been requested by letter from the secretary's office to be prepared to make their reports in person, and where that is not possible to have them prepared and in the hands of the secretary before the date of the meeting.



Important Cities Through Which the Bankers Special Trains Will Pass Enroute to the Convention

Spokane, Washington

SPOKANE, one of the cities at which west-bound bankers will stop on their way to the Seattle Convention of the American Bankers Association, owes its existence and much of its prosperity to the series of cascades and waterfalls of the Spokane River, which have made possible an immense power development, have encouraged manufacturing, and have made the city a railroad center and distributing point for the Inland Empire, a section as vast as that lying between the St. Lawrence and the Potomac rivers.

Spokane lies midway between Glacier and Yellowstone national parks on the east and Puget Sound on the west, with the Rockies and the Cascades as eastern and western outposts. It is on the transcontinental lines of the Northern Pacific, Great Northern, Chicago, Milwaukee & St. Paul, Oregon-Washington Railroad and Navigation Company (Harriman system) and Canadian Pacific, being served also by the Burlington and Chicago & Northwestern.

The city of Spokane, which in 1900 had only 36,000 inhabitants, had in 1910 a population of 104,402, according to the Federal census bureau. The city has twelve banks, with a combined capital of \$4,250,000, combined surplus of \$1,568,773 and deposits of \$30,997,558, according to the statements of June 23, 1915.

The capital stock, 1914 dividends and surplus and undivided profits of Spokane banks are as follows: Fidelity National, capital \$200,000, dividends eight per cent., surplus \$63,548.05; Exchange National, capital \$1,000,000, dividends eight per cent., surplus \$294,129.71;

Spokane & Eastern Trust Company, capital \$1,000,000, dividends eight per cent., surplus \$308,894.31; Old National, capital \$1,000,000, dividends ten per cent., surplus \$607,121.42; Washington Trust Company, capital \$200,000, dividends ten per cent., surplus \$46,727.25; Farmers & Mechanics, capital \$50,000, dividends ten per cent., surplus \$5,815.70; Union Park, capital \$25,000, surplus \$2,842.92; Scandinavian-American, capital \$100,000, surplus \$40,736.60; Spokane State, capital \$50,000, dividends eight per cent., surplus \$14,447.53; Bank of Montreal (branch), capital \$16,000,000, surplus \$16,000,000 Union Trust & Savings bank, capital \$500,000, dividends six per cent., surplus \$159,523.66; Security State (organized this year), capital \$25,000, surplus \$501.17.

Among the new industrial enterprises are the Long Lake water power development of the Washington Water Power Company, thirty miles northwest of the city, where 90,000 horse-power has been developed at a cost of \$6,000,000; new union railroad terminals and lines costing \$22,000,000; the new \$2,500,000 Davenport Hotel, and the grade separation project of the Northern Pacific now under way at an estimated cost of more than \$3,000,000.

Spokane leads all other cities of the United States in the comparative area of parks and playgrounds, there being 1,933 acres of parks, or one acre for every fifty-eight inhabitants. Spokane also has the highest percentage of residents owning their own homes, 51.3 per cent., to give the exact Federal census figures, and the death rate is 8.88—the second lowest in the country.

Within the past year the city has com-



PORTION OF BUSINESS SECTION OF SPOKANE

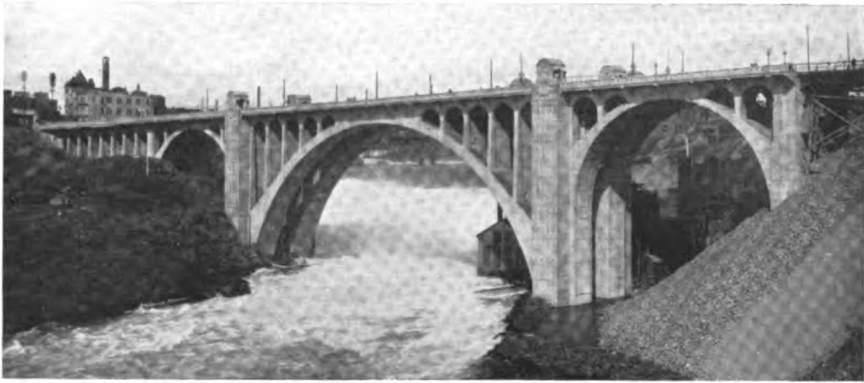
pleted at a cost of \$416,000 a handsome concrete bridge over Latah Creek, a tributary of the Spokane River. The bridge crosses the deep Latah Valley and is 1,070 feet in length. Its seven spans harmonize well with the surrounding landscape. The central span is 139 feet high and is sixty-three feet wide. The Monroe street bridge, which carries the traffic of one of the principal north and south arteries of the city, was built by the city at a cost of \$488,204. It is also of concrete and its middle span is the second longest concrete arch in the world, being 281.6 feet in length.

Spokane, comparatively speaking, is a young city; the first settlement was made here in 1872. The word "Spokane" means "Child of the Sun" to the Indian. In the short time of its existence Spokane has paved 64.3 miles of streets at a cost of over \$4,000,000. The paving of the street car companies amounts to twenty-nine miles.

The building of the Davenport Hotel in Spokane entirely by local capital marks a stage of growth in the city's history that is regarded by business men of the Pacific Northwest as irrefutable proof of the confidence of men who know that Spokane's place in the commercial world is permanently established. The hotel was built at a cost of \$2,500,000, and throughout its construction the underlying idea has been soft tones, shades and rich furnishings in preference to gaudy gilt and tinsel that was once the keynote in hotel building. The structure is twelve stories high and its equipment is as modern as it could be made.

Work of a development nature that is in prospect in and about Spokane for this year includes the building of railroad shops by the Spokane, Portland & Seattle Railroad. The railroad company announces that its contemplated expenditure will be in the neighborhood of \$750,000.

As a center for tourists Spokane, in the heart of the empire extending from the Cascades to the Rockies and from Canada to Oregon, is attracting the attention of many thousands who travel.



LOWER FALLS OF THE SPOKANE RIVER

In the heart of the city of Spokane, seen through the central arch of the Monroe street bridge. This span is 281.6 feet long, being the second longest concrete arch in the world. The following amounts of hydro-electric power are now developed on the Spokane river :

W. W. P. Co.....	Post Falls.....	15,000 H-P
City of Spokane.....	Up-River Station.....	8,000 H-P
W. W. P. Co.....	City Plant.....	12,000 H-P
Inland Empire System.....	Nine Mile.....	18,000 H-P
W. W. P. Co.....	Long Lake.....	90,000 H-P
W. W. P. Co.....	Little Falls.....	36,000 H-P
		172,000 H-P

Spokane sits at the meeting of all the highways of travel and trade.

It has the tempered climate of the Pacific Coast—the cool breezes of summer and the warmth from the Japan current to take away the chill of winter. All this in the dry, bracing atmosphere of the highlands.

In the valley, half plain and half mountain, through which flows the Spokane River, at a point where the slopes narrow and the hills close in, is the great, natural park in which has been built the city itself. It rises from the river banks up the hillsides to the north and to the south. The business streets are down below; the homes are on the slopes to the heights. Spokane stands unique as the only great city with a mountain waterfall in the very heart of the downtown district. Besides the very walls of the sky-scrapers the river plunges over rocky leaps in a cascade of foam.

North, east, south and west from the city run the permanent, hard-surfaced highways—good roads built on a broad plan of utility and beauty.

The city lies in the center of a trade territory having an area of 150,000 square miles, extending from the Rockies on the east to the Cascades on the

west and from British Columbia on the north to Oregon on the south. The heart of the city is bisected by the Spokane River, having a series of abrupt falls making possible the development of 400,000 horsepower of electrical energy. Only 172,000 horsepower has been developed up to the present for the operation of Spokane street cars and the illumination of the city and to provide power for the factories of Spokane and the surrounding country.

The city itself is modern and substantially built, with homes of great beauty crowning the surrounding hills. The proximity of power provides a good field for manufacturing, in which line much opportunity for development remains. The city's factory output is valued at \$50,000,000 per year, and 10,053 persons are employed in manufacturing. The city's water supply comes from an underground river reached by deep wells, and the pureness of this water has been proven by numerous chemical and bacteriological examinations. In the warmest days of summer this water comes to the homes fresh and cool.

The Inland Empire surrounding Spokane probably is unsurpassed in variety and richness of resources. The mines of this section yielded net profit?

in the form of dividends in 1914 of nearly \$7,500,000. This district contains 250 billion feet of timber, including the largest stand of white pine in the world, and the sawmills in 1914 manufactured lumber worth \$14,723,387. The wheat output annually exceeds 50,000,000 bushels, while the fruit production in 1914 was valued at \$8,000,000. The people of this district today consume more meat, butter, eggs, poultry and farm and garden products than they produce, because the cities are more fully developed than are the farming regions. This makes the market of the farmer and stock raiser exceptionally promising.

In the heart of this country are the millions of acres of the broad plateaus cut into districts by the valleys of the rivers. Approaching closer to the mountains, particularly to the north and the east, are the higher areas of the bench lands and the fertile mountain valleys. Generally speaking, it is a land of deep, black soils, varying greatly in quality and body and in the conditions under which they are found and in the other soils and substances with which they are mixed.

The total area is about 150,000 square miles and the present population is in excess of 800,000. About 200 incorporated towns and cities are included, the greatest of which is Spokane, situated close to the geographical center of the country and the natural commercial and industrial capital of the Inland Empire.

The Palouse country to the south of Spokane and the Big Bend district to the west are famous grain belts. Live stock and dairying are coming to be practiced in these districts with splendid results. In the Spokane River Valley and in the other mountain valleys, fruit growing and diversified farming are followed extensively. Here irrigation provides crop insurance. In north-eastern Washington and northern Idaho the settlers are clearing the lands from which lumbermen have taken the timber and are converting the region into a land of great productivity.

For those who desire comfort in which to work and live twelve months in the year the Inland Empire is almost perfect. The high chain of the Rockies shuts out the chill of winter and the hot winds of summer. Over the lower passes of the Cascades to the west and up the Columbia River from the Pacific come pleasant breezes, in summer to sweeten and refresh, in winter to bring warmth from the Japan current.

The temperature record of Spokane is perhaps a fair average for the whole country. The annual normal temperature is 48 degrees with a low monthly normal of 27 degrees and a high monthly normal of 69 degrees.

Spokane is situated in the midst of a region blessed with many mountain lakes, which are easily accessible by steam and electric railroads and by automobile over surfaced highways. The mountain waterfall in the heart of the city gives a distinction not shared by any other city in the country.



Tacoma

TACOMA is built upon the highlands that overlook Commencement Bay, and Commencement Bay is a three-mile wide and practically bottomless arm of the sea that constitutes the head of navigation on Puget Sound. Vancouver, the explorer, said of Puget Sound and Commencement Bay: "Our ships, on entering these calm and peaceful waters, proceeded with due caution. The rugged appearance of the shore line suggested hidden rocks. Consequently instructions were given that sharp lookout be maintained and frequent soundings made. We were careful to keep away from the shores. Later on we came to know that our caution had been needless, for the waters of Puget Sound are of great depth and entirely free from hidden rocks, and along the shore lines the bows of our ships, in most places, would



BIRDS-EYE VIEW OF TACOMA—MT. TACOMA IN THE BACKGROUND

have brushed against the highlands before their keels touched bottom."

It is because of her wonderfully safe harbor that Tacoma has grown famous among shipping men; they know that there are no hidden dangers in Commencement Bay. There is but one real difficulty here encountered: Water depth is so great that anchorage is sometimes a problem; indeed, the Harbor Government maintains a system of anchorage buoys, to which ships may be moored, for the anchor chains of the average ship will not find bottom at many locations in Commencement Bay. There is no bar at the entrance to the Straits of Juan de Fuca, Puget Sound's outlet to the Pacific Ocean. The Straits and all the channels and arms of Puget Sound are of such width and depth that vessels come from the open ocean to wharf side without the aid of tug or pilot.

It is this fine harbor that has made Tacoma the principal port on Puget Sound for foreign shipping. Her exports for the calendar year of 1914 amounted to \$18,915,495. Imports for the same period were \$17,997,483. Thus constituting a total foreign ship-

ping for Tacoma of \$36,912,97.

Commercially, Tacoma stands prominent among the cities of the Northwest. All lines of wholesale business are conducted here on an elaborate scale. Her principal trade territory lies in the immediate vicinity and in the southwestern portion of the State. She has a very rich field, as well, east of the Cascade Range. This constitutes the splendid fruit regions of the Yakima and other valleys.

In the way of manufacturing, Tacoma is pre-eminent among the cities of the Northwest. Her great lumbering plants and flour mills constitute the most important and most active industrial business of the Pacific Coast country. Lumber cut for 1914 was something more than 300,000,000 feet. The flour and cereal output for the same period carried a value of \$12,000,000.

The financial well-being of Tacoma is supported by eight strong banks, carrying deposits of something more than \$21,000,000. Tacoma banks bear an enviable reputation for soundness and conservative policy, for the various panics that have driven the banks of many other localities to extreme meth-

any time straining or endangering their credit, they have been able to finance the tremendous wheat and other export traffic of the port.

On March 1, 1915, the Census Bureau of the Federal Government estimated Tacoma's population to be 108,500. Some other figures bearing upon population and residential conditions will be interesting. Tacoma's census of children of school age puts the number at 19,670. There are thirty grade schools, three high schools, three colleges and five academies. There are two splendid hospitals now nearing completion. Tacoma's birth rate is a fraction more than ten per thousand, and her death rate is just a fraction more than eight per thousand.

If there is one condition more than all others in which the people of Tacoma take pride it is in their homes. Tacoma is, indeed, a city of beautiful homes, and Tacoma is a city of rose gardens. The climate is peculiarly adapted to floral culture, and along all the streets in the wealthy sections of the city, and where the workman lives, as well, there is one long succession of beautiful lawns, dotted everywhere with flower beds, King Rose predominating. The visitor to Tacoma is always impressed with the beauty of the door-yards and the care with which they are maintained.

Tacoma is the gateway to Rainier National Park, and it would be far amiss to close this brief sketch without mention of that wonderfully attractive region. The great snow-capped dome that towers high in the center of Rainier National Park stands guardian over the city of Tacoma. Indeed, it appears to be literally in Tacoma's dooryard. One of the most magnificent automobile drives in the world leads from Tacoma to Rainier National Park, and directly to the great live glaciers that wind their mysterious way down the precipitous walls of the great mountain. The National Park is approached also by rail. The tracks of the Chicago, Milwaukee & St. Paul Railway reach to within seven miles of the park border, and vis-

ods have never affected Tacoma's banks. Out of their own resources, without aid from others traveling by rail are conveyed from Ashford to Longmire Springs by a system of comfortable automobile buses. Many tourists, however, make the journey from Tacoma by automobile.



Portland

By Chamber of Commerce Publicity Department.

LIKE signals from the metal throat of the old Liberty Bell have come the calls from Portland, Oregon, asking the people of the world to come and inspect her location at the junction of the two mightiest rivers of the West—one hundred miles from the sea—and where freight rolls into her terminal yards instead of arriving behind puffing, steaming engines.

This year Portland is considering herself fortunate as to location. The bankers of the country must pass through the chief city of Oregon in going to or away from their convention on Puget Sound. Portland's 282,000 people will "greet you with a rose" and everyone of them will be ready to impress the financial giants of America with the fact that Portland is the distribution point for 254,000 square miles of the fertile lands constituting the Columbia River Basin. In area larger than the total combined acreage of any groupings of the New England States, every square mile of it drains into Portland on a water-level system of rail lines, or on the bosom of the waters of the Columbia and Willamette Rivers.

Portland will welcome the bankers in a body, in groups, or one at a time. And when on the ground Portland will undertake to stand on its merits in negotiating a perpetual loan of good will and kindly feeling.

When the general boom of ten years ago began to inflate values and encourage many Western cities to an unwar-



PORTLAND, OREGON, WITH MOUNT HOOD IN BACKGROUND

ranted mushroom growth, Portland "sat tight." Portland men had the money in cash, and those were the men whose brains, foresight and thrift had made the city. They did not want a boom. And Portland has never had a boom.

Her remarkable growth began in 1907, when the great timber lands of the state (Oregon having one-sixth of the standing timber of the United States) began to send out materials to the great mills, and when settlement of interior farm lands became a movement of magnitude. Year by year that growth has been maintained, as is evidenced by the following summarized statement:

To-day Portland has nineteen banks with deposits of \$68,448,682.22.

Portland has the only fresh water harbor on the Pacific coast, with thirty-two feet of water on the Columbia River bar at mean low tide, and a channel of twenty-eight feet depth. Among the 1914 exports were 7,796,378 bushels of wheat, 424,455 barrels of flour and 166,000,000 feet of lumber. The total value of Portland exports amounted to \$19,961,656 in that year, and went to forty-six foreign countries.

Portland has no rivals in America as a place to establish a home. It never freezes, never snows. There never has been a "big wind" or a tornado; it

	1907.	1915.
Area of City (Square Miles).....	44.04	70
Population	225,000	282,000
Bank clearings	\$350,032,422.11	\$598,686,525.50
Exports	11,826,268.00	19,961,656.00
Postal receipts	578,822.76	1,189,755.09
Assessed valuation	215,579,835.00	307,918,080.00
Water earnings	639,083.80	859,473.85
Telephones in use	20,421	57,156
Fire Bureau	343,608.93	553,914.73
Police Bureau	147,357.10	398,254.35
Expended since 1907:		
For buildings		\$103,118,310.00
School purposes		15,629,494.95
Paving streets		19,787,057.20
Sewers		2,442,740.00

never gets too warm, and there has never been a crop failure in Western Oregon. Portland has the best drinking water in America and enough of it for 5,000,000 population. The rains wash the air that Portlanders breathe, they wash the streets of impurities and more Portlanders live to be one hundred years old than in any other city on earth.



San Francisco

The Financial, Industrial and Commercial Metropolis of the Pacific Coast

(Prepared by the Information and Statistical Department of the San Francisco Chamber of Commerce)

CHARLES M. SCHWAB, president of the Bethlehem Steel Company, during his recent visit to San Francisco said: "I believe that the United States is destined to become the hub around which the world's industries will revolve, and I believe that San Francisco with its wonderful harbor will become the most important factor of the country in the trade with the Orient." This belief that San Francisco is destined to play a very important part in the commerce of the world is gradually becoming fixed in the minds of eastern business men. We of the West know that the geographical, topographical and political position of San Francisco, together with its great natural advantages, not the least of which is its port—the largest landlocked harbor in the world—has assured its place among the great cities of the world. San Francisco to-day is the metropolis of the Pacific Coast. Its bank clearings for 1914 were \$2,516,004,817—more than 150 million dollars greater than the combined clearings of the next three largest coast cities. San Francisco bears the same relation to the Pacific Coast that New York does to the nation.

For the year 1914 San Francisco ranked:

1st in actual value of land and improvements per capita;

3rd in average capital per national bank;

5th in building contracts;

5th in foreign imports;

5th in total national banking capital;

7th in foreign exports of domestic goods;

8th in bank clearings;

11th in number of manufacturing establishments.

Over one-half the population are savings bank depositors.

The total amount expended in the rebuilding of San Francisco is equal to the cost of the Panama Canal.

San Francisco has a lower percentage of bonded debt to the assessed valuation than any larger city in the United States.

Of the eleven principal cities of the United States San Francisco has the lowest percentage of mortgage indebtedness on real estate and the highest actual valuation of land and improvements per capita.

These indisputable facts prove conclusively that San Francisco is a strong and sound financial center; in fact, the largest west of Chicago, and is the undisputed financial, commercial and industrial metropolis of the Pacific Coast or the regional bank would not have been located here.

The largest fruit and vegetable canery in the world is located in San Francisco, and the only chocolate, perfume and glass works on the Coast are doing a big business here. The largest shipbuilding plant, dry dock, cooperage and cordage factory in the West are located here, where nearly every variety of manufactured article is to be found.

In speaking of San Francisco, the metropolitan area, or what is better known as greater San Francisco, is often referred to. The city itself is a consolidated city and county occupy-

ing 46½ square miles, situated on the end of a peninsula surrounded by water on three sides—the Pacific Ocean on the west, San Francisco Bay on the east and north, and the Golden Gate on the north.

Nature has decreed that San Francisco is to be a large city. In time it will undoubtedly be the second largest city on the continent. With the rich trade of the Orient, as yet undeveloped, with steamer lines now running direct to China, Japan, Australia, New Zealand, Alaska, British Columbia, Philippines, Mexico and all of Central and South America, to say nothing of additional lines which will operate through the Panama Canal; with an Oriental population greater than that of Europe, and the Chinese Republic just awakening, there is no reason to doubt that San Francisco will reach second place. While the whole Pacific Coast is bound to benefit by this increase in trade and the influx of immigration from Europe, we claim San Francisco will receive the lion's share, due to her present pre-eminence commercially, industrially and financially, and the fact that nature has provided the back country and the only real harbor on the Pacific Coast.

It is of interest to note that the total value of all shipments eastbound through the Panama Canal for the first six months the waterway was open were greater out of San Francisco than the combined shipments of all other Pacific Coast ports, including Hawaii.

In area the Bay of San Francisco covers over 420 square miles and has a shore line, exclusive of navigable inlets, of 100 miles. The city and county (consolidated) of San Francisco has a water frontage on the bay of ten miles. The pierhead line is 800 feet from the bulkhead line and is fixed by the United States Government. At present there is a total completed sea wall of 15,000 feet in length, thirty-four completed piers, and three planned, from 600 to 1,000 feet in length and from 100 to 200 feet in width. The total berth space of all piers is 48,728

lineal feet. The dock area of all piers is 3,471,697 square feet.

Deep water is found at all the docks and wharves on the San Francisco water front. Typhoons and hurricanes are unknown, and the greatest Pacific liners dock without difficulty in any weather and at all stages of the tide. Ten fathoms is the average depth in the bay, so that safe anchorages are obtainable at all times. A depth of six and seven fathoms is reached at the end of all the piers. The only transport docks owned by the United States are at San Francisco.

The opening of the Panama Canal has created a profound revolution in trade and industrial conditions on the Pacific Coast. The effect of this revolution has not as yet been accurately estimated, but it is fair to say that the man on the Pacific Coast has been enabled to turn his face from the setting sun and to regard the East with the awakening realization of a new field of operation.

Heretofore the great pressure of eastern business has forced the western manufacturer and jobber to the very rim of the continent. The smallest business area has been enjoyed on the Pacific Coast for the distribution of goods, while the eastern jobbing houses or manufacturers' agents have extended their operations to much of the territory that should naturally belong to San Francisco and other Pacific Coast centers. The opening of the canal seemed certain to effect this condition, and when the rates which had been established through the canal announced, with tolls, were forty per cent. below those expected, without tolls, the full force of the revolution commenced to be felt. The effect of these rates demand that the great bulk of products destined for Pacific Coast points from a large eastern section will come by water to San Francisco harbor and other Pacific Coast ports, thus to be distributed to local centers of consumption.

Coupled with these exceedingly low rates, the Interstate Commerce Commission of the United States, in the



LOS ANGELES SKYLINE

now famous Long and Short Haul case and the Intermountain case, has established conditions even more favorable to the Pacific Coast. These decisions make it only possible for the railroads to compete with the water rate established through the canal at the expense of the demoralization of much of their intermediate business. The practical effect seems to be that the railroads will prefer to handle business from San Francisco to interior points at a profit, rather than to handle the business from eastern points to the same places by rail at a loss. Thus, San Francisco, which at one time, was the terminus of a railroad or two, has now become the beginning of two great railroad systems.

The effect of this new order will probably be felt as far east as the Rocky Mountains, and the western business man can look with confidence to the expectation of the natural western territory which is tributary to western ports.

The natural thing for middle western manufacturers, under this new order, will be to establish factories on the Pacific Coast to care for the Pacific Coast business. Fortunately, the growing population of the Pacific Coast area makes this an attractive thing. There are at the present time some six million people west of the Rocky Mountains, half of whom are in the State of California. The West is the most rapidly growing portion of the United States, and California, with

all its wonderful resources and ability to sustain a great population, will doubtless enjoy a continuous growth, which will make it a great market for a growing industrial activity. With the growth of the Pacific Coast San Francisco will keep pace and with the development of the vast Oriental trade which is now in its infancy the port of San Francisco will easily become the second largest city in the country.



Los Angeles

By Frank Wiggins, Secretary Los Angeles Chamber of Commerce

LOS ANGELES, "Nuestra Senora la Reina de Los Angeles," "Our Lady, Queen of the Angels," pronounced "Loce Ahng-hay-les." Metropolis of Southern California, the Land of Sunshine, "Where Nature Helps Industry Most."

The progress and development of Los Angeles from a Mexican pueblo of a few decades ago to a modern American city of 550,000 inhabitants is a marvelous but truthful tale, and a fascinating study. No one thing could have produced the results that have been achieved.

The broad, basic foundation is, of course, climate. Southern California has the finest climate in the world as

its peculiar, permanent asset, that cannot be taken away.

Los Angeles, by reason of its climate, first gained prominence as a tourist city. Time was when the envious and the incredulous declared that Los Angeles would ultimately stop growing and fall of its own weight, because climate was its only attraction and tourists its only support. But the tourist of yesterday has become the permanent resident of today, and he has brought his money, his capable hands and brain and his friends and relatives.

So it is that Los Angeles has grown from a village of 11,000 inhabitants in 1880 to a metropolitan city of 550,000 souls in this year of grace 1915. In earlier years people had to be educated and argued into coming here. Now the campaign of education has become a campaign of service. Our problem now is not so much how to get people here as how to care for them properly—as to employment and recreation—after they arrive. That our efforts are being crowned with success is best shown by the results achieved.

Los Angeles is a seaport with a harbor fifteen miles from the heart of the city. It has one of the finest harbors in the country—a great breakwater two miles long, built by the Federal Government, at a cost of more than \$3,000,000, and an inner harbor upon which the city is expending \$10,000,000, with more to follow. The inner harbor has 17,000 feet of wharves with slips 200 feet wide, deep enough to accommodate large deep-sea ships. Upwards of twenty steamship companies are now doing business with foreign countries through the port of Los Angeles, or are preparing to do so.

The opening of the Panama Canal has revolutionized the world's commerce, and to the profit of Los Angeles. It opens the markets of the world to the products of the Southwest, and our own vast empire to the products of the East. The canal reduces freight charges from the Pacific Coast to the Atlantic sixty-five per cent. It eliminates nearly 8,000 miles of water haul,

and shortens by sixteen days the time between Los Angeles and Europe and South America.

Los Angeles has no less than six transcontinental railroad routes—the Sunset route of the Southern Pacific, the Ogden route and the Shasta route of the same system; the Santa Fe system, the Salt Lake system and the Rock Island system.

Los Angeles is set down midway between the mountains and the sea, within an hour's ride of either. In fact, one may start after breakfast from Los Angeles, snowball on the slopes of the Sierra Madre Mountains, ride to the sea through the blossoming citrus groves of the foothill cities, and the sugar beet fields and truck gardens of the lower levels, bathe in the ocean (even though it be winter) and get back to the city in ample time for dinner and the theater—all in the same day!



LOS ANGELES has an area of 288 square miles and an assessed valuation of \$500,800,000 on a fifty per cent. basis, placing it easily in the billion dollar class. It stands fifth among the cities of the United States in building operations. Even during 1914—a year of great business depression—the building permits totaled over \$17,000,000. In normal times they amount to from \$24,000,000 to \$30,000,000 annually.

In hotels, theaters, high-grade office buildings and apartment houses Los Angeles is excelled by no other city in the country. It is a city where the population is largely made up of people with money and leisure.

While Los Angeles has not, until recently, ranked as a manufacturing city, its growth in this direction has been astonishing. In 1914 the manufacturing output was \$128,300,000, from 2,100 establishments, great and small. It is estimated that labor is twenty per cent. more efficient in Los Angeles than elsewhere, because of the better climate. Products which are affected by heat or cold while in process of manufacture

can be produced in Los Angeles the year round. Moreover, Los Angeles has cheap fuel in crude oil. This city is the metropolis and business center of the fields which produced over 100,000,000 barrels of oil last year. It is also the largest lumber receiving port in the world.

Los Angeles is now developing power in connection with its \$23,000,000 aqueduct. An ultimate capacity of 120,000 horse-power is expected from this source, which will be sold to manufacturers and others needing it. Natural gas is piped from the oil fields. A second pipe line now projected will increase the capacity to 74,000 cubic feet of gas per day. Several companies supply artificial gas.



THE city has thirty-two financial institutions with deposits of approximately \$200,000,000. The bank clearings for 1914 were \$1,145,167,110 and the banks are in exceptionally good condition.

The death rate is only 11.50 per thousand—lower than that of any other large city. The death rate of infants under one year of age is the lowest (with one exception) in the United States. Our public school system embraces 150 grade schools, nine intermediate schools, eight high schools and two junior colleges, besides numerous finishing schools and colleges privately conducted. There are several well-managed, well-equipped municipal playgrounds. A free city library with twenty branches and 200,000 volumes ranks very high among the municipal libraries of the country.

Los Angeles is the geographical and trade center of a great, productive and remunerative agricultural and horticultural empire. It began, of course, with citrus fruits—oranges and lemons. But while the citrus fruit output is 48,000 carloads, valued at \$33,000,000, it is but one important item out of many. Many other lines of agriculture and hor-

ticulture have been developed. Take the great Imperial Valley, for instance, which a dozen years ago was a bare desert. Now the valley yields from \$10,000,000 to \$12,000,000 worth of products yearly. A notable feature is the output of cantaloupes, about 5,000 carloads, ripened in advance of any other melon crop and despatched to eastern markets in trainloads. The raising of cotton (75,000 bales yearly), of alfalfa, livestock, dairying and other similar lines have placed the Imperial Valley in a class by itself.

Southern California is the center of the lima bean industry, and of walnut raising; of olives and olive oil. Deciduous fruits are an important and growing feature. Grape growing and wine making are typical of the country, with yields estimated in seven figures. The beet sugar output alone is estimated at \$16,000,000.

The Southern California climate and soil, with irrigation, lend themselves peculiarly to intensive farming. The land is capable of supporting many millions more people than now occupy it, and intensive farming is being carried on by the most modern methods. Intensive farming and orcharding, too, are giving Southern California a number of splendid, thriving small cities with every advantage, that are attracting a fine class of citizens.

Los Angeles is also the business center of a great mineral empire extending beyond the boundaries of Southern California into Mexico, Arizona and Nevada. Besides this, the mineral output of seven Southern California counties cuts no small figure in the total mineral production of the State. Careful estimates show that the seven counties are responsible approximately for fifteen per cent. of the entire output of the 58 counties; and that Los Angeles and Orange counties alone produce ten per cent. of the entire mineral output of the commonwealth. About twenty-five different mineral products are found in Southern California. Los Angeles County stands fourth among the counties of the State in the value of its min-

eral output. Orange County ranks fifth, and this same little county ranks third in the value of its petroleum yield.



LOS ANGELES Chamber of Commerce, a private corporation with over 3,000 members, is one of the leading boosters and doers for Los Angeles and Southern California. It is composed of business and professional men and is entirely non-partisan. One of its chief functions is to supply information regarding Los Angeles and Southern California, to entertain people worth while and to assist in the development of our resources in a sound and proper manner.

In its own building, the chamber maintains an exhibit of Southern California products which is visited by an average of 185,000 people yearly. The chamber has also taken charge of the Southern California exhibit at all the fairs and expositions in the United States, and at several foreign expositions during the past twenty-one years. A permanent exhibit is also maintained

at Atlantic City on the famous board walk. The chamber also maintains daily illustrated lectures in its Los Angeles assembly hall, and distributes several million pieces of literature yearly.

There are opportunities in Los Angeles and Southern California for the man with money, for the man of brains and skill, and for the man with the ability and willingness to work, which I firmly believe, cannot be rivalled. Others will fare no better here than elsewhere. This is indeed the place "Where Nature Helps Industry Most."



San Diego

IN the extreme southwestern corner of the United States is a spot famed for its wealth, beauty and climate, a realm in which Nature has displayed her handiwork in a pleasing and most lavish manner. Here, under the warm sun and azure skies, caressed by the deep blue waters of the placid



TYPICAL HOME, SAN DIEGO, CAL.



STREET SCENE, SAN DIEGO, CAL.—PLAZA, ELECTRIC FOUNTAIN, WEATHER KIOSK

Pacific, one finds San Diego County, San Diego City, and, like a huge sapphire, sparkling in the golden light, the "Harbor of the Sun."

San Diego is a live, up-to-date, progressive city. There are prospects for the business man, the professional man and the wage-earner. The community is made up of enterprising people, and San Diego extends a hand of welcome to all who are equipped, mentally, financially and physically, to enter into the great work of building up a new city, the "Future Metropolis of the Pacific Coast." San Diego expects and desires the citizens who come to make this city their home, to become identified with her interests. She needs energetic, broad-minded men who can create, and who can give evidence of that spirit of loyalty that is essential to the progress and growth of any community.

San Diego is the first United States Port-of-Call north of Panama and but

86 miles from the great circle traversed by vessels voyaging to and from the Orient. It is one of the three ports on the Pacific capable of handling the largest ocean-going vessels. It has natural channel waters deeper and wider than those of Boston, Baltimore or Philadelphia. Shipping is not jeopardized by insidious currents or treacherous reefs, and storms are practically unknown.

At the present moment no factor enters into the consideration of the future quite so much as the completion of an eastern outlet by rail. This work will be finished by the first of the year, bringing the city in direct touch not only with the Imperial Valley, but with the immense territory known as the Great Southwest, containing over 50,000,000 acres of land.

Of more or less importance are the following other factors: First, climate unexcelled by any city in this country

or any other; second, the holding for the entire year 1915 of one of the most beautiful expositions ever offered to the public; this was started when the city had a population of but 40,000; to-day the metropolitan district contains 109,000; third, owing to late developments in foreign countries, San Diego is of great strategic importance to the government, as evidenced by the construction of the most powerful wireless in the world, coaling station, etc.; fourth, the changed economic condition brought about through the opening of the Panama Canal.

That San Diego is well equipped with financial institutions is evidenced by the fact that twelve banks on the date of the last call of the comptroller had a total capital of \$2,161,100, surplus and profits of \$2,088,269, deposits of \$18,161,695, and loans aggregating \$15,706,822.



Salt Lake City

By S. H. Clay, Secretary Salt Lake Commercial Club

SALT LAKE CITY'S geographical location makes it the natural industrial, financial and transportation center of an inland empire. It is the capital of a great State, which in itself is so rich in opportunities and resources that, bounteous though the yield in the past has been, the possibilities have scarcely been indicated. It is the center of Salt Lake Valley, situated at the foot of the great Wasatch Range on the east, while on the west are the distant peaks of the Oquirrh Mountains. The Jordan River passes through the western part of the city on its way from Utah Lake to Great Salt Lake. Numerous snow-fed streams of pure water find their way through the valley to the river and lake, from magnificent mountain gorges, giving a water supply unequalled for purity and sufficient in quantity to supply many times the present population (estimated for 1915 at 126,000). Mineral springs of hot wa-

ter, superior to the noted medicinal waters of Europe, are located within the limits of the northern part of the city.

Salt Lake City's climate is unsurpassed with its brilliant sunshine tempered with sea breeze and mountain breeze, a mixture not found elsewhere in the world.

Nature has aided man in making this city one of the most attractive in the



MAIN STREET, LOOKING NORTH FROM FOURTH STREET, SALT LAKE CITY

world. Overlooking the great valley, with the shimmering inland sea at its feet, no better spot in which to build a modern city could have been found in all the West. From the campus of the State University on a mesa a hundred feet higher than the business portion of the city, one has a view of the whole valley, mountains, lake and city. Below are the broad tree-lined streets with handsome, attractive homes. Here and there a great mansion or a lofty steeple towers above the foliage. Further on are stately office buildings with the magnificent city and county building, the State's new capitol, the world famous Mormon Temple and Tabernacle, the hotels, churches, etc.

The agricultural products of the

country tributary to Salt Lake are the most varied on the American continent. The upland stretches of Utah land, not susceptible to cultivation, support hundreds of thousands of cattle, sheep and horses. Large areas are covered with great forests of pine, spruce and cedar of great commercial value.

If all the agricultural lands tributary to Salt Lake and all the surrounding livestock ranges were unproductive, the city would still be an important center on account of the great mining industry and the enormous traffic due to the operation of the most extensive smelting plants in the West. Almost within sight of the city is the mining camp of Bingham, home of the world's greatest copper mine, the Utah Copper and many other heavy producers. Two thousand men are employed here and 23,000 tons of ore are shipped to the smelters daily. Within a hundred miles of Salt Lake City are mines that have paid \$8,973,000 in dividends in the last year.

Salt Lake City has built up a considerable manufacturing industry as a

result of its position as a distributing center and its natural advantages. Figures compiled last year show some 780 manufacturing plants in the State, fully one-half of which are in or near Salt Lake City. The products of the State factories range from mining machinery and structural steel to knitted fabrics, and include sugar, salt, fire clay, Portland cement, candy, chocolate, canned and pickled goods.

Salt Lake City has the following banks with a combined capitalization of \$5,800,000: Bankers Trust Company, Deseret Savings Company, Farmers and Stockgrowers Bank, Merchants Bank, McCornick & Co., bankers; Salt Lake Security and Trust Company, Utah Savings and Trust, Walker Bros., bankers; Tracy Loan and Trust, Continental National Bank, Deseret National Bank, National Bank of the Republic, National City Bank, National Copper Bank, Utah State National Bank, Columbia Trust Company.

Bank clearings for June, 1915, were \$26,573,993.43.

The Spanish Language and Its Influence on Foreign Trade

By JOHN CLAUSEN, Manager Foreign Department The Crocker National Bank of San Francisco

IN the development of foreign trade, our first thought and attention must be given to the necessity of acquainting ourselves with the languages and customs of foreign countries, and at the same time endeavor to modify our present home business-winning methods to suit the sentiments and prejudices of our foreign friends.

We must know what we can sell and under what conditions we can negotiate

our goods; and while, perhaps, the more vital problem which at present confronts us in our trade with Latin-America is the noticeable absence of adequate banking and shipping facilities, organized to advance American interests of no less importance is the lack of specially-trained men to carry out the necessary missionary work, which cannot readily be crowned with the goal of success, unless they, on behalf of the

commercial and financial interests of this country, are in position to approach the merchants there in the terms with which they are familiar. Unless this vital point is seriously taken under advisement, our efforts will prove fruitless, and the competition of more progressive countries that have taken this into consideration will eventually compel us to relinquish our supremacy and oblige us to retire from the field of the world's commercial struggle.

The people of this country are awakening to an appreciation of the importance of more intimate relations—both business and social—with our sister American republics, and while the knowledge of the Spanish language may not result in the amassing of great fortunes or in the attainment of the highest positions, it will undoubtedly bring about commensurate advancement and promotions, which after all embody the principles of a successful career.

A knowledge of languages and foreign currencies, which are so closely interwoven with international trade, is essential if our commercial and financial institutions are to take their full share in developing our foreign commerce. A lack of such information will often cause annoyances to our foreign customers and tend to establish in their minds prejudices against American business methods.

The Spanish tongue is becoming more useful—and to a certain extent indispensable—in view of our increasing trade relations with Latin-America, and while thousands are clamoring for equality of opportunity, there are so far but few who are willing to submit themselves to the necessary proportionate effort in ambitious study. While individual opportunities will offer themselves to our enterprising business men, the general prosperity of the South American trade can only be guaranteed by a ready co-operation of all elements. Our attention is daily attracted to the fact that the more successful the man, the more does he study and plan as a

part of his daily occupation, in the development of his business affairs.

It is a pleasing revelation that one of the foremost banking institutions of the United States is now giving every encouragement to its staff in the teaching of Spanish as a salient feature of the course in international banking which it extends to its young men.

In these classes, which are held in



JOHN CLAUSEN

MANAGER FOREIGN DEPARTMENT THE CROCKER
NATIONAL BANK OF SAN FRANCISCO

the evening, after business hours, they are required in conversation to speak nothing but Spanish, and the president of that institution proudly asserts that they will soon have available a requisite number of trained assistants who will materially help to overcome the handicap heretofore existing in securing young men with the proper qualifications and willingness to go to Latin-American countries, not only to render invaluable aid to the institution which

they represent, but incidentally to give an impetus to the national movement to foster trade relations with foreign countries.

Were I permitted to offer an opinion, I would strongly recommend that through national or state legislation, every university, college and public school give preference to the study of modern languages, with Spanish as the foremost tongue, making this feature in a measure compulsory and indispensable to obtain certain academic degrees.

I see no reason why our larger financial and commercial institutions should not offer every inducement to their staff for the acquirement of foreign languages, if for no other than selfish motives in promoting the growth of their business.

A young man with the additional linguistic acquirements brought about by such a course would assuredly prove of infinitely more value to his employer than one who—through circumstances, granting that they were beyond his control—may have become localized in his sphere of work and studies.

The independent American spirit frequently leads us to believe that we are further advanced than other countries of the New World, and it is interesting to know that Latin-America records—with a just and natural pride—the fact that the first university in the Americas was that of Santos Tomas de Aquino at Santo Domingo in 1538, and in a comparatively short period thereafter was

established the university of San Marcos in the City of Lima, Peru, which was founded in the year 1551, almost a century before Harvard University opened its doors, and it is particularly notable that the institution at Lima is still in existence.

With the foundation of universities and schools the desire for learning and individual culture naturally was developed at an early stage, as evidenced by the literature of Latin-America which is as rich—or richer—in sentiment and value of thought as that of any other country. Yet it is hardly known to the average North American, except by a handful of students who have happily devoted their time to the study of the Spanish language.

The Pan-American Financial Conference recently held in Washington strongly advocated Pan-Americanism, and I wish that I might convey the thoughts of this noteworthy gathering, so influential in cementing a broader and closer relationship between all the Americas. However, this thought may be more forcibly summarized in the sentiment voiced by President Wilson at the conference, when he said that “in emphasizing the points which most unite us in sympathy and spiritual interest with the Latin-American peoples, we are only emphasizing the points of our own life, and we should prove ourselves untrue to our own tradition if we proved ourselves untrue friends to them.”



Remarkable Growth Shown by Guaranty Trust Company of New York

THE deposits of the Guaranty Trust Company of New York as reported to the State Superintendent of Banks for June 23 totaled \$281,000,000. These are the highest figures ever reported by the Guaranty Trust Compa-

ny, and are \$17,000,000 more than the deposits of one year ago. The total resources of the company are now \$362,000,000, or \$66,000,000 greater than on the corresponding date last year.

Banking and Commercial Law

CASE COMMENT AND REVIEW

Making Good a Deficiency by Directors' Notes

WHEN the board of directors of a bank of discount finds the institution in a state of insolvency—the capital impaired, or assets of doubtful worth in their possession, they must do one of three things: (a) voluntarily liquidate; (b) be forced into liquidation by the supervising powers, or in other words, fail; (c) make good the deficiency.

Where the shrinkage is not sufficient to warrant closing the bank, it frequently happens that temporary contributions are made by the directors, in the hope or expectation that the bank will earn its way back to solvency and repay the advances out of earnings. These advances are generally made in the form of notes running to the bank, which increase the assets without parting with any other asset or increasing the liabilities. In the event of a condition arising where these notes must be paid, the claim could be made that the notes were without consideration, and therefore void.

In taking over the assets of a bank in Brooklyn, the assets were taken in at a figure \$175,000 in excess of their value. Instead of charging off the amount, the directors chose to right the matter by taking the note of a contracting corporation with no property whatever. It was a dummy loan.

Evidently the loan was not in favor with the administration, for the matter was brought to the attention of the directors. But they were fearful of the

results if they charged the note off. It would make a big reduction in surplus and undivided profits, provoke criticism and cause stock to be offered for sale and depress the price.

The bank held some "suspended assets," and it seems several directors agreed to make a new note to take the place of the doubtful paper, and in case the suspended assets realized sufficient to make the note good, they were not to be liable, but if not, their obligation was to be binding. They agreed "to stand behind the note."

The president signed the note and eight members of the board indorsed it. Subsequently \$25,000 was realized on the suspended assets and the note was reduced to \$150,000. When the bank failed the \$150,000 note was among the assets and was in due course sued upon.

The defense was, no consideration. The court held, in substance, that consideration did exist, in the form of protection to the stock holdings; that a contract was formed between the bank and the parties to the note, and the consideration was the protection to their stock interests. If, by this transaction, the surplus of the bank was increased, even fictitiously, there was nevertheless a benefit to the parties to the note and consideration did exist. The facts are in substance repeated in many other banks whose affairs are not in sound condition, and the same remedy is often applied. The case (*Union Bank of Brooklyn vs. Sullivan et al.*, in this number) is granted a new trial by the Court of Appeals of New York, but the ruling is logical and worthy of perusal.

Consideration

NEW YORK.

Directors Notes for Depreciation in Asset Values—Cancellation of Instruments—Presentment for Payment.

New York Court of Appeals, March 16, 1915.

UNION BANK OF BROOKLYN VS. SULLIVAN ET. AL.

Where some of the listed assets of a bank were worthless, and stockholders and directors, instead of charging off such assets, gave a note in lieu of such worthless assets, in order to protect the bank against criticism and the stock against depreciation, the note was supported by valuable consideration.



ACTION by the Union Bank of Brooklyn against David A. Sullivan and others. From a judgment of the Appellate Division (161 App. Div. 884, 145 N. Y. Supp. 1148) modifying a judgment of the Trial Term, dismissing the complaint, plaintiff appeals. Reversed and remanded.



STATEMENT OF FACT.

IT appears that in April, 1906, the Union Bank of Brooklyn (not the plaintiff, but the plaintiff's predecessor in interest of the same name) took over all the assets of the People's Bank of Brooklyn, and, in appraising the property of the People's Bank, overvalued the same to the extent of \$175,000. Instead of charging the amount to profit and loss, and taking it out of surplus, the bank carried the \$175,000 in the form of a loan to the Orr Contracting Company, a corporation having no property whatever, and took from that company a note or notes for the amount. These notes were held by the bank among its assets for several months and were then replaced by a note of \$175,000, which the note in suit subsequently took the place of.

The president of the bank gave the following explanation of what was done:

"This \$175,000 was carried among the assets of the Union Bank of Brooklyn and was represented by notes of the Orr Contracting Company. * * * These notes did not represent any real value. * * * I brought the matter up at a meeting of the executive committee. * * * consisting of Butting, Tompkins, Strasser, Albers, Dameron, Brown, Michaels, Bogart and myself. * * * I stated to the committee that we were carrying \$175,000 in notes among the assets of the bank which should be charged off out of the surplus."

Michaels and Brown said:

"That it would not look well to charge it out of the surplus of the bank; that at the next public report of the bank it would show a large deficit in our surplus and cause, not only criticism, but probably quite some of our stock would be offered for sale. * * * We discussed the advisability of placing a good note among the assets of the bank instead of these other notes which represented no value."

The witness referred to certain "suspended assets" owned by the bank or held for it, and, speaking of the proposed note in connection with such assets, said:

"If they come in we could apply it on this note of \$175,000, and two or three of the members said they would take their chance on that; that they were heavily interested in the bank and would stand back of the note."

He was then questioned and made answer as follows:

"Q. I want to know exactly what was said about that. In case the profits realized on the (suspended assets) that you refer to were not sufficient to pay the note, then what was said by anybody present? A. I recall three at least saying they would stand back of it and the others acquiescing in it and also stating that they would take a chance on the profits paying the note. * * * Q. Was there anything said by you; did

you ask them or say anything to them about standing behind the note? * * * A. I asked them all to stand behind the note when it was made, not separately, but collectively, and they all agreed to do so. * * * Q. What did they all say when they agreed? A. They acquiesced by saying, 'Yes,' or bowed their heads, or something. There was no objection or dissension in the matter at all."

Pursuant to this arrangement, a note for \$175,000 was made by the president, Sullivan, and was indorsed by the other members of the executive committee, being the eight individuals mentioned, who, in addition to being members of the executive committee, were all directors of the Union Bank, and were stockholders in the bank to a very considerable amount. They or their personal representatives are the defendants in this action.

It is not clear from the evidence in what account the Orr Contracting Company's notes had been carried by the bank—whether charged to bills discounted, or to demand loans, or placed in the suspense account. But, however carried, they appeared as assets in determining the bank's surplus, and when the note of the president, indorsed by the directors, was taken, the Orr Contracting Company's notes were destroyed, and the new note was substituted therefor, and the bank's surplus remained the same.

Some time later on the Union Bank sold and assigned all its property and assets, including the \$175,000 note, to the Mechanics and Traders' Bank. The indorsers of the note were all directors and stockholders in that bank, and the maker, the defendant Sullivan, was its president. Prior to July 23, 1907, collections to the amount of \$25,000 had been made on account of the suspended assets before mentioned, which were applied on the \$175,000 note, and on that day a new note for \$150,000 was made, which is the note sued on. This note was made by Sullivan and indorsed by the same persons who had indorsed the \$175,000 note, except Tompkins, who

had died, and the note was indorsed in his name by his executor, the defendant Sullivan.

The Mechanics and Traders' Bank, after it took over the Union Bank, made reports to the state banking department, as required by law, and published a statement of its financial situation, and in these reports and statement the \$175,000 note at first, and afterwards the \$150,000 note, were scheduled as assets and were regarded as assets in declaring dividends by the bank.

On November 1, 1907, at a meeting of the executive committee of the Mechanics' and Traders' Bank, the individual notes of the maker and each of the indorsers, except the defendant Henry Albers, for \$16,666.67, were substituted for the \$150,000 note. Each of the indorsers, except Albers, at the same time canceled his indorsement upon the larger note. Albers' name thereon remained uncanceled, and he gave no other note. It was proved on the trial that the board of directors of the bank did not authorize the cancellation of the \$150,000 note and the substitution therefor of the individual notes of the persons liable.

The Mechanics and Traders' Bank closed its doors in January, 1908, and resumed business in the month of August of that year under the name of the Union Bank of Brooklyn, as shown in the title of this action. On April 5, 1910, the bank again closed its doors, and the superintendent of banks took possession of the institution and placed a special deputy in charge thereof. Into the hands of this deputy came the note of \$150,000, and on November 23, 1910, he caused the same to be presented for payment and to be protested for non-payment, and notice thereof to be given to the defendants. On the evidence, of which the foregoing is a summary, the court dismissed the complaint.



OPINION OF THE COURT.

CUDDEBACK, J.: (after stating facts as above). The defendants contend that the note sued on was with-

out consideration. It is difficult to frame a complete and accurate definition of what constitutes a sufficient consideration to support a contract, but this court has approved the following:

"A valuable consideration may consist of some right, interest, profit, or benefit accruing to one party, or some forbearance, detriment, loss, or responsibility given, suffered, or undertaken by the other." *Rector, etc., St. Mark's Church vs. Teed, 120 N. Y. 583.*

I think there was evidence upon which the jury might have found that some benefit accrued to the defendants from the note in question, and that there was a sufficient consideration therefor, within this definition.

It is necessary to keep in mind the salient features of the transaction which led to the making of the original note of \$175,000. These may be briefly stated. The bank had sustained a loss of \$175,000, which for some time had been represented on its books by worthless paper. There came a time when it was imperative that the bank should no longer deal with the deficiency in that way, and the president laid the matter before the executive committee. The bank could either take the \$175,000 out of its apparent surplus, or require some sufficient security to make the surplus good.

The president and members of the executive committee were all stockholders of the bank, and it meant a loss to them through a fall in the value of their holdings if the surplus of the bank was reduced by the sum of \$175,000. They therefore gave their note for the amount which they hoped the bank would in some way meet, but which nevertheless they agreed to stand back of. They gave their note, and the bank's surplus was not depleted. Thus a contract was made upon a sufficient consideration between the maker and indorsers of the note on the one hand and the bank, a body corporate, on the other. Certainly those who became liable on the note secured a distinct benefit which accrued directly from the contract. Each share of stock which they held represented an aliquot part of the bank's assets, and

whatever increased the assets benefited the holders of the stock.

In *Dykman vs. Keeney, 10 App. Div. 612*, the defendants were the directors of a banking corporation, and they each made a note to the corporation for \$10,000. The notes were made pursuant to an agreement which recited that doubt existed in the minds of the directors and in the mind of the superintendent of banks as to the soundness of certain of the bank's securities; and in order to remove such doubt, and make the bank unquestionably solvent, the directors had each made his note for \$10,000 to the bank. It was held that these notes were supported by a sufficient consideration. The court said:

"While the question whether the capital was impaired at the time the notes were given was not determined, nor did the superintendent of the banking department make any requisition upon the directors to make good any specific deficiency, still the doubt existing on that question in the mind of the superintendent, arising out of the character of some of the debts and bills receivable due to the bank and the interest of the directors in the continuance of the bank as a sound financial and business institution, constituted a sufficient consideration to support the notes of the defendants given to make good any possible deficiency which did exist. These notes, therefore, became upon their delivery debts due to the bank."

The question in *Dykman vs. Keeney* was again before the court (16 App. Div. 131, 45), and the holding was the same, and the decision then made was affirmed by this court in 160 N. Y. 677.

In *Broderick v. Brown (C.C.) 69 Fed. 497*, it appeared that a national bank had suspended business and was in the hands of a bank examiner, under the federal statutes. The examiner informed the directors that, before the comptroller of the currency would permit the bank to resume business, it would be necessary that the sum of \$50,000 be raised and placed in the bank. Acting on this information, the stockholders voluntarily contributed and

paid to the bank a sum equal to fifty per cent. of their holdings and amounting to \$50,000. It was held that the amount was not a loan to the bank but a contribution, and was an asset of the corporation. The court said:

"The law is well settled that where stockholders voluntarily assess themselves to relieve the corporation from pecuniary embarrassment, or for the betterment of their stock, whatever may be the occasion of the assessment, the advances thus made are not debts against but assets of the corporation."

In *Hope Mutual Life Insurance Co. vs. Perkins*, 38 N. Y. 404, the defendant gave to the plaintiff a note for \$2,500. This was one of several notes given for the purpose of paying losses which might accrue on policies issued by the company after all the other funds in the hands of the company had been first applied. It was also provided that the company should pay interest to the makers of the notes. In a suit against the defendant it was objected that the note was without consideration. The court held that the provision for the payment of interest was a sufficient consideration, and also that the note was made to give the company credit with the public and thus induce individuals to insure with it. And the presumption was that they were thus induced to insure, and that was a sufficient consideration.

Hurd vs. Kelly, 78 N. Y. 588, was an action by the plaintiff, as receiver of the Third Avenue Savings Bank, against the defendant and others upon a bond. The consideration mentioned in the bond was that the savings bank, as requested by the obligors, should continue its ordinary business until January 15, 1873, and the further consideration was the mutual covenants of the bond. The condition of the bond was that the obligors should each pay a specific sum, with interest. It appeared that the assets of the bank had been impaired, and the bond was executed for the purpose of being exhibited to the banking department as an asset, so that the bank might pass examination and inspection

and be able to continue business. It was objected that the bond was without consideration, but the court held that the continuance of business by the bank and the incurring of new obligations incident thereto was a good consideration. There was sufficient evidence, within the doctrine of the decisions cited to go to the jury upon the question of consideration.

There are three other questions involved in the case. The first of these has reference to the presentment of the \$150,000 note for payment. Of course, it was not intended at any time by the parties to the note that the maker, Sullivan, should be primarily liable thereon as the principal debtor. The understanding and agreement was that they all, maker and indorsers alike, should stand behind the note "not separately, but collectively." In fact, they were all makers, and those who were in form indorsers had no right to expect or require that Sullivan would pay the note. Under such circumstances, presentment for payment was not necessary. *Negotiable Instruments Law*, Secs. 130, 140; *Witherow vs. Slayback*, 158 N. Y. 649; *Haddock, Blanchard & Co. vs. Haddock*, 192 N. Y. 499.

The second question arises out of the cancellation of the \$150,000 note. The evidence shows that the cancellation was made by the very individuals, except the defendant Albers, and except Tompkins, deceased, who are now charged with liability on the note. The original understanding, as has been said, was that the parties to the note should be liable collectively and not separately, and, when the names of the indorsers were erased, it was sought thereby to change this liability and make each responsible for his proportionate share of the note, and so each of them, when he crossed out his name as indorser, at the same time handed back to the bank a new note for one-ninth of the \$150,000. This was done without the authority and without the knowledge of the board of directors.

Section 204 of the *Negotiable Instruments Law* (Cons. Laws, c. 38) provides that:

"A cancellation (of a note) made * * * without the authority of the holder, is inoperative * * * but * * * the burden of proof lies on the party who alleges that the cancellation was made * * * without authority."

The evidence to which reference has been made meets the burden of proof which the statute requires.

While the defendant Albers did not take part in the cancellation of the indorsements, the validity of his indorsement was not affected, if it is found that the cancellation of the others was unauthorized.

The third question is whether the defendant Sullivan, by his indorsement of the \$150,000 note as the executor of the last will and testament of Edward B. Tompkins, deceased, bound the estate of the decedent. It appears that Sullivan was only one of several executors of the Tompkins will, and the others are not made parties to this action. It is sufficient to say that he could not, without the co-operation of the other executors, indorse the note so as to bind the Tompkins estate. *Bailey vs. Spofford*, 14 Hun, 86; *Finneren vs. Hinz*, 38 Hun, 465. The motion to dismiss the complaint as to the defendant Sullivan, as executor, was properly allowed.

I therefore recommend that the judgment appealed from be reversed and a new trial granted, with costs to abide the event as to the defendants, except David A. Sullivan, as executor of, etc., of Edward B. Tompkins, deceased, and as to said defendant the judgment be affirmed, with costs.

Judgment reversed, etc.
108 N. E. Rep. 558.



Collection of Note Direct

NEW YORK.

Note Sent to Bank Where It was Payable "for Collection and Remittance"
—Demand—Presentment—Agency
—Insolvency.

New York Court of Appeals, May 25, 1915.

BALDWIN'S BANK OF PENN YAN VS.
SMITH, ET AL.

The holder of a note, by sending it to the bank where it is made payable, for collection and remittance, constitutes the bank its agent to collect the note and remit the proceeds.

Sending a note to a bank where made payable and in which the maker has funds is, in effect, an order or draft on the banker in favor of the holder for the amount of the note, and the maker need not direct that it be charged to his account.

Since the relation of debtor and creditor exists between a bank and its depositor, that a depositor makes a note payable at a bank in which he has funds does not constitute the bank his agent to pay it.

Money deposited becomes a part of the bank's general funds, and the bank impliedly contracts to pay its depositors' checks, acceptances, notes made payable at the bank, and the like to the amount of his credit, but the payment is made out of the funds of the bank, not of the depositor.

Where the holder of a note sends it to the bank where made payable for "collection and remittance," and on the date of maturity the bank is directed by the maker to charge the note to his account, he at all times having had sufficient funds therein to pay the note, the loss caused by the failure of the bank to remit and its insolvency seven days after maturity of the note must fall on the holder, the bank being his agent, in view of Negotiable Instruments Law (Consol. Laws, c. 38) Sec. 147, providing that, when an instrument is made payable at a bank, it is equivalent to an order to the bank to pay the same for the account of the principal debtor therein. (109 N. E. Rep.)



ACTION by Baldwin's Bank of Penn Yan against Albert L. Smith and Walter S. Smith. From a judgment of the Appellate Division (155 App. Div. 881, 139 N. Y. Supp. 1115) affirming a judgment for plaintiff, defendants appeal. Reversed, and complaint dismissed.



STATEMENT OF FACT.

THIS is an action on a promissory note made by the defendants on the 11th day of August, 1910, payable to the order of W. N. Wise four months after date at the Farmers' and Mer-

chants' Bank, Watkins, N. Y. The plaintiff became the holder of the note in due course, and before maturity sent it to the bank where it was made payable "for collection and remittance." On the 19th day of December, 1910, seven days after the maturity of the note, said bank suspended without having remitted for the note, although during all of that time defendants had more than sufficient funds to their credit with it to meet the note, and the bank had sufficient funds to pay it. On Monday, December 12th, the due date having fallen on Sunday, the 11th, one of the defendants called the president of the Watkins bank by phone and inquired if the note was there, and, being informed that it was, instructed the president to charge it to the defendants' account, and was told that that would be done. The plaintiff made no inquiry or effort to ascertain the fate of the note until after the failure of the Watkins bank.



OPINION OF THE COURT.

MILLER, J.: This is a case of first impression. The trial court relied on *Indig vs. National City Bank of Brooklyn*, 80 N. Y. 100. But that case is plainly distinguishable. The defendant there received a note from the plaintiff for collection and sent it to the bank where it was payable, which received it the day it fell due, and the next day sent a New York draft for the amount of the note, less exchange, to the defendant, who received it the following day. On the day the draft was forwarded to the defendant the sender closed its doors, and the draft was not paid. The defendant was sought to be made liable for negligence in sending the note to the bank where it was made payable. But it was held that that did not constitute actionable negligence, for the reason that the same result might have ensued if the defendant had employed a subagent, who would have been justified in accepting the draft. Judge Rapallo did say that the defendant did not constitute the bank to which it sent

the note its agents to receive the proceeds. But his opinion received the concurrence of only two of the judges, and on that point has, in effect, been overruled by this court (*National Revere Bank of Boston vs. National Bank of the Republic of N. Y.*, 172 N. Y. 102, and is opposed to the weight of authority, *Smith vs. President, etc., Essex County Bank*, 22 Barb. 627; *Ayrault vs. Pacific Bank*, 47 N. Y. 570; *Bank of Washington vs. Triplett*, 1 Pet. 25; *Ward vs. Smith*, 7 Wall, 447, 19 L. Ed. 207; *Cheney vs. Libby*, 134 U. S. 68, 82, 10 Supt. Ct. 498. Plainly by sending the note "for collection and remittance" the plaintiff in this case constituted the Watkins bank its agent to collect the note and remit the proceeds.

It is settled law that the failure to make demand at the time and place of payment agreed upon does not exonerate the debtor, whose readiness to pay at the specified time and place is merely equivalent to a tender. *Hills vs. Place*, 48 N. Y. 520; *Locklin vs. Moore*, 57 N. Y. 360. And see cases cited in the opinions in those cases. In that respect a note, which is an absolute promise to pay, is said to differ from a check, which is a mere order.

But it is also the law of this state, although it was early debated, that the failure to present a check within a reasonable time does not exonerate the drawer, unless there has been a loss. *Little vs. Phenix Bank*, 2 Hill, 425; *Carroll vs. Sweet*, 128 N. Y. 19. The Negotiable Instruments Law (Consol. Laws, c. 38) section 147, provides:

"Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon."

And this court in *Aetna National National Bank vs. Fourth National Bank of N. Y.*, 46 N. Y. 82, 88, said, per Allen, J.:

"An acceptance or promissory note thus payable [i. e., at a bank] is, if the party is in funds, that is, has the amount to his credit, equivalent to a check, and is, in effect, an order or draft

on the banker in favor of the holder, for the amount of the note or acceptance."

The reason for exonerating the drawer of a check in case of loss resulting from a failure to present it in a reasonable time is that the drawing of a check is virtually an appropriation, though not an assignment, pro tanto of the drawer's funds in the bank. See *Little vs. Phenix Bank*, supra, 2 Hill, at page 428.

It is incumbent on the holder of the paper to secure payment, and loss resulting from his neglect should fall upon him, not on the drawer, who has no further duty to perform. I am unable to perceive why the same reason does not hold good in the case of a note payable at a bank where the maker has funds to meet it at maturity, especially since such note is by statute made the equivalent of a check. To the extent that he has appropriated his credit, he is not called upon to look after it, but discharges his duty by keeping his account good. None of the cases in this jurisdiction holding that the maker of a note payable at a bank is not exonerated by the holder's failure to present it for payment involved the question of a loss resulting from such failure. I find nothing in any of them except the dictum in the *Indig Case* to the effect that the loss in such case falls on the maker.

The obligation to present the note, if it existed, bears on the obligation to follow it up, when it is sent by mail to the payee bank "for collection." I shall not discuss the numerous cases in other jurisdictions holding that it is negligence per se to send a bill for collection to the drawee or payee bank. There may be, in that respect, a distinction between a note and a check, or a bill of exchange and between liability of an agent to its principal and liability of the holder to the maker of a note. At any rate, the *Indig Case* has generally been regarded as having settled the law in this state the other way and in accordance with what is believed to be the custom. However, by sending the note to the *Watkins bank* the plaintiff created a situation likely to, and which in fact did, mislead the defendants and re-

sult in loss. Upon being informed that the note was there, they directed that it be charged to their account. That was unnecessary (*Aetna National Bank vs. Fourth National Bank of N. Y.*, supra, at page 88 of 46 N. Y.), but it indicated a lively interest in caring for their paper. Nothing more remained for them to do, as, of course, they could wait, as business men customarily do, for the return of the note with their canceled vouchers. The plaintiff's act thus led the defendants to suppose that their credit had been applied pro tanto to the payment of the note, and lulled them into taking no further measures either to pay the note or to draw upon the credit thus appropriated.

However, it is unnecessary to decide whether the plaintiff owed the defendants the duty in the first instance to present the note, or whether its failure to make any inquiry for a week after sending the note by mail to the payee bank for collection discharged the makers, loss having resulted. The foregoing are at least cogent reasons for holding that, in making the payee bank an agent to collect, the holder takes the risk of loss resulting from the latter's negligence and assumes responsibility for its acts within the scope of its authority. That such an agency was created in this case is plain, even though, as was said in the *Indig Case*, the mere sending of a note by mail to the bank where it is payable be in effect the same as presenting it over the bank's counter. The *Watkins bank* was the agent of the plaintiff to collect, but not of the defendants to pay.

Although it has sometimes been said that by making a note payable at a bank where the maker keeps an account he constitutes the bank his agent to pay it, that statement will not bear analysis. The relation of debtor and creditor, not of agent and principal, exists between a bank and its depositor. *Aetna National Bank vs. Fourth National Bank of N. Y.*, supra; *Jordan vs. National Shoe & Leather Bank of N. Y.*, 74 N. Y. 467, 30; *Straus vs. Tradesmen's Nat. Bank*, 122 N. Y. 379; *Ship-*

man vs. Bank of the State of New York, 126 N. Y. 318; Cassidy vs. Uhlmann, 170 N. Y. 505, 63 N. E. 554.

The money deposited becomes a part of the bank's general funds. The bank impliedly contracts to pay its depositor's checks, acceptances, notes payable at the bank, and the like, to the amount of his credit. Citizens National Bank of Davenport vs. Importers' & Traders' Bank of N. Y., 119 N. Y. 195. But in discharging its implied obligation it pays its own money as a debtor, not its depositor's money as an agent. As has already been shown, a note payable at a bank where the depositor has an account is, in respect to being an order to pay, the precise equivalent of a check. Plainly, then, the bank bears no relation of trust or agency to its depositor in respect of paying either notes or checks. It is a mere drawee answerable to the drawer for a breach of its implied contract obligation to honor the draft. It necessarily follows that the transaction between the defendants and the Watkins bank amounted to payment, or that the failure to secure payment was due solely to the negligence of the plaintiff's agent.

The plaintiff knew when it sent the note to its agent that if the makers were in funds it would be paid by charging it to their account. Thus the subsequent transaction is to be viewed as though it had occurred directly between the plaintiff and the defendants; the latter being depositors of the former. What would constitute payment between the immediate parties should equally constitute payment, though an agent for one intervened. The case in brief is this: A bank, the holder of a note, or the agent of the holder to collect, has funds in its hands upon which the makers are entitled to draw; after the note is due it is directed to charge the note against that credit, and says it will do so. All that is necessary to constitute payment is the intention to make the application, which may be evidenced in a variety of ways, e. g., by bookkeeping entries, by canceling the note and surrendering it to the makers, by the drawing of a check by the makers and

its acceptance in payment by the bank.

It must be borne in mind that the plaintiff selected an agent to collect knowing that in the usual course of business payment would be made by a mere transfer of credits. If the makers had actually gone to the bank and passed the necessary currency over its counter to pay the note with a direction thus to apply it, that would plainly have constituted payment. Smith vs. President, etc., Essex County Bank, supra. If they had sent a check drawn on the bank to pay the note, the acceptance of it would have been per se an appropriation of the funds of the drawer, or, to be accurate, of the funds subject to the drawer's order, to the payment of the note. Pratt vs. Foote, 9 N. Y. 463; Commercial Bank of Penn. vs. Union Bank of N. Y., 11 N. Y. 203; Oddie vs. National City Bank of New York, 45 N. Y. 735, 6 Am. Rep. 160.

The verbal order with the statement of the president of the bank that it would be acted upon was the equivalent, in legal effect, of a written order and its acceptance. It is to be noted that in the second of the cases just cited the bank to which payment was made was an agent to collect. That mere bookkeeping entries, or even the cancellation and surrender of the paper, is but evidence of, and does not constitute, payment is established by the cases holding that where payment is made by a draft or check which is not paid, the paper can be reclaimed and an action maintained upon it. See Burkhalter vs. Second National Bank of Erie, Pa., 42 N. Y. 538, and cases cited.

The converse must be true, that payment may be made without that particular evidence of it. A distinction must be noted between cases like the last cited, where the drawee bank, without being constituted an agent to collect, gives its check, which is subsequently dishonored, and cases like this in which the drawee bank is also an agent to collect. In considering the cases on the question of payment, it is essential to keep in mind the precise relation of the parties. The agency of the Watkins bank is the vital fact in this case. If it,

in fact, accepted an appropriation of the makers' credit with it in payment of the note, that should constitute payment in view of the fact that the plaintiff, in sending the note to it for collection, must have expected that payment would be made in exactly that way. That risk at least is taken in appointing a bank where a note is payable agent to collect it. It is not important how the bank evidenced its acceptance of the makers' verbal order, or whether it did anything to remit the proceeds to its principal.

There are many cases in which stress has been laid on the evidences of payment, as, e. g., canceling the note, marking it paid, or charging it on the books to the maker, but none, in this jurisdiction at least, holding that such evidence is necessary to establish the fact of payment. The act and the evidence of it must not be confused. The act in this case was the acceptance of the makers' verbal order to charge the note to their account. Making the bookkeeping entries would merely have created evidence of that act. When that verbal order was accepted the makers' credit was irrevocably appropriated pro tanto to the payment of the note precisely as though a written order in the form of a check had been presented and accepted. It may be that something more than a mere state of mind on the part of the one to make the application is necessary to constitute payment, and that the mental determination of the president of the Watkins bank, not accompanied by or resulting in any act, would not have sufficed. However, the acceptance of the makers' verbal order to make the application was an act fully as effective as, e. g., the marking of the note paid as was done by the cashier in *Nineteenth Ward Bank vs. First National Bank of South Weymouth*, 184 Mass. 49, 67 N. E. 670, a case which in principle and in the reasoning of the court strongly supports the view that the transaction under consideration amounted to payment. Thereafter it was of no concern to the defendants what bookkeeping entries were made by the plaintiff's agent, or whether it remitted the proceeds of the note.

If we lay refinements aside, the truth is that the actual default of the Watkins bank was in not remitting the proceeds of the note to its principal, a cogent reason for adhering to the view that the note was paid. It is not conclusive on the question of payment that the plaintiff might not have been entitled to assert that the assets in the hands of the assignee or receiver of the Watkins bank were impressed with a trust in its favor, because there might be a transfer of credits so as to constitute payment without actually setting aside a distinct fund which could be impressed with a trust. See *People vs. Merchants' & Mechanics' Bank of Troy*, 78 N. Y. 269, 34 Am. Rep. 532. That point is not involved, and need not be decided.

If, however, we assume that the note was not paid, the failure to secure payment was due to the neglect of the plaintiff's agent, and the loss resulting therefrom should fall on the one responsible for the fault.

For the foregoing reasons I advise that the judgments be reversed, and, as the facts are undisputed and found, that the complaint be dismissed, with costs.

Collin, J. (dissenting). 109 N. E. Rep. 138.



Payment Through Clearing-House

NEW YORK.

Indorsement—Liability of Indorsers—Presentment—Clearing-House Rules.

Court of Appeals, New York, May 25, 1915.

COLUMBIA-KNICKERBOCKER TRUST CO',
vs. MILLER.

The liability of an indorser cannot be affected by the fact that the check was sent through the clearing house; and, where the drawee refused payment, he cannot escape liability on the ground that, under the clearing house rules, the drawee was not privileged to do so.

Under the Negotiable Instruments Law (Consol. Laws, c. 38) Sec. 133, declaring that, where no place of payment is specified,

presentment for payment is properly made at the place of business of the one to make payment, a check is properly presented for payment at the banking house of the institution on which it is drawn. (109 N. E. Rep.)

Under Negotiable Instruments Law, Sec. 132, providing that presentment for payment must be made by some person authorized, a bank to whom a check was indorsed may present it to the drawee bank through the clearing house.



ACTION by the Columbia-Knickerbocker Trust Company against Andrew Miller. From a judgment of the Appellate Division (156 App. Div. 810) affirming judgment for plaintiff, defendant appeals. Affirmed.



STATEMENT OF FACT AND OPINION.

MILLER, J. This is an action upon a check drawn on the 17th day of January, 1910, upon the National City Bank of New York by Lathrop, Haskins & Co., to the order of the defendant, and by him indorsed and deposited about noon the next day in his regular account with the plaintiff trust company, which on that day indorsed and transferred the check to the National Bank of Commerce, a member of the New York Clearing House Association. At about 10 o'clock on the morning of the 19th the check, in a bundle with other items, was delivered at the Clearing House to the messenger of the City Bank, and was by him delivered unopened at about 10:30 at the latter's banking house. At about noon on that day, and before the City Bank had had an opportunity to check up the items received through the Clearing House, verify signatures, and the like, it received a letter from the drawers of the check stating: "We regret to state that we are forced to suspend. Assignee will be named later." Thereupon it affixed to the check a memorandum read-

ing: "Returned to 23 by the National City Bank of New York, assigned." "23" is the Clearing House number of the National Bank of Commerce, to which the check, with the memorandum attached, was delivered before 3 o'clock, and the refund made by the National Bank of Commerce to offset the credit given to it at the Clearing House. Thereupon the plaintiff was required to pay the check, and notice was given to charge the indorser.

The constitution of the Clearing House Association, article 10, section 6, provides in part as follows:

"All checks, drafts, notes or other items in the exchanges, returned as 'not good' or missent, shall be returned the same day directly to the member from whom they were received, and the said member shall immediately refund to the member returning the same the amount which it had received through the Clearing House for the said checks, drafts, notes or other items so returned to it, in lawful money or in Clearing House certificates."

Rule 1 provides:

"Return of checks, drafts, etc., for informality, not good, missent, guarantee, of indorsement, or for any other cause, should be made before 3 o'clock of the same day."

The constitution also provides that between the hours of 12:30 and 1 p. m. the debtor members shall pay to the manager at the Clearing House the balances against them and at 1:30 o'clock p. m. the manager shall pay the creditor members the balances due them respectively. The system adopted by the Clearing House Association to facilitate exchanges and adjust accounts between its members, as shown by the record in this case, is well explained in the opinion of Judge Cullen in *Mt. Morris Bank vs. Twenty-Third Ward Bank*, 172 N. Y. 244. There was no evidence to show whether the account of the drawers of the check at the City Bank was at the time of their suspension good for the amount of the check. The appellant contends that the check was paid, and

that, if it was not paid, it was not duly presented for payment.

Doubtless, the adjustment of balances by the clearing house constitutes a sort of tentative or provisional payment, but that adjustment occurs without an opportunity to the members to examine the items, verify signatures, compare the amounts with the drawers' accounts, and the like, and regardless of whether the checks are good. The constitution of the association contemplates that the members will directly adjust between themselves claims arising from the return of checks. It thus appears that the question of payment is not, and cannot be, ultimately decided until the bank upon which the check is drawn has had an opportunity at its banking house to examine the checks.

The time taken to do that may be estimated from the fact that the face total of checks sent by the Bank of Commerce to the clearing-house on the morning of January 19, 1910, was \$69,645,514.55, and that the face total of checks sent by the City Bank on that morning was \$61,141,008.29. In truth, the City Bank refused to pay the check. Its refusal was acceded to by the National Bank of Commerce, which refunded the amount of the credit it had received for the check at the clearing-house. As between the immediate parties to the transaction then there was plainly no payment, but, although claiming not to be bound by the constitution and rules of the Clearing-house Association, the appellant contends that payment resulted perforce of them. That argument is based on the construction given to section 6 of article 10, above quoted, to the effect that only checks "not good or missent" may be returned, and it is claimed that that provision of the constitution could not be modified by a rule which contemplates the return of checks for any cause. It is urged from those premises that the adjustment of accounts at the clearing-house constituted payment unless the check was, in fact, "not good," and that the burden was upon the plaintiff to show that fact, if it were the fact.

We do not consider it necessary to construe the constitution and rules of the Clearing-house Association, which is a mere agency adopted by its members to facilitate exchanges and the adjustment of accounts as between themselves. We agree with the contention of the defendant that he was not bound by the rules of the association to which he did not belong. Neither could he claim the benefit of them. See *Merchants' National Bank vs. National Bank of the Commonwealth*, 139 Mass. 513. Concededly, the adjustment of the accounts at the clearing-house is, at most, tentative and provisional, and subject to an examination by each member of the checks drawn upon it. Whether the City Bank had the right, under the rules of the association, as between it and the National Bank of Commerce, its co-member, to return the check, is of no consequence. So far as the payee was concerned, it could refuse payment for any reason or no reason. It did, in fact, refuse payment, and its refusal was acceded to. It was of no concern to the defendant, an outsider, whether the rules of the association were violated or not. He was concerned only with the actual fact, and could neither be prejudiced by, nor gain an advantage from, the constitution and rules of the association.

It may be assumed that the banking house of the City Bank was the proper place of presentment. Section 133 of the Negotiable Instruments Law. The check was, in fact, presented at that place through the clearing-house. Although the point does not appear to have been expressly ruled upon in this State, it has been assumed in many cases that presentment through the clearing-house is sufficient. *Turner vs. Bank of Fox Lake*, 4 Abb. Dec. 434; *Johnson vs. Bank of North America*, 5 Rob. 554, 594; *Burkhalter vs. Second National Bank of Erie*, 42 N. Y. 538; *Citizens' Central National Bank vs. New Amsterdam National Bank*, 128 App. Div. 554, 112 N. Y. Supp. 973, affirmed 198 N. Y. 520, 92 N. E. 1080.

It is important to observe the distinc-

tion between presentment *through* the clearing-house and presentment *at* the clearing-house. The law undoubtedly contemplates that presentment shall be made by a person authorized to receive payment (see section 132 of the Negotiable Instruments Law), but in this case presentment was made by the holder, the National Bank of Commerce, through the agency of the clearing-house. The check actually reached the banking house of the City Bank in time. Under the arrangement existing between the members of the Clearing-house Association payment was to be made, not in currency, but by an exchange of credits at the clearing-house. The tentative or provisional payment through the usual exchange of credits was to stand if upon examining the check after it reached its banking house the bank upon which it was drawn concluded to pay it.

If it reached that conclusion, nothing more remained to be done, and the tentative or provisional payment became final. That arrangement obviated the necessity of having some one stand at the counter of the City Bank to receive payment, and in practical effect answered the same purpose. We agree with the learned counsel for the appellant that it is not competent for the Clearing-house Association to change the rules of the law merchant, but we have been unable to discover wherein an attempt has been made to do that. It is quite possible to give effect to the constitution and rules of the association in so far as concerns transactions between members themselves without in any way affecting the rights of outsiders. To hold otherwise would make it difficult, if not practically impossible, to effect exchanges in a great financial center.

It is unnecessary to consider whether the evidence relating to the second presentment at the counter of the City Bank presented a question of fact.

The judgment should be affirmed, with costs.

(109 N. E. Rep. 179.)

Savings Bank Deposit

NEW YORK.

Payment of Savings Deposit Without Production of Pass-Book.

Supreme Court, New York, Appellate Division, First Department, May 14, 1915.

MEIGHAN VS. EMIGRANT INDUSTRIAL SAVINGS BANK.

A savings bank depositor, while in Ireland with his wife, sent his pass-book with a draft on the savings bank to the bank, and thereafter was committed to a lunatic asylum. While so confined a registered mail package from the bank, containing the book, was delivered to the depositor's wife, who neither visited nor communicated with the depositor while in the asylum, and after he left it, he found the house where they had been living vacant, and could obtain no information concerning her whereabouts. The wife had relatives living near by, but the depositor did not inquire of them, but it did not appear that they could have given him any information. The bank received a communication from the wife, stating that the book was in her possession, and refused to pay the depositor without its production, but expressed no dissatisfaction as to the sufficiency of the depositor's search for his wife. *Held*, that the depositor showed a sufficient excuse for his failure to produce the book, and was entitled to recover the deposit without its production. (153 N. Y. Supp.)

Dowling and McLaughlin, JJ., dissenting.



ACTION by Joseph Meighan against the Emigrant Industrial Savings Bank. From a judgment entered on a verdict in favor of plaintiff, and from an order denying its motion for new trial on the minutes, defendant appeals. Affirmed.



STATEMENT OF FACT.

THE plaintiff, then a resident of New York City, had an account with the defendant standing in his individual name. The account was subject to the defendant's by-laws, which contained this provision: "The bank shall not be liable or called on to make

any payment without the presenting of the passbook at its counter, that the proper entry may be made in it." When the account was opened and when this action was commenced, the Banking Law provided that no savings bank shall pay any deposit unless the passbook of the depositor shall be produced and the proper entry made therein at the time of the transaction. It further provided that the trustees of savings banks might, in their by-laws, provide how payment should be made in case of loss of passbooks, or under other exceptional circumstances, where the books could be produced without loss or serious inconvenience to depositor, the right to make such payments to cease when the Superintendent of Banks should so direct. The by-laws of the defendant made no provision whatever for a payment without the production of the passbook.

In the summer of 1912, plaintiff, with Bridget, his wife, went to Dublin, Ireland, where they lived at No. 7 Malachy Road. While at this place plaintiff mailed to defendant his passbook, together with a draft on defendant for \$50. Having received the book and draft, the defendant, on July 30, 1912, returned the book with a draft for the equivalent of \$50 to defendant by registered mail, and on August 8, 1912, the package was delivered to plaintiff's wife, at No. 7 Malachy Road. In the latter part of July, 1912, plaintiff was committed to a lunatic asylum, where he was confined for five weeks, including the 8th day of August, 1912. On leaving the asylum, plaintiff inquired at the general post office in Dublin, and was told that the registered package sent by the defendant, and containing plaintiff's bank book, had been delivered to his wife as above recited. Plaintiff did not see his wife while he was in the asylum or after he left. After leaving the asylum, plaintiff went to No. 7 Malachy Road and found the house vacant. He inquired of neighbors concerning the whereabouts of his wife, but obtained no information. The wife had relatives living near Dublin, but plaintiff did not inquire for her of them. Sub-

sequently plaintiff wrote to defendant asking for a payment on account, and in reply was told he could draw no money without presenting the passbook, and that defendant had received a communication from plaintiff's wife stating that it was in her possession.

There was no evidence that the wife made any claim to the book adverse to plaintiff, and plaintiff testified that he had never assigned the book, or any interest therein. On returning to this country, plaintiff made demand on defendant for the amount remaining to his credit. He also informed defendant, in substance, of the facts, showing his inability to produce the book, but his demand was refused, defendant taking the position that it would not pay without the book. Thereupon this action was commenced.



OPINION OF THE COURT.

HOTCHKISS, J.: The defendant does not contend that the provision of the Banking Law requiring the production of the passbook is an arbitrary condition that must, at all hazards, be complied with, but if it did, the contention could not be upheld. In *Warhus vs. Bowery Savings Bank*, 21 N. Y. 543, it appeared that in pursuance of the provisions of the act incorporating the defendant, by which it was authorized to prescribe regulations for the withdrawal of moneys, the defendant had adopted a rule that "no person shall have the right to demand any part of this principal or interest without producing the original book, that such payment may be entered therein," and it was held that proof of the loss of the passbook, or inability to find it after proper search, excused its nonproduction and entitled the depositor to his money. But the plaintiff in that case having offered no proof whatever of the loss or destruction of the book or any proof to account for its nonproduction, a dismissal of the complaint was sustained.

In the present case, defendant having made no rule regulating payment where, because of its loss or because of other exceptional circumstances the book could not be produced, the first inquiry must be whether the facts disclosed a reasonable excuse for plaintiff's failure to present his book when he sought to withdraw his money. The evident purpose of the rule requiring the production of the book is to protect the bank against the payment of deposits to other than those entitled thereto, and the reasonableness of the excuse for not producing the book must be determined in the light of this purpose. Had it been shown that the book was actually lost, a refusal to pay without its production would not have been justified. *Mierke vs. Jefferson County Savings Bank*, 208 N. Y. 347.

Is the situation changed because, although it is to be inferred that the book is in the possession of a certain identified individual (no ground for suspecting an adverse claim on his part appearing), the whereabouts of that person cannot, after reasonable search, be ascertained? I think not. Assuming that the delivery of the registered package by the Irish post office authorities to plaintiff's wife was justified, notwithstanding it was addressed to plaintiff himself, what presumption can follow, except that the wife received the package as plaintiff's agent and to hold for him? When after his release from the asylum plaintiff returned to the marital domicile and found it closed, and when after inquiry of those living in the neighborhood plaintiff was unable to ascertain the whereabouts of his wife, I think he had performed every duty that could be reasonably required, particularly in view of the fact that the uncertainty of his wife's whereabouts was accentuated from the circumstances that she had neither visited nor communicated with him while he was in the asylum. In *Palmer vs. Providence Institution for Savings*, 14 R. I. 68, after the death of the depositor, plaintiff, his administrator, was unable to obtain the pass-book from the depositor's family, who had taken possession of it after his

death, which fact plaintiff communicated to the defendant, which refused to pay; but the court held plaintiff entitled to recover. There is nothing in the record before us to show, that if the plaintiff had made inquiry of them, the relatives of his wife, who lived near Dublin, could have given him any information of her whereabouts.

The plaintiff testified that on several occasions he called at defendant's banking house and informed its deputy comptroller of all the facts concerning his search for his wife and his attempts to get possession of his book, but that he was told that no payment would be made without his book, and this was corroborated by the deputy comptroller, who said, "I told him where the pass-book was, and we had information it was in the hands of his wife." On these facts the jury was justified in finding that, having adopted no rule or by-law regulating the conditions under which deposits might be withdrawn without producing the book, defendant stood out and refused to pay solely on this ground.

If the defendant was dissatisfied with the sufficiency of the attempts plaintiff had made to get possession of the book, it should have said so, and although I do not mean to suggest that it would then have been plaintiff's duty to have pursued any further search, I think that, defendant having failed to make any objection on the ground of insufficient search at the time when demand was made upon it, and having apparently placed its refusal on the sole ground that the book was not produced and was in possession of plaintiff's wife, it is in no position now to claim that plaintiff's search for his wife was not as thorough as it might have been.

The judgment and order should be affirmed, with costs.

Ingraham, P. J., and Laughlin, J., concur.

Dowling, J. (dissenting). The account of the plaintiff was received by the defendant subject to the latter's by-laws, which were printed in the depositor's book, and which constituted part of the contract between the parties on

which the deposit was received. *Warhus vs. Bowery Savings Bank*, 21 N. Y. 543. One of these by-laws provided:

"The bank shall not be liable or called on to make any payment without the presenting of the passbook at its counter, that the proper entry may be made in it, nor shall it be liable for any deposit unless made at its counter during business hours."

The *Warhus* case, just cited, held that there was nothing unreasonable in such a regulation, nor did it work a forfeiture of the depositor's money, and that if the depositor, when he wished to withdraw the money, could not do what the regulation of the defendant required, he must do the next best thing—account for the nonproduction of the passbook, and show its loss or destruction. The plaintiff herein has done neither. What he has shown is that the passbook, when returned to him by mail by defendant, as instructed by him, was taken possession of by his wife, who presumably still retains the same.

He has taken no legal steps to secure the return of this passbook. He left Ireland without any adequate effort to find his wife, to ascertain her whereabouts, or to regain possession of the book. This despite the fact that she had a brother and sister living in Ireland within a short distance of his then residence there, and from neither of them did he seek any information as to his wife's whereabouts. He returned to this country without any attempt to regain possession of his passbook, though he knew from the bank's correspondence with him that they stood upon their contract and would not pay him without the production of the book. *Mierke vs. Jefferson County Savings Bank*, 208 N. Y. 347, held that where a bank had failed to make a by-law providing for the method of making payments in cases of the loss of a passbook, or other exceptional cases, where the book could not be produced without loss or serious inconvenience to depositor (*Banking Law [Consol. Laws, c. 2] Sec. 143*) the defendant could not insist on the giving

of an indemnity bond, but the only question was whether plaintiff had given satisfactory evidence of the loss of the book.

Here the record affirmatively shows that the book is in existence; it has not been lost, but to plaintiff's knowledge is in the possession of a third party; he has taken no means to regain such possession; and therefore, it seems to me, until plaintiff has exhausted every reasonable means of obtaining possession of his passbook, or has made the party holding it a party defendant in his action, that he cannot recover against the depositary in the face of the express terms of the contract between them, which have been held not to be unreasonable. I, therefore, believe that the judgment appealed from should be reversed, with costs, and judgment given in favor of defendant, with costs.

McLaughlin, J., concurs.

153 N. Y. Supp. 312.

Replies to Law and Banking Questions

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

RAISED CHECK.

Vermont, July 8, 1915.

Editor Bankers Magazine:

SIR: Will you kindly give us your opinion as to the liability of a bank in paying a check of one of its customers where the amount had been raised.

TREASURER.

Answer: It is a rule of law that a bank is bound to know the signature of its depositors. Any payment made without authority, constitutes a liability of the bank. In the case of a raised check, however, the signature is genuine, but another rule of law applies in this: that the maker can only be charged with the amount for which he drew the

check. The obligation of the bank is to pay the amount ordered by its depositors, for this is its contract, and it is easily to be seen that the payment of a raised check is not the payment which the maker authorized, and therefore, such check can be charged to his account, only in the amount originally drawn.

You are liable for the amount of the

original check, and any excess is your loss, to be recovered if possible from the parties for whom you cashed the check. You have your rights against the last endorser, and he against prior endorsers, until the manipulator is reached, although proceedings need not be begun against the endorsers in the order of their endorsement, but any prior endorser may be held liable.

Canadian Finances

By FRED W. FIELD, Editor "Monetary Times" of Canada

ONE of the most interesting phases of Canadian finance since the outbreak of war has been the issue of Dominion notes. The issue of these notes in Canada and the gold held at Ottawa for their redemption has been the subject of much comment and criticism during the past nine or ten months. When war was declared last August, among the special financial legislation enacted by the Canadian Government the following measures related directly to Dominion notes:

(1) The Dominion Government stood ready to issue Dominion notes to such an amount as was necessary against securities deposited by the banks and approved by the minister of finance.

(2) The Government authorized the chartered banks of Canada to make payments in bank notes instead of in gold or Dominion notes until further official announcement.

(3) The redemption in gold of Dominion notes was suspended.

(4) The power of issue of Dominion notes was increased by providing that the Finance Minister should hold gold to the amount of twenty-five per cent

of the Dominion notes issued up to a total issue of \$50,000,000; and in regard to Dominion notes issued in excess of that amount, gold to be held equal to such excess.

Comparatively little use has been made of the authority permitting the issue of Dominion notes by the government against approved securities. Less than \$500,000 of such advances are outstanding at the present time.

The legislation in regard to Dominion notes and gold was framed so that the Canadian supply of gold could be held against foreign demands. This followed the policy of British banks and those of other countries. It was specified, however, that the total amount of the notes of any bank's circulation was not to exceed at any time the amount of its notes issuable under the provisions of the Canadian Bank Act.

It is under the fourth heading that matters of chief interest have happened in regard to Dominion notes. By the special legislation there was an integral change made in the Dominion Notes Act whereby a margin of twenty-five per cent. in gold might be held in re-

spect of an issue of \$50,000,000 instead of \$30,000,000 as under the previous legislation. As regards denomination, notes of any denomination might be issued to make up this amount. It may be wholly in ones, twos, or in fives or large legals, but it will be a combination of all.

It was desirable that the total amount of free Dominion notes outstanding at any time should not be materially in excess of the amount of notes of small denominations in the hands of the public. In other words, in order that the Dominion might be able to retire its notes in gold, there should not be outstanding a larger amount than is required from time to time by the community for its purposes. Canada has, however, a safeguard against any difficulty on that score. In the Bank Act there is a provision that the chartered banks of Canada must hold forty per cent. of their cash reserves in Dominion notes. That being so, the amounts which the banks must hold under that legislation cannot of course come in for redemption. Therefore, the position is this:

In estimating what notes are likely to be presented for redemption, Canada has to take into consideration three facts: first, how many notes are likely to remain outstanding in the hands of the public; secondly, how many notes are likely to be required by the banks for the purpose of their clearings (which is a very large amount); and thirdly, what amount of notes must be held by the chartered banks, representing not less than forty per cent. of their cash assets. Regarding the issue of Dominion notes, as it stood when the legislation was introduced, the following information is interesting:

*Issue of Dominion Notes and Gold Holdings
as on July 31, 1914:*

Fractionals 1's, 2's, 4's and 5's...	\$25,180,333
50's, 100's, 1,000's.....	7,209,500
Bank specials, good between banks only, in 500's, 1,000's and 5,000's	80,404,000
Total	\$112,793,833

Amount Dominion notes held by the banks July 31, 1914.....	\$90,588,065
Amount Dominion notes in the hands of the public other than the banks	22,205,768
Gold held July 31, 1914, as re- serve for Dominion notes.....	91,735,584
Amount of gold required to be held under the present act for this issue	90,293,833
(In addition to the \$91,735,584 the Minister also has \$5,400,842 in gold to satisfy the ten per cent requirement of the Sav- ings Bank Act.)	
Amount Dominion notes out- standing not covered by gold holding	21,958,249
The banks had in current gold and subsidiary coin on July 31, 1914	51,406,472

Referring more particularly to the item of \$21,058,249, representing the amount of Dominion notes outstanding not covered by gold holdings, the Dominion could issue \$22,500,000 of free money then, but it happened that only \$21,058,249 in Dominion notes were outstanding unsecured by gold. In addition to that the banks held in current gold and subsidiary coin on July 31, 1914, \$51,406,472, so that in round figures the gold reserve of the Dominion and of the chartered banks was over \$150,000,000.

With respect to the proposal to increase the note issue from \$30,000,000 to \$50,000,000 against twenty-five per cent. of gold, Mr. White, the Canadian Minister of Finance, explained at the time that if advantage were taken of the proposals in the Dominion Notes Act, 1914, on the basis of the circulation as of July 31, 1914, the total outstanding circulation would be approximately \$127,800,000. The gold reserve as respects that issue would be \$91,735,000. This works out a percentage of gold to circulation of approximately 71.7, which is a larger percentage of gold holding to notes issued than was held by the Dominion at any time prior to 1909. In July, 1914, the gold holding was eighty-per cent. of the total issue of Do-

minion notes. The issue of \$15,000,000 additional Dominion notes would reduce the percentage to 71.7 as stated.

In 1870 the percentage of gold holding to circulation was 22; in 1880, 41; in 1890, 34; in 1900, 35; in 1908, 65; at the present time 81 per cent., and with this extension that Canada proposes it will fall to 71.7 per cent.

Shortly after the beginning of the war, when this act was passed, the \$15,000,000 of additional Dominion notes was soon absorbed, being used to finance Parliamentary appropriations and various obligations of the country then maturing. But Dominion notes were required above even this special legislation. Several issues were made towards the end of 1914 and early this year on the authority of orders in council, but without authority under the Dominion notes act, the provisions of which have been outlined above.

These excess issues amounted to \$26,000,000 and Parliamentary sanction was later given early this year. Of that sum, \$10,000,000 was loaned to the Canadian Northern Railway and \$6,000,000 to the Grand Trunk Pacific Railway upon \$20,000,000 of the railroad companies' securities. The remaining \$10,000,000 was issued for the general purposes of the Dominion.

These advances to the two railroads were necessary because both companies, owing to the international money market being closed to issues of every kind, could neither sell nor borrow upon their securities, which in this case were guaranteed by the Dominion Government. The advances could have been made under the legislation noted in the paragraph above, numbered (1), but in September the railway authorities informed the Government that their bankers were unwilling to make advances to them upon the security offered for the amounts which they required to complete their construction work, which was then under way. The contention of the banks was that the amounts required were large and that having regard to the financial conditions existing, the banks were unwilling to extend their liabilities

even to the Government. Two alternatives presented themselves to the Government. The first was to allow the railway companies to cease construction work and disband their organizations. The second was that the Government should make advances to the companies, thus giving effect to the intention of the Government's guarantee of the railroad companies' securities.

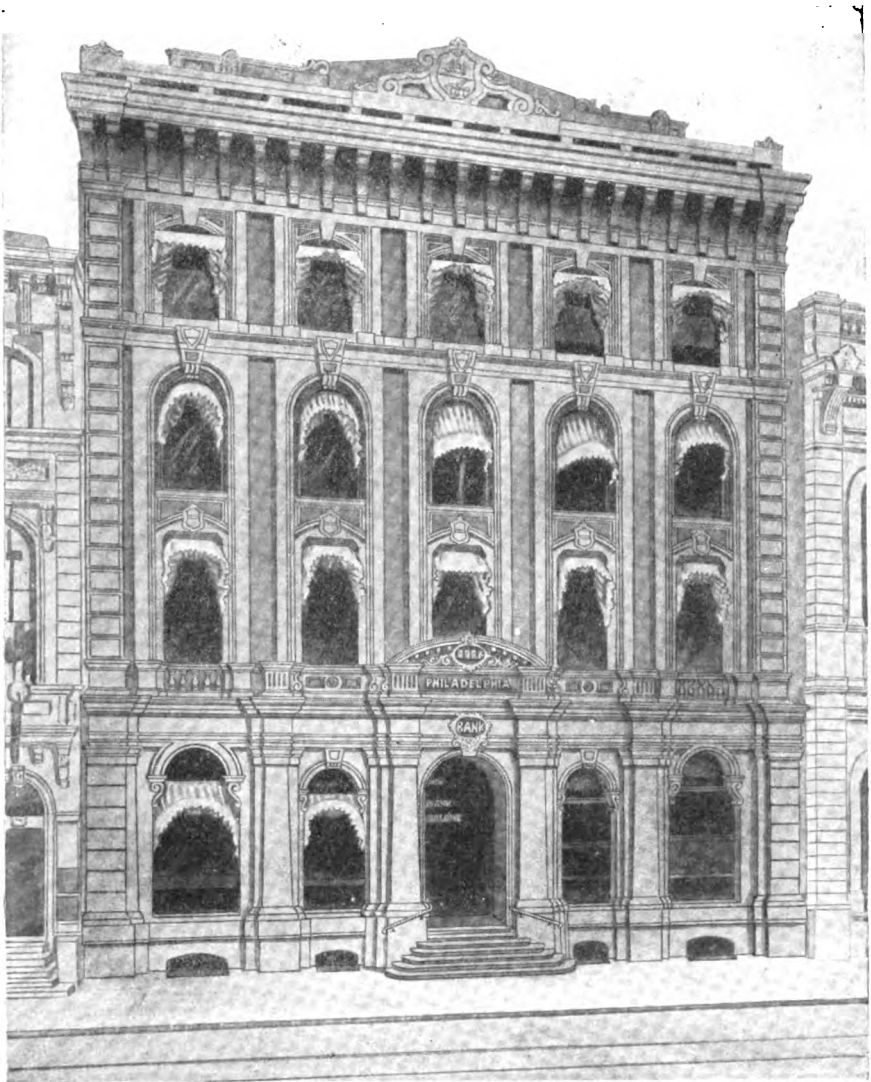
The only possible method that was open to the Government to assist in the completion of this enterprise, which was regarded as desirable in the public interest, was to make advances in Dominion notes. There was no other means to accomplish the completion of these railroad lines, than the issue of Dominion notes by way of advances. As the banks were unwilling to intervene as borrowers from the Government on behalf of the companies, it became necessary, if the situation was to be met, that the Government should make the advances directly to the railway companies upon the securities in question. Advances were accordingly made of Dominion notes from month to month upon the guaranteed securities at the rate of eighty.

The action of the Canadian Government in issuing \$10,000,000 of Dominion notes for its own purposes was taken because of the critical conditions in the London market, practically preventing a Dominion Government permanent issue there. In view of the first British war loan pending at the time, Canada decided to keep out of the London market, even for an issue of Treasury bills.

The Dominion notes outstanding in July, 1914, were about \$116,000,000. In November they were \$166,000,000; in May they were \$152,000,000. The gold held for the redemption of these notes in June was \$91,000,000. In the six months ended May last the Dominion notes outstanding decreased \$14,000,000, but the gold held for their redemption stood at \$89,000,000 practically the whole time, which indicates that the Dominion is still being financed in a very proper and conservative manner.



LEVI L. RUE
PRESIDENT THE PHILADELPHIA NATIONAL BANK, PHILADELPHIA, PA.



THE PHILADELPHIA NATIONAL BANK BUILDING

The Philadelphia National Bank Philadelphia, Pa.

THE Philadelphia National Bank is a notable example of success achieved by strict adherence to the highest principles of the banking profession. For one hundred and twelve years it has steadily maintained

its course through the varying conditions of business and finance, growing in strength, power and service to its commanding position as the largest bank in the State of Pennsylvania, and one of the strongest in the United States, its



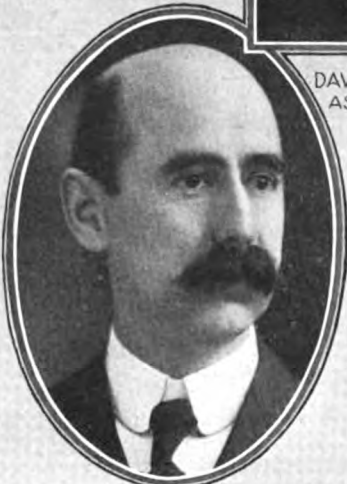
WILLIAM S. MADDOX
VICE-PRESIDENT



HORACE FORTESCUE
VICE-PRESIDENT & CASHIER



DAVID W. STEWART
ASST. CASHIER



FRANK P. STEPHENS
ASST. CASHIER



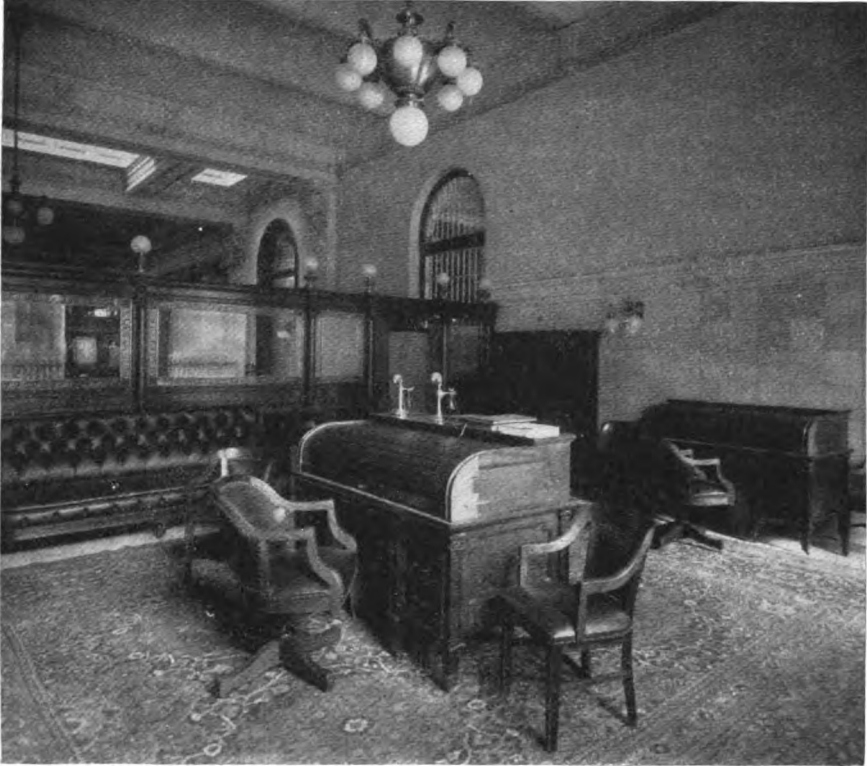
O. HOWARD WOLFE
ASST. CASHIER

OFFICERS OF THE PHILADELPHIA NATIONAL BANK, PHILADELPHIA, PA.

capital being \$1,500,000; surplus and profits, \$5,000,000, and total assets approximating \$80,000,000.

The bank was founded by John Welsh, a prominent merchant of the city, and it was in his counting-room

THE first president, who was elected on August 18, 1803, was George Clymer, a native of Philadelphia and one of its most prominent citizens. He had been a delegate to the Continental Congress; a signer of the Declaration of



PRESIDENT'S OFFICE
THE PHILADELPHIA NATIONAL BANK

on August 3, 1803, that the articles of association were drawn up. On August 6 they were signed by one hundred and ninety-eight individuals and firms, the first signature being that of George Clymer and the second that of John Welsh.

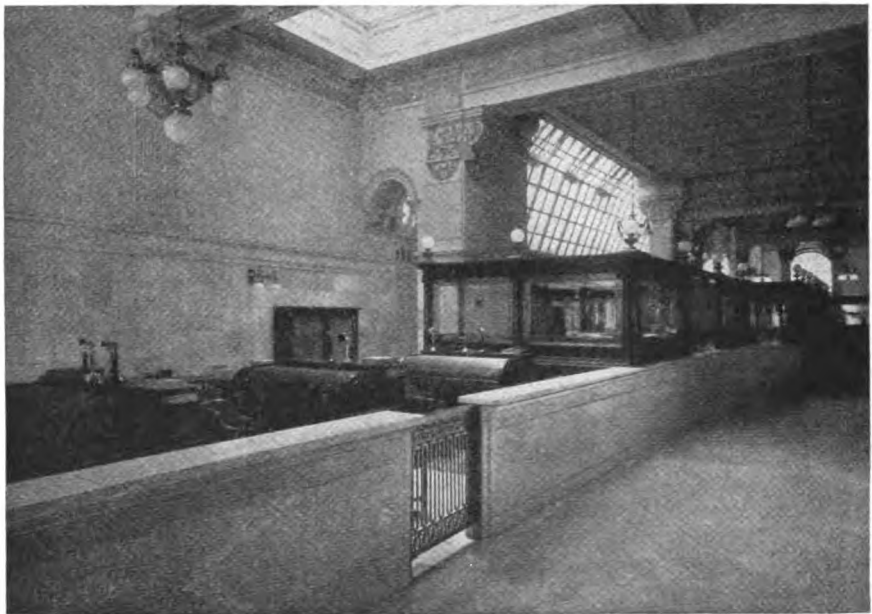
The bank opened for business on September 19, 1803, at 103 Chestnut street, which had been the home of John Pemberton and which he let to the bank for two years at the rate of \$500 per annum.

Independence and a member of the conference which formed the Federal Constitution. James Todd was the first cashier.

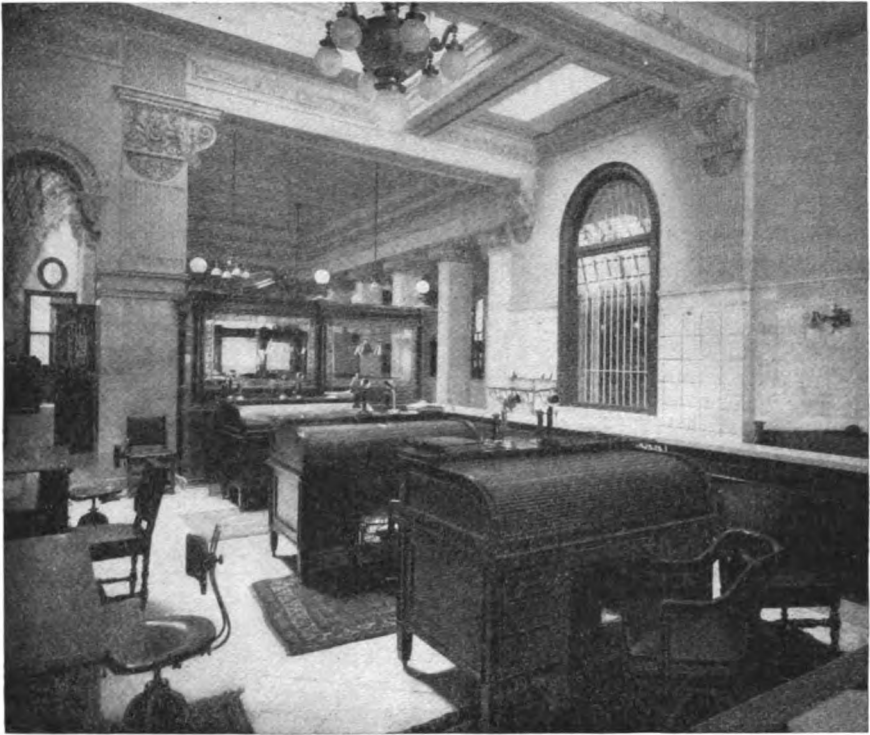
The bank started in business as an ordinary partnership, but in December, 1803, it was decided to make application to the General Assembly for a charter. Vigorous opposition developed on the part of the three banks already existing in Philadelphia, and the charter was not obtained until the follow-



GENERAL VIEW OF MAIN BANKING ROOM



PARTIAL VIEW—MAIN BANKING ROOM AND OFFICERS QUARTERS
THE PHILADELPHIA NATIONAL BANK



OFFICES OF VICE-PRESIDENTS, CASHIER AND ASSISTANT CASHIERS
THE PHILADELPHIA NATIONAL BANK

ing March. The bank had to pay enormously for the privilege, giving the state a large sum for those days, \$135,000, and allowing the state to subscribe to \$300,000 of the capital stock at par, accepting in payment \$300,000 United States 6 per cent. bonds, then selling at a discount. It also gave the state the privilege of subscribing later for an additional \$400,000 of capital stock.

Notwithstanding its early troubles, the bank prospered from the start and in 1804 paid $6\frac{1}{4}$ per cent. in dividends. In 1806, its business having increased so as to require larger quarters, a new banking house was erected at the southwest corner of Fourth and Chestnut streets, fronting on Fourth street. This building, which the bank occupied until 1836, became famous as the first specimen of decorated Gothic architecture in the United States.

President Clymer died in 1813 and was succeeded by Major David Lenox,

a Revolutionary hero who served until 1818, being succeeded by John Reed, a gentleman of distinguished family. In 1837 the Philadelphia Bank, together with the Bank of the United States, erected a beautiful marble building at the southwest corner of Fourth and Chestnut streets, which they occupied jointly until the Bank of the United States expired in 1841, following a prolonged war between President Andrew Jackson and Nicholas Biddle, president of the bank.



THE widespread panic of 1837 was followed by a long period of depression and the strain wore out President John Reed, who retired in 1842, and was succeeded by Samuel F. Smith who, though advanced in years, reluctantly took the office and held it until 1852, being succeeded in that year by



DETAIL SECTION OF RECEIVING TELLERS
DEPARTMENT

Thomas Robins, a director of the Bank of North America and one of the assignees of the Bank of the United States.

The general rise in discount rates in the latter part of 1856 and early in 1857 foreshadowed the panic of the lat-

ter year, and prostration was complete. Specie payments were resumed in 1858, and in that year the Philadelphia Clearing-house was established with Thomas Robins, president of the Philadelphia Bank, as its first president.

In 1859 the unfinished building of the Bank of Pennsylvania (on the north side of Chestnut street west of Fourth) which institution had failed, was sold at auction and the Philadelphia Bank bought it in, completing it for its own use. This building having been enlarged from time to time, the bank still occupies it.

The period of prosperity following the panic of 1857 was short-lived and the approach of the Civil War entailed wide financial disturbance. The Philadelphia Bank joined with others in the first issue of clearing-house certificates May 1, 1861, a medium of relief which was satisfactorily used in later financial disturbances.



PARTIAL VIEW IN PAYING TELLER'S AND LOAN DEPARTMENT
THE PHILADELPHIA NATIONAL BANK



DIRECTORS' ROOM—OFFICERS' DINING ROOM IN THE REAR
THE PHILADELPHIA NATIONAL BANK

This photograph taken especially for THE BANKERS MAGAZINE shows three paintings of remarkable men who have each contributed greatly to the progress of this institution. On the left is B. B. Comegys who was connected with the Bank for fifty-two years, and in fact was actually born in a bank (the Farmers Bank of Dover, Del.). For the last twenty-one years of his life he was president and was succeeded by N. Parker Shortridge, whose picture is on the extreme right. Mr. Shortridge was connected with the bank as director, president and chairman of the board for forty-eight years. Mr. Rue, in the center, entered the institution as a clerk in 1878 and rose step by step through sheer ability until today, finds himself president of the largest bank in Pennsylvania and a commanding figure in the financial circles of the country.

ON October 25, 1864, the bank began business as the Philadelphia National Bank. Its first statement to the comptroller of the currency showed total assets of \$6,873,000.

In 1879 Thomas Robins resigned as president, having served through the panic of 1857, the War of the Rebellion and the panic of 1873. During that period the bank paid over \$5,000,000 in dividends besides materially increasing its contingent fund.

Mr. Robins was succeeded as president by Benjamin B. Comegys, the vice-president, who entered the bank as a clerk in 1848, and who served as president from 1879 to 1900, a total length of service of fifty-two years. Mr. Comegys guided the bank successfully

through the semi-panic of 1881, following the assassination of Mr. Garfield; the second Northern Pacific panic in 1883, and the panic of 1884, in which Grant & Ward and the Metropolitan Bank of New York went down. The crisis of 1890 precipitated by the failure of the Barings in London; the panic of 1893, in which the Reading Railroad collapsed; and the free silver panic of 1896 occurred in his presidency, yet he was able to read comparative statements at the dinner which was given on the semi-centennial of his entrance into the bank, showing an increase in the bank's assets from \$4,000,000 to \$20,000,000 during the fifty years.

Mr. Comegys, after winning a place among Philadelphia's greatest bankers,

died March 29, 1900, aged 81. He was succeeded by N. Parker Shortridge, who had been a director of the bank since 1867, a member of one of the largest dry goods commission houses of the city. Mr. Shortridge was also a director of the Pennsylvania Railroad and chairman of its finance committee for many years.

In the prosperous period following the Spanish War, the bank increased its assets to \$38,000,000 in 1903, when it celebrated its 100th anniversary. The bank continued to grow during the succeeding decade and the panic of 1907 passed lightly over its head. It had grown too used to panics to be much agitated by them.

In 1907 Mr. Shortridge was made chairman of the board of directors, which office he held until his decease, January 3, 1915. He was succeeded as president by Levi L. Rue, the present executive.



MR. RUE was born in Philadelphia in 1860. He was the son of a prominent merchant, Francis J. Rue. He began his business life in 1878 as a stenographer to Mr. Comegys and advanced steadily through various clerical positions, becoming successively teller, assistant cashier and, in 1894, cashier. The burden of the panic of 1893 had fallen largely on him as assistant cashier, for the bank had then no cashier and President Comegys was away. In 1900 Mr. Rue was made vice-president and in January, 1907, he was elected president. The progress of the bank in recent years in attaining its commanding position is generally recognized as being due in a large degree to Mr. Rue's management.

Mr. Rue has attained an eminent position in finance. He has served as president of the National Currency Association of Philadelphia; was appointed by the secretary of the treasury a member of the gold fund committee, and also the cotton loan fund; is chairman of the executive committee of the Philadelphia Clearing-house Association, and is

a director of the Philadelphia Trust Co. and the Provident Life & Trust Co. of Philadelphia. He was a member of the currency commission of the American Bankers' Association, whose suggestions and influence were so helpful and important during the preparation and passage of the Federal Reserve Act in Congress. Mr. Rue is also a member and vice-president of the Federal Advisory Council, a body created by the Federal Reserve Act to confer with the Federal Reserve Board on general business conditions throughout the country and the general affairs of the Federal Reserve Banking System of the United States. Each of the twelve Federal Reserve banks elects one member to the Federal Advisory Council and Mr. Rue represents the Philadelphia district.



THE policy of the Philadelphia National Bank has always been broad and liberal. As early as 1812, during the second war with Great Britain, we find it a generous subscriber to loans to the Federal Government and to the State of Pennsylvania, and in many subsequent crises its loyalty has been similarly evidenced. A like spirit is shown in the internal management of the bank. It was, as far as known, the first banking institution to establish a pension fund for the benefit of its employes, setting aside in 1854 a substantial sum for this purpose, which has been steadily and largely increased.

The rapid growth of the institution of late years and the need for more room to transact its business necessitated the practical reconstruction of the banking room, which has been greatly enlarged and refurnished in Honduras mahogany with bronze grills, glass partitions and supporting pillars of marble, the whole being effectively illuminated.

In 1910 a foreign department was established, its business rapidly developing into all branches of foreign banking, the bank entering into direct business relations with the leading banking

institutions of the principal cities of the world.



THE remarkable growth of the bank is exhibited by the accompanying comprehensive table:

	Capital.	Surplus and Net Profits.	Total Deposits.	Assets.
1890	\$1,500,000	\$1,084,000	\$6,866,000	\$9,627,000
1895	1,500,000	1,151,000	8,760,000	11,843,000
1900	1,500,000	1,589,000	23,358,000	26,821,000
1905	1,500,000	2,576,000	37,775,000	42,892,000
1910	1,500,000	3,852,000	45,046,000	51,729,000
1915	1,500,000	5,042,000	72,049,000	82,819,000

The growth of the bank during the current year has been specially marked, the deposits having increased from fifty millions December 31, 1914, to more than seventy millions at the present date.

Since organization the bank has paid its stockholders in dividends more than \$16,000,000.

The officers of the bank, who are at all times readily accessible to its patrons, are: Levi L. Rue, president; Wm. S. Maddox, vice-president; Horace Fortescue, vice-president and cashier; David W. Stewart, assistant cashier; Frank P. Stephens, assistant cashier; O. Howard Wolfe, assistant cashier.

The directors, among whom are noted many names prominent in the business and financial world, are: Richard Ashurst, director Camden & Burlington County Railroad Co.; Lincoln Godfrey, William, Simpson Sons & Co., director Pennsylvania Railroad Co., director Philadelphia Trust Co.; George Wood, president Millville Mfg. Co., director Pennsylvania Railroad Co., director Provident Life & Trust Co.; Alfred C.

Harrison, manager Western Saving Fund Society; Levi L. Rue, president, director Provident Life & Trust Co., director the Philadelphia Trust Co.; George H. Frazier, Brown Bros. & Co., bankers, Philadelphia, New York and London, director Pennsylvania Co. for Ins. on Lives and Granting Annuities;

George H. McFadden, Geo. H. McFadden & Bro., manager Girard Trust Co., manager Western Saving Fund Society; Effingham B. Morris, president Girard Trust Co., director Pennsylvania Railroad Co.; Randal Morgan, vice-president United Gas Improvement Co.; R. Dale Benson, director Pennsylvania Fire Insurance Co.; Samuel Rea, president Pennsylvania Railroad Co.; Pierre S. du Pont, president E. I. du Pont de Nemours Powder Co.; Thomas S. Gates, president the Philadelphia Trust Co.; Asa S. Wing, president Provident Life & Trust Co.; Samuel M. Vaucrain, vice-president the Baldwin Locomotive Works, director Philadelphia Trust Co.; William H. Donner, president Cambria Steel Co.; Wallace D. Simmons, president Simmons Hardware Co.; Samuel D. Warriner, president Lehigh Coal & Navigation Co.

The bank is progressing well into its second century, combining the strength and solidity gained during its early career with a most modern equipment and progressive management. Its continued success is assured.





WALKER HILL, PRESIDENT
THE MECHANICS-AMERICAN NATIONAL BANK, SAINT LOUIS



THE MECHANICS-AMERICAN NATIONAL BANK BUILDING — HOME OF THE MECHANICS-AMERICAN NATIONAL BANK, SAINT LOUIS

The Mechanics-American National Bank, Saint Louis

INTO this interesting story of modest inception, continuous expansion, and notable financial achievement, is closely interwoven the life histories of two generations of

broad-visioned and successful St. Louis business men.

And more than this: the history of the Mechanics-American National Bank is not simply one of personal or cor-



FRANK O. HICKS, VICE-PRESIDENT



JOSEPH S. CALFEE, CASHIER



MAIN BANKING ROOM FROM OFFICE BUILDING ENTRANCE—LOOKING TOWARD MAIN ENTRANCE



MAIN BANKING ROOM—FROM LOCUST STREET ENTRANCE

porate accomplishment. It is largely the inspiring story of the building of a great financial metropolis and manufacturing center, during sixty absorbingly eventful years. The Mechanics-American National fittingly stands for, and typifies, the wonderful development of resources and the ever increasing wealth and population of the City of St. Louis, the Mississippi Valley, and of the abounding West. In all of this creative expansion and progress the old Mechanics Bank, of the "fifties," with its three helpful branches in the Southwest, had an important part. This is also true as to the Union Savings Association, which later became a part of the present great, modern banking corporation.

From the date of the organization of the Mechanics Bank in 1857, down to to-day, the officers and directors of this friendly, broad-gauge institution have been enterprising men of courage and action. They were and are of the class which has made Western financial, commercial and industrial history a re-

mance of achievement. The opportunists and dreamers of an earlier generation laid the solid foundations upon which their worthy descendants and successors are still building. And these are likewise firm in the faith of still greater civic growth, a still broader trade expansion and a more abundant prosperity.

LOOKING BACKWARD ONE HUNDRED YEARS

TAKING a backward glance to the days of humble financial beginnings, be it noted that the Bank of St. Louis was organized in 1816 and the Bank of Missouri the following year. The first of these lived but three years, the second survived for nine. It was not until 1837, however, that Missouri was favored with a great bank of issue, originally capitalized at five millions, about one-third of the stock being owned by the State. This was the Bank of the State of Missouri, char-



C. L. ALLEN, ASSISTANT CASHIER



JAMES R. LEAVELL, ASSISTANT CASHIER



BOARD OF DIRECTORS' ROOM

tered for thirty years and liquidated in 1867, the charter not being renewed.

It will be well to state in this connection that Mr. Joseph Charless, the first president of the Mechanics Bank of St. Louis, was for two years president of the Bank of the State of Missouri, having been elected to that responsible office by the Legislature.

The old Mechanics Bank opened for business on August 10, 1857, in the heart of the "Panic Year," with an authorized capital of \$1,500,000. That it survived and grew to the giant stature it presents to-day is all-sufficient evidence of the wisdom, energy and conservatism of the men who have been active in its affairs and management, during fifty-eight changing years.

The Mechanics Bank became the Mechanics National Bank on April 24, 1901, at which time it was a strong, widely known and flourishing institution.

HISTORIC BANK MERGERS

ON February 5, 1879, the Mechanics Bank absorbed the Lucas Bank, a popular and thriving banking house, with numerous correspondents and depositors. The Lucas Bank was established in 1869, during the period of "Reconstruction."

The historic Union Savings Association of St. Louis, which was organized in 1864, became the American Exchange Bank in January, 1888, and was nationalized in January, 1905. The merger with the Mechanics National occurred on May 1st of the same year, from which dates the modern history of the old Mechanics Bank, which then became the Mechanics-American National Bank of St. Louis.

A HOME OF GRANITE, BRONZE AND MARBLE

TO glance at the picture of the home of the Mechanics-American National, is to be impressed with the architectural dignity and beauty of the structure, and assured of its enduring character. The building, indeed, fitting-



WILLIAM H. HETTEL, ASSISTANT CASHIER

ly typifies this progressive financial institution. The interior arrangement and furnishings are just what the exterior would indicate, the ensemble presenting a pictured story in a generously ample space. The building has a Broadway frontage of 114 feet and of 128 feet on Locust street. The bank has been located in this building since November 6, 1909, which was a most popular "Bank Reception Day," in St. Louis. The pictures herewith so completely illustrates this artistry in a marble and bronze interior, that one is tempted to ask "Why Paint the Lilly"? Still, a few descriptive lines are permissible.

Although the banking room is flooded with light and air, the generous windows are safe-guarded by massive ornamental grilles, as impressive of security as is the building itself. The first story is of granite, and the banking room is accessible by three entrances, that on Broadway being located near the corner of Locust street. The Locust street entrance is in the center of the

building, while the third provides access through the corridor entrance in the west end of the building, to the elevators and office floors.

The entrances to this beautiful bank interior have bronze revolving doors, and are marked with bronze nameplates and graced by rich bronze lamps, in harmony with the general color scheme in etched glass and marble. En-

ployes. The tellers' cages form three sides of a T-shaped bay, in the most convenient possible arrangement for the rapid transaction of business.

The lofty, richly ornamented ceiling is supported by columns of green marble, surmounted by dull gold caps, in keeping with the color of the marble used to counter height of the employes' enclosure. The floor is of that velvet



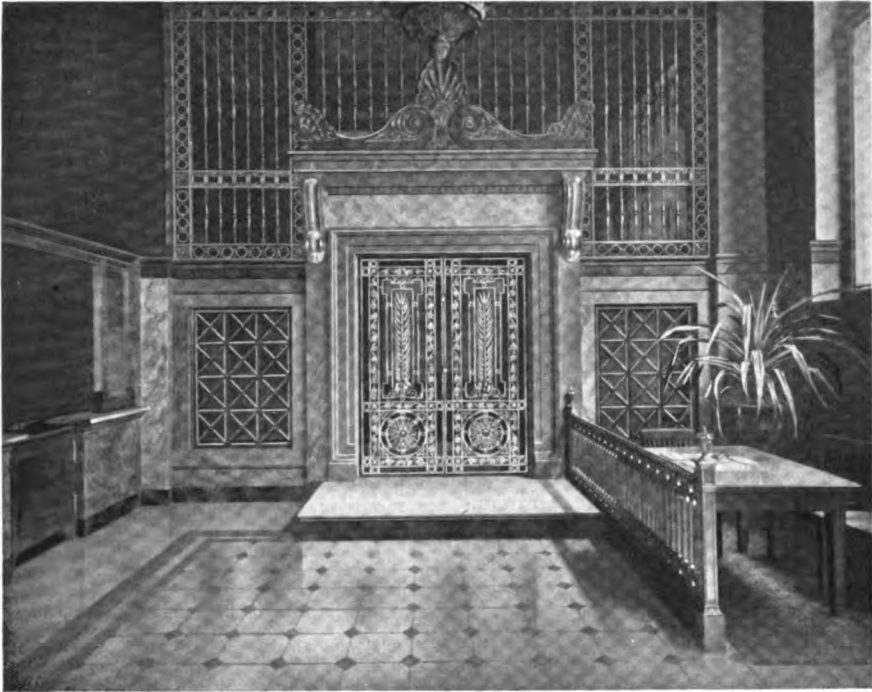
BROADWAY ENTRANCE

tering from either portal the visitor notes that the entire floor area is visible, and that the scene is impressive of a blending of dignity, beauty and convenience. In the great T-shaped space devoted to the public are the check desks, phone booths, drinking fountain, private enclosures with writing tables, etc. The desks of the officers of the bank are located accessible to all patrons, in a welcoming array, outside of the great enclosure where the detailed affairs of the institution are conducted by an army of efficient and loyal em-

textured, almost noiseless Hauteville marble, in harmony with the decorative scheme of this very handsome interior.

The mammoth vault may be said to be "impregnable." Of drill-proof steel, and the latest scientific construction, it is representative of the safety and integrity of this strong financial corporation.

The directors' room is richly finished in English oak, with panelled wainscot from floor to ceiling. Above this room, and also the vault, is arranged a mezzanine floor, for the use of the



OFFICE BUILDING ENTRANCE—SHOWING BRONZE DOORS AND GRILL.

“overflow” of clerks and accountants, as needed.

MR. WALKER HILL, PRESIDENT

WALKER HILL, president of the Mechanics-American National Bank, long since obtained national recognition as a financier, having been honored by election to the presidency of the American Bankers Association in 1899. As a public spirited man of kindly impulse and thoughtful courtesy in all his business and social relations Mr. Hill has very naturally been called upon to assume many responsibilities in the fields of civic betterment, commercial expansion and philanthropic endeavor.

President Hill's financial career dates back to 1871 and to his sixteenth year, when he became a messenger in the Planters National Bank in his native city, Richmond, Va. In 1872 he was made assistant teller and was promoted to teller in 1873, which position he re-

signed to become cashier of the City Bank of Richmond, in 1881.

It was in 1888 that Mr. Hill first heard the call of the Southwest and resigned as cashier of the City Bank of Richmond, to accept the same position in the Union Savings Association, of St. Louis. He continued as cashier of the Union Savings, and of its successor, the American Exchange Bank, until 1894, when he was elected president. On the merging of the American Exchange National with the Mechanics National in 1905, Mr. Hill became president of the Mechanics-American National, to which important office he has been re-elected from year to year. His record of twenty-one years as bank president tells its own interesting story, and would seem to assure him a seat near the toastmaster, whenever the deans of American finance assemble to dine.

President Hill is treasurer of the St. Louis Hospital Saturday and Sunday Association, of the Missouri State Board of the American Red Cross Society, and of the St. Louis Commercial

Club. He was also the first treasurer of St. Louis Business Men's League, and an active director and vice-chairman of the Finance Committee of the Louisiana Purchase Exposition, which the world visited St. Louis to see and enjoy. Mr. Hill is a director in the Federal Reserve Bank of St. Louis.

MR. FRANK O. HICKS, VICE-PRESIDENT

THE active vice-president of a large and influential bank should be a man of broad vision and wide and favorable acquaintance. He should know his correspondents and their environment, so far as possible, and thus be able to keep in close touch with needs and conditions over his entire banking field. And this is true, of course, as to all officials of a great monetary institution of helpful and upbuilding purpose.

Frank O. Hicks, vice-president of the Mechanics-American National Bank, enjoys a wide acquaintance among southern and southwestern bankers. He is a native of Southern Arkansas, but grew up at Paris, Texas, where he was appointed National Bank Examiner for Texas, in 1907. Later on he was transferred for a brief time to Minnesota and subsequently to Missouri as Chief Examiner in the Eighth District. On April 1, 1911, Mr. Hicks resigned as bank examiner to become active vice-president of the Mechanics-American National, the office which he still holds and so acceptably fills.

MR. JOSEPH S. CALFEE, CASHIER

JOSEPH S. CALFEE, cashier of the Mechanics-American National Bank, is a Virginian by birth and a Missourian by adoption, having lived in Missouri since boyhood days. His early home was at Windsor, Mo., where his father was a pioneer merchant, and where the subject of this brief sketch made his first banking connection in his fifteenth year. After three years' experience in the Windsor Savings Bank he became assistant cashier of the Citizens Bank

of Windsor, of which he was elected cashier in 1887, when in his twentieth year. It is of interest to state that Mr. Calfee is still a stockholder and director in the Citizens Bank of Windsor, although his present connection dates back to 1894, when he was tendered the position of assistant cashier in the then Mechanics Bank of St. Louis. He was retained as assistant cashier when the Mechanics was merged with the American Exchange National and up to 1909—when he was elected to his present position of trust and responsibility. Mr. Calfee is an active man of affairs, who has been honored by election to the office of president of the Missouri Bankers' Association, and is a member of the executive council of the American Bankers' Association.

MR. CHARLES L. ALLEN, ASSISTANT CASHIER

CHARLES L. ALLEN, assistant cashier of the Mechanics-American National Bank, is a native Missourian of courteous speech, much energy and considerable banking experience. He was born at Rolla, Mo., in the Centennial year, but his business career dates from his youthful connection with the Peoples Bank of De Soto, Mo., which was severed when he became an attache of the Mechanics Bank in 1898. Mr. Allen was elected assistant cashier of the Mechanics-American National in 1905 and is, at least in the number of years of service in his present capacity, the senior among the assistant cashiers of this popular monetary institution.

Mr. Allen is a genial official who is endowed with the enviable gift of "remembrance," and rarely forgets a name or face. This accounts for his host of friends among the bank's depositors and correspondents, and his wide acquaintance with St. Louis business men in all lines of trade.

MR. JAMES R. LEAVELL, ASSISTANT CASHIER

IT so happens at this writing that all of the assistant cashiers of the Mechanics-American National Bank are

native Missourians, and of the four two were born in St. Louis. James R. Leavell, who was appointed assistant cashier in February, 1912, was first welcomed as a new and most promising citizen of Missouri at Fulton. This was in 1884, a very modern date in the annals of Missouri, and of this historic, early-day banking house. His parents still reside there, and his father, Mr. J. A. Leavell, for years in banking, is the cashier of the Home Savings Bank of that enterprising town. Mr. Leavell's entire banking and business experience has been gained at the Mechanics-American; it covers a period of ten years and dates from his first connection with the bank in 1905. Mr. Leavell is a popular young bank official, whose genial and courteous manner accounts for his many friends, in both social and banking circles.

MR. PHILIP H. MILLER, ASSISTANT CASHIER

PHILIP H. MILLER, for some time on leave of absence to regain his health, was born in St. Louis some forty-one years ago. His banking experience dates back to his boyhood and to a minor position in the American Exchange Bank. On the merging of that bank with the Mechanics National, Mr. Miller assumed new duties in the present institution, and was elected an assistant cashier in March, 1909.

MR. WILLIAM H. HETTEL, ASSISTANT CASHIER

WILLIAM H. HETTEL, assistant cashier of the Mechanics-American National Bank, dates his banking experience back to 1877, when as a youth of seventeen he became messenger in the old Union Savings Association of St. Louis. This was thirty-eight years ago, and he has been continuously in the service of that bank and its successors, the American Exchange and Mechanics-American National, since that time. It is the writer's opinion that Mr. Hettel holds the record for years of service in

the combined institutions, though still a comparatively young and vigorous man. Mr. Hettel is a native St. Louisan, of German descent, and is well known and popular in German club and social life. He is well informed as to the history of St. Louis banking and his reminiscences are always interesting. During the many years of his banking career he has, naturally, served in many capacities and thus gained a wide experience in financial operations. Mr. Hettel's election to his present office occurred in June, 1914.

TWO OLD-TIME TELLERS

WITH reference to years of service Mr. V. Jacquemin, paying teller, outranks all other "tellers" in this great financial institution. Thirty-five years with the "Mechanics" ranks him as a veteran, though but a youth when that service began, back in 1880.

Mr. D. L. Barker, receiving teller, ranks next as to number of years of service. He has been in the harness some twenty-six years, beginning with a clerkship in the American Exchange Bank in 1889.

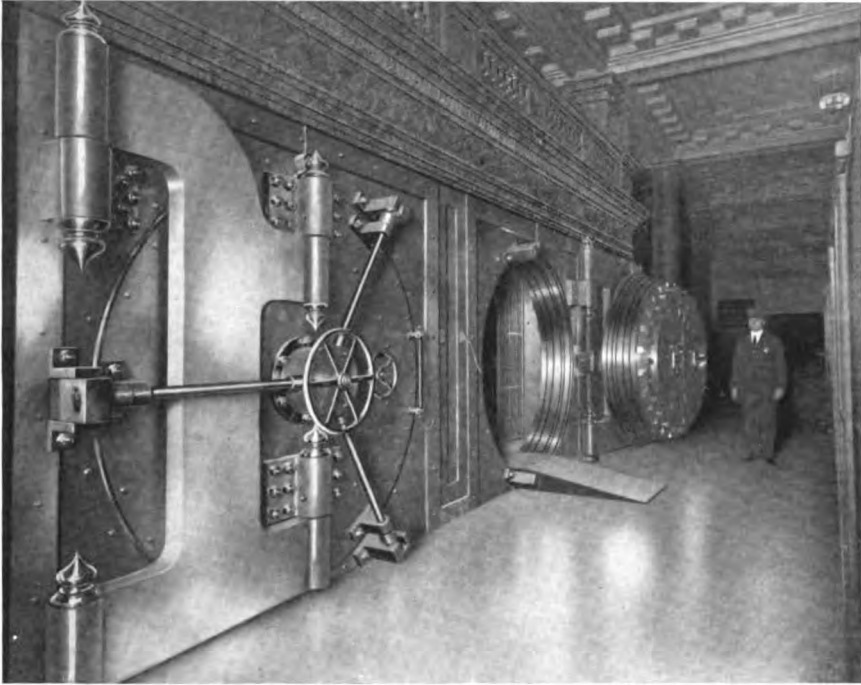
LOOKING TOWARD THE FUTURE

THE Mechanics-American National Bank is not a savings or trust institution, having neither trust nor savings departments. It is a strong, conservative, well-equipped national bank, with more than thirty-five millions of resources, and is widely recognized as being one of the greatest commercial banks in the national bank roster. It is, and long has been, an important factor in the commercial and industrial expansion of the Southwest, as its progressive history very clearly evidences.

No gift of divination or prophecy is necessary to foreseeing the continuous growth in resources and influence of this pioneer banking house. That past accomplishment is the best promise and hope of the future, is the experience of all humanity, for records endure and stand illuminatingly prophetic.

The helpful influence of the Mechanics-American National has been widely manifest and is constantly expanding, as its history attests. It has long been an upbuilding force over a wide field of progressive endeavor.

great fortunes and giant industries, and their products are nationally known. They are of those who are building up the Southwest, and are advertising St. Louis, not only across the continent, but wherever goods of



MONEY AND SECURITIES VAULT—ONE OF THE LARGEST AND STRONGEST IN THE UNITED STATES; PROTECTED BY TWO MODERN DOORS, WEIGHING 50,000 POUNDS EACH

For nearly sixty years it has been an important factor in the growth of St. Louis and in the prosperity of the great inland empire drained by The Father of Waters. Its mission has been that of service, and the men who have so successfully guided its destiny have ever been awake to their duties and responsibilities.

A STRONG AND INFLUENTIAL DIRECTORY

THE directors of the Mechanics-American are recognized as successful business men of character and force. Some of them have built up

American manufacture in their lines are sold.

The following named gentlemen comprise the executive staff and directory of the Mechanics-American National Bank at this writing:

Walker Hill, president; Frank O. Hicks, vice-president; Jackson Johnson, vice-president and president International Shoe Co.; Ephron Catlin, vice-president; Joseph S. Calfee, cashier; W. C. Arthurs, president Mount Vernon Car Manufacturing Co., Mt. Vernon, Illinois; James F. Ballard, manufacturer and wholesale dealer in proprietary medicines; Paul Brown, Paul Brown & Co.; Adolphus Busch, III,

vice-president Anheuser-Busch Brewing Association; W. H. Danforth, president Ralston Purina Co.; Philip B. Fouke, president Funsten Brothers & Co.; Warren Goddard, president Goddard Grocer Co.; John L. Green, president Laclede-Christy Clay Products Co.; E. W. Grove, president Paris Medicine Co.; Joseph M. Hayes, A. B. Lambert, president Lambert Pharmaceutical Co.; H. F. Langerberg, Langerberg Brothers & Co.; James Y. Lockwood, secretary-treasurer Southern Coal, Coke & Mining Co.; F. R. Rice, president F. R. Rice Mercantile Cigar

Co.; Moses Shoenberg, vice-president May Department Stores Co., and James D. Streett, J. D. Streett & Co.

The fact that the right men are back of an institution or enterprise is the keystone of public confidence, support and patronage. That financially strong and progressive men have been and still are in charge of the affairs of this bank accounts for its growth and stability. And this explains, too, why the graphic and informative monthly financial letters sent out by the Mechanics-American are so eagerly read and so widely quoted or copied.



The Late Charles A. Conant

IN the recent death of Charles A. Conant at Havana, Cuba, the United States loses one of its foremost banking and economic authorities.

Mr. Conant as a special United States commissioner representing the War Department in the Philippines, was instrumental in formulating the present monetary system in effect there. He also rendered important service in devising a plan for transferring Mexico from a silver to a gold basis, and was concerned in a plan for rehabilitating the finances and banking of Nicaragua. At the time of his death he was engaged at work in connection with a revision of the monetary system of Cuba, a new loan having recently gone into operation based largely upon his suggestions.

In 1906 Mr. Conant was a member of a committee of the New York Chamber of Commerce on currency reform, and in 1910 and 1911 he was the United States delegate to the International

Bills of Exchange Conference at The Hague. From 1902 to 1906 he was treasurer of the Morton Trust Company of New York. His writings on money and banking were numerous and of the highest authority, his best-known works being "A History of Modern Banks of Issue," and "The Principles of Money and Banking."

In 1894 Mr. Conant was the Democratic candidate for Congress in the Harvard University District. The position taken by his party in 1896 respecting the free coinage of silver led him to join with the Gold Democrats and later with the Republican party.

For nearly a quarter of a century Mr. Conant was a valued staff contributor to the pages of *THE BANKER MAGAZINE*. He was long the editor of the department devoted to "Foreign Banking and Finance," and the author of numerous signed papers. One of the very latest articles he wrote appears in the present number.



WILLIAM A. GASTON
PRESIDENT NATIONAL SHAWMUT BANK, BOSTON

National Shawmut Bank, Boston

THE last official statement of the National Shawmut Bank of Boston showed total deposits of \$96,000,000, but since that time they have been steadily running over \$100,000,000. Although the deposits of New England's largest bank have on special occasions run over a hundred millions once or twice before, this is the first time they have consistently reached and maintained that figure. Total assets are now running over \$110,000,000.

Taking advantage of the authoriza-

tion of the new Federal Reserve System, the Shawmut has also established a department of time deposits and a fully equipped trust department. Much attention is now being shown, also, to the financing of foreign trade, of which Boston commands so large a share. In this connection a monthly statement of Boston's foreign commerce in full detail is being printed and distributed to those who are interested.

The bank has made arrangements by which it will handle the entire New



ABRAM T. COLLIER
VICE-PRESIDENT NATIONAL SHAWMUT BANK
BOSTON



BENJAMIN JOY
VICE-PRESIDENT AND CASHIER NATIONAL
SHAWMUT BANK, BOSTON



GEORGE H. S. SOULE
 ASSISTANT CASHIER NATIONAL SHAWMUT
 BANK, BOSTON



W. A. BURNHAM, JR.
 SECRETARY NATIONAL SHAWMUT BANK
 BOSTON

England business of the Banco de la Nacion Argentina, Buenos Aires, and this connection, together with affiliations with leading banks in Canada, London and other points, will enable the Shawmut to extend unsurpassed facilities to the rapidly growing foreign trade of its section.

Recognizing the younger and progressive element in New England busi-

ness, B. H. Bristow Draper of the Draper Co.; H. deForest Lockwood, treasurer of the Bates Mfg. Co.; J. Franklin McElwain, president of the W. H. McElwain Co., and Edmund H. Sears, of Willett, Sears & Co., have been added to the directorate of the bank. Vice-president John Joyce of the Gillette Safety Razor Co., is another more recent addition to the board.



Motion Picture Publicity by Banks

By W. R. MOREHOUSE, Assistant Cashier German-American Trust and Savings Bank, Los Angeles

IN the February, 1915, number of **THE BANKERS MAGAZINE** appeared an article entitled, "Banking Pictured in the Movies." Up to the time of the publication of this article but little information concerning motion picture publicity by banks had appeared in any of our financial magazines; in fact, until recently this newest of advertising mediums has been passing through what might be termed an experimental stage.

Immediately following the publication of the article referred to, the writer began to receive letters asking for the latest information concerning the use of motion pictures by banks, and just recently numerous letters have been received asking if he would recommend this form of publicity.

Naturally, the presentation of this subject created considerable interest, which is more manifest at this writing than ever before.

The object of a second article on the same subject is to give the latest information at hand and also to offer a few suggestions as to this new medium for advertising the banking business.

While there has been considerable pioneering in the use of motion pictures as a medium through which to advertise the banking business, it may be said to have successfully passed through its "trial run" and to have come out with high honors. This being the case, this new medium of advertising is deserving of a place among other effective forms of bank advertising. Needless to say, that as our bankers learn to use motion picture advertising properly its ef-

fectiveness will be more and more apparent.



RECOGNIZED BY EXPERTS

MOTION picture advertising has received due recognition on the part of the expert advertiser. It is singular that newspapers are considering the use of motion pictures to exploit the value of want ads., which means that they believe that motion picture advertising will advertise their own advertisements. The very fact that the press has approved motion picture advertising indicates that some of our foremost advertising experts recognize the value of this form of publicity.

Motion pictures, whether used for advertising purposes or not, are attractive to the average person, because they tell in a very interesting way the incidents of some well-written story, and they do the telling almost entirely by pictures, with but an occasional announcement or statement sandwiched in. For this reason, if for no other, motion pictures are very fascinating and as a consequence are destined to become more and more popular each year.

The first bank to use motion pictures to any extent for advertising purposes was the German-American Trust and Savings Bank, at Los Angeles. It may be interesting to know something of the importance which this bank places upon this form of publicity after having used it. Recently its first contract for six

months' service with the Picture Screen Advertising Company expired, and a new contract was entered into. Instead of contracting to use motion pictures for another six months, this progressive bank entered into a contract calling for a years' service, and upon a much larger scale. Instead of using two pictures with a total of 600 feet, the new contract calls for six pictures with a total of 3,000 feet, or five times as much as previously used. The six reels contracted for, if joined together, would contain 48,000 pictures, which, if run consecutively as one picture, would be on the screen more than one hour.

The extent to which this bank has entered into the use of motion pictures is convincing, and ought to lend considerable prestige to motion picture publicity by banks.

If it is true that wherever people congregate they afford an opportunity for publicity, the average theater should be the most fertile of all fields. In the past this rich field has been greatly neglected, principally perhaps because our only means of reaching the people was through an ad. on the program, the effectiveness of which is questioned by our best authorities on publicity. In fact, this field had been neglected for so many years that until motion picture advertising appeared, it was seldom considered at all.

The advent of motion picture advertising into the field was unexpected; its importance was instantly recognized by experts. Thus the indications are that motion picture publicity will not only overshadow the advertising found on the theater programme, but rank with the best known mediums.

It has already been determined that there is no good reason for assuming that motion picture advertising will take the place of newspaper advertising; in fact, those who understand it best only claim that it is an addition to the variety of advertising mediums which banks are now using effectively. It will not reach the man who, instead of attending the theater, remains at home to read the evening newspaper; naturally it will

take newspaper advertising to reach him.

Generally speaking, our advertising experts are agreed that the field in which any one form of publicity operates effectively is limited, just as motion picture advertising is limited in its effect to those who attend theaters.

Not a few of our bankers have been quick to ask, "How about the effectiveness of this new form of publicity?" This question can be best answered by comparing motion picture publicity with other forms of advertising, confining our selection to those mediums which bankers have used for years. Take anything that is printed, the booklets dealing with thrift for example, and our bankers are agreed that booklets to be effective ought to contain as many illustrations as the subject justifies. Why use illustrations? Simply because the average person will more readily assimilate the message if it is told in pictures. If illustrated, your message is almost instantly grasped by a prospective depositor, who on the other hand would be slow to comprehend the same message if told in print only. If illustrated booklets are found to be effective, and we can assume they are, for there are many hundreds of thousands used annually, the same story or message would be a hundred times more effective if told through motion pictures, because in the latter case you not only have better illustrations. but action, which brings any story to its maximum efficiency. Instead of just pen illustrations, the prospective customer comes face to face with characters that are present with him; at least, they appear to be. In viewing motion pictures, the prospective depositor is taken out beyond the place where pen illustrations would carry his thoughts, to a full realization that the message is being conveyed to him by people who live in the present. Under such circumstances it is only natural that the prospect should become intensely interested in any message which these living characters convey to him. He never pauses long enough to think of them as just pictures

of men in motion; therefore, they are many times more fascinating than pen illustrations, and thus he will accept the truths which they teach, only to reason them out later. In a large per cent. of cases, the message finds lodgment in the brain of this prospect and in due time creates in him a desire to act in compliance therewith.

As stated before, any comparison which makes one form of publicity appear of less value than another does not mean that the medium appearing to possess the least value of the two should be discarded. Booklets on thrift should not be displaced by motion picture advertising.

Motion picture advertising is effective because all those attending a theater where motion pictures are shown see the pictures. Isn't this true? Did you ever go into a motion picture theater when pictures were being shown and not see the pictures? It is safe to assume that you watched them with undivided attention, and that at least a few of them conveyed to you a message which you did not soon forget.

It is remarkable to note that in the use of motion picture advertising there is comparatively little waste. There are no return letters owing to incorrect addresses, as is the case with all direct advertising. In motion picture advertising there is no such thing as a dead mailing list to contend with. However, it might be mentioned in this connection that during inclement weather the attendance at the motion picture theater is diminished, which if it were not for a full house on many other occasions, would mean a loss almost equal to that sustained by our banks using mailing lists.

Motion picture publicity is effective because it "pulls" with almost magic power upon every person present in the theater. It is displayed before the prospective depositor for a much longer period than is possible in the case of a well written letter or circular. In the latter case, a bank must win the prospect in the time it takes him to read the letter or circular, and usually that does not

exceed five minutes, thus motion picture advertising has an advantage in length of time which it has to "pull" upon the prospect.



COST OF MOTION PICTURE PUBLICITY

THE cost of producing one or more reels of motion pictures, and later operating them is well worth consideration. The value which we place on the service of any one of the many theaters in which our pictures are to be shown is based upon the number of admissions per day. It must be borne in mind that this service varies considerably. Theaters located close to the center of a city and running continuously from 12 noon to 10 p. m. or later, and showing your pictures with each programme, which means not less than twelve times each day, have a much greater value than the suburban theater which is open only in the evening, thus showing your pictures not to exceed three times.

Taking the average as a basis, it is estimated that when properly handled, the cost of showing one 500-foot reel of 8,000 pictures, ten minutes, is less than one cent for every person present. As many theaters guarantee a certain number of admissions each week, it is not difficult to obtain the actual cost for each person attending.

The expense incurred in the preparation and manufacture of motion pictures depends upon the cast; the settings necessary to produce the story as outlined in the scenario, and the ability of the director to work rapidly and to your advantage.

The standard price of \$1.00 for each foot of film includes everything connected with the producing of a reel of pictures, from the writing of a suitable scenario or story to the finished product. As our bankers gain in experience in handling this new medium, they will find ways of reducing the standard price of \$1.00 a foot. For instance, three reels of 500 feet each, if made in one order,

cost approximately what you will pay for two reels made at intervals. However, in order to accomplish an appreciable savings, it is essential to make a study of picture making.



LARGE ATTENDANCE AT MOTION PICTURE THEATERS ASSURED

ONE point on which not all bankers are agreed, is whether a representative body of people attend the motion picture theaters, or, do they attend in sufficient numbers to warrant the expense incident to motion picture publicity. To prove that the attendance fully justifies the expense, we have but to consult statistics on the subject as compiled by the State of California, which by way of information is the only State gathering facts of this nature. In 1914 there were ten times as many admissions to motion picture theaters as to legitimate theaters. During the year the admissions to motion picture theaters exceeded 19,000,000, with a little less than 2,000,000 admissions to legitimate theaters. These facts are convincing, and it is to be hoped that by quoting them, bankers who are already favorably impressed, but hesitating to use motion pictures, will be helped to a decision. The fact that more than 19,000,000 people in a State having a population of less than 3,000,000 attended motion picture theaters last year, is ample evidence that a large per cent. of the population attend, and some very frequently. Judging from the facts as compiled by the State of California, there is ample assurance that motion pictures are not only very popular, but are here to stay. What is true in California in regard to the attendance of motion picture theaters is also true in many other States, although statistics to prove this are not obtainable.

If so many millions of our people attend motion picture theaters, it but remains for the progressive banker to

seize the opportunity afforded by these gatherings of representative citizens and to secure their patronage. How can this be done effectively? The one answer in the light of the experience we have had is: "Motion Picture Publicity by Banks."

Two of the six reels recently contracted for by the German-American Trust and Savings Bank have just been produced, and are regularly appearing in Los Angeles theaters.



A DREAM WITH A LESSON

ONE of the stories told in pictures is entitled, "A Dream With a Lesson." The cast includes a mechanic, his wife and little daughter; his two pals, Jim and Pete; the landlord of the house in which he lives; a neighbor's wife; a physician, and an ambulance driver; the president, first and second vice-presidents, and numerous bank employees, all of the German-American Trust and Savings Bank. The principal settings are confined to a large gas plant, saloon, humble dwelling, ambulance, sick room, and numerous settings made up in the banking rooms of the same bank.

In brief the story is that of a mechanic employed in a large gas plant, who instead of saving a part of his earnings with which to meet reverses in life spends what he should have saved in company with his two pals. Our first pictures show us the faithful wife and little daughter waiting at the exit of the large gas plant for the father to appear. It is pay day, and we assume that they are seeking to get the father home before he spends his wages. They lead him homeward and are succeeding fairly well, when one of his pals exits from a saloon; he sees the mechanic and beckons him to "come and have a drink." The little girl is seen tugging at her father's sleeve, and both are pitifully begging him to go home with them, but he brushes them away and turns back to mingle with his old associates. The

mother and child, heartbroken, finally reach their home, at the threshold of which the little girl momentarily pauses; we see her stoop and pick up a little booklet which evidently had been thrown there by a passerby. It is entitled "Start a Savings Account."

The little girl is seen turning the pages, which are illustrated with drawings of squirrels, bees, and other animals and insects.

At last the father comes home; he is seen to drop loosely into a big rocking chair, and near a small table upon which a lamp is burning. He lights his pipe, picks up the evening paper and begins to read. Soon the little girl clad in her "nightie" enters the room and at once runs up to her father and climbs up into his lap, as though expecting him to tell her the usual bedtime story. He fondles her—kisses her—and gives every evidence of his affection for her. While he is still caressing the child she reaches over to the table and picks up the little booklet, and then looks up into her father's face inviting him to read to her. Both are seen looking through the booklet; in time she grows sleepy, whereupon he kisses her goodnight, and the mother leads the child away to bed.

Once more the mechanic is left alone; he alternates between smoking his pipe and reading, and in time he becomes drowsy; finally he falls asleep.

What he sees in his dream is now shown upon the screen. It is a very sad picture. In this "Dream With a Lesson" the mechanic sees himself mangled by an explosion in the gas plant. As he looks beyond his death to the ensuing months, he sees a picture of his wife, penniless, and compelled to sew from early morning to late in the evening in order to earn a living for herself and child. He condemns the life he had lived, because of the fact that he had saved nothing. He sees the wife he loves, bent before a sewing-machine, weary and almost exhausted, his little daughter, her cheeks pale, is clinging to her mother's skirt. Their clothes are faded and worn, and, as he looks upon this scene of poverty and want, he real-

izes more than ever that had he saved a part of his earnings the terrible sufferings which his loved ones were compelled to endure would have been avoided.

The landlord appears in the dream, the mechanic vividly sees his wife shrink back from the landlord's gruff statement: "As the rent is past due and you cannot pay it, leave at once." He hears the landlord tell her to gather up her effects and go—the mechanic curses when the landlord points to the open door. He next sees his wife tottering down a dirty street, carrying all that she possesses in a willow suit-case, his little daughter clinging to her mother's skirts and carrying a small paper bag, supposedly containing crusts of bread. He watches his loved ones trudge along, his wife weakens, and finally falls from exhaustion; the little girl falls with the mother. With feeble arm the mother is seen to gather her little girl in her arms—the little girl cries out, "Oh, mother, I am so hungry, and so tired—so tired." At this cry of her child the mother makes another effort to rise, but her strength fails, and she falls back again. This last scene awakens the sleeping mechanic, he springs to his feet as though to catch his wife. He stares momentarily about, then presses his hand to his head and wipes away large beads of sweat. He turns to the table, picks up the little booklet and puts it away in his pocket, and resolves that he will save a part of his earnings by depositing it in the German-American Trust and Savings Bank. He then goes out of the room.

We next see him entering the German American Trust and Savings Bank, where he opens an account. (While he is moving about in the banking rooms, we see in the background the elegant quarters of the bank.)

For six years thereafter this mechanic kept his resolution and deposited regularly.

We next see an ambulance drive up swiftly in front of the mechanic's home. His wife dashes out, she fights to reach her husband, but is held back by an

attendant. We see him in the sick room, a doctor is working over him. Presently the doctor announces that he has but a short time to live. At this announcement the wife and little child fling themselves prostrate upon the bed—we see the dying mechanic struggling, when he finally breathes more easily again—he utters something and then points. His wife rushes to the place and is back again, bringing with her a well-worn envelope. The dying man opens it with his feeble hands and withdraws a pass-book on the German American Trust and Savings Bank; he hands it slowly to his wife, and feebly utters just before he tells them all good-bye, "This will keep you and baby, dear."

We now leave this sad scene and are taken back to the German American Trust and Savings Bank. We see the widow enter heavily veiled. She is seen to pause a moment, she goes directly up to an open counter, behind which sit three officers at their desks. She is seen before the desk occupied by Mr. McVay, first vice-president of the bank. The cordial and sympathetic way in which she is received appears to surprise her, for evidently she had not looked for such a reception. She is invited into the office of the president, and in company with Mr. McVay enters the office. (Our pictures now give a fine view of the president's office.) Mr. Avery, the president, and Mr. Andrews, second vice-president, are engaged in conversation when the widow and Mr. McVay enter. She is introduced to both; the president cordially invites the widow to a seat, and then he listens attentively to her story. She presents her husband's book and asks to be paid a part of the balance in order to meet certain expenses. Mr. Avery volunteers to assist her in every way possible. She thanks him; he writes a note, rings for a messenger, gives the note to the messenger, after which the widow thanks him again for his kindness, and messenger and widow go out of the picture. Both reappear in the bank corridor and go directly to one of the tellers'

windows, the messenger delivers the note and exits from the picture. Here the widow presents her pass-book, signs the checks given her by the teller, receives a sum of money in currency, thanks the teller, and exits.

The booklet which the little girl found and which together with the "Dream With a Lesson," led up to the opening of a savings account in the German American Trust and Savings Bank, is again thrown upon the screen, and as its pages are turned, carries with it an invitation to those in the audience who have given no thought to providing for the future, to begin to save at once by starting an account in the Bank.



SOME SUGGESTIONS

BANKERS should insist on at least five hundred feet of film with each series of pictures, as a shorter film does not make it possible to produce an effective story. It requires approximately ten minutes to run a film of five hundred feet. If shown in a theater which repeats its programme twelve times a day, the advertisement is displayed twelve times; or in all the pictures are upon the screen two hours a day.

The writer of the scenario should have in view the class of people the bank wishes to reach, and produce a story that is of special interest to them. For instance, if a bank wishes to reach mechanics, make a mechanic the principal actor and use as a setting to the scenes surroundings with which mechanics are familiar.

Finally, don't bore the patrons of the theaters by making your story an advertisement only, for if you do the effect is lost. As far as possible make the advertising feature incidental; at the same time, don't overlook the fact that this incidental part must carry with it an appeal that will secure commensurate results.

Modern Financial Institutions and Their Equipment

The Merchants National Bank Saint Paul

A SIXTEEN-STORY skyscraper, one of the finest in the West, forms the new home of the Merchants National Bank of St. Paul. The banking rooms of this institution, which take up the second and third floors of the building, were formally opened for business on June 28th, at which time the officers of the bank held open house for their many friends and well-wishers.

The new edifice stands on the site of the old National German Bank build-

ing, at the corner of Fourth and Robert streets, the latter building having been torn down to make room for the present structure. It is built in the renaissance style of architecture, which the architect, Jarvis Hunt, has carried out in a most pleasing manner. The exterior of the building is of gray granite on the first floor and white terra cotta and brick above.

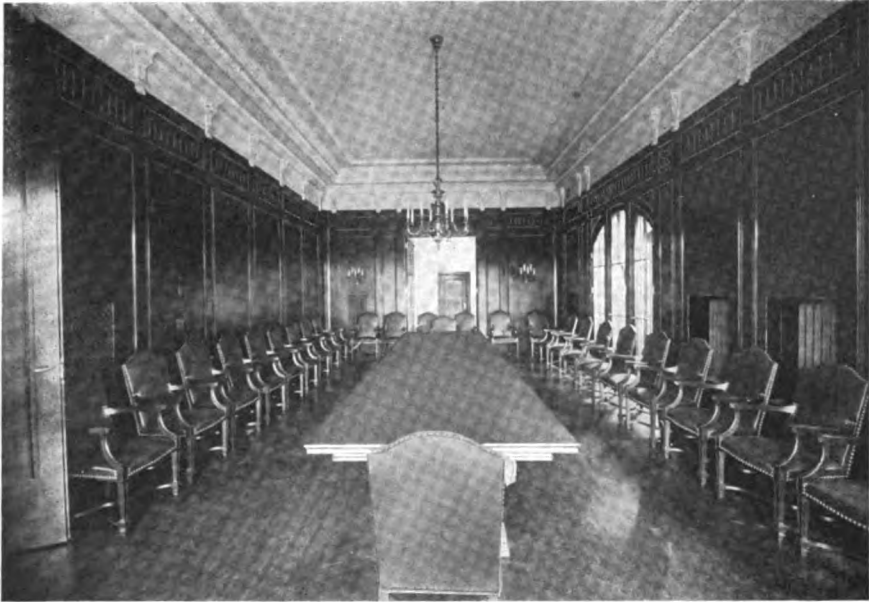
Entrances from both Robert and Fourth streets lead into the ground floor lobby, finished in black and white marble, whence six high-speed traction elevators give access to the upper floors.



GRAND STAIRWAY, MAIN ENTRANCE TO BANKING ROOM



**THE MERCHANTS NATIONAL BANK BUILDING—NEW HOME, THE MERCHANTS
NATIONAL BANK, SAINT PAUL**



BOARD OF DIRECTORS' ROOM

Opposite the Robert street entrance an imposing staircase leads up to the banking rooms of the Merchants National.

THE BUILDING

THIS splendid building, costing \$1,500,000, is a fitting home for the bank which for forty-two years has stood most steadfastly for the best commercial and financial interests of St. Paul, and which now has made one of the most important building contributions to that city in twenty-five years. It is an imposing and beautiful structure and its equipment and facilities represent the latest and best results of modern experience. For its size and purpose it is one of the best examples of modern construction in the country.

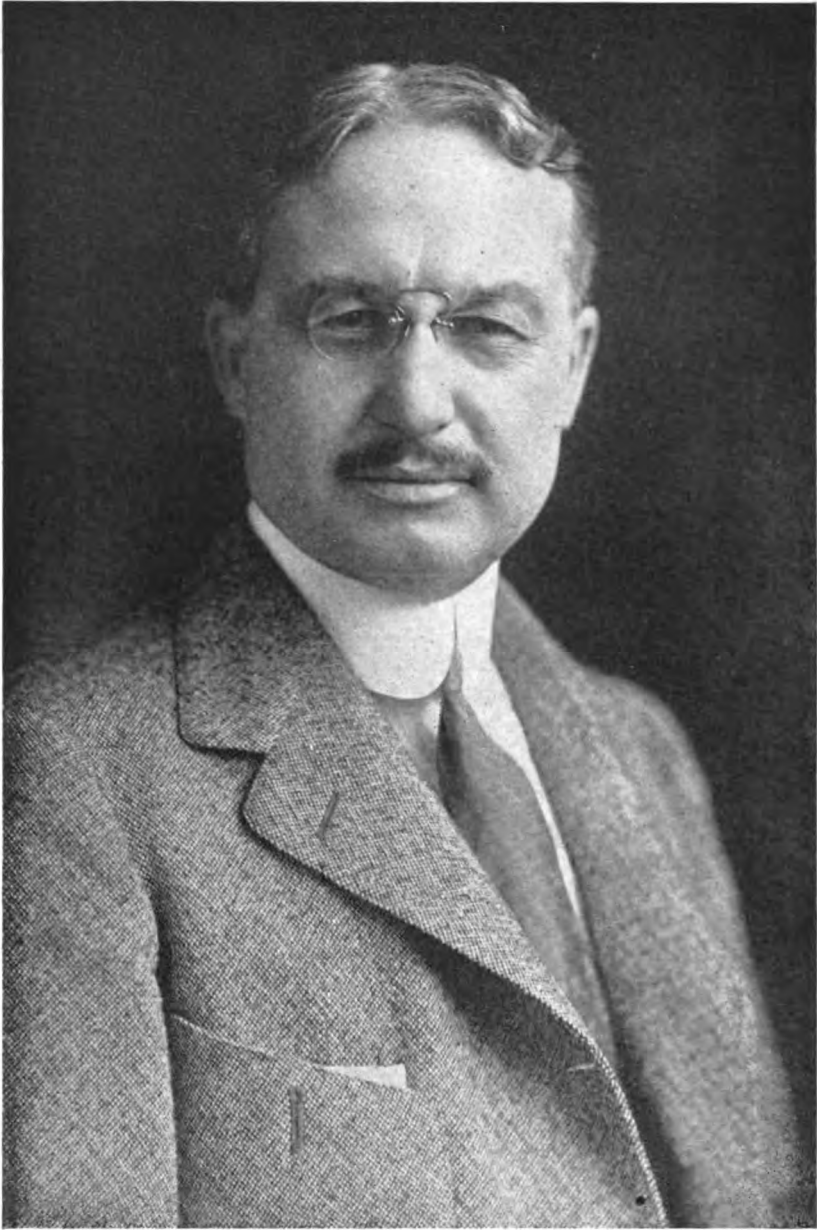
Less than two years ago the bank officials first reached their decision to erect a new building. Work was started in October, 1913, and the old six-story structure fell at the rate of a story a week. Just thirteen months after work on the new building was begun the first tenant moved in. To-day the completed skyscraper is conceded to be

one of the finest office buildings between Chicago and San Francisco. It is the leading office building of St. Paul and an architectural and commercial triumph.

Extending 100 feet on Robert street and 155 feet on Fourth street, the structure has a height of 227 feet and 7 inches. The new structure is 30 feet higher than the Pioneer building, across the street, which for several years held the record of being the tallest building in St. Paul. There are sixteen stories facing Robert and Fourth streets. There is also an annex, running up four stories, which adjoins the side facing Fourth street.

All of the offices have direct light, so that on the whole the building enjoys the distinction of being the best daylighted building in the city.

The engine room is in the sub-basement, which is 30 feet below the street level. There are three water-tube boilers, 250 horse-power each, used for heating purposes. An artesian well, sunk 850 feet below the street level, has a daily capacity of about 150,000 gallons.



GEORGE H. PRINCE

CHAIRMAN OF THE BOARD THE MERCHANTS NATIONAL BANK, SAINT PAUL



MAIN BANKING ROOM FROM CASHIER'S DESK

There are 180 sections leased for office purposes in the building. These vary in size from 20 x 20 feet to 22 x 26 feet, and are divided into such sized rooms as may be required by tenants. Altogether, the total number of rooms in the building will run to more than 500.

Prominent among the many features which make the Merchants National Bank building an artistic structure is the ornamental bronze work, which is said to be one of the finest pieces of work in the country.

That St. Paul has been in need of more office buildings for several years and has lost by not being able to meet the demand of business and professional men, is demonstrated by the rapidity with which the new Merchants National Bank building has filled up. More than eighty per cent. of the space in the new building is already leased.

THE BANKING ROOMS

ASCENDING the staircase of the new building one is at once impressed with the simple dignity of the banking rooms. Here art and utility have combined to give a room which is both beautiful and thoroughly efficient. The walls are wainscoted to a height of

eight feet with green Tinos marble from Greece, while the upper part of the walls is of Kasota stone, a Minnesota product. The eight giant columns are of light brown Hauteville marble, imported from France. The trimmings are of Belgian black marble. The bronze screen which encloses the twenty-four tellers' cages is artistically designed and forms an agreeable contrast with the marbles.

The officers occupy the east end of the building. In the officers' space as well as in the tellers' cages, a cork tile floor has been used, which is both sanitary and noiseless. The floor in the rest of the working space is quarter-inch linoleum over a cork composition base. The officers' desks and furniture are of native black walnut, which wood is also used as trim in the banking portion of the building. All the remainder of the furniture, including bookkeepers' desks and fixtures in the cages, is of metal in walnut grain.

A feature of the bookkeepers' desks and various cages is the use of fireproof metal lockers where books and ledgers can be stored, making their removal to the vaults unnecessary. All of the tellers' cages and various departments are supplied with telephone connec-



DONALD S. CULVER
PRESIDENT THE MERCHANTS NATIONAL BANK, SAINT PAUL.



OFFICERS' QUARTERS

tions, besides which some of the departments are connected by private intercommunicating telephones. The various tellers' cages are equipped with a signalling device to call the bank's special policemen in case of need, and these signals are also connected with the officers' desks. Adequate toilet and cloak-room facilities are provided for the clerks, and a rest room on the balcony floor has also been provided for the women employes.

THE VAULTS

IN order to preserve space on the main banking floor, all the vaults were built in the basement. These are of the most improved design and are the only ones of their kind in the Twin Cities. Each vault has a circular sixteen-ton door of drill-proof steel, eight feet in diameter and two feet thick. One vault is to be used for the storage of cash and

the other contains 3,000 safe deposit boxes. Each vault is 50 feet long and 24 feet wide. A concrete wall reinforced with jail grating and lined with drill-proof steel, surrounds the two vaults, which are mob, fire and burglar-proof.

HISTORY OF THE BANK

THE Merchants National Bank was organized May 20, 1872. On July 24th of the same year, it was authorized to begin business, with a capital of \$250,000. Its first quarters were in the old Press building at Third and Minnesota streets. Maurice Auerbach was president; Walter Mann, vice-president, and Charles Nichols, cashier. The growth of the bank was rapid, for the principles which have since developed the institution to its present magnitude and standing were first promulgated at this time and have been steadily adhered to ever since.



JAMES H. SKINNER, PRESIDENT
MERCHANTS TRUST AND SAVINGS BANK, ST. PAUL



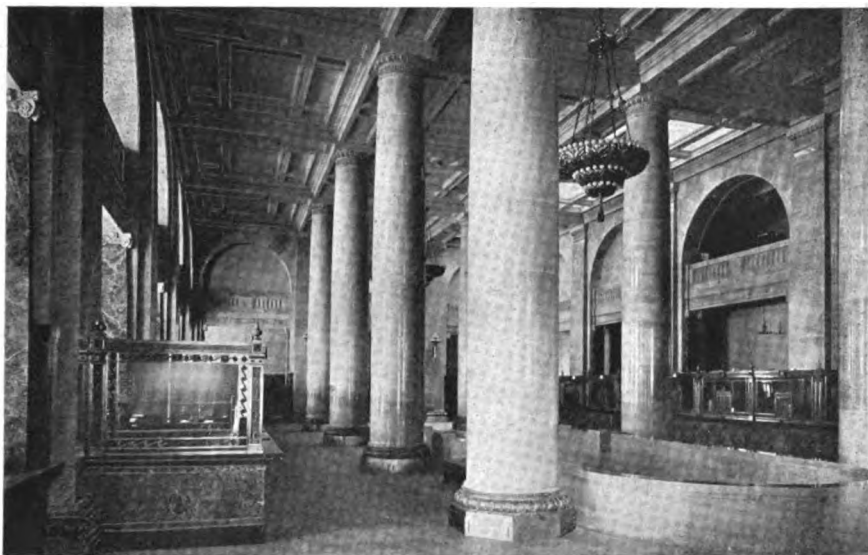
R. C. LILLY, VICE-PRESIDENT
MERCHANTS NATIONAL BANK, ST. PAUL



H. VON DER WEYER, VICE-PRESIDENT
MERCHANTS NATIONAL BANK, ST. PAUL



J. A. OACK, VICE-PRESIDENT
MERCHANTS NATIONAL BANK, ST. PAUL



GENERAL VIEW OF MAIN BANKING ROOM FROM OFFICERS' QUARTERS

In 1892 the bank had grown sufficiently to need a building of its own and this was erected at the corner of Fifth and Jackson streets, the latter then one of the principal business streets of the city.

December 2, 1912, occurred one of the most important events in the development of this institution, for on this date a consolidation with the National German American Bank was effected. The latter bank had been organized just one year after the Merchants, having opened for business in November, 1873, taking over about \$250,000 of the assets of the private banking house of Willius Brothers & Dunbar, an institution which had been in existence for many years previous.

The first location of the German American Bank was on Third street, between Wabash and Cedar streets. Its capital was \$200,000. F. Willius was president and G. Willius cashier. When some years later the bank moved two blocks east on the same street, it established the first public safe deposit vault in the city. During the succeeding years Walter Mann and Byron G. Howes became interested in the bank in an official capacity.

In 1883 the German American Bank became the National German American Bank and erected a \$500,000 bank and office building at Fourth and Robert streets.

When the consolidation of the two banks was brought about each had about \$10,000,000 in deposits. The capital of the Merchants National Bank is \$2,000,000; its surplus and profits \$2,000,000, and a recent call of the comptroller of the currency found that the bank had on deposit almost \$21,000,000, with loans and discounts of \$14,000,000.

OFFICERS AND DIRECTORS

THE present officers of the bank are as follows: chairman, George H. Prince; president, Donald S. Culver; vice-presidents, F. E. Weyerhaeuser, R. C. Lilly, H. Von der Weyer, and J. A. Oace; cashier, H. W. Parker; assistant cashiers, H. Van Vleck, G. C. Zenzius and M. R. Knauff.

The board of directors is as follows: lumber; Kenneth Clark, capitalist; F. E. Weyerhaeuser, pine lands and George H. Prince, chairman; Donald S.



H. W. PARKER, CASHIER
MERCHANTS NATIONAL BANK, ST. PAUL.



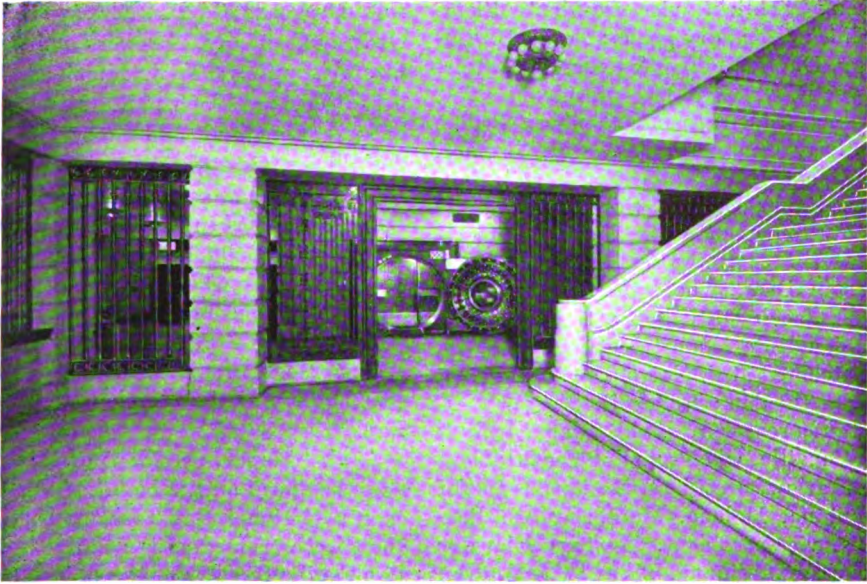
H. VAN VLECK, ASSISTANT CASHIER
MERCHANTS NATIONAL BANK, ST. PAUL.



G. C. ZENZIUS, ASSISTANT CASHIER
MERCHANTS NATIONAL BANK, ST. PAUL.



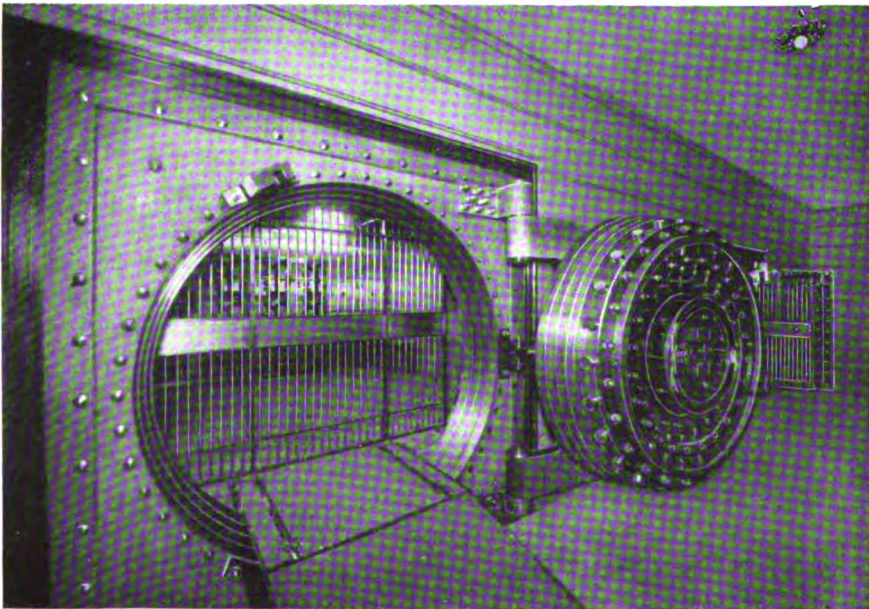
M. R. KNAUFF, ASSISTANT CASHIER
MERCHANTS NATIONAL BANK, ST. PAUL.



ENTRANCE TO SAFE DEPOSIT VAULTS

Culver, president; R. C. Jefferson, lands, loans and lumber; Charles P. Noyes, Noyes Bros. & Cutler, wholesale druggists; Horace H. Irvine, Thos. Irvine & Son, pine lands and lumber;

Charles L. Kluckhohn, vice-president, Gordon & Ferguson, hats, caps, gloves and furs; V. M. Watkins, president Amherst H. Wilder Charity; Timothy Foley, Foley Bros., railroad contractors;



MONEY VAULT

Frank Schlick, vice-president Field, Schlick & Co., dry goods; Frank B. Kellogg, Davis, Kellogg & Severance, attorneys; R. C. Lilly, vice-president; J. M. Hannaford, president, Northern Pacific Railway Company; James H. Skinner, president, Merchants Trust and Savings Bank; Charles Schuneman, president Schuneman & Evans Department Store; Ambrose Guiterman, Guiterman Bros., wholesale men's furnishings; Jacob Dittenhofer, treasurer The Golden Rule Department Store; F. H. Thatcher, Laird, Norton & Co., Winona, Minn., lumber; Roger B. Shepard, assistant treasurer, Finch, Van Slyck & McConville, wholesale dry goods; Thos. A. Marlow, president, National Bank of Montana, Helena, Mont.; W. B. Parsons, vice-president, Western Elevator Company, Winona, Minn.; A. H. Lindeke, Lindeke, Warner & Sons, whole-

sale dry goods; L. P. Ordway, Crane & Ordway Company, plumbers and steamfitters' supplies; T. J. Humbird, lumber, Spokane, Wash.; R. M. Weyerhaeuser, pine lands and lumber; H. Von der Weyer, vice-president.

The Merchants Trust and Savings Bank, organized in July, starts out with a capital of \$500,000 and a surplus of \$100,000, and will do a general trust and banking business.

All the stock of the Merchants Trust and Savings Bank is owned by the stockholders of the Merchants National Bank.

J. H. Skinner, president of this company has been on the board of the Merchants National Bank for many years, and also a trustee of the State Savings Bank and a director of the St. Paul Fire and Marine Insurance Company.



Real Test of the Banker

By EDGAR H. SENSENICH.

THAT man is a banker—a real banker and worthy of the name—who, whether he conducts his bank in a great metropolis or in a modest village, not only loans safely all his available funds, but loans them in a manner which will permit of their ready conversion into the medium with which he can meet any proper demands that may be made upon him. That banker best serves his community, his customers and his stockholders. Whenever a banker permits the funds of his bank to become tied up in investments that are slow, even though they be good, he ceases to serve efficiently those who have a right to his service. No community is too unimportant and no clientage too humble to feel the changing needs for money for seasonal or other purposes, or to make sudden or unusual demands, which it is the duty of the banker to meet. It is just as essential for the country banker as for the city banker

to be prepared to meet any proper demands that may be made upon him. Regardless of his environment, the banker, whose deposits are payable on demand, and whose customers' needs are subject to seasonal or trade conditions, must be guided by the inherent principles of commercial banking. To conduct his bank, wherever situated, in conformity with these inherent principles is the real test of the banker.

A fundamental principle of commercial banking requires liquidity or convertibility of assets. The banker's foresight is measured by the convertibility of his assets. The ease with which he can convert his assets into that which will meet the proper demands of his customers, whether for the payment of deposits or the extension of additional credit, determines the strength of his bank, the character of its service and the certainty of its profit account.

Banking Publicity

Conducted by

T. D. MacGREGOR

Keeping in Touch

Importance of Showing Depositors You Are Interested in Them.

DEPOSITORS appreciate attention not only when they are at the bank but good printed matter from their bank occasionally is welcome, whether in the form of a house organ, statement enclosure or booklet.

Our idea of a good "line of talk" in a folder of this nature is shown in the matter reproduced below from a folder issued by the Union Bank and Trust Company of Helena, Mont.:

AVOIDING BUSINESS MISTAKES.

The business that grows uninterruptedly is the one whose management makes few mistakes, and knows how to profit by those it does make.

Your banking relations with the Union Bank and Trust Company ought to help you to avoid business and financial mistakes and lessen the evil results of those that seem unavoidable.

This bank wants to impress upon your mind the fact that it stands ready to be your business ally and that it wants you to use it as a constructive force in your affairs. Come in and put us to the test. Let us give you a practical demonstration of what we mean by constructive banking.

Helpfulness is the spirit of this institution. Though accustomed to the discharge of large duties, its officers have never outgrown their willingness to consider the need of our smallest depositor. They are always ready to hear his plans and to give him the benefit of their mature opinion.

One-half of helpfulness is the *ability* to help. The other half is the *willingness*. A bank may be a tower of financial strength, headed by master financiers—and still fail in helpfulness.

The Union Bank and Trust Company is both able and willing to help you. Our doors are built to admit you to our officers—not to shut you out.

A young man entered business with small capital, limited experience and the knack of using other people's knowledge. As a depositor, he began putting his financial problems up to us. We became familiar with his business and his character. As our friendship grew, together we surmounted his every difficulty. Today he is wealthy.

Our reward for such service is our multitude of true friends in Helena. This same service is waiting for you.



Now is the Time

Conditions Are Ripe for Advertising Campaigns.

BIG crops and "war orders" are making prosperity in most sections of the United States. But of course we don't know how long our prosperity will last. This makes it especially incumbent upon bankers to urge their public to save money now. This coming fall and winter there ought to be more real genuine human interest bank advertising than ever before.



Service Important

"Printer's Ink" Thinks Some Savings Banks Are Not Ready to Advertise.

MOST savings banks, or, to speak conservatively, many of them, and of these the largest, have a long, long way to go before they are ready to advertise. Contrast the methods of the average savings bank with those of the

WEEKLY TALKS ON THRIFT

By T. D. MacGregor.

MORE STORIES OF THRIFT

"I have come to learn that the reason why so many men are in the down-and-out class is the lack of thrift."—H. W. Root, Secretary Bowers Branch, Y. M. C. A., New York City.

When Assemblyman Peter Swenson came to Iowa 36 years ago he had \$1.25 in his pocket. Now he owns 1,700 acres of the best land in O'Brien and Sac counties.

"Pete" couldn't speak a word of English when he came to Delaware county, a green, friendly boy from the old country. He had been educated in an agricultural college, where he studied scientific dairying.

WORKED AS HIRED HAND.

He worked three months as a hired hand on a farm and was swindled out of his meager pay, but he kept right on smiling and fighting.

Soon he began to get into the commission business, buying eggs and butter for a New York company. He saved, but didn't scrimp. The bank's began to know him well and favorably.

USED HORSE SENSE.

Land values grew as Mr. Swenson became yearly a greater authority in scientific butter making and in the commission business.

He doesn't claim to be smarter than other people because he has made \$100,000 or so more than the average person makes in a lifetime, but he says he has simply used horse sense in working and saving and looking out for opportunities.

Mrs. William Murphy is what is commonly known as a "grass widow." Her husband left her and their little child—a daughter—many years ago and has never been heard from since.

But Mrs. Murphy did not let any grass grow under her feet if she was a grass widow. She soon made up her mind that she was a real widow, and as there was no "Philip" to help her as there was to help Enoch Arden's wife in Tennyson's poem, she went to work as a laundress and seamstress to support herself and her little girl.

THRIFT WINS.

Luckily she was a strong woman and her health remained good. She was thrifty, too, saving a part of every dollar she earned. Before winter came she was always able to fill her coal bin and lay in a

good stock of vegetables, saving a considerable amount by buying early and in quantities.

Her savings in the bank grew steadily by her regular deposits and she gradually increasing compound interest credits.

Whenever she had enough saved for a permanent investment she consulted an officer of the bank and took his advice as to a safe use of the money.

She was able to give her daughter a good education and the young woman now has a good teaching position and is able to help her mother in keeping up their comfortable home.

There is regret for the husband and father who never appears, but real thrift has kept want away and restored what might have been a ruined home.

A banker, long an officer of the oldest bank in Minnesota, in telling how four young men developed a successful business, said:

Their first visit to the bank really established their credit. In that first visit they left their bank books for collection of the amounts due to each of them at their savings bank in the city from which they came.

"These savings bank books represented their cash capital, but to

me they represented much more than that. Their deposits and almost entire absence of withdrawals indicated an established habit of saving on their part and also on the part of their families (for they were all married) for the purpose of carrying out this project which they had planned a long time ahead.

"With such determination for work and willingness to deny themselves in order to save something each month out of their earnings, it was hardly possible for these young men not to succeed.

SAVINGS HABIT ACQUIRED.

"They have been highly successful because they acquired saving habits early in life and thereby accumulated their capital before entering business for themselves, while so many are not willing now to practice any self-denial, but somehow always expect to begin saving at some future time, with the result that they never acquire the habit or the capital.

"A banker necessarily takes these various things into consideration when asked to grant a line of credit. They mean much to him from the standpoint of the moral risk."

Could there possibly be any clearer guideboard to success than the words of this old banker?



A Success Habit

Start the habit of withholding a part of every item of income you receive and deposit it at 3½% compound interest in the Merchants National Bank and you will find yourself going to the bank with your weekly deposit almost as automatically as you put the same shoe on first every morning.

**MERCHANTS
NATIONAL BANK**

CAPITAL \$2,000,000. SURPLUS & PROFITS \$2,000,000

THE BANK OF PERSONAL SERVICE

THIS SHOWS THE PROPER WAY TO USE THE "TALKS ON THRIFT"

modern national bank or trust company in regard to the treatment of the public. The national bank nowadays makes provision for the comfort of its customers and caters to their needs. The savings bank's line of depositors often winds up and down the floor two or three times

and a depositor may have to waste an hour or two getting his money into the bank. Then, too, he is apt to get a curt answer at the little window.

There is, in addition, an excessive rigidity of rule and lack of accommodation. To the average man or woman

the savings bank, while perfectly safe, seems something less than human.

Lastly, the rate of savings-bank interest, three and one-half or four per cent., and threatening to decline still further, is not highly attractive when there are so many other forms of sound investment that pay at least four and five per cent. Of course, this condition cannot be bettered on account of the very stringent laws which properly safeguard the savings of the poor. But there are no laws on the statute-books against courtesy, and it would not cost the banks anything to treat their depositors less like cattle and to show an occasional gleam of human understanding, such as nowadays marks the dealings of big business with the public.

As the effect of advertising is inevitably to throw into relief not only the merits, but also the shortcomings of the goods or service advertised, no one could conscientiously recommend it to the general run of savings banks until they shall have cleaned house after the manner of those savings banks that do already advertise. They must gain the idea of service and prepare themselves to render it to a discriminating public.
—*Printer's Ink.*



“Movie” Advertising

How a Springfield (Mass.) Institution Features Its New Building.

THE Third National Bank building at Springfield, Mass., a ten-story bank and office structure now in course of erection by Hoggson Brothers of New York and Chicago, will have its complete history shown on moving picture films, while individual bank buildings being constructed in different sections of the country by the same concern will furnish the basis for certain features of the picture.

Not only will the history of the erection be followed, from the demolition of the old building and the excavations for the new one, through the construction

to the actual moving in of the bank's business, but the various materials to be used in the construction will be followed from their respective sources until they are installed in proper place in the building.

The operation of quarries from which the stone and granite for the foundations and base of the building are taken will be portrayed; the rolling of steel shown in the Pittsburg steel mills; the beams loaded on cars ready for shipment, and at the building lifted and put in place as a part of the great skeleton. Huge trees will be felled in the forests of Austria, Africa and South America, and they will be followed through the saw mills, the cabinet shops of Hoggson Brothers, there to be made up into furniture and bank fixtures, and later fitted in as part of the building. Terra cotta and brick for the exterior and interior fireproofing will be shown cast and burned, and set in the growing edifice.

The spectacular casting and moulding of bronze will be reviewed, as will another visit to quarries for the marble to be used as the base of the counterscreen and for the wainscoting in the upper



The great North Broadway reinforced concrete bridge over the Los Angeles River—a representative type of bridge construction in Southern California.

The strength, stability and durability of this great concrete structure is symbolic of the strength, soundness and usefulness of Title Insurance and Trust Company—the leading financial institution of the Southwest.

—“to err is human”

The fact that under certain conditions a man has proven himself judicious and trustworthy, does not argue that his judgment is infallible. “To err is human.” When you submit the administration of your estate to an individual executor, you are gambling on the uncertain “human element.”

Title Insurance and Trust Company, as your executor and administrator, will render a service carefully expounded, unswayed by human prejudices and incompetency.

You can have that the provisions of your Will will be carried out with soaring accuracy—not surely according to the interpretation of an individual trustee. Call or write for our booklet, “Life and Property.”

Circle 1 on next column

THE TITLE INSURANCE AND TRUST COMPANY
INCORPORATED IN CALIFORNIA

THE LOCAL TOUCH IN ILLUSTRATION AND COPY



Mercantile Trust Company



Eighth and Locust Streets



Mercantile Trust Company



Mercantile Trust Company

FROM A GOOD THUMBNAIL BOOKLET OF A ST. LOUIS BANK

corridors. In European countries will be seen the weaving of floor coverings, fine hangings and draperies for the office quarters and reception room.

The average layman little realizes that there are more than fifty professions and trades called into action in a big building operation, and this film is intended to show the close co-operation and co-ordination of these branches of activities as they are brought together through the medium of the Hoggson Building Method, where all elements are united and under the control of one organization.

As the scenes in the picture shift from the offices of the company to the

mills and factories, working on their assignments simultaneously with the fourteen departments of the organization, and then to the growing building, the observer will feel the powerful master-hand of the organization directly all elements concerned with an efficiency only gained through supreme knowledge and thoroughness.

Finally will be shown the completed building, exterior and interior, the furniture in place to the smallest detail of ink well and waste paper basket; finished, ready for occupancy.

The bank president with his building committee will make a tour of inspection, and an official acceptance of the

Money to Loan

To Build a Home or Buy a Farm

City National Bank

THIS APPEARED ACROSS THE TOP OF A NEWSPAPER PAGE

building will be signed, and the next picture will show the bank's business in operation in its new quarters.



Bank Ad. Men

A Movement Started Already to Get Together Next Year.

THERE is a movement to provide a conference on bank advertising next June at the Philadelphia convention of the Associated Advertising Clubs of the World. Members of the Advertising Club of St. Louis are pushing the idea and responses from trust companies and banks indicate a meeting of two or three hundred men in this line at Philadelphia.

John Ring, Jr., and others who have backed the movement have hoped there might be a department division for bank advertising men, affiliated with the organization as a whole.

It has also been suggested that the banks and trust companies might become members of the retail advertising division and have representation through this body, the contention being that bank and trust company advertising is so similar to retail advertising that such an arrangement would be beneficial both to retailers and to bankers.

Those who have planned such an organization, however, were very much opposed to the idea, declaring the banks and trust companies need an organization of their own.

It is the purpose of those interested to carry on a vigorous campaign to enlist

banks and trust companies, and in all events it is anticipated that the bank advertising men will attend the Philadelphia convention in numbers.



A Book of Copy

S. Roland Hall Writes a Good Text-Book.

S. ROLAND HALL, a well-known authority on advertising, has just written a valuable book entitled "Writing an Advertisement." It has been published by the Houghton Mifflin Co., Boston, and is a big one dollar's worth for anyone interested in the subject. It is an analysis of the methods and mental processes that play a part in the writing of successful advertising.

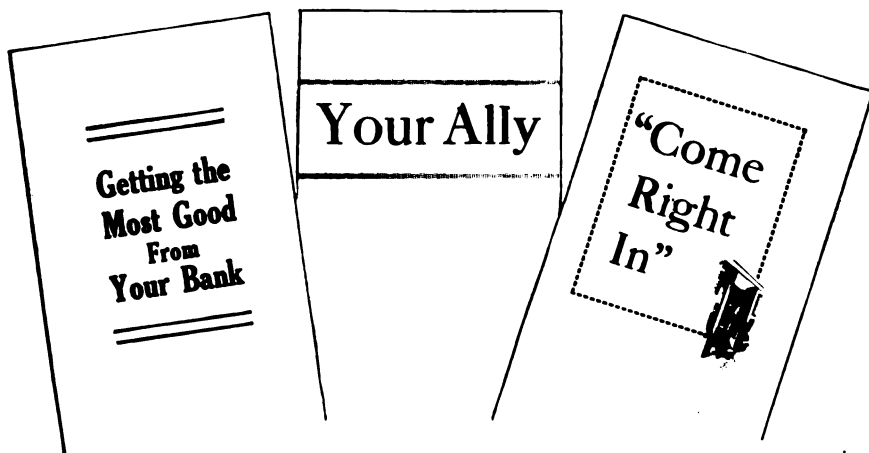
The writing of an advertisement is as distinct an art as the writing of a short story or a play. This book shows how to do it. It thoroughly covers the whole ground and does it in a readable, non-technical fashion that is as stimulating as it is helpful.



"Statement Enclosures"

An Inexpensive But Effective Form of Advertising.

BANKS which return canceled checks to customers at the first of each month with a statement of account have a means of circularizing their depositors without having to pay any



postage, as depositors call for the statements. Some of them, like the Norfolk National Bank, Norfolk, Va., enclose the checks in an oblong folder containing an advertising message from the bank. We reproduce portions of three of these, showing the titles.



The Reproductions

Comment on the Group of Newspaper Advertisements Shown.

TWO good ways to feature the bank's building are shown by the ads. of the Old National Bank and the Harris Trust and Savings Bank. The copy likewise in each case is strong and clearly printed.

The Exchange National Bank, city unknown, has a new idea in its list of improvements. We would suggest for Improvement No. 12 that the name of the city be put in all future advertisements.

The St. Louis Union Trust Company has a good idea, but the type used is not as clear as it might be.

The little ad. of the Montreal Trust Company shows how the war is being brought home to the people of Canada. "Before going abroad" is only a euphemism for "you may never come back

from the front" or something like that.

The ad. of The Union Trust Company of Pittsburgh is one of the "negative" kind but a good one at that, as we need a mental jolt once in a while.

The Fidelity Trust Company Bank (of somewhere) has succeeded in getting a very unusual display. You can't escape that kind of a design and the copy's not so bad, either.

The advertisements of the Guaranty Trust Co. of New York are in keeping with the high standing of the company and the unusual ability of Fred W. Ellsworth, its publicity manager. They are worthy models.



A Convention Idea

WHEN the Eagles had a convention in Spokane, Wash., recently, the Old National Bank of that city advertised thus:

SEE SPOKANE

From the Roof of the
OLD NATIONAL BANK.

Visiting Eagles are cordially invited to inspect the skyscraper home of the Old National Bank. Those visiting the banking room will be given cards admitting them to the roof, from which a magnificent view of the whole city may be obtained.

Many Spokane residents have never

Founded Upon Bed-rock Principles

of sound finance and conducted with an eye on the best interests of its depositors and the public. This is attained in a thoroughly dependable and helpful Spokane Institution.

Its assets are abundant, and include the insurance of all ability and responsibility on the part of directors, officers and employees.

It handles the business and the investments of those in need of the services of a strong, conservative bank.

The Old National Bank of Spokane

CAPITAL \$1,000,000



United States Bank Building
Member Federal Reserve Bank

YOUR BANK'S IMPROVEMENTS

Having Learned of

IMPROVEMENT NO. 1, a revised legal opinion and Banking Code; IMPROVEMENT NO. 2, 1000 new additional floor space; IMPROVEMENT NO. 3, increase of officers' salaries; in the case of IMPROVEMENT NO. 4, general expansion and active work for the IMPROVEMENT NO. 5, the acquisition of the Mortgage Department; IMPROVEMENT NO. 6, the completion of the complete building; IMPROVEMENT NO. 7, general facilities for handling bank accounts; IMPROVEMENT NO. 8, the new system of saving and investing in the new department; IMPROVEMENT NO. 9, general facilities for taking care of all bank correspondence.

Your business is your business.

DEPARTMENT NO. 11

THE NEW DEPARTMENT AND SERVICE TO THE CITY

THE NEW DEPARTMENT AND SERVICE TO THE CITY

THE NEW DEPARTMENT AND SERVICE TO THE CITY

EXCHANGE NATIONAL BANK

Capital for United States

Responsible Banking

REGARDLESS of any special kind of service the banker may render, responsibility is a necessity. The bank has a capital surplus and undivided profits of over \$4,000,000. Its business has been under conservative and responsible management for the past thirty-two years. The deposits of its customers are safeguarded by being based only on approved and readily marketable collateral or invested in carefully selected bonds. Its stock holders are responsible business men, among whom are many prominent and influential bankers and capitalists. Your business is invited on the basis of this record for responsibility.



Harris Trust & Savings Bank
Capital & N. W. Hale & Co. 1921. Incorporated 1907
HARRIS TRUST BUILDING

St. Louis Union Trust Co.

Banking for every kind of business. We handle all kinds of deposits, loans, and investments. We are a member of the Federal Reserve System.

St. Louis Union Trust Co.

Montreal Trust Company

Before going abroad appoint the Trust Company to manage your property and to collect the income.

Montreal Trust Company

An Unwise Parent

If a father dies in the absence of the other day, a great fortune was left to him, but for him to be left without a guardian. A wise father would have left his estate in trust with this Company as guardian.

The Union Trust Company of Pittsburgh Pennsylvania

CAPITAL AND SURPLUS \$33,500,000.00

Now Is the Time

This bank is the plan. You are the power. All the signs are right for the opening of that already long delayed savings account.

There are many laying the foundation of prosperity, you can do this without capital and great things are accomplished with the aid.

We offer you the maximum of safety in this big bank of ours as we have others for the past 25 years.

Fidelity Trust Company Bank

THIS IS ALL STRONG ADVERTISING

Guaranty Service IV

Reserve Accounts

We are today handling the reserve money accounts of a large number of individuals, firms, corporations, banks and trust companies, on what we offer a definite rate of interest. Many of these accounts have been with us for years—significant evidence of efficient and agreeable service.

We welcome such business, and feel confident that we can satisfy our depositors as well as we are now satisfying our old ones.


We shall be pleased to talk with you on the subject.

Guaranty Trust Company of New York
100 Broadway
New York Branch, 11 Broadway, N. Y. C.
Capital and Surplus, - - \$30,000,000

Guaranty Service III

Our Home

The Guaranty Trust Company's building at 100 Broadway was designed for the exclusive purpose of adequately providing for the efficient operation of the company in its service to its customers satisfactorily and with precision and dispatch.



To that end there has been installed every known convenience of modern architecture which will facilitate the work of such an organization.

If you are interested in going "behind the scenes" to observe how a great trust company accomplishes its daily task, you are cordially invited to visit the modern business home.

Guaranty Trust Company of New York
100 Broadway
New York Branch, 11 Broadway, N. Y. C.
Capital and Surplus, - - \$30,000,000

Guaranty Service VI

Custody of Securities

The Fifth Department reserves securities for safekeeping, subject to the instructions of the depositing customer.

Companys and dividend lists are collected, securities are purchased or sold, and proceeds realized are credited on order direct passed by detailed advice.

Owners of deposited securities are advised as fully as possible concerning a company's reorganization and rights to convert and subscribe.

Upon your personal or written request, we shall be glad to give you detailed information concerning this important service.

Guaranty Trust Company of New York
100 Broadway
New York Branch, 11 Broadway, N. Y. C.
Capital and Surplus, - - \$30,000,000

Guaranty Service V

Checking Accounts

We have and welcome checking accounts, and believing that such accounts are entitled to a reasonable remuneration, we allow interest on all balances that average above a certain minimum amount.

If you contemplate establishing a banking connection with this character, we shall be pleased to present for your consideration a definite proposition.

Guaranty Trust Company of New York
100 Broadway
New York Branch, 11 Broadway, N. Y. C.
Capital and Surplus, - - \$30,000,000

Guaranty Service VIII

Certificates of Deposit

Large or conservatively invested funds may earn a definite income by the use of our Certificates of Deposit.

These certificates are issued against the deposit of money or bankable funds, and are payable at a fixed time date, determined by the depositor. Interest is allowed at a rate which depends on the amount of the deposit and the length of time for which the certificate is issued.

We shall welcome your personal or written inquiries on the subject.

Guaranty Trust Company of New York
100 Broadway
New York Branch, 11 Broadway, N. Y. C.
Capital and Surplus, - - \$30,000,000

PART OF A SERIES OF ADVERTISEMENTS OUTLINING SOME OF THE FUNCTIONS OF THE GUARANTY TRUST COMPANY OF NEW YORK

viewed the city from this point, and they also are invited to avail themselves of this opportunity, and bring their friends.

Of course the ad. had a good cut of the bank's fine building.



How Banks Are Advertising

Note and Comment on Current
Financial Advertising.

SOME very interesting and convincing printed matter is being used by The Ohio Savings Bank and Trust Company, Toledo, O. The front cover of its financial statement is ornamented with a good view of the bank's building with adjacent buildings. "The Better Way of Protecting Your Valuables" is the title of a well illustrated safe deposit department folder issued by the same institution, whose slogan is "The Bank of the People."



"A saving of \$5 per week for ten years will furnish a fund which will yield an income of \$16 per month," says The State Savings Bank, St. Paul, Minn., on the cover of its folder. The bank pays four per cent. semi-annually compounded interest.



A new primer has made its appearance on the financial horizon. It is "The A B C of Banking," an alphabetical anthology of verse of which this is a sample:

M is for MONEY
On Deposits we thrive,
Others pay four per cent.,
The Hibernian pays FIVE.

The muse is concealed somewhere about the Hibernian Savings Bank, Los Angeles.



Located in the heart of the shopping district of New York, the Fifth avenue office of the Columbia Trust Company

very appropriately issues a "Banking for Women" booklet. It calls attention to the advantages of a checking account, and discusses its convenience of location, banking by mail, personal trusts, investments, charity accounts, safe deposit boxes, etc.



In a booklet outlining its history and service, the Sacramento Bank of Sacramento, Cal., gives this reassuring invitation:

We invite you to keep your account with us, and when you do, you will find no surly or stiff-necked treatment here. We take especial pains to explain banking customs to those who have never kept an account and are not familiar with banking methods.



The Trust Department of the American National Bank, Richmond, Va., sends us some advertising literature which has proved very effective in bringing new business. Summarized, the various booklets are as follows: "Safe Investments and Where to Find Them," being an exposition of the farm loan proposition under the aegis of the Federal Reserve law; "Income Without Annoyance" deals with the same subject from another angle; "Facts You Should Know" takes up the advantages of a corporate fiduciary, will making, various forms of trusts, etc., with an introduction explaining how the new law now permits national banks to perform these functions of trust.



"Saving Money" is a booklet issued by the Guaranty Trust and Savings Bank of Jacksonville, Fla., which contains good matter, printed in too fine type, however, to be as strong as it might be. A folder on "School Children's Contest" is much easier to read.



We previously referred to the advertising that a California bank made of the Ford buyers' rebate distribution. The Des Moines "Register and Leader"

on July 31, the day before Henry Ford distributed \$1,000,000 to Iowa Ford owners, ran two full pages of display advertising of various merchants and institutions all anxious to get hold of some of the Ford money. Some of the headings were: "When Henry slips you that fifty, what are you going to do with it?" "Let Henry Ford Pay the Bill," etc. The American Trust and Savings Bank headed its advertisement with, "\$50 Will Start a Substantial Savings Account Here." The Des Moines Savings Bank had a well displayed ad. in the center of one page. It read:

MR. FORD OWNER.

Money in the bank means independence; it means that an opportunity for business advancement or investment will not find you helpless.

Why not start a Savings account with that check for \$50 which you will receive on the first day of August as a refund from Henry Ford? Start today by depositing at least a dollar with this safe bank.

We will pay interest at the rate of four per cent., and credit your account twice yearly.

DES MOINES SAVINGS BANK.

⊙

In a local labor paper the Northwestern Trust Company of St. Paul advertises trust certificates as an investment for savings in this way:

Your Savings Can Earn $4\frac{1}{2}\%$ in our Trust Certificates. Denominations, \$10, \$50, \$100, \$500. Interest payable semi-annually.

The Trustees of these Certificates—James J. Hill, Louis W. Hill and John J. Toomey—agree to pay any Certificate at any time upon presentation with interest to the last interest date.

These Trust Certificates are secured by deposit with the Northwestern Trust Company, agents of the Trustees, of securities, which are selected with great care and which are believed by the Trustees and by the Northwestern Trust Company to give ample protection to the Certificates secured by them.

⊙

An out-of-the-ordinary bank publication is the "News-Letter," issued by the Spokane and Eastern Trust Company of Spokane, Wash. The average mar-

ket letter issued by a bank is a rather heavy looking proposition. But this large 4-pager is written in such an interesting manner and is so well broken up in its typographical arrangement that the eye rests upon it with delight, and naturally it is more easily read. It is not all written by one person either, several authorities being quoted on the subjects with which they are familiar. One of them is Daniel M. Drumheller, and some human interest is injected by this little sketch of the man:

From Cariboo to Hermosillo, and from Bitter Creek at the summit of the Rockies on West to the Golden Gate, there is hardly a cattle trail or a country town but Mr. Drumheller knows it intimately. Coming overland from Missouri to California in 1854, he has spent his long life on the Pacific Coast. As a rider for the old Pony Express in the days before the Civil War, and later as miner, packer, cattleman, rancher, banker and investor, he has ransacked this country from one end to the other. More than fifty years ago he passed over the present site of Spokane, while punching a pack-train laden with supplies from Fort Walla Walla to the placer mines of Studhorse Creek—since euphemistically rechristened Wildhorse Creek—in the Fort Steele district of East Kootenay. It may well be doubted whether any other man now living has so remarkable and intimate a knowledge of the resources and the development of the whole Pacific Coast.

⊙

"Where Money Grows" is the name given a 4-page house organ published by the West Jersey Trust Company, Camden, N. J., the editor being Charles H. Laird, Jr., secretary and treasurer of the company. It contains some strong thrift talk and other interesting matter.

⊙

An American flag, four feet by six feet, worth upwards of three dollars, is being given away by the Commonwealth Trust Company of Pittsburgh to every boy or girl who opens a savings account there with at least \$10.

⊙

A number of institutions having "German-American" as part of their title have taken occasion since the war




A Corporation Trustee

possesses many advantages over an individual acting in the same capacity.

These advantages are clearly set forth in a little book we have issued. Send for a copy of "What the Trust Company Can Do For You."

BERKELEY BANK OF SAVINGS and TRUST COMPANY



Protect Your Beneficiaries

A Trust Deposit with this Bank makes possible certain provisions for those dependent upon you.

You can place property of any kind in our charge as Trustee, confident that both principal and income will be properly accounted for to the beneficiaries. Confidential consultation invited.

BERKELEY BANK OF SAVINGS and TRUST COMPANY



As Executor

this Bank offers you its services to faithfully carry out the provisions of your will.

The counsel and advice of our legal department is at your disposal to assist you in making a legal will. Confidential inquiries invited.

Send for our interesting booklet "Have You Made Your Will?"

BERKELEY BANK OF SAVINGS and TRUST COMPANY



OLDEST AND LARGEST BANKS IN BERKELEY

RESOURCES OVER \$6,700,000.00

ALWAYS ON DUTY

In selecting an Executor of your will you should consider the many advantages of the Corporation Executor.

The offices of this Bank are open every business day, with competent officials in charge, ready to give any needed attention to your affairs.

ASSOCIATED WITH THE FIRST NATIONAL BANK

BERKELEY BANK OF SAVINGS and TRUST COMPANY



OLDEST AND LARGEST BANKS IN BERKELEY

RESOURCES OVER \$6,700,000.00

A LEGAL WILL

Few persons are qualified to write a legal will. With this fact in mind the prudent person seeks sound legal advice.

The services of this Bank are at your disposal, with a special department for drawing legal wills.

Confidential inquiries invited.

ASSOCIATED WITH THE FIRST NATIONAL BANK

BERKELEY BANK OF SAVINGS and TRUST COMPANY



OLDEST AND LARGEST BANKS IN BERKELEY

RESOURCES OVER \$6,700,000.00

COMPETENT EXECUTORS

The experience and judgment of officials chosen for their thorough business training are brought into all estate matters handled by this Bank.

You are invited to confer with us regarding the making of your will.

ASSOCIATED WITH THE FIRST NATIONAL BANK

BERKELEY BANK OF SAVINGS and TRUST COMPANY

EXCEPTIONALLY GOOD ADVERTISING

started to explain in their newspaper advertising the significance of their name. One of these advertisements, put out by the German-American Mercantile Bank of Seattle, reads as follows:

MAKING AMERICA FINANCIALLY STRONG.

In Germany 317 people out of every thousand are Savings Bank Depositors—in the United States ninety-nine out of every thousand. It appears, therefore, that the Germans, as a race, are nearly four times as frugal and saving as Americans. It is this

conspicuous characteristic which has made the German name almost synonymous with thrift.

It was this characteristic also which caused a recognition of the fact that the word "German" would be at least suggestive, if not actually expressive, of frugality if incorporated in the name of any financial institution organized for the encouragement of frugal and saving habits. As a consequence—besides the German-American Mercantile Bank of Seattle, more than two hundred banks in the United States bear the names "German-American," "Germania" and other similar German designations.

Not one of these, of course, has any or-

ganic connection whatever, direct or indirect, with the German Empire or the German Government. They are all, however, in close touch with, and largely patronized by, the more than 14,000,000 thrifty Germans who have become permanent residents of this country; just as the German-American Mercantile Bank enjoys and appreciates the patronage of a large portion of the 75,000 Germans residing in the Northwest.

It is this economical, provident principle, governing the policies of such conservative banks as this, which gives stability and steadiness to its business, and which commends itself to the judgment of people of all classes and all nationalities. It is perfectly natural, therefore, that our list of 10,000 depositors includes a large number from each of thirty different nationalities, all of whom are equally welcome and equally well treated.

This bank views it as a beneficial function and a real contribution toward the welfare of this country to assist people of all classes in becoming as provident as the people of Germany or France, or of those other nations which are noted and respected for the financial strength of the common people.

©

School teachers are thus appealed to by a Seattle bank:

SCHOOL TEACHERS

Your school closes at 3.00 o'clock, so do most of the banks. How can you get to bank in time to deposit your check, or to draw some money?

This bank is open from 9.00 till 5.00 every day; Saturdays from 9.00 till 1.00.

It might be convenient for you to carry your account here.

MORTGAGE TRUST AND SAVINGS BANK.

©

A great many high school students in Des Moines, Iowa, had their attention directed to saving by a prize ad. writing contest conducted by the Century Savings Bank of that city. The contest was announced in the school papers thus:

The Century Savings Bank will give \$10.00 in prizes as follows: First prize, \$5.00; second prize, \$3.00 and third prize, \$2.00 for the best ad. to occupy one-half page of "The Oracle," advertising the savings department of the Century Savings Bank. The bank is making a special campaign for savings accounts of young people, and to encourage them to open a savings

account, will add fifty cents to each new savings account of \$5.00 or over, which remains on deposit six months or longer. Any further information regarding this may be had by consulting the business manager."

The first prize advertisement at the West High School was this one:

RECRUITS WANTED!

For the Army of American Savers. Everything is to be gained and nothing to be lost by enlisting in this army.

To start with we will add fifty cents to every new savings deposit of five dollars or more, which remains in the bank six months or longer.

CENTURY SAVINGS BANK

Fifth and Walnut.

The first prize at the North High School was taken by this ad.:

THE GREATEST BLUNDER IS NOT TO SAVE

No man's success is greater than the elements which make for that success.

To save is the prime element of success—lay the foundation for your prosperity early.

Start your savings account with us now—we will add 4 per cent. interest and help you make it grow.

THE CENTURY SAVINGS BANK

Fifth and Walnut Streets, Des Moines, Ia.

©

A rather new and unusual service is being advertised by the United States Mortgage and Trust Company of New York. It has to do with out-of-town real estate appraisals. In an advertisement in financial journals the company enumerates a list of fifty-four of the larger cities in all parts of the country and says:

This Company is prepared to furnish individuals and corporations, contemplating the purchase, sale or exchange of real estate, appraisals and detailed reports on properties in any of the cities listed or territory adjacent thereto.

A personal inspection is made at the time of the appraisal, insuring an accurate knowledge of the exact conditions. The report not only covers the present value of the property appraised, but also gives the character of neighboring improvements and trend of future movements.

Bank Advertising Exchange

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

Watch for new names and other changes.

F. E. Adams, Will Co. National Bank, Joliet, Ill.
American National Bank, Richmond, Va.
D. Ansley, care Central Trust Co., San Antonio, Texas.

Carl W. Art, manager publicity department, Union Trust & Savings Bank, Spokane, Wash.

A. F. Bader, publicity manager, City National Bank, Evansville, Ind.

C. W. Bailey, cashier, First National Bank, Clarksville, Tenn.

The Bankers Magazine, New York.

H. C. Berger, Marathon County Bank, Wausau, Wis.

C. J. Bevan, cashier, Exchange Bank, Genoa, Ill.
E. L. Bickford, cashier, First National Bank, Napa, Cal.

W. O. Booser, treasurer, American Trust Co., Jacksonville, Fla.

R. A. Bradham, cashier, The Commercial & Savings Bank, Sumter, S. C.

Jesse E. Brannen, cashier, First National Bank, Westwood, N. J.

Bank of San Rafael, San Rafael, Cal.

E. M. Baugher, president, The Home Building Association Co., Newark Ohio.

C. W. Beerbower National Exchange Bank, Roanoke, Va.

H. C. Bollman, assistant cashier, First National Bank, Collinsville, Okla.

T. J. Brooks, cashier, The Guaranty Trust & Savings Bank, Jacksonville, Fla.

J. A. Buchanan, Guaranty Trust Co., Lancaster, Pa.

F. B. Bunch, cashier, Merchants & Farmers Bank, Statesville, N. C.

E. C. Burton, vice-president, Penn. National Bank, Chester, Pa.

Stephen L. Burwell, vice-president, First National Bank, Jackson, Miss.

A. Bush, Jr., Ladd & Bush, bankers, Salem, Oregon.

The Citizens Bank & Trust Co., Tampa, Fla.
Citizens National Bank, Oconto, Wis.

Commercial Bank, Midway, Kentucky.
Allan Conrad, Box 336, Port Huron, Michigan.

B. S. Cooban, 518 W. 63rd Street, Chicago, Ill.

H. Reed Copp, assistant advertising manager, Old Colony Trust Co., Boston, Mass.

J. Stanley Corwin, Columbia Trust Co., 358 Fifth Avenue, New York, N. Y.

Arthur S. Cory, Chehalis National Bank, Chehalis, Wash.

David Craig, Tradesmens National Bank, Philadelphia, Pa.

M. Clarence Crowson, cashier, Home Banking Co., High Point, N. C.

Eugene E. Culbreth, Commercial National Bank, Raleigh, N. C.

Bradley Currey, c/o Fourth & First National Bank, Nashville, Tenn.

H. A. Dalby, Naugatuck Savings Bank, Naugatuck, Conn.

Dexter Horton National Bank, Seattle, Wash.

T. R. Durham, assistant cashier, Chattanooga Savings Bank, Chattanooga, Tenn.

W. R. Dysart, assistant cashier, First National Bank, Ripon, Wis.

J. O. Eberspracher, assistant cashier, First National Bank, Shelbyville, Ill.

A. A. Eklirch, secretary, North Side Savings Bank, New York City.

F. W. Ellsworth, publicity manager, Guaranty Trust Co., New York.

Federal National Bank, Denver, Colo.
The Franklin Society, 38 Park Row, N. Y.

E. W. Finch, assistant cashier, Birmingham Trust & Savings Co., Birmingham, Ala.

First National Bank, Lead, S. D.

H. Gavere, asst. cash. of Scandinavian American Bank, Grand Forks, N. D.

B. P. Gooden, advertising manager, New Netherlands Bank, New York.

C. F. Hamsaer, First National Bank, Los Gatos, Cal.

Victor F. Hann, manager publicity department, The Fifth Avenue Bank, New York City.

J. W. Hansen, cashier, Citizens State Bank, Sheboygan, Wis.

D. L. Hardee, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.

E. A. Hatton, cashier, First National Bank, Del Rio, Texas.

John R. Hill, Barnett National Bank, Jacksonville, Fla.

Jessamine G. Hoagland, publicity manager, National City Bank, Chicago, Ill.

N. M. Hokanson, State Bank of Chicago, Chicago, Ill.

Frank K. Houston, vice-president, Third National Bank, St. Louis, Mo.

L. M. Howard, vice-president, Continental Bank & Trust Co., Shreveport, La.

Indiana Bldg. & Loan Association, South Bend, Ind.

W. L. Jenkins, Farmers & Mechanics Trust Co., West Chester, Pa.

Theodore Jessup, Woodlawn Trust & Savings Bank, 1204 E. 63rd Street, Chicago, Ill.

N. W. Johnston, president, Illinois Trust & Savings Bank, Champaign, Ill.

W. F. Jones, assistant cashier, First National Bank of Commerce, Hattiesburg, Miss.

W. E. Kay, Jr., advertising manager, Sacramento Bank, Sacramento, Cal.

O. B. Keller, Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.

Grover Keyton, New Farley National Bank, Montgomery, Ala.

M. R. Knauff, assistant cashier, Merchants National Bank, St. Paul, Minn.

George L. Kreeck, treasurer, Farmers State Savings Bank & Trust Co., Lawrence, Kans.

Henry M. Lester, National City Bank, New Rochelle, N. Y.

A. E. Lindhjem, assistant cashier, Scandinavian American Nat. Bank, Minneapolis, Minn.

L. W. Lovell, assistant cashier, The Lovell State Bank, Monticello, Iowa.

E. G. McWilliam, publicity manager, Security Trust & Savings Bank, Los Angeles, Cal.

Ralph H. Mann, President Gloucester National Bank, Gloucester, Mass.

H. Warner Martin, assistant cashier, Lowry National Bank, Atlanta, Ga.

Charles S. Marvel, The First-Second National Bank, Akron, Ohio.

H. B. Matthews, S. W. Straus & Co., Straus Bldg., Chicago, Ill.

J. C. McDonald, advertising manager, The City National Bank, Sulphur Springs, Texas.

Merchants National Bank, Lawrence, Kansas.

Frank Merrill, advertising manager, The Northwestern National Bank, Minneapolis, Minn.

Chas. H. Moore, publicity manager, Spokane & Eastern Trust Co., Spokane, Wash.

Will E. Morris, assistant cashier, Farmers & Merchants Bank, Stockton, Cal.

E. R. Mulcock, Commercial National Bank, Syracuse, N. Y.

Nebraska State Bank, Ord., Neb.

Northwestern Trust Co., R. P. Sherer, vice-president, St. Paul, Minn.

Old State National Bank, Evansville, Ind.

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

R. B. Parrish, cashier, National Bank of Commerce, Williamson, W. Va.

A. E. Potter, president, Broadway National Bank, Nashville, Tenn.

W. W. Potts, treasurer, The Federal Title & Trust Co., Beaver Falls, Pa.

John W. Pratt, Real Estate Officer, The Kennett Trust Co., Kennett Square, Pa.

O. W. Rowley, manager, Canadian Bank of Commerce, Winnipeg, Can.

Wm. J. Ruff, cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

W. W. Russell, cashier, First National Bank, White River Junction, Vt.

George J. Schaller, cashier, Citizens Bank, Storm Lake, Iowa.

Almot Schlenker, assistant cashier, First National Bank, Brenham, Tex.

Paul T. Schulze, assistant cashier, State Bank of La Crosse, La Crosse, Wis.

E. P. Simpson, Jr., assistant cashier, First National Bank, Toccoa, Ga.

Sioux City Trust & Sav. Bank, Ben W. Frieden, cashier, Sioux City, Iowa.

T. K. Smith, Jr., manager, Gimbel Brothers, Bankers, New York City.

J. G. Spangler, cashier, The Mesa City Bank, Mesa, Ariz.

F. E. Stewart, secretary and treasurer, Commercial Savings Bank & Trust Co., Toledo, Ohio.

T. H. Stoner, cashier, The Peoples National Bank, Waynesboro, Pa.

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

A. C. Tonsmeire, cashier, City Bank & Trust Co., Mobile, Ala.

Union Trust Co. of D. C., Washington, D. C.

F. H. Williams, assistant treasurer, Albany City Savings Institution, Albany, N. Y.

John W. Wadden, Lake County Bank, Madison, S. D.

Wessels Van Blarcom, assistant cashier, Second National Bank, Paterson, N. J.

C. C. Willson, care of Continental & Commercial Trust & Savings Bank, Chicago, Ill.

Frank A. Zimmerman, Chambersburg Trust Co., Chambersburg, Pa.

Paul E. Zimmerman, cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAME

W. W. Norton, Treas., Robbins Burrall Trust Co., Lakeville, Conn.

Foreign Banking and Finance

Great Britain

FINANCING THE WAR

THE work of mobilizing the financial resources and credit of the country and making them available for war purposes is making good progress, says the "Statist," and it is evident that everything that can be done will be done by the Chancellor of the Exchequer, the Bank of England, the joint-stock banks, and the great public to supply the vast sums of money needed to carry on the war from day to day. The country has promised to provide the Chancellor of the Exchequer with £600,000,000 by the end of October, and it is assumed, as is warranted, that any treasury bills that may be temporarily retired while the government is flush of money through the payments for the new war loan reissued there will remain a sum of only £228,000,000 to be provided, and a portion of this may be found by the additional subscriptions of the wage-earners to the new loan which are being received daily. It is hoped that the amount of money to be found apart from the renewals of treasuries and after the war loan is fully paid up will not exceed £200,000,000. Moreover, if

any economy in expenditure can be secured the amount may be still further reduced.

The bankers and merchants of London, conscious of the task before the nation and of the need to conserve the national resources as far as possible, recently passed the following resolution at a meeting presided over by Earl St. Aldwyn and addressed by Mr. Harold Cox: "That this meeting declares its conviction that in this national crisis, expenditure, both public and private, should be rigidly curtailed, and, at the same time, new taxation should be forthwith imposed upon all classes of the people, in order that when this war shall have been brought to a triumphant conclusion the nation may enter the period of restoration with its financial power impaired to the least possible extent." It was also decided by the meeting to ask the Prime Minister to receive a deputation headed by Lord St. Aldwyn for the purpose of presenting to him the resolution of the meeting. Following upon this important step by the city came the announcement by the Prime Minister that he has appointed a Retrenchment Committee "to inquire and to report what savings in public expenditure, in view of the necessities created by the war,

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

can be effected in the civil departments without detriment to the interests of the state."



BANK OF LIVERPOOL, LTD.

AT the 84th annual general meeting of the proprietors of the Bank of Liverpool, Ltd., the chairman, speaking of the various plans adopted to meet the contingencies arising from the war, said:

"By all these measures this bank and the other banks of the country were in greater or less degree assisted in their efforts to cope with the crisis, and to do their share in carrying on the business of the country. In particular the knowledge that banks could obtain treasury notes, should they require them, and could claim the protection of the moratorium in case of need, at once allayed public anxiety.

"It is only right that I should acknowledge the obligation under which the banks of the country were placed by the courage and ability of the then Chancellor of the Exchequer, and the authorities who assisted him in dealing with the crisis. The situation was unprecedented, and the remedies had to be rapid and bold. Fortunately, they also proved efficient. Within a few months the working of the foreign exchanges was, to a large extent, re-

stored, the moratorium brought to an end, and the treasury notes, instead of being mere paper money, were backed by a large fund of gold. It is true that business is still surrounded by innumerable difficulties, and this will continue to be the case so long as the war lasts, but, considering the magnitude of the struggle, and the fact that the combatants include most of the enterprising commercial nations of the world, we may be thankful that the financial machinery is working as smoothly as it is.

"It is not time yet to consider what changes, if any, may be required in our financial system to enable us to meet similar crises in the future, but I cannot help wondering whether it will not be possible to keep the treasury note scheme in existence as an instrument capable of unlimited expansion in time of crisis. This and other questions affecting the financial arrangements of

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Transact a general domestic and foreign banking business. All banking matters entrusted to us handled promptly and with care.

Special attention paid to collections in Havana and all parts of Cuba.

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in New York

LONDON :

Baring Bros. & Co., Limited

PARIS :

Morgan, Harjes & Co.

BERLIN :

L. Behrens & Soehne

MADRID :

Garcia, Calamarie y C.

the country will call for consideration when the present international struggle is ended, and the lessons of the crisis can be quietly digested."



Australasia

HOW THE BANKERS HAVE HELPED.

THE "Review," Sydney, comments as follows on the part the bankers of Australia have played in the troubled times of the past year:

"Australians are now getting so accustomed to the war from a financial aspect that they are in danger of forgetting how greatly they are indebted

NOYES & COMPANY

Established 1879

Foreign Bills

Government and Municipal Bonds

8, Place Edouard VII.

PARIS - FRANCE

to the banks of their country for the steadiness of finance that has been so observable. Some day the historian will tell posterity in this land what a fine part our leading bankers played from the very beginning of this war. Great deeds, like great objects, must be viewed from a distance to be correctly gauged. In the meantime we must wait calmly for that distant view, resting assured that such view as is already obtainable gives splendid promise of the future grandeur. In this issue we give the comparative figures of several banks, and they all show how majestically Australian finance has been riding out the storm. This condition has not been ensured without the exercise of both great judgment and great skill."



TWO GREAT BANKS

THE "Australasian Insurance and Banking Record" says:

"Amongst the many banks transacting business in the British Empire the Bank of New South Wales and the Bank of Montreal are conspicuously representative examples of the capacity of the British Dominions to produce institutions which in their solid strength rank with those of the Mother Country.

Banco de Guatemala Established July 15, 1895

Guatemala C. A.

Directors

ADOLFO STAHL **D. B. HODGSDON**
J. E. CAMACHO
C. GALLUSKER, Manager

Authorized Capital: \$10,000,000.00
Capital subscribed and paid up: 2,500,000.00
Reserve Fund 7,652,378.16
Contingency Fund 3,500,000.00

Foreign Correspondents

New York: Messrs. G. Amsinck & Co.; Messrs. J. & W. Seligman & Co.; The National City Bank of New York. San Francisco, Cal.: The Anglo & London Paris National Bank of San Francisco. New Orleans: The Whitney-Central National Bank. Mexico: Banco Nacional de Mexico. Paris: Messrs. de Neufville & Cie. London: Deutsche Bank (Berlin), London Agency; London County & Westminster Bank, Ltd. Hamburg: Deutsche Bank Filiale Hamburg; Messrs. I. Behrens & Sohne. Messrs. Schroder, Gebruder & Co.; Mr. Carlo Z. Thomsen. Madrid: Messrs. Garcia-Calamarte & Cia. Barcelona: Messrs. Garcia-Calamarte & Cia.; Banco Hispano Americano. Milano: Credito Italiano.

Agencies in Guatemala

Antigua	Puerto Barrios	Escuintla
Jutiapa	Zacapa	Masatenango
Pochuta	Coban	Ocosingo
Coatepeque	Retalhuleu	Tumbador
Livingston	Salama	

General Banking Business, Special Attention Paid to Collections from Abroad and Letters of Credit.

Each of these two banks was established in 1817, and the growth of their business for close upon a century has been a reflection of the development of the far-separated portions of the Empire in which their operations are conducted. In their growth the two banks have attained nearly similar figures. The latest balance sheet of the Bank of New South Wales shows a paid-up capital of £3,200,000, and total shareholders' funds of £6,242,635. The balance sheet of the Bank of Montreal at 31st October last had a paid-up capital of \$16,000,000, or over £3,200,000; and total shareholders' funds of \$33,792,783, or over £6,758,000. The deposits of the Bank of New South Wales amount to £38,778,055; and those of the Bank of Montreal to \$197,222,675, or about £39,445,000. The note circulation of the Bank of New South Wales is now only £370,918, mainly in New Zealand; but in Canada the banks as well as the government issue notes, and the Bank of Montreal has a note circulation of \$17,231,502, or about 3½ millions sterling. On the opposite side of the balance sheet the Bank of New South Wales shows liquid assets amounting to £25,872,969, and the Bank of Montreal \$122,658,003, or about £25,000,000; while the discounts and advances of the Bank of New South Wales are £25,726,172, and the Bank of Montreal \$132,823,660, or over £27,000,000.

THE WAR AND BUSINESS

THE financial measures adopted by the government and the banks in Australia in the early stages of the war have so far proved efficacious in that public confidence has been maintained, and the country's business operations have been conducted with a smoothness and absence of trouble that has been somewhat surprising when one considers the various difficulties and problems that had to be met.

The banks generally appear, from their published statements of account, to be in a strong position as regards coin and note reserves, and in our own case we are well supplied with cash resources in all the States where we are established, and also in London.

The temporary dislocation of banking business in London, following the outbreak of the war, fortunately caused the national bank but slight and temporary inconvenience, limited to a few days. The local representative was able to obtain early release of the major portion of the funds on deposit at that center, and therewith to establish substantial cash balances available for the ordinary purposes of business. Cable and other exchange business with London has been continued throughout with practically but little restriction or interruption, to the great convenience and satisfaction of our customers concerned.

MERCANTILE BANKING COMPANY, Ltd.

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CITY OF MEXICO, D. F.

Capital and Surplus, \$600,000.00

GEO. J. McCARTY,
President

K. M. VAN ZANDT, Jr.,
Vice-President and Manager

H. C. HEAD,
Cashier

Members: American Bankers' Association, Texas Bankers' Association, Mexico City Clearing House

GENERAL BANKING TRANSACTED

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There are no extensive business relations with the countries at war, and any losses which may accrue in connection with bill transactions with them will be inconsiderable, and have been already fully provided for.



Argentina

CROP PROSPECTS

THE weather is favorable for agricultural operations and for the transport of grain and stock to the railway stations; the temperature has been abnormally low for a fortnight, says the London "Economist" of July 24, having fallen in the south of the Province of Buenos Ayres to from 5 to 14 degrees below zero Centigrade; rain is, however, wanted for the pasture lands. The exportation of grain to this date has been as follows, in tons: Wheat and flour, 2,300,000, an increase, compared with the first half of last year, of 1,400,000 tons of wheat and 24,000 of flour; maize, 1,420,000, increase nearly 300,000; linseed, 600,000, less by nearly 80,000; oats, 470,000, an increase of 40,000. No butter has been exported for a week, but the total to date has been 115,000 cases, an increase of 55,000.

The exports of wool since October 1

have been 269,000 bales, less by 30,000 than to the same date last year. The price of coarse crossbreds is from \$10.20 to \$12 per 10 kilos. The prices of grain have fallen recently, but they were more firm yesterday, except as regards linseed; the latest quotation of wheat is \$11.30 m/n per 100 kilos; linseed, \$70.85; maize, \$4.75. Cattle and sheep still obtain high prices; ox hides and sheepskins are in demand at good prices.



Brazil

BRAZILIAN FINANCES

AN issue of 150,000 contos (\$45,000,000) notes is planned by the Brazilian Government, that the scheme to once more valorize the surplus coffee crop of the country may be successfully carried through. In lieu of these notes the coffee will be taken from the planters as security, to be stored until such time as the demand is sufficient to absorb the excess.

It has been pointed out that the war embargo deprives Brazil of its usual outlet in Germany and Austria, which countries ordinarily take 3,000,000 to 3,500,000 bags, or about the quantity that the above issue of money would purchase, based on prevailing primary prices.

The idea of the issue is that the loyal

Banco de Nuevo Leon

MONTEREY, N. L., MEXICO

ESTABLISHED OCT. 1, 1892

Capital paid up, \$2,000,000 Reserves, \$919,682.79 Deposits, \$3,308,318.68

GENERAL BANKING BUSINESS TRANSACTED

Principal Correspondents:—NEW YORK, National Park Bank, Mechanics & Metals National Bank; LONDON, Dredner Bank, Credit Lyonnais; BERLIN, Deutsche Bank, Berliner Handels Gesellschaft; PARIS, Credit Lyonnais; Comptoir National d'Escompte; HAMBURG, Deutsche Bank Filiale Hamburg, Commerciers und Disconto Bank; MADRID, Banco Hispano Americano, Banco de Castilla; HABANA, Banco de la Habana.

RODOLFO M. GARZA, Manager

ARTURO MANRIQUE, Accountant

AMADOR PAZ, Cashier

Brazilian would give up his gold for the securities in much the same way as the Britisher is doing, in order to save the country from financial disaster.

Some leading authorities in New

York feel that the scheme will only postpone the financial crisis. The further issue of paper money to buy up the coffee would further depreciate the currency.

Banking and Financial Notes

EASTERN STATES

New York City

—At a recent meeting of the directors of the Chase National Bank Guy E. Tripp, chairman of the Westinghouse Electric and Manufacturing Company, was elected a director,

—William Milne, for many years cashier of the Peoples Bank, has been elected president of that institution. Mr. Milne is succeeded by John B. Forsyth, formerly assistant cashier.

—Knauth, Nachod & Kuhne have issued a pamphlet on the investment value of the 10-30 year five per cent. sinking fund mortgage gold bonds of the Republic Iron and Steel Company. This little pamphlet is in keeping with the usual excellency of the literature issued by this firm, both as to form and context. It is of a convenient size, and one is tempted, as suggested in the letter which accompanies it, "to put it in your pocket and read it when you have time." In fact, the pamphlet form, which this firm seems to have adopted for its bond literature, commands more attention than a circular and creates a very favorable impression upon the conscientious investor.

The bonds described in the pamphlet, since the redemption of the first mortgage bonds of the company on October

1, 1914, are now an absolute first mortgage on all of the company's property, the estimated value of which is over four times the total bonded debt. The book contains a careful and studious analysis of the investment value of the



The Branch
Our first President

Merchants National Bank

RICHMOND, VA.

Capital \$200,000
Surplus and Profits over 1,000,000

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"ON TO RICHMOND"

bonds which gives credence to Knauth, Nachod & Kuhne's conclusion that they "embody all the requisites of a desirable and safe investment."

—Mr. Albert A. Tilney, recently appointed assistant to the president of the Bankers Trust Company, comes to his new position well equipped to render valuable service to the president, Mr. Seward Prosser, and to the company. Mr. Tilney graduated from



ALBERT A. TILNEY

ASSISTANT TO PRESIDENT BANKERS TRUST COMPANY, NEW YORK

Yale with the class of 1890, and after one year with the Pennsylvania Railroad Company, entered the offices of Harvey Fisk & Sons in January, 1892. In 1894 Mr. Tilney went to Boston as the representative of Harvey Fisk & Sons in that city, and in January, 1904, he was admitted to membership in the firm. He remained in charge of the Boston office until January, 1907, when he returned to the New York office. He retired from the firm January 1, 1915.



Planters National Bank

RICHMOND, VIRGINIA

Capital - - \$300,000

Surplus & Profits \$1,609,000

Total Resources \$8,000,000

JAMES N. BOYD
President

J. J. MONTAGUE
Vice-President

RICHARD H. SMITH
Vice-President and Cashier

R. LATIMER GORDON
Assistant Cashier

CONWAY H. GORDON
Assistant Cashier

D. V. MORTON
Assistant Cashier



*Through our
Strength, Location
and Facilities
We Serve
the Entire
South!*

**Unsurpassed Facilities for
collecting Items on Vir-
ginia and the Carolinas**

**A Wisconsin Banker
Speaks Of Our Staff
As PERMANENT
DEPOSIT Builders.**

Last month he wrote,
"In the past year,
our Bank has made
the only growth in the
City. This we believe
due to the lasting
results of your
methods."

He has doubled the
amount of his Service,
because he knows what
"Collins" will do for
him.

Ask us what we can do
for YOU? ■ ■ ■ ■ ■

**COLLINS
PUBLICITY SERVICE
PHILADELPHIA**

broomer, cashier; R. Ross Appleton, president of the Security Bank, and Bradley Martin and R. I. Brewster, vice-presidents of the Security, have also been elected as additional vice-presidents of the Century Bank, which, with its strength greatly increased, will be better in a position to serve its patrons and the public than ever before.



Courtesy, Co-operative Press

HERBERT L. PRATT
DIRECTOR BANKERS TRUST COMPANY, NEW YORK

—By the recent merger of the Security Bank with the Century Bank of New York the combined banks will have gross deposits of over \$23,000,000 and by the consolidation will gain 12 branches, making it one of the largest state banks in the city. The Century Bank has been admitted to membership in the New York Clearing House, and is increasing its capital and surplus in proportion to its increased business. It now has a paid in capital and surplus of \$2,275,765 with deposits, including those of the Security, of about \$23,316,356. Its total resources are in the neighborhood of \$27,000,000, which makes it one of the strongest of the uptown banks. The officers of the Century Bank remain unchanged. They are Harden L. Crawford, president; L. G. Kaufman, chairman of the executive committee; vice-presidents, C. Stanley Mitchell, George P. Kennedy and Robert B. Minis; H. A. Clinkun-

OWNER

ARCHITECT **HOGGSON BROTHERS** ENGINEER

BUILDER **HOGGSON BROTHERS** MECHANIC

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As members of the New York Stock Exchange, execute commission orders for the purchase or sale of securities. With private wire connections to many of the large eastern cities and correspondents throughout the world, offer clients adequate facilities for the execution of orders in all markets.

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Furnish information concerning properties and their securities; also, supply copies of mortgages, agreements, reorganization plans, reports, earnings statements, etc., without charge to clients.

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Cables "MIMOSA" New York

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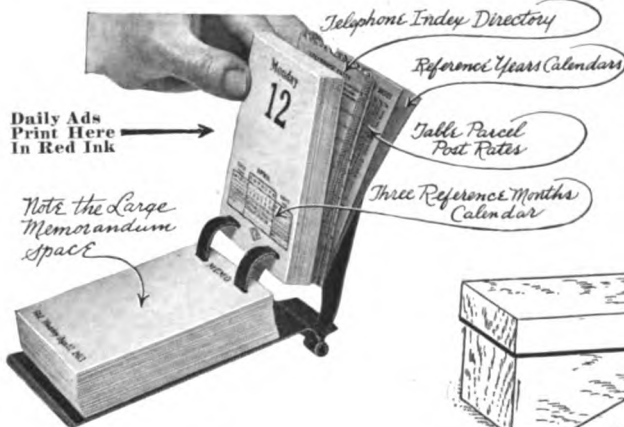
TO YOUR CUSTOMER EVERY DAY of the YEAR
It is used as an advertising medium and it has brought large returns

The Chicago Bonding and Surety Company wrote us on March 4, 1915:

"It afforded us much pleasure to renew our order with Mr. Cole, your representative here, for Acme Calendars for 1916.

"This will make our third year in the distribution of your calendars, and we are very glad we took up this method of advertising and publicity, as the favorable results we have secured have well paid for the expense in connection therewith."

(Signed) O. F. Roberts,
Sec. & Gen'l Manager.

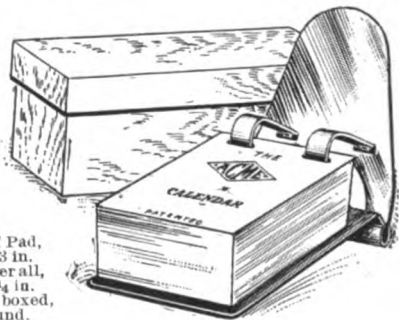


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—Herbert L. Pratt, vice-president and director of the Standard Oil Company of New York, and a member of the firm of Charles Pratt & Co., was elected a director of the Bankers Trust Company at a meeting of the board of directors, held August 17. It is interesting to note that Mr. Pratt's election is in line with the new banking legislation known as the Clayton Bill, as heretofore the board of the Bankers Trust Company has been composed of representatives of banks and bankers.

—The Metropolitan Trust Company has been granted permission by the State Banking Department to establish a branch office at 716 Fifth avenue.

—The new Bankers Club of America was formally opened July 1 in its rooms on the three top floors of the Equitable Building. The officers of the club, the limit of whose resident membership has already compelled the creation of a waiting list, are: President, A. Barton Hepburn, chairman of the board of di-

rectors of the Chase National Bank; vice-presidents, T. Coleman du Pont and George T. Wilson, second vice-president of the Equitable Life Assurance Society; treasurer, Charles H. Sabin, president of the Guaranty Trust Company; secretary, Franklin A. Blummer, of W. C. Sheldon & Co.

Mr. Wilson is chairman of the committee on furniture and equipment, and he was assisted in his work by Samuel W. Fairchild, president of the Union League Club, and R. A. C. Smith, dock commissioner.

The new club is three times larger than any of the other lunching clubs in the financial district. And with 100,000 square feet of floor space at its disposal, it is larger than many four-hundred room hotels. It has a big board of governors, who, taken altogether, are trustees for over \$2,000,000,000.

The visitor to the clubrooms is impressed by the sumptuousness of the surroundings and the spaciousness of the room and halls. Not the least sug-

gestion of an office building can be found.

The bigness of the club, where the bankers of America will foregather and put through the important negotiations reserved for consideration at the luncheon table has other aspects of grandeur beside its bigness. The views from its windows which are purposely so low that one need not rise from table to look out over both rivers and the bay, is without equal. The windows of the thirty-ninth floor are almost on a level with the apex of the pyramid atop of the Bankers' Trust Company near by. From the roof garden on the fortieth floor, only the tower of the Woolworth Building seems to have any advantage in the way of an outlook.

—Henry M. Conkey, for fourteen years connected with the Chase National Bank and since 1910 its cashier, died July 24 after a short illness. His successor will be Alfred C. Andrews, who has been assistant cashier, and George H. Saylor and M. Hadden Howell have been appointed assistant cashiers.

—B. G. Smith, manager of the auditing department of the Guaranty Trust Company of New York, has been made

Utah Savings & Trust Company Salt Lake City, Utah

General Banking—Trust—Bonding
Title Insurance—Safety Deposit Vaults

Capital . . . \$300,000
Surplus & Profits, 45,000

OFFICERS:

W. S. McCornick, President
Anthon H. Lund, Vice-President
Geo. Albert Smith, Vice-President
F. M. Michelson, Cashier

**Facilities for thorough
Banking service.
Expeditions and intelli-
gent handling of collec-
tions throughout this In-
ter-mountain country.**

26 Years Old

an officer of the company, with the title of auditor. Mr. Smith began his banking experience in 1901, when he entered the employ of the Morton Trust Company, which in 1910 was merged with the Guaranty. He has served in various departments of the company, and since September, 1914, has been manager of the auditing department.



Philadelphia

—The Franklin National Bank, which last year acquired the old site of the Haseltine Art Gallery, at 1416-18 Chestnut street, in exchange for the present building at the corner of Broad and Chestnut streets, will erect immediately a bank and office building from the plans prepared by McKim, Mead & White, of New York, in collaboration with Furness, Evans & Co., of Philadelphia. The bank will be three stories on

THE GARFIELD NATIONAL BANK

Fifth Avenue Building

Corner Fifth Ave. and Twenty-Third Street.

NEW YORK

CAPITAL **\$1,000,000** SURPLUS **\$1,000,000**

OFFICERS

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CHARLES T. WILLS, Vice-Pres.
WM. L. DOUGLASS, 2d Vice-Pres.
ARTHUR W. SNOW, Cashier
R. T. THORN, Asst. Cashier
JOHN W. PEDDIE, Asst. Cashier

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Ruel W. Poor
Samuel Adams
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We have satisfied the officers and customers of over four hundred banks with our work. This bespeaks of ability to properly advise *you* in the problem of making *your* banking rooms business getters.

We do not claim to be able to design and build good hospitals or railroad stations; we might be able, but we have never tried. We do claim, though, that in any bank building proposition, we can give you the best service that is obtainable; from drawing the plans, to supplying the pens and blotters.

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NO. 106 EAST 19TH STREET
NEW YORK

the Chestnut street front. A 20-story office building, with an entrance from Chestnut street, will occupy the rear of the lot. The frontage on Chestnut street is 54 feet, with a depth of 230 feet to Sansom street. The whole scheme of improvement will represent an investment of about \$2,250,000. The new building of the Franklin Bank will cost about \$1,000,000. Work on the structure will be begun, it is expected, immediately, and it will probably be completed by the fall of 1916, though it is considered likely that the bank building, which is to be the future home of the Franklin National Bank, will be completed earlier, possibly early next year.

—W. Grant Hallowell has been appointed assistant cashier of the Second National Bank .

—Samuel Graham, Jr., has been appointed assistant cashier of the Third National Bank. Mr. Graham entered the employ of the institution in 1894 and was secretary to the late Gen. Louis Wagner, former president of the bank. For the past nine years Mr. Graham had been receiving teller of the bank.

—The August digest of trade conditions issued by the Franklin National Bank of Philadelphia contains a fund of information on each of the fundamental factors underlying general business. This report is intended to be a commercial rather than a market letter. The statistical compilations of several hundred authorities have been brought together, compared, and reconciled, producing, as is explained in a foreword, an unbiased and reasonably accurate statement of actual business conditions. This month's report is exceptionally optimistic in tone and it is stated, for the benefit of those who are praying for the war to continue for fear peace will mean business depression, that peace in Europe will probably mean a long period of great prosperity in this country.

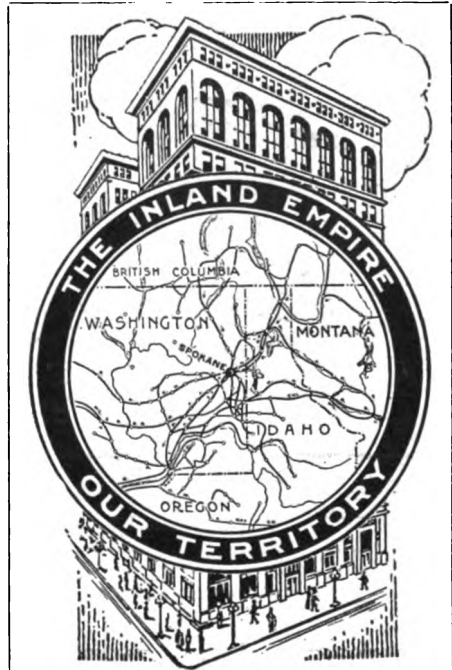
Pittsburgh

—Harry D. Ramsey, for over twenty years connected with the Second National, and more recently with the First National of Irwin, Pa., as assistant cashier, has been elected assistant cashier of the Merchants Bank. Mr. Ramsey is widely known in business circles and will be a valuable aid to the Merchants Bank, which in the three years of its existence has made remarkable progress.

—The August business letter of the Peoples National Bank of Pittsburgh contains, as usual, a careful survey of commercial conditions in the Pittsburgh district. Improvement in the steel trade and related industries is reported, there being an increase of fifty-seven per cent. in the June earnings of the Steel Corporation over earnings in January last. This favorable change in the condition of the corporation is said to be typical of the entire industry. With reference to war order expansion, the letter contains the following significant statement: "Germany and England, which rank next to the United States industrially, have not been invaded and the physical condition of their industrial equipment has not been impaired as a result of the war, whatever has happened to their financial condition. If the war ends with the plant facilities of our chief industrial competitors still intact, then the world's productive capacity in manufacturing lines is likely to remain largely in excess of the world's requirements for years to come. Any unusual expansion based upon present abnormal conditions is therefore likely to bear bitter fruit in the end."



—The Bank of Attica, N. Y., is preparing to build a new home this summer, to celebrate sixty years of successful business life. The building, one story in height, will cover the ground now occupied by the bank and the Crystal pharmacy. The building will be



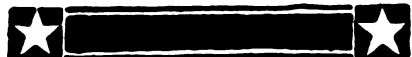
The
Old National
Bank
of Spokane

WITH direct connections in every banking point throughout the "Inland Empire"—a region three times the size of Alabama, of which Spokane is the financial and railroad center—The Old National has the facilities to collect your Pacific Northwest items with exceptional economy and dispatch.

OFFICERS

- D. W. TWOHY, *President*
- T. J. HUMBLED, *Vice-President*
- W. D. VINCENT, *Vice-President*
- J. A. YEOMANS, *Cashier*
- W. J. SMITHSON
- G. H. GREENWOOD J. W. BRADLEY
- Assistant Cashiers*

RESOURCES : \$13,000,000



RHODE ISLAND HOSPITAL TRUST CO.

Oldest Trust Company in New England

PROVIDENCE, R. I.

Capital \$2,500,000

Surplus \$2,500,000

**A Growing Company in the Heart
of a Growing Community**

**When visiting Providence you are
— cordially invited to call upon us**

faced with white enamel brick and the interior will be equipped with the most modern and up-to-date furnishings. It is hoped to have the new building erected and enclosed before cold weather.

—The Rome (N. Y.) Trust Company is preparing to erect a new bank building on the site of the Saulpaugh Block, corner of James and Dominick streets, from the plans of Metzger & Bullock, New York. The contract calls for the completion of the new building by January 1, 1916. The building will be one story high, 26 feet front in James street, and 93 feet deep along Dominick street, to be built of Indiana limestone, the main entrance to be from James street through heavy bronze doors. The interior will be wainscoted with gray Sienna marble and the floor will be of marble. A modern safe deposit vault will be installed.

—Geneseo's (N. Y.) new bank, the Livingston County Trust Company,

will open its doors July 1. This will make two banks for Geneseo. The new concern will occupy the ground floor of the Aprile block. The officers of the company are as follows: Hon. J. W. Wadsworth, president; Bartholemew E. Brophel, first vice-president; Fred G. Olp, second vice-president; Perry C. Euchmen, secretary.

—The annual meeting of the Maryland Bankers Association was held at Cape May in June and ended with a banquet which was addressed by John Barrett, director-general of the Pan-American Union. The officers for the new year are as follows: President, Harvey L. Cooper, Denton National Bank; first vice-president, James M. Sloan, Lonaconing Savings Bank; vice-presidents, Harry J. Hopkins, Farmers' National Bank, Annapolis; Townsend Scott, Baltimore; G. W. Waters, Jr., Citizens' National Bank, Laurel; Robert R. Dixon, Easton National Bank, Easton; Samuel M. Hann,

Fidelity Trust Company, Baltimore; J. F. Rolph, Centreville National Bank; W. W. Beck, Chestertown Bank of Maryland; secretary, Charles Hann, Merchants-Mechanics' Bank, Baltimore, and treasurer, William Marriott, Western National Bank, Baltimore.

Committee of administration, George R. Gehr (chairman), Westminster; William C. Page, Waldo Newcomer, T. Rowland Thomas, all of Baltimore; Harold Hardings, Ellicott City, and William B. Cooper, Chestertown. The election of Mr. Sloan as first vice-president places him in line for the presidency next year, as this automatic advancement has been an unbroken rule of the association.

—The Commercial National Bank of Washington, D. C., has opened a branch bank in the Masonic building, Cristobal, Canal Zone, for the transaction of business on the same lines as the home institution. This branch will act as fiscal agent for the United States Government and will offer facilities for exchange, deposit and discount business. The opening took place July 15. The Commercial National has already established a branch in Panama City.



NEW ENGLAND

Boston

—The Eliot Five Cents Savings Bank has purchased a parcel of land on Dudley street and Harrison avenue, upon which it purposes to erect a building designed for its own occupancy.

—Mr. E. Elmer Foye, who has recently opened an office at 35 Congress street, Boston, for the handling of commercial paper, was until recently vice-president of the Old Colony Trust Co., with which he has been associated for the past 23 years. He has been successively assistant secretary, secretary, cashier, manager of the credit depart-

ment and vice-president, in which latter position he handled the commercial loans and became conversant with commercial paper in all lines of business. In 1911-12 Mr. Foye was president of the Massachusetts Bankers As-



E. ELMER FOYE

sociation and for three years was on the executive committee of the Trust Company Section of the American Bankers Association. Mr. Foye has a wide acquaintance with bankers and business men all over the country and the prospects for the success of the new firm, which will be known as E. Elmer Foye & Co., are excellent.

—Arrangements are being completed for the organization of a new trust company which will take over the business of the Mutual National Bank and the First Ward National Bank. The trust company charter, which was obtained by the latter institution in December, 1913, under the name of the First Ward Trust Company, will be used for the new institution, but a different name will be adopted. The proposed trust company will have a capital of \$300,000, surplus of \$300,000 and deposits

A broad, comprehensive service, designed to meet your most exacting requirements.

Resources Over Forty Millions

The First National Bank of Saint Paul

Oldest Bank in Minnesota

of about \$3,000,000. The new institution is to begin business about September 1 and in the meantime both banks will continue their independent existence. The present location of the Mutual National at 40 State street will be the headquarters of the new trust company and the offices of the First Ward National in East Boston will be operated as a branch. The officers of the new institution have not been fully decided upon but it is understood that Chandler M. Wood, president of the Mutual, will be the head of the combined institution and that William H. Stickney, cashier of the Mutual National, will be chosen one of the vice-presidents and treasurer. The Mutual National Bank has a capital stock of \$500,000 and on June 23 had surplus and profits of \$86,085 and deposits of \$1,716,347. The First Ward Bank has a capital of \$200,000 and under the last call of the Comptroller showed surplus and profits of \$157,005 and deposits of \$1,102,050.

—A handsome banking house has been planned for the Manufacturers' National Bank of Lynn. The front on Union street will be of Indiana limestone. It will be primarily a bank building, although the second and third floors will be laid out in modern offices, which will be ready before the banking rooms are done. The work will entail the tearing down of a great part of the present structure, and the contracts call for its completion by November 1.

—A charter has been granted the Park Trust Company of Worcester, Mass., which will open in the Park building on Main street.

—Plans are being made for the erection of a new bank building by the Chicopee Falls (Mass.) Savings Bank.

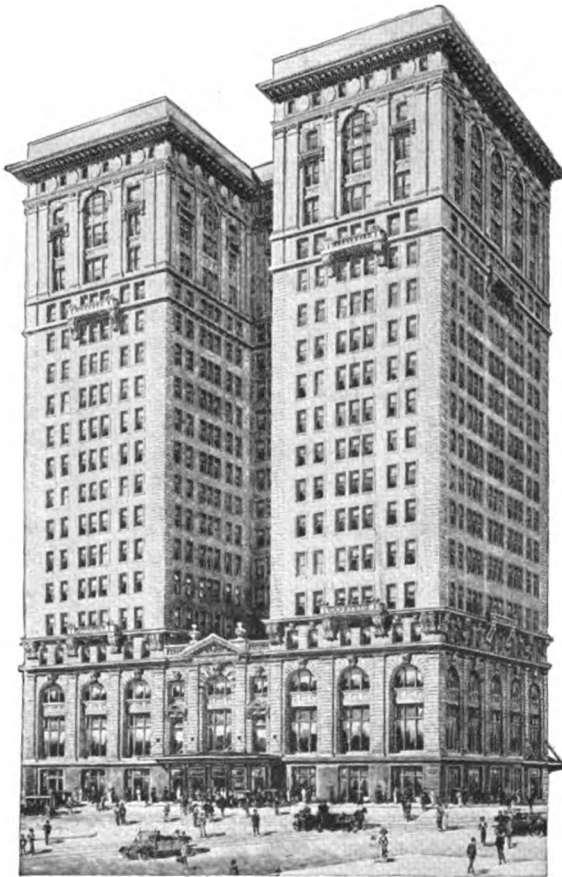
—It is expected that Gen. Lucius A. Barbour will head the new Colonial National Bank of Hartford and Myron A.

MINNEAPOLIS

First and Security National Bank

Resources \$60,000,000

A Strong Consolidation under Wise Administration



HOME OF THE FIRST AND SECURITY NATIONAL BANK, MINNEAPOLIS

Your business on Minneapolis and the Northwest will be welcomed and will receive prompt and intelligent service



THROUGH THE FACILITIES OF

The Live Stock Exchange National Bank

AND

The Chicago Cattle Loan Company

Bankers interested in financing the development of the live stock industry or in the purchase of high grade, self liquidating paper, are assured prompt and satisfactory service. Correspondence invited.

**Address : UNION STOCK YARDS
CHICAGO, ILLINOIS**

Andrews, formerly cashier of the Charter Oak National Bank, will be cashier. The new bank will begin business this fall.

—The new building of the Haverhill (Mass.) National Bank was opened July 1. It is a handsome building of the "skyscraper" type and is occupied by the bank and offices.

—The corner-stone of the new building of the Central National Bank of Middletown, Conn., was laid June 28. The building will be a modern office structure.

—The Citizens National Bank and Iona Savings Bank have contracted for extensive additions and improvements to their building at Tilton, N. H.

—The plans for the new building of the Merchants National Bank at Manchester, N. H., call for a seven-story structure of granite or marble, to be

occupied by the bank, with offices above. The site is the corner of Elm and Manchester streets. C. R. Whitcher of Manchester is the architect.

—A new building for the American Bank and Trust Company of New Haven, Conn., will be erected at once.



WESTERN STATES

Chicago

The August financial letter of the National City Bank of Chicago is optimistic in tone. Crops are reported as encouraging and there is plenty of ready money available for crop movement purposes this year. Some of the large corporations will have to be financed within the near future, the letter says, in order to pay for development work and to provide for necessary

The National Cattle Loan Company



NATIONAL STOCK YARDS, ILLINOIS

Capital, \$200,000.00

Sells over its endorsement loans made by responsible cattle men, secured by cattle inspected by our own representatives to banks wishing safe, short-time, liquid investments.

CORRESPONDENCE INVITED

AT THE ST. LOUIS NATIONAL STOCK YARDS

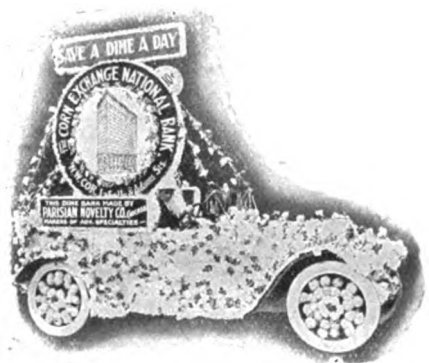
equipment. Labor conditions are reported as turbulent and higher wage scales are likely to increase operating expenses during the coming year. "The indications are," concludes the letter, "that, barring unforeseen complications, there will be a definite improvement in industrial conditions during the next five months."

—The monthly business review of the National Bank of the Republic, issued under date of August 2, gives an enlightening summary of business conditions during the first year of the war. It states that the backbone of the general advance in business activity since the depression which followed the outbreak of the war has been the tremendous demand for our goods from foreign countries. Crops are reported as progressing in a satisfactory manner and the steel business is said to be humming with activity. A feature of the financial situation, the report states, is the remarkably small volume of new financing. The total of all new railroad and industrial securities is the smallest for any similar period on record.

—Among the most notable features of the wonderful Night Pageant of the Associated Advertising Clubs of the World at the recent Chicago convention was an illuminated float bearing the "Save a Dime a Day" slogan of the Corn Exchange National Bank. The float consisted of an automobile entirely covered with flowers upon which was

erected an enlarged model of the pocket dime bank which the Corn Exchange has been so successfully using in connection with their newly instituted savings department.

This department was opened on the



4th of last January. Since that time 70,000 of these pocket dime banks have been distributed to prospective depositors and have had a large share in the success of the new department. Up to date 12,000 savings accounts have been opened, an enviable record for so short a time.



Cleveland

—In order to provide for the needs of its ever-increasing number of depositors, the Union National Bank has found it necessary to find for itself a more commodious home and is now

erecting a modern office building at 308 Euclid avenue. The lower floors of this building will be used for the banking rooms of the Union National and every modern facility for the efficient handling of the business of this institution will be provided for. The new project



THE UNION NATIONAL BANK, CLEVELAND

is meeting with general interest and commendation.

The Union National Bank has shown a steady deposit growth within the past year, deposits a year ago being in the neighborhood of \$12,500,000, while since April of this year they have been running in excess of \$16,000,000. This development redounds to the credit of the bank's organization, which is especially effective, being well balanced, experienced and aggressive. The directors, too, have always been alive to the prospects of the bank and have been

Citizens State Bank and Trust Company

DALLAS, TEXAS

Opened For Business May 31, 1913

Comparative Statement Showing Growth in
Deposits

Deposits June 4, 1913 . . .	\$144,606.51
Deposits August 9, 1913 . . .	296,299.27
Deposits October 21, 1913 . . .	552,788.95
Deposits June 30, 1914 . . .	730,000.00

*Prompt attention given to all Banking
Matters entrusted to our care.*

most zealous in furthering its advancement.

The Union National was organized in 1884 and since then has kept pace with the wealthy and growing city in which it is located and in whose welfare it has always been interested. During its entire history this institution has steadfastly adhered to the policy of strictly commercial banking and is known as a commercial bank throughout the region.

The officers of the bank are as follows: Chairman, Warren S. Hayden; president, George A. Coulton; vice-presidents, William E. Ward, Elmer E. Creswell; cashier, Walter C. Saunders; assistant cashiers, Fred W. Cook, Archer E. Christian, Carl F. Mead.



Detroit

—The August trade letter of the National Bank of Commerce consists, for the most part, of a comparison of present trade conditions with those existing a year ago. The comparison is generally encouraging. The enormous decrease in our imports during the past year is commented upon and this is looked upon as a favorable indication that we are finding the way to do without some of those things which we have been accustomed to get from Europe. Among the articles mentioned which it

These two books make interesting and profitable reading. They are yours for the asking.



How Many Depositors Haven't You?

Many a bank thinks a great deal about the number of depositors it has and little about those it hasn't.

Yet it is the securing of new depositors that measures a bank's growth.

We will be glad to prepare *for you* without obligation a portfolio that will tell not only how your bank can increase its deposits but also how it can save money on daily operations.

The principles on which this portfolio will be built have been applied with much success. A concrete case is described in a little book that we will send with the portfolio.

THE AMERICAN MULTIGRAPH SALES CO.
1805 East Fortieth Street Cleveland, Ohio



Seven Departments

The Mississippi Valley Trust Company places at your disposal the services of Seven Complete Departments as follows: Financial, Trust, Bond, Real Estate, Safe Deposit, Savings and Farm Loan.

CORRESPONDENCE INVITED

Capital, Surplus and Profits over - - \$8,000,000
ST. LOUIS

is believed we should produce in sufficient quantities for our own consumption are wool, sugar, lumber, feathers, cotton, hemp, flax, jute, hides and copper. Crop conditions are said to be satisfactory and the business map of the country is reported to be as good as at any time since 1909, only a small portion of the southeastern states being now in the poor business area.

its enlarged size will be installed. A woman's room and new rooms for the officers will be among the added features. The St. Louis Union is the oldest trust company in Missouri.

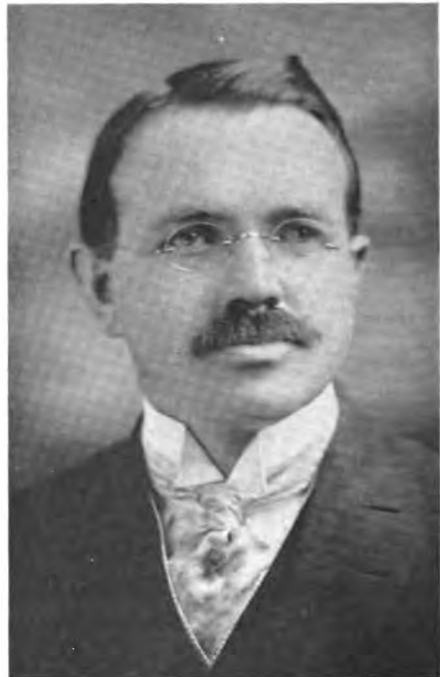
—Thomas J. Kavanaugh, credit manager of the Mississippi Valley Trust Co. of St. Louis, has been elected a director of the Robert Morris Club, a



St. Louis

—In its July letter to depositors the Third National Bank of St. Louis refers to the fact that on July 19 the new savings department was six months old and deposits totaled \$1,114,391, a record, it is believed, which has never been equalled by any savings department in the State. The bank states, however, that it is primarily interested in encouraging thrift, frugality and economy among the citizens, rather than in piling up large sums of money.

—The trust department of the St. Louis Union Trust Co., Fourth and Locust streets, St. Louis, has been removed from the first to the second floor. The change is being made in order to give more room to the banking quarters. The first floor will be occupied by the bank and all other departments will be on the second floor. This will make one of the largest banking rooms in the West. The banking room will be remodeled and improvements suitable to



THOMAS J. KAVANAUGH
CREDIT MANAGER MISSISSIPPI VALLEY
TRUST CO., ST. LOUIS

FIRST NATIONAL BANK TRUST & SAVINGS CO.

CLEVELAND, OHIO

Capital \$3,750,000.00

Deposits \$52,200,000.00

Resources over \$60,000,000.00

Our institutions offer complete banking and trust company facilities. Our officers and directors are all successful men—well known for their experience, judgment and integrity.

Their interest in these banks extends to all who deal with them.

Large resources, perfect banking organization and equipment, and a genuine desire to be helpful are at your service.

new credit organization formed by the National Association of Credit Men, composed of credit men from the various banks throughout the country. Mr. Kavanaugh has been with the Mississippi Valley Trust Company several years, having entered its service as private secretary to President Breckinridge Jones.



—At the conclusion of the meeting of the Iowa Bankers' Association, the following officers were elected for the coming year: President, Harry T. Blackburn, Des Moines; vice-president, W. A. Dexter, Toledo; treasurer, Charles J. Wohlenberg, Holstein; secretary, P. W. Hall, Des Moines.

—Work has been started at Plainfield, Ill., on a new structure for the

Plainfield State Bank. The new building, which will be of Bedford stone and brick, will be 32 by 58 feet, one-story. In addition to the main bank space there will be a directors' room, safety deposit boxes, ladies' room and toilets. The building will be steam-heated and electric-lighted, with all the conveniences of a modern bank, and will cost complete, \$15,000.

—The Mount Ayr State Bank has been incorporated at Mount Ayr, Ia., with capital of \$100,000.

—At a meeting of the executive committee of the Utah Bankers' Association held recently in Salt Lake City, Ogden, Utah, was selected by the members as the place of meeting for the next convention, which will be held in June, 1916. The members of the committee were the guests of President M.

ADRIAN H. MULLER & SON

55 WILLIAM STREET, Corner of Pine Street, NEW YORK

AUCTIONEERS

The Business of Banks, Bankers, Investors and Dealers in Securities generally, receives prompt and careful attention.

STOCKS AND BONDS AT AUCTION

REGULAR AUCTION SALES OF ALL CLASSES OF STOCKS AND BONDS EVERY WEDNESDAY

Real Estate at Public and Private Sale

Prompt Returns on all business entrusted to us



The American National Bank

SAN DIEGO, CAL.

Capital \$200,000.00
 Surplus and Undivided Profits 160,000.00
 Total Resources over 2,200,000.00

J. W. SEFTON, Jr., President

C. L. WILLIAMS, 1st Vice-Pres. L. J. RICE, Cashier
 I. ISAAC IRWIN, 2nd V-Pres. T. C. HAMMOND, Asst. Cash.

Q A new building, the best equipment, an able and experienced staff of officers and employes—these are some of the things that enable us to give excellent service to customers and correspondents. We are thoroughly familiar with investment opportunities in this prosperous region and cordially invite correspondence in regard to them.

S. Browning of Ogden. Those present, besides Mr. Browning, were Vice-President John Pingree of Salt Lake, Secretary-Treasurer J. E. Shepard of Logan and directors Elias A. Smith of Salt Lake, T. W. Boyer of Salt Lake, John D. Dixon of Provo, Guy Lewis of Richfield, E. O. Howard of Salt Lake and John A. Malia of Salt Lake, representative of the American Institute of

Bankers. The question of effecting a closer relation between the manufacturers and producers of the state in the interest of development of industries was raised and discussed. It was decided that a committee should be appointed to investigate conditions and report upon advisable ways and means of effecting the desired ends. J. E. Cosgriff was selected as chairman of the committee, and the selection of four other members was left to President Browning and Mr. Cosgriff.

—Holstead & Sullivan, architects, have prepared plans for a one-story brick office building for the First National Bank at Askov, Minn.

—Work has started on the enlargement and improvement of the Mason County Bank building, Peoria, Ill.

—The twenty-ninth annual convention of the Michigan Bankers' Association in this city was brought to a close July 29, with the election of Arthur G. Bishop of Flint, to the presidency, succeeding Charles H. Bender. Invitations were received from Flint and Menominee for the 1916 conventions, but the choice was left to members of the executive committee who will meet in December. William J. Gray, of Detroit, was elected to the first vice-presidency, succeeding Mr. Bishop. Other officers were elected as follows: Second vice-president, Frank W. Blair; secretary, Mrs. H. M. Brown, of Detroit; treas-



H. N. TINKER
 PRESIDENT PUGET SOUND STATE BANK
 TACOMA, WASH.



QUALIFIED EXPERT
EXAMINER
QUESTIONED DOCUMENTS
WRITING, SIGNATURES
AND ACCOUNTS

40 State Street

BOSTON

urer, R. H. Packard, of Menominee; members of the executive committee for two years, W. J. Rachow, of Charleviox; H. T. Robinson, Saginaw; William Savidge, of Grand Haven; A. T. Straight, of Grand Rapids; G. L. Taylor, of Owosso; W. L. Walz, of Ann Arbor, and H. H. Sanger, of Detroit. The convention was the most successful in the history of the organization, attendance breaking all records and the program setting a new high standard.

—The Lorain County Banking Co., Elyria, Ohio, are planning for the erection of ten-story bank and office building.

—The Salt Lake Security & Trust Co. has been reorganized and the erection of a modern sky-scraper costing approximately \$1,200,000 on the site now occupied by the Utah State National Bank is to be begun within the next few months. The new building, according to present plans, will be seventeen stories high, exclusive of the tower, which probably will be three stories. Building operations will be started just as soon as the ground can be obtained, which will be not later than early in 1917, when the present lease expires. Under the reorganization the officers of the company are: F. E. McGurrian, president and director; Dr. F. S. Bascom, first vice-president

and director; John Hickey, second vice-president and director; George M. Cannon, cashier; Arthur C. Sullivan, assistant cashier; Joseph J. Cannon, secretary and director.

—Work will be started shortly on a fourteen-story building for the First National Bank of Omaha, Neb., at Sixteenth and Farnam streets. It will be of granite and brick or terra cotta and will be completed in the fall of 1916. Graham Burnham & Co. of Chicago are the architects.

—At the annual meeting and dinner of the Bankers' Club of Kansas City, Mo., these officers were elected for the ensuing year: A. D. Rider, president; W. L. Buechle, vice-president; Charles W. Watson, secretary-treasurer.

—The State Bank of Freeport, Ill., has purchased the premises at 67 and 69 Stephenson street, and next spring will begin the erection of a thoroughly modern bank and office building, six stories high, to be one of the finest in the state. The estimated cost is now given as \$125,000. The bank will occupy the entire street level floor and will have a banking room second to none for institutions of its class. The bank space will be 40x120 feet. The five upper floors will be for offices.

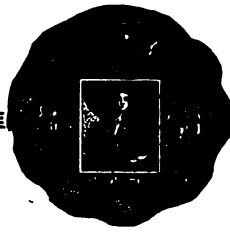
Miners Bank, Joplin, Mo.

We cordially invite correspondence relative to opportunities and investments, the advantages of Joplin as a manufacturing point, etc. Accounts and collections also invited.

Capital, \$100,000 Surplus, \$100,000 Deposits, \$950,000

1870

1915



Capital, \$1,000,000

Surplus, \$600,000

Located at the "Gateway of the South"

Having been established as The State Bank of Virginia 45 years ago, we have served continuously financial institutions in all parts of the South. This long period of successful service has resulted in a banking equipment that is unexcelled at

Richmond, Virginia

Another result of handling the accounts of Southern Bankers for these many years is that we know accurately the needs of financial institutions located in Southern States. Your Southern business solicited. Direct routing of items our specialty. Correspondence cordially invited.

National State and City Bank

WM. H. PALMER, President

JOHN S. ELLETT, Vice-President
J. W. SINTON, Vice-PresidentWM. M. HILL, Vice-President
JULIEN H. HILL, Cashier

SOUTHERN STATES Birmingham, Ala.

—The August business letter of the Birmingham Trust and Savings Company states that there is no unnatural expansion of trade in this country on account of the war. "To be sure," it states, "we are doing a lot of business in war supplies and foodstuffs, but because of the war other lines have been held back." The labor situation is regarded as serious and an earnest plea for more arbitration in labor matters is made. Eight thousand two hundred and twenty-five bales of last year's cotton crop have been exported so far, it is reported, and while these have been made later in the season than last year, the showing has been by no means discouraging.



—Alexander P. Grice has been elected president of the Guaranty Title

& Trust Co. of Norfolk, Va., to succeed W. W. Moss, resigned.

—At a recent meeting of the directors of the Commercial National Bank of Shreveport, La., Mr. E. R. Bernstein was elected active first vice president. Mr. Bernstein has been a director of the bank for years, and was offered his present position at the request of the president, Mr. E. K. Smith, who urged upon the board of directors the necessity of additional assistance on account of the rapid growth of the bank. The board was unanimous in its request that Mr. Bernstein accept the proffered office.

Mr. Bernstein's previous business experience and his prominent position in the affairs of his native city make him peculiarly well fitted for the position he is to occupy. He was born at Baton Rouge, La., October 23, 1869, but in 1876 moved with his family to Shreveport, where he has lived ever since. In 1884 Mr. Bernstein graduated at

Thatcher Institute at the head of his class, and entered into his business career. After engaging in business on his own account for a few years his two elder brothers became associated with him under the firm name of Bernstein Bros. This company is still running, and to-day ranks among the first in the South.

Mr. Bernstein is president of the Oakdale Land Co. and treasurer of the Highland Park Land Co. For three



E. R. BERNSTEIN

FIRST VICE-PRESIDENT COMMERCIAL NATIONAL BANK, SHREVEPORT, LA.

terms he served in the City Council and was afterwards elected mayor of the city. He was the first president of the Louisiana State Fair Association, and has always been among the leaders in the civic advancement of Shreveport. Mr. Bernstein enjoys the reputation of being an authority in higher mathematics, and has lectured repeatedly before the State Board of Teachers, and to colleges and universities throughout the South.

For fifteen years Mr. Bernstein has been a director of the Commercial National, and is the oldest member of the board in point of service. The officers of the bank are now as follows: E. K. Smith, president; E. R. Bernstein, first vice-president; A. T. Kahn, vice-president; S. G. Sample, vice-president; A. H. Van Hook, cashier; E. A. Conway, Jr., and M. Ricks, assistant cashiers.

—At a meeting of the board of directors of the National Bank of Commerce of Houston, Tex., P. S. Park, Jr., of Italy, Tex., was elected cashier of that institution. He will assume his duties in August. Mr. Park is now cashier of the Farmers' State Bank of Italy, which he helped to organize several years ago. W. F. Fisher, who was exchange teller, was promoted to assistant cashier by the board. C. C. Geiselman is retained as assistant cashier.

—Work is progressing on the new Cleburne County Bank building at Heber Springs, Ark., which will cost about \$20,000 and will be one of the finest in the city.

—Bankers of the fourth district of the Texas Bankers' Association have organized for the purpose of carrying on a warehouse building campaign. H. E. Chiles, cashier of the Itasca National Bank, is chairman of the district and has appointed a chairman in each county for the purpose of conducting a campaign.

—The American National Bank of Louisville, Ky., has opened for business in its new home in the building at 322 West Main street, formerly occupied exclusively by the Southern National Bank. Following the purchase of the Southern National by the American last week the latter moved all its cash, securities and office records into the Southern National building, and the institution is now permanently established at the new address. The American National, with the amalgamation of the Southern, will have aggregate deposits

between \$6,500,000 and \$7,000,000. The nearest to this is the National Bank of Commerce, with \$6,112,000, and the National Bank of Kentucky, with \$5,600,000.

—At the annual convention of the West Virginia Bankers' Association held at White Sulphur Springs, the following officers were elected: R. E. Talbott, cashier Citizens National Bank, Phillippi, president; A. B. C. Bray, cashier First National Bank, Roncerverte, elected vice-president; Joseph S. Hill, cashier Charleston National Bank, elected secretary-treasurer for the seventh time. Wheeling was chosen as the place for the convention in 1916.



PACIFIC STATES

—The August financial letter of the Anglo & London-Paris National Bank of San Francisco contains a review of general business conditions and also shows how the war has affected conditions in California. "For some years past," says the letter, "the people of

this coast have been planning and investing in preparation for the commercial and industrial changes deemed certain to follow the opening of the Panama Canal. As a result of the war almost nothing which was expected has occurred, except the lowering of freight rates between this and the Atlantic coast, and the shortening of the passage to Europe when ships can be had. As a result much investment is for the present unprofitable and the more speculative enterprises are undergoing reorganization. We are unable to move all of our surplus grain crops by sea, much less our low grade minerals, and an active foreign demand for forest products cannot be satisfied. These conditions are vexatious, but they will pass away. When at last the war ends and commerce can seek its natural channels there is no reason to doubt that all the anticipated prosperity will come to us."

—Preparations are being made for the erection of a new building by the Capital National Bank of Sacramento, Cal., on the corner of Seventh and J streets in that city.

The Canadian Banks

WRITING in the Journal of the Canadian Bankers Association, Mr. H. M. P. Eckardt says:

"It would appear, from the May bank statement, that the long period of liquidation of the commercial loans and discounts of the banks, is drawing to a close. Strictly speaking, this movement of liquidation began before the war—for the current loans have been headed downward ever since September, 1913, although it should be said that the progress was accelerated

after the German Kaiser upset the business of the world with his war declarations. Altogether, the current loans in Canada fell \$106,000,000 in this period. That represents very heavy liquidation; and it is noteworthy that in the four months since January 31, 1915, there has been a decline of only \$10,000,000. In May the decrease was only \$2,300,000, and there is good reason to expect that gradual trade improvement during the summer and fall will have a tendency to increase the

demands for credit to a certain extent. Owing to the frequency of our bank returns and the comprehensive nature of the reports submitted, we in Canada are able to trace an almost immediate connection between the trend of bank statistics and current trade. It is satisfactory to note that the demand deposits, or current account balances have been running upwards since the beginning of 1915. This item also tends to decrease importantly when trade is much depressed. Since January the total has risen from \$330,000,000 to \$347,000,000—the latter figure being about \$7,000,000 greater than at the same date in 1914.

“The steady increase in the notice deposits is also something which is seen nearly always during trade depression. As the various industrial and mercantile concerns liquidate their book accounts, bills receivable, stocks on hand, etc., their bank loans are reduced and special deposits increased. The steady rise in this class of deposits carries the most comfortable assurance that when business conditions again become decidedly favorable the banks will have the wherewithal for financing the trade revival. The increase in notice deposits in May amounted to nearly \$6,000,000, and established a new high record—\$691,000,000, which is \$28,000,000 above the level obtaining in May, last year.

“Growing strength is also seen in the case of the immediately available reserves. There was practically no change in the specie holdings, but the holdings of Dominion notes, which have for several months been far above normal, decreased \$5,600,000, the money thus obtained being placed along with some \$6,000,000 repayments by the provincial governments, in call loans abroad. Counting specie, Dominion notes, surplus in central gold reserves, net foreign bank balances, and foreign call loans, as immediately available, the total rose during May from \$367,800,000 to \$379,400,000—the last mentioned figure representing a new high

record so far as our banks are concerned. The ratio of available assets to net liabilities rose in May from 29.82 per cent. to 30.54 per cent.—these percentages recall the era of plethoric reserves seen in 1909 and which represented the after effects of the 1907 panic. On that occasion the high record was 31.22 per cent. Another most important feature of the May return is seen in the increase, referred to, in the call loans outside Canada. It will be remembered that on the outbreak of war the banks turned to these outside call loans for the means of withstanding the feelings of nervousness and panic as manifested practically all over the world. They were drawing upon this particular asset for five months in the second half of 1914. Between June 30 and November 30 the outside call loans came down from \$137,000,000 to \$74,000,000—the decrease being roundly \$63,000,000. This was a vast sum to extract so quickly from one source; and the development demonstrated clearly that the outside call loans constitute a reserve of the highest value. If that can be done during a world crisis such as was experienced in the second half of 1914, it is a reasonable presumption that these great external markets can give up our funds at once when asked for, under any circumstances which we are likely to see in the future.

“Beginning December the banks found it possible to gradually replace the money withdrawn from this important reserve. Each month saw an increase in the total of the call loans. The increase of nearly \$15,000,000 in May brought the total practically up to that in evidence on June 30, last year. It is to be remembered, however, that the banks owning the greater part of the outside call loans are under obligations to pay very large amounts in connection with the war financing. These obligations make it a matter of necessity to have a call on large balances at the international centers.”

Lighting Fixtures at Their Best

WHEN the H. W. Johns-Manville Co. took over the sales arrangements for the famous Mitchell Vance lighting fixtures and combined with them those for the Gill Co.'s Parian glassware it was certain something interesting would happen shortly.

of showing in appropriate surroundings all the various lighting fixtures for the modern home or office.

The old rooms have been restored and handsomely furnished and each one filled with lighting fittings appropriate to its character. Drawing, dining and



DRAWING ROOM SHOWING VARIOUS APPROPRIATE FIXTURES AS ARRANGED IN THE EXHIBITION ROOMS OF THE H. W. JOHNS-MANVILLE CO., MADISON AVE. AND 44TH STREET

Next door to the Johns-Manville building at Madison avenue and Forty-first street stands an old brownstone mansion, one of the survivals of that not yet distant period when our merchant princes thought Murray Hill the center of residential New York.

It has been acquired by the Johns-Manville Company with the unique idea

bedrooms, hall, stairs and office, all have their correct setting and here the architect or his client can come and study quietly the exact effect of each form of light and each kind of fixture.

Hitherto the trouble in displaying lighting equipment has been that it was impossible to get a correct idea of the complete fixture in advance. The

metal parts came from one house, the glassware from another; and, if any special design or scheme were called for, it was only obtainable after considerable trouble.

Under the new arrangement the various departments of lighting design will be co-ordinated and in co-operation with the architect, it will for the first time be possible to arrange a lighting system which shall form an architectural unit with the building as a whole.

The efficiency and economy of the J-M Linolite can here be seen and appreciated. This system is making rapid strides in favor for the lighting both of public and private buildings.

The Frink system of concealed lighting for banks, offices, etc., and the Frink Polaralite signs are wonderful examples of applied design.

The beauty of Mitchell Vance brass and bronze work and the unique translucency of Gill Parian glassware form an exceptionally pleasing combination now, for the first time, made available by the enterprise of the H. W. Johns-Manville Company.

All of these are exhibited in endless variety and our readers will find a visit to the "new house" will be amply repaid, the displays on the first and second floors being particularly complete and attractive.



Trust Company Its Own Printer

THE accompanying illustration shows the multigraph department of the Guardian Savings & Trust Co. of Cleveland, and some of the work which it has turned out. Some time ago the directors of this bank found that printing bills were soaring sky-high and it was thought necessary to take some steps towards reducing costs in this direction. It was decided to install a multigraph outfit to be placed in charge of the advertising department and since



the inauguration of the system a saving of about 50 per cent. has been brought about. Although this equipment is used in the advertising department it does work for the entire bank in printing the numerous forms and blanks used by the various departments.

The multigraph has been found especially useful in publicity work of a direct-by-mail character. This latter form of advertising is growing in favor with financial advertising managers, as it enables the latter to reach his prospects in a direct, personal and forceful manner whenever and however he pleases. At a moment's notice, almost, he can get out a letter or message of some sort to his entire list about some matter requiring prompt action. Moreover, this class of advertising is of advantage to financial houses on account of the privacy which it permits, making

it unnecessary for the advertiser to show his hand to his competitor in launching a new campaign.

Bankers who are interested in seeing what can be done by a multigraph equipment should write to the manufacturers, the American Multigraph Sales Co. of Cleveland, Ohio, and have them prepare a portfolio showing the kind of work that can be turned out and how it can be applied to the banking business. This same concern has also published a booklet of interest to bankers which they will send free on request. It is called "How a Bank Increased Its Deposits \$493,000 in Five Months."



Community Development

THIS sympathetic interpretation of the work being done by bankers appears in the Indianapolis "Star":

"That we are shortly to get something more out of the profession of banking than the mere business of loans and discounts, drafts, collections and the buying of exchange has been evidenced by the movement to interest bankers associations in the improvement of agricultural methods, lending a hand to the farmer and supplying the funds necessary for the maintenance of county experts.

"The bankers of Illinois are about to go a step further. During the series of group meetings that have just closed they heard a new gospel preached—that of community development. So profound an impression did it make that we look to see the Illinois Bankers Association very shortly assume the responsibility for this new uplift and set about securing the funds necessary for its propagation.

"Dr. R. E. Hieronymous, the new 'community advisor' of the University of Illinois, attended all these group meetings and, in well-chosen argument, presented the leading phases of community development, feeling out the temper of his audiences as he went along and

gaining new enthusiasm as he found that the idea was being readily accepted.

"The proposition is to arouse local feeling in each county in favor of a close study of their village and town conditions under expert guidance, with a view to concerted action for better living, greater efforts to secure business and manufactures, a wiser expenditure of time and money in welfare work, a correlation of effort in adjusting industries to localities best fitted to assimilate them and a general uplift all along the line.

"Secretary Crampton of the Illinois Bankers Association, who has this matter deeply at heart and who, in fact, may almost be said to be the father of the movement, having in view the approaching celebration of the centennial of Illinois statehood in 1918, declares that there is no greater business asset than a community of loyal people, glad to work for their home town and surroundings and proud of the results, even if they only suggest further effort; nor a greater curse than the 'knockers' who stand on the sidelines.

"Practical considerations should lead men of intelligence, vigor and purpose to realize that a frank, intelligent study of local conditions is desirable, and that the highest sources of expert guidance should be called upon to make the rural and town communities so attractive and prosperous as to inspire genuine affection in the hearts of all."



Earnings of the Federal Reserve Banks

THE first report on operations of the twelve Federal reserve banks shows that the system earned \$918,588 from November 16, 1914, to June 30 last, while expenses were \$894,117. Only five of the twelve, Richmond, Atlanta, Dallas, New York and Chicago, earned more than they spent.

The Richmond bank made the best showing, with net earnings of 7.5 per cent. on the capital invested.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SIXTY-NINTH YEAR

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The Great World War

RAPID progress has been made by the Germanic forces in the last month in driving back their Russian opponents from the vantage ground they have held for some time. The retreat on the part of the Russian army has been conducted with such skill that the main army was preserved from capture or annihilation. With the approach of winter the Germans may find themselves checked by the climatic rigors, meanwhile allowing their opponents time to gather strength by increasing their supplies of munitions. That the Russians will make a stronger defensive stand, changing to a vigorous offensive later on, appears probable.

In the western theatre of war conditions have remained stationary for some time, but both the French and British forces must have made good use of the lull in the fighting to strengthen their positions. That an English army of vast proportions is gradually getting into the field is a fact which would probably be revealed were the censor's vigilance relaxed long enough to permit of authentic news getting through which would afford a glimpse behind the scenes.

Reports of a willingness on the part of Germany to accept peace, under certain conditions, have been made public recently. Whether these reports are authentic or not does not matter much from a practical point of view, for the reason that Great Britain especially is known to be strongly opposed to peace negotiations until there is a decided change in the present military situation, which is unquestionably favorable to the German arms. The arrangement of peace terms at this time would mean that Germany

would have a great advantage. No doubt the British and French prefer that negotiations be delayed until they are at least able to dislodge the Germans from Belgium and France and to capture Constantinople. They must either accomplish one or more of these objects or consent to a peace that will be humiliating. Russia's retreat means that in the near future France and Great Britain must bear a heavier burden, with the transfer of fighting operations to the western front.

Although the outlay both in money and lives has been enormous already, almost beyond human conception, in fact, the end of the war is not yet in sight. From a military standpoint, while the Germans are driving back the Russians, they still have much work to do before this victory will become effective, and there still remains the problem of overcoming the French and British forces. So that despite the German successes in the east, the situation remains deadlocked as it has been since the German onslaught on Paris was checked. From the financial standpoint, rumors of a strain on one or more of the belligerents are plentiful, yet the fighting goes on, and preparations are under way for greater struggles than any yet witnessed.

The relations of the United States to the great world war are a subject of vital concern to our people. American sentiment is not warlike; but a careful survey of public opinion as revealed in the press and expression of individual views must speedily convince anyone of where our sympathies incline. It is doubtful whether we have yet reached, much less safely passed, the crisis in our relations to the war. When the Lusitania incident passed without a breaking of diplomatic intercourse with Germany, and when after the sinking of the Arabic the German Government substantially recognized the correctness of the American Government's position regarding submarine warfare and agreed to abide by these principles in attacking merchant ships, it was concluded by many people that we had safely passed the war crisis. But this comfortable feeling was soon disturbed by reports of the sinking of another ocean liner.

The fact is that a situation like that in which the leading European nations are now involved contains elements of the gravest danger to the United States. We can not be sure of our freedom from entanglement in the struggle until after the war is over, and the many troublesome questions growing out of it are adjusted.

President Wilson has taken no action and used no language that would tend to aggravate the tension. He has acted and spoken with deliberation, patience and self-restraint. Attempts by other leaders to inflame public opinion have been ineffective.

But while all this is true enough, we must not lose sight of the fact that events may yet shape themselves so that our becoming involved in the war will be unavoidable. It is not necessary to take the alarmist point of view; but on the other hand it would be equally unwise to dwell even momentarily in a fool's paradise. The world is today in an extremely tense situation. In the web of circumstances woven by the great war the United States has become enmeshed at many points, and delicate questions involving huge interests are arising almost daily. It will be almost miraculous if we come through these trying times unscathed by the merciless scourge of war.

THE FOREIGN EXCHANGE SITUATION

DURING the past month sterling exchange has reached the lowest point ever recorded, and a serious derangement has characterized exchange with all the belligerent nations. Various factors have operated to bring about this abnormal situation, but bankers are disposed to attribute it principally to the operation of the law of supply and demand. We are making heavy sales to Europe and are purchasing but little comparatively from that quarter of the world. European exports, not only to the United States, but to other countries, have been seriously curtailed by the war. Payments which we are accustomed to make on account of interest on American investments held in England, for ocean freight charges, for tourists' expenditures, etc., have largely declined. But, of course, the chief item entering into the account is the enormous trade in war supplies—the shipment of arms, ammunition and various kinds of military equipment to the Allies. This trade has grown in recent months to vast proportions.

There is another factor which may be exercising an unfavorable effect on the foreign exchange rate, namely, a tendency to question

the soundness of the currency systems of some of the European belligerents. These countries have practically all been compelled to issue immense volumes of paper money. We know from our own experience in the Civil War that this kind of currency tends toward rapid and serious depreciation. Can the European nations, with an immensely greater burden placed upon them, escape a similar experience?

With the exchange rate on London at a point which indicates a depreciation of between seven and eight per cent. below the dollar par of exchange, one naturally inquires why gold is not withdrawn from the Bank of England and shipped to this side. As a matter of fact, gold has come here and in large volume, but its effect on the exchange rate has been comparatively slight and temporary.

The real truth is that European buying in the United States for the time being so far outweighs our purchases from Europe, that the ordinary means of settlement will not avail, and some new plan must be invented to bridge the gap.

The point was reached last month where, unless the fall in the London rate was arrested, it was bound to operate injuriously to our European trade, for the fall in English exchange represented a premium on the American dollar; or, in other words, an addition to the price which the European importer must pay for our goods. A rise in prices of any kind tends to restrict buying, but especially so when a considerable part of the rise consists in a depreciation of the purchaser's money.

In taking steps to arrest the depreciation in exchange on London and Paris, American bankers are therefore not acting primarily in the interests of Great Britain and France (though those countries will be benefited), but they are doing precisely what must be done to prevent a shutting down in the munitions trade which we have been carrying on for some months, and which undoubtedly has been found highly profitable by a good many American manufacturers, and also to protect our customary export trade.

Remedies proposed usually are these: First, a large shipment of gold from London or Paris to New York; second, the return of American securities to this side for sale here; third, the placing of a huge foreign loan in the United States.

The first of these remedies does not appear practicable. A

large loss of gold by either France or England would weaken the currency and credit structures of those countries at a time when they really are in need of all the strength they can command. The second remedy would be a proper one could the securities be obtained for shipment here; but these securities are largely in the hands of private investors in France and England, and they seem reluctant to part with them. These holdings might be shaken out by a special discriminating tax against "Americans," and this has been proposed. The final remedy to be invoked, then, is a large foreign loan, either to England, France or Russia, or to all of them conjointly.

It is certainly one of the surprising situations produced by this war that the credit of no one of these nations is now regarded very highly in New York. Stupendous debts are accumulating, and already people are asking if these debts will ever be paid. Indeed, our bankers are indisposed to make loans to any of the countries named unless their own credit is reinforced by a pledge of American securities of some kind as collateral. Such securities might be obtained from the great European banks in sufficient volume to serve the purpose.

That a way out of the tangled situation will be found by the distinguished European financial commission appointed for the purpose, acting in coöperation with American bankers, can hardly be doubted.

REPORT ON THE ROCK ISLAND.

AN investigation has been made by the Interstate Commerce Commission of the financial affairs of the Chicago, Rock Island and Pacific Railroad, and a report recently issued of the Commission's findings. If these findings are accurate, they certainly reflect little credit upon those concerned in the transactions, even if they do not seriously impugn the standards of American railway finance. It is claimed that as a result of various financial deals the road in question lost more than \$20,000,000, besides commissions aggregating \$1,600,000 were paid and dis-

counts suffered to the extent of more than \$17,700,000. Commenting on this state of affairs, the Commission's report says:

"The property of the railroad will be called upon for many years to make up the drain upon its resources resulting from transactions outside the proper sphere in which stockholders had a right to suppose their moneys were invested."

Railway financing of this sort could hardly be carried on without banking assistance, and in many cases the railway financier has found it possible to continue his brilliant exploits through his connection with the great banks or trust companies:

Officers of banks and of railways are continually asking the legislatures and the Federal Government to deal more leniently with the railways, and to allow them to increase their rates for carrying freight and passengers. These demands, as a rule, seem well founded, for as the railways have been compelled to pay more for labor and materials, it is reasonable to expect that they will have to increase their revenues.

But if bank and railway officials would be as insistent in condemning unsound railway financing as they are in demanding rate increases, the public would be inclined to listen to the latter plea with a great deal more patience than they have at the present time.

REPORT OF THE COMMISSION ON INDUSTRIAL RELATIONS

BUSINESS in the United States has been subjected to many kinds of investigation in recent years, one of the latest being the search made by the Federal Commission on Industrial Relations, a summary of the conclusions appearing in the newspapers a short time ago. As the Commission itself was composed of various groups representing interests having conflicting views, it was hardly to have been expected that the report could be unanimous on the matters covered by the investigation. But if one could sum up in a sentence the conclusions reached it would seem to consist in a declaration to this effect:

The Commission found, as the chief cause of industrial unrest, that there is a general conviction upon the part of wage-earners in this country that they are not receiving a sufficient income or a fair share of the product of their earnings.

Undoubtedly such a belief is widely prevalent, and is growing. Strikes, the ballot, and collective bargaining have all been tried as a remedy, but with only partial success. One of the latest remedies proposed consists in what is styled with some vagueness the "democratization of industry." Presumably this contemplates the reorganization of industry upon a basis where the majority will control, fixing the hours of labor and the wages. Just how the "majority" shall acquire control of existing properties is not quite clear. Cases have been known where employes have bought out their employers and have undertaken to conduct the business themselves. But even this plan, simple as it may seem on its face, does not alter the situation much. With a change of ownership, the need of direction and of executive ability still exists. Shall this ability be less liberally compensated than under the old management? And if so, will the concern then be able to retain the best managerial talent and keep up the marketability of its product?

For those who are dissatisfied with their wages the remedy commonly offered is that they should increase their product and thus lay a basis for better pay, or that they should themselves save and get into the employing class. The first of these remedies, though obviously a sound one, does not always work out in practice, while only in a limited number of cases can the second remedy be applied.

The Federal Commission on Industrial Relations has made an extended investigation of a subject fraught with great practical interest to the people of the United States. It is regrettable that the Commission's inquiries were not more judicial in their character and less free from obvious bias and even downright prejudice toward large business interests. But the facts brought to light and the different conclusions based upon them are worthy of careful study.

American workmen are perhaps, all things considered, better situated with respect to wages and living conditions than those of any other country, yet there is much dissatisfaction and some of it at least not without reason. A careful study of the facts pre-

sented in the Commission's findings may be found helpful in removing just grounds of complaint.

FEDERAL RESERVE BANKS IN LATIN AMERICA

THE establishment of joint agencies of the Federal Reserve Banks in the leading cities of Latin America is proposed in a report on the Pan-American Financial Conference which Secretary McAdoo recently sent to the President. This suggestion is in line with a policy long advocated by this MAGAZINE, and which contemplates that instead of having our banking representatives in Latin America composed of a number of comparatively small institutions, we should confine such representation to a few large banks (or preferably to a single bank), specially equipped for this service. The principal objection to such a plan lies in the fact that it would apparently give to one or to a few banks a monopoly of this business. But it has been proposed by this MAGAZINE that an International American Bank be organized to conduct business in Latin America and other foreign countries, and that the ownership of its stock be distributed among existing banks and among the business interests of the country generally, thus substantially removing objection to the monopolistic character of such an institution. But to some extent the same object could be attained by establishing branches of the Federal Reserve Banks, and this alternative has been proposed in these pages.

Secretary McAdoo's advocacy of this plan will bring the matter to public attention and probably excite a discussion which will lead to action.

By their size, and from the fact that they are semi-Government institutions, representing a union of all the national banks of the United States, the Federal Reserve Banks should be much better equipped for foreign banking service than most of the banks with \$1,000,000 capital and upwards which, under the terms of the Federal Reserve Act, may set up foreign branches. And by having branches or agencies of the Federal Reserve Banks themselves in Latin America we shall practically avoid the monopolization of this

business by a few big banks, and on the other hand we shall then be clear of the difficulties which may arise if any bank with more than a million capital is allowed to venture into the foreign field.

It is believed that, on many grounds, an International American Bank specially organized for foreign trade would have been preferable, yet if such an institution can not be had with considerable promptness, it would undoubtedly be best to follow the suggestion of Secretary McAdoo and immediately to begin the location of agencies of Federal Reserve Banks at all the leading commercial points in Central and South America.

The interference in Latin-American trade and finance caused by the European war has given rise in those countries to an urgent demand for a shifting of trade and financial relations, and there is no other country in so favorable a position to meet this demand as the United States. But we need to have, without further delay, the financial machinery which will help to bring to American investors a more accurate knowledge of South American investments, and that will place our merchants and manufacturers in more direct touch with the Latin-American markets, and that will furnish to both North and South Americans the best possible facilities for dealing with each other safely, expeditiously and profitably.

DO WE NEED MORE GOLD?

DISCUSSIONS of the present unusual financial situation usually proceed on the assumption that this country now has more gold than it needs, and that the importation of large sums of gold from Europe at this time would be actually injurious to our business interests. This view rests upon the belief that the possession of large stocks of gold by the banks would lead to inflation of credits once the present pessimistic feeling in business circles gives way to one of confidence and hope.

Those who present this view do not seem to think that there is any other useful purpose to which the gold can be put except as a basis for more bank credit. But suppose the gold were used to reinforce our present credit structure?

Take our currency to begin with: We have \$346,000,000 of Treasury notes and \$600,000,000 of silver dependent upon a reserve of \$150,000,000 in gold. As these notes, and the silver, are legal bank reserves, they ought to represent 100 cents in gold value in every case; but they do not, as a little figuring will show. Then the Government is assuming fresh currency obligations on account of the issue of Federal Reserve notes.

As to our bank reserves, they are and always have been less strongly supported by gold than is desirable. In most states the "cash reserves" of the banks other than national may consist of almost anything that looks like money. National bank notes are thus used to a large extent, and as a matter of fact there are several billions of credit obligations which have been created by the state banks and trust companies upon a very slight gold basis.

A study of the statistics relating to state banks and trust companies to be found in the reports issued by the supervising officers of state banks will establish the correctness of this statement. Generally, in legislating on the subject of reserves for state banks, the legislatures have not seemed to distinguish between gold and credit paper. California is a conspicuous exception to this rule.

If all the states would require that the reserves of state banks and trust companies be kept in gold coin or in gold certificates, the banking system of the United States would be immensely strengthened.

As the volume of Federal Reserve notes grows we shall have another form of paper "money," partly based upon credit, available as reserves for the state banks. This is one reason why such notes should not have been made Government obligations.

With the very large volume of Government obligations on account of the currency, unsupported by much actual gold, and with the tremendous volume of bank credits based upon silver, greenbacks and national bank notes, it can hardly be said that there is any reason why the gold supply should become redundant, provided we put the gold to its proper use, which is a reinforcement of the existing currency and credit structure rather than its employment as a foundation upon which to build immediately a larger amount of credit.

The worry about there being too much gold is partly a case of borrowing trouble. For the twelve months ended with June, 1915, we imported \$25,344,607 more gold than we exported, but in the

same period in the preceding year our net exports were \$45,499,870, and in 1913 the net exports were \$8,568,597, making the net exports for the three years \$28,723,860. Of course, the large import movement since June will make the import balance very much larger by the end of the present year, but with the additional demands which the war makes upon our capital and credit, at home and in some other parts of the world, it is difficult to understand the process of reasoning employed by those who regard the growing gold supply as a source of danger.

The Economic Endurance of the European Belligerents

By A BRITISH BANK OFFICIAL

ECONOMIC pressure in modern warfare is a factor of enormous importance, though when that is said it must be admitted that its workings are slower than many people had hoped and thought when this war started.

Norman Angell, the author of that world-known book written before the present conflagration—"The Great Illusion"—gave it as his deliberate opinion that there would be no big European war again, as the economic consequences were too big to face. He was wrong. The heat of human passion almost always overrides the calm deliberations of the council chamber. Only after the fatal step is taken and nation is armed against nation does the general public of any country realize and visualize that, far from being a mere class-room phrase of the professors, an abstraction with but little meaning for the man in the street, "economic pressure" is a vital matter that in war means the ulti-

mate victory or defeat of their country. It is indeed almost as potent a factor in bringing about the final decision as the operations of the contending armies in the theatres of war.

To enunciate this doctrine to American readers after twelve months of war, and particularly to the well-informed readers of this magazine, is probably a process of preaching to the converted, and I would, therefore, proceed to a closer study of the economic effects of the war on some of the belligerent nations.

Comparisons in war time, when each of the contending parties is in part ignorant of the resources of their enemies, cannot be given with mathematical precision, but certain general indications can be observed, upon which a fairly sound opinion may undoubtedly be based. A good criterion of a country's affairs is to take an average of moneys lying on deposit with the great banking institutions, and the following

table relating to British banks is of striking interest. The comparison figures are for dates prior to and subsequent to the European war:

any standing in the Germanic empires was jack-booted into subscribing. It may be admitted without hesitation that in their financial operations the Ger-

NAME OF BANK.	DATE OF BALANCE SHEET	AMOUNT OF CURRENT AND DEPOSIT ACCOUNTS.	DATE OF BALANCE SHEET.	AMOUNT OF CURRENT AND DEPOSIT ACCOUNTS.
Union of London & Smiths Bank, Ltd....	June 30, 1914	£40,571,659	June 30, 1915	£48,994,683. 8.1
Barclay & Co., Ltd....	June 30, 1914	61,880,937	June 30, 1915	76,431,068.15.5
Parrs Bank, Ltd.....	Dec. 31, 1913	43,668,640	Dec. 31, 1914	52,113,758 .8.4
London City & Midland Bank, Ltd....	Dec. 31, 1913	93,833,580	Dec. 31, 1914	125,732,736. 1.7
London County and Westminster Bank, Ltd.	June 30, 1914	90,865,123	June 30, 1915	111,138,285.15.8
National Provincial Bank of England, Ltd.	Dec. 30, 1913	67,882,422	Dec. 31, 1914	74,916,017. 0.0

It will be noted, perhaps with some degree of astonishment, that in every case—and the particular banks were chosen at random—the figures on dates since the declaration of war are much greater than those on the given dates anterior to the war. Whatever the causes, and they are necessarily complex, the inference is plain that the finances of this country rest on firm, solid foundations. Later figures than those quoted are not easily available, but it must be admitted at once that the next balance-sheets of the banks named will probably show lesser figures since, in the meantime, the greatest loan in the world's history—the British war loan—has been floated and has necessarily depleted the funds held by the banks on behalf of their customers.

I have mentioned the British war loan, which totalled approximately six hundred million pounds sterling. I attempt no comparisons with the German or Austrian war loans in regard to amount, since the figures those countries published may or may not be reliable. In any case, however, the methods they employed to obtain subscriptions are sufficient for my purpose. Those methods may be termed "con-scriptionist finance," since, according to authoritative statements, through neutral sources, every corporation of

mans have displayed great astuteness and no little ability to make the best of the desperate situation with which they were faced. Yet Nemesis is at their very heels and nothing but huge war indemnities exacted from beaten foes can save them from triple or quadruple bankruptcy—if the phrase may be used. I make this statement perhaps out of its logical sequence in my argument, but it is based on the extent to which they have been forced to use their "cuteness" over their war loans. The German authorities have turned their financial institutions into one great *mont-de-piété*—a glorified pawn-shop.

They have established, as doubtless is known in America, institutions styled "*Darlehenskasse für kriegsan-leihen*," which receive almost anything by way of security, e. g., jewelry, stocks, shares, title deeds of landed and house property. Against such security they issue special bank notes—*Darlehenskassenscheine*—thus enabling the man without any cash resources to subscribe to the war loans. These special bank notes are issued without any gold held in reserve against them; they are legal tender for any amount and, amongst other uses to which they are put, all supplies requisitioned for the military are paid for by their means.

There are two great flaws in the

German scheme, two loose planks in their ship of state, which may at any moment spring a fatal leak. The first is that the cardinal principle of borrowing against collateral security is that the said security must be stable and also quickly and easily realizable; the second point is that it is extremely dangerous from a financial standpoint to issue currency unbacked by a gold reserve held against it. German finance has flagrantly violated both principles and any lapse of public confidence will bring their credit system to the ground like a pack of cards. Much of the security pledged with the Darlehenkasse is, as already indicated, landed and house property, which at best is of fluctuating value and which now would be almost totally unrealizable. Further, it is, of course, subject to destruction in warfare.

Against this picture of German financial precariousness contrast the British position. The whole of the two loans floated in Britain has been subscribed out of the available cash resources of our people, since for all practical purposes the stock markets are closed; in normal times people would have sold old stock to invest the proceeds in the new offering, but that, in the case under review, has only happened to an infinitesimal extent. Such then is one contrast between the two opposed monetary positions.

Another aspect of the position is apparent and needs no great comment when it is remembered that the German mercantile marine has been swept from the seas and that her only international trade is that small proportion which slips across the neutral frontiers contiguous to her. Germany, therefore, cannot ease her position by exporting, the gravity of which is at once apparent. On the other hand, the allied navies rule everywhere supreme, permitting not only the comparatively safe transit of troops across the seas, but enabling their mercantile marine to carry on their export and import trade practically unhindered, since the German "submarine ultimatum" has utterly failed in its main purpose.

One effect of the naval control which we exercise is apparent in the food prices in England and in enemy countries. They are important since prices are an index to supply.

The British Board of Trade publishes comparative figures in the "Labor Gazette" for August for food prices in the United Kingdom, Berlin and Vienna.

In the foodstuffs enumerated the average rise in June, 1915, in the United Kingdom as compared with July, 1914, is thirty-six per cent; the corresponding figures for Berlin and Vienna, so far as they could be obtained from German and Austrian official publications, were 65.4 per cent and 121 per cent.

Another straw which shows the way the wind blows is the recent publication in neutral countries of the fact that a strong and influential deputation of Berlin financiers had waited upon the Kaiser to point out the tremendous strain—which could not be long continued—to which German finances were being put. Almost at the same time Lord St. Aldwyn and a body of English bankers were interviewing the British Prime Minister with the object of making the almost unprecedented request that taxation in the United Kingdom should be increased immediately to meet in part the burden of the war.

So far actual existing conditions only have been dealt with. A recent book published by a neutral Swiss—"La Caste dominante allemande"—by Maurice Milliaud, Paris, Receuil Sirey—constitutes one of the most original contributions to current war literature. It deals with the ulterior causes of this world-devastating war and a hint as to the author's main thesis is very enlightening and presents a point of view which is gaining ground rapidly in England as the evidence accumulates. The writer's contention is that the German military class and the financial class were working hand in hand long before the war, and that in reality the latter looked to a great aggressive and victorious war as the only solution to an economic position which they had

induced by their "forcing commercial methods," and which was fast getting out of hand. Germany has won immense ground in the markets of the world, certainly, but she has done so largely through an ingenious system of Government subsidy, direct and indirect, which could not last forever; her traders, too, were always ready to cut out their competitors and did not stick at the means which they employed; the country had to keep up an ever-increasing stream of products if their tremendous plants were to bring adequate returns. The German banks offered temptingly long credits to their traders and became deeply involved in the over-production which was an inevitable result of the policy of commercial speculation to which they lent themselves.

Such is a short résumé of the views expressed by a neutral subject who has apparently made a deep study of his theme; in detail they are perhaps known already, but thrown against the

background of war they largely explain why no protest was ever made by the financial interests of Germany against the aggressive militaristic policy which that country has pursued.

The Bank of England is known as the bankers' bank; so England may be regarded as the financier of the allied financiers. On her will rest the main economic burden during the continuance of the war, and I have therefore dealt mainly with the comparative positions of the two greatest protagonists from the financial standpoint—England and Germany. On a clear understanding of the relative positions depends England's credit in the world, and I confidently assert that her great prestige and her immeasurable resources will provide once more an example of her staying power which all history attributes to the British peoples.

D. E. CROZIER.

London.

Employes' Contest No. 2

By W. R. MOREHOUSE, Assistant Cashier German-American Trust and Savings Bank, Los Angeles

IN the July, 1913, number of THE BANKERS MAGAZINE appeared an article by the writer entitled "Employes Contest for Securing New Accounts." The two years which have since elapsed have given ample time to prove the desirability of using the employes in our banks in the capacity of "business getters"; therefore it is opportune that the same subject be reconsidered.

The contest referred to was experimental to a large degree. It was conducted among the employes of the Ger-

man-American Trust and Savings Bank, Los Angeles, sixty-two out of a corps of one hundred and ten participating. Twelve prizes valued at \$216 were awarded to the successful contestants.

In sixty days 890 new accounts were secured with an aggregate of new deposits amounting to \$231,000. The cost of each account thus secured was 28 cents, or if estimated on the basis of cost for every \$100 in new deposits, it is 11 cents for each one hundred.

That the contest grew in interest as

it progressed is indicated by the fact that while only six accounts were secured the first day ninety-two were opened the day the contest closed.

These few facts should prove to the unprejudiced mind that the contest referred to was a great success; and because of the large results obtained at an insignificant cost the plan is deserving of a fair trial by every bank.

In looking through the records kept in the New Account Department in the German-American Trust and Savings Bank we find that certain features of the contest have been perpetuated. Every month since the contest closed the employes have secured approximately 200 new accounts for which the bank has paid them according to a published schedule. Undoubtedly the bank has been justified in continuing to pay its employes for all accounts secured, or the practice would have been discontinued.



WHY CONTEST NO. 2 WAS HELD.

BECAUSE the success of the contest was assured even before it was definitely decided to hold it. On every hand the employes had expressed themselves as eager to begin the work and hopeful of large results. Even when their attention was called to adverse financial conditions, which would naturally make this kind of work more difficult, their confidence of success was not shaken. Also it would serve as a "tonic" to the employes who were only semi-active in securing new business, and in this way bring into action the whole corps of employes. This is what the contest actually accomplished, as is shown later.

On the first day of February, 1915, the following announcement was posted:

CONTEST NO. 2 TO BEGIN FEBRUARY 1st

Beginning February 1st, accounts secured by employes will be paid for by

a new arrangement. As a new schedule of prices has been adopted by the management to become effective February 1st, the plan of paying for accounts month by month is automatically suspended.

All accounts secured during February and March will be paid for June 15th. Accounts secured in April, May and to June 15th, will be paid for August 15th. Payment to be based upon the balance in an account on day of payment. If an account is closed before date of payment no allowance will be made for it.

FOR ALL SAVINGS ACCOUNTS AS FOLLOWS:

- \$0.50 on accounts with a balance of less than \$100.00.
- 1.00 on all accounts from \$100.00 to \$999.00.
- 1.50 on all accounts from \$1,000.00 to \$1,999.00.
- 2.00 on all accounts from \$2,000.00 to \$3,999.00.
- 2.50 on all accounts from \$4,000.00 to \$5,999.00.
- 5.00 on all accounts from \$6,000 and over.

FOR ALL COMMERCIAL ACCOUNTS:

- \$ 2.50 on all accounts with average bal. of \$500.00 to \$999.00.
- 5.00 on all accounts with average bal. of \$1,000.00 to \$1,999.00.
- 7.50 on all accounts with average bal. of \$2,000.00 to \$3,999.00.
- 10.00 on all accounts with average bal. of \$4,000.00 to \$7,499.00.
- 15.00 on all accounts with average bal. of \$7,500.00 and over.

In addition to these payments there will be twelve prizes given as additional recognition of the interest displayed in bringing new business to the bank. These prizes have been selected with a view to giving the successful contestants their vacation transportation free. The results of the contest will be announced and prizes awarded June 16th.

LIST OF PRIZES.

First prize, two first-class steamship tickets to San Francisco and return on

Harvard or Yale. Value \$31.75, to employe securing largest number of accounts.

Second prize, same as first prize, to employe securing largest aggregate of new deposits.

Third prize, one first-class steamship ticket to San Francisco and return on Harvard or Yale. Value, \$15.87, to employe securing second largest number of accounts.

Fourth prize, same as third prize, to employe securing second largest aggregate of new deposits.

Fifth prize, two first-class steamship tickets to San Diego and return on Harvard or Yale. Value \$8.00, to employe securing third largest number of accounts.

Sixth prize, same as fifth prize, to employe securing third largest aggregate of new deposits.

Seventh prize, two first-class steamship tickets to Catalina Island and return; value \$5.50; to employe securing fourth largest number of accounts.

Eighth prize, same as seventh prize, to employe securing fourth largest aggregate of new deposits.

Ninth prize, one first-class steamship ticket to San Diego and return on Harvard or Yale; value \$4.00; to employe securing fifth largest aggregate of new deposits.

Eleventh prize, one first-class steamship ticket to Catalina Island and return; value \$2.75; to employe securing sixth largest number of accounts.

Twelfth prize, same as eleventh prize; to employe securing sixth largest aggregate of new deposits.

RULES.

No credit will be given for the re-opening of the account of any person whose account has been open within six months from the date of said re-opening. (Unless it can be shown that the account was reopened as a result of the direct solicitation of the employe, without which the account would probably not have been reopened).

No credit will be given for the account of a person who voluntarily calls

at the bank with the intention of opening an account, and who only incidentally stops at an employe's window to inquire the location of the New Account Department.

No credit will be allowed if the employe loans the depositor the money with which to open an account.

As heretofore, this bank cannot approve of any case where an employe divides his remuneration for securing accounts with any person not in the bank's employ. The benefit to be derived from this contest, so far as remuneration is concerned, is intended to go direct to the employes.

The object of the contest is to secure only bona fide business. Accounts secured will be analyzed from time to time to ascertain their worth to the bank.

The records concerning this campaign will be kept in the New Account Department as heretofore, and will be available for inspection at all times by the employes.

The management makes no distinction between this work and that regularly performed by its employes, and will regard any infringement of these rules the same as though the offence was committed against a rule or rules contained in the rule book.

Any special information regarding this work may be had by consulting Mr. ———; particularly on points concerning the bank's attitude toward certain new business.



THE RESULTS OF CONTEST

NO. 2.

AS in Contest No. 1, only a few accounts were secured the first day, but by the end of the first month the contest was on in "dead earnest" with nearly every employe bringing in new accounts. The finish was very exciting, one employe bringing in sixty-four new accounts the last day of the contest. The number of accounts secured during the contest was 864, only



twenty-six less than was secured during Contest No. 1. The aggregate amount of new deposits secured was \$135,000.

One of the commendable features about the last contest was the number of employes who had theretofore been inactive that were hard workers for new business. To be exact, thirty-two employes who did very little of "business-getting" during the first contest were now lined up with the "business-getting" organization of the bank.



ENDLESS CHAIN

EMPLYEES' contests work on the order of an endless chain, beginning as they do with the employes, through them reaching out to their friends, and through these friends to many others; the circle of friends thus created growing larger and larger until it is not impossible to take in a whole community. As anything that has the personal touch in it has the advantage in securing new business, it is possible by the use of the contest idea, working through an endless chain, to reach many persons who would not otherwise be induced to open accounts.

The value of employes' contests as a means of securing new accounts is often underestimated, because in appraising a contest we naturally think of but two things—the value of the business secured and the amount of money paid the employes for their services. How many bankers ever consider that the training the employes receive is equally valuable. It is unfair to the contest idea to fail to take into consideration the valuable training which the bank's employes receive—a training to be had only by the experience while engaged in getting new business. That this training will increase the efficiency of any corps of bank employes 50 per cent. in the art of "business getting" as well as conserving old business, any person who has kept in touch with contests will testify.

WHAT BECOMES OF THE BANK'S DIGNITY?

IS it discarded in order to secure new business? Not in the least. In the last analysis, the effect which a contest has upon the public depends entirely upon the conduct of the employes while engaged in securing new business. If their efforts are directed along a high plane, and they should be thus directed by a competent person, every prospective depositor who is interviewed will be favorably impressed by the contest idea.

Employes' contests are often considered in the same class with schemes which call for a house-to-house canvass, when as a matter of fact they have no professional solicitors or salesmen as only regular employes of the bank are engaged in the work, and then only among friends. Contests are in a class by themselves. When properly directed this work is dignified and in keeping with the principles of conservative banking.



THE PRIZE FEATURE SECONDARY TO PRIDE

IN the contests held the prize feature was soon overshadowed by an ambition on the part of the employes to make good individual records; thus personal pride soon stood out more than the prizes at stake. Great benefit to the bank and a corresponding benefit to the employes follow just as soon as the employes reach that point in the contest where they begin to take personal pride in building up a reputation as a "business-getter." Individually as well as collectively they get a new perspective of the banking business—the scope of their usefulness as a bank employe is enlarged and they find that their duty is not circumscribed by paying and receiving money or by book-keeping, but that really their greatest efforts should be directed along "business-getting" lines.

No contest should be held without a



HON. LAWRENCE Y. SHERMAN

**UNITED STATES SENATOR FROM ILLINOIS, AND FAVORED BY HIS STATE FOR THE
REPUBLICAN NOMINATION FOR PRESIDENT OF THE UNITED STATES**

"Government can furnish no substitute among the strong and fit for industry and thrift. It can not compel the individual to save. It can give him a chance liberally to earn and safeguard him and his earnings. It can not protect him against extravagance, folly and evil habits, and at the same time preserve that individual freedom that constantly attends civil liberty in all republican forms of government."

definite understanding with the contestants that under no circumstances are they to proselyte the accounts of persons who are satisfied customers of some other bank in the same city. Should an employe bring in such an account, it should be declined, and the employe cautioned against a repetition of the act.

California does not offer as fertile a field for new business as is found in many other states; for already four out of every ten of her population are savings bank depositors. In the United States but one out of ten deposits in savings banks, while in some states only one out of every thirty-five, therefore it is very evident that there are better opportunities outside of California. If the contest idea is so effective in a state where the opportunity for results are minimized, we are led to ask: What are the possibilities in other states?

GREATER EFFICIENCY IN BUSINESS GETTING

THE two contests are examples of what can be accomplished in the face of many obstacles; the large results obtained speak in the highest terms of the effectiveness of personal work by the bank employe, and particularly emphasize the fact that desirable business in a large volume can be secured at a very low cost—all of which in the last analysis means greater efficiency in business-getting.

If our bankers will support their employes in a contest similar to those mentioned in the two articles on this subject large results are certain to follow.

If you want more desirable business, and in addition thereto, a corps of trained employes—try an employes' contest.

A Broader Americanism

Address of Hon. Lawrence Y. Sherman, United States Senator from Illinois, Delivered at Chicago, Labor Day, 1915

HOLIDAYS are intended to celebrate certain events marking our national progress or in honor of men or institutions which have contributed to the public good. Memorial Day marks in the thought and sympathy of the American past sacrifices made that the nation might live redeemed from evil and strengthened by trial.

Independence Day is observed because of Jefferson's immortal Declaration. It has taken its place not alone in the annals of this republic, but lives with the great charters of liberty of all the world. So Labor Day means a living thought, an essential belief in the elemental thing which is the substance

of our independence and an enduring basis upon which a nation is founded.

Jefferson's declaration was for all. It proclaimed the rights not of classes but of all the American people. Memorial service is not for a few. It is for all who served in a common cause. Labor Day typifies the imperious necessity and the dignity of all labor. It exalts no class. It ennobles all labor.

Today is not for mere external show. It is not for amusement and frivolity. It possesses a deeper significance. Everyone who toils and fails concerns us. Every one in broken health concerns us. Every family in want concerns us. Every child robbed of the common heritage of childhood concerns

us. The humanity that relieves misfortune comes from the heart.

A more far-sighted purpose will study the cause and prevent the misfortune. Every able-bodied man who fails, every mother or child who suffers by that failure, every child weakened by premature labor, is a national weakness because the nation is at last the sum of its units. Government is interested in knowing why some fail, why some lose health, why some immature work beyond their strength and against the laws of natural development, why some families lack support.

If it can prevent it, it ought. For then the nation is stronger in the aggregate. Society legislates through government. It is the high duty of government to apply remedies wherever the weakness exists. Economic laws are inexorable.



NO SUBSTITUTE FOR THRIFT

IT must be remembered today that government can furnish no substitute among the strong and fit for industry and thrift. It cannot compel the individual to save. It can give him a chance liberally to earn and safeguard him and his earnings. It cannot protect him against extravagance, folly, and evil habits and at the same time preserve that individual freedom that constantly attends civil liberty in all republican forms of government.

So this is a day of sober thought, of serious counsel with all for all.

This labor anniversary is observed amidst remarkable international and worldwide conditions that profoundly disturb the normal state of even neutral nations. When half the civilized world is in the grip of extended and continual battle, even nations at peace realize that the peoples of the world are indissolubly knit in a common humanity whose pulse-beats circle the earth in obedience to the impulse of our higher nature.

Our productive energy and commerce are facing new conditions, and with our

foreign relations proclaim the call for the best in the American people. Original thought, patience, great forbearance, and skill in the application of sound principles of industrial progress to our domestic affairs concern us today.

The adjustment of our foreign relations to preserve neutral rights, the freedom of the high seas, and the law of humanity, even in the extremity of war, must appeal to the American people as a high duty and a measure of our responsibility to the world. In all this labor is an indispensable part and an elemental necessity. Today labor must weigh its proper duty in reaching the desired goal.

A general depression has held our country in its grasp. Enforced idleness has stricken willing hands. The idle day of labor is a total loss. It cannot be redeemed. It has taken something from the laborer and his family that cannot be restored. Their home has been made less secure for every day of unemployment. Their children have lost something of their right and their heritage.

Idleness is a wasteful inheritance tax benefiting neither him who loses it nor any one else.

When another Waterloo has sounded its knell the trenches will give up their living to the pursuits of peace. The machinery now forging death-dealing implements will turn to peaceful merchandise.

The crippled and blind will use their hands at what they can. Before nature has woven her marvelous tapestry over the warrior graves of Europe the survivors will resume their handiwork. A colossal war debt will crush Europe. Its tax machinery will wring its toll from labor's earnings. None will be exempt.

After the captains and kings comes the century of the taxgatherer. After the Napoleonic wars multitudes fled from their burdens to our country. Again history will repeat itself. American labor will then meet the world and its conditions, its wages and its prod-

ucts. Is not Labor Day a time of sober reflection? Shall we not now consider how to protect ourselves?



A REPUBLIC BASED UPON FREEDOM AND EQUALITY

THE fathers founded here a republic dedicated to the principle that all men are free and equal. They made it an asylum for the persecuted of race, creed, and political belief.

Here Gentile and Jew, Protestant and Catholic meet and worship each at the altar of his ancient faith. Each has covenanted with the other that government shall not regulate religious convictions. Here the fires of persecution are forever quenched in universal tolerance where church and state are severed that all may be free.

Under the shelter of our country are Slav and Saxon, English and German, Hebrew and Latin. They have gathered beneath our flag to perpetuate and not to destroy it. It represents the best hope of the world.

What of government by the people if it fail? It is a protest against kingcraft and absolutism wherever it rises. It offers a government of law at home against a government of force wherever found. It proclaims to the world today that among nations there is a higher law on land and sea than brute force.

It means in the future if war shall blast earth's nations the helpless and the innocent shall not die in its withering breath. It is the world's greatest hope that springs eternal in the human breast that it may blazon the way to the judgment seat of nations where justice and not armed squadrons will sway the tribunal that becomes the law-giver of empires in international disputes.



THE AMERICAN SPIRIT

LET the first great lesson of this Labor Day make us Americans. May we everlastingly forget our racial ori-

gins in the old world in a new birth of a broader, stronger American freedom in this republic! There is no Germany here; no allies.

Why should we involve our country in foreign war when diplomacy asserts and maintains our international rights? Why should Americans, alien or native born, yield to sudden impulse? What purpose can now be served by crossing the Atlantic to fight in the ancient quarrels of centuries?

Let it be burned into the memory of this Labor Day that a powerful neutral nation that has gathered within its borders much of the best blood of all Europe can at the end best serve others and ourselves by remaining at peace, unless in our necessary self-defense.

The people of the United States are not a tangled collection of jealous races of alien or unpatriotic sympathies. We are a nation! We are not a mere federation of warring groups, each seeking advantage or supremacy. The spirit of a nation must quicken with the inspiration of old and advance and strengthen with the sovereign needs of a new age. Selfish appeals to race or special interests divide and weaken the American nationalism without which the republic cannot endure.

Away with the melt and thaw of maudlin sentiment that the millennium is here! So, too, let the blatant cries of those who shout for instant war be stayed. The antidote for the lust of the limelight is the unresponsive silence of the patriot. For beneath the impatient lips of the noisy brawler lies the tawdry baseness of self—self which reaches out alike to impulsive, heedless minds and the seditious element ever ready for lawless deeds.



AMERICA WILL WAGE NO AG- GRESSIVE WAR

THIS republic will wage no aggressive war. The territory and institutions of other nations are secure from our attacks. No vast scheme of conquest or worldwide dominion disturbs our life. Our conquests must be

the triumphs of peace. Our wars will be defensive wars.

Our battles will be to preserve our territory, to keep the high seas free to the world and so to ourselves, to protect the American people and their institutions, develop international law so that justice may be done between nations by enduring principles of right and not by the transitory power of the sword, and that the smaller nations of the world shall cease to be the prey of the strong to plunder and divide.



MUST PREPARE FOR DEFENSE

NO patriotism, however exalted, is a substitute for discipline and preparation. The American people must submit to the necessary training. To delay is to invite lawless aggression from nations that yet worship the gods of war and brutal might. The heroism of individual courage is sublime but the efficient heroism of the subordination and training of human units is the supreme virtue that prepares for self-defense.

The American citizen has no inherent soldierlike or military qualities that exempt him from the necessary discipline requisite for military strength. The regular army ought to be increased and our navy strengthened. Its purpose is defensive war against a foreign enemy. We lack drillmasters. The number of our officers is inadequate. In a sudden emergency we face a national peril from this alone. Our educational system can contribute to the preparation. Public sentiment begins in private thoughts. It develops at home and in the office and the field.

Let us all begin to think right. We will then act right as a natural result. For every sincere man will at last act as he thinks.

Does any man who works with his hands think we would be better off or he would be better off if our free government yielded to some of the kings who rule by hereditary right instead of the votes of the people? This, how-

ever, is what lack of military preparedness and national defense mean at last. We must all be ready to act for all.

I have not sought to discuss details that concern the welfare of all the laborers of our country. Let us first agree on the preservation of our country. After that is assured we can administer public affairs justly to all. Domestic legislation will secure your rights and advance with the changes of the years.

Neither the rights of the employer nor employe are secure without the orderly conduct of affairs under the laws of the land. Whoever seeks to escape or advises others to escape this wholesome truth is in grievous error. There can be no civil liberty, no public security, or individual private right except under the regulation of wise and just laws.



LINCOLN'S MESSAGE TO US

ABRAMHAM LINCOLN worked with his hands for many years. He understood the simple dignity of honest toil. Let us read beneath his illuminating torch that shines for all his words:

"None are so deeply interested to resist the present rebellion as the working people. Let them beware of prejudices working disunion and hostility among themselves. The most notable feature of a disturbance in your city last summer was the hanging of some working people by other working people. It should never be so.

"The strongest bond of human sympathy, outside the family relation, should be one uniting all working people of all nations and tongues and kindreds. Nor should this lead to a war upon property or the owners of property. Property is the fruit of labor; property is desirable, is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is homeless pull down the house of another, but let him labor diligently and

build one for himself, thus by example assuring that his own shall be safe from violence when built."

The need of the country now is not a baptism of blood, but a reconsecration of Americans to the elementary principles of patriotism that will serve us in peace and save us in defensive war.

The duty is individual as well as national. Thought and action must be inspired by a constant recurrence and re-dedication of ourselves in the spirit of those who founded the republic, so it may be transmitted to our successors unimpaired and a fit government of the greater American race of future years.

National Banks and the Federal Reserve System

By FRANK C. MORTIMER, *Cashier First National Bank, Berkeley, California*

THE sinews of the Federal Reserve System are supplied by the national banks.

In discussing the subject of National Banks and the Federal Reserve System, it is my purpose to deal with some of the main features of this recent and decided change in our banking practice, and to venture some suggestions which may effect an improvement of the law.

Not since the passage of the National Bank Act, over fifty years ago, has there been financial legislation so far-reaching in its effects or so important in its application.

Undoubtedly the most satisfactory feature is the provision for re-discounting. For years the bankers of this country had urged the necessity of a system of finance that would provide a circulating medium that could be increased or decreased, under proper regulation, to meet the demands of trade.

Many bankers and economists, as well as students of finance, believe that this relief could have been provided in a much more simple and direct manner. The opinion prevails, to a marked

degree, that the methods prescribed in the new law are cumbersome, expensive, and not wholly satisfactory; but all interested seem to be inclined to give the present plan a fair and reasonable trial.

While probably not the simplest method that could have been devised for providing elasticity to our currency, it is, nevertheless, an occasion of general congratulation that there has been accomplished what appears to be a form of relief from hitherto unsatisfactory and dangerous conditions.



CO-OPERATION OF NATIONAL BANKS

WITH the exception of a few state banks, the Federal Reserve System is nothing more nor less than the national banks.

No further authority for this statement is necessary than that provision of the new law which required banks

holding national charters to subscribe the capital to put the new system into effect. The penalty for not participating was forfeiture of their charters. This provision made possible the prompt opening of the twelve Federal Reserve Banks on the sixteenth of last November.

There are approximately 25,000 banks in the United States. About one-third of this number operate under national charters. Of the total banking resources of the country, the national banks represent about one-half.

It may have been on the mistaken assumption that national banks enjoy unusual privileges, or it may have been on the very reasonable assumption that, as they were already under federal control, they would be more easily answerable to the new plan, that they alone were selected to supply the capital for the new system. They do not represent the larger part of the banking power of the country; nevertheless they have borne the financial responsibility of this new enactment.

Because they have subscribed the capital to operate the Federal Reserve Banks—capital for which they still are responsible to their stockholders—the national bankers of the country are vitally interested in the successful operation of the system. Insofar as they are able, they have co-operated with the officers whose duty it is to administer and forward the work.

It is remembered that there was some criticism of the new order of things by national bankers at the time the proposition was under discussion. This criticism arose, not because of the act as a whole, but partly on account of the compulsory stock subscription.

Because national bankers recognized the valuable features of rediscount provided for in the act, and because relief so long sought was at hand, national banks went into the plan almost unanimously. It is to their credit, therefore, that, in the face of conditions which many considered burdensome, they made possible this transformation in banking practice, which

was recognized as vital and urgent alike by legislators, business men and bankers.



TRUST FUNCTIONS BESTOWED ON NATIONAL BANKS

ONE change which materially affects national banks is conferring on them certain functions heretofore enjoyed only by trust companies.

By special permit, under section 2, the Federal Reserve Board is prepared to authorize national banks to act as trustees, executors, administrators, or registrars of stocks and bonds. Separate trust departments must be established and such funds and records must be kept separate and apart from the general funds and books of the bank. In this connection it is interesting to note that serious objection to the exercise of such functions by national banks already has been made in several states. It is difficult to understand, when one takes a logical view of things, why such objection should be made, in the face of the invasion of the commercial banking field by the trust companies themselves.

If it is right for trust companies to compete with national banks for commercial business, there can be no reasonable objection to the performance by national banks of certain acts heretofore considered to be essentially the business of trust companies.

The right to exercise these trust functions, however, is specifically limited in the Federal Reserve Act to the use of such powers when not in contravention of state laws. No rights and privileges are bestowed which will conflict in any manner with the laws affecting this character of business in the states where the national banks are doing business.

The Superintendent of Banks in this State is reported to have ruled that no national bank in California can qualify to perform trust duties, probably basing his opinion on section 90 of the California Bank Act, which provides that

such powers shall be limited to corporations organized under the State banking law of California.

Strenuous objection has arisen in other quarters to the performance of trust functions by national banks. The subject is one of nation-wide importance to bankers. The outcome will be observed with interest in those States where enabling legislation has not been passed covering it.

In California the State banking law deals with the subject in this way: Banks transacting a trust business are required to set aside a portion of their capital to the trust department and to deposit with the State treasurer securities which act as a bond to secure the faithful performance of trust duties.

And so a reasonable adjustment of the situation might be to require national banks undertaking such duties to set aside a portion of their capital to the trust departments.



SAVINGS DEPARTMENTS IN NATIONAL BANKS LEGALIZED

ANOTHER change of more than passing interest is the specific provision for the acceptance, by national banks, of time deposits on which they may pay interest. The National Bank Act has been silent on this point, but some national banks had organized savings departments on the assumption that, as there was no specific provision against the acceptance of such accounts, they were within their rights in receiving them.

One-third of the time deposits received by a national bank, outside of reserve cities, may now be loaned upon improved farm land.

As in the case of the exercise of trust functions by national banks in California, so there is a clash in the savings department feature.

The banking law of California prohibits the use of the word "savings," except by a bank organized and operating under the banking laws of the

State. The State Superintendent of Banks has ruled that no national bank can operate a savings department, although there was no objection to the maintenance by national banks of "interest" departments, before the passage of the Federal Reserve Act.

This ruling by the State Superintendent of Banks is disputed. Under date of June 14, 1915, the Governor of the Federal Reserve Bank of San Francisco, reflecting the opinion rendered by the counsel of the Federal Reserve Board at Washington, addressed a circular letter to the member banks in the twelfth district, informing them that national banks have the right to accept savings deposits, to pay interest on them, and to advertise for such accounts.

The opinion of the Federal Reserve Board upon this point may not be accepted as final, as the State institutions are inclined to resent this invasion of what they heretofore considered their separate field. A test in the courts is expected.

On the other hand, there is complaint on the part of national banks that savings banks in many communities gradually, but nevertheless effectively, have invaded the commercial field, some of them going to the extreme of advertising for personal and business checking accounts on the basis of three per cent. interest.



NATIONAL BANKS SHOULD BE DEPARTMENTAL BANKS

STATE banks and national banks now appear to be in conflict, each trespassing on what heretofore has been considered the other's field of activity. The taking on of commercial business by savings banks and trust companies has been offset, in a measure, by provisions in the Federal Reserve Act, which contemplate an enlargement of the powers of national banks.

And the national banks seem to be fully alive to the fact that their activi-

ties will be more comprehensive in the future. In fact, there are lacking only one or two features to make national banks truly departmental in character.

A few moments ago, in discussing trust powers, it was suggested that a portion of capital might be set aside for trust business. And so in the enjoyment of savings business, it may be considered a reasonable regulation to require a national bank, desiring to do a savings business, to apportion a part of its capital to a savings department.

In discussing the activity of national banks in the savings field, there is one feature of importance that would tend to make national banks more useful in their communities. There are many country districts where there are national banks but no savings banks.

Serious consideration, therefore, might be given to a proposition to amend the Federal Reserve Act so that national banks be permitted to lend their savings deposits as such deposits are usually loaned—that is, upon real estate security, not limited, as at present, upon improved farm property, but upon real estate, both city and country.

With the apportionment of capital to commercial, savings and trust departments and with the additional privilege of lending upon urban real estate, as proposed, national banks would be in a position to compete, on more equal terms, with State banks. Under these conditions they would more nearly approach the status of departmental banks, which the Federal Reserve Act apparently contemplates.



CAPITAL STOCK OF RESERVE BANKS NOT NECESSARY

ALREADY it is indicated, almost to a certainty, that the gold reserves massed in the several Reserve Banks, with the additional reserves soon to be paid in, will be ample to take care of the rediscounting needs of business through member banks. If this prove

to be true, it will be clear that there will be no necessity for continuing that part of the law which requires national banks to supply capitalization for the Federal Reserve Banks. It is already foreshadowed that there may be no need for employing such capital.

It follows, therefore, that the capital subscribed by the national banks could equitably be returned to them.

The present law appears to place the Federal Reserve Banks in competition with member banks through open market operations. This has already been availed of by the purchase of warrants and other instruments of credit. The abnormally heavy reserves now carried by national banks might have been profitably employed by them, at fair rates of interest, through the purchase of the very obligations now held by the Federal Reserve Banks.

The open market operations of the Federal Banks are expected, in a measure, to regulate interest rates throughout the country and should be exercised in the manner indicated. Since their organization there has been no complaint regarding abnormally high interest charges. Therefore, there appears to be no valid reason for any open market operations at this time.

In buying in the open market the Reserve Banks already have been in competition with member banks, and they appear to have demonstrated that they are operating, not altogether as emergency banks, to be used during periods of financial stress, but as open competitors of member banks.

The question naturally arises: At times when there is no demand for the rediscounting privilege, are the Federal Reserve Banks forced to compete with member banks by going into the open market and buying municipal and other warrants, in order that they may earn expenses and pay the expected dividend of six per cent? If this is the situation, there exists a very good reason for the return of the capitalization to the member banks and an elimination of the implied obligation on the part of the Reserve Banks of earning a dividend of six per cent.

MAY ATTRACT STATE BANKS

THE return of the capital stock of Federal Reserve Banks to member banks has more than incidental bearing on the success of the whole system. With the elimination of this feature, which never has set well upon the national banks, the State banks, recognizing the value of the rediscount feature, in all probability, would voluntarily and quickly apply for membership.

Thus would be brought about a realization of the desire of the Federal Reserve Board, expressed in the first paragraph of circular 14, dated June 7, 1915, which reads as follows:

"A unified banking system, embracing in its membership the well-managed banks of the country, small and large, State and national, is the aim of the Federal Reserve Act."



THE CHECK CLEARING PROBLEM

AND now a word upon the problem of clearing, economically and equitably, checks drawn upon member and non-member banks.

The theory advanced in some quarters that checks should be accepted at par throughout the country is combated on the ground that such custom would destroy one of the sources of revenue that banks have always regarded as lawful, namely: the charging of exchange for the transfer of funds from one part of the country to another.

From the foundation of banking this has been recognized as a legitimate source of banking profit. The growing demand on the part of the public that this item of revenue shall be taken from the banks is a matter of no small concern. In fact, in many communities it long since has ceased to be a source of profit, but on the contrary has become an expense, a condition partly brought

about by the banks themselves through competition.

The fact that there is an actual cost to the transfer of funds from one part of the country to another is not a matter for debate, nor is it necessary to enter upon any extended explanation, because the subject is one with which we are all too well acquainted.

We are agreed in the conclusion, I believe, that it is just and reasonable that the expense should be borne by the man who wants the service performed.

The Government charges thirty cents per hundred dollars for postal money orders, and that rate seems to be accepted as reasonable. Therefore it is difficult to understand why such strenuous objection is made when banks charge for this service, especially when the amount asked by the banks is usually less than that charged by the Government.

The Federal Reserve Act contemplates the clearance of checks for its members, and commendable efforts are now being made to formulate a plan that will be just to both city and country banks as well as to the makers of the checks. The most feasible plan so far proposed is the one to add to the check the actual cost of collection.

This should enlist the hearty support of both member and non-member banks, for the reason that it will relieve them of one of the most annoying and unsatisfactory practices in modern banking.

As a whole the Federal Reserve Act appears to be operating as successfully as could be expected. Indeed, results have been more satisfactory than a great many predicted they would be, considering the formidable difficulties with which the financial field bristles to-day.

The shifting of reserves was accomplished smoothly and effectively, without disturbance of the credit structure. Some results of a highly satisfactory nature have been accomplished.

The new ideas embodied in the law are now being subjected to a severe

test, because international conditions have complicated its operation. The collapse of foreign exchange facilities and the use of funds by the warring nations which heretofore have been available in this country for investment purposes, and the general demoraliza-

tion of business intercourse between this country and our European neighbors, have all contributed to create an abnormal condition at home, which may postpone for many months the entirely satisfactory operation of the Federal Reserve Banks.

Geo. M. Cannon, Cashier Salt Lake Security and Trust Company

GEORGE M. CANNON was recently elected cashier of the Salt Lake Security and Trust Company, 32 Main street, Salt Lake City, Utah, to fill the vacancy caused by the death of Mr. Charles H. McGurrin.

Mr. Cannon has taken a prominent part in the affairs of Salt Lake City and the State of Utah. Soon after attaining his majority, he was elected county recorder of Salt Lake County, the largest county in the State, and held that position for a period of six years, during which time he copyrighted and turned over to the county the system of abstracts still in use. After the expiration of his term of office, Mr. Cannon entered the real estate business and followed this line until offered the cashiership of Zion's Savings and Trust Company, which he assumed January 1, 1891. Deposits of the bank at that time amounted to \$850,000. Mr. Cannon remained as cashier of the Zion's Savings and Trust Company until October 1, 1906, at which time the deposits aggregated \$4,700,000, and the cash on hand and with correspondents at that time amounted to a little more than \$1,000,000.

In politics Mr. Cannon is a Republican, and after the division on national party lines in the State of Utah, he

took a prominent part in the affairs of the Republican party. He first ran for the Legislature in a district overwhelmingly Democratic and was defeated, but two years later was elected by a substantial majority as a Republican to the Constitutional Convention which framed the present Constitution of the State of Utah.

In 1895 Mr. Cannon was chosen as the Republican state chairman and conducted probably the most important campaign in the history of the state, as state officers elected that year were to hold office for five years, and the constitution itself was to be ratified or rejected by the people. The election resulted in the ratification of the constitution, and the election of every man on the Republican state ticket. Mr. Cannon himself was elected to the State Senate and was subsequently chosen president of the first State Senate of Utah.

Since that time Mr. Cannon has preferred to devote himself to private business, although taking an active part in the primaries and conventions of his party. In the constitutional convention he was chairman of two important committees; the one a committee on revenue and taxation; the other a committee on public debt.

In 1906 Mr. Cannon resigned as



GEORGE M. CANNON
CASHIER SALT LAKE SECURITY AND TRUST COMPANY,
SALT LAKE CITY, UTAH

cashier of the Zion's Savings Bank and Trust Company to devote himself to real estate interests, organizing and conducting the real estate company known as George M. Cannon Company.

At the solicitation of the Salt Lake Security and Trust Company, he ac-

cepted the cashiership of that institution July 12, 1915, turning over the management of George M. Cannon Company to his sons, the older of whom, George M. Cannon, Jr., has this year graduated from the law department of the University of Chicago.

The Salt Lake Security and Trust Company has for more than a quarter of a century held an important place in the banking circles of Salt Lake City, and its present management plan to promote its further growth. The total business of the company at the present time aggregates \$2,574,462.87.



The State of California

ADDRESSING the San Francisco Commercial Club a short time ago, Hon. Elbert H. Gary, chairman and chief executive officer of the United States Steel Corporation, after reviewing present business conditions, paid this tribute to the State of California:

"This part of the earth, defined by geographical lines, was born rich; not on September 9, 1850, when she was admitted to the Union as the eighteenth State, but ages before.

"The State is three hundred and seventy-five miles wide, but, what is of more consequence, seven hundred and seventy miles long from north to south; thus giving her a variety of climate which permits the profitable production of all kinds of vegetation. There is no other locality in the world where such a diversity of crops can be raised to advantage. Here is grown forty per cent. of the total orange crop of the world and seventy-five per cent. of the crop of the United States; thirty per cent. of the sugar product of this country; a large majority of other fruits of all kinds, including a monopoly of apricots; and grain, hay, vegetables without limit. Some of the lands need irrigation but there is plenty of water, and when utilized it is a guarantee of the most regular and the largest results. Agriculture is the surest foundation for increasing wealth; and this source of supply need never become exhausted nor diminished.

"There is also possessed a great abundance of mineral wealth: Gold, silver, copper, asphalt, quick-silver, pe-

troleum and many other valuable minerals, many of which have not yet been developed.

"The location of the State with her sea front and superior accessibility to the markets of Japan, China, Eastern Russia, Korea, Australia and many other consuming countries is of the highest consideration in estimating values.

"The manufacturing interests of the State are large and rapidly increasing. There is an abundance of iron ore in the State and within a comparatively short period there will be produced large quantities of steel, especially if crude oil can be used for smelting as now seems possible.

"The universities of the State, ranking high with the institutions of learning throughout the world, are of particular significance.

"The climate is the finest in the world from the standpoint of health and wealth and comfort; and there are many other items of magnitude that might be recalled. Some of them are shown in the wonderful exposition, the pride of your city and the wonder of the world, which is now attracting thousands of visitors from distant parts of the earth.

"Facts and figures might be multiplied but they are dry and you are familiar with them. They will interest anyone who has the time and opportunity to study them. They tell the story.

"No other State in the Union, or locality of equal extent, has greater possibilities or prospects for future progress and greatness than the State of California."

Women and the Bank

What Actual Work in the Woman's Department in the Fourth and First National Bank, Nashville, Tennessee, Has Taught Me About Women in Their Business and Banking Relations

By MAY SELLEY

I AM prompted to write this article by one in the August *BANKERS*, offering suggestions as to how to reach the heart and purse of that seemingly most mysterious creature, woman, and to civilize and commercialize her to the extent of persuading her to keep a bank account. Of course, we all know that if we want something these days the proper thing to do is to advertise for it. In other words, let our wants be known.

Now, to me, the vital point of all advertising is to know the people you want to attract. If you know the mark you are aiming at, you stand some chance of hitting it. And if you want to talk business and banking to a woman, you must know something about her sentiments on that subject so you will know how to approach her. It is a matter that requires some tact. The article in the August *BANKERS'* would rather lead one to believe that women are very difficult creatures indeed, composed entirely of feathers, rainbow draperies, affected airs, and a mind incapable of adding two and two. That she is accustomed to demanding and receiving fastidious and unreasonable attentions at all times, such as "check books of every shade and hue." Perhaps there is a reason why woman leads man to think of her as a "great big beautiful doll," and man must look to himself to find that reason. I will tell you the secret, you great big, foolish

wise men. It is all your fault, for you will have nothing to do with us if you find out that we're not helpless. If you believed that we could reason and count, you would be disappointed. That would be too ordinary and understandable. You would rather clothe us



MISS MAY SELLEY
TELLER IN LADIES' DEPARTMENT FOURTH
AND FIRST NATIONAL BANK, NASHVILLE,
TENNESSEE

in dreams and fancies, and the really wise woman is the one who is clever enough to keep her mind hidden away from you. But I am digressing.



HOW I CAME TO BE A TELLER AND WHAT I TELL

AT the hazard of hurting your vanity, I must tell you something that experience has taught me. "Women do not prefer to have men clerks wait on them!" At least, not always. I will tell you how I found out about it. No, no, it is not a matter of whether a clerk be male or female, it is Service that counts, and I shall leave you to judge whether a man or woman is best suited to the work of waiting on women.

At one time I, too, thought that women preferred men. I believed it so completely that when an official of our bank asked me if I would care to take charge of the ladies' department I gave him a positive "no." I was satisfied with my work then in the collection department, and I did not want to go where I would not be welcome, being rather timid by nature. However, at the first of the following year the president sent out instructions for me to go to the ladies' department at once. I went. I was not exactly in position at that time to resign from earning my living, so I shed a few womanly weeps over my hard luck, and prepared to be resigned to my fate. You can't always resign your position, but you can be resigned to it, if you try hard enough. So pretty soon I was resigned to mine, and set about to find a way to make my work more interesting.

I have been for some time interested in women of all types, in their joys and sorrows, their work and their ways. And as money always comes pretty near one's heart I soon realized that I had a good place to learn much of the feminine human nature.

Our ladies' department had not been exactly thriving, and I asked permission to work out some ideas I had for advertising it. I had never written an

advertisement in my life, and was surprised when the officials were willing to trust me with all the advertising in connection with the ladies' department.

First I wrote personal letters to all the women depositors on our books, telling them that the department had been given to me, and that while they were welcome to any part of the bank, and could transact their business where they chose, I would very much appreciate it if they would patronize me. I thought it best to let them know that they were not being segregated because of any nuisance law. I also stated in my letter that our gallant officials had established the department as a special courtesy to gentlewomen, that banking might be less irksome to them. I told them about our special room, beautifully fitted with every convenience which they were welcome to use at their pleasure, and of our unusual service which would make a pleasure of their usually tiresome business. I invited them all to visit the department and to bring their friends to it, and to use their influence to help me make the department one of the best of its kind anywhere. It was entirely a personal appeal, and I have found out since that that is the only way to appeal to women successfully.

I followed this letter with another letter inclosing an artistic blotter, made of good blotter paper and not card-board, explaining that knowing the usual dearth of blotters on the home desk, I had this one made especially for our depositors. I also sent this letter to a list of prominent club women, calling attention to the fact that the modern woman could not afford to be without a bank account, explaining how it saved their time, strength, and money, the three most important factors to successful life. I also gave out small memorandum books and screw pencils which are useful to carry in small purses. I did not get check books of every size and color, but I did order a supply of good plain open check books and substantial pass books large enough so that the writing in them could be read by the older women, and some

"nut-shell" folders for the younger women. I knew that the new purses would not accommodate the large open check books, and I always explain to my patrons that I ordered the folders for their convenience. I chose dark red leather covers with separate check fillers, and they are very attractive, though a bit expensive. However, I feel that I can give them out with small accounts, as they are a good advertisement. Women are always delighted with them and are sure to show them to their friends. I know that this alone has brought me a number of new accounts. The older women carry large hand-bags and they prefer the larger books. I am careful to use plain black ink, as the older women are unable to read the blue ink after it is blotted. I have given attention to details and added everything I could think of to make my service good.

When I open a new account I always thank my patron kindly, tell her not to hesitate to ask me to assist her with any of her business, and that it will be a pleasure to see her come often to our bank. I also never fail to ask them to send their friends to me. It pays to do this, as you make a staunch friend of a woman who has done something for you. If they think they are helping me, they often do personal work among their friends and bring me new accounts. Only yesterday a woman who has brought me several new accounts said that she was going to bring me her sister's account from another bank. I asked her what she thought of women bankers, and she said that the only reason her sister had agreed to leave her bank was because we had a woman teller. She was quite sincere in her statement. She also said that many times women were timid of asking questions of men, feeling very ignorant of anything pertaining to business and hesitating to take their time.

When I see how many friends I have made, and how good and kind my patrons are to me, and how they help me, and in a way love me, I am ashamed that it was with reluctance that I took charge of the woman's de-

partment. But I did not know that they could possibly prefer me to a man; and, believe me, it is in all humility that I say it, but I am sure the best looking man in town could not take my patrons away from me, the majority of them anyway. It is not because I am not a man, but because I give them sympathetic and sincere service. They trust me because I have proved myself capable of doing the work. Before taking the ladies' department I had had ten years of work in almost every department of the bank and I know how to answer all their questions. Often they tell me that they think I'm quite a wonder to know these things, but I always explain that there is nothing wonderful about it. That it is not half so difficult as housekeeping and dressmaking, and that any woman could learn it if she would apply herself to it.

There are many departments of the bank where women would serve better than men. All savings departments ought to have women tellers. Surely nothing less than woman's patience could deal with the ignorance of women, foreigners, negroes, children, and lunatics who come daily to that department. I am sure that with sympathetic, interested, patient tellers these departments would increase their deposits greatly. It breaks my heart to see a teller impatient with an ignorant person. It seems that the very ones who need help are the ones who are rebuffed and frightened away. Men forget that everyone has not had the opportunity they have had to know things, and that the most ordinary item is often a deep mystery to others. I would not be impatient and unkind to anyone. I would rather absolutely refuse to wait on one than to do it in an ungracious manner. I try always to remember that I talk for my bank, and to do it courteously, no matter how unjust my customer chooses to be. It is often very trying, and I came near losing my temper once when one of Nashville's rich, supposedly cultured women, asked me to "lick a postage stamp." But I calmly rubbed the offending stamp

over my wet sponge, and saved the day. I am not sure that I kept the disgust from showing on my face, but I did the best I could. I do everything I can to make myself necessary and helpful to my patrons. I do not make a show of my knowledge and count money so fast that it makes the head swim. I can count it quickly if I choose, but it is not best in my department. I count it slowly, and allow my patron to count it with me the second time, for I know how hard it is to count with gloves on and a hand full of bundles. When packages of currency are numbered, and I merely go by the numbers, I do not leave the impression that I have guessed exactly right, as I have known some clerks to do, but explain the trick when I am asked how I made it come out even. These little things inspire confidence. I always pay clean, new money, in denominations convenient to be used in the home, trying always to remember how the most particular of my patrons wish their money changed. I always try to please them. Often they apologize for troubling me when they ask that I change the denominations of their money to suit them, but I make them know that it is my business to please them and my pleasure also. I also help them with making out their checks when they need me, and income tax certificates, though that is not one of my duties. I help them in every way I can, and that is the only way I made them prefer me to a man. To sum up my service, I would say I tell them everything they want to know, and allow them, so far as possible, to do their banking to suit themselves. I am sure this is the only way to be a successful woman teller, and I honestly do not see how an ordinary man could tell them everything they ask of me.



WHAT I GET OUT OF MY WORK BESIDES MY SALARY

COMING grudgingly into the work as I did, I do not feel that I deserve the pleasure it brings me. I have

a hundred mothers who would guard my health and help me with all my problems. I receive much through my window besides money. Almost daily flowers come to me gathered from home yards, dainties from the kitchen, bits of handwork, and other evidences of love from the women who appreciate my efforts to serve well. They are not unreasonable in their demands when they find out what is customary and know their part, and they trust me and often ask my advice about important business. Believe me, it adds much to a woman's life if she knows that her service answers an actual need.



BANKS SHOULD HAVE MORE FEMALE CLERKS

IT is not more difficult to be a successful bank clerk than to be a successful department store clerk, and women have surely proved their ability to serve in stores. Bank work is easier because it has shorter hours, and does not demand that they stand in one place all day. If given a chance, women would develop themselves so that their work would be efficient, and I think banks are missing something by not allowing them to do it. They are ever faithful to details, kind and patient usually, and when they know what is demanded of them, do their work satisfactorily. Women must work. A woman denied the absolute necessity of it not long ago by saying, "No, I need not work. I can starve. I am free to take my choice." Another peppery young lady said, "I can sit on the poorhouse steps and fan," which really isn't true, for poorhouses are for the sick and unfit, and young healthy women can and must work for their living. So why should they be shut away from comparatively easy work that pays well, and where they would have opportunity to work up? Of course, banks are not charitable or philanthropic institutions, but I say they would gain by it, for they never have to pay as much for good service from a woman as from a man.

RESULTS OF MY WORK IN THE LADIES' DEPARTMENT.

I HAVE already told you that no one was more surprised than I when I became a "preferred" teller. Perhaps the greatest and most gratifying result of my labors is a line-up where once there was an aching void, for our department has grown, and, as times have been unusually dull and money scarce, I somehow feel that the increase has been on account of my work. I have advertised in several ways, though it

has not cost a great deal. I gave out calendars, sent out monthly cards with a personal message, written, or rather facsimiled, on it and signed personally. All of my advertisements and letters are written by myself, and always with a personal touch. I am learning something every day, and hope to keep the department thriving and growing.

And the whole secret of such success as I have had is my sincere interest in my department and the unselfish giving of myself in my service. I thank you for reading this.



Good Advertising Work

SOME of the very best bank advertising work in this country is undoubtedly being done by the banks of Los Angeles, and that city has developed a remarkable reputation in this respect. One of the very live bank publicity men there is Mr. J. F. Donnellan, who was born in 1886 and graduated from a five-year college course in 1905. He then went into newspaper work for a short time, and from there into advertising service work in Kansas City, Mo. After four years he turned his attention to financial advertising exclusively, being offered the position of advertising manager for the Fidelity Trust Company, of Kansas City, Mo., and its affiliated institutions, then the Title and Savings Trust Company and the Fidelity Safe Deposit Company. He remained three years, until the beginning of 1913, when he received an offer of publicity managership of the Security Trust and Savings Bank of Los Angeles, Calif. Mr. Donnellan remained there for two years, returning east in February, 1915, for three months. He is now in Los Angeles doing general advertising serv-

ice work and, incidentally, handling the advertising for the Hibernian Savings Bank of that city.



J. F. DONNELLAN

Seeing America First

[*Editorial Correspondence.*]

MANY thousands of Americans accustomed every year to making a tour of Europe have been compelled by the war to confine their traveling to their own country. Many other thousands who have never been to Europe at all have found the California Expositions a sufficiently powerful magnet to lure them from their customary haunts to make the transcontinental journey. I was of the latter number.



ATRIP across the continent shatters many ideas one has long held as a result of constant repetition by the uninformed. For example, what statement is oftener made by those given to seeing things than this: The area of tillable land in the United States is rapidly being exhausted. What supreme nonsense this is one begins to realize after days of travel through vast areas of fertile lands in states like Montana, Wyoming and Colorado—to mention no others. Literally there are immense empires yet untouched by the plow, the future granaries and orchards that shall feed many millions of people as bountifully as we are now feeding our own population and so many millions in other lands.

One sees illimitable prairies, uncultivated and uninhabited. They may appear barren in many cases, and but little better than desert wastes. Suddenly there bursts upon the view the sight of waving grain fields, and all the evidences of thrift, prosperity and fertility of soil. What has caused the sudden transformation? One word tells it all—water.

A Mexican statesman, a former min-

ister in the Cabinet of President Diaz, told me recently that he recommended to that ruler shortly before he resigned the presidency that the most important work that could be done to advance the prosperity of Mexico was to adopt the reclamation policy that had been put into effect in the United States. To those who have never witnessed the transformation of desert lands into fertile gardens solely through irrigation, what has been done in the West in the last twenty years will come as an astonishing revelation.



TO one who has never before crossed the continent, the scenery will prove the principal attraction, and it surely ought to arouse anybody's enthusiasm who beholds it for the first time.

But when one has made the tour in other days, there is a disposition to pay less attention to the scenic beauties and to study with more care the conditions that affect the prosperity and welfare of the people.

In the far Northwest—that is, on the Pacific coast—in winter the country looks surprisingly fresh and green; cows are contentedly feeding in pastures like one expects to see in June, but not in January. And, on the other hand, it upsets one's preconceived ideas to find cool weather in July and August, such as may be experienced in Seattle, Portland and San Francisco.



YOU talk with business men of conditions, and they will tell you, in Oregon and Washington, that the lum-

ber industry is depressed. Some attribute this depression to the tariff, with a consequent influx of Canadian lumber; others to some disorganization of the methods of conducting the industry, which governmental regulations, it is claimed, forbid the lumber men to remedy; while the paralysis in shipping, due to the war, and perhaps to legislation, comes in for a share of the blame.

The prostration of a predominant industry is a serious matter to any section. Cotton has so long been looked on as king in the South that an injury to this product is viewed as a great calamity. But the South grows many things besides cotton, as one may see by studying the Government statistics.

So in the Pacific Northwest, while lumbering is very important, and while that industry is at present undoubtedly depressed from the causes named and perhaps from others, yet there are many additional sources of prosperity. I was surprised to learn that Washington ranked sixth among the states in the production of wheat. Minerals abound in this section, and fishing is an important industry. Grains and grasses grow in a profusion which amazes the Eastern visitor. Seattle is at the gateway of the Alaskan Territory, a newly-opened mine of material riches. Portland, amid the almost unmatched fertility of the Willamette Valley, certainly has a favorable situation, while in both Washington and Oregon are other vast regions of marvelous productive capacity.

In many sections of the Pacific coast the lands produce so abundantly that real estate prices have advanced to a high figure—\$500 an acre, and very much more, being a not uncommon price. To the Easterner, accustomed to read of "abandoned farms" at \$20 an acre, this seems an extravagant price, and even some of the Pacific coast people themselves are inclined to think that these prices tend to retard the settlement and development of the section. Others claim that if one compares the productive capacity of this land with

that selling at lower figures, the price will be found reasonable.



CLIMATIC conditions—always a leading factor in the enjoyment of an extensive journey—have some surprises in store for those who visit the Pacific coast for the first time. As has been said, Seattle and Portland are rather cool in midsummer, but one does not journey far south from the latter city until semi-tropical heat is encountered. But, anomalous as it may seem, when you get still farther south, to a principal objective of the Western tour—San Francisco—you find it cold enough for an overcoat, or steam heat of mornings and evenings, and even the woman who wears furs in August can not be scornfully pointed out for following a ridiculous fashion.



IF you do not quite make up your mind as to the metropolitan characteristics of some of the Pacific coast cities, you come to a conclusion quickly enough once you land in San Francisco, for that city not only has a distinctive climate, but a distinctive atmosphere as well. It is metropolitan beyond all doubt. There is a briskness in the movements of the people, a smartness of dress, a taste in the shop window displays—in short, hundreds of witnesses to the metropolitan character of the city. I do not suppose San Francisco would feel complimented by comparison with New York, and would probably accept comparison with Paris as a matter of course. Just now the customary gaiety of the place is accentuated by the exposition crowds; but it will still remain when these crowds are gone.



LAST month I wrote about the great Exposition, and will now only express the earnest hope that it is not to close with the coming December, as

originally planned. It represents too great a capital outlay for so short a period. Besides, it ought, by all means, to extend through at least one full winter season—for winter is the fashionable (and I think the most desirable) season for visiting California. Therefore, I hope that the movement inaugurated by the Commercial Club of Salt Lake City to continue both the San Francisco and San Diego expositions throughout the year 1916 may receive popular support and be favored by the exposition authorities.



SOUTHERN CALIFORNIA, of which Los Angeles is the hub, is one of the world's most delightful spots in winter. My enthusiasm for the section as a summer resort is not so great; but the true Angeleno will not admit that even in summer it is a whit less charming than paradise.

Here almost everything grows in boundless profusion. They have tapped the springs in the mountains and have brought water to everyone's door; and with water at hand, almost anything can be grown. I asked a friend which one amidst all these innumerable crops—figs, lemons, dates, grapes, oranges, walnuts, and so on without end—was the most profitable, and he promptly replied "The tourist crop."



SAN DIEGO is at the southwestern corner of the United States, and if you go to Point Loma and gaze out upon the Pacific, the feeling comes that you have reached the jumping-off place sure enough.

Here another climatic surprise confronts the traveler. You have gone south, yet it is surely cooler than at Los Angeles. Indeed, San Diego could get my vote as a very fair summer resort. In winter, of course, as in the neighborhood of Los Angeles, the climate is superb.

Let me make a prediction: One day it will be just as fashionable to sail from New York or any point on the Atlantic seaboard to Southern California as it has been heretofore to go to Southern France or Italy. We shall sometime see the finest ocean liners making this trip. When that day comes—and it is not far distant—the marvelous development of this favored region will receive a fresh and powerful impetus.

The San Diego exposition is well worth seeing. It is not intended to rival or even to invite comparison with what has been done at San Francisco. The southern fair has its own individuality. In a harmonious relation between the various buildings and in beauty of landscape effects, its attractiveness is unrivalled. As an achievement alone it is most worthy. Think of a city of 30,000 or 40,000 tackling a job like this, with another and greater show almost certain to eclipse its efforts! But this energetic people went ahead, their population probably trebling while they were bending to the task, and they completed the work they had set for themselves.

I shall be surprised if the spirit shown in this enterprise, combined with a most favorable location, does not make of San Diego a very important city. It has a fine harbor, much rich territory adjacent, and think of its proximity to Mexico and what that means when the development of that country really begins.

All things considered, the future of San Diego looks exceedingly interesting. True enough, the feverish building activity which preceded the exposition era has been followed by a period of comparative calm; and yet—well, keep your eye on San Diego.



TRAVELING eastward by the southern routes, you are pretty apt to encounter rather warm weather, with the mercury at 100 and upwards. Blasts of sand and hot winds do not

add to the comfort. But when you get into the great Salt Lake Valley—which resembles in some respects the famed Valley of Mexico—there is an intense feeling of relief. You have escaped the sands and the siroccos and are in an oasis sure enough.

I suppose everyone who goes to Salt Lake City visits the wonderful Mormon Tabernacle, built in the pioneer days by Brigham Young and his followers. To miss the organ concert every week day or the temple choir on Sunday would be a serious omission in the transcontinental journey. Both in Salt Lake City and the surrounding country one sees many evidences that the Mormons are an industrious and thrifty people. The people of Utah—Mormons and non-Mormons—pride themselves on the large percentage of their revenues devoted to educational purposes, and their system of public instruction has been warmly commended by many of the foremost educators of the United States.

Salt Lake City is one of the very beautiful cities of the country, its location, near an inland sea surrounded by lofty mountains, giving it an especial charm. The hotel accommodations are splendid, and the courtesy and hospitality of the people not exceeded anywhere.



ACROSS the Rockies toward the east climatic conditions change again. From a rainless region where eternal sunshine prevails one comes to Denver—a mile high—and finds it raining torrentially every day. People told me that was exceptional, and I could well believe them. A quarter of

a century ago, in western Kansas, a good rain was such an exceptional thing that the local newspapers played it up on the front page with scare head lines. But the other morning I awoke in that former arid region to find the train plunging through a thick fog. The short brown buffalo grass has given place to more luxuriant growths of green, while everywhere are abundant grain crops.



OMAHA was one of the most prosperous looking places I saw on this long journey. They have a new hotel there which leaves Chicago and New York not much to crow over. Crops are about the best ever known. The banks are finding it necessary in some cases to enlarge their quarters, and the pessimist has been sent to the rear. The base of this prosperity rests upon the fertile farms, and it is sure and solid.



OVER all the region covered by this journey the favor of the Almighty is written in language so plain that he who flies through on the swiftest "limited" may read it. Cool weather and more than an ordinary rainfall have somewhat delayed the maturing of the corn, but the crop itself is wonderful, and given a few weeks of sunshine it ought to come near to being a record-breaker. Nearly every product of the soil loads the earth this season with its abundance, and the outlook for a widely-diffused prosperity could hardly be better.

E. H. Y.

August 31st.



Foreign Exchange Problems Arising from Our Billion Dollar Trade Balance

(Statement Furnished THE BANKERS MAGAZINE by Messrs. KNAUTH,
NACHOD & KUHNE, New York)

FALL in the price of London exchange to the lowest level touched in forty years has excited wide public interest in efforts of Europe to liquidate its enormous indebtedness to the United States. The problem is of pressing importance for the reason that very heavy exports of war material will be made this year in the period when the outflow of foodstuffs is taking place.

The exchange operations necessary to create dollars for the payment of war material (most of which must be paid here in dollars) and the offerings of bills on London drawn against exportation of foodstuffs and other merchandise, will, in the fall, reach a total unprecedented in this country's history. The inevitable consequence will be a considerable further decline in the exchange rates, unless steps are taken to offset this natural decline by importation of gold, the sale of American or foreign securities in this market, or by the establishment of large credits secured by satisfactory collateral.

In the fiscal year ending June 30 last, our foreign trade balance reached the unprecedented total of \$1,094,422,792—an extraordinary total, being \$327,991,238 in excess of the previous record export excess, reported in the fiscal year 1908. Yet the shipments of munitions and war material figured scarcely any in this huge balance, for the reason that the contracts for war material took several months to fill and only recently have deliveries begun to be made in large volume. The movement is now well under way, however,

and during the next five or six weeks may be expected to reach its greatest headway. Furthermore, the buying of war material is going on all the time, although the placing of orders is somewhat restricted by the capacity of the plants to turn out the material.



TWO BILLION BALANCE PROB- ABLE BY DECEMBER 31

THIS situation provides apparent basis for the prediction made in various quarters that our foreign trade balance will pass the two billion dollar mark by the end of the calendar year. Should the war continue another year, as various foreign experts believe that it will, there is no telling how much further the purchasing movement will go.

The largest question therefore, connected with the financial operations of the war, in their bearing upon American finance, has to do with the course of the foreign exchanges during the period of active fighting. The cost of fighting, like the cost of living, is at the highest level ever known, and the burden is likely to increase. The problem of financing the war becomes more complex, each month that the fighting lasts.

It is of the highest importance therefore that the utterly abnormal conditions which prevail in the foreign exchange market should be corrected as quickly as possible, not alone to promote the sale of munitions—a relatively

minor matter—but to assist the much more important export movement of wheat, cotton and other staples. It is clear that so long as the position of the exchange market forces foreign buyers to pay a large premium on the purchase of cotton and other commodities in the United States, there will be an incentive for foreigners to curtail such purchases, either through recourse to surplus supplies at home, or by filling their requirements elsewhere than in this country. Europe has a considerable supply of cotton on hand, and there is no doubt that the continuance of a very low price for London exchange means the ultimate marking down of American commodity prices to offset the exceptionally high cost of settling in New York.



HOW THE SETTLEMENT CAN BE MADE

THERE are three ways in which Europe may take up this huge indebtedness to the United States, and correct the abnormal conditions in the exchange markets: first, by shipping gold coin or bullion in amounts sufficient to pay maturing obligations as they have to be cared for; second, by sending back American securities still held abroad, or by getting us to take large blocks of the new foreign war bonds; or third, by negotiating heavy temporary loans in this country either through the sale of short term notes to banks and bankers direct, or through the creation of immense credit balances secured by the pledge of American securities or other adequate collateral.

There will be further liquidation of American securities owned abroad, but inasmuch as the selling which has already taken place has dislodged most of the speculative holdings, it is fair to assume that the pure investment holdings will be retained, unless panicky conditions should develop on the other side. More gold will probably come from Australia, Africa and South

America. Such shipments, whatever they are, must necessarily be restricted by the urgent requirements of the belligerent nations to carry as large a gold reserve as possible against their badly inflated currency issues. It is estimated that the nations at war have outstanding about three billion dollars of "emergency currency." A good deal of it is well covered, but while the war lasts, all Europe will find it necessary to carry as strong a gold reserve as it can accumulate.



A LARGE LOAN FOR LONDON

GREAT BRITAIN, for months past, has rejected all proposals to borrow here on any broad scale. A loan of some kind would seem to be inevitable however, as in no other way will it be possible for the London bankers to bring order out of the chaotic conditions prevailing in the market for sterling exchange. What has already been done towards "mobilizing" foreign-owned American securities, as the basis for a huge American credit fund, is good so far as it goes. But an extraordinary situation calls for the adoption of extraordinary measures, and it is clear that some thorough-going programme must be adopted not alone in the interests of the foreign buyers but for the protection of American sellers.

There can be very little demand for London exchange at New York as an offset to the demand for New York exchange at London, for some time to come. This is not only because our import trade has fallen off very radically—although that is the chief factor—but because of the much smaller requirements for dividend and interest payments to foreign investors since the resale to New York of fully \$500,000,000 of our securities. The demand for London exchange at New York has also been reduced by the falling off of fully \$150,000,000 a year in the ordinary expenditures by American tourists traveling in Europe; by the considerable reduction in the volume of remittances that were formerly made by foreign

residents in this country, the relatively smaller total of ocean freight charges paid to foreign ship-owners due to the disorganization of ocean traffic, and the meagre shipping facilities that are now available; and abandonment of all borrowing operations through the use of finance bills and otherwise, which in normal times have been resorted to by American bankers.



FALLING OFF IN VOLUME OF EXCHANGE

IT would be idle for anyone to estimate what the aggregate falling off in the volume of exchange represented by these various items amounts to. It represents surely several hundred million dollars, and a change from these conditions cannot be expected until the war is over, and the restoration process is well under way. There has been very little to offset this decline, and although American bankers have advanced fully \$300,000,000 to belligerent and neutral nations, through the purchase of short-term notes and bonds, and the granting of credit facilities, the exchange situation can be remedied only through the adoption of some comprehensive plan of relief that shall be vast enough to meet the situation.



THE WORLD'S CENTRAL MONEY MARKET

THE problems presented by these abnormal movements in the foreign exchange markets—by the exceptional low rates that have prevailed at New York for exchange on London, Paris, Vienna, Berlin, Petrograd, and Rome—rank among the most interesting problems that have developed during the twelve months of war. Difficult as it is for the English people to admit it, the fact remains that New York has gained, during this period, much of the prestige which London formerly en-

joyed as the central money market of the world. Much of the business which London has lost during the interval when its markets were closed to outside investments will return to it after the war is over; much of it, too, it will never regain.

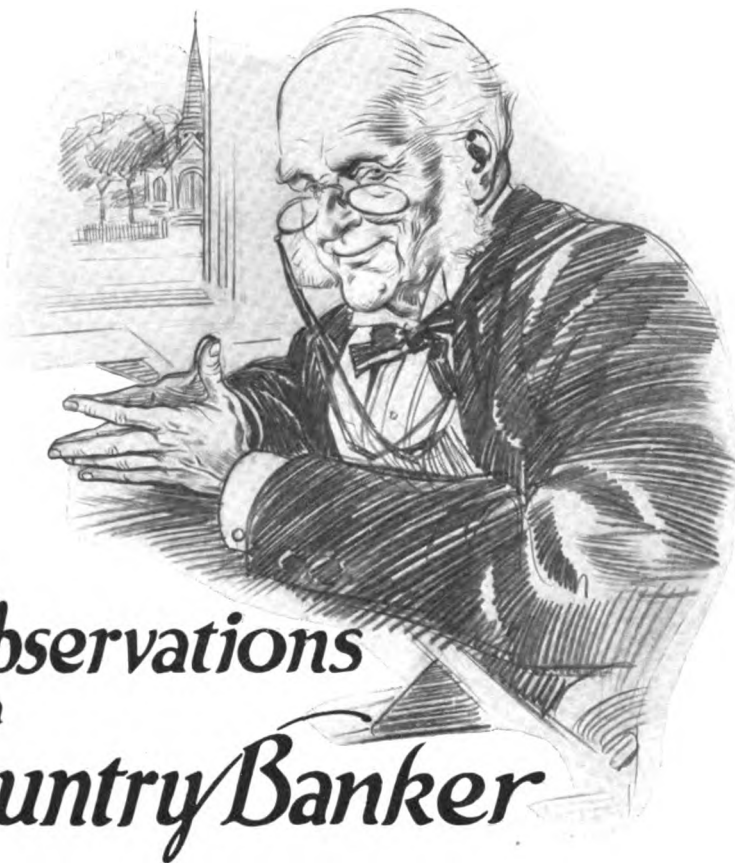
"Dollar Exchange" will be more of a factor under the new order of things which will prevail after the war is over, and the financial operations incidental to paying for the war are attempted. It is fortunate for this country that the Federal Reserve Act is upon the statute books, for under its provisions the work of financing the world—a work in which American bankers must play an important part—can be undertaken much more advantageously than under the restrictions of the National Bank Act, with the old method of scattered reserves and independent banks.



Bankers' Acceptances

THE Federal Reserve Board has issued a regulation considerably extending the use of bankers' acceptances. The former regulation issued on April 2 last limited acceptances to a "commercial, industrial or agricultural concern" but the new regulation broadens the scope of the drawers of such acceptance to read as follows:

"A banker's acceptance must be drawn by a purchaser or seller or other person, firm, company or corporation directly connected with the importation or exportation of the goods involved in the transactions in which acceptance originated, or by a banker. The bill must not be renewed after the goods have been surrendered to the purchaser or consignee, except for such reasonable period as may have been agreed upon at the time of the opening of the credit as a condition incidental to the importation or exportation involved, provided that the bill must not contain or be subject to any condition whereby the holder thereof is obligated to renew the same at maturity."



Observations of a Country Banker

By W. LIVINGSTON LARNED

LITTLE things lend confidence. I know of a small town bank that failed because it was painted red.



EVEN cows have to be driven to pasture. How much more difficult it is to drive MONEY to COVER. People realize that Saving is wise, but it's necessary to lead 'em half way, at that.



ONCE upon a time all that was required of a Banker, was side-whiskers and a deep voice. Nowadays,

you must first be a mighty fine business man, and, secondly—a mighty fine MAN. The side whiskers are incidental.



THE fact that a man has a thousand or two acres of fine land; that his silo is of the latest and most expensive type; that he has splendid equipment and a big market are not as significant as how he stands with his bank. Anybody, given working capital and genuine initiative, can MAKE money. The crop of men who know what to do with



"The crop of men who know what to do with money when they GET it, is not large enough to stuff th' market."

it, when they GET it, is not large enough to stuff th' market.

THE Banking Business is closely akin to Nature, herself. From the hour that Man sets plowshare to soil and drops the seeds in the furrows, our interests are a unit. It's only a step through a sunny month or so, from the crops in the fields, to the Receiving Teller's Window.

I ONCE had the fool idea that all I had to do, after the bank was built, was to sit tight at my desk, and wait—the money would roll in, on it's own milling. The waiting was all right—I did that part very professionally. But something got in the way of the dollars. They turned over on their sides before they ever reached Main Street. Purty soon, I discovered that a Bank is not essentially different from, say, a store. You must CREATE customers. Polished brass fixtures and white marble writing desks will NOT do it. The PER-

SONAL equation enters in powerful strong. I started out with fifty thousand dollar ideals and ended by scratching like sixty to get five-dollar savings accounts started.

A BANKER has the women folks to thank for a fair share of his prosperity. Right in my home town I recollect th' case of Billy Martin. Billy owned a fine diversified farm on the outskirts of town. He made money easy—but he spent it a darn sight easier. In fact, next to setting out young fruit trees, there was nothing Billy liked to do better than get rid of his earnings. One June, Billy and his wife went to a big Convention. It was an expensive affair, and the fourth day, when far from home and friends, Billy discovered two things. One was that his money had run out; second, that he had nothing in reserve. That was always th' way



"She had two thousand dollars saved up in the home institution, which they sent for. Billy couldn't believe it at first."

he had lived. And, just in the midst of th' muddle, Billy's wife hauled out a Bank Book. She had two thousand dollars saved up in the home institution. Billy couldn't believe it at first.

"Where'd ye manage to git all that, Marthy?" he asked.

"Been savin' it, a dollar or so a week," the wife answered.

"Gee! I didn't know th' durned stuff counted up as fast as that!" Billy cried, his eyes dancin'—"lemme fifty, Marthy, and I'll pay it back when we git home."

And when the chap landed back in his own county, he lived up to his promise. That Convention experience had set him to thinkin', but it was Marthy as had wound up th' spring.



ONE morning a quiet, unassuming little lady, well past middle-age, drifted into the bank. Our Paying Teller had never seen her before, but she had the sort of a bit o' paper you can't afford to question. As she shoved it across th' counter, th' Teller noticed that her black silk waist was sort of shabby, and her hat a last year model. There was nothing modern about her, with th' possible exception of th' quick, sharp way she had of speaking.

"I want you to attend to this QUICK," says she.

"Very well, Madam," says the Payin' Teller, just a little flustered by her tone.

"And I want nice new bills," she goes on.

"I'm afraid I can't give 'em to you, Madam," replies the Payin' Teller. He was as short in his speech an' way of talkin' as th' back hair of a crocodile.

"Why?" she insists.

"Well—we can't be bothered with it," answers the monkey of a Teller.

The Little Old Lady in the faded dress turned on her heel and flounced off, without taking it either way. At ten, the next morning, I was informed that the Second National, across the street, had just nabbed a new depositor—a sixty-five thousand dollar plum. It was some new Manufacturer lately settled in th' section.

The Little Lady was his wife.

"Think it over. When I put men in my bank nowadays, you can better bet I learn whether they're ALWAYS polite and considerate FUST."



I LEND money to all sorts of men around my section. Most of them I know as well as I know myself. But if two come at me at the same time and money is short, the feller that wants to buy MACHINERY, gets HIS without waiting.



ONE of the first things a Banking man ought to learn by heart, is the handling of delinquents. If there's one feller on this earth I treat a leetle better than another, it's the chap what has fallen behind. When you see a man come into your bank, holdin' his head down—step right up to him, slap him on the back and say: "Howdy, Ol' Man. Things ain't goin' jest right, eh? What of it. I run agin them snags MYSELF. Sit down and let's talk it over—and, say—Mr. Man—if you are in a bad way and can't take up that note this week, there's no good of your avoiding the issue—of feeling ASHAMED about it. We'll tide things over some way." That type of talk does more for a down-and-outer than reprimand or inexorable firmness. It's ten to one your man goes back and has his mule hitched to a plow before th' echo of what you've told him has died out.



I LIKE to feel that the folks in my little village look upon our institution as a sort of bulwark, against which the rough weather may break and beat in times of financial stress. So we built our two-story brick structure right in the middle of things—right within sights of mills and factories, and stores and the Court House. If Hard Times

come swooping down Main Street, it will hit our bank FIRST. We've planted shade trees out in front and a



"When you see a man come into your bank holdin' his head down, step right up to him, slap him on the back and say 'Howdy Ol' Man. Things ain't goin' jist right, eh? What of it. I run agin them snags myself. Sit down, and lets talk it over.'"

strip of bright green grass and in one of the windows some geraniums are growin'. All signs of sunny optimism, you know. Just when th' community gets an idea that things are going to the tarnation bow-wows generally, we sprinkle our lawn and flowers and all start smiling at once the minute we see a citizen pass the door. Has it a psychological effect? Well, rather. It's mighty hard for a fellow to keep on with the blues when you smile it out of him.

OUR Bank is proving the "Bread-winner" for more than one little family hereabouts. See that hill up yonder? See that white house standing sturdy-like under the oaks and willows—th' place with the rose garden? Widow Franklin lives there. When her old man died, he left no more than enough to invest quietly. The house was mortgaged and things generally weren't as bright as they might be. The widow came down to talk it over with us. We advised her—helped her—invested her money for her. That was five years ago only, but now the mortgage is off the house and the willows



"We advised her—helped her—invested her money for her. That was five years ago only, but now the mortgage is off the farm and she's comfortable for life."

and the little rose garden and she's comfortable for life. A bank fails to live up to its finest, biggest, most useful ideals if it doesn't strew the years with that sort of thing.



American Bankers Association

Forty-first Annual Convention at Seattle



JAMES K. LYNCH

NEWLY-ELECTED PRESIDENT AMERICAN BANKERS ASSOCIATION; VICE-PRESIDENT
FIRST NATIONAL BANK, SAN FRANCISCO, CAL.

MEMBERS of the American Bankers Association to the number of several thousand assembled in Seattle, Washington, on September 6 for the forty-first annual

convention of the association, the meetings concluding on September 10.

Both officially and from the bankers of Seattle, the convention was given a warm welcome, and the elaborate pro-



W. A. LAW

RETIRING-PRESIDENT AMERICAN BANKERS ASSOCIATION; PRESIDENT FIRST NATIONAL BANK, PHILADELPHIA, PA.

gram of entertainments already published in **THE BANKERS MAGAZINE** was carried out to the great enjoyment and delight of the visitors.

The annual address of President

William A. Law and the address of ex-President William H. Taft were notable features of the convention.

Secretary Farnsworth's annual report showed a membership of 15,010, a

gain of 290 in the past year, and the largest total membership ever reported.

Resolutions were adopted favoring military preparedness on the part of the United States.

Election of officers resulted in the choice of James K. Lynch, vice-president of the First National Bank, San Francisco, for president, and P. W. Goebel, president Commercial National

Bank, Kansas City, Mo., for vice-president.

Next year's convention will meet at Kansas City, the date to be fixed hereafter.

[Owing to the late date at which a report of the convention was received, more extended mention of the proceedings is necessarily deferred until November.]



New Counterfeits

\$5 National Bank Note.—On the First National Bank of Omaha, Ill.; check letter "A"; series of 1902-8; J. C. Napier, Register of the Treasury; Lee McClung, Treasurer of the United States; portrait of Benjamin Harrison; charter number 10291; bank number 855; treasury number E35496B.

This counterfeit is printed from crudely etched plates on two pieces of paper, between which silk threads have been distributed. It is very poor, and undoubtedly was made by the same person who made the counterfeit \$5 on the United States National Bank of Owensboro, Ky., described in our circular letter No. 389, dated June 25, 1915.

\$2 Silver Certificate.—Series of 1899. This counterfeit appears to be from wood-cut plates, and is so poor as to be unworthy of detailed description. It bears no check letter, and the designations "Register of the Treasury" and "Treasurer of the United States" are omitted.

\$5 Silver Certificate (Indian Head).—Series of 1899; check letter "B"; no face-plate number; J. C. Napier, Register of the Treasury; Lee McClung, Treasurer of the United States.

\$10 Federal Reserve Note.—On the Federal Reserve Bank of New York; check letter "C"; John Burke, Treas-

urer of the United States; W. G. McAdoo, Secretary of the Treasury; portrait of Jackson.

These two counterfeits are printed from poorly executed zinc-etched plates. The \$5 bill has neither the silk threads nor imitation of them. The \$10 counterfeit has red and blue ink lines to imitate the fiber. Neither of the counterfeits should deceive persons accustomed to handling bills.

The makers of the counterfeit \$5 silver certificate were arrested in Chicago July 16, and more than \$10,000 of the counterfeit notes, together with the plates and apparatus, were seized.

\$5 Silver Certificate (Indian Head).—Series of 1899; check letter "C"; face plate number 99; back plate number missing; Gabe E. Parker, Register of the Treasury; John Burke, Treasurer of the United States; serial number M19364943.

This counterfeit is printed from photomechanical plates, on two pieces of paper, the fiber being imitated by pen marks. The large "V" and serial numbers on face of note are of purplish cast, while the color of the seal is light blue. The lathe work on the face and back of note is poor. It should be readily detected by ordinarily careful handlers of money.

Banking and Commercial Law

LEADING CASES OF THE MONTH

Savings Bank Deposit

NEW YORK.

Joint Account—Transfer Tax—Tenancy in Common—Trusts—Gift.

Surrogates Court, Saratoga County, March, 1915.

IN RE REED'S ESTATE.

Where a savings bank deposit of \$3,000, made in 1908, in the name of R., the decedent, and a niece, was expressly stated to be a joint account, with right of survivorship, payable to either or the survivor, the transaction was within Laws 1914, c. 369, Sec. 249, subd. 3, providing what deposits shall become the property of persons as joint tenants, and the ownership of the whole deposit did not vest in the niece until she became the survivor at the death of decedent; and hence the deposit was subject to a transfer tax under Tax Law (Consol. Laws, c. 60) Sec. 220, imposing such tax on a transfer made of property to take effect at or after the grantor's death. (From 164 N. Y. Supp.)



IN the matter of the estate of Jane H. Reed, deceased. Proceeding to determine transfer tax questions in relation to certain savings bank deposits. Decreed according to opinion.



STATEMENT OF FACT AND OPINION.

OSTRANDER, S. This is a proceeding to determine transfer tax questions in relation to certain savings bank deposits. Deceased died at the town of Malta, September 29, 1914. On

July 6, 1908, she deposited in the Albany Savings Bank \$3,000; the deposit standing:

"Albany Savings Bank in Account with Mrs. Jane H. Reed and Jennie C. Gray, Her Niece. Joint account with right of survivorship, payable to either creditor or to survivor."

January 10, 1910, she deposited \$3,000 in the National Savings Bank of Albany, the account being entered in the name of said bank "In Account with Mrs. J. H. Reed or Mrs. Sarah M. Clute, Her Sister." On October 6, 1910, she deposited \$3,000 in the Albany County Savings Bank "in Trust for Her Nephew Fred S. Clute." On July 8, 1911, she deposited \$3,000 in the Albany County Savings Institution in the name of "Mary J. Reed in Trust for Dow S. Clute." Jane H. Reed and Mary J. Reed are conceded to be the same person.

Section 220 of the Tax Law, in relation to transfer tax, provides that a tax be imposed upon the transfer of property "by deed, grant, bargain, sale or gift made in contemplation of the grantor, vendor or donor, or intended to take effect in possession or enjoyment at or after such death." The last of these deposits was made over three years before Mrs. Reed's death, and no facts are shown warranting the inference that any of them were made in contemplation of her death, within the meaning of those words as defined by the courts.

The next inquiry is whether the transfers to the various beneficiaries, under the circumstances, were intended to take effect in possession or enjoyment

at or after her death. The various deposits will be considered separately.

It appears from the affidavits filed that, shortly after the deposit of July 8th, decedent informed Mrs. Gray that she had made the same, the amount of it, and the manner in which she had deposited the money, and showed the pass-book to Mrs. Gray. This deposit, it will be noted, was defined in the pass-book as a "joint account with right of survivorship, payable to either creditor or survivor." This brings it within the provisions of chapter 369, Laws of 1914, section 249, subdivision 3, which declares that such a deposit "shall become the property of such persons as joint tenants." The provision has been in force since 1907, prior to this deposit.

In *Bonnet vs. Molloy*, 153 App. Div. 73, it was said that, if the moneys deposited in form similar to Mrs. Gray had been so deposited after this enactment, there could be no question but that the survivor would be entitled to the fund. Prior to this enactment there had been frequent difficulty in ascertaining the intentions of the parties in such case in respect to joint tenancy, and there had been great reluctance to find that the depositor intended to create such joint tenancy of the fund with a right of survivorship except upon very clear and cogent evidence. But the latter part of said section 249, as amended in 1914, provides that the deposit in such form shall be conclusive evidence of the intention of both parties to vest the title to such deposit and all additions in the survivor.

In this case we have not only the statutory declaration, but very clear expression of the intent of all the parties to the contract. In most of the recorded cases the controversy has been with reference to the ownership of the fund after the death had occurred, while adjudication as to when the complete ownership finally vested for purposes of the Transfer Tax Law has not been common. It will be further noted that these joint tenancies in personal property, which it is conceded may exist, are not

of the same quality as estates by the entirety in lands, which can exist only between husband and wife, who are in such case considered in law as one and the same person.

In *Matter of Pitou*, 79 Misc. Rep. 385, 140 N. Y. Supp. 919, Surrogate Ketcham held that even in case of joint tenancy the survivor became the owner of his associate's part because his associate died, and when he died, and that the transfer of such part was "intended to take effect in possession or enjoyment" upon the death of such tenant and was taxable. Judge Kent, in his Commentaries (volume 4, p. 360) says the whole estate or interest held in joint tenancy, whether it was an estate in fee, or for life, or for years, or was a personal chattel, passed to the last survivor and vested in him absolutely. It passed to him free and exempt from all charges made by the deceased cotenant.

The consequence of this doctrine is that a joint tenant cannot devise his interest in the land; for the devise does not take effect until after the death of the devisor, and the claim of the surviving tenant *arises in the same instant* as that of the devisee and is preferred. It will be noted that the addition to section 249 of the Banking Law above noted provides that in such case it is to be conclusively inferred that both parties intended to vest the title in the *survivor*. Until the death of one there can be no survivor, and consequently no complete vesting of title or "taking effect in possession or enjoyment."

The moneys were originally Mrs. Reed's. What she gave to Mrs. Gray was not an immediate and absolute right to all the money, but a right to the whole of it in case she became the survivor, and subject to a right in each to draw the whole deposit during their joint lives. The full and complete ownership of the whole was not intended to vest in Mrs. Gray until she became the survivor at the death of Mrs. Reed. This deposit is therefore taxable.

As to the deposit for Mrs. Clute: It appears that shortly after the deposit in January, 1910, the deceased informed

Mrs. Clute that she had deposited said moneys in the form set forth, and showed her sister, Mrs. Clute, the pass-book containing said account. This deposit, made to Mrs. Reed or Mrs. Clute, is of the same effect as if made to Mrs. Reed and her sister. *Clary vs. Fitzgerald*, 155 App. Div. 659. In this case of Mrs. Clute, there is no word in relation to a trust or survivorship in the form of this deposit, nor is it in form to be deemed a joint tenancy under section 249 of the Banking Law above quoted, since it is not in terms to be paid to the survivor. The fact that Mrs. Reed showed the book to her sister in this form does not show any intention with regard to it other than its form would indicate.

In *Corcoran vs. Hotaling*, 164 App. Div. 75, it was held that a deposit in this form was not inconsistent with an intention to create a joint tenancy in the fund where there was sufficient proof of such intention, but in this case at bar no such intention appears outside of the words on the bank book. These words import a gift *inter vivos* of one-half of the fund, thus creating a tenancy in common. This leads to the conclusion that one-half of this fund is taxable.

The deposit made in trust for Fred S. Clute by the deceased seems to fall within the rule of *Matter of Totten*, 179 N. Y. 112, *Matter of Pierce*, 132 App. Div. 469, *Stockert vs. Dry Dock Savings Institution*, 155 App. Div. 123, and *Hessen vs. McKinley*, 155 App. Div. 496, where it was held that when notice of the trust form of the deposit was given to the beneficiary the trust became irrevocable. The transaction amounted to a gift *inter vivos*, the title passed at the time, and the deposit was not taxable.

Concerning the Dow S. Clute deposit: Very soon after making the deposit Mrs. Reed showed the book to Dow, who was an infant, and to his father, and told them that she intended it to be for his benefit, and "that it was and was to be his and to belong to him." If, as she expressed her intentions, "it was his" when she showed him the passbook, his

ownership was not postponed, and there seems to be every element required for a gift *inter vivos*. This was, then, a present transfer, and was not taxable.

The question of exemption from taxation of any of these matters by reason of relationship of the beneficiary to the deceased, or by reason of the amount passing to the beneficiary, is not considered in this opinion, but will be determined upon the adjustment of the tax.

Decreed accordingly.
154 N. Y. Supp. 247.



Gift of Savings Bank Book

NEW JERSEY.

*Savings Bank Deposit—Gift—Delivery
Joint Account.*

Court of Chancery of New Jersey, April 12,
1915.

LAING VS. DURAND ET AL.

The delivery of a savings bank book with intent to make a gift transfers title to the fund.



BILL by Wallace I. Laing against Frank Durand and others, to decide ownership of a bank deposit. Decree for complainant.



STATEMENT OF FACT AND OPINION.

BACKES, V. C. This litigation involves the ownership of a bank deposit of \$783.05, which the complainant claims by a gift *inter vivos*. The fund is on deposit in the "special interest department" or savings account of the Asbury Park & Ocean Grove Bank, in the name of "E. Laing or Sarah Emily Laing." The rules and regulations for depositing and withdrawing moneys are printed in the passbook, the sixth one of which reads:

"No deposit can be received or payment made under any pretense what-

ever, unless the depositor produces either his or her book at the counter of the bank."

There seems to be no requirement for a draft in making withdrawals. Deposits and withdrawals are entered in the passbook as they are made.

The gift, it is claimed, was made by the delivery of the passbook, with donative intention. It is regarded as the settled law of this state that the delivery of a savings bank passbook, without more, with intent to make a gift of the deposit, carries with it the fund. *Van Wagenen vs. Bonnot*, 72 N. J. Eq. 143, concurred in by the Court of Appeals 74 N. J. Eq. 843; *Cook vs. Lum*, 55 N. J. Law, 373; *Ridden vs. Thrall*, 125 N. Y. 572.

The undisputed facts in the case are: The donor, Sarah Emily Laing, was the mother of the complainant. At her request, in 1905, he took his family, consisting of wife and son, to live with his parents at Asbury Park, where they made their home until the mother died, in July, 1913. The father predeceased the mother some nine months. The parents were old and needed the help and comfort of the son and his wife. The mother at all times managed her household, the son's wife doing the house work, while the son paid \$4 a week for his board. The mother had been ailing for a year, and, realizing that her days were few, she, four months before her death, sent for her lawyer, Mr. Durand, the administrator defendant in this case, and had him prepare a deed conveying the homestead and the furniture in it to the complainant, and a testament by which she gave the rest of her estate to her daughter and the complainant's son by a first wife, in equal shares.

The deed was sent for record, and upon its return, about a month afterwards, and the next night after the postman left it, the mother called her daughter-in-law upstairs to her room and said to her: "Minnie, get me that black skirt." She took out of it a key and said: "Minnie, go over to my trunk and hand me over than tin box

in there." She unlocked the box, leaving the key in it, took out the deed, and said: "Minnie, I give this property, all the furniture and things in it," to the complainant. She then took out of the tin box the bank passbook and said: "This bank book and the money that is in the Ocean Grove & Asbury Park Bank I want Wallace (the complainant) to have. I know he hasn't any money, and he will need it." She then put the deed and bank book back in the tin box, closed the lid, and handed it to the daughter-in-law, saying: "Give this to Wallie."

The daughter-in-law took the box to her room, and upon her husband's return she handed it to him and told him what his mother had said. He looked the contents over, and the next morning, when his mother came down to breakfast, he thanked her for the deed and bank book, and she said: "Take good care of those things and make good use of the money, for that is all you are going to get." The box and contents ever after that remained in the possession of the complainant, the wife storing it in her shirtwaist box in her room. The proof of the ceremony attending the gift rests solely upon the testimony of the complainant's wife. It is true; but when taken in connection with corroborating circumstances in the case, it is entirely satisfactory and convincing and meets all of the requirements of the law for the making of a valid gift. *Stevenson vs. Earl*, 65 N. J. Eq.

To a woman confidant, a disinterested witness, the donor said that she knew she had not long to stay here: that she had not settled her personal affairs, and she could not die and feel that she had left her son and her grandson Harold unprotected; that she wanted to be just with all parties and did not want a legal contest afterwards. To this lady, who was visiting the donor, she said: "I want Wallie to have the property (the homestead) and the bank book. He has no money to start with."

The following day the witness was

taken upstairs, when the donor took out of her closet a sealskin coat and said: "I want my daughter-in-law, Minnie, to have this, and the clothes. She has been a good daughter to me, and I want to repay her. I couldn't have kept house without her, and I want her to have these things." She then went to her trunk, unlocked it with a key, picked up numerous articles that she wanted disposed of to different ones, and from the bottom of the trunk she took her tin box. She opened it with a key, and showed the witness the bank book in question, saying that she wanted it to go to her son Wallace, and that she wanted him to have the box and its contents.

The witness then, at the request of the donor, went for Mr. Durand, who came and drew the will and the deed, as already stated. This testimony is very persuasive of a design to make a gift in the way it afterwards was made. We also have this: The donor was intent upon dividing her property equally between her two children, and the allegation in the bill is that the property devised and bequeathed to the daughter and grandson exceeds in value, considerably, the property given to the complainant.

This is not denied, nor was there any proof to the contrary. There is nothing in the testimony indicating that influence was exerted upon the donor to make the gift; nor is there anything in the history of the case from which undue influence may be presumed or inferred. It is conceded by the defendants that the donor, who was nearly 80 years of age, was, up to the time of her death, possessed of all her mental faculties, and from the evidence in the case it is apparent that she was master of her own affairs to the last.

The point is made that, because the bank book stood in the name of "E. Laing or Sarah Emily Laing," a gift of the fund could not be made; the argument being that Elden Laing, the donor's husband, was a common owner with the donor of the fund, and that his share thereof belonged to his estate. Elden Laing left a will, in which the

donor was the sole legatee and executrix. She administered the estate, and it is to be assumed that she reduced whatever interest her testator had in the deposit to her own possession.

I will advise a decree in favor of the complainant, without costs.

93 Atlantic Rep. 884.



Accommodation Paper

MAINE.

Indorsement in Blank—Revocation of Indorsement—Surety—Extension of Time.

Supreme Judicial Court of Maine, April 20, 1915.

FIRST NATIONAL BANK OF BOOTHBAY HARBOR
VS. BLAKE, ET AL.

One not a party, who signs his name on the back of a note in blank at its inception, and before it is negotiated, is an original promisor as to a bona fide holder before maturity.



ACTION by the First National Bank of Boothbay Harbor against Fred C. Blake and others. Verdict for plaintiff against defendant Blake, and in favor of other defendants. On motion by plaintiff to set aside verdict for defendants. Granted as to defendant Blossom.



STATEMENT OF FACT AND OPINION

KING, J. Action upon a promissory note, dated March 8, 1911, on four months, payable to the plaintiff's order, signed by Fred C. Blake as maker, and indorsed by Thomas J. Blossom and Eugene Murray. The writ was dated December 18, 1913. The jury returned a verdict for the plaintiff against Blake for the amount due on the note, and a verdict in favor of the other defendants. The case is before us on plaintiff's mo-

tion to set aside the verdict in favor of Blossom and Murray.

It is the well-settled principle of law in this state that a person, not a party to the note, who signs his name upon the back of it in blank at its inception, and before it is negotiated, is an original promisor as to a bona fide holder of the note before maturity. *Bradford vs. Prescott*, 85 Me. 482; *Banking Co. vs. Jones*, 95 Me. 335.

Both indorsers put their names on the back of this note at its inception, before it was delivered to the payee, and accordingly the plaintiff bank, if it had no knowledge to the contrary, had a right to rely upon the note itself, and the presumption of law arising therefrom, that Blossom and Murray, whose names appeared upon the back of it, were original promisors.

But Mr. Murray testified that, having learned things that changed his mind, he went to the bank, before it had accepted the note, and told the acting cashier, Mr. Simpson, that he did not want to be indorser on that note, or on any other note for Mr. Blake, and that Mr. Simpson promised him that the note would not be discounted. Mr. Simpson, on the other hand, denied that he had had any such conversation with Mr. Murray, and testified that the note was discounted by the bank in good faith, without any knowledge that Mr. Murray refused to be bound by his indorsement. If Mr. Murray notified the bank, before it accepted the note, that he revoked his indorsement, then he was not liable in this action. That was an issue of fact for the jury to determine, from the conflicting testimony and such other facts and circumstances as the evidence disclosed. They saw and heard the witnesses, whose testimony was in conflict, and decided that contested issue in Mr. Murray's favor. The court does not find from an examination of the evidence that their decision on that issue was so manifestly erroneous that it ought to be set aside.

There is no evidence in the case that Mr. Blossom revoked his indorsement or notified the bank, directly or indirectly, before it accepted the note, that

he was unwilling to be bound thereby. Mr. Murray's revocation of his own indorsement did not affect Mr. Blossom's liability as indorser. The bank had the right to rely upon that, in the absence of any knowledge to the contrary. It was a bona fide holder of the note as to him, and his liability to the bank was that of an original promisor of the note.

But he contends that he was released from his liability to the plaintiff on account of an extension of time of payment given to the maker of the note. We find no sufficient evidence to support that contention. Assuming, although it does not affirmatively so appear, that Mr. Blossom's liability to the maker of the note was that of a surety, and that the bank had knowledge of that fact at the time of the alleged extension, the evidence falls far short of showing any such a contract on the part of the bank with the maker of the note for an extension of time for its payment as the law requires to absolve a surety from liability. It must be shown that the contract relied upon was a valid, enforceable one against the bank, founded on a sufficient consideration and the effect of which would be to give further and definite time to the maker of the note, without the consent of the surety. *Berry vs. Pullen*. 69 Me. 101.

The evidence shows clearly that no payment whatever, either of principal or interest, was ever paid on the note by the maker or by any one else. From its maturity, July 8, 1911, the note remained in the bank overdue and wholly unpaid, notwithstanding the fruitless effort of the bank to have it paid or renewed. May 13, 1912, the cashier of the bank wrote Mr. Murray, sending him a new note, signed by Blake, for \$375, dated May 8, 1912, on four months, "to renew one due of his which you are an indorser on, of which he pays a little and the interest." In explanation the cashier testified, that if the new note had been completed the maker was to pay \$3 as the difference between the new note and the old one, together with the back interest, and the discount on the new note. But the new note was not completed, Murray refused

to sign it, and nothing was paid on the old one, either of interest or principal. It continued overdue, and this action was brought upon it.

The act of the cashier in trying to get that overdue note fixed up, in the manner indicated in that letter, is not sufficient evidence of such a contract on the part of the bank to extend the time of payment of the note as would absolve the indorser, Blossom, from his liability to the bank. It was a justifiable, though fruitless, effort to get the old note paid by some cash from the maker and a new note of the same parties.

We fail to find any sufficient evidence in the case to support the verdict in Mr. Blossom's favor. It is manifestly wrong, and should not be permitted to stand. The conclusion of the court therefore is that the verdict in favor of Eugene Murray is not to be disturbed, but the verdict in favor of Thomas J. Blossom is to be set aside, and a new trial granted the plaintiff as to him only.

93 Atlantic Rep. 840.



Collections

VERMONT.

Title to Deposit—Right to Charge Back—Draft for Deposit and Collection.

Supreme Court of Vermont, May 15, 1915.

WALKER VS. D. W. RANLETT CO. ET. AL.

Where there is a general deposit of a draft indorsed in blank, or made payable to a bank and placed to the drawer's credit, subject to check before collection, the presumption is that the parties intended that the title should pass; but such presumption is rebuttable, the parties inferential intention yielding to their real intention, if shown, the question depending upon the particular facts. The fact that a bank has a right, upon failure of collection on a deposited draft, to charge back to the depositor's account advancements made on the strength of it, being generally recognized where title has passed, is not controlling on the question of whether title did pass.

ACTION by Walker & Brock against the D. W. Ranlett Co., the Citizens' Savings Bank & Trust Co., trustee, and the First National Bank of Boston, claimant. Judgment on the commissioner's report holding the trustee liable, and such trustee and the claimant except. Judgment as to the trustee and the claimant reversed, and judgment entered that the trustee is not chargeable, and that the claimant is entitled to the funds in controversy.



STATEMENT OF FACT AND OPINION.

TAYLOR, J. The case is here on exceptions by the trustee and claimant to the judgment of the county court holding the trustee liable on the commissioner's report. The trustee, the Citizens' Savings Bank & Trust Co. of St. Johnsbury, Vt., having filed a disclosure denying liability, and the First National Bank of Boston, Mass., having entered as claimant, a commissioner was appointed under the statute to take the disclosure of the trustee. The commissioner has found and reported the following facts:

The plaintiffs are grain dealers doing business at West Barnet, Vt. The defendant, a corporation having its principal office at Boston, Mass., conducts a grain brokerage business. Prior to September 9, 1912, the plaintiffs ordered a car load of corn from the defendant. On September 9, 1912, the defendant made an "arrival" draft on the plaintiffs for \$751.25, the price of the corn, payable to the order of the First National Bank of Boston, Mass. To this draft was attached the order bill of lading covering the shipment of corn. On the same day the defendant deposited the draft at the claimant bank. As shown by the exhibits attached to the report, this draft was one of the 10 drafts, aggregating \$11,248.97, deposited that day by the defendant.

The draft was indorsed by the claim-

ant, payable to the order of any bank, banker, or trust company, and with the attached bill of lading was forwarded to the trustee for collection. On the arrival of the shipment the plaintiffs paid the draft and immediately brought this suit against the defendant and trustee the Citizens' Savings Bank & Trust Co.

The commissioner reports that the defendant was a regular customer of the claimant bank; that the draft was delivered to the claimant in the ordinary course of business and for collection; that the amount of said draft, less exchange, was immediately credited to the defendant in his general account, subject to check; that on the day of the deposit of said draft the defendant, by checks, reduced its general account therein to \$700; that the relation of claimant and defendant permitted the defendant, in the usual course of business, to draw checks against drafts so deposited in anticipation of their collection; that the arrangement with the defendant was such that claimant was to charge interest on the amount of the draft at the end of the month for the time the draft was outstanding, and, upon failure to make collection of said draft, to charge it up to the defendant's account.

The commissioner also reports that no account was charged, and the draft was not purchased by the claimant, "unless the transaction as stated imply a purchase," and that claimant's title to and rights in said draft, and the proceeds thereof, are "only such as are imputed by law from the nature of the entire transaction." The concluding paragraph of the report is as follows:

"I find that, upon payment of said draft by plaintiff to trustee, as aforesaid, the trustee thereupon became debtor to claimant for the amount of said payment (\$751.25); that defendant had no title or interest therein upon which it could have based suit against trustee. I find that the trustee ought to be discharged and the claim of the First National Bank of Boston, as claimant, ought to be allowed."

The county court accepted the report

of the commissioner, and rendered judgment thereon "that the funds in the hands of the trustee are funds of the defendant," and held the trustee chargeable. Did the court below err in its judgment on the report? The judgment does not follow, but disregards, the decision of the commissioner. We do not deem it necessary to consider how far the conclusions of the commissioner are controlling when the report is accepted, as the case can be disposed of without reference to his decision.

By the decided weight of authority, a deposit by a general depositor of a draft indorsed in blank, or made payable to the bank where deposited and placed to his credit subject to check, prima facie passes the title to the draft and creates the relation of debtor and creditor. *Burton vs. United States*, 196 U. S. 283; *Metropolitan Nat. Bk. vs. Merchants' Nat. Bk.*, 182 Ill. 367; *Metropolitan Nat. Bk. vs. Loyd*, 90 N. Y. 530; *Taft vs. Quinsigamond Nat. Bk.*, 172 Mass. 363, 52 N. E. 387; *Aebi vs. Bank of Evansville*, 124 Wis. 73; *Downey vs. Nat. Ex. Ban.*, 52 Ind. App. 672. Thus, nothing to the contrary appearing, the presumption in those circumstances is that the parties intended that the title to the draft should pass; but the presumption is rebuttable, and their apparent purpose will yield to their real intention, if shown. The question must necessarily depend upon the facts of the particular case. If the parties intend that the paper shall be treated as cash, the title passes immediately upon receipt of the deposit. On the other hand, if it is intended that the bank shall not be responsible except as agent for collection, title remains in the depositor. See note 86 Am. St. Rep. 775, and cases cited; also 3 R. C. L. 524, where the leading cases on the subject of title to checks and drafts deposited are digested.

The commissioner has not expressly found on the question of intention. The report is silent on that subject, except that his decision negatives any inference drawn by him to rebut the pre-

sumption that title to the draft passed to the claimant. Will this court presume, in aid of the judgment below, that the county court inferred as a fact an intention of the parties that the title should not pass? The rule is that when the court below sends up its decision, accompanied only by the report on which it was based, this court only presumes in aid of its judgment that it inferred such facts from the report as on examination it can see that the county court ought to have inferred. It is not sufficient that the facts reported have some tendency to establish the required fact. An inference which this court will presume must be a fair and legitimate conclusion arising from the facts reported. *Pratt vs. Page et al.*, 32 Vt. 13.

The deposit by the defendant, a general depositor, of the draft, made payable to the claimant, and immediately placed to the credit of the defendant subject to its checks, prima facie passed title to the claimant. It remains to consider whether there is anything in the report, construed in the light of all the findings, that fairly tends to negative this presumption, from which the county court ought to have made such an inference.

The finding that no discount was charged when the draft was deposited is of no more force to rebut the presumption, in view of the finding that interest was to be charged at the end of the month on the amount of the draft for the time that elapsed before judgment. The maturity of the draft depended upon the arrival of the shipment at its destination. Its time to run could not be ascertained in advance. The arrangement for interest may well have been in line of discount; at least, it was entirely consistent with an intention that title to the draft should pass to the claimant.

The statement that the draft was not purchased by the defendant "unless the transaction as stated imply a purchase," and that claimant's title to and rights in said draft and the proceeds thereof are "only such as are imputed by law from the nature of the entire transaction," is equivalent to a statement that

there was no direct evidence upon the question of title, or no evidence from which the commissioner could find an express intention. This statement does not affect the presumption as to title.

The statement that the draft was delivered to the claimant for collection, taken in connection with the other findings, does not justify the conclusion that it was intrusted to the bank for collection merely. It was made payable to the order of the bank; it was taken in the ordinary course of business from a general depositor; it was immediately credited to the general account of the defendant, and became subject to its checks; it was apparently treated as a cash deposit; it was part of a large sum, made up wholly of drafts of a similar character deposited on the same day, against which checks aggregating practically the same amount were immediately drawn, reducing the defendant's balance of that day to a sum less than the amount of this particular draft. These facts are inconsistent with the idea that the bank received the draft as a mere agent for collection. It is apparent that the commissioner did not use the phrase "for collection" in its strict technical sense.

The finding that, in the event of failure to collect the draft, the claimant was to charge it up to defendant's account, does not rebut the presumption that title to the draft and its proceeds was in the claimant, but was consistent with it. It was, or may well have been, simply a method adopted by the bank to collect from the drawer in case the draft was dishonored. It was a circumstance to be considered on the question of title; but the right to charge back, either by express agreement or custom of bankers, is generally recognized where title has passed, and so is not deemed controlling on that question. *Burton vs. United States*, 196 U. S. 283; *Brooks vs. Bigelow et al.*, 142 Mass 6; *American Tr. & Sav. Bank vs. Gueder & Paeschke Mfg. Co.*, 150 Ill. 336.

There being nothing in the report fairly and legitimately supporting a contrary inference, the presumption as

to the intention of the parties arising from the circumstances reported must prevail. It follows that the county court erred in its judgment on the report, and that the claimant is entitled to the funds in the hands of the trustee.

We do not need to consider whether, if the draft had in fact been received by the claimant merely for collection, the fund could then have been reached as a credit of the defendant. The authorities, which are conflicting on this question, are reviewed in an extended note in 38 Am. St. Rep. 777.

Judgment as to the trustee and claimant reversed; judgment that the trustee is not chargeable, that the claimant is entitled to the funds in controversy, and that the trustee and claimant recover costs

93 At. Rep. 1054.



Negotiability

NEBRASKA.

Provision in a Note for Discount— Sum Certain in Money.

Supreme Court of Nebraska, April 16, 1915.
FARMERS' LOAN AND TRUST CO. OF IOWA CITY,
IA., VS. PLANCK.

The insertion of the words "a discount of six per cent. will be allowed if paid in full within fifteen days from date," does not render a promissory note non-negotiable.



ACTION by the Farmers' Loan & Trust Co. of Iowa City, Iowa, a corporation, against Walter Planck. From judgment for defendant, plaintiff appeals. Reversed and remanded.



STATEMENT OF FACT AND OPINION.

ROSE, J. This is an action on a promissory note for \$587, dated August 30, 1909. The principal is pay-

able in six installments, maturing at different times within 13 months. The Equitable Manufacturing Co. is named as payee, and defendant is maker. By mesne assignments plaintiff, September 1, 1909, became the holder of the note as collateral security for a loan. The instrument, when executed, was attached to a contract for the purchase of jewelry, and it was given for the price thereof. Under the terms of sale defendant was entitled to the possession of a piano to be given as a prize to the holder of the largest number of jewelry certificates issued by defendant to purchasers of goods from him. Plaintiff claims to be a holder of the note for value before maturity. In his answer defendant pleaded that the note was obtained by fraudulent representations; that he immediately rescinded the contract of purchase; and that he never received the jewelry or the piano. Upon a trial of the issues the district court directed a verdict in favor of defendant, and plaintiff appealed.

Defendant contends that, under the rule in *Bothell vs. Schweitzer*, 84 Neb. 271, the note in controversy is not negotiable, and that even a bona fide holder cannot recover in an action thereon. When Planck signed the note it was attached to the order for goods to be shipped, but was separated therefrom by a perforated line, above which were these words: "The installment note below to be attached by Equitable Mfg. Co."

The contract of sale also contained the following:

"If goods are shipped, detach and credit my account with attached installment note, which I hereby give in payment of this bill. If goods are not shipped, note is to be returned to me."

In the *Bothell* case the note was glued to the contract of sale, and was unlawfully detached. In the present case, when the goods were shipped, the note was detached according to agreement. The rule in the *Bothell* case is correct, but is inapplicable here.

The note executed by defendant contained the following provision:

"A discount of six per cent. will be allowed, if paid in full within fifteen days from date."

Is the negotiability of the note thus destroyed? Under the statute an instrument, to be negotiable, "must contain an unconditional promise or order to pay a sum certain in money." Rev. St. 1913, Sec. 5319. The act of the Legislature defines what a "sum certain" is, but does not mention discount. Rev. St. 1913, Sec. 5320. The authorities upon this point are in conflict. In the following cases it is held that such a note is non-negotiable: *Fralick vs. Norton*, 2 Mich. 130; *Story vs. Lamb*, 52 Mich. 525; *Way vs. Smith*, 111 Mass. 523; *National Bank of Commerce vs. Feeney*, 9 S. D. 550; *Farmers' Loan and Trust Co. vs. McCoy & Spivey Bros.*, 32 Okl. 277.

Story vs. Lamb, 52 Mich. 525, 18 N. W. 248, follows the holding in *Lamb vs. Story*, 45 Mich. 488, 8 N. W. 87. In *Kirkwood vs. First National Bank*, 40 Neb. 484, this court said:

"In *Lamb vs. Story*, 45 Mich. 488, it was held that the negotiability of a note payable on or before two years from date was destroyed by a memorandum attached, providing that if paid within one year there should be no interest, and that case is cited by Mr. Daniel in support of a similar statement, and is the only authority cited. We are not satisfied with that doctrine. In *Hope vs. Barker*, 112 Mo. 338, the provision was 'without interest thereon if paid at maturity; if not paid at maturity, to bear interest from date.' It was held that that provision did not destroy the negotiability of the note; the note on its face showing what should be paid at any particular time, and being therefore certain in its terms."

In *Farmers' Loan and Trust Co. vs. McCoy & Spivey Bros.* 32 Okl. 277, it is held that a provision in a note similar to the one now in controversy impairs its negotiability. This decision rests upon *Randolph vs. Hudson*, 12 Okl. 516, and South Dakota cases therein cited.

In *Randolph vs. Hudson*, 12 Okl.

516, it was held that a provision "with interest at the rate of twelve per cent. from date, if not paid at maturity," destroyed the negotiable character of the note. This is contrary to *Hope vs. Barker*, 112 Mo. 338, cited with approval in *Kirkwood vs. First National Bank*, 40 Neb. 484.

Oklahoma also holds that a provision for an attorney's fee, if the debt is not paid at maturity, renders the note non-negotiable. This is contrary to the holding in *Stark vs. Olsen*, 44 Neb. 646, and is inconsistent with the Negotiable Instruments Law. The Oklahoma cases were decided under local statutes in force when the notes were executed, and in the *McCoy* case the court says that it does not decide what the result would be under the Negotiable Instruments Law subsequently adopted by that State. The Oklahoma decisions were rendered under the following statutory provisions:

"A negotiable instrument must be made payable in money, only, and without any condition not certain of fulfillment" and "must not contain any other contract than such as is specified" in the statute.

These provisions were adopted from South Dakota, and the Oklahoma cases follow the South Dakota construction.

In *National Bank of Commerce vs. Feeney*, 12 S. D. 156, it is held that:

"A stipulation for a discount of twelve per cent. if a note is paid before maturity renders it non-negotiable because of the uncertainty as to the amount to be paid."

And the court quotes an earlier decision containing the following language:

"While, in the opinion of the writer, a promissory note, otherwise unobjectionable, meets the requirements, and stands the test of negotiability, when there is no date at which the exact amount then due cannot be ascertained by inspection and computation, this court has placed itself in line with a class of authorities which require such a degree of certainty that the exact amount to become due and payable at

any future time is clearly ascertainable at the date of the note, uninfluenced by any conditions not certain of fulfilment; and the rule thus established must control cases subsequently arising, where the facts are substantially the same."

The doctrine thus stated is in conflict with some of the Nebraska decisions and with the Negotiable Instruments Law. *Kirkwood vs. First National Bank*, 40 Neb. 484; *Stark vs. Olsen*, 44 Neb. 646; *Fisher vs. O'Hanlon*, 93 Neb. 529.

In *Loring vs. Anderson*, 95 Minn. 101, 103 N. W. 722, it is held that a note providing for a discount of six per cent., if the debt is paid on or before maturity, does not make the instrument non-negotiable, as the amount of the deduction is readily ascertainable from the face of the paper. To the same effect is *Harrison vs. Hunter* (Tex. Civ. App.) 168 S. W. 1036. This is in harmony with the statutory and the general rule that a note is negotiable, though payable on or before a certain date. Rev. St. 1913, Sec. 5322. The amount of the discount and the amount due on the note in controversy, if paid within fifteen days from date, are sums readily ascertainable. With the question of negotiability determined in favor of plaintiff, the peremptory instruction for defendant is erroneous. Whether plaintiff is a "holder in due course," within the meaning of the statute, and whether there was fraud on the part of the original payee, are issues not determined on this appeal. The judgment of the district court is therefore reversed, and the cause remanded for further proceedings.

Reversed and remanded.

152 N. W. Ref. 300.



Negotiability

MISSISSIPPI.

Trade Checks—Negotiable Instruments

Supreme Court of Mississippi, June 14, 1915.
OVETT LAND AND LUMBER CO. VS. WIMBERLY.

A trade check reading "Good for \$1.00 in merchandise" is not negotiable.

ACTION by W. B. Wimberly against the Ovet Land and Lumber Company. From judgment for plaintiff, defendant appeals. Reversed, and case dismissed.



STATEMENT OF FACT AND OPINION.

STEVENS, J.: This action of debt was filed by appellee in one of the justice courts of Jones County against appellant, and on the trial of the appeal in the circuit court appellee, as plaintiff below, filed an amended declaration, the material portion of which charges that:

"On the 10th of September, 1910, and at divers other times about said time, the exact dates of which are to plaintiff unknown, the said defendant, the Ovet Land and Lumber Company, issued and delivered for value to certain and divers of its laborers and employes, the names of whom are to plaintiff unknown, certain and divers negotiable checks, obligations, and evidences of indebtedness, whereby it, the said defendant, undertook and promised to pay to the bearer of each of said checks, obligations, and evidences of debt the amount severally named in each in merchandise on demand. One of said checks is of the following tenor, to wit: 'Good for \$1.00 in merchandise, void if transferred. Ovet Land and Lumber Co., Ovet, Miss., by M. M. Hull, Jr.' And each of said other checks are of like tenor, except as to the amount. * * * the total amount of all of said checks being \$57.80. Each of said checks having been issued by said defendant for value as aforesaid were negotiated, sold, and transferred to plaintiff in due course, and whereby the said defendant became and was liable to pay plaintiff said sums on demand."

The declaration further avers that:

"Said defendant has hitherto wholly failed and refuses to pay the same. Wherefore a cause of action has accrued to plaintiff to demand said total sum of \$57.80, with all interest and cost, for

which he sues and demands judgment."

The declaration or statement of the cause of action in the justice court charged that:

"Plaintiff, being then and there in the mercantile business in the town of Ovelt, * * * received and accepted from employes of the defendant Ovelt Land and Lumber Company" the checks in question.

The demand in the justice as well as in the circuit court is for a monetary judgment.

A general demurrer was filed in the circuit court to the declaration, some of the grounds of which are as follows:

"Said declaration shows that the checks sued on here were not issued by defendant to plaintiff, and that they were not negotiable." "Said declaration fails to show that plaintiff is a bona fide holder for value." "Said declaration shows that the plaintiff obtained said checks with the full knowledge that the same were void in his hands." "Said declaration shows that said checks are payable only in merchandise, even in the hands of the original holder, and defendant here demands a judgment for money." "Said declaration does not show any obligation, either expressed or implied, on the part of defendant to pay plaintiff anything." "Said instrument shows neither drawee, payee, place of payment, nor date." "Said instrument shows no promise on the part of defendant to pay." "Said declaration shows no obligation on the part of defendant."

The court overruled the demurrer, and appellant declining to plead further, judgment was entered for the full amount sued for, with costs. From this judgment appellant appeals, assigning as error the overruling of the demurrer and the rendition of judgment in the court below.

Aside from any other question in the case, the so-called trade checks or documents sued on are not within the law merchant, and cannot be classed, therefore, as negotiable. They are invalid as special contracts in the hand of appellee, for the reasons: First, the payee or second party to the contract is not

stated; and, second, no consideration is expressed. Elliott on Contracts, vol. 1, par. 7.

Furthermore, appellee has no assignment in writing of any one of these checks or of any claim attempted to be evidenced by them. Such assignment is necessary before appellee could invoke the aid of our anti-commercial statute giving the assignee of a non-negotiable instrument the right to maintain an action thereon. There is no privity of contract whatever between the parties to this suit, and, in our judgment, the declaration states no cause of action. It was error, therefore, to overrule the demurrer.

The judgment of the lower court is reversed and set aside, the demurrer sustained, and the cause dismissed.

Reversed.

68 S. W. Rep. 855.

Replies to Law and Banking Questions

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

REFUSAL TO CASH CHECKS

EDITOR BANKERS MAGAZINE.

Sir:—Kindly give us an opinion on the following proposition.

We had a question put to us today by a valued customer, a stock dealer transacting a large volume of business, living in a small town nearby where a bank was recently organized, with a capital of \$10,000. Under the law they could lend him a thousand dollars. By a special meeting of the board they could lend him more.

The gentleman in question borrows up to \$5,000 and more at a time from this bank for the purchase of cattle, knowing that he can always get the money when he wants it. The bank in his home town above referred to, wants him to transact his business with them. Because of their not being able to

render him the accommodations he requests, he has refused to carry an account there.

They are taking the position where they are trying to force him to transact his business with them. They have refused to cash any of his checks presented at their bank unless allowed exchange, they all being payable in New York or Chicago exchange. The bank has also notified all of the merchants in the town not to take any of the checks unless they collected the exchange.

Our customer asked the question, could the home bank legally refuse to cash his checks without receiving their exchange charge when they were cashing other outside checks at par. He claimed that in a sense the bank was a public servant, and was it not a case of discrimination when they refused to pay his checks, and under the law could they not be made to cash them. We told him we thought the bank could refuse to cash his checks and demand a charge. He wanted us to put it up to some authority, so we are asking your opinion. At your convenience kindly let us hear from you. CASHIER.

Answer.—A bank is under no obligation to cash the checks of any but its own depositors. It is not a public institution, but private, organized under the law for gain. It may discriminate as to who shall have accounts with it, and on what terms. It is in no sense like a railway corporation which must serve all who offer the stipulated price.

The cashing of a check drawn on another bank is equivalent to a purchase of the paper. It is a courtesy, and the purchaser may name the price he will pay for it, or refuse to purchase the same altogether. The bank takes the position that it will purchase these checks only on certain conditions and has notified the public to that effect; and for the labor and expense of reimbursing itself, it has a perfect right to charge a fee. The fact that it cashes other checks at par is not relevant—it has compensation in the accounts carried with it, and extends this additional courtesy as a favor to its

clients. When it deals with strangers it has a right to ask its toll.



LONDON STOCK EXCHANGE QUOTATIONS

EDITOR BANKERS MAGAZINE:

SIR: Will you please explain for me in THE BANKERS MAGAZINE how to calculate the New York equivalent of the London stock quotations. TELLER.

ANSWER: The New York equivalent of the London stock quotations is calculated according to the current rate of exchange. The easiest way to arrive at this is to multiply the London price by the rate of exchange and divide by \$5.00. This will give the New York equivalent.



Growth of American Merchant Marine

MERCHANT vessels built in the United States and officially numbered by the Bureau of Navigation, Department of Commerce, during the fiscal year ended June 30, 1915, were 1,226 of 215,711 gross tons compared with 1,291 of 311,578 gross tons for the fiscal year 1914.

During the past ten months, however, under the Ship Registry Act of August 18, 1914, to the American merchant fleet 147 foreign-built vessels of 528,907 gross tons have been added, making the total for the year from both sources 1,373 vessels of 744,618 gross tons.

This tonnage is the largest annual addition to the American merchant fleet in the history of the United States. In 1908 the total increase was 718,683 gross tons; in 1907 it was 596,708 gross tons, and in 1855 it was 586,102 gross tons.

The losses to the merchant fleet for the past year have not all been reported, but for the first nine months they number 1,062 vessels of 195,052 gross tons.

Organized Publicity Work for Financial Institutions



M. E. HOLDERNESSE
ASSISTANT CASHIER THIRD NATIONAL BANK,
ST. LOUIS



JOHN RING, JR.
PUBLICITY MANAGER MERCANTILE TRUST
COMPANY, ST. LOUIS

AN important step in the direction of organized publicity work for banks and trust companies was taken at the recent annual convention of Associated Advertising Clubs of the World, held in Chicago. As a result of the efforts of Mr. John Ring, Jr., publicity manager of the Mercantile Trust Company and Mercantile National Bank, St. Louis, and of Mr. M. E. Holderness, assistant cashier of the Third National Bank, St. Louis, the following resolution was presented:

To the Executive Committee of the Associated Advertising Clubs of the World:

Whereas, There were approximately one hundred delegates and visitors, rep-

resenting the publicity departments of various financial institutions throughout the United States in attendance upon this convention; and

Whereas, It is generally believed that a department composed of banks, trust companies and investment bankers would be of great mutual benefit to the associated clubs and financial interests;

THEREFORE, We, the undersigned, representing the unanimous desire of the above-referred-to delegates, do respectfully petition the creation of such a department.

We believe that the creation of this department would increase attendance of such interests at the national con-

vention, as the membership of clubs throughout the country embraces publicity men from many financial institutions.

In consideration of these resolutions, it should be borne in mind by your committee that many of those to whom benefit from such a department would accrue are national advertisers.

(Signed)

M. E. Holderness, Assistant Cashier Third National Bank, St. Louis, Mo.

John Ring, Jr., Publicity Manager Mercantile Trust Company, St. Louis.

G. Prather Knapp, Publicity Manager Mississippi Valley Trust Company, St. Louis.

Byron W. Moser, Secretary St. Louis Union Trust Company, St. Louis.

H. M. Morgan, Secretary American Trust Company, St. Louis.

Guy Cooke, First Trust and Savings Bank, Chicago, Ill.

W. W. Woodson, Cashier Central Texas Exchange National Bank, Waco, Texas.

N. B. Jackson, Cumberland Valley National Bank, Nashville, Tenn.

In presenting this resolution the signers expressed the belief that the importance of careful organization for properly directed publicity work is coming to be recognized by the banks and trust companies of the country, and that the creation of a department like that proposed above would greatly assist in effective effort along this line.

The representative character of the Associated Advertising Clubs is indicated by the attendance at the Chicago convention, there being over 5,000 delegates registered.

Heretofore the banking and financial interests have not been adequately represented in the Associated Advertising Clubs, but with the creation of the new department they will be given an opportunity of becoming affiliated with this important organization, and will thus get into relation with the very best advertising thought and practice.

Herbert S. Houston, vice-president of Doubleday, Page & Co., New York, is president of the Associated Advertising Clubs.



Rural Credits

GETTING the money back on to the farm, says "Colliers" is a job much discussed at various conventions these days; but there are one or two points that seem worth stating: Rural credits is a problem of development, not of charity. We have no down-trodden peasantry in this country, and the legal rate of interest has somewhat restricted the mortgage sharks. Getting completely rid of these fellows is important, but it is much more important to secure in all parts of our country the best possible investment and use of agricultural capital. This should not be done by the privilege method, by State aid, tax exemption,

and so on. If the American farmer can't pay his way, nobody can. The real need is better organization of the farming business by means of rural co-operative banks, which will not only do the banking for their members, but will also give them the benefits of centralized buying and selling. The banking will be based on the actual known values of the neighborhood, and the trading operations will be real and not speculative. Along with individual zeal and skill in farming will go a co-operative use of the farmers' business strength. Rural credits must be taken up as a part of this larger problem of agricultural business organization.

Banking Publicity

Conducted by

T. D. MacGREGOR

A Light That Is Not Hid

Los Angeles Banks Come Right Out
Plain and Say They Can Serve the
People and Want to Do It

IN Los Angeles bank newspaper advertising seems to partake somewhat of the luxuriant growth characteristic of a semi-tropical climate.

Banks in that city are liberal users of newspaper space and they also have well organized advertising departments or do not hesitate to employ the services of advertising agencies.

The so-called "art work" is a prominent feature of the Los Angeles bank ads, as it is in some other progressive cities. "Art work" and "art" are not synonymous by any means. The use of art work means that you call in an artist to aid the printer to make the display of your advertising more effective.

And usually he does the trick all right, as in the case of the Hellman Bank ads. reproduced herewith, the work of Publicity Manager Branham.

We like the Hellman Bank advertising not only because it attracts our attention, but also because, having compelled our notice, it gives us some real "reasons why" and arguments leading us to want to do business with that institution if it were at all possible to do so. This advertising has been very effective in getting new business.

So here's wishing good luck to the Hellman Bank and to all other banks in Los Angeles or anywhere else which have the courage of their convictions—know that they have a good service for the people of their community and do not hide their light under a bushel but put it on the advertising candle-

stick which nowadays is not a candlestick at all but a powerful arc light.



"The Bank With a Personality"

How a Slogan Was Made a Text for Advertising.

TWELVE hundred new accounts were secured by the Merchants Bank of Salt Lake City by a recent advertising campaign. One of the long series of newspaper advertisements used is reproduced herewith.

There was a special effort to inject personality and humor interest in the advertising. Service is a feature at the Merchants Bank, and it was selected to serve as the backbone of the new advertising campaign, said "Judicious Advertising" in describing the campaign. In the preparation of copy old

Our Officers Don't Hide in a Private Office

The minute you enter this institution you see them. The president, the vice president, and cashier are right near the door. They are there to meet you, to counsel with you and to help you with your financial tangled. They're your fellow men. It matters not whether you are a capitalist or a laborer. You'll be treated with the utmost respect, and be rendered the best possible service. 4 per cent interest paid on savings.

"The Bank With a Personality" **MERCHANTS BANK**

Capital \$250,000. Member of Salt Lake Clearing House.
JOHN PINGREE, Pres. CHAS E. KAISER, Vice Pres.
A. H. PEABODY, Cashier.
Cor. Main and Third South. SALT LAKE CITY, UTAH.

PERSONALITY

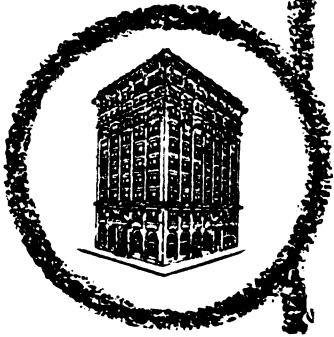
The Commercial National Bank

of Shreveport

Each window here is numbered, the department represented is specified and the name of the gentleman in charge is shown on a plate above the grille.

The first two of these conveniences ensures YOUR convenience, while the latter, the simple manner of being able to address one's business associates by name, ensures a more friendly relationship and makes transactions with this bank a genuine pleasure.

—our officers and employes wish to become your personal friends.



THE IDEA THAT THAT ITS EMPLOYEES ARE MEN AND NOT MACHINES IS APPROPRIATELY CONVEYED IN THIS ATTRACTIVE ANNOUNCEMENT

A Bank Essay

A Los Angeles Bank Does a Little Educational Work.

UNDER the caption of "Banking in California," the German-American Trust and Savings Bank of Los Angeles ran a series of articles in its newspaper space. One of them read as follows:

The average person, particularly one who does not have occasion for active relations with a bank, is often much dissatisfied with his indefinite knowledge of the HOW, WHAT and WHY of modern banking.

Sometimes this feeling is even extended to the banking system itself, from a natural instinct of unfriendliness toward the unfamiliar or unknown. This is only one of many excellent reasons why every one ought to become familiar with the workings of a bank.

Knowing what a bank is, why it exists, and how it operates will produce not only an understanding, but also a greater appreciation, of the valuable services rendered by this modern institution, and enable us to take advantage of those services.

A bank is an institution legally authorized to receive and safeguard funds on deposit, and to repay such funds to, or at the order of, the depositor, under such conditions as may have been previously agreed upon.

It exists in response to the demand which has been developed for such services. Its operations are carried on by means of so using the funds deposited as to produce a revenue which will meet the expense of all those operations.

Obviously, these statements are very general in their nature. A thorough explanation, however, will be presented in short articles to be printed in later issues of this paper. All the practical processes and activities will be described in detail, beginning with a bank's organization, and extending down to its simplest transaction with depositors.

Concerning the subject of organization, our next article will deal with the legal authorization and control of banks in California.



How Banks Are Advertising

Note and Comment on Current Financial Advertising.

THE canceled checks of depositors in the Third National Bank of St. Louis are returned to them at the first of the month enclosed in an oblong folder containing a monthly mes-

"Ford Refund Day"

Should Awaken You to a Realization of Your Position in the World

On "Ford Refund Day" about \$15,000,000 will be returned to purchasers of Ford cars. Of this, approximately \$350,000 will be received in the District known as Northwestern Ohio. All this is "found money." It is profit---a special dividend on money SPENT---a return that occurs but once in a life time, and for that reason alone it is particularly notable.

Wise investors do not squander dividends. They reinvest. They buy new assets; and these in turn yield dividends or interest. They make their money earn more.

Now, Mr. Ford Owner---what are you going to do with YOUR dividend? Your fifty dollar rebate? Are you going to squander it? Or will you make it work for you? Are you going to make USE of it---or ABUSE of it? One might almost call this rebate a gift from Heaven---and gifts of that sort are not to be trifled with. Why don't you save it?

Why don't you make it work for you at liberal interest? Think what it will do. It will "pyramid"---pile up value on itself without any further effort on your part. Or it will be the nucleus of a "rainy day" fund to which you can add weekly or monthly installments so small that you won't miss them from current cash. It is amazing how quickly money does pile up at compound interest. If Croesus had deposited one dollar at bank interest---and let it lie accruing value by interest alone---the total would be a billion dollars today. That's what interest means---

Whether or not you get a Ford Rebate, you cannot afford to be without a bank account after next pay-day.

Start it with as much or as little as you please---but START it NOW. For your own sake---for your family's sake. We are not "calamity howlers." We are optimists. But just the same, "you never know what is going to happen." And a bank account is a good thing to have when "it" DOES happen. And old age comes all too soon. Youth is a brief season. As the years advance earning power seldom increases after thirty-five. Now is the time to sow the seed---if you would enjoy the harvest.

Money Makes Money

Cash in hand prepares you for Opportunity's call. There comes, at least once in every man's life, a time when he might make profit or find independence, if only he has a little capital with which to work. It may be an investment. It may be a chance to go into business for oneself. But "money makes money". The experience of generations has proved it. Rockefeller said that the first thousand is the most difficult to get. After that, average sagacity will help it grow. You may not have saved a thousand when your chance comes---a few hundred may suffice. But will you be ready?

Save by Habit

Once a savings account is started, the saving habit is easily acquired. And once acquired, it is difficult to break. You may save but a dollar a week---or a dollar a month. You may save more. But saving regularly teaches you to get along without the cash you put away. It also gives the interest a broader and broader foundation to pile upon. SAVE! "Pyramid!" Do it NOW. It is NEVER too late---and certainly NEVER can be too early.

These Banks Will Guard Your Savings and Pay You Liberal Interest---They Solicit Your Account.

First National Bank
215-216 Summit St.

Spitzer-Rorick Trust & Savings Bank
Fifth St. Bldg., Madison and Huron

Northern National Bank
Cor. Madison and St. Clair Sts.

National Bank of Commerce
Cor. Madison and St. Clair Sts.

Market Savings Bank
Cor. Jefferson and Huron Sts.

People's State Bank

Ohio Savings Bank
Ohio Bldg., Madison and Superior

Toledo Savings Bank & Trust Co.
Cor. Summit and Jefferson

Union Savings Bank
222 Summit St.

Second National Bank
Second National Bldg. Bldg., Cor. Madison and Summit Sts.

The Continental Trust & Savings Bank Co.
SEAPIONE---Abercrombie Branch, 1200 SEAPIONE Ave.
Jefferson Branch, 1204 Western Ave.

Merchants & Clerks Savings Bank
222 Summit St.

Commercial Savings Bank
410-412 Adams St.
Branch, Main and Second Sts.

Security Savings Bank & Trust Co.
215-217 Superior St.
Branch, 1225 Cherry St.

Guardian Trust & Savings Bank
114-116 Madison Ave.

Dime Savings Bank Company
Superior and Adams.
Fourth, 1222 Broadway.

YOU'VE "GOT TO HAND IT TO" HENRY AND THESE TOLEDO BANKS

OLDEST BANK IN MINNESOTA

THE FIRST NATIONAL BANK
OF SAINT PAUL

Capital and Surplus Five Million Dollars
Resources Over Forty Million Dollars

OFFICERS

- OUIS W. HILL,
Chairman Board of Directors
- EVERETT H. BAILEY
PRESIDENT
- CYRUS P. BROWN
VICE PRESIDENT
- EDWARD O. RICE
VICE PRESIDENT
- OTTO M. NELSON
VICE PRESIDENT
- CHARLES H. BUCKLEY
CASHIER
- EDWIN MOTT
ASSISTANT CASHIER
- HENRY B. HOUSE
ASSISTANT CASHIER
- CHARLES E. GALL
ASSISTANT CASHIER



Report of the Condition of
The First National Bank
Of St. Paul, Minn.
At Close of Business, June 30, 1916

RESOURCES

Loans & Discounts	\$21,916,712.98
U. S. Bonds	665,000.00
Other Bonds	5,422,683.07
Bank Building, See and New Con- struction	627,674.27
Stock in Federal Re- serve Bank	150,000.00
Due from Banks and U. S. Treasurer	8,675,434.14
Cash	4,506,922.95
	\$41,899,429.41

LIABILITIES

Capital Stock	\$5,000,000.00
Surplus	2,000,000.00
Profit	967,380.57
Reserve for Unearn- ed Interest	175,000.00
Reserve for Taxes	102,970.25
Circulation	50,000.00
Deposits	36,119,708.59
	\$41,899,429.41

DIRECTORS

- | | | | |
|---|---|---|---|
| LOUIS W. HILL
President Great Northern Railway Company | CHAR. W. GORDON
President Baker & Phipps | RICHARD A. JACKSON
Vice President Great Northern Railway Company | HALE HOLDEN
President Chicago Burlington & Quincy R. R. Co. |
| EDWARD N. BAUNDERS, JR.
President Bank of America First National | WATSON P. DAVIDSON
Lawyer | DAVID C. SHEPARD II
Frank, Van Hook & Robinson | PIERCE L. HOWE
President Imperial Oil Company (Manager) |
| CHAR. W. AMES
President West Publishing Company | WALTER BUTLER
Baker Brothers, Contractors | JOHN J. TOOMEY
Vice President Northwestern Trust Company | OTIS EVERETT
President Northwestern Trust Company |
| EVERETT H. BAILEY
President | WILLIAM B. DEAN
Rice, Rice & Rice | GEORGE T. BLADE
Vice President Northern Pacific Railway Company | JULE M. HANNAFORD
President Northern Pacific Railway Company |
| CYRUS P. BROWN
Vice President | ALBERT N. ROSE
Ans. Officer | JAMES T. CLARK
Vice President F. W. P. O. R. R. Co. | MARTIN R. BROWN
Vice President Northern Railway Company |
| THEO. A. SCHULZE
President First National Bank | ALBERT L. ORDEAN
President F. W. P. O. R. R. Co. | | |

UNITED STATES DEPOSITORY

ESTABLISHED 1863

AN ATTRACTIVE NEWSPAPER PAGE ANNOUNCEMENT

sage. One of the recent ones also had a little detachable coupon to use in introducing a friend to the bank.



Good printed matter is one of the hobbies of the advertising department

of the Mercantile Trust Company, St. Louis. Some of the recent pieces that have come to our notice are a folding card which upon being opened spreads out a circle, explaining the eleven branches of the institution's business conducted under one roof; a mailing



WITH ample capital, complete facilities and an efficient organization, this strong institution serves the interests of banks in this section.

The Fourth and First National Bank
NASHVILLE, TENN.

A Salary Problem

"With a fixed income, how can I meet higher living costs and still make a success of life?"

We mention what your salary is, you will find this the ONLY solution—LEARN TO SAVE MONEY. You MUST learn this if you would succeed and there's no better school for you than a savings account at the

First National Bank
Grand Falls, - - - North Dakota

A TRIO OF GOOD ONES

card urging a systematic plan of saving and a letter enclosure containing an extract from a "Printers' Ink" article on "Opportunity in the Unexpected," pointing toward a savings account.



A reproduction of a newspaper clipping concerning a local robbery is pasted on the bottom of a printed letter sent out by the Commercial National Bank of Raleigh, N. C. The gist of the message is: "Deposit your money in the bank and the burglar cannot say: 'Give me your money or your life.'"



"The Fidelity Saver" is the name of an effective little house organ issued by the Fidelity Savings Trust Company of Kansas City, Mo.



"Progressive Richmond" is exploited in a booklet with that title issued by The American National Bank of Richmond, Va., and reflecting credit upon the advertising manager, Miss Mary P. Jordan. After outlining the great progress of the city in the past generation, the booklet concludes thus:

The experience of our officers extends over a long period of time, making them efficient for their duties. In dealing with this bank you will find us conservative and safe in all transactions, and your welcome will be cordial and sincere.

We want to serve you, wherever located. If too far away to come to us, write; your letter will be given prompt attention, no

more time being lost than necessarily required in the receiving and posting of letters.



As one of a series of booklets on "The Wealth of America," The National Bank of the Republic of Chicago recently issued one on "Cotton." It is a quite complete and interesting history of the cultivation of the crop in America.



"The Advance," the monthly house organ published by The Corn Exchange National Bank of Philadelphia, is the most like a real newspaper of any bank house organ we have ever seen. It has newspaper headlines, specially drawn cartoons, editorials and advertisements, although of course the latter are all for the bank itself. The sheet is a booster for good old Philadelphia all right, as witness this signed editorial by President Chas. S. Calwell of the bank:

THE CONVENTION HALL.

A modern Convention Hall is a necessity in this city. We have the money for such a building; there exists a decided sentiment in favor of immediate construction, but up to the present time it has been impossible to decide on a site.

There is no excuse for further delay. Any ordinary business house would have decided such a question long ago. Shall the whole city's reputation suffer while a few rival business organizations selfishly fight for recognition?

It seems to us that this question is of easy solution. Let the Chamber of Commerce name a committee of five prominent

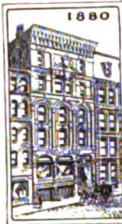
THE BUFFALO EXPRESS, MONDAY MORNING, AUGUST 16, 1915

65TH ANNIVERSARY

OF THE FOUNDING OF THE
MARINE NATIONAL BANK
 OF BUFFALO, N. Y.
 1850 - 1915



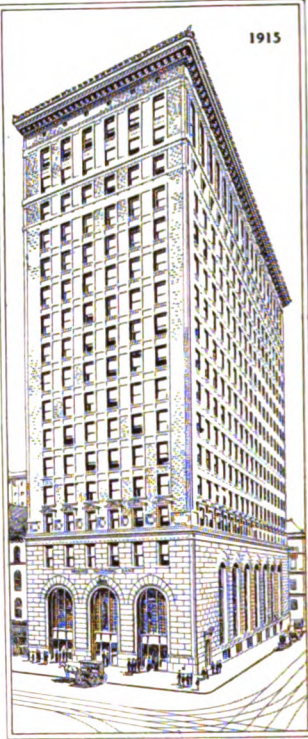
ORIGINAL HOME OF THE MARINE BANK AT NO. 79 MAIN STREET



NO. 80 MAIN STREET



SOUTHWEST CORNER MAIN AND SENECA STS. PURCHASED BY THE MARINE BANK IN 1901 AND OCCUPIED SOON AFTER



1915

WORTHY HOME AND TERRA COTTA FIELDRIDGE BUILDING OF THE MARINE NATIONAL BANK. THE BASKING ROOM, 815 TO 820, IS THE MOST MODERN IN THE WORLD. OFFICE TO THE MAIN AND SENeca STREET DEPOSIT VAULTS IN THE FIRST FLOOR

AUGUST 15th, 1850, marked the establishment in Buffalo of the Marine Bank at No. 79 Main Street. One of its earliest statements showed total deposits of \$7521.85. Today its resources are more than \$65,000,000.00, and it is one of the eighteenth largest National Banks in the United States with deposits the largest in its history. Sixty-five years of growth have placed the Marine National Bank in the front rank of America's great financial institutions.

SIXTY five years ago, even more than today, Buffalo's prosperity was based upon its lake and canal commerce. In the early days before Buffalo became the great manufacturing and railroad center it now is, the Marine Bank did much to foster the growth of this marine business and to build up here the largest grain elevator industry of any port in the world, hence the name "Marine" Bank.

Synchronous with Buffalo's progress has been that of the Marine National Bank. It began in a community of less than 40,000 people. Today it is doing business in a great city of 400,000. In 1850 two trains a day left Buffalo—today two hundred. Then one reached Detroit in 2 1/4 days, by stage, for there was no railroad route here in less than 20 days.

The first quarters of the Marine Bank occupied a space about 25 x 30 feet. The present banking room is 100 feet wide, can handle thirty-eight feet high and forty feet high. On the basement floor the wonderfully strong and substantially fireproof safe, built by the Marine Bank, occupies nearly as much space.

The Marine is the only bank in Buffalo that ever doing business here in 1850. Its first president was George Palmer, who presided over the bank until his death in 1860. Among other presidents were James H. Buchanan, Marine F. Smith and H. C. Clegg. Other officers are: President, James H. Buchanan; Cashier, J. H. Clegg; Vice Presidents, J. H. Clegg and J. H. Clegg; Directors, J. H. Clegg and J. H. Clegg. The Marine Bank's directors, past and present, include names which for more than half a century have stood for substantial worth and upstanding progress not only in Buffalo but throughout Western New York.

That the Marine National Bank has both in Buffalo's future in present for the great western city, building record two years ago at the corner of Main, Seneca and Washington Streets. For more than half a century, however, in the confidence expressed in the bank's management and operations in Buffalo's manufacturing and mercantile centers. The interests which have brought about the magnificent building in the corner today will undoubtedly be made for the continued progress and the national honor of the business interests of Buffalo and Western New York.



THE OLD POSTOFFICE



COTTAGE OF DR. JOHNSON, THE FIRST MAYOR



1907 OF BUFFALO FROM THE SEA

FIRST STATEMENT OF THE MARINE BANK OF BUFFALO, THE MORNING OF AUGUST 27TH, 1850.

RESOURCES.	
Bills Discounted	\$ 35,834.23
Stocks and Bonds	114,230.00
RECEIPTS	1,410.50
Cash on hand and with banks	56,219.01
	\$250,093.82
LIABILITIES.	
Capital Stock	\$170,000.00
Office and Circulating Notes	72,000.00
Exchange and Discount	\$71.87
Deposits	7,521.85
	\$250,093.82

STATEMENT OF THE MARINE NATIONAL BANK OF BUFFALO, THE MORNING OF AUGUST 14TH, 1915.

RESOURCES.	
Loans and Discounts	\$37,171,794.19
Bonds and Securities	10,166,857.35
Real Estate	1,500,000.00
Banking House and Lot	15,488,131.71
Cash on hand and with banks	\$65,338,687.14
	\$65,338,687.14
LIABILITIES.	
Capital, Surplus and Profits	\$ 9,704,196.95
Reserved for Taxes	40,000.00
Calculations	5,000,000.00
Expenses	50,592,486.21
	\$65,338,687.14



OLD COURT HOUSE, 1841-1846

AN INTERESTING HISTORICAL BANK ADVERTISEMENT

business men—men who are not interested in any particular location.

This committee shall hear the claims of all rival factions and decide on a location.

We feel sure such a committee could be appointed that would be fair in its decision and that could command the confidence of City Councils and all our citizens.

Let the Chamber of Commerce act.
 CHAS. S. CALWELL.

"The Story of Pasadena's First Bank" is the title of a delightful booklet issued by the First National Bank of Pasadena, Cal. Besides interesting historical data concerning the bank and financial statements, etc., concerning it and its affiliated Pasadena Trust and Savings Bank, the booklet is ornamented with a tint block containing a Cali-

100 Years a Commercial Bank

Telephone Corfland 7686, connecting all Branches

Capital and Surplus

\$5,000,000

Resources

\$60,000,000Charter Member
New York Clearing House

192 BROADWAY, COR. JOHN ST.
GREENWICH AND WARREN STS.
BOWERY AND GRAND STREET
846 GRAND STREET
FIFTH AVE. AND 16TH STREET
NINTH AVE. AND 18TH STREET
FIFTH AVE. AND 20TH STREET
2 WEST 13RD STREET
57TH STREET AND THIRD AVE.
84TH STREET AT SECOND AVE.
BROADWAY AND 104TH STREET
LENOX AVE. AND 116TH STREET
129TH ST. AND LEXINGTON AVE.

New York, September 18, 1915.

To our Depositors, and
To the Public:

The Chatham and Phenix National Bank of the City of New York to-day takes a new step in the history of the National banking system.

In addition to its main office at Broadway and John Street, which has been the home of the Chatham and Phenix National Bank for so many years, it announces the establishment of twelve branches well situated in different parts of the City, the right to maintain domestic branches is now for the first time granted to a National Bank.

Its past record as a strictly commercial bank during more than a hundred years, the names of those who compose its Board of Directors, its increased capital and surplus now exceeding \$5,000,000, and its large resources of more than \$60,000,000, alike entitle it to your confidence.

With its new and increased powers it offers to its depositors and the public the best of service and every accommodation consistent with conservative banking.

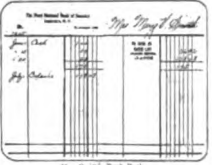
President.

A STRIKING STORY OF BANKING PROGRESS ACHIEVED THROUGH THE ENERGY AND ABILITY OF L. G. KAUFMAN, WHO CAME TO NEW YORK A FEW YEARS AGO AND UNITED TWO OLD BANKS, AND DEVELOPED THEM INTO ONE OF THE STRONGEST AND MOST SUCCESSFUL INSTITUTIONS IN THE COUNTRY'S FINANCIAL CENTER.

Mrs. Smith Checks Up

When Mrs. Smith's pass book was returned to her, she found it to be a little slip with a few adding machine figures on it, and so the pass book, the total with the addition "numbers returned." According to the instructions of the bank, she checked back the several entries with her own record and found that all the checks she had issued were contained and the bank's balance agreed with her own.

If there had been checks issued and not returned, as is more generally the case, she would have added the amount of the outstanding checks to her balance, or indicated the same from the bank balance, preferably the latter. Such checks have not been paid, but might be presented at any moment, and the bank balance sheet of course be correspondingly reduced by their amount as soon as checks are issued. Mrs. Smith put the original checks away, in case she should need them for future reference. (See also the landlord's part of her account.)



Mrs. Smith's Bank Book.

Mrs. Smith's Record

Every time you make a check, you should make proper record. First for the sake of keeping what checks you have issued, second, to keep track of your bank balance, and third, to remember your bank when it is called on.

Every third page in the little check book is a form for each purpose. On the left you enter the deposits as you make them, and on the right the checks as you draw them. When three checks have been drawn, you make a total and subtract from the other column, which shows your bank balance.

Now, Mrs. Smith took two more deposits, drawing down, but her bank at the bank on July 31 for balancing, and her check book looked like this:

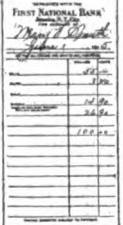


Mrs. Smith Takes Her First Lesson

(CONTINUED FROM JULY 31.)

"I am French in method," said Mrs. Smith to the teller. "But I am fairly conversant in banking methods, and I could not make out a deposit ticket or keep track of the balance I had in the bank. It would be a nuisance to you, and Mr. Smith would speak a few more jokes of my expense."

"Let me show you how simple it is," said the teller. "To give an account, all you have to do is to write your name on a card for registration file. We then give you a pass book and a check book. I will give you your first lesson in banking by showing you how to make a deposit ticket properly. Write your name at the top; insert the date; separate your bills into denominations and enter them under the proper 'bills' list the silver and gold likewise under each section separately. The amount of your deposit. When the teller is complete it should look like this:"



(TO BE CONTINUED MONDAY, AUGUST 1.)

Mrs. Smith of Jamaica Visits A. Bankman

(CONTINUED FROM JULY 31.)

These methods were apparently interesting to Mrs. Smith. She had had her husband talk of bank accounts and their maintenance and had seen the advertisements of the bank balance sheet and had seen the advertisements of the bank balance sheet and had seen the advertisements of the bank balance sheet and had seen the advertisements of the bank balance sheet.

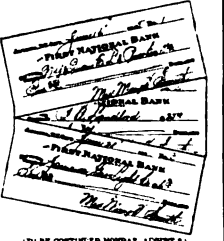
(TO BE CONTINUED MONDAY, JULY 31.)

Mrs. Smith Learns How to Draw a Check

(CONTINUED FROM JULY 31.)

"The rule in banking drawing accounts," said the bank man, "is to keep and record checks, and I want to show you how to draw them that will be made as possible by drawing checks properly. Always write your name as you have written it on my card. Do not change any part of it. Always insert the date. Write the number and the date of the year, and fill in all blank spaces with a wavy line. Write the figure and get the number of the dollar sign, and be sure the words and figures agree. The card and card book should be filled up as follows:

"If you have any bills to pay, I will show you this form but you will have checks drawn by 'Mrs. Smith.' This form has one of her hand job bills for the gas, the electric light and the rent, and under the direction of the bank man draw these checks in payment. On the next check the bank man writes in the name 'Mrs. Smith.' These are the checks:



(TO BE CONTINUED MONDAY, AUGUST 1.)

The Case of Landlord vs. Smith

After the time of Mrs. Smith's visit to the bank, she had her husband talk of bank accounts and their maintenance and had seen the advertisements of the bank balance sheet and had seen the advertisements of the bank balance sheet and had seen the advertisements of the bank balance sheet.

(TO BE CONTINUED MONDAY, AUGUST 1.)

Mary V. Smith of Jamaica—Her Job

Smith has just taken on her work, Mrs. Smith was charged with the payment of the household accounts. She had a monthly allowance for the purpose, which Mr. Smith had on the 1st of each month to give her bills.

(CONTINUED MONDAY, JULY 31.)

THE EDUCATION OF MRS. SMITH

ifornia poppy design and many half-tone illustrations of beautiful Pasadena.

A monthly report in the form of a 4-page house organ, prepared, we understand, by the Collins Publicity Service, is issued by the Heard National Bank of Jacksonville, Fla. It is full of good matter and well printed.

"How This Bank Can Serve You" is explained in a short booklet by the Sioux City Trust and Savings Bank of Sioux City, Ia.

"Your Child's Future" is neatly embossed on a beautiful booklet issued by The Citizens' Savings and Trust Co., Cleveland, which is further ornamented by a child's picture affixed. The two features advertised are children's accounts and a birthday fund.

Being a long time user of car advertising this testimony of the Title Guarantee and Trust Company of New York is interesting:

The results of advertising our Guaranteed First Mortgage Certificates in the cars have been very noticeable. These certificates provide a method by which a person who

wishes to save \$10 per month can buy with these instalment payments a \$200 certificate which is really an assignment to him of a share in a group of guaranteed first mortgages. The response to this advertisement always has been very noticeable in the increased sales. We have also been able to trace many sales of our larger certificates in amounts of \$500, \$1,000 and \$5,000 to the advertisements in regard to them that we have placed in the cars.

⊙

"Examinations Insure Safety" is the monicker of an unusual statement folder issued by the First Second National Bank of Akron, O. A feature of the inside is a tipped on reproduction of a letter from a firm of certified public accountants reporting the thorough examination made.

⊙

Having the largest deposits and loans and investments and being the oldest bank in Sacramento, Cal., the Sacramento Bank mails a big card containing, among other things, a comparative statement of all the local financial institutions.

⊙

Having addressed the A. I. B. convention at San Francisco on "National Banks and the Federal Reserve System," Frank C. Mortimer, cashier, The First National Bank of Berkeley, Cal., has had the address printed in booklet form for distribution by the bank.



Comment on Reproductions

SHREWD Henry Ford is "some" advertiser. It's a question if he did not get more than enough free advertising out of his customers' rebate scheme to pay for it, witness this full page ad. from the Toledo "Blade," which sixteen Toledo banks chipped in to pay for. It was a good thing for the banks, too, of course.

⊙

That pay envelope ad. of the First Trust and Savings Bank of Chicago is

the first we have seen advertising free pay envelopes. The scheme is all right for large cities.

⊙

The Fourth and First National Bank of Nashville, Tenn., shows its location clearly by means of the map in the circle. This good ad., of course, is run in banking journals.

⊙

"A salary Problem" is an ad. heading that will appeal to every man on salary and that is the majority of city people. Just 'nuff said in this ad. and it is excellently well set up. Congratulations, Grand Forks.

⊙

The education of Mrs. Smith of Jamaica in banking matters progresses by easy stages through the series of newspaper ads. of the First National Bank of that baliwick of the metropolis. We see the ingenious mind and skilful hand of Vice President W. H. Kniffin, Jr., in this human interest advertising.



Bank Advertising Exchange

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

Watch for new names and other changes.

F. E. Adams, Will Co. National Bank, Joliet, Ill.
American National Bank, Richmond, Va.
D. Ansley, care Central Trust Co., San Antonio, Texas.

Carl W. Art, manager publicity department, Union Trust & Savings Bank, Spokane, Wash.

A. F. Bader, publicity manager, City National Bank, Evansville, Ind.

C. W. Bailey, cashier, First National Bank, Clarksville, Tenn.

The Bankers Magazine, New York.
H. C. Berger, Marathon County Bank, Wausau, Wis.

C. J. Bevan, cashier, Exchange Bank, Genoa, Ill.
E. L. Bickford, cashier, First National Bank, Napa, Cal.

W. O. Boozer, treasurer, American Trust Co., Jacksonville, Fla.

R. A. Bradham, cashier, The Commercial & Savings Bank, Sumter, S. C.

Jesse E. Brannen, cashier, First National Bank, Westwood, N. J.

Bank of San Rafael, San Rafael, Cal.
E. M. Baugher, president, The Home Building Association Co., Newark Ohio.

O. W. Beerbower National Exchange Bank, Roanoke, Va.

H. C. Bollman, assistant cashier, First National Bank, Collinsville, Okla.

T. J. Brooks, cashier, The Guaranty Trust & Savings Bank, Jacksonville, Fla.

J. A. Buchanan, Guaranty Trust Co., Lancaster, Pa.

F. B. Bunch, cashier, Merchants & Farmers Bank, Statesville, N. C.

E. C. Burton, vice-president, Penn. National Bank, Chester, Pa.

Stephen L. Burwell, vice-president, First National Bank, Jackson, Miss.

A. Bush, Jr., Ladd & Bush, bankers, Salem, Oregon.

The Citizens Bank & Trust Co., Tampa, Fla.
Citizens National Bank, Oconto, Wis.

Commercial Bank, Midway, Kentucky.
Allan Conrad, Box 386, Port Huron, Michigan.

B. S. Cooban, 518 W. 63rd Street, Chicago, Ill.
H. Reed Copp, assistant advertising manager, Old Colony Trust Co., Boston, Mass.

Arthur S. Cory, Chehalis National Bank, Chehalis, Wash.

David Craig, Trademans National Bank, Philadelphia, Pa.

M. Clarence Crowson, cashier, Home Banking Co., High Point, N. C.

Eugene E. Culbreth, Commercial National Bank, Raleigh, N. C.

Bradley Currey, c/o Fourth & First National Bank, Nashville, Tenn.

H. A. Dalby, Naugatuck Savings Bank, Naugatuck, Conn.

Dexter Horton National Bank, Seattle, Wash.
T. R. Durham, assistant cashier, Chattanooga Savings Bank, Chattanooga, Tenn.

W. R. Dysart, assistant cashier, First National Bank, Ripon, Wis.

J. C. Eberspracher, assistant cashier, First National Bank, Shelbyville, Ill.

A. A. Ekirch, secretary, North Side Savings Bank, New York City.

F. W. Ellsworth, publicity manager, Guaranty Trust Co., New York.

Federal National Bank, Denver, Colo.
The Franklin Society, 33 Park Row, N. Y.

E. W. Finch, assistant cashier, Birmingham Trust & Savings Co., Birmingham, Ala.

First National Bank, Lead, S. D.
H. Gavere, asst. cash. of Scandinavian American Bank, Grand Forks, N. D.

B. P. Gooden, advertising manager, New Netherlands Bank, New York.

C. F. Hamsber, First National Bank, Los Gatos, Cal.

Victor F. Hann, manager publicity department, The Fifth Avenue Bank, New York City.

J. W. Hansen, cashier, Citizens State Bank, Sheboygan, Wis.

D. L. Hardee, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.

E. A. Hatton, cashier, First National Bank, Del Rio, Texas.

John R. Hill, Barnett National Bank, Jacksonville, Fla.

Jessamine G. Hoagland, publicity manager, National City Bank, Chicago, Ill.

N. M. Hokanson, State Bank of Chicago, Chicago, Ill.

Frank K. Houston, vice-president, Third National Bank, St. Louis, Mo.

L. M. Howard, vice-president, Continental Bank & Trust Co., Shreveport, La.

Indiana Bldg. & Loan Association, South Bend, Ind.
W. L. Jenkins, Farmers & Mechanics Trust Co., West Chester, Pa.

Theodore Jessup, Woodlawn Trust & Savings Bank, 1204 E. 63rd Street, Chicago, Ill.

N. W. Johnston, president, Illinois Trust & Savings Bank, Champaign, Ill.

W. P. Jones, assistant cashier, First National Bank of Commerce, Hattiesburg, Miss.

W. R. Kay, Jr., advertising manager, Sacramento Bank, Sacramento, Cal.

O. B. Keller, Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.

Grover Keyton, New Farley National Bank, Montgomery, Ala.

M. R. Knauff, assistant cashier, Merchants National Bank, St. Paul, Minn.

George L. Kreeck, treasurer, Farmers State Savings Bank & Trust Co., Lawrence, Kans.

Henry M. Lester, National City Bank, New Rochelle, N. Y.

A. E. Lindhjem, assistant cashier, Scandinavian American Nat. Bank, Minneapolis, Minn.

L. W. Lovell, assistant cashier, The Lovell State Bank, Monticello, Iowa.

E. G. McWilliam, publicity manager, Security Trust & Savings Bank, Los Angeles, Cal.

Ralph H. Mann, President Gloucester National Bank, Gloucester, Mass.

H. Warner Martin, assistant cashier, Lowry National Bank, Atlanta, Ga.

Charles S. Marvel, The First-Second National Bank, Akron, Ohio.

H. B. Matthews, S. W. Straus & Co., Straus Bldg., Chicago, Ill.

J. C. McDonald, advertising manager, The City National Bank, Sulphur Springs, Texas.

Merchants National Bank, Lawrence, Kansas.
Frank Merrill, advertising manager, The Northwestern National Bank, Minneapolis, Minn.

Chas. H. Moore, publicity manager, Spokane & Eastern Trust Co., Spokane, Wash.

Will E. Morris, assistant cashier, Farmers & Merchants Bank, Stockton, Cal.

E. E. Mulcock, Commercial National Bank, Syracuse, N. Y.

Nebraska State Bank, Ord., Neb.
Northwestern Trust Co., R. F. Sherer, vice-president, St. Paul, Minn.

W. W. Norton, Treas., Robbins Burrall Trust Co., Lakeville, Conn.

Old State National Bank, Evansville, Ind.
J. A. Overton, cashier, The National Bank of Smithtown Branch, Smithtown Branch, N. Y.

R. B. Parrish, cashier, National Bank of Commerce, Williamson, W. Va.

A. E. Potter, president, Broadway National Bank, Nashville, Tenn.

W. W. Potts, treasurer, The Federal Title & Trust Co., Beaver Falls, Pa.

John W. Pratt, Real Estate Officer, The Kennett Trust Co., Kennett Square, Pa.

O. W. Rowley, manager, Canadian Bank of Commerce, Winnipeg, Can.

Wm. J. Ruff, cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

W. W. Russell, cashier, First National Bank, White River Junction, Vt.

George J. Schaller, cashier, Citizens Bank, Storm Lake, Iowa.

Almot Schlenker, assistant cashier, First National Bank, Brenham, Tex.

Paul T. Schulze, assistant cashier, State Bank of La Crosse, La Crosse, Wis.

E. P. Simpson, Jr., assistant cashier, First National Bank, Toccoa, Ga.

Sioux City Trust & Sav. Bank, Ben W. Frieden, cashier, Sioux City, Iowa.

T. K. Smith, Jr., manager, Gimbel Brothers, Bankers, New York City.

J. G. Spangler, cashier, The Mesa City Bank, Mesa, Ariz.

F. E. Stewart, secretary and treasurer, Commercial Savings Bank & Trust Co., Toledo, Ohio.

T. H. Stoner, cashier, The Peoples National Bank, Waynesboro, Pa.

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

A. C. Tommelre, cashier, City Bank & Trust Co., Mobile, Ala.

Union Trust Co. of D. C., Washington, D. C.
F. H. Williams, assistant treasurer, Albany City Savings Institution, Albany, N. Y.

John W. Wadden, Lake County Bank, Madison, S. D.

Wessels Van Blarcom, assistant cashier, Second National Bank, Paterson, N. J.

C. C. Willson, care of Continental & Commercial Trust & Savings Bank, Chicago, Ill.

Frank A. Zimmerman, Chambersburg Trust Co., Chambersburg, Pa.

Paul E. Zimmerman, cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAME

D. R. Branham, 6252 Leland Way, Los Angeles, Cal.
Charles D. Jarvis, c/o Savings Bank of Utica, New York.

A. T. Kahn, vice-president, Commercial National Bank, Shreveport, La.

Filing Correspondence in a Large Trust Company

By JOHN RING, JR., Manager Publicity and Purchasing Department Mercantile Trust Company and Mercantile National Bank, St. Louis

THE larger the banking institution the more necessary it is that there be a first-class correspondence filing system. By first class is meant steel files, equipped with adequate filing guides. Steel files are dust-proof, vermin-proof, and will not warp, no matter what the weather. They will stand years of wear. They will not readily show scratches and are, therefore, more easily kept in good condition than are wood files. They possess all the advantages of wood files and none of the disadvantages.

While the files themselves are an important feature, a still more important

element is the method of filing—the index contained within the file. If a letter is not properly filed or if the method of filing is such that a letter cannot be readily located, then the system is a poor one. A good filing index would operate satisfactorily, as far as the actual filing goes, if kept in a soap-box; but, of course, it would lack accessibility and other essential features that a modern steel file would give.

All correspondence should be kept in one general filing room, no matter how many departments a company may have. A general filing room should be



PARTIAL VIEW OF CORRESPONDENCE FILING DEPARTMENT, MERCANTILE NATIONAL BANK AND MERCANTILE TRUST CO., ST. LOUIS, MO.

equipped so that it will not be too crowded. The file should be in charge of a competent person who shall be solely responsible for the filing of all correspondence and the taking of letters from the file.

Our experience has been that a man of mature years is most desirable for this work.

A receipt should be taken for every letter and for each folder that may be removed from the files. This rule should be iron-clad, as only by this system is it possible to know exactly where letters are. If they are not in the file, the receipt will enable you to trace them to some individual's desk. Having one person in charge of the file, it becomes his duty to see that no one removes anything from the file—he alone doing this and taking receipt therefor.

We have found that this file clerk can also take charge of registered receipts which, strictly speaking, are part of the correspondence records. There are many occasions when it is necessary to have these receipts. They should be kept in equally as careful a manner as letters themselves. A 4c6 case drawer will accommodate the post office department's return receipts. We use scrap books for keeping the receipt issued by the post office when the package or letter is delivered them.

Our filing department consists of forty files—a total of 160 filing drawers. This equipment will hold about 700,000 letters.

In the case of large cities, such as New York, London, Chicago and New Orleans, we have a special drawer—instead of running this in with the regular matter—the reason for this being that the correspondence with these cities is very much heavier than other sections. This facilitates both the filing and the locating of correspondence.

The form of receipt we use for the removal of either letter or whole folder from the files is filed the long way up so that every time the file drawer is opened the receipt is in evidence, indicating that there is some matter missing. This

form provides for sixteen entries—that is, eight on each side. As fast as the letter or folder is returned the receipt is scratched and then the next space is used.

At stated intervals the files are gone over and the matter that is missing for any length of time is checked up.

We heartily recommend steel files and likewise the use of a general filing room. Under the old system of having every stenographer file their correspondence of a given department or some particular official, there is constant trouble in locating the matter. A man would write in inquiring about the sale of a flat and the same letter would perhaps stop payment on a check, necessitating, therefore, that the letter be sent to both the real estate and banking departments. If for any later reason this letter was wanted, three out of five cases neither department would be able to find it—each claiming the other had it.

Since the inauguration of one general filing room all such troubles have been obviated. We have been following this plan now for a period of eight years and have found it satisfactory in every respect. Our filing equipment is rather a large one but our system is a very simple one—in fact, so much so that Mr. Wade, the president of our institution, when bringing visitors through the building, will often stop in the filing room and go to the drawer and pick out a letter in which the party he is escorting around advised him of his contemplated visit to St. Louis.



Legislative Hostility Toward Capital

THE hostility of Legislatures and of Congress, consciously or unconsciously, has come to be directed against all successful investment of capital without discrimination.—*Ex-President Taft.*



THE HOTEL TRAYMORE WHERE THE VISITOR FINDS ALTITUDE AT THE EDGE OF THE SEA

Hotel Traymore, Atlantic City, N. J.

BANKERS who are fond of the seashore and who wish while enjoying themselves at their favorite resort to be in close touch with the country's financial centre are going in increasing numbers year by year to Atlantic City. Its convenient location, numerous attractions, and famed hotels are tending to make it one of the places to which bankers naturally repair for rest and recreation and to meet their banking friends from various portions of the United States. Proximity to the great centres of population and the ample hotel accommodations have given Atlantic City a strong lead in bidding for great national conventions, and the American Bankers Association was so pleased with this great resort that it has even been proposed to hold all fu-

ture conventions there. This would no doubt be agreeable to many bankers, but the rivalry for the conventions being very strong among the prominent cities, it is not expected that the meeting place will be permanently fixed for the present. However, there is a disposition on the part of a large number of bankers to favor Atlantic City as the place for holding the convention in 1917. This year's convention went to the Pacific Coast, while next year Kansas City will probably carry away the prize, so that on geographical grounds, at least, it would seem that the Atlantic coast might fairly expect the convention in 1917. Wherever the convention meets its activities radiate from some large hotel, and should the convention go to Atlantic City in 1917 or

at any other time it would find most commodious quarters at the great Hotel Traymore. In designing this wonderful structure European traditions with regard to hotel buildings were discarded and a style adopted that would express the magnitude of America. So the designers took the vast stretches of sand, the green ocean, the blue sky, the radiant sunshine, and from these constructed a color scheme of restful neutral masses with striking accents of

cial attraction, therefore, to the American who, forsaking business and worldly cares, goes to the seaside for sheer pleasure.



ONE objection to the resort hotel in summer is the possibility of crowding. The general rooms of the Traymore have been made so ample, in proportion to the number of guests, and



A VISTA IN THE HOTEL TRAYMORE. THE "PARLORETTES" HAVE BEEN INCORPORATED INTO THE MAIN EXCHANGE. IT IS FINISHED IN VERMONT MARBLE

green, blue and vivid orange. They used this scheme with rare discretion in the service of beauty.

The Traymore stands an original American creation looking on a misty day like some huge headland, almost mountainous, jutting into the sea; as if Cape Blomidon, by a miracle, had been transferred from Nova Scotia to this dead level of Jersey coast. It is a structure in harmony with its surroundings, suggesting the spaciousness of America and reflecting the cheerfulness of sea, sky and sunshine. It has a spe-

the building has been supplied with such large porches and open air nooks that there is no possibility, even when the hotel is filled to the limit of its capacity, of confusion or crowding.

Here are some facts in regard to the Traymore which give an idea of its spaciousness.

The American dining-room could dine, at small tables, the President, his cabinet, all the Senators, all the members of the House of Representatives and all the Ambassadors and foreign legations in Washington, and there

would still be covers for nearly a hundred other statesmen.

The restaurant a la carte has a balcony for the orchestra and for an unusual influx of patrons. All the members of the British House of Commons could be served there with the "Roast Beef of Old England" or the French Chamber of Deputies with the "petite marmite" from the "roulantes" of the Cafe de Paris.

The main banquet hall, with a very slight pruning of the list, could enter-

If the Traymore were filled to the limit with guests, and if each guest invited a friend from another hotel, there would be space on the porches for all to enjoy the sea breezes in steamer chairs.



THE Exchange of a European hotel is usually unimportant. In our country, it is the very heart of the



ANOTHER VIEW OF THE VAST EXCHANGE

tain the "four hundred" of New York at small tables.

On the covered porch fronting the boardwalk and beach, the national president of the Federation of Women's Clubs could address over two thousand of the members.

The Terrace, perhaps more properly called the "Upper Deck," also fronting the boardwalk, could give all the rulers and legislative bodies of the warring nations of Europe, reclining in arm chairs, an opportunity to have "their place in the sun."

social life. The Exchange of the Traymore is probably the most extensive in the world. Down its main corridor college athletes could run a hundred-yard dash. There is a vista from daylight to daylight, glimpsing through this corridor, in which the Washington Monument could lie at length, with only a slight projection. The Forecourt and the Exchange are floored and trimmed in parti-colored marble, and the parlouettes and sheltered angles, with no lines of division except low panels and flowers and palms, are an integral part



THE FOUNTAIN OF FATE IN THE FORECOURT OF THE EXCHANGE

of the whole. At night the vast space is radiant; yet no one can see the lights. One is aware merely of the soft, equable diffusion, quite devoid of shadow or dazzle. Indeed, the Exchange, in the evening, gives a sensation of balmy, luminous air. When the costumes of the guests, promenading or seated in the gay-hued lounges and chairs, are seen against the background of plain, bright walls, then it will be again evident how the designers have obtained an atmosphere of cheerfulness by a color scheme of neutral masses with spots of striking accents. High color used with discretion has produced a cheerful splendor without garishness. Nature, at the seaside, has been transformed into art in the service of beauty.

The furnishings and interior decoration repeat the same motives. They echo no past vogues. They were designed to give voice to joy; the spirit

of lightness, freedom and companionship.



ONE can have privacy at the Traymore, even the isolation of the hermit in a cell. In the public spaces, however, the national traits of genuine interest in all things human finds opportunity for full expression.

On the eighth floor, dominating the ocean and the landscape for many miles, is a retreat for the booklover. It is high vaulted, with stained glass windows, embossed traceries and a congenial atmosphere for one who desires quiet seclusion from all distractions.

The attracting power of a hotel is largely determined by the cuisine and the service—points in which the Traymore sets a standard that will immediately be recognized by those accustomed to the very best that hotel life can offer.

Conference of Cotton States Bankers

AT a conference of bankers representing the cotton-growing States, held at Galveston, Texas, August 14, these resolutions were adopted unanimously:

Whereas, It is a matter of common interest to the people of this nation and to the people of the South in particular, farmers, bankers, and all business men alike, that the cotton crop now nearing harvest be marketed to the best advantage and in such manner as to insure the maximum return to the producer; and

Whereas, It is realized that intelligent and systematic co-operation is advisable to bring about this much-desired end; now therefore be it

Resolved, By this Conference of Bankers representing the cotton-growing States of Georgia, Mississippi, Oklahoma, Louisiana, Tennessee, Arkansas, Alabama, South Carolina and Texas, assembled in the city of Galveston, on August 14, 1915,

That it is the opinion of the bankers here assembled, that it is the duty of the banks and business men of the South to assist the producer in obtaining a fair value for the 1915 cotton crop by the gradual sale of same by offering to the market only such amount of the crop as the market is ready to absorb at reasonable prices; and,

That the resources of the banks of the South are sufficient for this purpose, with the facilities available through the Federal Reserve Banking System and the co-operation of the financial centers of this country; and, be it

Resolved, That copies of this resolution be forwarded to all member banks of the various state banking associations of the South, and that the clearing-houses be requested to distribute same among the mercantile interests in their

respective trade territories. Be it further

Resolved, That the chairman of this conference be authorized and instructed to appoint a committee of one member from each State represented at this conference to confer with Mr. W. P. G. Harding, member of the Federal Reserve Board, at Birmingham, Alabama, on August 26, 1915.

It was suggested at the conference that in order to more quickly reach a common understanding on the subject of gradual marketing, group meetings should be held in the different districts of each State. The bankers would then be brought in personal touch this season and more uniformity of thought and action secured.

The evidence was universal at the Galveston Conference, that the country bankers, backed up by the Federal Reserve Banks and by the city banks, are prepared to stand behind the producers in an effort to market the crop gradually and obtain a more uniform price for cotton.

The committee of one member from each Southern State was appointed to meet Mr. W. P. G. Harding in Birmingham.

The conference unanimously decided to hold another meeting in November or December for the discussion of matters of common interest to all southern bankers.

It is expected that at the next meeting special committees will be appointed on Cotton Warehouse Laws, Uniform Warehouse Receipts, the Spreading Out of Cotton Credits, etc.

Meantime it seems the clear duty of every southern banker and business man to study carefully the resolution and imbibe the spirit of this official message from the South to the world, then espe-

cially to apply the doctrine promptly at home.

The chairman and secretary will be glad to receive, transmit and help develop suggestions, inquiries, etc.

The chairman is Joseph Hirsch, president Texas State Bankers' Association, Corpus Christi, Tex., and the secretary, Moorhead Wright, vice-president Union Trust Company, Little Rock, Ark.



GALVESTON COTTON CONFERENCE

Report of Meeting Between W. P. G. Harding and Delegation at Birmingham.

THE delegation appointed at the Conference of Cotton State Bankers held at Galveston, August 14, said delegation being composed of a representative from each of the Southern State Bankers Associations, and appointed for the purpose of conferring with Hon. W. P. G. Harding of the Federal Reserve Board, made the following report:

That we have this, the 26th day of August, 1915, held such a conference with Mr. Harding at Birmingham, Ala., and after a full consideration and discussion of the matter of co-operation between southern bankers and cotton producers, the resolutions adopted at the Galveston Conference are heartily ratified and approved.

It is a matter of much gratification to the delegation to find that these resolutions are not only in accord with the views of Mr. Harding, a member of the Federal Reserve Board and a recognized authority upon the production and marketing of cotton, but that they have met with such general approval throughout the country. The Federal

Reserve Board and those entrusted with the management of the Federal Reserve Banks are working in harmony with the principles contained in the plan for the gradual marketing of cotton, and we earnestly bespeak therefor their further co-operation and encouragement.

It is the further sense of the delegation that it is right and proper for southern bankers to accord special consideration to loans made to farmers based on insured warehoused cotton and other staple products, and to offer on such loans the lowest interest rates consistent with sound business policy. It is not, however, deemed wise or necessary for any arbitrary maximum interest rate to be named, it being the sense of this delegation that better results to all concerned will be reached by entrusting this detail to the patriotism and sound business judgment of individual bankers throughout the South, local conditions being given due consideration.

F. M. Law, chairman, Houston, Tex., vice-president First National Bank.

Moorhead Wright, secretary, Little Rock, Ark., vice-president Union Trust Company.

F. S. Etheridge, Jackson, Ga., president Georgia Bankers Association.

S. J. High, Tupelo, Miss., president Mississippi Bankers Association.

F. W. Foote, Hattiesburg, Miss., director Atlanta Federal Reserve Bank, Atlanta, Ga.

Oscar Wells, Birmingham, Ala., president First National Bank.

L. M. Pool, New Orleans, La., president Louisiana Bankers Association.

John W. Simpson, Spartanburg, S. C., president South Carolina Bankers Association.

Geo. W. Rogers, Little Rock, Ark., vice-president Bank of Commerce.



Foreign Banking and Finance

European

FRENCH BANK INCREASES CAPITAL

AT the annual meeting of the stockholders of the Banque Continentale de Paris held on July 16 an increase in the capital stock to 30,000,000 francs was authorized. The report for the year ended December 31 last showed the effect on business of the war, but in spite of adverse circumstances the bank did not have to take advantage of the moratorium.

In view of the demands that will be made on the bank as soon as peace has been declared, the Banque Continentale has prepared to meet them by associating with itself a financial group which will double the capital stock. Of this increase 2,500,000 francs will be paid up at once, and the remainder at intervals, as required. In addition, the bank hopes to bring in other groups, and for this reason the directors asked the stockholders to authorize the increase in capital.



LONDON JOINT-STOCK BANK

FOR the last half year the London Joint-Stock Bank declared a dividend at the rate of ten per cent. per annum. The statement of assets and liabilities as of June 30 showed amount due by the bank on current, deposit and other accounts, including profit and loss account, £45,173,086.



Australasia

COMMONWEALTH BANK

BRANCHES of the Commonwealth Bank of Australia have been opened at Port Pirie and Port Augusta,

South Australia, for the transaction of both general and savings bank business.



AUSTRALIAN FINANCE

FROM the "Insurance and Banking Record" is taken the following comment on finances in the Australian Commonwealth:

"Several important announcements relating to financial matters have been made by the Commonwealth Government during the past month. A war loan of £20,000,000 is to be issued in Australia, the first instalment being offered at the end of August. A war tax is to be imposed, probably in the form of an income tax.

* * *

"Although the Commonwealth has not previously issued loans to the public, it is not without a debt. On 30th June, 1914, its public debt amounted to £19,182,333, including £5,295,322 transferred from South Australia on account of the Northern Territory and the Port Augusta and Oodnadatta Railway, and £9,787,011 for properties transferred from the States. To the amount of £18,182,333 are to be added the advances since received from the British Government £14,100,000, treasury bills issued in aid of revenue for the past financial year £658,504, and whatever debt has been incurred for Commonwealth public works during the year, the expenditure on which amounted to £2,132,811. Altogether these amounts come to about 35 millions. In addition there is the note issue, which amounted on 30th June, 1915, to £32,128,302. Deducting £10,000,000 to represent what the issue would probably have stood at under earlier conditions, the balance of about £22,000,-

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

000 constitutes a floating debt, against which the Commonwealth has the difference between the normal and the actual amount of the gold reserve, and also the obligations of the State governments to which advances have been made for public works under the arrangements made last year. By the time those arrangements are fully carried out the floating debt constituted by the note issue will be still further increased.

"The effect of the issue on the Australian monetary position cannot but be of considerable importance, especially as it does not provide for the public works expenditure of either the Commonwealth or the States. London is for practical purposes closed against fresh borrowings, and while the arrangements for carrying on loan expenditure out of the notes provide for the next few months, provision for subsequent expenditure offers an onerous problem for solution. During the last few months, owing to the contraction of trading requirements and the lack of enterprise, money has been rather easy than otherwise, and the quarterly average returns of the banks to 30th June indicate a favorable relation between deposits and advances, with a strong cash position. But a good deal of the demand usually experienced from their customers for carrying on the great natural industries of the country through the winter and the spring

months has now to be faced, and the taking up of the large amount required by the Commonwealth Government will reduce the supply of money available for private borrowers. Any inconvenience that may result, including possibly higher rates of interest, is doubtless to be regarded as a form of the burden of war."



WESTERN AUSTRALIAN BANK

THE 147th half-yearly meeting of the shareholders of the Western Australian Bank was held on May 5, at the banking house, St. George's terrace, Perth. W. T. Loton (chairman of directors) presided. The report for the half-year ended March 29, 1915, was presented, as follows:

"The directors have much pleasure in submitting the accompanying bal-

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G. LAWTON CHILDS & CO., Ltd.

AMERICAN BANKERS

HAVANA

CUBA

Transact a general domestic and foreign banking business. All banking matters entrusted to us handled promptly and with care.

Special attention paid to collections in Havana and all parts of Cuba.

Principal Correspondents

NEW YORK CITY :

National Bank of Commerce
in New York

LONDON :

Baring Bros. & Co., Limited

PARIS :

Morgan, Harjes & Co.

BERLIN :

L. Behrens & Soehne

MADRID :

Garcia, Calamarie y C.

ance-sheet and statement of profit and loss for the half-year ended March 29, 1915.

"The net profit, after providing for bad and doubtful debts, for rebate on discounted bills current, for interest on deposits and for all expenses of management, is £27,488 16s. 5d.; balance from previous half-year, £19,389 12 s.—Total, £46,878 8s. 5d.

"From this the directors have resolved to pay a dividend of £1 per share free of dividend tax, £25,000; to carry forward, £21,878 8s. 5d.—Total, £46,878 8s. 5d.

"The reserve fund is now £680,000.

"During the half-year Marvel Loch Branch has been converted into a sub-branch, and Nannine sub-branch has been withdrawn."

The balance-sheet showed capital paid up. £250,000; reserve fund, £680,-

NOYES & COMPANY

Established 1879

Foreign Bills

Government and Municipal Bonds

8, Place Edouard VII.

PARIS - FRANCE

000; profit and loss, £46,878; deposits, £2,462,313; total resources, £3,647,852.



LONDON BANK OF AUSTRALIA

AFTER making the customary provisions, the earnings of this bank for the past half-year permitted dividends of seven per cent. on both preference and ordinary shares.

The London Bank of Australia has opened a branch at 172 Rundle street, Adelaide, under the management of Mr. C. T. P. Ogilvie, formerly manager at Toowoomba; and a branch at Wauchope, on the Hastings River, N. S. W., under the management of Mr. F. V. Catomore. Mr. F. Webb, formerly of Charters Towers, has been appointed to the management of the branch of the London Bank at Toowoomba.



VETERAN BANKER RETIRES

ANNOUNCEMENT is made of the retirement of T. A. Dibbs, general manager of the Commercial Banking Company of Sydney, after sixty-eight years of service with that bank. Mr. Dibbs is eighty-three, and outranks any banker in the Commonwealth in point of long and continuous association with a single bank.

Banco de Guatemala

Guatemala C. A. Established July 15, 1895

Directors

ADOLFO STAHL D. B. HODGSDON
 J. E. CAMACHO
 C. GALLUSSEK, Manager

Authorized Capital: \$10,000,000.00
 Capital subscribed and paid up 2,500,000.00
 Reserve Fund 7,652,576.16
 Contingency Fund 3,500,000.00

Foreign Correspondents

New York: Messrs. G. Amsinck & Co.; Messrs. J. & W. Seligman & Co.; The National City Bank of New York. San Francisco, Cal.: The Anglo & London Paris National Bank of San Francisco. New Orleans: The Whitney-Central National Bank. Mexico: Banco Nacional de Mexico. Paris: Messrs. de Neufize & Cie. London: Deutsche Bank (Berlin), London Agency; London County & Westminster Bank, Ltd. Hamburg: Deutsche Bank Filiale Hamburg; Messrs. L. Behrens & Sohne, Messrs. Schroder, Gebruder & Co.; Mr. Carlo Z. Thomsen, Madrid; Messrs. Garcia-Calamarite & Cia. Barcelona; Messrs. Garcia-Calamarite & Cia.; Banco Hispano Americano. Milano; Credito Italiano.

Agencies in Guatemala

Antigua	Puerto Barrios	Escuintla
Jutiapa	Zacapa	Mazatenango
Pochuta	Coban	Ocosingo
Coatepeque	Retalhuleu	Tumbador
Livingston	Salama	

General Banking Business, Special Attention Paid to Collections from Abroad and Letters of Credit.

Asiatic

INDUSTRIAL BANK OF JAPAN

AT the half-yearly ordinary general meeting of shareholders held at the head office in Tokyo, August 5, Chairman Tetsujiro Shidachi presented the following report:

"During the period under review, the state of money market has, as a result of the European war begun in the last term, continued unfavorable. The bankers and financial houses in general have experienced considerable decrease in their earnings on account of low rate of money and large amount of funds unemployed. The rate of interest paid on deposit money has, during the term, been lowered twice. However, the result of the half-year's operation, as far as this bank is concerned may, taking in consideration the general depressed state of the market, be considered fairly satisfactory. The value of the National Loan Bonds owned by the bank was written down by yen 123,371 and dividend declared at the rate of 6.5 per cent. per annum, the same as in the last term, leaving a considerable balance to be carried forward to the next account.

"The net profits for the period, including yen 76,186, balance brought forward from last account, and after making necessary payments and deductions, as well as providing for the de-

preciation of the National Loan Bonds as mentioned above, amount to yen 739,650. Out of these profits, yen 59,200 was transferred to the Reserve against Losses, and yen 15,000 to the dividend equalization reserve. After making these transfers, the president recommends that yen 437,500 be paid as a first dividend at the rate of five per cent. per annum and that out of yen 227,950 now available yen 20,000 be appropriated for the remuneration of the officers, and yen 131,250 be paid as a second dividend at the rate of 1.5 per cent. per annum. The balance yen 76,700 will be carried forward."



SUMITOMO BANK

NET profits of this bank for the half-year ended June 30 were yen 190,726.46. Total resources on the date named were yen 91,397,446. The head office is at Osaka.



Latin-America

BANKING WITH LATIN AMERICA

THE importance of adequate banking facilities in developing trade between the United States and Latin America is thus emphasized by John

MERCANTILE BANKING COMPANY, Ltd.

Avenida Francisco I. Madero No. 12

CITY OF MEXICO, D. F.

Capital and Surplus, \$600,000.00

GEO. J. McCARTY,
President

K. M. VAN ZANDT, Jr.,
Vice-President and Manager

H. C. HEAD,
Cashier

Members: American Bankers' Association, Texas Bankers' Association, Mexico City Clearing House

GENERAL BANKING TRANSACTED

TELEGRAPHIC TRANSFERS

Foreign Exchange

Unsurpassed Collection Facilities Throughout the Republic

SEND US YOUR MEXICO BUSINESS

WRITE US UPON ANY SUBJECT WHICH MAY BE OF INTEREST TO YOU IN THE
REPUBLIC OF MEXICO. P. O. Address: Apartado 1346.

Clausen, manager of the foreign exchange department of the Crocker National Bank of San Francisco:

"The United States will presently take a foremost place among the international banking nations of the world, as the result of the liberal construction of the Federal Reserve Act, more particularly with reference to acceptances of bills of exchange drawn for imports and exports of commodities.

"The announcement by the Federal Reserve Board that the Act has been construed as permitting the discounting of acceptances arising out of import and export trade, even when the United States is not a party to the transaction, means that the United States henceforth can meet the great financial nations of Europe on an equal basis.

"Probably the preëminent reason for the success of our financial and commercial European contemporaries in the markets of Pan America has been their ability to finance the trade of those countries on a broad and generous basis, whereas the exporters of the United States have been greatly handicapped, in that they not only lacked the power to compete with European sellers on the broad plane of international banking, but they actually had no United States bank to which they or their customers could go for accommodations. The Federal Reserve Act, however, has now provided for this country a real factor in the develop-

ment of American finance and commerce in South and Central America.

"The financiers of the United States and the bond-buying part of our population should overcome the mistaken idea that all South and Central American securities are doubtful and risky. These countries want a market in the United States for their responsible national, state and industrial bonds, and it is estimated that the United States at this time could loan South and Central American countries half a billion of dollars, which, if so invested, would tend to create a corresponding increase in our trade with them.

"Latin America is keenly alive to the possibility of opening new financial connections necessary to the exploitation of their vast natural resources. Hitherto developments have been kept alive mainly through European banking connections, but the war has materially changed that aspect.

"The question of the establishment of branch banks of the United States in the various South and Central American countries, and the opening by those countries of branch banks in the United States, deserves the thoughtful consideration of our progressive bankers, since commercial credits, direct exchange, and the facilitation of commercial transactions depend so largely upon an adequate financial organization to foster our international trade.

"Among the delegates to the recent

Banco de Nuevo Leon

MONTEREY, N. L., MEXICO

ESTABLISHED OCT. 1, 1892

Capital paid up, \$2,000,000

Reserves, \$919,682.79

Deposits, \$3,308,318.68

GENERAL BANKING BUSINESS TRANSACTED

Principal Correspondents:—NEW YORK, National Park Bank, Mechanics & Metals National Bank; LONDON, Dredner Bank, Credit Lyonnais; BERLIN, Deutsche Bank, Berliner Handels Gesellschaft; PARIS, Credit Lyonnais; Comptoir National d'Escompte; HAMBURG, Deutsche Bank Filiale Hamburg, Comers und Disconto Bank; MADRID, Banco Hispano Americano, Banco de Castilla; HABANA, Banco de la Habana.

RÓDOLFO M. GARZA, Manager

ARTURO MANRIQUE, Accountant

AMADOR PAZ, Cashier

Pan American Financial Conference talk was revived of the possibility for a change in the Federal Reserve Law, permitting a combination of member banks of the Federal Reserve System to establish a large banking corporation in the Southern Hemisphere with branches in South and Central America. Such a bank might prove a powerful incentive to the advancement of trade and finance between our respective countries."



AMERICAN LOAN TO CHILE

IT is announced that a loan of \$6,000,000 has been made to the Republic of Chile by Messrs. J. P. Morgan & Co., New York.



OUR TRADE INCREASING

THE establishment of American banks in Central and South America lends additional interest to the growing commerce between the United States and Latin America.

Exports from the United States to South America during recent months show marked improvement over last year, the total for June, 1915, being valued at \$13,744,000, against \$7,573,000 in June, 1914; and for the six months ending with June last, \$60,573,000 in comparison with \$52,263,000 for the first half and \$38,751,000 for the last half of 1914.

Imports from South America are also considerably larger than a year ago. For June the official figures of the Bureau of Foreign and Domestic Commerce show a total of \$26,210,000, against \$17,118,000 in June, 1914; and for the six months ending June 30, \$156,043,000 against \$144,074,000 in the first half and \$105,447,000 in the second half of 1914.

During the earlier months of the fiscal year our trade with South America was seriously disturbed. and our total

exports thereto in 1914 fell in value to \$99,324,000, or \$25,000,000 below 1913, and it was not until March, 1915, that the upward trend was definitely resumed.



Territorial

HONOLULU

FROM a circular issued by the Trent Trust Company of Honolulu, Hawaii, it is learned that during the past year (July 1, 1914, to June 30, 1915) the Honolulu banks and trust companies have shown the greatest gain in combined resources for any twelve-months' period in their history. Bank deposits have increased enormously—for the six-months' period to December 31, 1914, an increase in deposits of \$1,978,208.11 is registered, followed by a further increase of \$3,520,137.80 for the first six months of 1915. The trust companies have shown a commensurate increase in activities, the trust and agency balances of the five Honolulu trust companies giving further expression to the prosperity that has come as a result of the European conflict. This increase is a direct resultant of the high sugar prices that have obtained since the opening of hostilities.



COMING down to individual banks it is found that the prosperity of the Islands has resulted in large additions to deposit totals. For example, the Bank of Hawaii, Ltd., on June 30 made a report showing deposits of \$7,158,426, and \$8,725,415 total resources.

The Bank of Hawaii was established at Honolulu in 1898, and has \$600,000 capital and \$718,000 surplus and profits. C. H. Cooke is president; A. Lewis, Jr., vice-president; F. B. Damon, cashier, and G. G. Fuller, assistant cashier.

Lewis B. Franklin Heads Investment Bankers Association

AT the annual convention of the Investment Bankers' Association, Denver, Colo., Sept. 22, Lewis B. Franklin, vice-president of the Guaranty Trust Co. of New York, was elected president of the Association.

Mr. Franklin was active in the organization of the Investment Bankers' Association in 1912. He was one of its first vice-presidents and has served on the board of governors. He presided at the first annual banquet held in New York City in 1912.

Mr. Franklin was born in Flushing, N. Y., in 1878. He was educated in the Flushing High School, from which he graduated in 1894. Later he took a post-graduate course in the same school. He began his business career with Spencer Trask & Co., in 1895, and was with this firm for nearly twelve years in practically all departments, but particularly devoting himself to statistical work and general bond selling and trading.

He became associated with the Guaranty Trust Co. of New York in 1907 as manager of its bond department. In 1909 he was elected vice-president of the company, but has retained general supervision over its investment business.

Mr. Franklin is a director and chairman of the board of the Indian Refining Co., a director of the Missouri, Kansas & Texas Railroad Co., and has been active in many recent reorganizations of



LEWIS B. FRANKLIN
PRESIDENT INVESTMENT BANKERS ASSOCIATION;
VICE-PRESIDENT GUARANTY TRUST COM-
PANY, NEW YORK

large corporations. He is an interesting writer and speaker, has contributed many articles on investment and other financial subjects to various publications, and has delivered numerous addresses before banking, investment and commercial bodies.



Banking and Financial Notes

EASTERN STATES

New York City

—Announcement was made recently of the incorporation of a new banking institution, the Mercantile Bank of the Americas. It has the backing of Brown Bros. & Co. and J. & W. Seligman & Co. The new bank has been incorporated with the intention of carrying on a commercial and banking business in the Latin American republics, primarily in Central America, Venezuela, Colombia, Ecuador and Peru, where the

bank has representatives actively engaged in arranging for the appointment of agents. The bank will later establish its own branches in Central and South America. The offices of the bank are at 20 Exchange place.

The bank has an authorized capital of \$5,000,000 and has commenced business with a paid-up capital of \$400,000 and a cash surplus of \$100,000. The shares issued have been paid for in equal proportions by Brown Bros. & Co. and J. & W. Seligman & Co. The board of directors is as follows: James Brown, president; Albert Strauss and William S. Cox, vice-presidents; Alfred Meyer, general manager; Thatcher W. Brown, Frederick Strauss and Jason A. Neilson.

It is the purpose of the bank to conduct banking operations on the lines followed for many years by European institutions of a similar character in South America. The chief object of the new financial institution will be to provide financial and other facilities in connection with exports and imports to and from Central and South America. Mr. Meyer, the general manager, was formerly the London manager of an English bank operating in South America. R. L. Beausire, formerly the New York agent of the English institution, has also joined the new American bank. Walter E. Carlbach is the secretary of the bank.

The Mercantile Bank of the Ameri-



The Branch
Our first President

Merchants National Bank

RICHMOND, VA.

Capital \$200,000
Surplus and Profits over 1,000,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"

LAND FOR SALE

In tracts of 160 acres and upward,
from \$3 to \$35 per acre.

H. C. VAN AKEN, 309 Post Bldg.,
Battle Creek, Mich.



G. FOSTER SMITH

VICE-PRESIDENT AND CASHIER NASSAU NATIONAL BANK, BROOKLYN

cas operates under a license granted by the Banking Superintendent of the State of New York. It is the third venture by American capital along banking lines in South America since the war began. The National City Bank first entered the field with its South American branches. W. R. Grace & Co. not long ago established banking connections in Chile.

—G. Foster Smith, cashier of the Nassau National Bank of Brooklyn, has been elected director and vice-president of that institution. Mr. Smith entered

the bank over fifteen years ago, becoming assistant note teller, then note teller, and in 1906 he was elected assistant cashier, and five years later cashier. His several promotions, from a subordinate station to the vice-presidency, have been gained by ability and strict attention to his duties.

The complete official staff of the bank is as follows: President, Daniel V. B. Hegeman; vice-president, Robert B. Woodward; vice-president and cashier, G. Foster Smith; assistant cashiers, Andrew J. Ryder, Henry P. Schoenberner and T. Schenck Remsen.

Oklahoma Banks Have Many Out of the Ordinary Requirements.

Extract from an
Oklahoma client's
letter:

*"The efficient way in
which your Staff takes
care of every local re-
quirement, outside as
well as inside the Bank,
strongly impresses us."*

We can efficiently
take care of *your*
publicity needs.

Write.

**COLLINS
PUBLICITY SERVICE**

226-240 Columbia Ave.
PHILADELPHIA, PA.

The Nassau National Bank of Brooklyn was established in 1859, and has \$1,000,000 capital and \$1,000,000 earned surplus.

—A branch of the National City Bank has been established at Havana, Cuba, with John S. Durland in charge.

—The Astor Trust Company will remove about May 1, 1917, to a new building to be erected at Fifth avenue and Forty-second street.

—The Century Bank has been re-incorporated as a national bank, retaining its present branches, and consolidated with the Chatham and Phenix National Bank.

—The Morris Plan Company of New York has leased offices in the Equitable Building, 120 Broadway. The space to be occupied covers 9,000 square feet at

the Broadway and Cedar street corner of the third floor. The company has taken a five years' lease of its offices in the Equitable Building, with privilege of renewal for a similar period.

The need of larger quarters is indicated by the fact that in July alone the New York Company accommodated considerably more borrowers than in January and February together, and lent over three times as much money as it did in the two months named. In its first seven months, the company has loaned \$370,690 to 3,085 borrowers, the average amount being \$120.16. Over forty per cent. of its patrons are employees of the city, county, state or national government.

—The board of directors of the Guaranty Trust Company of New York recently declared the regular quarterly dividend of six per cent. and an extra dividend of two per cent., payable to stockholders of record September 23.

—In the new Guaranty Building, to be erected at Fifth avenue and Forty-third street, the Guaranty Trust Company will have another branch. It is expected that the building will be completed early next year.

—The Metropolitan Trust Company, of which George C. Van Tuyl, formerly State Banking Superintendent, is president, has completed arrangements for the establishment of a branch on Fifth

**THE HOGGSON
BUILDING METHOD**

A Single Contract and a guaranteed limit
of cost for a complete building operation.

Write for Method Book

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NEW YORK BOSTON NEW HAVEN
CHICAGO ATLANTA

Redmond & Co.

Investment Securities

As members of the New York Stock Exchange, execute commission orders for the purchase or sale of securities. With private wire connections to many of the large eastern cities and correspondents throughout the world, offer clients adequate facilities for the execution of orders in all markets.

Correspondence is invited.

33 Pine St., New York

avenue near the Plaza. The company has obtained a long lease of the two-story building at 716 Fifth avenue, adjoining the southwest corner of 56th street, the heart of the city's new art center.

—George E. Warren is a new vice-president of the Columbia Trust Company, of which institution he is also trust officer.

—Arrangements have been made by the Bank of Long Island to acquire the business of the First National Bank of Corona.



Philadelphia

—Howard A. Loeb succeeds his father, the late Augustus E. Loeb, as president of the Trademans National Bank, a promotion following eight years in the vice-presidency.

—Joseph Wayne, Jr., president of the Girard National Bank, reached his twenty-fifth anniversary with that institution August 4, an event which was marked by the adoption of the following resolution by the board of directors:

“Resolved, That the directors do hereby express their deep appreciation of the services rendered to this bank by its president, Joseph Wayne, Jr., throughout the twenty-five years in which he has been connected with its affairs. In the various positions he has occupied he has performed every duty devolving upon him with the utmost fidelity to the bank's interests; and his energy and ability have contributed in a marked degree to its prosperity and to the financial standing it now enjoys in this community and in the country at large. It is our earnest hope that he may, for many years, continue in the position he now so ably fills as president of this bank.”

The Girard National Bank is one of



JOSEPH WAYNE, JR.

PRESIDENT GIRARD NATIONAL BANK, PHILADELPHIA, WHO RECENTLY COMPLETED A QUARTER CENTURY OF SERVICE WITH THIS BANK

the country's very large and strong banks, having \$6,000,000 capital and surplus; \$704,000 undivided profits, and \$46,000,000 deposits.

Mr. Wayne has been connected with the bank since he was seventeen years of age and has risen from messenger to president. He has served as president of the Pennsylvania Bankers Association, and is deservedly one of the most popular bankers in the United States.

Buffalo

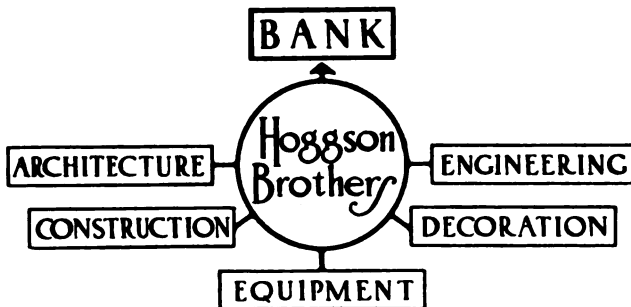
—The Central National Bank of Buffalo has increased its capital to \$1,000,000 and surplus to \$600,000, the increase being provided for by a stock dividend of 100 per cent. Dividends of the bank have kept increasing until they reached twenty-four per cent. per annum.

—Sixty-five years ago the Marine

Three Big Upstanding Facts About Building

- 1 Buildings erected under the competitive system are seldom delivered to their owners *ready for occupancy* at the estimated cost.
- 2 The most important building operations today are being done on some approximately non-competitive plan.
- 3 We established the non-competitive plan of building 15 years ago.

THE Hoggson Building Method unites the architect's services with ours under one contract which guarantees to satisfy you with plans, materials, labor, supervision and progress of work. You know the final cost before the work is begun, and you know it is *right* because the limit of our profit is clearly stated.



More banks have been built by Hoggson Brothers than by any other building organization. Six banks have been completed within the last ninety days. Operations extend to all parts of the country.

Let us send you a book describing the Hoggson Building Method

HOGGSON BROTHERS

485 Fifth Avenue, New York

Boston: 85 Devonshire St.

Chicago: First National Bank Building

Atlanta: Third Nat'l Bank Bldg.

New Haven, Conn.: Second Nat'l Bank Bldg.

The First National Bank

of Saint Paul

Oldest Bank in Minnesota

Capital and Surplus \$5,000,000
Deposits over \$37,000,000
Resources over \$43,000,000

Bank—now the Marine National Bank—was founded, and to-day it is the only bank in the city that was in existence as far back as 1850. It now occupies a splendid sixteen-story building, and is one of the very large and successful banks of the United States.



—On the site of the old structure the Bank of Attica, N. Y., will put up a new bank home.

—When completed, says the Allentown (Pa.) "Item," the Second National Bank building will be an ornament to the city and its service a standard of efficiency among the banking institutions of America.

—Work is progressing on the new Second street home of the Wilmington (Del.) Trust Company, a sixty-eight ton vault constituting part of the equipment.

—Two new bank buildings are being erected in Franklin county, Pennsylvania, The Valley National Bank of Chambersburg and the Citizens National Bank of Waynesboro.

—Albany Chapter of the American Institute of Banking has appointed the following committees for the coming year:

Educational Committee—John C. O'Bryne, chairman; Frank E. Sheary, Mills Ten Eyck, Halsey W. Snow, Jr., Clifford Beckett.

Membership Committee—Frank H. Williams, Chairman; Samuel Applebaum, Arthur Koch, Albert Kelley.

Finance Committee—Henry B. Rockwell, Chairman; Winfield E. S. Teator, Addison Keim.

Publicity Committee—Thomas V. Wilkinson, chairman; A. J. Riegel, J. Raymond Roos.

—The Schenectady Trust Company has started work on an addition to be

FIRST NATIONAL BANK TRUST & SAVINGS CO.

CLEVELAND, OHIO

Capital \$3,750,000.00

Deposits \$52,200,000.00

Resources over \$60,000,000.00

Our institutions offer complete banking and trust company facilities. Our officers and directors are all successful men—well known for their experience, judgment and integrity. Their interest in these banks extends to all who deal with them. Large resources, perfect banking organization and equipment, and a genuine desire to be helpful are at your service.

erected at the rear of their building, 318-320 State street, Schenectady, N. Y. The addition will be two stories high, open to the roof and will extend from the present building thirty-five feet backward to the rear building line of the property. The rear of the building now in use will be changed so that the alterations will be made over at least seventy-eight feet of the property depth.

The interior of the bank will be materially changed. A woman's room is to be placed near the front of the building to the left of the vestibule. There will be several new windows by the receiving and paying tellers. A new screen is to be built from the vestibule to the president's office.

A new vault will be installed with a capacity of 2,000 deposit boxes. This new vault will occupy the position of the present vault, the old one to be

removed farther back into the bank. There will be a room in the rear right hand corner for those who hold safe deposit boxes. The directors' room, now at the rear of the bank, will be constructed on the mezzanine floor in the addition. The new structure will be of concrete. A dome is to be set into the building about midway from front to rear. The fixtures will be of marble and bronze. A consultation room will be provided and the bank offices will be at the right hand side near the rear. The lobby is to be refurnished.

The Bankers' Engineering Company of New York City has been awarded the contract to do the work.

—When the new building of the National Bank of Boyertown, Pa., was opened a short time ago, more than 3,000 visitors were received.

The building is of Greek Ionic style,

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$550,000

OFFICERS

JULIAN P. FAIRCHILD,
WILLIAM HARKNESS,
D. W. McWILLIAMS,
WILLIAM J. WASON, JR.,

JULIAN D. FAIRCHILD, *President*

Vice-Presidents

THOMAS BLAKE, *Secretary*
HOWARD D. JOOST, *Assistant Secretary*
J. NORMAN CARPENTER, *Trust Officer*
GEORGE V. BROWER, *Counsel*

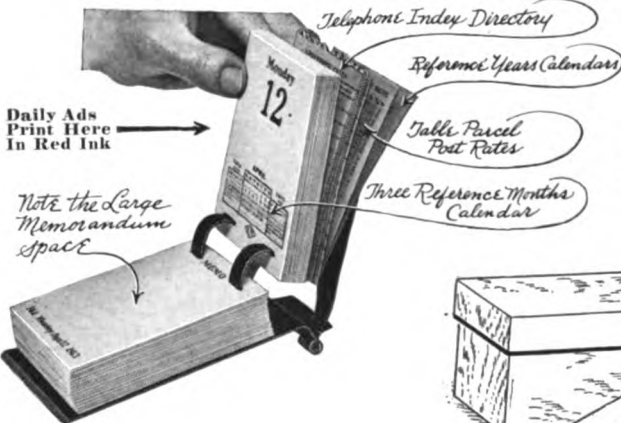
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INTEREST ALLOWED ON DEPOSITS.

THE CALENDAR THAT TALKS

TO YOUR CUSTOMER EVERY DAY of the YEAR

It is used as an advertising medium and it has brought large returns

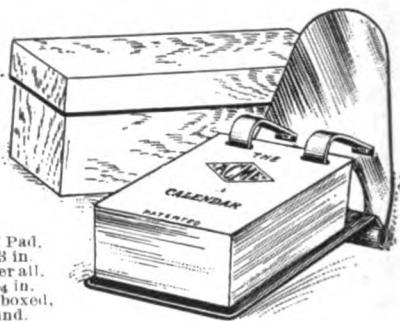


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Size of Pad,
4 3/4 x 3 in.
Size over all,
6 3/4 x 3 3/4 in.
Weight, boxed,
1 pound.



The Chicago Bonding and Surety Company wrote us on March 4, 1915:

"It afforded us much pleasure to renew our order with Mr. Cole, your representative here, for Acme Calendars for 1916.

This will make our third year in the distribution of your calendars, and we are very glad we took up this method of advertising and publicity, as the favorable results we have secured have well paid for the expense in connection therewith."

(Signed) O. F. Roberts,
Sec. & Gen'l Manager.

and has a sixty-two foot frontage on Reading avenue, and measures forty feet on Philadelphia avenue. It compares favorably with many of the best banking houses in its part of the state.

In 1884 the National Bank moved into the building on North Reading avenue, where the institution enjoyed many prosperous seasons, passing the million dollar mark in deposits several years ago. Dividends amounting to \$305,000 have been distributed among the stockholders of the institution the past forty years.



NEW ENGLAND

Boston

—The Fidelity Trust Company plans to begin work at an early date upon a new eleven-story bank and office building at State street and Chatham row, almost directly opposite the Custom House tower.

The new building will cost approximately \$600,000, site included. The street floor will be used for the purposes of the trust company, and the upper floors for offices.

To make room for the new structure a three-story brick building will be razed. The site has a forty-foot front on State street and runs back about 115 feet along Chatham row.



—The Lynn (Mass.) Safe Deposit and Trust Co. has taken over the business of the Lynn National Bank as of September 1, making the trust company one of the strongest banks in its vicinity, with resources of approximately \$4,000,000. The company has taken all of the ground floor of the Macnair building, at Market and Summer streets, half of which has hitherto been occupied by the Lynn National Bank.

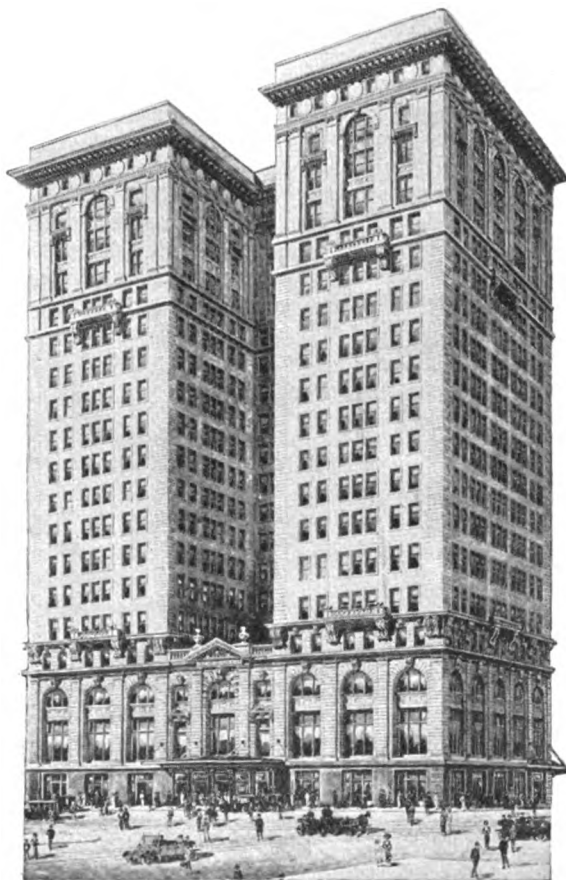
The board of directors remains the same. The officers of the Lynn Safe

MINNEAPOLIS

First and Security National Bank

Resources \$60,000,000

A Strong Consolidation under Wise Administration



HOME OF THE FIRST AND SECURITY NATIONAL BANK, MINNEAPOLIS

**Your business on Minneapolis and the Northwest will be
welcomed and will receive prompt and intelligent service**

The National Cattle Loan Company



NATIONAL STOCK YARDS, ILLINOIS

Capital, \$200,000.00

Sells over its endorsement loans made by responsible cattle men, secured by cattle inspected by our own representatives to banks wishing safe, short-time, liquid investments.

CORRESPONDENCE INVITED

AT THE ST. LOUIS NATIONAL STOCK YARDS

Deposit are now Charles E. Harwood, president; Louis M. Winslow, vice-president; William Dunbar, treasurer; David Dunbar, assistant treasurer.

The Lynn National bank has given up its charter. Although its business has been turned over to the Lynn Safe Deposit, the capital and surplus are

to be divided among the stockholders. The assent of the holders of a great majority of the stock was secured before the merger was decided upon, and practically all the shareholders promptly assented thereto. The final Lynn National Bank dividend will probably be nearly \$400 a share.

The Lynn Safe Deposit's deposits now exceed \$3,500,000. Its capital, surplus and undivided profits aggregate \$400,000. In proportion to earned surplus and profits to capital it is one of the strongest of Massachusetts trust companies.



Berkeley, California

YOUR BERKELEY business is invited on the basis of prompt and efficient service. This bank is the oldest in the city and offers advantages worth the consideration of other bankers having business in this locality.

A. W. NAYLOR.....President
F. L. NAYLOR.....Vice-President
W. E. WOOLSEY.....Vice-President
F. C. MORTIMER.....Cashier
W. F. MORRISH.....Asst. Cashier
G. T. DOUGLAS.....Asst. Cashier
G. L. PAPE.....Asst. Cashier

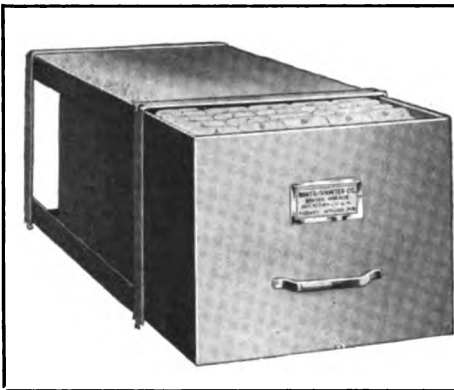
**FIRST NATIONAL
BANK of BERKELEY**



—On October 1 the Park Trust Company opened for business at Worcester, Mass., with \$300,000 capital and with Mayor George M. Wright, head of the Wright Wire Co., as president. Ralph H. Mann, president of the Gloucester National Bank, is treasurer of the new company.

Hosea Mann, former Bank Commissioner of Vermont, father of Treasurer Ralph H. Mann and an experienced bank man from Torrington, Conn., was one of the active spirits in the organization of the Park Trust Co.

—Plans for the new quarters of the City Bank and Trust Co., Hartford, Conn., have been completed, and the bank intends to move into its new quarters, formerly occupied by the Charter Oak bank, on the corner of Trumbull and Asylum streets, about November 1. The building has recently been bought by the City Bank and Trust Co., and the bank quarters will be extensively



The Storage Files that fit YOUR records and fit YOUR bank combine space-economy, strength, durability and lightness with the attractive appearance of bak-d-on Olive Green enamel. This letter-size unit is only one of the

Seven sizes of Baker-Vawter Steel Storage Units

In one rigid stack you can place one-drawer letter units, two-drawer check and deposit-ticket storage units, and four-drawer card-units—and they look good in stacks.

Order your Storage Units by the stack—6 letter units \$15.00 f. o. b. either factory. Ask for circular No. BB1510.

BAKER-VAWTER COMPANY

Bank Accounting and Filing Equipment
Benton Harbor, Mich. Holyoke, Mass.

remodeled. The quarters for the trust and savings department will be located on the west side of the building, while on the east side will be the bookkeepers' desks, tellers' booths and a woman's waiting room.

The finishings of the bank will be in yellow and white marble. Vaults and safety deposit boxes will be in the basement.

The entrance to the bank, now some feet above the level of the sidewalk, will be put on a level with the pavement, and will be directly on the corner of Asylum and Trumbull streets. An

elevator will be installed in the rear of the building for the tenants. Entrance to this elevator may be effected either through the bank or through a hall with an entrance upon the street.

Since February, when the bank underwent a change in management, a savings department has been added, beginning April 1, and at the present has \$300,000 in deposits. The value of the stock has increased \$24, from \$110 to \$134.

—To meet the demands of expanding business, it has been found necessary by the directors of the First National Bank of Bangor, Me., to increase the capital stock of that institution from \$300,000 to \$400,000.

On or about December 1 the First National Bank will occupy new and handsome quarters in the building now in process of construction at Exchange and State streets, one block up Exchange street from the present location.

—Growth of business has made it desirable to enlarge and otherwise improve the quarters of the Bay State National Bank, Lawrence, Mass. It is expected that the additional space gained both for customers and for the bank's staff will be about three times the present size.

—The Randolph (Mass.) Trust Co. gives evidence of progress and prosperity in the form of a new building now under construction.

**THE
GARFIELD
NATIONAL BANK**

Fifth Avenue Building
Corner Fifth Ave. and Twenty-Third Street.
NEW YORK

CAPITAL	SURPLUS
\$1,000,000	\$1,000,000

OFFICERS

RUEL W. POOR, President
WM. L. DOUGLASS, 2d Vice-Pres.
ARTHUR W. SNOW, Cashier
E. T. THORN, Asst. Cashier
JOHN W. PEDDIE, Asst. Cashier

DIRECTORS

Ruel W. Poor	Thomas D. Adams
Samuel Adams	Robert J. Horner
Wm. H. Gelsheuen	A. Pagenstecher, Jr.
Morgan J. O'Brien	Frederick T. Feltmann

400

If you could talk over the improvements in your new banking house, with the officers of four hundred banks, would not their experience be of value, to you, in the solution of your own problem?

It is just this experience that we place at the service of our clients. Each of the banks that we have designed and executed has presented special problems and difficulties. Each, of these, has been solved by working with the bank officials; and taking advantage of their thoughts and suggestions, we arrived at the most satisfactory solution possible, in each instance.

Some of the results that were obtained can be shown in pictures. We would like to send a little book of these pictures to any bank official who would be interested in looking it over.

May we send you a copy?

**BANKERS ENGINEERING
COMPANY**

NO. 106 EAST 19TH STREET
NEW YORK

—Steel and Vermont white marble are the principal materials employed in the seven-story building which is being put up for the Merchants National Bank of Manchester, N. H.



New Haven

—When the New Haven Bank, N. B. A.—a merger of the City Bank, the County Bank and the New Haven Bank—moved into its handsome new building it became the largest bank in the State of Connecticut.

The bank's new home occupies a corner which has been the site of a banking house for one hundred and twenty-two years. The new building is distinctly Colonial in type, is constructed of Vermont marble and North Haven brick, and is one of the handsomest bank buildings in the East.

As it was to house the business of three banks instead of one, its construction on a lot 25 x 85 feet presented an unusually interesting problem. Through ingenuity, skill and experience in bank planning, an arrangement was evolved which included every foot of available space.

The spacious interior more than fulfills the promise of the exterior in beauty of design, and the equipment and layout are planned to afford splendid efficiency and service. The bank occupies the entire floor, which, with the mezzanine, is practically three stories, the large directors' room being the main feature of the second floor. The vault system is in the basement. A comprehensive scheme of heating and ventilating has been worked out. The building was designed, built, and equipped under the Hoggson building method and it marks the fourteenth bank operation conducted by Hoggson Brothers in the city of New Haven alone.

Historically the New Haven Bank has an interesting background, Noah Webster having served as a director in the days when the bank president himself attended to the locking up at night



*Banking Room, Bankers Trust Co., New York
Troobridge & Livingston, Archt.*

J-M Bank Lighting Systems Lend Dignity and Produce a Soft, Efficient Illumination

IN the bank building, the lighting problem is to produce a soft, dignified effect and at the same time to give an adequate illumination.

The Bankers Trust is a J-M Lighting Service installation. The clear and yet soft effect obtained with no glare or unsightly shadows, may be seen in the picture above, taken by the aid of the bank's own lighting alone and not by flashlight.

The general Banking Room Lighting is produced by the Frink Indirect System. The reflectors are concealed in the cornice of the bank screens, diffusing a mellow light evenly over the entire ceiling.

The fixtures under and over mezzanine are of semi-indirect type with heavy bronze framework, made by the Mitchell-Vance Company. These fixtures are equipped with Frink reflectors.

The combined effect of this treatment approaches daylight in purity and softness, and completely harmonizes with the architectural design.

This is an interesting installation of Bank Illumination because it illustrates the importance of special bank lighting material in the production of a finished installation.

The facilities of Johns-Manville Lighting Service because of its diversified products---Those of the

I. P. Frink Co., The Mitchell-Vance Co., and Gill Bros. Co., Glassware

can cope with any lighting situation that exists in bank work.

Perhaps your bank could be improved by better lighting ?

H. W. Johns-Manville Co.

*SOLE SELLING AGENTS--Frink and J-M Lino-lite System of Illumination
Mitchell-Vance Lighting Fixtures and Bronzes
and Gill Bros. Co.'s Patent Ware.*

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Toronto

THE CANADIAN H. W. JOHNS-MANVILLE CO., LIMITED

Winnipeg

Montreal

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3320



Planters National Bank

RICHMOND, VIRGINIA

Capital - - \$300,000

Surplus & Profits \$1,625,000

Total Resources \$8,000,000

JAMES N. BOYD
President

J. J. MONTAGUE
Vice-President

RICHARD H. SMITH
Vice-President and Cashier

R. LATIMER GORDON
Assistant Cashier

CONWAY H. GORDON
Assistant Cashier

D. V. MORTON
Assistant Cashier



**Unsurpassed Facilities for
collecting Items on Vir-
ginia and the Carolinas**

and carried the big front door key home with him for safe keeping.

The officers of the new institution are: E. G. Stoddard, president; Thos. W. Farnum, vice-president, and Samuel Lloyd, cashier.

--The American Bank and Trust Co., New Haven, Conn., has awarded to the David H. Clark Co. the contract for the erection of a handsome bank building on the site at Grand avenue and Ferry street, owned by this institution. The cost of the new building will be about \$80,000.

The material to be used will be buff pressed brick with Indiana limestone trimming and with two large columns of limestone in the front of the building. The base will be of gray Stony Creek granite. There will be two floors. On the upper floor will be offices for the officers of the bank, a directors' room and other rooms for the officials of the institution, while on the ground floor will be the main banking room, business offices for the president and cashier and safe-deposit boxes.



—Having purchased the First National Bank building at Main and Bank streets the Mechanics and Farmers Savings Bank, of Bridgeport, Conn., moved into the building on October 1.

The bank building at Main and Bank streets was erected in 1907 and in August of that year the First National Bank moved into the building. Charles G. Sanford was president of the bank, the former president, William E. Seeley having died while the building was being erected. The Bridgeport National Bank merged later with the First National Bank and later the Pequonnock National Bank was absorbed and the First National became known as the First Bridgeport National Bank. A larger building was needed and the sky scraper at State and Main streets was erected.

—The Holyoke (Mass.) Savings Bank has purchased from the Holyoke National Bank the building at 195-201 High street which was formerly occu-

1870

1915



Capital, \$1,000,000

Surplus, \$600,000

Located at the "Gateway of the South"

Having been established as The State Bank of Virginia 45 years ago, we have served continuously financial institutions in all parts of the South. This long period of successful service has resulted in a banking equipment that is unexcelled at

Richmond, Virginia

Another result of handling the accounts of Southern Bankers for these many years is that we know accurately the needs of financial institutions located in Southern States. Your Southern business solicited. Direct routing of items our specialty. Correspondence cordially invited.

National State and City Bank

WM. H. PALMER, President

JOHN S. ELLETT, Vice-President
J. W. SINTON, Vice-President

WM. M. HILL, Vice-President
JULIEN H. HILL, Cashier

pied jointly by the two banks previous to the removal of the Holyoke National to its new home at the corner of High and Dwight streets. Alterations are under way for enlarging the banking quarters of the savings bank so that when completed it will have about twice the amount of space that it has at the present time. These alterations will be rather of a temporary nature as the bank officials at some later date expect to make more extensive changes and raise the height of the room as was done in the new national bank.

—These officers have been chosen for the New Colonial National Bank of Hartford, Conn.: President, Lucius A. Barbour; vice-president, Edward C. Frisbie; vice-president and cashier, Myron A. Andrews; assistant cashier, Frank S. Flagg. The new bank starts with a capital of \$500,000 and a paid-up surplus of \$100,000. The stock is divided among several hundred stockholders.

—Alterations have been begun at the First National Bank, Meriden, Conn., whereby the Meriden Trust and Safe Deposit Co. will have more room. The entire south section of the lobby has been partitioned off and will be devoted to desk room for the work of the trust company.

—Beginning with September 15 a savings department is being operated by the Maynard Trust Co., Concord, Mass. Interest on sums deposited will commence with each month, instead of every three months, as in some institutions.



SOUTHERN STATES

Baltimore

—An addition to the Drovers and Mechanics Bank building at Eutaw and Fayette streets will be two stories high, on ground 59.7 x 79 feet, and will cost \$159,000.

Resources

\$11,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service

and you will be entirely satisfied

A. D. BISSELL, President
 C. R. HUNTLEY, Vice-Pres.
 E. H. HUTCHINSON, Vice-Pres.
 E. J. NEWELL, Vice-Pres.
 HOWARD BISSELL, Cashier
 C. G. FEIL, Asst. Cashier
 A. J. ALLARD, Asst. Cashier
 G. H. BANGERT, Asst. Cashier

—Plans for extensive interior alterations to be made in the quarters of the Canton National Bank, on Ellicot street and East avenue, have been prepared.

—Clinton K. Wells succeeds R. E. Bowling as assistant cashier of the First National Bank, the latter having resigned to go to Panama.



—There has been a consolidation of the First National Bank of Fairmont, West Va., with the National Bank of Fairmont.

—The Dominion National Bank of Bristol, Va.-Tenn., has just finished for its use what is described as one of the finest bank buildings in that section.

—C. W. Beerbower, secretary and treasurer of Group Five of the Virginia Bankers Association, and auditor of the National Exchange Bank, Roanoke, announces that the ninth annual meeting of the group will be held in Roanoke October 9.

—Virginia has 267 incorporated State banks whose total deposits are \$57,784,776.

—El Paso, Tex., lately formed a chapter of the American Institute of Banking, and the following executive committee was appointed: Smith Witham, of the Rio Grande Valley Bank; D. L. Hill, State National Bank; William Graves, First National Bank; H. J. Delfeld, City National; M. R. Eddy, El Paso Bank and Trust Co.; J. W. Harley, Union Bank and Trust Co.; J. E. McAllister, Commercial National Bank; J. M. Cochran, Texas Bank and Trust Co.; J. H. Henderson, Security Bank and Trust Co.

—The German-American and First National Bank, of Carrollton, Ky., have consolidated. The new organization, which will be known as the First National Bank of Carrollton, will have a capital of \$100,000 and will be the largest financial institution between Cincinnati and Louisville.



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571



THROUGH THE FACILITIES OF

The Live Stock Exchange National Bank

AND

The Chicago Cattle Loan Company

Bankers interested in financing the development of the live stock industry or in the purchase of high grade, self liquidating paper, are assured prompt and satisfactory service. Correspondence invited.

Address : UNION STOCK YARDS
CHICAGO, ILLINOIS

The German-American Bank had a capital stock of \$25,000 and the First National \$60,000. J. A. Donaldson, president of the First National, will continue as president of the consolidated bank. Forest Butcher, cashier of the German-American Bank, becomes teller of the new First National. E. C. Smith, president of the German-American Bank, goes on the directorate of the combined organization.

—The Farmers and Merchants Bank of Elkton, Ky., has closed a contract for the erection of a modernly-appointed bank and office building to cost about \$12,000.



WESTERN STATES

Chicago

—The September 2nd statement of the First National Bank showed deposits of \$135,076,987.84, and the First Trust and Savings Bank had on Sep-

tember 3 deposits of \$61,071,652.59. Combined resources of the two institutions exceed \$240,000,000.

—R. J. McKay, who has been associated with the new business department of the Fort Dearborn National Bank for the last two years, is a new assistant cashier of that institution.



Omaha

—The new fourteen-story building for the First National Bank, at Sixteenth and Farnam street, will go down to bedrock for a foundation, eighty-two feet below the ground surface.

Thirty-six piers or caissons of concrete and steel five feet in diameter are to be sunk. These will form the basis for the foundation. They are to be anchored to the bed rock instead of merely resting there.

The building as a whole is to be fifty



25th ANNIVERSARY

October 3rd, 1915

This Trust Company celebrates not age but Growth, not time but the Use of time, not years but Service.

7 Complete Departments

Correspondence Invited

Mississippi Valley Trust Co., St. Louis

Capital, Surplus and Profits over \$8,000,000

per cent. stronger than the specifications of the city ordinance require. Extra thicknesses of steel are to be employed everywhere.

The construction is to be of steel, granite, terra cotta and brick.

Architects and contractors estimate that this building can be completed by August or September of 1916.



St. Louis

—The second annual convention of the Farm Mortgage Bankers Association of America will be held in this city October 7 and 8. It is expected that the matter of rural credits will occupy a leading place on the convention's programme.

—President John G. Lonsdale of the National Bank of Commerce recently sent out a letter to the bank's 2,800 stockholders in which it was said:

"While I am now able to discern abundant reasons for hoping that the next few years will see for us the beginning of an era of real prosperity and good times, you may be assured that during the continuance of the present abnormal conditions your bank will be adequately prepared for any eventuality.

"We shall keep cash on hand, unproductive though it may be, in excess of the cash reserve required by law. We shall preserve our assets in

absolutely liquid condition, so far as this is possible. We shall be conservative to the point of extreme caution. And we shall, I hope, decide to increase our surplus reserve, even though this should involve for a time a decrease in the dividends distributed."



Kansas City, Mo.

—Fifty years ago the Southwest National Bank of Commerce began business, an anniversary which was properly observed on August 24 last.

—This city appears to be in the lead for the 1916 convention of the American Bankers Association.



Minneapolis

—To make room for additional business the Northwestern National Bank has built a balcony in the rear of the banking room at a height of about 12 feet and extending the full width of the building. The enlarged space will be occupied by a portion of the bank's clerical staff.

—A tendency toward increased savings is noted by the "Northwestern National Bank Review," which says:

"A few months ago the 'Review' called attention to the fact that savings accounts in the Northwestern Na-



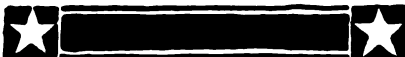
The Old National Bank of Spokane

WITH direct connections in every banking point throughout the "Inland Empire" — a region three times the size of Alabama, of which Spokane is the financial and railroad center — The Old National has the facilities to collect your Pacific Northwest items with exceptional economy and dispatch.

OFFICERS

D. W. TWOHY, President
T. J. HUMBIRD, Vice-President
W. D. VINCENT, Vice-President
J. A. YEOMANS, Cashier
W. J. SMITHSON
G. H. GREENWOOD J. W. BRADLEY
Assistant Cashiers

RESOURCES : \$13,000,000



tional Bank showed a marked increase in average size, denoting a saving spirit on the part of the public. This increase has remained and a further increase in the average account has been noted. When it is remembered that savings accounts represent very largely the reserves of our citizens to meet emergencies, it is gratifying to note that they are strengthening their individual economic positions in this way. Foreign bank statements disclose the fact that the belligerent powers have been bending every effort to increase their gold reserves, and the forehanded policy of our savers in this country shows a similar tendency here. Our people have for years been at the foot of the list of the great nations in the matter of individual savings, but Americans as a people are characterized by the ability to change their habits more rapidly than any other nation, if occasion demands that they should do so. Probably one of the beneficent results of this war to America will be to increase frugality and thriftiness in our citizens. At the same time that this spirit of thrift is manifesting itself, there is no unfavorable curtailment of necessary expenditures."



—Group Three of the Michigan Bankers' Association, comprising counties in the northeastern Michigan district, has been organized at Alpena. The officers are: Chairman, W. A. Prince, Alpena; secretary-treasurer, John E. Wiggins, Wolverine; executive committee: Alpena county, Fred H. Orcutt, vice-president Alpena National Bank; Alcona county, L. R. Ross, cashier Alcona County Savings Bank, Harrisville; Cheboygan county, George D. Nimmo, assistant cashier, Cheboygan State Bank, Cheboygan; Crawford county, M. Hanson, cashier Bank of Grayling, Grayling; Iosco county, L. G. McKay, cashier Ealy, McKay & Co., East Tawas; Montmorency county, H. F. Elliott, cashier Atlanta Exchange Bank, Atlanta, Ogemaw county, John Tolfree, president Commercial Bank,

Multigraph department of The Guardian Savings and Trust Co. of Cleveland, Ohio



THE Multigraph is a machine for producing form type-written letters, printed forms and advertising matter quickly, privately, conveniently and economically. The equipment varies in size and price to meet the requirements of any bank, however limited or extensive they may be.

“It Saves Us 40% On Printing”

So says Mr. F. D. Connor, Publicity Manager of The Guardian Savings & Trust Company, Cleveland, and adds “We consider the Multigraph the most important mechanical device in our Advertising Department.”

If you could talk to Mr. Connor or hundreds of other bank men who are Multigraph enthusiasts, you would find that printing forms is but one of its applications to a banking house.

The Guardian Bank use their Multigraph equipment for producing circular letters to prospective customers, letters to depositors and in so many ways that Mr. Connor says “We started with the Multigraph as a supplement to our Advertising Department. Now it is a department in itself, and a paying one at that.”

For your benefit we will prepare a portfolio based upon such experiences as this. In addition, we will send a booklet telling of one particular bank's experience in detail. Both these books are free. *Every* bank is interested in getting more business and in printing economies. Let us show *you* how to accomplish both. Write today.

The American Multigraph Sales Company

1805 E. 40th St., Cleveland, O.



The American Multigraph Sales Co.

1805 East Fortieth St., Cleveland, O.

Please prepare for me the portfolio “Your Bank and the Multigraph.” Send also the story of one bank's success. It is understood that the acceptance of these obligates me in no way.

Name

Bank

Position

Town.....State.....



The American National Bank

SAN DIEGO, CAL.

Capital \$200,000.00
 Surplus and Undivided Profits 160,000.00
 Total Resources over 2,200,000.00

J. W. SEFTON, Jr., President
 C. L. WILLIAMS, 1st Vice-Pres. L. J. RICE, Cashier
 I. ISAAC IRWIN, 2nd V.-Pres. T. C. HAMMOND, Asst. Cash.

Q A new building, the best equipment, an able and experienced staff of officers and employes—these are some of the things that enable us to give excellent service to customers and correspondents. We are thoroughly familiar with investment opportunities in this prosperous region and cordially invite correspondence in regard to them.

West Branch; Oscoda county, H. J. Markam, cashier Union State Bank, Mio; Otsego county, Axel Becker, cashier Bank of Johannesburg, Johannesburg; Roscommon county, A. W. Ladd, cashier Roscommon State Bank, Roscommon.

—The home of the Central National Bank of Ellsworth, Kan., which has recently been completed, is one of the notable bank buildings in the state. It is two stories in height and is constructed of stone. The abundance of large windows that flood the interior with light is a feature which makes the building especially adapted to the banking business.

The Central National Bank has a capital stock of \$175,000. Its officers are: George T. Tremble, president; E. D. Schermerhorn, vice-president; B. L. Gardanier, cashier, and E. L. Lafferty, assistant cashier.

—Indiana bankers will hold their nineteenth annual convention at Indianapolis October 12 and 13. Governor Charles S. Hamlin of the Federal Reserve Board, will be one of the principal speakers.

—The Old National Bank, Grand Rapids, Mich., is now installed in its new home, which constitutes a part of the Hotel Pantlind building. It is a modern banking structure in every respect, and worthy of the old and successful institution which it houses. This bank's origin reaches back to 1853, and

it has grown until its resources are now around ten million dollars. Officers of the Old National Bank are: Willard Barnhart, chairman of the board; Clay H. Hollister, president; William Judson and Carroll F. Sweet, vice-presidents; George F. Mackenzie, vice-president and cashier; Herbert A. Woodruff and Robert Y. Speir, assistant cashiers.

—Whether the banks will be able to hold all the money received from this year's wheat crop is a question which concerns the Omaha "Bee," which goes on to say:

"Bankers are making preparations, for from every corner of the state comes reports of new banks being built. The First National Bank of Marquette is to erect a new brick building. L. D. Willis of Omaha is the architect. Plans are also under way for a bank building to cost \$10,000 at Stromburg. At Valley a bank building to cost \$10,000 is to be built. Architect Charles M. Nye of Omaha is making the plans.

"The Bank of Glenville, Glenville, Neb., is having plans drawn by C. W. Way of Hastings for a new structure of brick and tile, with a terra cotta front.

"The Bowen Investment Co. is to have a new building at Scott's Bluff, L. C. Marquis will erect the building for this company. C. O. Glover, president of the Bank of Bromfield, and Dr. J. S. Wainwright are planning the erection of a new building for this bank."

—Sam Stephenson, the new president of the First National Bank of Great Falls, Mont., has lived in that state for twenty-three years. He is also president of the Highwood State Bank and of the Great Falls Town-site Co. Prior to his election to the presidency of the First National Bank of Great Falls he was the bank's attorney.

—On August 15 the American National Bank, Helena, Mont., celebrated its twenty-fifth anniversary. It is the oldest bank in that city, and has resources of about \$3,000,000.

—Exceptionally fine quarters are provided for the Union Savings Bank and Trust Co., Steubenville, Ohio, in the new Lincoln building—a large modern bank and office structure. In the construction of the banking room no wood was used. The floors and walls and entire interior are of marble, steel and bronze. There is a spacious lobby surrounded by the banking quarters, which are located behind the marble and bronze counters. There are six windows, which open from six caged rooms, each room being modernly fitted and having a fine semi-direct lighting system. A visitors' room is located at the extreme southwest corner. The lighting system and decorative scheme are extremely fine. Marble benches and check counters also add to the modernness. The immense amount of work and money expended in constructing and fitting up the rooms make this the finest banking home in the city.

A directors room, 20 by 20 feet, and vaults of the latest type, with 225 safe-deposit boxes, are part of this notable equipment.

The Union Savings Bank and Trust Co. grew from the Union Deposit Bank. The Union Deposit Bank was organized in 1854 and has long been one of the city's most prosperous banking institutions. D. J. Sinclair, president of the bank, and owner of the handsome new building, has been connected

Utah Savings & Trust Company Salt Lake City, Utah

General Banking—Trust—Bonding
Title Insurance—Safety Deposit Vaults

Capital . . . \$300,000
Surplus & Profits, 45,000

OFFICERS:

W. S. McCornick, President
Anthon H. Lund, Vice-President
Geo. Albert Smith, Vice-President
F. M. Michelson, Cashier

**Facilities for thorough
Banking service.
Expedient and intelligent
handling of collections
throughout this inter-
mountain country.**

26 Years Old

with the bank for many years and through his ability and attention the business grew. In 1914 the banking company was reorganized under the present name, with the following officers: D. J. Sinclair, president; A. C. Lewis, vice-president; J. O. Naylor, solicitor; James Potter, treasurer; F. Earl Vance, secretary, and Frank D. Sinclair, cashier. The board of directors contains the following well known business men; G. M. Myers, R. M. Mahan, A. C. Lewis, J. O. Naylor, James Potter, F. W. Owsney and D. J. Sinclair.

—Here is a little "human interest" story about banking, taken from the Detroit "Free Press":

"It was interesting and somewhat amusing to hear the views expressed by some of the bankers from small interior towns of the state concerning

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They are fully appreciated by the discriminating banker desiring high grade, serviceable paper for correspondence and typewriter purposes

SOLE AGENTS

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34 Beekman Street, New York

some of the statements in Governor Ferris' address to the convention," says a Detroit banker who attended the annual meeting of the Michigan Bankers Association in Grand Rapids last week.

"Governor Ferris said if he had the authority he would permit no banker in Michigan to charge more than the legal rate of interest on loans and would make it unlawful for any banker to accept a bonus for granting such an accommodation.

"In some of the small town banks, so little business is done that if the system urged by the governor were placed in effect the banker might be compelled to go out of business. Under present conditions these banks give great assistance in the communities in which they are situated. They receive deposits, and provide small loans and short term accommodations to the farmers and business men in their neighborhood.

"Let us suppose such a bank is called on to make a 30 day loan of \$50 to some customer and that the legal rate of interest is 6 per cent. For the accommodation the banker would receive about 25 cents if he obtained only the legal interest. With his small capital and doing only a small volume of business how long could some of the country bankers exist operating on that basis? In such places the custom is for the banker in making a loan to impose a small charge, perhaps \$1 or \$1.50 for the accommodation in addition to the interest. This enables the banker to continue in business and at the same

time inflicts no special hardship on his customer."

All of which is respectfully referred to the Comptroller of the Currency.

—A contract has been let for a new building for the State Bank of Morgan, Minn.

—The First National Bank, Poughatan, Ohio, has a new home.

—At Lawrence, Kan., F. M. Perkins and Otis Perkins have been elected directors of the Citizens State Bank, and will hereafter be active therein, J. S. Corley having disposed of his interest in the bank to these parties.

The directors of the bank, recognizing the excellency of the quarters offered in the Perkins Trust Co. building, have moved the location of the bank to that building.

The officers and directors of the bank feel that this move will be a distinct advantage in that it will give them larger and better quarters, more vault room and a better location. The facilities offered will enable them to take better care of their customers along all lines.

While the bank will occupy the same quarters as the trust company, the institutions will be run separately and present employes of the bank retained. C. W. Sparr will continue as cashier. The trust company has been hampered by not being able to handle checking accounts on account of the state laws.

ADRIAN H. MULLER & SON

55 WILLIAM STREET, Corner of Pine Street, NEW YORK

AUCTIONEERS

The Business of Banks, Bankers, Investors and Dealers in Securities generally, receives prompt and careful attention.

STOCKS AND BONDS AT AUCTION

REGULAR AUCTION SALES OF ALL CLASSES OF STOCKS AND BONDS EVERY WEDNESDAY

Real Estate at Public and Private Sale

Prompt Returns on all business entrusted to us

By having the bank in the same quarters such business can be taken care of.

—No bank in the state, declares the "Muskegon (Mich.) Times," is housed in more beautiful quarters than the First State Savings Bank of Muskegon Heights, whose new building was recently occupied by the bank. The building is of vitrified brick with Bedford stone and terra cotta trimmings.

—Work has just started in Dodge City, Kans., on this new \$25,000 home of the Kansas State Bank of that place. The first floor will be occupied by the banking quarters and the safety deposit department, the second floor by offices. The building is 25 x 75 feet and will be finished in white enamel brick and terra cotta.

—Evidently the new president of the Michigan Bankers Association, A. G. Bishop, president of the Genesee County Savings Bank of Flint, is popular with the bankers and people of his community. When they heard of the honor that came to him through his election to the presidency of the Bankers Association the people of Flint gave him a rousing public reception, and the banks of his home town passed strong resolutions of congratulation and praise.

—Work is progressing on a \$10,000 home for the First National Bank of Louisville, Ohio.

The new building will be a one-story brick structure, and located at Main

and Chapel streets. In dimensions it will be 25 by 50 feet.



PACIFIC STATES

San Francisco

—In a recent Monthly Financial Letter the Anglo and London Paris National Bank says:

"It is a remarkable fact that the Panama-Pacific Exposition, in spite of its phenomenal success, has not been attended with anything resembling a real estate boom. It has not affected land prices in any appreciable degree. With the exception of some hotels and apartment houses there can hardly be said to be a single building whose construction has even been hastened by the exposition. Improvements have doubtless been made with reference to the commercial and industrial changes expected to follow the opening of the canal whose construction the exposition celebrates and whose full utilization has been postponed by the war. But there has been absolutely no speculative feeling or any general increase of real estate prices from which a reaction can be feared. There has probably never been an international exposition in connection with which so much has been accomplished with so little excitement."

—Announcement was made recently by the executive committee of the

Panama-Pacific International Exposition that the exposition had paid off all its indebtedness.

—These statistics showing business conditions in this city are from the "Financial Letter" of the American National Bank: :

	—FIRST SEVEN MONTHS—	
	1914.	1915.
Clearings	\$1,429,301,315	\$1,477,497,559
Building contracts	18,293,686	11,091,706
Real estate transfers	16,818,010	16,734,712
Exports	28,765,646	46,714,711
Imports	40,118,545	49,759,778
Postal receipts.	1,842,043	1,963,247
	1910.	1915.
Population.	419,000	525,000

While building contracts show a considerable falling off, the decrease to the extent of \$2,592,958 is accounted for by the difference in building operations at the exposition.

—How a number of bankers from a single Southern institution got together a few weeks ago in this city is thus told by the San Francisco "Examiner":

Directors of the American Exchange National Bank of Dallas, Tex., held a directors' meeting in the lobby of the St. Francis Hotel yesterday.

John N. Simpson of Dallas, vice-president of the Wichita Falls Railroad, was sitting in the lobby reading the papers when along came W. C. Connors, president of the Dallas Terminal Railroad. The two Texans shook hands and began to chat. They were soon joined by M. N. Baker, a Dallas capitalist; a bit later by A. A. Jackson, also of Dallas. By this time it looked like a reunion of old friends. Then up bobbed Louis Dipsitz, another financial figure of the Texas metropolis, and soon afterwards L. S. Thorne, Royal A. Ferris and E. M. Reardon, all of Dallas. Not a man present had known that any of the others were in the city. Finally Simpson spoke up:

"By Jove! boys, do you know that we are all directors and vice-presidents of the American Exchange National Bank? We have a quorum. Let's hold a meeting."

So they held a meeting, voted themselves dividends for use at the Exposition and boarded a Geary car for the Jewel City.

—At the convention of the American Institute of Banking, held in this city in the closing days of August, Robert H. Bean of Boston was elected president.

Other officers elected were: Vice-president, James H. Daggett, Milwau-



ROBERT H. BEAN
PRESIDENT AMERICAN INSTITUTE OF
BANKING

kee, Wis.; members of the executive council for three years, Ralph A. Newell, San Francisco; Harry E. Hebrank, Pittsburgh; R. H. MacMichael, Seattle, Wash., and Stewart D. Beckley, Dallas, Tex.; member of the executive council for one year, C. Leland Getts, Baltimore, Md.

Next year's convention will be held in Cincinnati.

Los Angeles

—Fred J. Kinney resigned his position as assistant cashier of the Continental National Bank to assume charge of the financial interests of a local corporation. Charles B. Smith has been appointed to take the place of Mr. Kinney, and W. D. Howard, who has been acting in the capacity of vice-president, will also perform the duties of cashier.

Mr. Kinney has had a long and varied career in banking circles, having served for some time as a national bank examiner, and has also been connected with banks in New York, Chicago and New Orleans.



Salt Lake City

—A meeting of the executive committee of the Utah Bankers Association was held at the Commercial Club here recently to select a place for holding the next annual convention. Ogden was chosen, and June set as the time. Those attending the meeting were John Pingree of Salt Lake, vice-president; J. E. Shepard of Logan, secretary-treasurer, and Elias A. Smith and T. W. Boyer of Salt Lake, John D. Dixon of Provo, Guy Lewis of Richfield, E. O. Howard and John Malia of Salt Lake.

—Bankers here are discussing the propriety of inviting the American Bankers Association to hold its annual convention in Salt Lake City in 1918. It is generally conceded that in point of general attractiveness and in hotel accommodations this city offers superior advantages for the convention.



—Besides increasing its capital from \$70,000 to \$100,000, the Fillmore (Cal.) Bank is now putting up a new building.

—Benjamin F. Tucker, heretofore cashier of the City National Bank,

Long Beach, Cal., was recently elected president, succeeding David Hughes, resigned. Mr. Tucker was the founder of the bank, and has practically been its executive officer from the time of organization seven years ago. The bank



B. F. TUCKER, PRESIDENT
CITY NATIONAL BANK, LONG BEACH, CAL.

has been very successful, and has paid \$62,000 in dividends besides accumulating a surplus of \$30,000. Its total resources are about \$1,000,000.

Mr. Tucker's successor as cashier is Miss Naomi Tompkins, promoted from the assistant cashiership. Miss Tompkins entered the bank as a stenographer, but showed such an aptitude for banking work that she was soon given an official position.

—Portland, Spokane and Seattle Chapters of the American Institute of Banking joined in cordially welcoming and entertaining the delegates to the convention of the Institute recently held in San Francisco.

Wm. E. Kingston

QUALIFIED EXPERT
EXAMINER
QUESTIONED DOCUMENTS
WRITING, SIGNATURES
AND ACCOUNTS

40 State Street

BOSTON

—At Okanogan, Washington, the First National Bank has completed and occupied a new building, modern in its construction and equipment. The opening was signalized by inviting the public to inspect the new banking rooms, and appropriate souvenirs were given to those who accepted the invitation.

—Pocatello, Idaho, is to have a new two-story business block, corner rooms in which will be for the Citizens' Bank.

—The total yield of mine gold in California in 1914, as reported by Chas. G. Yale, of the United States Geological Survey, was \$20,653,496, an increase of \$246,538 over that of 1913. With the exception of one year—1883—the mine gold output of the state in 1914 was higher than it has been since 1864, fifty years ago.

—The Marine Commercial and Savings Bank of Long Beach, Cal., is now installed in its new banking rooms at the corner of Broadway and Pine streets. Its new quarters are beautiful and completely equipped. A recent statement of the bank made the following showing:

RESOURCES

Loans	\$27,201.15
Overdrafts	13.62
Municipal bonds	37,781.08
Cash on hand and in other banks	77,295.14
Furniture and fixtures.....	3,872.25
Vaults and equipment.....	3,278.70
Total	\$349,441.94

LIABILITIES

Capital stock	125,000.00
Undivided profits	12,860.93
Deposits	211,581.01
Total	\$349,441.94

Officers of the Marine Commercial and Savings Bank are:

President, E. J. Wightman; vice-president, Irving H. Hellman and A. Dixon; cashier, Ben H. Smith; assistant cashier, Julius Blum.

—An increase from \$200,000 to \$250,000 has been made in the capital of the Fidelity National Bank, Spokane, Washington.

—The Spokane and Eastern Trust Company celebrated its twenty-fifth birthday on August 8. Besides growing to large proportions, the institution has lately occupied a handsomely fitted banking home. Its present officials are: J. P. M. Richards, chairman of the board; Aaron Kuhn, president; R. L. Rutter, vice-president and general manager; Herbert Witherspoon, Samuel Galland and C. W. Winter, vice-presidents; W. L. Clark, F. Alspaugh, Seth Richards, W. T. Triplett, E. V. Klein and C. J. Smith, assistant secretaries, and Conner Malott, manager mortgage department.

—At a cost of about \$400,000 the First National Bank of Portland will put up a new building at Fifth and State streets. Colorado marble will be used in the outside construction.

—Bouquets of flowers were the gift of Spokane to bankers en route to the Seattle convention.



CANADIAN

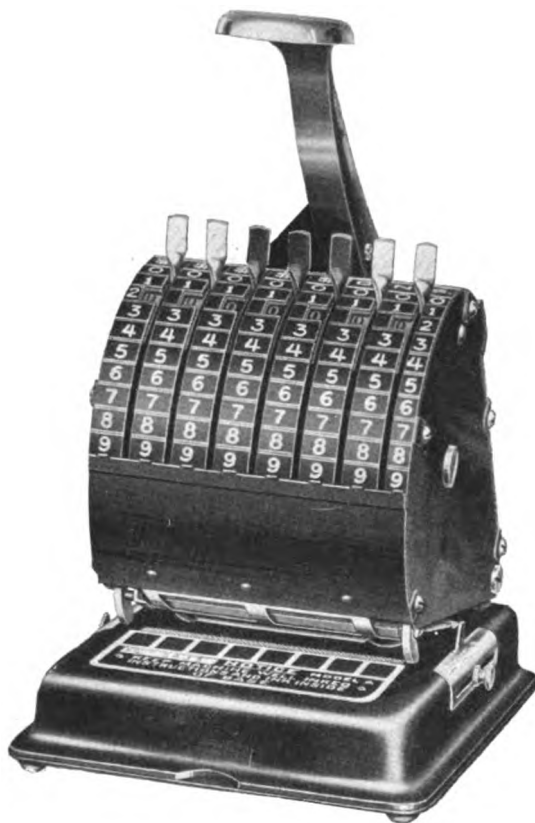
—It is proposed to erect a new building for the Windsor (Ontario) branch of the Merchants Bank of Canada.

F. & E. Check Writer and Protector

IN this machine the amount to be stamped on the check plainly registers in an opening in the front of machine, *before* the impression is made,

and saving of time in making out large numbers of checks.

The impression is in red ink and is large and legible, and is the accepted



PAY \$504 AND 52 CTS.

eliminating possibility of errors. It is self-inking, and any number of checks for the same amount may be quickly issued with but one setting of the numeral levers, a decided advantage

standard of protection since the paper is shredded and the indelible ink forced into the fibre of the paper under heavy pressure. The largest amount can be stamped on even the smallest

check so it is not necessary to run over to a second line. The imprint does not interfere with endorsements on the back of checks nor will they become torn, as would be the case if a long line were printed, with horizontal cutting.

Actual tests have demonstrated that the F. & E. can be operated with greater ease and rapidity than other more heavily constructed machines. It can be used as a check writer as well as a protector for various kinds of commercial paper.

The entire frame of the F. & E.

Check Writer and Protector is made of the finest cold rolled steel, a decided advantage over cast iron which is prone to crack or break. The type is steel die cast of a hard composition metal, which will wear indefinitely even when subjected to the hardest usage.

The moderate cost of this machine—\$20—brings it within the requirements of many banks and mercantile establishments that did not feel warranted in making the larger outlay for some of the high-priced but no more efficient check protectors.



Broadened Activities of Banks

TWENTY or twenty-five years ago, says the Chicago "Herald," the typical Illinois farmer went to his bank and asked for a loan of \$100. He was asked to pay eight or ten per cent. and to have two indorsers on his note. The bank did him a favor and he was humbly aware of it. Today the farmer goes in and announces his wishes: "I want \$1,500; you can give me half today and the rest—I'll let you know." The banker respectfully assents. He asks only for the farmer's note and doesn't mention indorsers. He charges the lowest market rate. If gifted with a sense of humor he may note the change; but he accepts it without protest.

The banker does still more. All the farmer's problems he makes his own. The farmer's son must be kept on the

old place. The agricultural methods must be the best. The rural schools must satisfy the farmer's family. The club and the school center must afford entertainment for the farmer's wife.

The banker has arrived at a conception of his duty to the community as a whole. He had realized that the welfare of every group is interwoven with that of every other. He has begun to assist in the building up of social control.

That is the new national tendency which may be seen in every section of the country. If it achieves its logical conclusion, it may be the substitute for that growth of government through which Germany and the other nations are attempting to meet the necessities of the twentieth century.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

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The Anglo-French Loan

EARLY last month negotiations were closed for the placing of an Anglo-French loan of \$500,000,000 in this country. The loan is the joint obligation of Great Britain and France, runs for five years and bears five per cent. interest. It was taken by a syndicate of American bankers at 96, offered to subscribers at 96 $\frac{1}{4}$, and offered for sale at 98. This is reported to be one of the largest single foreign loans ever floated. The preliminary negotiations for the loan, conducted by a distinguished party of French and English bankers in conference with prominent bankers of New York and other American cities, have given rise to wide discussion, and there have been various opinions expressed as to the desirability of the loan. From the practical standpoint, the success of the loan is the answer to objections raised against it.

The decline in sterling exchange to the low figures reported in our last issue was certainly reaching a point where it threatened to check American exports, not of war materials only but of other articles as well, and particularly of breadstuffs and cotton. The loan will therefore tend to facilitate exports, because foreign loans usually go, not in the forms of cash, but of merchandise. While the loan facilitates American exports, it also undoubtedly facilitates French, British and probably Russian imports, and for the simple reason that under the circumstances now existing these nations can trade freely with us, while several others cannot.

The very interesting moral and political questions growing out of this transaction constitute excellent themes for future academic discussion, but they have not much present practical importance. It

is, of course, idle to deny that American sentiment is not behind this loan, but it has been put to the severe business test on the ground of security and profit, and on that basis has been promptly accepted by the business community of the United States.

AN AMERICAN BANK FOR FOREIGN SERVICE

THE Federal Reserve Board has not concurred in the recommendation of Secretary McAdoo, which was approved by President Wilson, for joint agencies of Federal Reserve Banks in Latin America. It appears to be the opinion of the board that the pioneer banking in that part of the world should be done by the ordinary banking institutions of the country, and that at present the Federal Reserve Banks ought not to engage in operations which might tend to render their assets less liquid than is considered desirable in view of the special functions these banks were created to perform. The board has expressed a readiness to co-operate, in so far as practicable and consistent with a prudent policy, in extending facilities for banking with Latin America, and to appoint correspondents, and possibly later on to establish joint agencies in localities where the ordinary American banks have not occupied the field.

While under the provisions of the Federal Reserve Act any national bank with a capital of one million dollars or over may establish foreign branches, with the permission of the Federal Reserve Board, the fact remains that thus far only two or three large Eastern banks have availed themselves of this privilege. Some banks that have not thought it wise themselves to venture into the foreign field probably do not like to see other banks gaining a practical monopoly of this new business. Of course, such monopoly is not conferred by the Federal Reserve Act, and any bank with a million capital that may be dissatisfied at some other bank's apparent monopoly may go into this field for itself. In other words, if any of the banks having the requisite capital to do the foreign business are dissatisfied because some other bank did it first, they have only themselves to blame for their procrastination.

This is all true enough, but it is perhaps not a full and fair state-

ment of the case. Foreign banking is, for most of our American banks, an untried field, and much pioneering will have to be done and some unsatisfactory experiences encountered before the way can be cleared up for the successful carrying on of foreign banking by American institutions. No doubt those banks that have the capital and the courage to do this pioneer work believe themselves entitled to the profits to flow from this new form of activity, since they must undergo the risks. But an undertaking of this kind involves something more than mere banking profit. It is essentially a movement for broadening American financial influence and power and thus leading to an expansion of our commerce and industry. It is a movement not local to our Eastern seaboard nor to any section of the country, but is broadly national and should embrace every section of the United States and be fully representative of all interests.

Were any large number of banks having the qualifying capital disposed to enter the foreign field, there are grave doubts as to the propriety of such a course. Few banks have the knowledge and equipment essential to success in this department of banking. Furthermore, the necessities of the situation demand very large capitalization in order to compete with other foreign banks and the local institutions already doing business in the various foreign countries. Without such large capital an American bank would be handicapped at the outset, and its operations could hardly be of a character to reflect much credit upon American banking standards.

Inasmuch then as the great majority of banks having the requisite capital are indisposed to enter the foreign field, and since the Federal Reserve Board does not look with favor on the extension of branches of the Federal Reserve Banks into other countries, we must either see this foreign banking business monopolized by a few large banks on the Eastern seaboard or find an alternative plan that will satisfy all requirements.

If an American bank going into the foreign field should have a very large capital, and if it should be broadly representative of all sections and all interests—and both these elements seem highly desirable—how is such a bank to be formed?

Why not give to all the banks of the country, to all manufacturers, exporters, merchants, farmers and all others the opportunity of subscribing for the capital stock?

This would insure the obtaining of sufficient capital, and would make the bank a genuine representative of American banking, industry and trade.

The object of the organization should be to foster the extension of American financial and banking operations in foreign lands for the purpose of adding to the sale of our products abroad, and of course to facilitate the purchase of such goods as we need to import.

An International American Bank, or a Bank for Foreign Trade, thus specially organized and equipped, could hardly fail of being a fit and efficient representative abroad of American financial, commercial and industrial interests. Its ownership should not be limited to the national banks of the country nor to banks at all; but the manufacturing, commercial and other interests should have full opportunity of participating in the ownership, since the bank would be neither sectional nor devoted to any special interest. But it would be desirable, and indeed necessary, to amend the Federal Reserve Act so as to permit national banks to become subscribers to the stock of a bank of the character herein proposed.

The financial and economic situation with which we are now confronted demands most serious and careful thought in shaping new measures and instrumentalities designed to meet the needs of the larger share of international financing and trading which has already come to us and which may be expected to increase in the future.

A big, strong, representative bank of the type outlined should prove a worthy representative of American financial and commercial standards, and a powerful instrumentality in extending our commerce with the world.

THE BLUE-SKY LAWS

AN interesting opinion regarding the constitutionality of the so-called blue-sky laws has been rendered by the counsel of the Investment Bankers' Association of America. Particular attention is given in this opinion to the question as to whether or not the provisions in these laws are applicable to interstate dealings

in securities, and how they affect offers made by telephone, telegraph or mail for the sale of stocks, when these offers come from a different State. On this point the counsel reaches this conclusion:

“Our conclusion on this point therefore is that if the blue-sky laws were constitutional in their entirety and as they seem to be construed by the State officials, the offering of securities by mail or by telegraph, or even by telephone, from outside the State, would constitute a violation of the law and be indictable and punishable as such in the State.”

Passing to the main question in regard to the constitutionality of these statutes as affecting interstate transactions, the opinion says:

“The controlling question, however, on this subject is as to the constitutionality of these statutes, as affecting interstate transactions, whether such transactions be effected in the manner stated or by agents sent into the State to effect sales.

“No act of interstate commerce, otherwise lawful, and no interstate traffic in lawful articles of commerce, can be prohibited by State law. A dealer, incorporated or private, cannot be subjected to restrictions as a condition of the right to sell, even by agents.”

After quoting authorities, the opinion concludes:

“If these decisions are correct, there can, we think, be no question of the fact that the present blue-sky laws are unconstitutional, at least as affecting exclusively interstate transactions, whether effected by interstate offerings made by mail, telegram, or telephone, or by agents traveling in the State. If these decisions are incorrect, and assuming that it should be finally held by the Federal Supreme Court that stocks, bonds or other securities are not articles of interstate commerce, dealings by mail would not seem to be on a different footing from other transactions, interstate or intrastate. We would then have to rely upon the other grounds of attack against the constitutionality of these statutes; and as to any particular statutes which might be held to be constitutional, dealers would be subject to them and be liable to prosecution for their violation, even though it might be effected by use of the mails in interstate transactions.

“There remains a third consideration which might conceivably affect interstate dealings with respect to a particular statute. Notwithstanding the rule laid down in the cases above cited, to the effect

that the State cannot prohibit interstate dealings in articles of commerce, or impose a tax as such upon such dealings, it is well settled that it may impose reasonable requirements for the protection of the public health and safety upon dealings in articles such as cattle, food products, liquors and dangerous weapons, and may, in connection with such requirements, impose an inspection tax covering the reasonable cost of enforcing such requirements. [Citing a number of decisions.]

“While none of these decisions would apply conclusively to dealings in securities, we are inclined to the view that a statute regulating such dealings and imposing reasonable restrictions, such as a notification to the State of all offerings made in the State, and imposing an inspection fee for this purpose, might be held to be constitutional. As far as we have examined the particular statutes of different States, it is our impression that none of them would come within the protection of this principle. As an instance of a possible statute coming within this principle we would cite the so-called Bank Supervisors’ proposed model Blue-Sky Act, which simply requires notification to the State of offerings made in the State, and also provides for the registration of dealers having places of business in the State and of agents coming into the State, with a reasonable registration tax on such dealers and agents.

“Our conclusion is that as to practically all the existing blue-sky laws, and having in mind particularly those with which we are familiar, dealers may, as a matter of law, safely ignore these laws in strictly interstate transactions. In reaching this conclusion we are giving special weight to the so-called blue-sky decisions in the Michigan, Iowa and West Virginia cases, and are assuming that these decisions will be upheld if the question finally comes to the United States Supreme Court; in other words, we are of the opinion that these decisions are correct, but we cannot say that they finally settle the question.

“Our general advice to dealers would be that in handling interstate business by mail they endeavor as far as possible, as a matter both of precaution and of good policy, to meet the views of the administrative officials of the States; that wherever the volume of such business is large enough to justify it, they endeavor to conform to the statutes as they stand, but, on the other hand, where it is not possible to meet the views of the State officials without serious injury to the

business, and especially where to do so would be prohibitive of the business, as in the case of dealers having only a small business in a particular State, that they should feel practically safe in ignoring the laws, at least for the purpose of making offerings by mail. As a further precaution, it would be well to endeavor, so far as possible, to close transactions in the home State, and to take the business, so far as possible, outside the blue-sky State.

“Acting along these general lines, asserting the right of freedom in their business only in so far as it is necessary to protect such business from destruction, we do not believe that legitimate dealers in investment securities should have anything whatever to fear from any of the blue-sky laws with which we are familiar.”

This matter is one of very great importance, for in their zeal to protect the public against offerings of worthless stocks and bonds, the States have, in some cases, gone so far as to impose seriously burdensome restrictions upon legitimate business enterprises. The whole theory that one man may in any State decide whether or not a particular stock or bond may be offered for sale in that State is a pretty large grant of power. In a case that has come to our attention, a company desiring to offer its stock for the purpose of manufacturing a promising mechanical device was denied a license for this purpose on the ground that the machine would not be a success, the whole matter being thus airily disposed of by an official who may have been of limited business experience. Officials in other States had taken a contrary view.

The requirements necessary to protect the public in buying stocks and bonds are few, and they should be simple and uniform. It is probable that the present unsatisfactory conditions may be corrected by decisions of the Federal courts, but if not legislation by Congress may become necessary.

FOR THE DEFENSE OF AMERICA

THERE is one phase of the European struggle which can hardly have escaped attention. German troops rushed through Belgium and France in the summer of 1914 because the British forces were unable to give quick and effective military support to the defending powers.

Great Britain's navy was prepared, and from the first has done effective service. There was unreadiness, too, on the part of France, but finally her armies got into operation, and after considerable delay, and after enormous losses in Belgium and in Northern France, the German offensive was checked. But the French and British were unable to follow up their partial successes by driving the Germans out of France and Belgium. Great Britain did not have an effective army large enough to lend the needed co-operation. Had her army been of its present size and efficiency, and equipped as now, the German advance would have been halted earlier and the invaders probably driven back within their own borders. It is even probable that the war would not have been fought. But Great Britain was practically compelled to begin the task of evolving an army from the civilian population, to give these men the necessary toughness of physical fiber and to train them in the unknown art of war. It was necessary also to find equipment for them after they had been trained. Great complaints have been raised, and not without reason, of the enormous cost of a constant maintenance of a large military force in times of peace, and yet it is doubtful whether from the standpoint of mere economy military unpreparedness has not been far more costly than a contrary policy.

But however this may be, there is a supreme reason why a nation should be ready to defend its territory, its institutions and the lives of its people; and that is simply that if it does not take adequate means for such defense it may at any time incur the fate of the many republics and empires whose civilization has been destroyed, territory appropriated, and inhabitants scattered or put to the sword. It is in no sense a question of whether one favors war or not. We cannot avoid looking facts in the face. Two years ago many of us were cherishing the illusion that wars belonged to the darker ages of the past. We have been rudely awakened from this dream. It is contended by the opponents of preparedness that the war was caused by the large military establishments in Europe. Was it Serbia's large army that invited the attacks of Germany and Austria? Did China suffer a practical limitation of sovereignty through her colossal military establishment? Was it military preparedness that led to the slaughter of the Armenians? Was it because of Belgium's enormous military power that she was invaded? And finally, did Germany go to war because one of her chief adversaries—Great

Britain—was strong from a military standpoint, or because she was weak?

No; unpleasant as the fact may be, it is a fact nevertheless that the weak nations invite attack—Turkey, China, India, Spain—why multiply examples?

As Americans we must immediately recognize the necessity laid upon our Government and people of putting this country in a position of adequate national defense. It is less a question of men than of training and equipment. Above all, we must revive that spirit which will quickly make it manifest to the world that while we mean to wage no aggressive war, and earnestly hope to live on a basis of mutual justice and concord with other nations, we will, if need be, put forth every possible energy and spare no expenditure of blood or of money in defense of the principles and the institutions to which our forefathers pledged their lives, their fortunes and their sacred honor.

THE WAVE OF SPECULATION

NOTWITHSTANDING the existence of the Federal Reserve Act, which was at once and forever to disenthral the people of the country from the hated domination of Wall Street, and to kill stock speculation, we have just witnessed in the past few weeks one of the wildest outbursts of speculation in the history of the New York Stock Exchange. This speculation has been concerned chiefly with stocks representing the establishments that are profiting by supplying war materials to the European belligerents. These stocks, in the language of the time, have come to be known as "war babies." Speculation in them is of a much more unstable character than in ordinary industrial or railway shares, because the general industries of the country and the railways may have such a long season of sustained prosperity that prices at one time deemed speculative and inflated become conservative. But the "war babies" in many cases represent industries whose extraordinary profits have grown out of the war, and when the war

ends there will be a quick and sharp reduction of the demand for their products and a collapse in the value of the shares.

The present era of speculation must then be regarded as a dangerous one, and so far as the banks can control it, they should do so.

There is, unfortunately, a considerable fallacy in the common belief that banks control business or speculation. This fallacy lay at the basis of the enactment of the Federal Reserve Act. It was proclaimed that the banks—the New York banks in particular—controlled the business of the country. The smaller banks were represented as being under the complete domination of the larger institutions in the great cities. The shoe is on the other foot. As a rule, and certainly taking them as a whole, the small banks hold the whip hand over the city institutions, and the latter are always trying to shape their policies so as to win the favor of the country banks. Nor do the banks control the business of the country. They are rather controlled by business, and the most they can do is to advise and act with circumspection and care and not be misled into a false optimism. But, in the final analysis, if men who have the solid element of credit wish to employ it, either in business or speculation, they will do so, and the banks cannot prevent them.

It would not be fair to charge upon the Federal Reserve Act any great share of responsibility for the recent speculative outburst. The law has hardly been in operation long enough to have had much effect; but may it not be fairly said that such influence as the law has had encouraged speculation rather than discouraged it? The whole tendency of the Federal Reserve Bank policy has been toward making money and credit easier, which under ordinary circumstances is clearly the correct policy; but was it the proper course when all the conditions were daily tending more and more in the direction of speculation?

The lessening of bank reserves, the rediscounting privilege, the issue of a new form of paper currency—these freer currency and credit conditions aggravated a tendency toward speculation already sufficiently marked. Business had slackened, and gold was flowing in from abroad in heavy volume, two facts which should have pointed to a restrictive policy as the wise one for the Federal Reserve Bank to follow. But a bank whose management is governmental—and in this instance the Government cannot be disentangled from politics—will always find it difficult to enforce upon the money market

a policy of restriction, for the average person who speaks of elasticity of currency and credit means the power of indefinite expansion, with no thought of contraction as an element of sound elasticity. Furthermore, by the intervention of the Federal Reserve Bank into the field, the banks at the money centers cannot check the tendency toward speculation. It was assumed, when the Federal Reserve Act was passed, that by making only commercial paper available for rediscount, and denying this privilege to paper representing stock transactions, the banks would find it difficult to procure funds for speculative uses. Of course, this view is incorrect, for the rediscounting privilege opens a potential outlet for the commercial paper carried by the banks, thus virtually releasing funds which they may lend, if they choose, for speculative purposes.

It may be, of course, that the Federal Reserve System is but slightly responsible, if at all, for the present speculative wave, though the freedom of rediscounting and the issuance of a new form of Government paper money which many State banks can use as reserves tend rather to favor speculative activity than to check it.

When all is said, however, the fact probably remains that speculation is a form of mania inherent in human nature and not greatly dependent for its existence upon Federal Reserve Banks or any other banks.

FARM CREDIT LEGISLATION

CONGRESS, on its assembling next month, will undoubtedly be called on to consider the subject of rural credit legislation.

While there were nine different measures introduced into the Sixty-third Congress, none of them became laws, and the whole matter was postponed to another session. The demand for such legislation is insistent; and as a political campaign is impending, it may be expected that the demand will receive attention.

It was in November, 1911, that the American Bankers Association created a committee on agricultural and financial development and education and began a study of agricultural credit at home and

abroad. In March, 1912, the State Department instructed American ambassadors and ministers to gather information about European institutions engaged in supplying credit to farmers, and in April, 1912, the Southern Commercial Congress adopted a plan of investigation which led to sending two commissions to Europe. Exhaustive reports of these investigations have been published, so that in legislating on the subject Congress will have available the experiences of other countries with farm credit organizations.

What is known as the Hollis Bill has already received the approval of the Senate Committee on Banking and Currency, and is being studied by a joint committee of the House and Senate having in charge the work of preparing a bill to be reported at the coming session. The Hollis Bill provides for a system of Federal land banks, Federal farm bond banks, national farm loan associations and farm mortgage companies, with State charters but under the control of a Federal Farm Loan Board. The Federal land banks are either to make loans directly or to purchase them on the guaranty of the State and local associations. Against these mortgages United States bonds are to be issued and these are to be available as security for acceptances and rediscounts at the Federal Reserve Banks—thus virtually providing for the issue of currency secured by land credit—and this is what most of the land credit enthusiasts are aiming for. In conversation with the editor of this MAGAZINE a short while ago, a Senator from a Western State declared that the people of his State had made up their minds that they were going to have currency issued on the basis of farm mortgages, “or there would be trouble.” He did not indicate whether this “trouble” was to be political or otherwise.

With every prudent measure for bettering the condition of the American farmer or anybody else, this MAGAZINE is in cordial sympathy, and presumably it represents, in this matter, the sentiment of the bankers of the country.

The farm problem, like others, is complicated; but at bottom it is this: greater and more economical production, improved means of distribution, and better management all round. That the farmers would derive substantial benefits from a standardizing of farm mortgages, so far as practicable, is undoubted; that co-operation in providing credit and in buying and selling could be made immensely helpful also seems clear.

Farm mortgages would have wider and readier markets if they conformed to some definite standard: if the buyer could take them invariably with absolute confidence that they represented a conservative valuation of the lands on which they were based, that approved methods of inspection had been employed, and finally that the farms mortgaged were managed with reasonable efficiency. A simple form of rural credit institution that would measurably insure these results would make it possible for the farmer to secure capital and credit as needed, at fair rates, and be of benefit to the agricultural interests of the country.

It is to be hoped that the exploded fallacies of land bank currency may not find a place in any legislation on rural credits enacted at the approaching session of Congress.

AFTER THE WAR—WHAT?

UN^TIL we know when and how the war will end this question must remain largely speculative, yet it is one which many thoughtful persons are already asking. They are wondering if some gain will flow from the horrible struggle that will afford even a partial compensation for its awful sacrifices. And what effect is it all going to have on the United States? This question was raised by President William A. Law, of the American Bankers' Association, in his annual address at the Seattle convention. He said:

“When war ends what will it mean to us as a nation? We shall be rich enough and generous enough to contribute liberally toward the help of the needy; to assist in the reconstruction of some of the ruined nations; to give employment to the mass of immigrants who will probably rush to our shores; to compete vigorously with the stronger nations in seeking foreign trade.

“Shall we have made heavy sacrifices and assumed serious risks for the sake of humanity, or shall we have ceased advocating the cause of the oppressed of other countries? Shall we find that on account of the enormous profits exacted from the dire necessities of

the belligerents we have devoted our attention more to material gain than to the moral and spiritual influences which should accompany our traditions regarding human liberty? We are on the eve of world-wide changes in every department of life. The responsibility rests upon each of you who are the leaders in thousands of communities to use your influence with wisdom and conservatism in shaping sentiment and the conduct of affairs."

There appears in this inquiry a realization of the fact that our view of the real significance of the great conflict may be somewhat obscured by the satisfaction felt over the profits we are deriving from it. The tremendous death-grip in which the European nations are engaged, entailing enormous sacrifices of life and of treasure, has become to us here in America a source of money making. No doubt there are persons so short-sighted as to consider the war as an actual source of benefit to us—a sort of providential intervention in behalf of the people of the United States. Mr. Law's questions will set people to doing some sober thinking, for they admonish us that we may lose sight of some of the higher opportunities of the times in our eagerness to earn profits.

Discussing "The Economic Effects of the War" in a recent address, Hon. George E. Roberts, former Director of the Mint, and now assistant to the president of the National City Bank, New York, said:

"At the close of the war our position will depend upon what we have been doing while we have had the field to ourselves. If we have diligently and intelligently improved our opportunities in foreign fields, we should be able to hold at least a part of what we have won, but we will be challenged everywhere by experienced and aggressive rivals. Great Britain and Germany will attempt to recover whatever ground they have lost. Heretofore they have commanded a great foreign business by reason of their ability and willingness to supply capital for new enterprises, the capital going out mainly in the form of equipment and supplies. Notwithstanding tight money at home, it is safe to say that as soon as the war is over this business will be resumed, and a way will be found to finance it."

Doubts must arise about the manner in which we are taking advantage of the opportunities to which Mr. Roberts refers. Some attempts have been made to extend our banking facilities to foreign

fields, and in this important movement the bank with which he is associated has taken the lead.

Should our local situation become affected to a very important extent by speculation and inflation, as now appears probable, the ability of the United States to export goods will suffer.

Turning to another phase of the European war, Mr. Roberts said:

“It would be some compensation for the losses inflicted by the war if out of its experiences there might come a better appreciation of the genuine community of interests that exists in the modern world. When this is understood it will be seen that no nation is in the way of any other nation or can ever be injured by the prosperity of any other nation. The richer each nation becomes the more capital it has to invest, the greater its powers of production, the more helpful it is to all the rest of the world. And so within our own borders we are interested in those enlightened policies which will promote the greatest possible efficiency in our entire population.”

This is the enlightened view, but whether it will come to prevail after the war ends may depend upon circumstances. Should one side win an overwhelming victory it might lead the winner to conclude that war is a profitable thing to be undertaken whenever there exists a prospect of gaining rich territory or a big indemnity.

ALLEGED EXTORTION BY BANKS

FROM a “Synopsis of an Address of John Skelton Williams, Comptroller of the Currency, at the Annual Convention of the Kentucky Bankers Association, Frankfort, Ky., October 6, 1915,” the following most interesting matter is taken:

“John Skelton Williams, Comptroller of the Currency, spoke here today before the annual convention of the Kentucky Bankers Association. In his address he gave special attention to criticisms of his office and of the administration of the Treasury Department made by Senator Weeks, of Massachusetts, before a recent gathering of Michigan bankers. Senator Weeks had complained strongly

against the action of the Comptroller and the Treasury Department in attempting to regulate the rates of interest to be charged by bankers and said that the rate was a matter for each banker to determine for himself. Mr. Williams took this remark as a text and declared it to be evidence of the Senator's ignorance, heartless disregard for the welfare of debtors or absolute lack of understanding of the needs of the country and of care for the future. He challenged Senator Weeks to suggest an inquiry into the conduct of the Comptroller's office in the matter of the regulation of interest rates of which he had complained, and to come before the country in advocacy of unrestrained interest rates and have all the facts and official records spread before the people.

"Comptroller Williams detailed the course of his office during the period of threatened stringency last year while the stock exchanges were closed and it was impossible for holders of securities to realize on them. He said that he had insisted that at such a time banks should not raise and maintain excessive rates of interest and imperil the entire business structure of the country by forcing failures and causing distress to business men caught by an unprecedented emergency. The evil of excessive and unlimited interest charges by national banks, he said, is not confined to the business centers, but is most oppressive and destructive in the more remote sections of the country. Without mentioning names or indicating exact locations, he said that detailed reports sent by national banks to the Comptroller's office showed that some banks were lending money in sums of from three to twenty-five dollars and charging interest ranging from fifty to 2,400 per cent. per year, and demanding ruinous rates on larger amounts, even to thousands. He quoted letters of complaint received at the Comptroller's office protesting against publication of the rates charged by the reserve banks because they tended to incite borrowers from local banks to demand cheaper rates than they have been paying. He mentioned one hard luck complaint which, he stated, came from a bank which has been paying stockholders average profits of fifty per cent. a year. The Comptroller was very emphatic in declaring that the policy of the Administration and of the Treasury Department is to encourage and stimulate in every lawful way legitimate investments, enterprise and business. He urged, however, that bankers who violate

the usury laws and take advantage of the necessities of the people should be restrained and, when necessary, exposed and punished.

“The evil of usury, the Comptroller said, is especially prevalent in the West, Southwest and Northwest, and is more cruel and ruinous in the agricultural sections than elsewhere. He gave figures from the census to show that farmers are becoming more migratory and suggested that many of them are brought under the hand of the sheriff or forced to sell what they have and move from place to place because of the extortion of local banks, and maintained that the Government has no higher function or duty than to protect ignorant, helpless industry and honesty. He declared that the Treasury Department will do all in its power to protect the small borrower pending the establishment of a system of rural credits, which he predicted as a logical and inevitable development of the near future. He warned his hearers that the system of allowing banks to charge interest according to their own wishes or the necessities of the borrowers would develop a spirit of anarchy, socialism and revolution and create a growing feeling of hostility against wealth and capital. He cited reports of banks to show that some of those charging exorbitant rates of interest took advantage of the honesty of their customers and of their own monopolies of the local money supplies, their books showing their losses on the loans on which the enormous and usurious rates were charged in hundreds of banks amounted to a fraction of one per cent. of the money thus loaned. ‘Interest of 300 per cent.,’ he said, ‘will make more anarchists than all the I. W. W. orators who can howl and create more hatred of property and corporations than all the demagogues who shout over the country.’”

Lest anybody get unduly excited about this, we had better cool down some of Mr. Williams’ heated rhetoric. Turning to the Annual Report of the Comptroller of the Currency for 1914, Vol. II., p. 752, we find that the dividends paid by national banks for the year ended June 30, 1914, averaged 11.37 per cent. on their capital, and that the dividends in the group of Southern States were 10.57 per cent. on the capital. Of course, computed on the surplus, which is substantially a part of the capital, the dividends would be much smaller. That a return of less than twelve per cent. on banking capital is not exorbitant compared to profits in ordinary enterprise will probably be conceded by all fair-minded persons. Dividends of

the State banks for the same period were slightly below those of the national banks, or 10.02 per cent. Stock savings bank dividends were still lower—9.84 per cent.—and loan and trust company dividends were 12.70 per cent. Private bank dividends were 13.90 per cent.

These figures are furnished by Mr. Williams himself in his official report for 1914.

If we take the earnings and dividends of the national banks from 1870 to 1914 the showing is very much less favorable.

The same volume from which we have already quoted gives, on page 218, this information:

*National Bank Dividends, Net Earnings and Ratios, Average
Forty-five Years.*

	Per cent.
Dividends to capital	9.33
Dividends to capital and surplus.....	6.53
Net earnings to capital and surplus.....	8.64

The fair measure of the dividend returns on the invested bank capital is therefore seen to be only a little over six per cent. This fact—taken from the official report of the Comptroller of the Currency—is a complete rebuttal of the vicious assault made upon the banks of the country by Mr. Williams.

But this is no defense of the case of isolated banks that are charging exorbitant rates for loans. The Comptroller, however, by giving unwarranted prominence to these exceptional instances, has lodged in the public mind the thought that banks generally are bleeding the people. Why did he not state the truth, as we have stated it, and from the official reports of his own office? Was he merely playing the demagogue's trick of trying to stir up hostility towards the banks as a means of manufacturing popular sentiment in favor of a further intervention of the Government in the banking business?

To get down to the real problem involved in this matter, let us divest ourselves of heat and look at the situation with calmness and judgment. Let us assume that some banks do actually charge the rates of interest mentioned by the Comptroller. What is the reason? Is it not because the applicant for the loan lacks the substantial elements of banking credit? Bank deposits, as a rule, are returnable on demand. What right has any one to expect a loan

from a bank if he belongs in the class whose loans are practically never repaid?

The real problem here lies outside the domain of banking. What is needed is some philanthropic agency that will help to lift the person who lacks credit out of that class and place him among those who demand and receive bank accommodation at normal rates. Or it would be still better could every individual be brought to the realization of the fact that by the exercise of his own industry and thrift this is a service that he may render himself whenever he chooses.

SAVINGS BANKS CENTENNIAL

NEXT year will mark the one-hundredth anniversary of the establishment of savings banks in the United States, an event which it has been proposed to commemorate by an appropriate celebration, probably in New York city. An outline of the programme of the proposed celebration was presented by V. A. Lersner at the recent meeting of the Savings Bank Section of the American Bankers Association.

The savings bank has been such an important factor in the country's development and prosperity that the celebration of the centenary of its establishment would seem worthy of attention by banking men and the public at large. Such a convocation would bring together a number of those most prominently concerned in savings bank work and would, as Mr. Lersner suggests, direct attention to the desirability of conducting a general thrift campaign throughout the United States. No work is more needed in this country today, and those who are laboring to spread abroad among the people a better understanding of the value of thrift are rendering a great public service.

The knowledge of the excellent character of the mutual savings banks here in New York is less widespread than it should be, and many persons annually lose considerable sums because they do not know of these sound and safe institutions. Perhaps the same thing

is true, though to a smaller extent, in other parts of the country, though in other sections the savings banks are rather more alert in making their strong points known to the people.

But the suggestions made by Mr. Lersner look to something much broader than mere bank advertising and contemplate bringing home to the people the value of thrift in the conduct of their affairs. Warnings come from the best economists that the demands made upon the world's capital supply for enlarged government loans on account of the European war will tend toward a falling off in the amount of capital available for industrial purposes. If our people work harder and save more we may to some extent avert the calamity which would follow any general shutting off of the flow of capital into industrial channels. But even if these warnings should prove groundless, there can be no question that as individuals and as a nation we shall be the gainers by inculcating in the minds of the people a better understanding of the value of thrift.



The War in Europe as an Agent of Economic and Moral Regeneration

By CHARLES THOMAS GREENE, Financial Editor "Brooklyn Daily Eagle"

THE devastating war in Europe will not have been fought in vain if certain well-defined results are attained. The more obvious of these are political in their nature. Broadly speaking, they are expected to make the pursuit of happiness more secure from interruption, whether it be among the allied peoples or among the Teutons and Turks. The less obvious but the more important are moral and economic, and because real happiness is to be found only in that sacrifice that knows no enemies, the burdens that war

is now piling up for the peace that is to follow cannot fail to revive interest in the spiritual.

After men have enjoyed prosperity for a time, their thoughts become so engrossed in creature comforts that they give little heed to the things of the spirit. It is all very well to strive to render one's passage through life easy and pleasurable by removing physical obstacles, enlarging human limitations and devising new sensations; but the very virtue which these processes possess—that of making the flight of time

imperceptible—is likely to deaden our spiritual perceptions, so that we are apt to become heedless of “those things that come after the physical.”

It is not at all strange that the clergy these many years should have deplored the waning interest in religion, or that our economists should find in the apparent growth of godlessness as measured by the decline in church membership a fertile cause for the prevalent social unrest. Indeed, it has been advanced more than once lately that the war in Europe was fomented by monarchists and capitalists to stave off the day when socialism and syndicalism should reign supreme—two isms that, in many minds, are associated, however unjustly, with paganism, if not atheism.

There is no doubt, however, that since the declaration of war, more than a year ago, there has been more fervent praying in the world than for years. Trials and tribulations, hardships and dangers seem to be about the only effective chastisement, because they are really chastening, and not punitive.

We had really become stiff-necked from fixing our attention unalterably upon material things; but now we are presently to become conscious of our error, for sweet peace will give us, first the time to contemplate, and then the opportunity to repair the wastage that our recklessness has occasioned.



STRAIN ON THE WORLD'S CAPITAL SUPPLY

DURING the past twenty years the promotion of joint-stock enterprises has been upon the most elaborate and stupendous scale ever witnessed. Alfred Neymarck, the distinguished French statistician, estimated the total of negotiable securities in existence at the beginning of 1913 at \$170,000,000,000. During the five-year period, 1906-1910, the output of new securities reached unprecedented proportions, being about \$23,000,000,000. During

1911 and 1912 about \$7,500,000,000 new securities were put out, not including refunding operations and conversions, while for the year 1912 alone the total was about \$1,000,000,000. Deducting \$12,000,000,000, which represented governmental securities outstanding at that time, a total of \$128,000,000,000 remains, representing the corporate capitalization of productive and distributive trade at the beginning of 1913.

During the first half of 1914 new financing was not on the heavy scale of the years immediately preceding, and so far as private financing is concerned, the declaration of war the latter part of July, 1914, put the quietus upon it completely. Since then the terrific drain which the war is entailing upon the economic resources of all the belligerents is to be measured in part by the startling increase in governmental borrowings. Indeed, that the stage had been setting for a world conflict is suggested by the fact that from 1900 to 1914 inclusive eight nations—Russia, England, Germany, Japan, the United States, France, Italy and Austria—had appropriated the stupendous sum of \$25,678,437,582 for the construction, development and maintenance of their engines of war. If the expenditures of various other nations were added, the total would be much in excess of \$30,000,000,000. This is about seventy-five per cent. of the entire amount estimated by M. Neymarck as having been invested in government securities at the beginning of 1913.

Since the declaration of war, a little more than a year ago, national borrowings, including the latest German credit of 10,000,000,000 marks, total no less than \$18,000,000,000. In other words, the indebtedness of governments at the end of the first year of the conflict has been increased forty-three per cent. This computation, of course, includes the debts and post-bellum increases therein, of neutrals as well as belligerents.

The wonderful growth in the world's commerce and industry during the two decades immediately preceding the dec-

laration of war had already placed a severe strain upon the world's capital supply; it will be nothing short of a miracle if world-wide bankruptcy does not ensue from the present struggle, for even neutrals cannot hope to escape, except by heroic efforts of prevention.



SAVINGS MUST BE INCREASED

THE source of the world's capital supply is national savings. It has been estimated that these savings in recent years have approximated \$4,000,000,000 annually; hence one year of warfare has already consumed an equivalent of nearly five years' accumulation. With production in the belligerent countries seriously interrupted by hostilities owing to the diversion of their most efficient agents of production to the wanton task of destruction, and with their number slowly being reduced by shot and shell, the total savings of the world during the next few years will be considerably smaller than \$4,000,000,000 per annum, so that the financial requirements of one year of warfare are equivalent to the possible savings of a period much longer than five years.

Indeed, if commercial and industrial initiative is not to be arrested during the next twenty years through the lack of available capital, the practice of real economy, genuine thrift, must be commenced at once. Each one of us, therefore, should immediately institute some system of savings, of adding our quota to the cost of reconstituting peace after the war in Europe is over.

To be effective, the determination to save must be deliberate and the effort conscious and continuous. It is not enough to lay aside only that for which we have no present need, for our needs are likely to be progressive even though our income remain stationary. We must actually spare and save; do without something less important so as to accumulate its equivalent in monetary value to be used in activating

something more important. Such conscious and systematic saving cannot fail to have a highly beneficial effect upon human character, so that at the time we are increasing the world's material, we are also strengthening its morale.

Many, I know, rebel against anything that savors of system, and when it comes to a question of increasing conscious effort they banish the thought of it as a reversion to the practices of a less refined state of society; but despite this revulsion against routine and rut, the majority of us really find our greatest pleasure in the regular recurrence of acts and events.

This is proven by our enjoyment of the regular cadences of poetic diction, of the tempo in music, the antiphony of light and darkness and the regular sequence of the seasons. We even speak of the "round of pleasure" and the "round of duties." And this is so because we are created as we are. In other words, our most satisfying emotions are based upon a physiological fact—the regular beat of the heart. The unit of time upon which both the measures of poetry and music are founded is the interval between two heartbeats.

System, then, being a natural standing together, as its etymology signifies, an orderly array of things so circumstanced as to be nicely interdependent, is the foundation of all rational acts. Knowledge that is not systematic is of little use. It is erratic, irregular and does not possess a sense of perspective or an appreciation of proportion. In other words, it is apt to be but a conglomeration of facts in which their interrelation is nowhere apparent or appreciated. It is absolutely without any humanizing force.

Nearly everybody feels that he ought to save, even in normal times; but few act in accordance with such conviction, largely because they do not realize its relation to the general scheme of life. Perhaps it has never occurred to them that a savings account is to the individual what a surplus is to a corporation—an utter necessity if

any hopes of success are entertained by its founders. Incorporators of legitimate enterprises take the precaution not only of having a paid-up capital, but also a paid-in surplus before they undertake to do business. And during the first few years of operation the best endeavors of the officers are directed towards earning additions to their surplus fund. Distribution to stockholders is postponed until a margin of safety above actual and contingent cash requirements is reached. Then the rate of distribution is not based upon the whole amount earned, but only upon the remainder after a fixed percentage has been deducted for transfer to the surplus.

The surplus item in any great corporation, whether it be industrial, fiduciary or whatnot, is the measure of its stability and responsibility. Against whatever may eventuate tending to destroy that which has been erected with so much pain and labor, the reserve in the surplus fund measures the power of resistance.

The surplus of the American people, as measured by the savings deposits in all classes of banks, according to the latest report of the Comptroller of the Currency, is not less than \$7,312,291,113, classified as follows:

	Number of Depositors.	Amount.
Savings banks.....	11,109,499	\$4,936,591,849
State banks	3,500,000	671,995,219
Private banks	200,000	25,983,354
Loans and trust companies	3,300,000	1,034,906,721
National banks ...	3,000,000	871,634,485
Total	21,009,499	\$7,272,045,525
Postal savings deposits	388,511	40,245,588
Grand total ..	21,398,000	\$7,312,291,113

In addition to the above one should include the vast sums of money invested in various forms of life insurance in this country and also in shares of savings and loan associations. The number of life insurance policies in force at the close of 1914 was more than

39,800,000, providing protection to the amount of more than \$21,456,000,000. The assets of the 6,429 savings and loan associations in the United States are estimated at \$1,248,479,139, in which 2,836,433 individuals are interested.

Including the membership in the savings and loan associations in the United States and counting one life insurance policy to a person, which is excessive, 639 persons out of every 1,000 in the United States are proprietors of savings in some form.

Were statistics showing the equities of American householders readily available, we could also include that part of the people's surplus that has been put into homes. Suffice it to say, however, that out of the 20,255,555 families estimated to be resident in the United States, 5,984,284 own their own homes "free and clear," while 2,931,695 have partial equities in their dwelling places. In other words, about forty-three per cent. of all American families have put a part of their savings into their own homes.

But eliminating all forms of savings not subject to call by their owners, which confines us to a consideration of the totals contained in the foregoing table of savings deposits in banks and of the number of depositors, we find that only twenty-one per cent. of the country's population possesses a really liquid, surplus available for investment. This is little more than half the percentage reported by England as having deposits in the United Kingdom's savings banks alone, exclusive of savings accounts in other banking institutions; and thrift among the English working classes is less marked than in any of the ten leading European countries.

These ten leading European countries averaged 373 savings bank depositors per 1,000 of population prior to the outbreak of the war, while our average was only 110. Switzerland headed the list with 554. Then came Denmark, with 442; Norway, with 415; Sweden, with 404; Belgium, with 397; France, with 346; Netherlands, with

325; Germany, with 317; England, with 302, and Italy, with 228.

Dr. Henry Smith Williams calls attention to the fact that the population of the United States is greater than the combined populations of England and France; yet these countries together had before the war more than 27,000,000 savings depositors, while we have today, including those with savings on deposit in banks other than savings institutions, scarcely more than 21,000,000. He also says:

"Now, note this suggestive sequence. Of the four great industrial countries of the western world, France has the lowest scale of wages and the highest percentage of savings bank depositors (34.6). Germany has a slightly higher wage scale and a slightly lower savings bank percentage (31.7). England has a wage scale still higher and a savings bank percentage correspondingly lower (30.2). America has by far the highest wage scale and by far the lowest savings bank percentage.

"Trade for trade, the American wage scale is often not far from three times the French scale. Contrariwise, the percentage of savings bank depositors is three times as great in France as in America. This may be a coincidence, but it is, at least, a suggestive one. The fact seems strongly to suggest that extravagance grows and thrift decreases with the increasing wage scale."

Dr. Williams based his argument upon the number of depositors in savings banks alone, but it loses little force when viewed in the light of the figures quoted in the foregoing table, especially when it is noted that one-third of our savings depositors and one-half of our savings are found to be in the mutual savings bank of New York and New England.

While it is a recognized principle of economics that as a country improves

its civilization it increases its wants, we, in our craze for the luxuries of our high state of civilization, have developed a vice which is distinctly American—extravagance. Without going into the merits of other contributing causes, there is no doubt that extravagance has been, in a large measure, responsible for the high cost of living in this country during the past few years, and unless the habit is corrected it will seriously aggravate the further rise in prices which is sure to follow in the wake of the European war. It needs no argument to convince anyone that American extravagance is the primary cause for the small number of American savings bank depositors.

If extravagant expenditures were confined to those who could afford them, wasteful as they are, the results would not be so disastrous; but, remarkable as it may appear, from available figures it is fair to assume that exclusive of tourists expenses abroad, which are conceded to be borne by those who have sufficient means, a sum larger than the national debt is being wasted each year largely by people who cannot afford it.

It is not altogether true, then, that much of the prevalent social unrest and waywardness in this country is due to underpaid labor, as the Walsh commission report suggests, but rather to the lack of thrift among our working people. If the hardships that the present conflict in Europe will impose upon neutrals and belligerents alike in the years to come result in conscious economy, bodies enervated by and minds engrossed with the luxuries of the past few decades of material prosperity will be strengthened and purified. And because such a reformation is basic, that the superficial results of the war may prove disappointing to some or all of the peoples concerned is not worth considering.



The Human Element in Banking

By CHARLES D. JARVIS

THE proper and efficient utilization of the human element in manufacturing and other business activities is the "open sesame" to success.

The above statement applies to bankers and banking, not excluding the youngest messenger or the president of the largest bank in the United States. A year ago the writer had the opportunity of making an extensive trip through New England, the Middle Atlantic States, the Central States and the Great Northwest. Amid the keen struggle for business, which is characteristic of most of the New York banking institutions, the writer soon realized that the business of banking was much the same as any other business—its growth being gauged largely by the amount of human element infused into the organization by the executives and other employees of a successful financial institution. In New England and in some parts of the Atlantic States, however, apparently the cold, puritanic spirit still throws up a barrier between bank and client. Further west, and particularly so in the great farm regions of the West, an altogether different spirit evinces itself.

Sectionally studied the country apparently divides into three psychological banking states of mind. In New York city a tense "get-it-any-way-but-get-it" spirit of banking methods so characteristic of all activities in the great metropolis, a comparative lack of humaneness, but a keen, unremitting effort to get all the business in sight. In the New England States a cold, withal courteous, attitude of "here we are; if you want help apply between ten and

three and your case will be considered."

In the West (and the writer is not a western man) the banker and his organization are yet so young that he and his colleagues have not grown apart from the people. Bill Smith may be the president of a great financial institution, but he considers it an asset to be known as "Bill Smith" rather than W. Montgomery Smythe, etc., the great financial mogul of the West."

These observations are based on a



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study of hundreds of different representatives of these three types of banks.



IRON BARS, CAGES AND CELLS

A STUDY of customers of national banks and trust companies, as well as savings banks, however, brings the conclusion that the good-will asset, so valuable in other industrial activities, has been appreciated in the West to a far greater extent than in the East. But there is even greater opportunity for improvement.

For instance, has the experiment ever been tried of eliminating between the customer, particularly the depositor and the teller, the heavy iron bars of the average teller's cage (cell)? Go yourself to the ticket window of a theater or railway station and notice the innumerable instances of an unconscious antagonism arising between the purchaser and the seller. The glass window, with an inch space at the bottom to squeeze through the money and the ticket, is a barrier and its effect is not only physical but psychological. In the border days undoubtedly a series of iron bars and cages were necessities, but the modern bank with its manifold safeguards might possibly do away with this relic of the early forties.

In some biography of a successful man there is a statement that one reason for his success was his ability to say "no" in such a way that it seemed almost a half "yes," yet carried with it a positive finality. If it is impossible to grant a man a condition there is a way of stating this impossibility that will take the sting out of the refusal. There is a way of saying "yes" that is different from the begrudging, condescending, half-hearted manner that some bankers adopt with their customers—there is a way of refusing a man and in many instances keeping his friendship. One "knocker" of a bank, burning with a feeling of injury and injustice, will have a definite influence on

the bank's success. Indeed, it behooves the banker more than any other business man to "put yourself in his place."

Again, confinement to the narrow quarters of a cage, separated from friends, or would-be friends, by a series of iron bars, cannot but in a period of years have its influence on any teller. Suppose as a depositor you go to an institution where a large number of people deposit small sums of money, and at certain hours of the day, say a hot day in July or a rainy, sticky muddy spring day, the paying teller, doing his best to move the crowd, is besieged with all sorts of inane and foolish questions. After you have been standing in line for half an hour, growing more impatient every second the climax is reached at the window, the paying teller harassed and warm, you impatient and aggressive,—you storm or snap at the face behind the bars,—human nature in the teller cannot stand the strain, sparks fly and antagonism instead of mutual good-will marks the transaction.

Possibly the solution of this question, which is only one of the many methods by which good-will can be obtained and kept by bankers, is some way of doing away with the iron bars. It may be that such a suggestion is not worthy of the consideration of bankers, but if there is any earthly way of protecting the bank and at the same time tearing out this barrier between depositor and teller, I verily believe that one-half of the knockers will be turned into boosters.



BANKS MUST KEEP CLOSE TO THE PEOPLE

THE profession of banking—the business of receiving and lending money, of selling credit, is a dignified one, but it is a *business* and as such the human element is of the greatest importance in these days of rivalry among banks. That institution which can keep close to the people, the banker (and by

such a term I mean the employee in all departments of the organization) who can meet his customer as man to man, can maintain his temper in critical circumstances, who can "see the other fellow's side," who can be "Bill Smith" and still maintain his dignity as a gentleman, must succeed. The good word will go out through the community. Genuine, courteous human sympathy, available at all hours (and such a human sympathy can be expressed without a mawkish, hypocritical, ingratiating manner) is more of an asset than two newspaper columns of directors.

If bankers could only visualize their institution (of course referring more particularly to commercial institutions which expect to pay a reasonable dividend to stockholders) they would organize their staff as completely as the typical successful selling organization in other activities. The keynote of such an organization would be that much abused word "service." The more completely the ideal service is furnished the surer is the success of the institution. In a city where there are a number of financial institutions all rendering an identical or similar service, that institution which genuinely shows a human interest in its clients, whether or not it be the strongest financially, is the one that will grow the most steadily. It all comes back to the word "courtesy." Simply because a man wears a slouch hat which apparently has weathered several seasons, his shirt a rough flannel, his coat worn, there is no license for a fresh young ten-dollar-a-week clerk with a striped tie and the latest style collar, to sneer or show contempt before the customer. Some men can afford to dress as they please, and the customer may be one of them.

If some unlettered foreigner, struggling to gain a foothold in the new land, burning with a desire to succeed and almost tearfully welcoming any expression of interest, is treated as a man, he spreads the news abroad.

It is unfortunate that the officers of financial institutions, provided they are able to get on the same ground as their

customers, cannot be constantly in touch with each customer. Of course, this is an impossibility in a large institution, but the executive can impress on the employees of the institution the necessity for courtesy and consideration in dealing with all classes of customers. The wealthy client will naturally receive consideration, the poorer client may not. But the success of the institution depends on the good-will of the poorer client for the day may not be far away when the poorer may become the richer and have friends and neighbors, totaling in any community by far the greatest number of all possible customers. Whereas one wealthy client may be lost by lack of consideration shown, if a poorer customer is lost and he departs in anger, the leaven of his discontent works among his friends and neighbors, to the great harm of the bank.

By "courtesy" I do not mean the doing and saying of those things that come simply in the line of the day's business, but the ability to sense and appreciate the little additional courtesies that make for good-will. In institutions of moderate size it is possible for one man to become intimate with the affairs of a large number of clients, it is possible to gain the confidence of customers and see ways for extending the service and increasing the bank's sphere of action.

A complete service requires that the bank shall inform present and prospective customers of the service provided; it should breathe courtesy through every letter and advertisement issued, and such public promises should be backed up by performance. When the customer calls what avails if a bank shout from the house-tops that service and courtesy are the rules of the institution, if a fish-eyed clerk, just waking up from a brief nap, taken after hours of revelry, vents his venom on the poor suffering customer who may ask a question in all honesty and sincerity, but which in the mind of the clerk is abject idiocy? There are tricks of the trade in banking as in any other business. When a man seeks to broaden his knowledge by asking a question, he is entitled to a civil

answer, and if in the institution there is no one to spend sufficient time to answer such questions, the organization is inefficient.



A PLEA FOR MORE HUMANNESS IN BANKS

THIS is a plea for more humanness in banking; in short, the creed of the modern banker should approach the ideal of being the "father confessor" of business. Troubles, financial, legal, indeed in many instances marital, grow to a confusing climax in the day's work.

Just as a successful automobile service station employs a "trouble man," so should the modern bank through its head or one specifically employed for the purpose, endeavor to get under the customer's shell, find the man, find the trouble, and set him going on his way tuned and primed with the sense of service rendered.

The days of cold storage banking are past, the day of kindly human sympathetic interest in the customer is dawning. The banker who sees the light, who manifests a warm cordiality and who is fortunate enough to "get in tune," is bound to make and keep friends—and on our friends we depend for success.



Some Points About Negotiable Instruments

By WALTER H. WOODWARD

BANK tellers, both paying and receiving, have to do with negotiable instruments—checks, notes, drafts, bills of exchange, etc.—and are expected as a matter of course to be familiar with the handling of them. But the average business man is also confronted with the problem almost daily and he is not so likely to be equipped with a thorough knowledge of the liabilities he incurs by his daily endorsement of negotiable paper. It is a surprising fact that many bank men are not so well acquainted as they might be with the intricacies of the laws governing endorsement of bills and notes and the liabilities of the various parties. It is my intention to go into the matter as briefly as is consistent

with clarity and thus help to afford an understanding of a troublesome subject.

In the first place, as we are to deal with negotiable instruments, it will be necessary to understand just what requirements must be conformed to in the note:

1. It must be in writing and signed by the maker. The writing may be in pencil.

2. It must contain an unconditional promise or order to pay a certain sum. (But the order to "pay from such and such an account" is conditional. It would be unconditional if the "such and such an account" were appended to the signature of the maker.)

3. It must be payable on demand or at a fixed future date.

4. It must be payable to order or to bearer.

5. If addressed to a drawee, he must be named.

The negotiability of an instrument is not impaired, however, by the omission of:

1. The date.
2. Statement of value.
3. Place of payment or drawing.

A paper is payable on demand:

1. When it reads pay on demand or at sight.

2. When no time for payment is expressed.

A paper is payable to order:

1. When drawn to the order of a person or his order (the payee must be named or indicated). A paper is payable to bearer when so expressed.

2. When drawn to a person named or bearer. ("John Doe or bearer.")

3. When drawn to the order of a fictitious person.

4. When the last endorsement is in blank.

With reference to number two, above, John Doe need not endorse in order to negotiate. In the case of any discrepancy, the written words always take precedence over figures. If interest-bearing the interest is computed from the date of issue; i.e., the date of the instrument. If the paper lacks a date it shall be considered as dated from the time it was issued. If a portion of the instructions or provisions are printed and part written the written portions shall, in case of conflict, be given preference. Any signature so placed upon an instrument as to leave a doubt as to the capacity of the signer is to be considered an endorsement. For instance, John Doe, signed across the face of a paper, indicates him as an endorser. Endorsements may be legally made by an authorized agent. Agents should sign their principal's name first followed by their own name as agent. The agent is not then personally lia-

ble. If, however, the agent sign his own name and merely adds words describing himself as agent he makes himself liable.

"Per Pro." is the abbreviation for "by procuration," and one so signing expresses himself as possessing only a limited authority, and the person for whom he signs can be held liable only if he acts within that limited authority. Bankers or others accepting paper so signed or endorsed should inquire into the extent of the alleged authority.

A check or note is negotiated when it is transferred from one person to another in such a manner as to make the recipient the lawful holder thereof. If payable to bearer it is negotiated simply by delivery. If payable to order negotiation is effected by endorsement and delivery. A mere signature is an endorsement without the addition of any other words. To effect negotiation the endorsement must be for the entire amount of the instrument. (Except when a part of it has already been paid, the remainder may be negotiated.)



KINDS OF ENDORSEMENTS

THERE are five kinds of endorsements.

1. Special endorsement. This specifies the person to whom or to whose order the instrument is payable. This person must endorse, also, to further negotiate the paper.

2. Endorsement in blank. This specifies no person, is payable to bearer and is negotiable by delivery.

3. Restrictive endorsement. This prohibits further negotiation. It may also constitute the indorsee an agent for the endorser, or instruct him to act in trust for another. "Pay to the First National Bank only" is restrictive and prohibits further negotiation. An endorsement constituting a bank or banker an agent is the common form used for the purposes of collection.

4. Qualified endorsement. This is made by the addition to the endorser's

signature of the words "without recourse" and merely operates as an assignment of the title to the instrument. This form of endorsement in no way impairs the negotiability of the paper.

5. Conditional endorsement. In this case the party paying the instrument may disregard the condition and pay either the endorsee or his transferee. It may be impossible to ascertain whether or not the conditions have been fulfilled. The rights of the person endorsing conditionally are, however, protected, because the party to whom negotiation is made is held responsible.

In cases where paper is made payable to bearer and endorsed specially to John Doe the same may be further negotiated simply by delivery.

Paper made payable to the order of two or more parties, not partners, must be endorsed by all of them. (Unless one has the legal right and power to endorse for all.)

Where a check is drawn payable to a person as cashier of a bank it is considered as payable to the bank and may be endorsed either by the bank or by the cashier.

A representative or agent may endorse so as to relieve himself of personal liability.

It is always taken for granted that all endorsements were made prior to the date of maturity. (Unless otherwise indicated by dated endorsement.)

It is also taken for granted that all endorsements were made at the place where the paper was dated. An endorsement in Massachusetts of a paper due and payable in New York is considered a Massachusetts contract.

A paper may be negotiated back to a prior endorser who may then further negotiate the same, but he cannot force payment from any intervening party to whom he was liable.



LIABILITY

THE maker of a negotiable instrument is liable for its payment according to the terms mentioned, and admits the existence of the payee.

The drawer is liable for payment or acceptance on due presentation, and for payment to holder if dishonored.

The acceptor, by his acceptance, is liable for payment, admits the existence of the drawer, the genuineness of his signature and his capacity and authority to draw. He likewise admits the existence of the payee.



PRESENTATION

PRESENTATION, to be legal, must be made by the holder (or his agent).

1. To the person primarily liable (or someone found at the place of presentment).

2. At a reasonable hour on a business day.

3. At the place described in the instrument (or the usual place of business or residence).

4. In cases where the paper is payable at a bank it must be presented during banking hours, except that if payment be refused for lack of funds it may be presented again before the bank closes its doors for the day.

5. In cases where the debtor is deceased presentation should be made to the nearest representative, provided there be sure proof of death.

6. In cases where the debtors are liable as partners, presentation to any one of them is valid even though the firm has been dissolved.

7. In case the persons liable are not partners, and the place of payment is lacking on the instrument, presentation must be made to all of them.

Delay in presentation is excusable when caused by circumstances beyond the control of the holder, provided the holder be not negligent.

Presentation may be dispensed with when the drawer is a fictitious person or when waiver of presentment is expressed or implied.

An instrument is considered dishonored by non-payment when it has been duly presented and payment has been

refused or when presentation is automatically excused and payment has not been made in due time.

In figuring time on a note payable at a fixed period after date, the day of payment is included and the date of the instrument excluded.



DISCHARGE

AN instrument is considered legally discharged:

1. By due payment.
2. By cancellation by the holder.
3. By any act which would discharge any other contract for the payment of money.



ALTERATION

IN the matter of alterations, they are material if any of the following are changed:

1. The date.
2. Sum payable (principal or interest).
3. Time or place of payment.
4. Number or relations of parties.
5. Medium in which payment is to be made.



NOTICE OF DISHONOR

WHEN a negotiable instrument is dishonored notice of the same must be given to the drawer and to each endorser, and such as are not notified are discharged. This notice may be given by the holder or his agent (notary), orally or in writing, or by any party to the instrument who might be liable for payment to the holder. In giving notice the instrument must be described so as not to mislead the recipient of the notice. Where any party is dead, the notice must be given to his nearest representative or sent to his last

place of residence or business. As in the case of presentation for payment, notice to any one partner is notice to the firm, even in case of dissolution, and notice to those not partners must be given to each of them. In cases of bankruptcy notice may be sent either to the principals or their trustees or assignees. Notices should be sent as soon as the instrument is dishonored, so as to reach the party notified before the close of the following business day. The sender of a notice is not responsible for delay or miscarriage in the mail. The recipient of a notice has the same time in which to notify antecedent parties.

Where any negotiable instrument has been dishonored it may be protested, but except in case of foreign bills of exchange it is not required. The protest must be annexed to the bill and must be signed and sealed by the notary making it. It must specify the time and place of presentment, the reason for protesting, the demands made and the answer given. The protest may be made by a notary or by a resident of the place where the bill was dishonored, in the presence of two witnesses. Protest must be made on the day of dishonor, and if protested for non-acceptance, it may be afterward protested for non-payment. Protest is dispensed with by any circumstances which would dispense with notice of dishonor.



CHECKS AND CERTIFICATES

ACHECK is a bill of exchange drawn on a bank, payable on demand, and should be presented for payment within a reasonable time after issue or the drawer is discharged from liability. When a man draws a check it is understood that he has funds in the bank to meet it, otherwise he is guilty of fraud and cannot insist upon a notice of non-payment.

Certification of a check by a bank is equal to acceptance, and in order to bind the bank must be in writing. Cer-

tification releases the drawer and all endorsers from liability, for a bank when it certifies a check immediately charges the amount against the account of the maker.

In cases of raised or forged checks the bank paying them is not liable unless the depositor notifies the bank within one year after the return of such check to him as a voucher.

THE author believes that in the foregoing treatise he has set forth clearly the chief principles of the law governing negotiable instruments. These laws have been accepted by and are uniform in more than thirty-five States and it is believed that the average banker and business man may safely allow himself to be guided by the brief review as given here.

Banking and Commercial Law

CASE COMMENT AND REVIEW

Loans on Savings Bank Books

A SAVINGS bank book is generally regarded as good for what is on it—or more, if accrued interest has not been credited. Banks of discount will freely lend upon such security, for it is generally as good as cash. The usual procedure is to take the check of the owner of the book, an assignment of the account and notify savings bank of the assignment. Some savings banks acknowledge the receipt of the assignment notice, while others will not recognize such transactions, giving passive assent only to the transaction.

Where the rule is rigid that payment will not be made without the book, the savings bank runs little if any risk: but if care is not used, such books may be assigned, and afterward reported lost or stolen, and payment obtained upon filing bond, advertising, affidavit of loss, etc., when risk attends.

Out of the many such transactions but few have ever brought banks into

court, for the transaction has been bona fide, and satisfactory all around.

In a current case (*Wickenheiser vs. Colonial Bank* in this issue) a pass book in the name of a deceased depositor was closed by the executor of the estate and a new book taken out in his own name, which was used as collateral to a loan in a bank of discount.

In the settlement of the estate action was brought against the bank making the advance, seeking to impress the claim of the estate upon the fund so pledged as prior to the claim of the bank making the loan.

Without reviewing the case in detail, which would be a repetition of the facts and the ruling, the court concludes that a bank making such a loan in good faith and without notice has good title; and that the savings bank, in making the transfer from the deceased depositor's name to the name of the executor, was within its rights, and the executor was also within his rights in asking that such transfer be made, and that the claim of the lending bank was good.

and the transfer valid. The recourse would seem to be upon the bondsmen of the executor.



Check on Savings Account in Bank of Discount

SAVINGS departments in banks of discount are now so general that it may be considered part of commercial banking to accept such accounts. The Federal Reserve Act recognizes such accounts, and the Federal Reserve Board has made explicit directions in regard thereto.

These deposits are generally evidenced by pass book, containing rules and regulations under which the deposit is received and to which the depositor assents when the account is opened. Among the rules is the one, quite universal, that the pass book must be presented at every withdrawal, and no check is good without the book.

It sometimes happens that a depositor will have a checking account and a savings account, and the bank must decide at times whether to honor his check when the regular account is short and the savings account sufficient to make the check good. The logical course would seem to be to charge the savings account with the check and waive the rule as to the presentation of the book. It also sometimes happens that the depositor will have but one account, the savings, and will draw his check without the book, and expect the bank to pay.

In this issue will be found a case where the depositor had no checking account, but drew a check on his savings account, knowing that it would not be paid without the book, which he gave to a friend to present at the bank for proper entry. Before this was done the check was presented and refused, and suit brought for damages to his standing by reason of the refusal to honor

the check. The check was returned with the notation "no account" thereon, which held out to the world the fact that there had been an attempt to draw against an account that did not exist. The court holds that the teller was not remiss in indorsing the check as he did, and that it was not his duty to ascertain if the drawer had a savings account before returning the check. The court, on the contrary, holds it to have been the duty of the depositor to send the book with the order, or cause the book to be at the bank when the check was presented. (See *Hartford v. All Night and Day Bank* in this issue.)



Deposit of Check in Drawee Bank

IN the acceptance of checks on deposit a bank is protected by the broad rule which follows indorsements, that if a check left for deposit is unpaid, it may be charged back. This rule is reasonable and just, for the depository bank has no means of knowing whether the check is good or not, and must make the credit provisionally.

But in crediting a check drawn on itself, the bank has the means of knowing for a certainty whether the check is good or not before it makes the credit, and it has been held that to thus credit a check is equivalent to paying it, and the credit cannot be rescinded.

A case involving this point is presented in this number, which has its own peculiar setting, and raises a point of caution in the receipt of checks drawn upon the depository bank, for such credit may well be construed into a form of payment, and it often puts the bank under the burden of proving that such a credit was not equivalent to paying the check. (See *Arkansas Trust and Banking Co. v. Bishop* in this number.)

Leading Cases

Indorsement

NEW YORK

Indorser's Liability—Set Off—Insolvency

Court of Appeals, New York, June 18, 1915.
CURTIS V. DAVIDSON.

The holder of a note may sue both maker and indorser, or either; and an indorser sued on his contract of indorsement is absolutely liable thereon, and the maker's solvency is not a defense.

Where an indorser is sued, he may set off against his obligation any debt which the holder of the note may owe him, since, where there are mutual debts, the amount due from one to the other is the difference between the demands. (109 N. E. Rep. 480.)



ACTION by Rensselaer L. Curtis, as receiver of the Atlantic National Bank, against Henry Davidson. From an order of the Appellate Division (16 App. Div. 597) affirming an order denying plaintiff's motion for judgment on the pleadings, plaintiff appeals. Affirmed.



STATEMENT OF FACT AND OPINION

SEABURY, J.: The plaintiff, as receiver of an insolvent national bank, sues the defendant as indorser upon 19 separate promissory notes made by various makers. The answer sets up by way of defense and counterclaim that at the time of the suspension of the bank the defendant had on deposit \$647.66, and offers to pay the amount of the notes sued upon, less this sum.

The Appellate Division has certified two questions to this court, to wit: (1) Is the separate and distinct defense al-

leged in the answer sufficient in law, upon the face thereof, as a defense to the cause of action set up in the complaint? (2) Is the separate and distinct defense pleaded in the answer sufficient in law, upon the face thereof, as a set-off or a counterclaim to the 19 causes of action alleged in the complaint?

While an indorser is said to be secondarily liable, the holder of a note may sue both the maker and the indorser or either. An indorser, sued upon his contract of indorsement, is absolutely liable thereon. It is not a defense for him to plead in such an action that the maker is solvent. When sued, the indorser stands for the purpose of that action in the same position as the maker, except that he is absolutely liable upon his contract of indorsement, while the maker is absolutely liable upon the note. In such an action against him he may set off against his obligation as indorser any debt which the holder of the note may owe to him. In this respect the maker and indorser stand in the same position. The allowance of such a set-off is not a direct preference, because, where there are mutual demands, the amount of the debt due from one to the other is the difference between these mutual demands. The fact that the indorser may, if the maker is solvent, be indemnified by him in addition to being allowed to set off the amount of his deposit against the insolvent holder, does not preclude the indorser's right of set-off. The possibility of a preference thus resulting to the indorser is speculative and uncertain. In order to defeat the indorser's right of set-off, it must appear that he has more than a speculative or uncertain chance of indemnity from the maker. When the indorser seeks equitable relief, and proceeds affirmatively against the holder of the note to have the indebtedness of the holder to him set off against his obligation to the holder, it may be that a court of equity would require that he give some satisfactory assurance that he will not be indemnified by the maker. Where the indorser is himself sued, he may

plead as a set-off the indebtedness of the holder to him, and the fact that the holder is insolvent does not deprive the indorser of his right of self-defense. In the presence of mutual demands existing between the holder of the note and the indorser, the debt due is the balance that remains after one has been set off against the other.

The party claiming that the debt due is more than the balance, which is the prima facie amount of the debt, has resting upon him the burden of proving the fact upon which his claim rests. In the case under consideration, upon the pleadings as they stand, the defendant was entitled to set off the amount due him from the bank. The authorities in this State, as well as in other jurisdictions, sustain the view expressed above. In *Matter of Receiver of Middle District Bank (1829)* 1 Paige, 585, 19 Am. Dec. 452, a receiver of an insolvent bank applied to Chancellor Walworth for instructions, and in answer to the question propounded the chancellor said that, if the real debtor was unable to pay, the indorser could offset his deposit with the bank, and added:

"But no such off-set should be allowed to an indorser, where he is indemnified by the real debtor, or where the latter can be compelled to pay."

This statement by Chancellor Walworth has been extensively commented upon and followed, and we think that it states the rule which still prevails in cases of equitable set-off, or in cases where a depositor proceeds against the bank in order to have the amount of his deposit set off against the amount due from him. In such a case the burden is upon the depositor seeking equitable relief to establish that equitably such relief may be given him. It has been repeatedly held that statutory provisions against according a preference to those having claims against an insolvent estate do not prohibit the allowance of a set-off, whether legal or equitable, which a debtor may have against the obligations due from him to the bank at the time of its insolvency. (*Armstrong v.*

Warner, 49 Ohio St. 376; *Receivers v. Paterson Gaslight Co.*, 23 N. J. Law, 283; *N. Y. County National Bank v. Massey*, 192 U. S. 138; *Scott v. Armstrong*, 146 U. S. 499; *Yardley v. Clothier (C.C.)* 49 Fed. 337, affirmed 51 Fed. 506, 2 C. C. A. 349.)

In *Hughitt v. Hayes*, 136 N. Y. 163, 167, 32 N. E. 706, this court said:

"While it is the general rule, in the administration of the estate of an insolvent, that equality among creditors is equity, it has never been decided, either under the statute of set-off or by courts of equity in applying the doctrine of equitable set-off, that the rule of equality among creditors requires courts to ignore the principle that only the balance, in case of mutual debts, is the real sum owing by or to the insolvent."

In *Scott v. Armstrong*, *supra*, it was said that:

"Where a set-off is otherwise valid, it is not perceived how its allowance can be considered a preference, and it is clear that it is only the balance, if any, after the set-off is deducted, which can justly be held to form part of the assets of the insolvent. The requirement as to ratable dividends is to make them from what belongs to the bank, and that which at the time of the insolvency belongs of right to the debtor does not belong to the bank."

In *Building & Engineering Co. v. Northern Bank of N. Y.*, 206 N. Y. 400, 99 N. E. 1044, which was an action in equity, the plaintiff, as accommodation indorser upon a promissory note, was liable to an insolvent bank, and at the same time had a deposit to its credit in the bank, and it was held that the plaintiff could elect to have such note become due at once, and require the bank to set off the same against the deposit in the bank to his credit.

The order should be affirmed, with costs, and the questions certified answered in the affirmative.

Order affirmed.

(109 N. E. Rep. 481.)

Deposit of Check in Drawee Bank

ARKANSAS

Acceptance of Check on Deposit—Liability of Drawee Bank in Accepting Check on Deposit—Evidence

Supreme Court of Arkansas, June 28, 1915.
ARKANSAS TRUST AND BANKING CO. V. BISHOP.

A bank in issuing a deposit slip for the amount of a check drawn on it, to the drawee of the check, has the burden of showing that the issuance of the deposit ticket was not in payment of the check.



ACTION by C. A. Bishop against the Arkansas Trust & Banking Co. From a judgment for plaintiff, defendant appeals. Affirmed.



STATEMENT OF FACT:

APPELLEE brought suit against appellant for \$25 in the justice's court, and from the judgment there against him appealed to the circuit court, whereupon, in a trial anew, judgment was rendered in his favor, from which this appeal has been prosecuted. It appears from the testimony that the Simms Grocery Co. was a tenant of appellee and in a failing condition, and on Nov. 16 gave him a check for \$25 on appellant's bank, where the parties kept their accounts, for that sum. Bishop took the check, and in the morning presented it at the bank.

After a conversation between him and Hunt, the cashier, a deposit slip for said sum was given to him. About 4 o'clock in the afternoon, the bank cashier found Bishop in a drug store adjoining the bank, and offered the check to him, saying the bank could not pay the check, as the drawer had no funds to take care of it. Bishop refused to receive the check, and the cashier mailed it to him the same day, with a charge ticket at-

tached, showing what it was for. The next day, or within a day or two, Bishop took the check and charge ticket to the bank and threw it back through the cashier's window.

Bishop testified that when he presented the check for payment, the cashier asked him if he wanted the money; that he replied, no, to give him a deposit slip, which was done, and said his first information that payment of check had been refused was about 4 o'clock in the afternoon when the cashier, Mr. Hunt, told him so. The cashier testified that when the check was presented he looked at it and handed it back to Bishop, saying that the drawer was checking a little too much; that thereupon Bishop replied, "Well, just give him a credit slip for it then," to which the cashier said "All right," and issued a deposit slip. It was further shown that the drawer of the check was overdrawn on the 14th, made some deposits on the 16th and 17th of over \$100, but there was a check for \$200 in the cashier's drawer, which had been paid, which was being held as a cash item until enough deposits were made to cover it.

The appellee knew that the grocery company was insolvent, and he was to be appointed trustee to wind up its affairs, and the president of the bank learned of that fact before the check was mailed to Bishop in the afternoon of the 16th. On the 17th Simms, who drew the check for the grocery company, offered to pay Bishop \$25, the amount of it, which he declined, saying he was going to make the bank pay it; that he had already accepted it. The court refused to allow the cashier to state his understanding of the transaction of issuing the deposit slip over the objections of appellant. It was admitted that Bishop was due the bank on an overdraft, when the suit was brought, \$6.56.



OPINION OF THE COURT

KIRBY, J.: (after stating the facts as above). The only question in this case for the decision of the jury

was whether the bank accepted the check and became liable to the payment of the amount for which it issued its deposit slip to the drawee thereof. The intention of the parties to the transaction could properly have been shown for the determination of this question, and, the bank having issued its regular deposit slip or ticket for the amount of the check to the drawee thereof, the burden rested upon it to show that it was not in payment of the check. The fact that the drawer of the check offered on the following day, after hearing that payment had been refused by the bank, to pay the \$25 to Bishop, which he refused to receive, would not relieve the bank from liability on its deposit slip, if it accepted and paid the check therewith, and the court did not err in refusing appellant's requested instruction numbered 4.

Neither do we find any error in the court's ruling, refusing to allow the cashier to state what he thought when issuing the deposit slip, as the record does not disclose what his testimony would have been on this point.

The attorney objected to his stating what he thought, and the court said, "Just tell what you did." After several questions, he was asked, "For what purpose did you give him that slip?" and upon objection, the court said, "That is a question for the jury; better state the facts that occurred there"—and it is evident from the record that the court only intended to exclude the testimony of what the cashier had in mind, unless it was made known to the appellant at the time and no error is shown to have been committed in his so doing.

In *Rogers' Commission Co. v. Farmers' Bank of Leslie*, 100 Ark. 540, 140 S. W. 992, the court said:

"It was not necessary to the bank's liability that it should have on deposit to the drawer's credit more than the amount of this check at the time of its presentation, for it would have become liable to its payment by an acceptance of it, and could have permitted an overdraft, as it had usually done, or withheld its own check, which it claimed to

have in its drawer against the account of the makers of the check," etc.

The fact that the check was not charged by the bank to the drawer's account, and that the drawer did not have sufficient funds on deposit to pay the same, could properly be considered in determining whether the bank accepted the check and paid same in the issuance of its deposit slip, but the jury, under proper instructions, found the issues in favor of appellee, and the judgment is affirmed. (178 S. W. Rep. 422.)



Check on Savings Account in Bank of Discount

CALIFORNIA

*Failure of Bank to Pay Check When
Depositor Has Savings Account—
Damages.*

Supreme Court of California, June 30, 1915.
HARTFORD V. ALL NIGHT AND DAY BANK.

A bank teller is under no obligation to ascertain whether the drawer of a commercial check upon the bank has a savings account therein, where he has no commercial account, and where the passbook is not presented and notice given that the check is to apply on the savings account.



ACTION by W. H. Hartford against the All Night and Day Bank. From a judgment for plaintiff, defendant appeals. Reversed.



STATEMENT OF FACT AND OPINION

HENSHAW, J.: This is an action for damages. The jury awarded plaintiff \$2,500. Upon defendant's motion for a new trial, by order of court and on consent of plaintiff, the judgment was reduced to the sum of \$1,250;

whereupon the motion for new trial was denied. Defendant appeals from the judgment and from the order denying its motion for a new trial.

The complaint charged that the defendant was doing a general banking business; that plaintiff was a depositor in the bank, and at the time of the occurrences hereinafter narrated always had more than \$10 to his credit in the bank. On September 3, 1911, he gave his check on the bank for the sum of \$10 to one Lewis. This check was indorsed by S. C. Maphet. In due course of business the check was presented to defendant on or about the 5th day of September, "when the bank refused payment thereof, indorsing upon a slip of paper which it attached to said check, 'No account.'"

Following this rejection, Maphet swore to and filed a criminal complaint in a justice's court of Redondo, charging plaintiff with the violation of section 476a of the Penal Code; the crime consisting of the drawing and issuing of a check willfully and with intent to defraud, the drawer knowing at the time that he had not sufficient funds in or credit with the bank to meet the check on presentation. Further, the complaint charged that plaintiff was arrested on September 29th, had his hearing before the justice on October 2d, when the justice dismissed the charge and exonerated the plaintiff. By reason of his arrest and detention plaintiff alleges that he was injured in his reputation and good name, and grievous mental suffering was inflicted upon him, to his damage in the sum of \$15,000.

To supplement the facts thus stated, it may be said that at the time plaintiff drew his check he had on deposit in the savings department of the bank the sum of \$25. Under the by-laws and rules of this savings bank this was a time deposit, subject to withdrawal only after notification and time allowance to the bank. The bank reserved the right to waive time and pay upon request, but declared that withdrawals from the savings accounts should be entered on the depositor's passbook, at the time the

withdrawal was made, and that it was not bound to make any payment unless the passbook was presented.

What plaintiff actually did was to draw an ordinary commercial check in the sum of \$10 in favor of himself. This was upon Sunday, the 3d of September. He negotiated it upon that day through the indorsement of Maphet and Jones. The check passed through a Redondo bank, and came to defendant's bank under these circumstances, and was returned with the printed form of notice, "Has no account." Plaintiff's passbook was not even sent with the check, but it appears that after issuing the check he gave his passbook to a friend, with the request that it be delivered to the bank. The testimony of the friend is that he did this, but in no way was the bank's attention called to the fact that an ordinary commercial check had been drawn which plaintiff expected would be paid out of his savings bank account (he had no other), and that the passbook was delivered to the bank to the end that the proper entry of withdrawal might be made therein.

The complaint charges the defendant simply with negligence in having rejected the check with the statement that the plaintiff had no account. We gravely question whether, under the indicated circumstances, it can be said that the bank was negligent at all. Certain it is that the paying teller of the bank, called upon to meet the demands of an ordinary commercial check, payable in due course of business out of a commercial account, was justified in indorsing the check as he did indorse it, upon the discovery of the unquestioned fact that the drawer of the check had no commercial account.

We do not conceive it to have been the duty of the paying teller, under such circumstances, to have sought to learn whether the drawer had a savings bank account, whether the passbook was at the bank, and whether the check should be passed over to the savings department, there paid, and a withdrawal entry made in the passbook. To the contrary we conceive it to have been the

duty of the plaintiff, as it is the universal practice, where a depositor desires this to be done, himself to have seen that in some proper way the pass-book accompanied the check or was at the bank, or notice was given to the proper officials of the bank to meet the check if the bank was willing to do so; for it was a matter of grace on the part of the bank, and not a matter of right with the depositor, that such a check should be paid on presentation at all.

But, setting aside from our consideration the question of the negligence of the bank, and assuming further that it was the duty of the bank to have paid this check when and as it was presented, nevertheless for two quite independent reasons this judgment may not be sustained. We have adverted to the fact that the bank is charged merely with the negligent failure to pay a money demand. Section 3302 of the Civil Code in express terms lays down the measure of damage for such a failure. The applicability of this section to cases like this has by this court upon more than one occasion been declared and made, notably *Sav. Bank v. Asbury*, 117 Cal. 96, and *Smith's Cash Store v. First National Bank*, 149 Cal. 34, while the reason for the rule thus limiting and defining the measure of damage has received complete consideration in *Heyman v. Landers*, 12 Cal. 107, and *Friend & Terry Lumber Co. v. Miller*, 67 Cal. 464.

The second legal principle, whose application necessarily works a reversal of this judgment is that the damages claimed are in no legal sense the proximate result of the act of negligence complained of. It did not necessarily follow that plaintiff would be arrested and charged with a felony because of the bank's act. There was no direct casual connection between the two things. There was an interruption and the intervention of an entirely separate cause, which cause was an independent human agency acting with an independent mind. We think this proposition to be so plain as not to demand amplification, and that the needs of the case

are fully met by reference to *Friend & Terry Lumber Co. v. Miller*, supra; *Savings Bank v. Asbury*, supra; *Schwartz v. California Gas Co.*, 163 Cal. 398, and *Loftus v. Dehail*, 133 Cal. 214.

The judgment and order appealed from are therefore reversed. (150 Pac. Rep.)



Savings Bank Book as Collateral

NEW YORK

Following Trust Property—Pledge of Trust Property—Executors and Administrators

Supreme Court of New York, Appellate Division, First Department, June 18, 1915.

WICKENHEISER ET AL. V. COLONIAL BANK ET AL.

A bank in loaning money to an individual, on the security of a savings bank book, standing in the name of the borrower individually, in good faith and without notice, got good title, though the funds were of an estate of which the borrower was executor.



ACTION by Emma E. Wickenheiser, as general guardian, and others, against the Colonial Bank and the Dry Dock Savings Institution, impleaded with another. From a judgment for plaintiffs, entered on a decision after a trial at Special Term, said defendants appeal. Modified and affirmed.



STATEMENT OF FACT

CHARLES F. WICKENHEISER died at the city of New York on Jan. 26, 1908, leaving a will thereafter duly admitted to probate, whereof George Herring, his brother-in-law, was executor, to whom letters testamentary were issued Feb. 27, 1908. By his will,

after the payment of \$2,000 to his mother, all the residue of his property was left to his widow and two children by a prior marriage, to be divided between them equally.

Forming part of his estate was a deposit of \$2,494.40 in the Dry Dock Savings Institution. On March 2, 1908, four days after the letters were issued to him, Herring presented the passbook of the deceased, numbered 440,015, and representing said account, to said Institution, surrendered it, and opened a new account in his own name, represented by passbook No. 489,054, wherein he was credited with the amount of money that remained in decedent's account (\$2,494.90) and with all interest thereon down to date of such surrender; the new deposit including interest allowed on the decedent's account from Jan. 1, 1908, which would not have been credited upon a new account, but was only credited because it was a transfer of an old account.

At the time that the transfer was made, he presented to the Institution the surrogate's certificate of his qualification as executor, and also a waiver from the attorney for the state comptroller. It was upon these papers that the transfer was made. On the next day, March 3, he called at the Colonial Bank, wherein he was a depositor, and obtained a demand loan of \$1,000, giving an assignment of the new passbook in his name in the Institution as security, and on Oct. 28, 1908, he again obtained a loan from the same bank on the same security. Both of these loans were repaid by him Jan. 3, 1910, whereupon the passbook was returned to him.

Thereafter the Colonial Bank made loans of \$1,000 to Herring, secured by his passbook in the Union Square Savings Bank at March 18, 1909, and Nov. 26, 1909, repaid, respectively, April 4, 1910, and Jan. 3, 1910. On December 15, 1909, the bank again loaned him \$1,000, payable on demand, secured by the passbooks in the Institution and the Union Square Bank, and the loan was repaid on Dec. 24, 1909. On March 16, 1911, his loans having been repaid,

and the bank books being in his possession, the Colonial Bank loaned Herring \$2,000, and he again delivered to it the passbook, with an assignment of the moneys due him by the Dry Dock Savings Institution, as evidenced by said book, and also a collateral note for \$2,000 and a draft on the Dry Dock Savings Institution chargeable to said account.

Notice of the assignment to the extent of \$2,000 was given the Dry Dock Institution, which acknowledged receipt of it the same day. No part of this loan has been repaid. Herring having rendered an account of his proceedings as executor, a decree was made by the Surrogate's Court on May 25, 1911, settling and allowing the same, whereby a balance was found to be due by him of \$22,379.75, including the amounts payable to the widow (\$3,186.03) and to each of his two sons (\$9,281.03). The legacy to decedent's mother has been paid by the executor. The sums due the sons (who were still minors) were directed to be paid to their mother on her furnishing certain bonds, which she has done, and she has been appointed their general guardian. Demand was made upon the executor to pay the moneys so directed to be paid, with which he has failed to comply; and, a transcript of the decree having been duly filed in the county clerk's office in New York County, three certain writs of execution against the property of Herring for the collection of said respective amounts were issued to the sheriff of New York county on July 3, 1911, and upon them was realized the sum of \$10,000, the balance still unpaid being \$11,748.10.

Herring is insolvent. Plaintiff, suing on her own behalf and as general guardian of the two sons, has recovered judgment upon the theory that, as the funds in the Dry Dock Savings Institution were the property of her husband's estate, the unpaid legatees thereof are entitled to have a trust in their favor impressed upon those funds prior to the claim of the Colonial Bank, which loaned upon the faith of the account.

The judgment decrees that the sums represented by the passbook are held by the Dry Dock Savings Institution in trust for the use and benefit of plaintiff and the sons, and the Institution is to account to them therefor; payment thereof to be applied on account of the several sums of money decreed to be paid them by the Surrogate's Court. The complaint has been dismissed as against the Colonial Bank, but without prejudice to its right to commence an action at law against the Institution. The Colonial Bank had not served a copy of its answer upon the Institution, nor did its answer, as served upon the plaintiff, ask for any judgment against the Institution, nor was any issue presented by the pleadings as between the two banks. The answer of the Institution asked that the court make such judgment herein as the facts in the case will warrant; it holding the said money to the credit of account No. 469,454 until the judgment of the court herein. No question has been raised either upon the trial or upon this appeal as to the right of the legatees to bring such an action as this, instead of having suit brought on behalf of the estate by a successor in interest of the recreant executor.



OPINION OF THE COURT

DOWLING, J.: The record herein discloses absolutely no testimony tending to show bad faith on the part of the Colonial Bank. It is claimed that the fact that Herring sought a loan on his savings bank account only four days after his passbook showed he had opened it should have put the Colonial Bank upon its guard. But there is no proof that the transaction was an unusual one, or that any other circumstances were present to rouse the bank's suspicions. Had it inquired, it could have learned only that Herring did have such an account there as he represented he had. They were bound to go no further than

that. There is no finding, nor any proof warranting one, that the Colonial Bank acted otherwise than in good faith, or that it had notice, actual or constructive, that the passbook on which it loaned its money represented trust funds. The complaint set forth that the bank had such knowledge when it received the book, but there is not a scintilla of proof in support thereof. Therefore, even conceding that the bank account was only a chose in action, the Colonial Bank being a bona fide purchaser for value, had a valid title. (*Moore v. Metropolitan Bank of New York*, 55 N. Y. 41; *Greene v. Warnick*, 64 N. Y. 221; *Spencer v. Weber*, 163 N. Y. 493.) Therefore the dismissal as to it was proper.

And, in the absence of any prayer for relief by it as against the Institution, it was not entitled to an affirmative judgment as against the latter, since, in so far as it might be able to establish a claim to or upon the account in question, the main issue before the court was the right of plaintiffs to have a trust impressed in their favor upon the fund in question. But, inasmuch as the Institution prayed to have the rights of the parties in the fund in question determined, the court had the right to so determine them, but to give no further relief against the Institution in favor of the bank.

The plaintiffs not being entitled to have a trust in their favor impressed upon the deposit in question, which shall take precedence over the Colonial Bank's claim, what are their rights as against the Dry Dock Savings Institution? They are not suing here upon any theory of negligence upon its part, but simply upon the ground that the deposit in question represents funds of the estate which should be applied to the discharge of their claims against it. Against this contention neither appellant seeks to argue, save in so far as the Colonial Bank contends (and as we have indicated, properly) that such fund is first chargeable with the amount of its own advance to Herring. The Institution had the right to transfer the account to Herring individually, upon his demand that it do

so and the production of the necessary documents establishing his title.

"An executor, as such, takes the unqualified legal title to all personality not specifically bequeathed, and a qualified legal title to that which is so bequeathed." *Blood v. Kane*, 130 N. Y. 514, 29 N. E. 994, 15 L. R. A. 490. "He is the owner of the personal property of the testator; the absolute title vests in him; and he possesses the *jus disponendi* in its full force. The honest purchaser is under no duty to see that the moneys are faithfully applied by the executor." *Leitch v. Wells*, 48 N. Y. 585.

Being bound to transfer the funds of the estate in its possession to Herring upon his demand, it was immaterial whether they paid him over the cash or allowed him to open a new account in his own name. Having turned over to him the amount represented by the pass-book, and concededly not having profited in any way by the advances made by the Colonial Bank to Herring, no tenable theory is suggested for its liability, and no claim in negligence is predicated upon its failure to advise the Colonial Bank of the fact that the Herring account represented trust funds, or to notify the legatees of the estate of the fact that the executor was borrowing money upon the account. The only relief to which plaintiffs can be entitled in this action, therefore, is a judgment impressing a trust in their favor upon the balance of the Herring account in the Institution, after the lien of the Colonial Bank has been paid.

The judgment appealed from should be modified (1) by awarding the Dry Dock Savings Institution, which was merely a stakeholder, costs of the trial below, and striking out the direction for costs against it; (2) by decreeing that the Colonial Bank has a lien on the account in question to the extent of the amount proved, \$2,192.35, with interest from the date of the trial, Feb. 25, 1913; (3) by decreeing that the balance, if any, of the account, is impressed with a trust in favor of plaintiffs. (153 N. Y. Supp., 1035.)

Gift of Bank Deposit

RHODE ISLAND

Gifts Inter Vivos—Intent—Evidence

Supreme Court of Rhode Island, July 2, 1915.

TURNER V. M'MANUS.

Evidence examined and held sufficient to show intent of owner of saving bank book to make a gift of the deposit, notwithstanding the fact that he kept the bank book part of the time in his own name.



SUIT by Ida A. Turner against Ellen J. McManus, administratrix. From a decree for defendant, complainant appeals. Reversed and conditionally remanded.



STATEMENT OF FACT AND OPINION

VINCENT, J.: This is a bill in equity brought by the complainant, Ida A. Turner, wife of William R. Turner of Providence, against Ellen J. McManus, widow and administratrix of Patrick McManus. The complainant is the daughter of Patrick McManus by a former wife. The bill seeks to have the respondent as administratrix repay to the complainant the amount of a certain deposit in the Providence Institution for Savings, which now appears upon the inventory of the estate of Patrick McManus as an asset of his estate.

The first wife of Patrick McManus died upwards of 10 years ago, leaving four children, including the complainant. From the death of the first wife the complainant and her older sister kept house for the father and the other two children up to the time of the father's second marriage, a period of some 10 years. The complainant was married in July, 1910, and Patrick McManus, her father, died in December, 1911. In June, 1904, Patrick McManus went to the Providence Institution for Savings

accompanied by his four children, and made deposits of money in the name of each. At that time there was deposited in the name of Ida McManus, the complainant, the sum of \$94.43. For this deposit the usual bank book was issued in the complainant's name.

From that time up to the year 1910, Patrick McManus made other deposits to the account of the complainant until the whole sum thus deposited, together with accumulated interest, amounted in July, 1910, to the sum of \$1,909.68. The marriage of the complainant to William R. Turner in June, 1910, was, as appears from the evidence, somewhat unsatisfactory and displeasing to Patrick McManus, but his dissatisfaction and displeasure seems to have resulted more from the manner or method in which the marriage was effected, the ceremony having been performed by a justice of the peace in New York, rather than from any personal objection to the husband.

The complainant returned from New York the day following her marriage, and shortly thereafter had one or two interviews with her father, during which there was no mention of the bank deposit, and such interviews are therefore not important in the discussion of the issues here. About a week after the complainant returned, her father sent for her, and she met him at his place of business. He then handed to her the bank book, requesting her to accompany him to the bank for the purpose of changing the deposit from her maiden name to her married name, he afterwards taking charge of the book at or on the way to the bank and attending to the business transacted there.

The complainant testifies in detail as to the occurrences at the bank, as to her compliance with the request of her father and the bank clerk to sign her name, which she did without reading what she signed, supposing and relying upon her father's statement that only the change of name suggested by him was being effected. After leaving the bank a further conversation about the matter with her father ensued, and she then learned that the deposit had been

changed to his name, he stating to her, at the same time, that he would continue to add to the deposit and would see that it was given back to her.

At the time of the original deposit in June, 1904, Patrick McManus, at his own suggestion, took the bank book of the complainant, as well as the bank books of the other children, for safe-keeping. The evidence shows that they were kept for a time in the bureau drawer, where the children had full access to them, and that later, when the father procured a safe, they were placed therein for better protection. The complainant and her husband also testify to several interviews with the father, Patrick McManus, in which he reiterated his former statement that he would add to the deposit of the complainant and see that it was given back to her. The complainant, as she testifies, did not at any time after the change of the deposit to the name of her father, make any demand upon him to change it back again, evidently relying upon his undertaking and promise to do so.

Patrick McManus died suddenly in December, 1911, without having carried out his promise to the complainant to give back to her the deposit in the bank, and without having made any provision which would enable the complainant to obtain the deposit, or any part thereof. His second wife was appointed as administratrix upon his estate. The complainant filed her claim against her father's estate in the probate court, and the same was disallowed by the administratrix.

Under these conditions, the complainant brought her bill, setting up the facts substantially as stated, alleging fraud on the part of her father in changing the deposit from her name to that of his own name at the Providence Institution for Savings, and praying that said fund of \$1,909.68, with interest thereon from the 20th of July, 1910, may be declared to be the property of the complainant, and that Ellen J. McManus, administratrix as aforesaid, may be ordered and required to pay the same to the complainant, etc. The respond-

ent in her answer admits her appointment as administratrix; the custody of the book of deposit, and that the same was inventoried as a part of the estate of the intestate; that Patrick McManus, at the time of making the deposit and at the time of his decease, was solvent and able to pay his liabilities out of his personal estate and have left therefrom a large surplus; that due notice was given of her appointment as administratrix; that the complainant filed with the municipal court of the city of Providence her claim against the estate of Patrick McManus of \$1,909.68, with accrued interest thereon; that said claim was disallowed by her; and that she has since refused, and still does refuse, to pay the same to the complainant, although often requested so to do. The respondent neither admits nor denies the other allegations of the bill and leaves the complainant to prove the same, etc. The case was referred to a master to frame issues of fact. The same were duly framed and upon a submission of a draft report of the master the issues were agreed to and accepted by the respective counsel in the case. These issues are as follows:

"1. Did Patrick McManus prior to his death deposit a sum of money in the Providence Institution for Savings in the name of Ida A. McManus and deliver the passbook therefor to said Ida A. McManus, intending to give the account thereby represented to said Ida A. McManus?

"2. If the answer to the above question is yes did Patrick McManus falsely, deceitfully and fraudulently induce Ida A. Turner (formerly Ida A. McManus) to sign an instrument withdrawing said account from said Institution for Savings, and also falsely, deceitfully, and fraudulently prevent said Ida A. Turner from receiving the same when so withdrawn?

"3. If the answers to the above questions are yes, did Patrick McManus take the sum of money withdrawn as above, cause it to be deposited in the said Institution for Savings in the name of Patrick McManus, and keep said account

in said Institution for Savings up to the time of his death?"

Upon these issues testimony was offered by the complainant, and at the close of the complainant's testimony the respondent moved that the bill be dismissed on the ground that the complainant had failed to prove the fraud alleged. This motion was granted by the Superior Court on the ground that the complainant had failed, in the first place, to prove that the book was delivered to her with the intention of creating a gift, and that it seemed quite as consistent that the father may have used his children as a means of keeping certain moneys in bank as it was that he intended to give them money.

There was no testimony whatever of any desire or purpose on the part of the father to deposit moneys in the bank in the name of his children and at the same time retain the same for his own use. We do not think that this conclusion is warranted from the testimony. We think that the circumstances of the whole transaction as revealed by the testimony, are sufficient to show the intention of Patrick McManus to create a gift. The court below concludes in the second place that it is not shown that the father fraudulently and deceitfully induced the complainant to sign the instrument, changing the account to his own name, although he stated to her that the purpose of the visit to the bank was to change the deposit from her maiden name to her married name. It is not surprising that the complainant should be led to place implicit confidence in the statement of her father. The change of deposit from her maiden name to her married name would be proper, and would sound reasonable to any one, especially being closely associated with the further expressed intention of the father to increase the amount from time to time and to see that the deposit was given back to her. With these statements she might easily be disarmed of all suspicion and even fail to realize that there would be any necessity for her examination of the instrument which she executed at the bank.

The complainant's appeal is sustained, the decree of the superior court is reversed, and the case is remanded to said superior court for retrial, unless the parties choose to stand upon the evidence adduced at the hearing, in which event a decree should be entered for the complainant in accordance with this opinion. (94 At. Rep. 667.)



Duty of Bank Directors

NEW YORK

Fraud—Evidence—Bankruptcy

Supreme Court, New York, Appellate Division, Third Department, July 1, 1915.

GREGORY V. BINGHAMTON TRUST CO.

Under Laws 1906, c. 481, requiring the board of directors of every bank and trust company to examine into its books, papers, and affairs, so as to ascertain the value and security of its loans, and to inform themselves as to the condition of the company, the directors cannot be heard to say that they did not know what a fair and intelligent discharge of their duties must have disclosed. (154 N. Y. Supp.)



ACTION by William M. Gregory, as trustee in bankruptcy of Charles J. Knapp and others, individually, and as constituting the firm of Knapp Bros., against the Binghamton Trust Co. and George C. Van Tuyl, Jr., as Superintendent of Banks of the State of New York. From a judgment for plaintiff, entered on a verdict, and from orders denying a new trial and awarding an additional allowance to the plaintiff, defendants appeal. Judgment and orders affirmed.



STATEMENT OF FACT AND OPINION

WOODWARD, J.: Heretofore the Binghamton Trust Company brought an action against the plaintiff

in this action to recover certain promissory notes held by the latter in his capacity of trustee in bankruptcy. This action resulted in a verdict, directed by the court, in favor of the plaintiff, upon which a judgment was entered. Appeal coming to this court, the judgment was reversed; it being held that the trial court erred in refusing to permit the defendant in that action to prove that the Binghamton Trust Company had been engaged in a fraudulent conspiracy with the firm of Knapp Bros., private bankers, represented by the trustee in bankruptcy. A new trial was granted, but it would seem that the case was abandoned, and the defendant in that action has now brought an action against the Binghamton Trust Company to recover certain other promissory notes held by the Trust Company, and which came to it through Knapp Bros. This action has resulted in a judgment in favor of the plaintiff, and the Binghamton Trust Company appeals from such judgment.

The broad question of law underlying the present action was considered and determined in the previous action, and, upon the trial, the case appears to have been conducted within the lines suggested in the opinion of this court in Binghamton Trust Co. v. Gregory, 148 App. Div. 520, 132 N. Y. Supp. 950. It is only necessary, therefore, to consider new phases developed upon the trial of the action, under a complaint setting out an alleged fraudulent conspiracy to delay, defeat, and defraud the creditors of Knapp Bros., who are represented here by the plaintiff.

The complaint alleges the co-partnership of Charles J. Knapp, Charles P. Knapp, Morris Knapp, and Florence Knapp Yocum under the name of Knapp Bros., doing business as private bankers at Deposit and Callicoon, in the counties of Broome and Sullivan; their bankruptcy, and the appointment of the plaintiff as trustee in bankruptcy; the existence of the Binghamton Trust Company as a domestic corporation, and that it had been taken possession of by the defendant George C. Van Tuyl, Jr., as superintendent of banks, who was en-

gaged at the time of the commencement of this action in liquidating its affairs. It is further alleged that Knapp Bros. were, and for a long time had been, insolvent, and that they received deposits of money to large amounts during, and knowing of their, insolvency, the same not being known to the said depositors; that the Binghamton Trust Company, whose president was Charles J. Knapp, a member of the firm of Knapp Bros., advanced to the said firm of Knapp Bros. a sum of money exceeding \$600,000, and that it was necessary for said firm of Knapp Bros. to obtain the money so loaned from the said Binghamton Trust Company in order to enable it to continue in business, and that the same was loaned by the said Trust Company to said firm of Knapp Bros. with the intent and purpose that the same should be used to enable the said firm of Knapp Bros. to maintain the appearance of being solvent, and to continue the banking business of said firm, so as to invite deposits of money with said firm and for the purpose of fostering private enterprises and speculations, in which the members of said firm and their relations were financially interested, and in loans to members of said firm and their relations, and that in consideration of said indebtedness of said firm to the said Binghamton Trust Company, and with the intent of hinder, delay, and defraud the creditors of the firm of Knapp Bros., such firm made to said Trust Company, and the Trust Company took and received from said firm of Knapp Bros., during said period when such loans were made, transfers of commercial paper, constituting substantially all of the property which said firm of Knapp Bros. owned, and which included the notes mentioned in the complaint; that the Binghamton Trust Company permitted such indebtedness to be incurred and took transfers of the property of the firm of Knapp Bros. with the knowledge that firm of Knapp Bros. was insolvent, and by the concealment of such insolvency was wrongfully and unlawfully and fraudulently obtaining and receiving de-

posits of money from many persons with the intent to cheat and defraud said depositors of the money intrusted to said firm, and with knowledge that the property transferred to the said Binghamton Trust Company constituted the greater part of the property of said firm.

The answer does not deny the partnership, the bankruptcy, the existence of the Binghamton Trust Company, or its being taken possession of by the banking department, but denies all of the other material allegations of the complaint, and alleges affirmatively that the notes in question were taken by the Binghamton Trust Company in the ordinary course of business, and that it is the owner and holder of the said notes mentioned and described in the complaint, and that the plaintiff failed to make a claim under the provisions of section 19 of the Banking Law of the State of New York. It is further alleged that, if a cause of action exists at all, it is vested in the depositors of Knapp Bros. rather than in the trustee in bankruptcy, and that many of the notes were valueless and uncollectible, etc.

The practical question presented by the litigation is whether the loss is to fall upon the depositors of the Binghamton Trust Company or upon the depositors of Knapp Bros. If the notes belong to the Trust Company, then the loss must fall upon the depositors of Knapp Bros.; and the converse of this proposition is true, so that, while the form of the action is between the trustee in bankruptcy of Knapp Bros. and the Binghamton Trust Company, in substance it is a controversy between the depositors of these two institutions. The jury has found, after a long and tedious trial, that the Binghamton Trust Company, under the presidency of Charles J. Knapp, one of the members of the firm of Knapp Bros., has been a party to the fraudulent transaction alleged in the complaint, and we are asked to reverse that verdict, in the face of the fact that we are committed to the gen-

eral theory upon which the action has been tried.

It appears clearly from the record that the Binghamton Trust Company has advanced to Knapp Bros. sums of money largely in excess of the notes which are involved in this controversy, and the first impression would naturally be that there was small foundation for the charge that the depositors of Knapp Bros. had been wronged by this course of dealing. Naturally, if Knapp Bros. had received from the Binghamton Trust Company \$200,000 in excess of the amount the latter had taken away in notes, it would seem that the depositors of Knapp Bros. would be benefited thereby; but when we go beneath the surface of things, and follow through the hundreds of pages of evidence the system which was developed between these two institutions, it will appear that the large excess of loans made to Knapp Bros. of the funds of the Binghamton Trust Company, and which were, by Knapp Bros., loaned to the individual members of the firm of Knapp Bros., their relatives, and business associates, this was but a necessary step in the carrying out of the fraudulent purpose of making the depositors of Knapp Bros. tributary to the Binghamton Trust Company and the individual undertakings of Knapp Bros. and their relatives and friends.

In other words, for many years prior to the collapse of the Binghamton Trust Company and the two private banks of Knapp Bros., if the Binghamton Trust Company had failed to make the loans to the firm of Knapp Bros., the latter would have been forced to retire from business, for they were unquestionably insolvent during most of the time between the establishing of these private banks in 1903 and their bankruptcy in 1909.

It is impossible to read the record in this case and not come to the conclusion that Charles J. Knapp, president of the Binghamton Trust Company, was the dominant force in the firm of Knapp Bros.; that he practically fixed the policy and determined the details of the

management of both of these private banks, attending to their financial affairs in their relations with New York and Albany banking institutions, as well as conducting the various speculative enterprises in which Knapp Bros. and their relatives and friends were interested, including dealings in stocks on margin.

Being thus intimately associated with Knapp Bros., he must be deemed to have known of their financial situation, and it clearly appears from the correspondence that such was the case, and the loans from time to time from the Binghamton Trust Company were made for the purpose of maintaining the credit of Knapp Bros., who were constantly engaged in highly speculative enterprises, which reasonably honest and intelligent men must have known could have but one result. Many of these loans were made in the form of transfers at New York banks of Trust Company funds to the account of Knapp Bros., when the latter would be overdrawn and their paper was being dishonored, so that, in so far as Charles J. Knapp is concerned, he unquestionably knew that the Binghamton Trust Company was being used to give a fraudulent and fictitious credit to Knapp Bros.' private banks, by means of which the people of Deposit and Callicoon were being induced to make deposits, without any opportunity of knowing the inside workings of this financial machine.

While the defendant urges that the evidence does not establish that Charles J. Knapp knew of these facts, so as to establish actual knowledge on his part, it does not rely upon this proposition. It urges that, assuming that Charles J. Knapp did have knowledge of the insolvency of Knapp Bros. and advanced the money of the Trust Company in the manner alleged in the complaint, still that knowledge is not to be imputed to the defendant Trust Company. This is upon the theory that when an agent forms the purpose of dealing with his principal's property for his own benefit and advantage, or the benefit and advantage of other persons who are op-

posed in interest, he ceases in fact to be an agent acting in good faith for his principal, and the presumption that he has disclosed all the facts that have come to his knowledge no longer prevails. *Jacobus v. Jamestown Mantel Co.*, 211 N. Y. 154, 105 N. E. 210.

This rule, no doubt, is correct in relation to certain conditions, and it might be that, if Charles J. Knapp had simply taken out the amount of money and turned it over to Knapp Bros., there would be some room for the application of this rule; but here the dealings covered a series of years, involving the settled policy of the Trust Company, and the practical question is whether the knowledge which he had belonged to the Trust Company by reason of all the relations—whether the facts are such that the Trust Company, in the discharge of its duties, must have known the facts which were known to its president.

The most of the transactions are evidenced by writings. Letters passed between Knapp Bros. and Charles J. Knapp which were intended to disclose the fact that there was an improper use of the funds of the Trust Company, and the records show that the banking department was, at intervals, engaged in criticisms of the management of the Trust Company, particularly in connection with the affairs of Knapp Bros., who were not at that time under the supervision of the banking department, and if the board of directors did not have notice of the condition, it was because they purposely refused to open their eyes to the most obvious of facts. Chapter 481 of the Laws of 1906 provided that:

It "shall be the duty of the board of directors of every bank and trust company in the months of April and October in each year to examine, or to cause a committee of at least three of its members to examine fully into the books, papers and affairs of the bank or trust company of which they are directors, and particularly into the loans and discounts thereof, with a special view of ascertaining the value and security thereof, and of the collateral security,

if any, given in connection therewith, and into such other matters as the superintendent of banks may require. * * * Within ten days after the completion of each of such examinations a report in writing thereof, sworn to by the directors making the same, shall be made to the board of directors of such bank or trust company, be placed on file in said bank or trust company, and a duplicate thereof filed in the banking department. Such report shall particularly contain a statement of the assets and liabilities of the bank or trust company examined, as shown by the books of the bank or trust company, together with any deductions from the assets, or additions to liabilities, which such directors or committee, after such examination, may determine to make. It shall also contain a statement, in detail, of loans, if any, which in their opinion are worthless or doubtful, together with their reasons for so regarding them; also a statement of loans made on collateral security which in their opinion are insufficiently secured, giving in each case the amount of the loan, the name and market value of the collateral, if it has any market value, and, if not, a statement of that fact and its actual value as nearly as possible. Such report shall also contain a statement of overdrafts, of the names and amounts of such as they consider worthless or doubtful, and a full statement of such other matters as affect the solvency and soundness of the institution."

If we assume that the board of directors did its duty as prescribed by the statute, it must be obvious that they would necessarily have found the loans made to Knapp Bros., and these should have demanded such a degree of scrutiny as must have developed the true situation. Add to this the fact that the banking department from time to time drew attention particularly to the relation existing between Knapp Bros. and the Binghamton Trust Company, and it must be clear that the directors either did not perform the duty, or that they must have known the facts which the

evidence clearly shows was known to the president of the corporation.

Directors, specially charged by the statute to know the condition of the institution, cannot be heard to say that they did not know the things which a fair and intelligent discharge of the duties must have disclosed. There was an overdraft on the part of the Knapp Bros. almost continuously from the organization of the private banks to the date of their closing, and this overdraft was continually growing, through manipulations designed to preserve the credit of Knapp Bros., and no board of directors, or intelligent committee, could look upon this condition and discharge its obligations, without looking into the relations existing between the president of the company and a partnership of which he was the dominant spirit and discovering what is known now throughout the community.

It is undoubtedly true, as suggested by the defendant, that fraud must be proved, but fraud is an inference growing out of established facts, and there can be no doubt that the jury in the present case was justified in drawing the inference that the Binghamton Trust Company, knowing the insolvency of the Knapp Bros., was using its funds for the purpose of giving a false character to Knapp Bros., as bankers, and thus inducing the deposits of money which otherwise would not have been available for the manipulations which Charles J. Knapp and his associates were carrying on; that the Binghamton Trust Company, through its board of directors, knew the fraudulent purpose underlying the loans and thus became responsible for the results following to persons who were not in a position to protect themselves. There was no payment in good faith of the purchase price of the notes in question. They were simply put through a given course for the purpose of consummating the fraud, and the jury could hardly do less than reach the conclusion which was reached.

We fail to discover the presence of any irrelevant or immaterial evidence to the prejudice of the defendant. There

is undoubtedly some of the testimony which adds nothing of importance to the case; but here it is necessary to spell out fraud from a series of incidents in a long course of business, where the plaintiff is obliged to grope somewhat in the dark, and where all of the available facts are brought forward, some of them valuable in support of the defendant's contention, it is hardly to be expected that a court will overrule a verdict of a jury, unless it can be clearly pointed out that the evidence was improperly in the case and resulted in prejudice to the party complaining.

The judgment and order appealed from should be affirmed, with costs. All concur.

(154 N. Y. Supp. 376.)



Savings Bank Deposit

NEW YORK

*Production of Pass Book—Waiver—
Negligence*

Supreme Court, Appellate Division, Fourth Department, July 7, 1915.

BROOKS V. ERIE COUNTY SAVINGS BANK.

Banking Law (Consol. Laws, c. 2) section 152, providing, relative to savings banks, that the board of trustees may by their by-laws provide for making payments in cases of loss of passbook, or other exceptional cases where the passbook cannot be produced without loss or serious inconvenience to depositors, does not prevent a savings bank from waiving the production of the passbook as required by its by-laws, and such production may be waived, though the deposit is a joint account, which either of two persons is authorized to withdraw.

Where, under the form of the account, a savings bank was authorized to pay a deposit to either a husband or his wife, no question of fact as to its negligence in paying the deposit to the husband without the production of the passbook was presented, in the absence of any circumstances tending to show that it had knowledge or notice sufficient to put it upon inquiry that the husband was not entitled to draw the deposit. (154 N. Y. Supp.)

ACTION by Rita Brooks against the Eric County Savings Bank. From a judgment for plaintiff, and from an order denying defendant's motion for a new trial, defendant appeals. Reversed, and complaint dismissed.



STATEMENT OF FACT AND OPINION

KRAUSE, P. J.: Concededly, under the form of the account in question, the defendant was authorized to pay the deposit to either the plaintiff or her husband. I think the rule of the bank permitting the secretary to waive the production of the passbook applies to joint accounts such as this, as well as to that of a single individual, and that the defendant had the right to waive the production of the passbook, as provided by the by-law under which the deposit was made, and that such waiver on the part of the bank is not contrary to the provisions of section 152 of the Banking Law.

I am also of the opinion that, in the absence of any circumstances tending to show that the defendant had knowledge or notice sufficient to put it upon inquiry that the husband was not entitled to draw the deposit, no question of fact was presented as to its negligence. Upon the undisputed evidence, I think it should be held that the defendant was justified in paying the deposit to the plaintiff's husband, and that the defendant's motion to dismiss the complaint should have been granted.

If I am right in this conclusion, it follows that the judgment should be reversed, and the complaint dismissed, with costs, including costs of this ap-

peal. All concur, except Foote and Merrell, JJ., who dissent.

FOOTE, J. (dissenting). Since the defendant's by-law permitting its secretary to "waive the production of the passbook in case of its loss, or where the depositor resides out of the city of Buffalo, or in other exceptional cases where, in the opinion of the secretary, the passbook cannot be procured without loss or serious inconvenience to the depositor" is a form of by-law which is expressly authorized and provided for by section 152 of the Banking Law (chapter 10, Laws 1909); and since that section of the statute provides that "no savings bank shall * * * pay any interest or deposit, or portion of a deposit, or any check drawn upon itself by a depositor unless the passbook of the depositor be produced, and the proper entry be made therein at the time of the transaction," I am of opinion that the by-law in question was not made exclusively for the benefit of the defendant bank, and that it is not a by-law which the defendant can waive. I also think that this by-law was a part of the contract between the plaintiff and the bank in reference to her deposit, upon which she had a right to rely, and that the question of fact as to whether the secretary was authorized to waive the production of the passbook and pay the check without its production was properly submitted to the jury and that their verdict upon that question should not be disturbed.

In view of the instructions of the trial court to the jury, I think there was no error in the receipt of evidence which should lead to a reversal of the judgment.

The judgment and order appealed from should be affirmed, with costs.

(154 N. Y. Supp. 692.)



St. Louis Bank Stages Financial Romance

G. PRATHER KNAPP, publicity manager of the Mississippi Valley Trust Co., St. Louis, has proven his versatility by writing the scenario for "The Making of John Hayes"—a financial romance which is making a hit with St. Louis moving picture fans. As a producer Mr. Knapp has a keen eye for realism and insisted that the proper



G. PRATHER KNAPP
MANAGER OF PUBLICITY, MISSISSIPPI VALLEY
TRUST CO., ST. LOUIS

local color be given to his drama by laying the scenes in the offices of his own institution. President Breckinridge Jones gave his consent and also permitted such officers and employes as were willing to take part to assemble at the bank on a Sunday morning and help to make the play one of the most realistic ever produced.



"THE EXECUTIVE COMMITTEE APPROVES LOAN"
REGULAR BOARD OF THE MISSISSIPPI
VALLEY TRUST CO.

"The Making of John Hayes" shows the financial career of the hero, John Hayes, and of course there is a heroine and the moral is highly gratifying—the triumph of thrift and financial integrity over extravagance. Various financial transactions are presented in a most realistic manner, such as the opening of an account, the making of a loan, mortgaging a home, the executive committee approving a loan and many other



"OPENING THE PARTNERSHIP ACCOUNT"
"HAYES," "COLLINS" AND SEC-
RETARY JAMES E. BROCK

operations of common occurrence in a financial institution.

The scene in which the executive committee approves a loan is illustrated herewith. The parts in this scene are taken by the actual members of the board of the Mississippi Valley Trust Co. In another illustration is shown the opening of the partnership account. In this scene Secretary James E. Brock, of the Mississippi Valley, passes upon

the new partnership account of "Hayes & Collins." William G. Lackey, a vice-president of the bank, took the role of president of the institution in the absence of Mr. Jones, and appeared in four scenes.

The film has been presented in St. Louis and has been accepted for national production, giving the St. Louis bank and banks in general some highly valuable publicity.

The Anglo-French Loan

NEGOTIATIONS for a loan of \$500,000,000 to Great Britain and France were conducted on behalf of those governments by a specially-appointed commission. Those representing the British Government were Baron Reading, Chief Justice of England; Sir Edward H. Holden, managing director and chairman London City and Midland Bank; Sir Henry Babington Smith, president of the National Bank of Turkey, and Basil P. Blackett, of the British Treasury. The representatives on behalf of the French Government were Octave Homberg, of the French Treasury, and Ernest Mallet, director of the Bank of France.

After prolonged conferences in New York with bankers from various parts of the country, the following announcement on behalf of the commission was made by Baron Reading on Sept. 28:

"I am now in a position to make an announcement as to our proceedings:

"The discussions between the Anglo-French financial mission and the American bankers have resulted in the formation of a definite plan for a loan to the British and French governments to be issued in this country on a broad and popular basis. The proceeds of the loan will be employed exclusively in America, for the purpose of making the rate of exchange more stable, thereby

helping to maintain the volume of American exports.

"The plan contemplates the issue of \$500,000,000 five-year 5 per cent bonds, constituting a direct joint and several obligation of the British and French governments, as regards both capital and interest. No other external loan has been issued by either of these governments apart from notes of the French Treasury to a limited amount, maturing in the next six months. The bonds will be repayable at the end of five years or convertible, at the option of the holder, into 4½ per cent. bonds of the two governments, repayable not earlier than fifteen years and not later than twenty-five years from the present time by the two governments jointly and severally.

"The bonds will be issued to the public at 98, yielding approximately 5½ per cent. to the investor. The work of offering this loan will be carried out by a syndicate which Messrs. J. P. Morgan & Co. and a large group of American bankers and financial houses will at once set about to form. Such group will include representatives throughout the country and all members of the syndicate will be on precisely the same footing. This syndicate, whose business it will be to arrange that every investor shall have an opportunity to subscribe

to the issue, will contract to purchase the loan from the two governments at 96."

Representing Messrs. J. P. Morgan & Co. and the syndicate, Mr. H. P. Davison of the firm named said:

"The commission has made plain, by its statement, that it has determined at the outset to recognize investment conditions in America. It proposes to meet these conditions by issuing an obligation which is without precedent, namely, the joint and several promise to pay of Great Britain and France. To this it has attached terms which mean a yield to the investor of almost $5\frac{1}{2}$ per cent. per annum and carry with them a conversion privilege calculated, upon the return of normal conditions, to prove of distinct value to the holder of this bond.

"The interests of the small investor are also consulted in the decision which the commissioners have arrived at to issue the bonds in denominations as low as \$100 and to allow subscribers to make installment payments for the loan. It is to be noted that, as the commission has stated, this is an external loan free from all present or future English and French taxes.

"It is proposed by the commission that the proceeds of the loan be han-

dled so as in no way to disturb our own money markets and to that end the general plan will be to leave the cash realized from the bonds on deposit with banking institutions which become members of the syndicate throughout the United States. This proposed loan may in fact be considered as an arrangement made by American commercial and agricultural interests with their regular customers to accept deferred payments covering commodities purchased.

"International commerce necessarily involves at times the extension of credit by the selling nation to the buying nation. The agricultural, manufacturing and financial interests of this country should welcome the opportunity to extend credit to any solvent customer where the extension of such credit furthers American trade. The normal export trade of this country to Great Britain and France runs into many hundreds of millions of dollars annually. To preserve such trade under the existing abnormal conditions, we believe the proposed arrangement to be imperative and accordingly we and the many banking institutions and financial houses that will be associated with us will act as managers without compensation."



American Ideals

By WILLIAM A. LAW, President First National Bank, Philadelphia

OUR ideals are peaceful. Equality of conditions are guaranteed every citizen. But in the face of a foreign foe the unity and solidarity of our people would amaze ourselves as well as the rest of the world, and we would forget instantly the petty differences which are frequently so exaggerated by politicians and press. The great masses

of the American people are thrifty, just, patriotic and Christian. We are a nation of workers, not of gamblers. Our important task is not money getting but education, and in that activity we are all engaged from the humblest to the highest. The spiritual ideals of our country have made possible its material achievements.



HON. JOHN W. WEEKS
UNITED STATES SENATOR FROM MASSACHUSETTS

SENATOR WEEKS is a native of New Hampshire, having been born at Lancaster in that State, April 11, 1840. His early life was passed on a farm. He graduated from the United States Naval Academy in 1861, and served as midshipman in the Navy until 1863. Was assistant land commissioner Florida Southern Railroad, 1866 to 1888, and from 1888 to 1912 a member of the firm of Hornblower & Weeks, Boston. He was also for some years vice-president of the First National Bank of Boston. He has served as alderman in his home town, West Newton, Mass., and also as mayor. He was elected to Congress from the Twelfth Massachusetts District, 1905 to 1913 entering the United States Senate in the latter year. In 1908 he was appointed a member of the National Monetary Commission, in which position he rendered conspicuous service. He has long sustained a high reputation as an authority on banking and economic subjects generally. His eminent rank as a statesman has given him such prominence that he is receiving wide and favorable mention for the Republican nomination for President of the United States.

Dangers in Too Much Legislation— Bureaucratic Interference With Banking*

By HON. JOHN W. WEEKS, United States Senator from
Massachusetts

IN other times, when we have had good crops which have been sold at better than or even normal prices, when the foreign balance of trade has been in our favor, and when there have been large loanable balances in the banks, we have felt assured that we had all the conditions necessary to make good business. The crops of the United States last year brought more money than ever before in the history of our country, and there is a reasonable prospect that the money value of this year's crops will be as great. We have to-day the largest foreign balance of trade in our favor that this country has ever seen and the latest reports to the Comptroller indicate that there are nearly three-quarters of a billion dollars of loanable funds in excess of the legal reserves now held by the national banks, without counting any excess that may be in state and private banks. Nevertheless, business, in other channels than those which are furnishing supplies for the war and businesses related to those supplying manufacturers, the automobile business, and some other specialties, is not normal in the United States, although it is better than it was six months ago. I believe that the war has started more furnaces and more looms than it has stopped and, therefore, that business would be materially poorer than it is now, and many more men out of employment, if it were not for the war.

This condition cannot, of course, be brought about by any one reason. The

tariff has much to do with it and, also, many other conditions which are more or less potent; yet, I think the most effective reason is the uncertainty and hesitation which exists on the part of capital, a condition which is brought about by too much restrictive legislation and too much governmental interference with business; so that capital has become timid, it does not readily go into the development of industries which are already established, and does not go into new enterprises, even when they seem to present possibilities of satisfactory returns, as would otherwise be the case.

Under such conditions there are always considerable numbers of men out of employment and even now there are many men who really want work in many sections and who are unable to get employment. This is especially true in those sections removed from the manufacturing centers where war supplies are being manufactured and from the sections of the country which are essentially agricultural.



HASTE IN LEGISLATION

DURING the past five years, Congress and the state legislatures have passed about seventy thousand bills and there have been six hundred and fifty volumes of decisions of courts

*Address before New York Credit Men's Association, Hotel Astor, New York, October 21.

of last resort handed down within the same time. This, in itself, should be a sufficient reason for a desire to bring about greater care and scrutiny in passing new legislation. We are afflicted with a vast amount of unskilled and immature thinking which is reflected in the shape of legislation.

If the amount of legislation passed by Congress, barring that which carries necessary appropriations, were reduced five times and every bill of any magnitude which is passed were introduced a year before it is acted upon, during which time it might be submitted to trade organizations throughout the country for comments, then suitable hearings given on the legislation, I am confident that the results would produce all the necessary legislation which should be passed and, on the whole, it would be beneficial. While much legislation which is passed under present conditions may contain necessary provisions, as a matter of fact, it contains so many provisions which are harmful in some collateral way that the net result is bad instead of good.

The recent legislation, known as the Seaman's Bill, is a good illustration of this fact. It contains about twenty separate definite provisions; many of them relating to matters applying to the personnel of merchant ships and safety at sea, all of which might very well have been adopted long before this law became effective. In the earlier days, no one questions that seamen were, in many cases, unfairly and improperly treated, their food was not good, their berthing facilities were not sufficient, and in many other ways conditions were such that good men did not go to sea. From time to time these conditions have been modified, and in the Seaman's Bill at least a dozen of the twenty main provisions applying to this subject should meet the approval of everyone; but there was injected into this bill other matters conflicting with our treaties and harmful to vessel owners, the net result being that we have already, although the bill has not become effective, swept American shipping from the Pacific Ocean and turned over to the Jap-

anese the carrying trade of that ocean as effectually as if we had passed a law prohibiting the sailing of American ships. We might have been warned that the Japanese, who have been taking the only effective means I know to build up a merchant marine—that is, granting reasonable subventions—would seize this opportunity to take over the balance of our trade.

During the last three years the Japanese tonnage trading between China, Japan and our Pacific Coast has increased from twenty ships with a tonnage of 84,725 tons in 1913, to forty ships having a tonnage of 145,176 tons August 1 of this year, and they are, in addition, building a very considerable number of ships which are to be put into the New York, Panama and Pacific Coast trade.

I do not mean to be unduly critical of those who desire to obtain legislative results, because there are always matters which require readjustment, and an unqualified believer in inaction would never accomplish anything in correcting such conditions. It is the man who sees the error clearly and who sees the correction as clearly, who moves the world in the right direction. But there are very few who have had experience enough to take such a position without the most insistent and thorough investigation; so I have made the suggestion that if legislation could be introduced long before it is passed and carefully considered by every possible interest, that, in effect, would be putting to it an acid test which would result in good rather than bad legislation.

There has been an epidemic in the desire to turn over to the government those things which are not essentially governmental, but which are paternalistic and which cannot be done as well by the government as they could be through private initiative and personal or corporation management. No government was ever established for the purpose of doing business. It is an extravagant and inefficient business agency and lacks expedition in all of its operations. It is necessary in order

to properly protect governmental operations that the law shall definitely provide just how it shall be carried on. This produces a degree of red tape which is inimical to every condition which goes to bring about satisfactory business operations.

Very few people appreciate the degree to which we have been rushing into paternalism in the last few years. It would take too much time to enumerate the cases, but we are rapidly turning over to commissions, which in turn employ a large number of agencies, many operations which necessarily is building up a governmental force of inspectors which, unless it is checked, will in time—and no distant time either—add very materially to the burdens which will be imposed on our citizens for the maintenance of these governmental forces. It is a condition which may develop as did a similar procedure in France, during and immediately following the French Revolution, when it is said that there was one governmental employee to every four citizens, loading down the taxpayer with obligations too heavy to be borne, so that the whole system was necessarily and radically revised.



A REPLY TO COMPTROLLER WILLIAMS

IN an address delivered before the Kentucky Bankers Association on October 6, 1915, the Comptroller of the Currency, to whom I have referred as having been one of those who has, in my opinion, been inclined to embarrass and restrict rather than facilitate reasonable business operations, took occasion to make an extended reply to my criticisms. When Mr. Williams was appointed Comptroller of the Currency I greatly doubted his fitness for that particular position, as did many others who had to pass on the appointment. Being now somewhat more familiar with his temperament and his manner of conducting his office, my doubts have become convictions. I did not, however, make criticisms of the Comptroller for

personal reasons, but simply to illustrate what I think is a growing and bad practice in connection with our government, and Mr. Williams in his reply seems to lose the point which I am trying to make. I might state it a little more specifically. I attempted in the argument which he criticises to point out the undesirability of bureaucratic governmental interference in the conduct of business and especially in cases where the bureau officer was not acting under specific provisions of the law but under rules promulgated by himself or whims which happened to appeal to him for the time being. In looking for concrete examples of this kind, I found what seemed to be some of the most flagrant breaches of reasonable action in the conduct of the Comptroller's office by Mr. Williams and, as I was addressing an association of bankers, it seemed particularly appropriate that I should refer to those activities of the Comptroller, with which they were more or less familiar, to illustrate my contention.

Mr. Williams cites the law in his address to show that he has authority to make thorough examinations of the affairs of a national bank at any time. I did not even suggest that he has not such authority and I have not criticised him for examining any bank if there was a good reason for doing so. What I did criticise was his telegram asking why a higher rate of interest than six per cent. was being charged and the implication, and threat in tone, which accompanied the suggestion that no higher rate should be charged. His contention that a six per cent. rate of interest should have been maintained is borne out in his Kentucky speech. The whole controversy rests on the general theory propounded by the Comptroller that he has some jurisdiction over the rate of interest which a bank shall charge. That I deny. He has, however, clouded the controversy by the manner in which he has discussed it before the Kentucky bankers. He stated in that address that he sent the wire to which I have referred to bankers in New York and Boston and that it re-

lated entirely to loans made on collateral, presumably made to a greater or less extent on speculative securities; but in his reply he would give the impression that he was trying to protect those making small loans from country banks which, he states, have been charging exorbitant rates to borrowers. That contention is evidently an afterthought because he did not send telegrams to country banks and it is evidently very recently that the Department has taken notice of the rates which have been charged by certain banks in the South and Southwest. Now he uses those instances to appeal to the prejudices and sentiments of those whom he is addressing rather than relying on the case in controversy.

The Comptroller must know, as everyone else does who knows anything of the subject, that there is a vast difference in the quality even of brokers' loans or of loans on collateral, dependent on whether the broker keeps an account in the bank where he is borrowing, on his general standing, character and worth, and on the marketable character of the securities which he offers as collateral. I doubt if there is a bank in the country which does not vary the rate which it charges on loans of this and every other kind, basing its variation in rate on the above and many other similar considerations.

Banks are not eleemosynary institutions; they are associations of people who have invested their capital for profit, and yet Mr. Williams, in order to try to demonstrate his point that he should in some way control rates, relates an instance in which one bank had conducted affairs in what he terms a reasonable manner, building up, as a result, a very large surplus, while the other which practiced extortion had failed to accumulate any surplus, and he comments on this result as follows: "The bank that lends at such rates is destroying its constituency and is at the same time committing slow but sure suicide." That being the case, why should the directors and the stockholders who have invested their money for profit permit such a course to be fol-

lowed, and is it necessary or desirable for the Comptroller of the Currency to make himself the guardian of the affairs of the stockholders of a bank in such manner?

The truth is that in most communities banking is the most acutely competitive business in which men are engaged. That is especially true of banking in congested communities. If a borrower or depositor does not receive satisfactory treatment from the bank with which he keeps his account, there are in almost all sections of the country other institutions in the immediate neighborhood with which he can make other arrangements if his account is of any value; but it is the experience of banks that many accounts are so small and so expensive on account of the manner in which they are used by depositors that they have no value to the bank and are frequently a source of loss. Mr. Williams instances a number of cases where banks are guilty of practicing what he terms extortion but he does not, except in one instance, give the public the amount of the loans involved in these transactions which, I believe, would be infinitesimal compared with the total business conducted even by the banks criticised, and the Comptroller follows a very common practice of denouncing a whole system because of a few cases of maladministration.

I have no disposition to justify the rates which he instances. They were evidently not loans which should have been made by a commercial bank. They were pawnshop operations at best and in every state where there has been an attempt made to protect its people measures have been taken to provide against such exorbitant charges even in the case of pawnshops. The course which the Comptroller should take in this matter is to bring it to the attention of Congress and if it proves to be worthy of consideration a law should be passed which would prevent the continuance of such operations by national banks.

In the public mind the banking business is a very profitable one and the cases of charging high rates of interest instanced by the Comptroller would

tend to confirm that impression. As in the case of most other businesses, when a bank is well managed the results are reasonably good, and yet for a period of nearly fifty years the ratio of dividends of national banks to capital and surplus has been but 6.53 per cent, which is certainly an indication that the banks of the country as a whole are not making unreasonable profits.

One other matter about which I criticized the Comptroller's office has been referred to by Mr. Williams and that was his order to discontinue the use of automobiles for the purpose of collecting deposits and transporting payrolls to depositors on the theory that they were branch banks. The order does not seem to have been put into effect and I presume the reason for it is that the Reserve Board in its wisdom pointed out its unreasonableness. The Comptroller now says that he did not wish to prevent its operation in cases where the action was legitimate, but did object to a "jitney branch bank being established." Here again he demonstrates the unwisdom of his course of action. If he had any evidence that any bank was conducting the kind of service which he criticises and he had any authority to do so, why did he not take the complaint up with that particular bank instead of making a general order forbidding the use of automobiles for such purposes? I have no disposition to advocate any course which tends to the establishment of branch banks. One of the most valuable qualities of our banking system has been its independent character and I regret that the Department has seen fit to recognize

branch banks even in the instance which has recently been brought to public attention in this city.

I wish particularly to emphasize the fact that I have no personal controversy with the Comptroller and that the criticisms which I have made have been based entirely on his public activities. I am not a defender of extortionate money rates charged by banks or any other action which is contrary to the general public good, but I maintain that the bank which follows such a course, just as the Comptroller himself contends, is sure to fail to be a prosperous institution, and that its stockholders should be depended upon to prevent its adopting a course which will make their investment unprofitable.

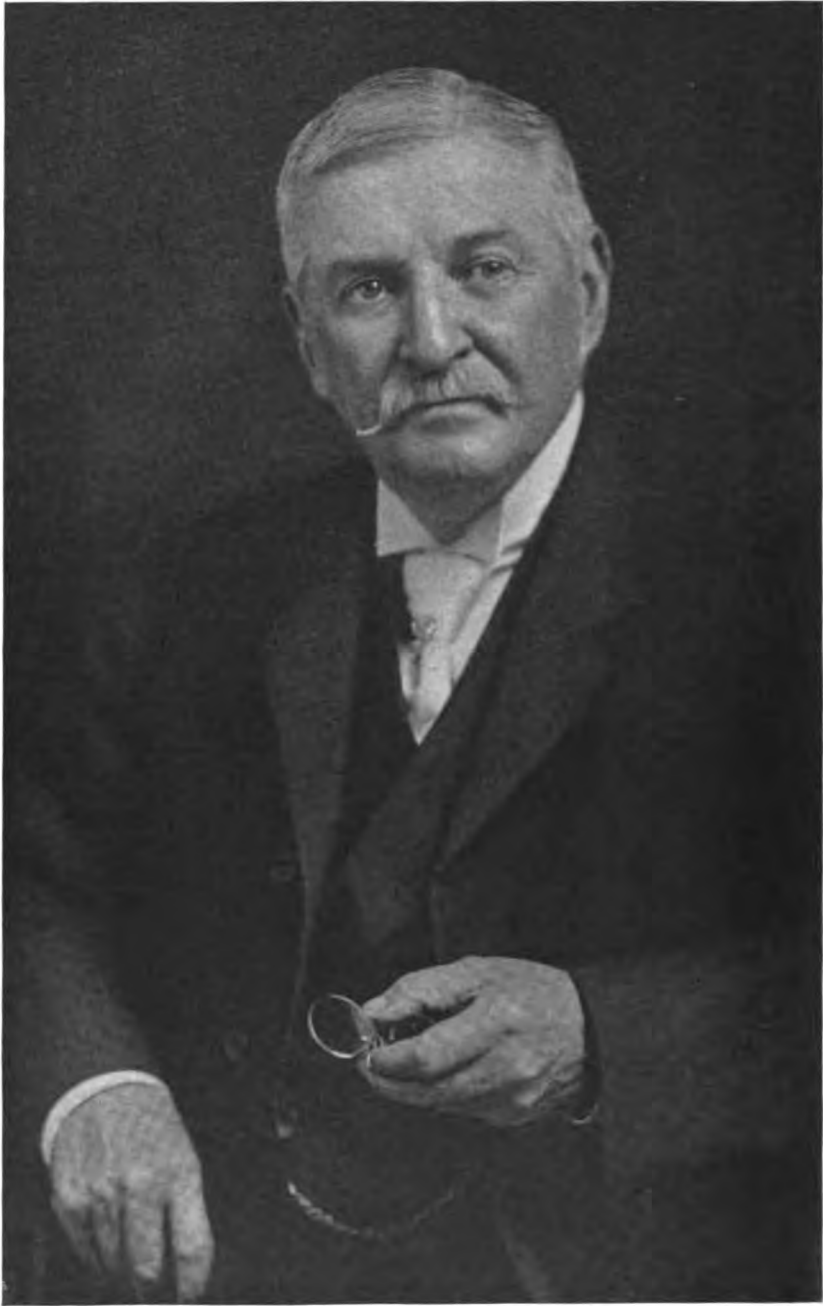
Mr. Williams indulges in several personal references which I think are unworthy of him. It does not seem to me necessary that I should appeal from them and especially his implication of my lack of familiarity with bank laws and practices, but I can not emphasize too strongly that I am opposed to every attempt on the part of a bureau officer in Washington to control the business affairs of individuals, or individuals who have co-operated for the purpose of doing business, in any way, except as the law specifically and directly provides. There is even too much law, in my judgment, in such cases, but when that is supplemented by individual action not authorized by the law it has the effect of retarding rather than developing business enterprises. Ours is a government of laws, not of men, and we should discourage every attempt to develop paternalistic action.



Bank for Students

AT Middletown, Conn., a bank will open to be managed entirely by students of Wesleyan University. Checks drawn on the students' bank will

be paid in checks on the Middletown National Bank, under whose supervision the college institution is to be conducted.



JULIUS S. WALSH
CHAIRMAN OF THE BOARD MISSISSIPPI VALLEY TRUST CO., ST. LOUIS



MISSISSIPPI VALLEY TRUST COMPANY, SAINT LOUIS

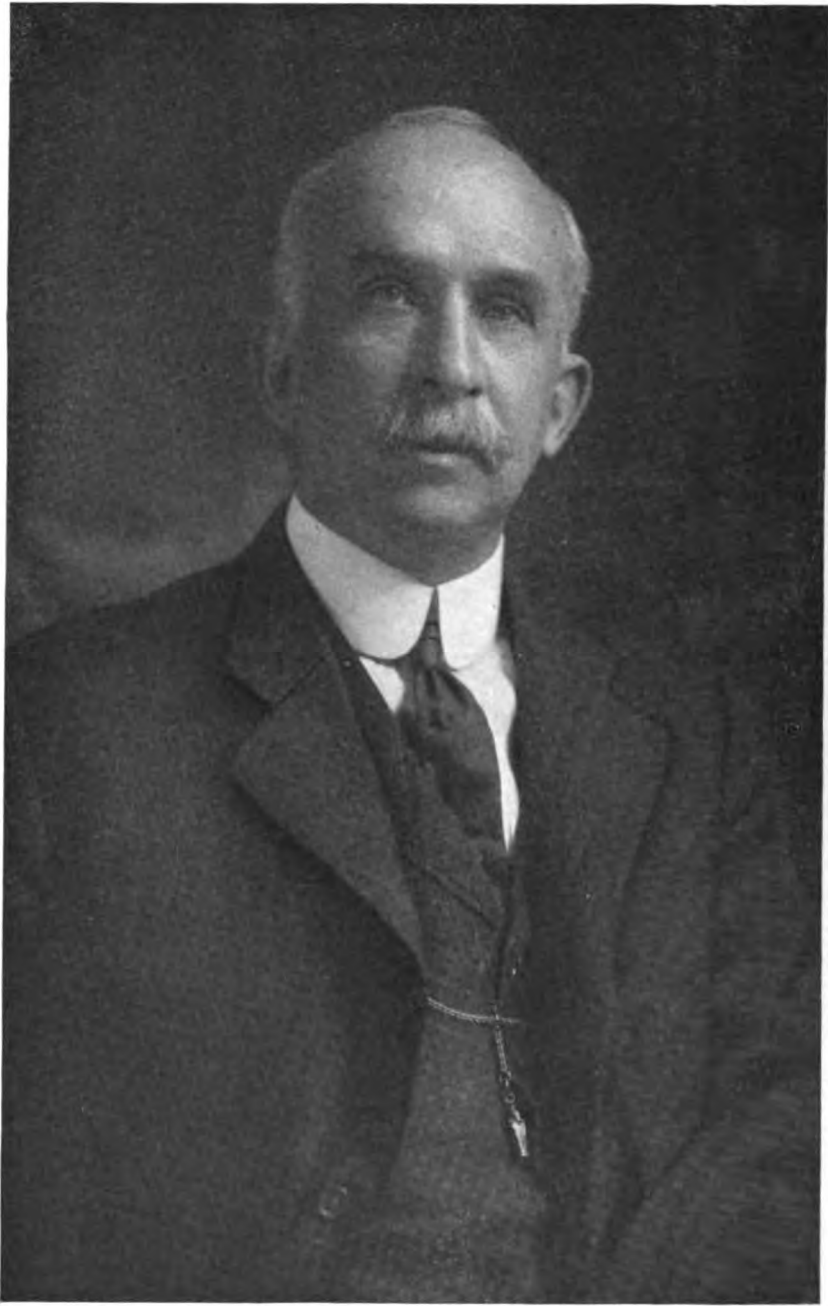
Mississippi Valley Trust Company

Prominent St. Louis Financial Institution Reaches Its Twenty-Fifth Anniversary

ON the third of October last the Mississippi Valley Trust Co. of St. Louis reached its twenty-fifth anniversary, and this fact has served to direct attention to the highly gratifying record the institution has made in its first quarter of a century. From a subscribed capital of \$500,000 at the time of organization (only one-half being paid in) the capitalization has risen to the present figure of \$3,000,000, all paid in, the surplus has grown to \$3,500,000, and undivided profits to \$1,857,227, with \$17,546,766 deposits and \$26,072,919 total assets. Besides, from the first year of its organization the company paid six per cent. dividends, increasing to ten per cent. in 1900, to 10½ per cent. in 1901,

to twelve per cent. in 1902, and sixteen per cent. in 1903.

The story of the progress of the Mississippi Valley Trust Co. is not all told by this mere enumeration of items from the balance-sheet or from the profit account, for it has been preëminently a sound and strong financial institution, rendering excellent service to its own community as its first duty, and being of such wider service as opportunity offered and prudence sanctioned. Its chief active executive officer, Mr. Breckinridge Jones—has not only proven a most competent and faithful trust company official, but has risen to prominence in his state and in the nation as an authority on trust company and banking matters, and has rightfully



BRECKINRIDGE JONES
PRESIDENT MISSISSIPPI VALLEY TRUST CO., ST. LOUIS



JAMES E. BROCK

SECRETARY MISSISSIPPI VALLEY TRUST CO., ST. LOUIS

assumed leadership in directing legislation looking to the more efficient conduct of the banking business.



ORGANIZATION AND HISTORY

IN 1890 St. Louis had only 460,357 inhabitants, as against the 800,000 to-day. Only two bridges spanned the Mississippi as against to-day's four; not one St. Louisan owned an automobile, and only 2,835 had telephones; the tallest building in St. Louis was only eight stories high. There were only seventeen car lines in the city; only six of them were electric and five used horses or mules for motive power.

The combined statements of 22 banks (no trust companies were mentioned) showed total deposits of sixty millions as against the three hundred and two millions of St. Louis deposits held by 30 banks and 15 trust companies on Sept. 2, 1915.

Getting outside of the city proper, Missouri's population was not half what it is now, while Oklahoma, Utah, Arizona, New Mexico and Indian Territory had not yet been admitted to the Union. The timber of Arkansas was mostly uncut; the oil of Texas was an unknown quantity; Arizona, New Mexico and Oklahoma were mostly fenceless prairies where long horned cattle roamed free over no man's land.

It was in such an undeveloped city

that Julius S. Walsh, Breckinridge Jones, S. E. Hoffman, Charles Clark and their associates formed the Mississippi Valley Trust Company. One concern of the kind, the St. Louis Trust Co., had already been formed, but that has since been merged into the St. Louis Union Trust Co., and it may be said that the Mississippi Valley Trust Co. is

S. Walsh, S. E. Hoffman, Charles Clark, John D. Perry and Williamson Bacon. Only two of these men are still living and both are directors of the Mississippi Valley Trust Co.; Mr. Walsh being chairman of its board and Mr. Hoffman an active member of its executive committee and up to last year one of its active vice-presidents.



BOARD ROOM MISSISSIPPI VALLEY TRUST CO., ST. LOUIS

the oldest institution of its kind in the state which retains its original name, management and policy.

The Mississippi Valley Trust Co. was organized Oct. 3, 1890, under Article II, Chapter 42, Revised Statutes of Missouri, 1889.

Under its original charter it was to endure for fifty years, but by the new Missouri Banking Law of 1915 it is granted perpetual succession.

Its original incorporators were Julius

The original authorized capitalization was \$2,000,000, and at incorporation \$500,000 of this had been subscribed and \$250,000 paid in.

The organization meeting was held Oct. 14, 1890, in the directors' room of the Laclede National Bank (now the Merchants-Laclede National Bank), southeast corner Fourth and Olive streets.

Those present were Williamson Bacon, Charles H. Bailey, James Camp-

bell, David W. Caruth, Charles Clark, S. W. Cobb, Auguste B. Ewing, S. R. Francis, John H. Goddard, B. F. Hammett, S. E. Hoffman, L. G. McNair, L. C. Nelson, Thos. O'Reilly, M. D.; F. W. Paramore, A. B. Pendleton, John D. Perry, John Scullin, Thos. T. Turner, Julius S. Walsh and Joel Wood, and they constituted the company's first board of directors.

Officers were elected as follows: Julius S. Walsh, president; John D. Perry, first vice-president; Breckinridge Jones, secretary.

Members of the executive committee, in addition to the president and vice-president ex-officio, were Williamson Bacon, B. F. Hammett, S. E. Hoffman and Joel Wood.

By June 6, 1893, the growth of the company's business had been so much greater than even its projectors had hoped, that its capital was increased from \$2,000,000 to \$3,000,000 and by Sept. 12, 1899, the full capitalization of \$3,000,000 had been paid in and surplus and undivided profits aggregated \$3,540,617.81.

Up to the close of its twenty-fourth calendar year, December 31, 1914, the Mississippi Valley Trust Company had paid \$7,323,729 in dividends to its stockholders, but in the same time it had paid many thousands more than this amount in interest to its customers, and in this connection it should be remembered that the stockholders were paid out of the profits of the financial, trust, bond, real estate, safe deposit and savings departments, while the interest to depositors came out of the earnings of only the financial and savings departments.

To-day the Mississippi Valley Trust Co. operates completely organized financial, trust, bond, real estate, safe deposit, savings and farm loan departments.

Its financial department holds seventeen and a half millions of deposits, and its total assets are over twenty-six millions.

Its officers are: Julius S. Walsh, chairman of the board; Breckinridge Jones,

president; John D. Davis, William G. Lackey, Henry Semple Ames and J. Sheppard Smith, vice presidents; Frederick Vierling, vice-president and trust officer; J. H. Keebaugh and Walton W. Steele, assistant trust officers; James E. Brock, secretary; Henry C. Ibbotson, C. Hunt Turner, Jr., Edwin J. Kropp, Robert W. Fisher and Charles F. Herb, assistant secretaries; George Kingsland, real estate officer; Frank C. Ball, safe deposit officer; John R. Longmire, assistant bond officer; William M. Fitch, farm loan officer.

As now constituted the company's board of directors consists of Henry Semple Ames, vice-president; William Bagnell, president Bagnell Timber Co.; John I. Beggs, president and general manager St. Louis Car Co.; Eugene H. Benoist, James E. Brock, secretary; John D. Davis, vice-president; David R. Francis, Francis Bros. & Co.; Hord Hardin, S. E. Hoffman, Breckinridge Jones, president; William G. Lackey, vice-president; W. J. McBride, president Haskell & Barker Car Co., Michigan City, Ind.; George A. Mahan, Mahan, Smith & Mahan, Hannibal, Mo.; Robert J. O'Reilly, M.D.; Wm. D. Orthwein, president Wm. D. Orthwein Grain Co.; Henry W. Peters, vice-president International Shoe Co.; H. Clay Pierce, chairman board Pierce Oil Corporation; Henry S. Priest, Boyle & Priest; Charles E. Schaff, president Missouri, Kansas & Texas Ry.; J. Sheppard Smith, vice-president; R. H. Stockton, president Majestic Mfg. Co.; Frederick Vierling, vice-president and trust officer; Julius S. Walsh, chairman of the board of directors; Rolla Wells, Louis Werner, president Louis Werner Stave Co.

The men who were the original incorporators of the Mississippi Valley, those of them who still live, are its managers to-day. Its first president is now chairman of its board of directors. Its first secretary is now president. Its present secretary entered the company's service in its first year as one-fourth of its total clerical force,

and has seen it grow from a corporation with one small second floor office and a paid in capital of less than half a million, to an institution whose present building will soon be too small to hold it—whose capital now amounts to \$3,000,000 fully paid, whose surplus

is \$3,500,000, whose undivided profits amount to \$1,857,227, whose total deposits are \$17,546,766, and total assets \$26,072,919. A further indication of the growth of the company is the fact that it now has seven different departments, serving over 40,000 patrons.



STATEMENT SHOWING CONDITION AT TIME OF COMPTROLLER'S CALL,
SEPTEMBER 2, 1915.

RESOURCES.		LIABILITIES.	
Loans	\$13,917,884.04	Capital	\$ 3,000,000.00
Customers Liability on Ac- ceptances and Letters of Credit	38,298.50	Surplus	3,500,000.00
Bonds and Stocks.....	7,072,710.59	Undivided Profits	1,857,227.68
Real Estate	99,189.85	Deposits	17,546,766.98
Overdrafts	865.77	Acceptances and Letters of Credit, per contra.....	38,298.50
Safety Deposit Vaults.....	72,000.00	Reserve for Interest.....	45,000.00
Cash and Exchange.....	4,788,725.04	Reserve for Taxes.....	72,000.00
Other Resources	83,296.92	Other Liabilities	13,696.78
Total	\$26,072,919.94	Total	\$26,072,919.94



Growth of an Unselfish Spirit

IN his address at the Seattle convention of the American Bankers Association, ex-President William H. Taft said:

"Another marked tendency of this generation is the growth of the spirit of universal brotherhood. It has shown itself in the sense of responsibility that rich men who have accumulated great fortunes have manifested in enormous donations to every variety of philanthropic activity. They have shown this not only by the size of these contributions but by the foresight and labor with which they have formulated the provisions and created the instrumentalities for their useful application. But not among the rich alone has this feeling spread. The organization of all sorts of charitable societies and the unselfish activities and devotion of people of moderate or very limited means to

help their stumbling brethren and sisters is apparent on every hand. The awakened interest on the part of the many in public matters, the organization of thousands of women's clubs for the discussion of subjects of public interest, and for the promoting of plans for municipal and other kinds of community improvement, are manifest to every observer. The churches, too, have minimized doctrinal differences and have united and stand shoulder to shoulder in a common effort to make the spirit of religion the handmaiden of the moral uplift and of the spread of the fraternal spirit. The people have halted in their mad rush for dollars and have become ashamed of their previous absorption in material matters and are now seeking to show to the unfortunate who have not shared in the general prosperity their interest in them and their desire to help them on."

New General Manager for the Canadian Bank of Commerce

THE recent announcement that Alexander Laird had retired from the office of general manager of the Canadian Bank of Commerce on account of ill-health, and has been succeeded by the former assistant general manager, John Aird, may be said to mark the end of one epoch and the beginning of another in the history of this big financial institution. Although the principles and policies of the bank will continue unchanged under the new administration, the appointment of a new chief executive is a historical event of interest and serves to recall some of the outstanding events of the earlier days.

Mr. Aird is numerically the Commerce's seventh general manager. Archibald Greer, the first general manager, or cashier, as he was called in those days, held office for less than a year. He was succeeded by R. J. Dallas, whose term extended over two years. Next in order was H. S. Strathy, who served for three years and later became general manager of the Traders' Bank. The fourth general manager, W. N. Anderson, was the first to occupy the position for any great length of time. He was in charge from 1872 to 1886 and was succeeded by Sir Edmund Walker, who held the office until 1907.

In the retirement of Alexander Laird the bank loses an official who has given the best years of his life to the promotion of the bank's interests. Imbued with a high sense of duty, Mr. Laird never spared himself in the discharge of those duties that fell to his lot to perform. Further than that, his loyalty was such that time and time again he refused most tempting offers from New York banks and business houses to leave the Bank of Commerce and join their staffs.

John Aird, the new manager, is a native Canadian of Scotch parentage, having been born at Longueuil, Quebec. He was educated at the Model School, Toronto, and he and an elder brother had the distinction of being the head boys during the period when the late Dr. Carlyle was principal of the school. His initial experience in business was as a railway man, but in 1878 he entered the Canadian Bank of Commerce as a clerk and subsequently became secretary to the general manager.

He rose rapidly in the bank's service and soon was appointed to the inspector's staff at head office. From there he went to Seaforth as manager and returned to Toronto as assistant manager of the Toronto branch, where he was associated with the late John C. Kemp. In 1899 he was made manager of the Bank of Winnipeg and in 1908 superintendent of the Central Western branches with jurisdiction over all of the bank's branches located in the district between the Great Lakes and the Rocky Mountains.

It was during Mr. Aird's regime at Winnipeg that the business of the bank in the prairie provinces experienced such active development. When he arrived in Winnipeg there were no other branches of the Canadian Bank of Commerce in that district. Now there are 137. Mr. Aird's appointment as superintendent of the Central Western branches was a popular one with the Westerners, as the Commerce was the first institution to appoint an executive officer for that district with power to act. His work in the West was of such conspicuous character that he was brought to head office as assistant general manager in 1911, and now with the retirement of Mr. Laird he succeeds to the general managership.

H. V. F. Jones, the new assistant



JOHN AIRD

GENERAL MANAGER CANADIAN BANK OF COMMERCE

general manager, is a nephew of the late Hon. Wm. McDougall. After joining the staff of the Bank of Commerce he became Sir Edmund Walker's secretary. About twenty years ago he was sent to the New York branch and subsequently to London, where he made a name for himself as an authority on banking.

The Canadian Bank of Commerce is one of the very large financial institutions of North America. The history of its growth is largely the history of

Canadian commercial expansion, for this bank has had a most important share in the remarkable development of the resources of the Dominion during the past half-century. The organization of the Bank of Commerce with its 380 branches is regarded by bankers as one of the most efficient in existence. This bank has a paid-up capital of \$15,000,000 with a rest of \$13,500,000. Its total assets approximate 250 millions.

Colorado as an Investment Field

By THEODORE G. SMITH, Vice-President International Trust Company, Denver, and President Colorado Bankers Association

NO state in the Union commands a greater variety of natural resources than does Colorado. For years there has been a popular belief in the East that Colorado consisted of a large number of mountains, and gold and silver mines, a few of which were profitable, but most of which existed only in the minds of optimistic promoters. It is sincerely hoped that the movement to "See America First," which has had such an impetus this last year, due to the prevailing unattractiveness of foreign travel, has in part corrected these impressions. Confidence is felt that those who visited Colorado at the time of the Investment Bankers Convention, held in Denver during the past month, have a new idea of the natural resources of the state.

The mining of precious metals forms only a small portion of the wealth of Colorado. The prosperity of the state is founded upon the most stable asset which a community can have—its agricultural resources. Gold, silver and the other precious metals contribute about \$40,000,000 a year to the wealth of Colorado, whereas agriculture contributes six times that amount, or about \$250,000,000. Colorado is rarely thought of as an industrial state, yet the product of its factories amounts to \$140,000,000 a year.



AGRICULTURAL GROWTH

THE agricultural development of Colorado during the past few years has been remarkable. The total area of the irrigated land is approximately 3,000,000 acres, an increase of seventy-five per cent. in the past ten

years. The land which has been placed under irrigation is extraordinarily fertile. It is not a slight scum of rich soil over a clay sub-soil that will wear out in a few years, but soil from six to a dozen feet in depth,—rich, strong and of practically inexhaustible capacity to produce crops. The irrigated sections in Colorado are not exceeded anywhere in the world in productivity. In addition to abundant grain crops, Colorado produces many highly specialized crops known all over the world, such as the Rocky Ford melon, Greeley potato, etc.



THEODORE G. SMITH
VICE-PRESIDENT INTERNATIONAL TRUST CO.
DENVER, COLO.; PRESIDENT COLORADO
BANKERS ASSOCIATION

The raising of sugar beets, especially during the last few years, has also proven very profitable. A large area of Eastern Colorado is devoted profitably to dry farming, which has been scientifically developed by the graduates of the state's agricultural colleges.

While the importance of mining precious metals has decreased relatively to the development of agriculture and manufacture, absolutely it is holding its own, and mining, while less picturesque, is as profitable to-day as it has been at any time in the history of the state. Colorado's natural resources are such as to insure its eminence as a manufacturing community. Colorado's coal supply is practically inexhaustible. Its production is developing rapidly, and now amounts to about 10,000,000 tons a year, being exceeded by only six states. It not only has enormous deposits of bituminous and lignite coals, but Colorado is unique among the Western States in having also large deposits of the best grade of anthracite. The ample supply of iron ore which Colorado and neighboring states afford insures, with the rapid development of the western market, Colorado's preëminence in the iron and steel industry.



A FINE CLIMATE

NO summary of the natural resources of Colorado can be complete without emphasizing most strongly the effect which climate has produced in developing this state. Almost the entire state is nearly a mile above sea level, a great part of it close to two miles. In these high altitudes the air is crisp and clear, humidity and fogs are absent, and human efficiency is at the highest point. These conditions unquestionably increase the capacity for mental and physical labor. It is not simply that Colorado's air and sunshine are a specific for lung diseases, but there is something in the climate which promotes ambition and increases the industrial capacity of the citizens.

Colorado affords the investor abundant natural assets for the protection of

his investments. Well planned investments are amply secured as to principal and afford a much larger income return than similar investments in the older and more developed communities of the East. The bonds of the state's municipalities are safe investments for the most conservative buyer, and return from one-half to one per cent. more than similar investments made in Eastern securities. The indebtedness and taxation of the cities and towns are moderate. Investments in the securities of industrial corporations, when made intelligently and through responsible channels, have proven well secured and in the majority of cases extremely profitable. Of course, haphazard investments made for other than sound business reasons or through irresponsible promoters have turned out precisely as such investments do everywhere. There are no means here or elsewhere to insure the safety of an investment which is not founded upon proven foresight and conserved by careful management.

In the pioneer days of this state loans were a mortgage only on brains and muscle. To-day we offer as security not only our developed and potential natural resources, but a substantial accumulation of liquid wealth in the shape of banking capital and securities. Denver, the financial center of the Rocky Mountain section, has total banking resources of over ninety millions of dollars. Our business community is made up no longer of men who are prospectors or gamblers with fortune, but of men of character who have proven their ability in the development and management of great enterprises. The thrift and contentment of our people are proverbial. There are practically no poor people except the infirm from age or disease. The per capita wealth of Colorado by recent census publication was shown to be \$2,785, against an average in the United States of \$1,965. Any industrious person can easily gain a competence, sometimes with amazing rapidity. The only adverse influences which have made themselves felt in the development of Col-

orado have been too much legislation and intemperate journalism. The fact remains, however, that our industries have survived the many stages and various kinds of legislation which we have had to pass through. We believe that this experience has left the state bigger and stronger than before and

that the growing pride our citizens have in themselves and their institutions is the best indication of the intrinsic strength of our resources.

It is our conviction that there is no safer or more profitable field for investment to-day than that afforded by the State of Colorado.



New Counterfeits

\$5 United States Note—Portrait of Jackson; series of 1907; check letter "B," Gabe E. Parker, Register of the Treasury; John Burke, Treasurer of the United States. This note is a crudely etched and badly printed counterfeit on two pieces of paper, between which silk fiber has been distributed. It should be readily detected by ordinarily-careful handlers of money.

\$10 National Bank Note—On the First National Bank of Edmond, Oklahoma; series of 1902-1908; check letter "D"; W. T. Vernon, Register of the Treasury; Charles H. Treat, Treasurer of the United States; portrait of William McKinley; charter number 6156; bank number 3156; Treasury number U883045A. This counterfeit is printed from photomechanical plates on two pieces of paper, between which silk fiber has been distributed. It is a dangerous counterfeit, and undoubtedly was made by the same person responsible for the counterfeit \$10 issue of the First National Bank of Lone Wolf, Oklahoma, which appeared in January, 1915, and was described in our circular letter number 380. The back of this counterfeit is not as well executed as the face. It is off color, and the lathe work is somewhat coarse and the lines are broken in many places. Care should be exercised in handling of notes of this issue.

\$10 National Bank Note—On the Mechanics' National Bank of Worcester, Mass.; series 1902-1908; check letter "N"; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States; portrait of Wil-

liam McKinley; charter number 1135; bank number 21451; Treasury number N337444. This counterfeit is printed from photoetched plates on rather thick paper, the silk fiber of the genuine paper being imitated by printed lines, those on the face of the note being black and those on the back of the note green. This counterfeit is similar in workmanship to the counterfeit \$5 silver certificate described in our circular letter number 392, dated September 10, 1915.

\$10 National Bank Note—On the First National Bank of Trenton, N. J.; series of 1902; check letter "I"; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States; portrait of William McKinley; charter number 281; bank number 28023; Treasury number Z384627A. On the lower center of note the word "Trenton" and the date, "February 25, 1903," are omitted. The counterfeit is printed from photomechanical plates on one piece of heavy bond paper. No attempt has been made to imitate the silk fiber. It should not deceive the ordinarily careful handler of notes.

\$5 United States Note—Photo of Jackson; series of 1907; check letter "B"; plate number 312. This counterfeit is made by photomechanical process; is printed on two pieces of paper; silk fiber is imitated with pen and ink marks. The large "V" and seal are a brick red, instead of carmine. The number E34535434 is also off color. This note will deceive the ordinary handler of money.

Investment Bankers' Association

THIS organization met in annual convention at Denver, Colo., September 20-23. Secretary Fenton's annual report showed a membership of 340 main investment offices and 176 branch offices, and that the association's annual income is now \$30,000.

President A. B. Leach, in his annual address, made a strong argument for just treatment of the railways and other public-service corporations, pointing out the mutuality of interest between these instrumentalities and the people whom they serve. In considering the "blue-sky" laws, he favored the widest publicity in regard to the issue of securities, but said that untried and unreasonable regulations should not be allowed to destroy legitimate enterprise. Mr. Leach declared his belief that the United States would continue to develop financial strength after the close of the European war.

Resolutions were adopted approving the extension of foreign credits, purely as a business matter, and indorsing the Government's neutral position in the war.

Dr. E. E. Pratt, chief of the Bureau of Foreign and Domestic Commerce, made a very interesting and able address on "Foreign Investments."

Referring to certain financial aspects of the European war, Dr. Pratt said:

"In the face of this tremendous destruction of capital which is going on in Europe, it would seem that this is a time for the United States to save and for the people of the United States to curtail their expenditures, which are in any way unnecessary, and to invest those savings where they will do the greatest amount of good. Great Britain has made herself the foremost capital nation in the world, not because she made large profits, but rather because she saved large savings. It is out of

savings and not profits that investments are made. If the United States is to become a great capitalist nation, the people of the United States must save. It is sometimes said that it is a man's first duty to save. If that be his first duty, it is certainly his second duty to so invest those savings that they will be of the greatest advantage to the commonwealth. Just at the present the investment of savings in foreign securities, in the securities of those countries which we hope to win for our foreign market, will afford the greatest advantage to our commonwealth.

"It is also worth while for us to stop and consider whether or not in making our loans to the European nations and in making loans which are to be used almost wholly for destructive purposes is an economically sound principle for us to follow. Please do not misunderstand me. I am not criticizing or objecting to loans which are being made to the European countries. I am merely raising the query as to whether or not it is a sound economic principle for us, as a nation, to loan all of our money to our best customers to enable them to destroy one another, when we might at least be using a portion of that capital to develop those countries which, although now not our best customers, are likely to become very good customers. I realize perfectly that under the present circumstances it is not a question of whether we want to loan money to Europe or not. At present we have no alternative. We must loan money to Europe in order to keep our foreign trade moving and in order to permit us to realize the largest possibilities of the present situation. However, we should not lose sight of the fact that the undeveloped countries of South America, of Africa, of Australia, and of the Far East are ardently seeking capital with which, not only to develop, but with

which to keep the very wheels of commerce moving.

"Let me suggest to you investment bankers, that you can make a very real contribution to the extension of American trade and the expansion of the United States as a world financial power, and at the same time put yourselves in the way of earning an honest penny, by organizing special departments for handling foreign securities for American investors. At present, most of the private banking and brokerage houses are able only in an incidental way to care for investment propositions, which come from foreign countries. Each matter has then to be taken up and separately investigated, and becomes more difficult and expensive than it should. If, then, the foreign business were specialized, as is the domestic, certain firms would specialize in the securities of certain parts of the world. Foreign investments would thereby assume greater certainty in the market and would command better support among our investors.

"The demands for capital in parts of the world which are as yet undeveloped will grow rapidly from now on. The continent of Africa has scarcely been touched. The essential elements of Western European life are almost entirely lacking in China and in the greater part of the Russian Empire. Much remains to be done in South and Central America, Mexico and Canada. We may look forward, it seems to me, for the increasing demand for capital in all parts of the world and for the rapid development of those sections of it which are still undeveloped.

"But where are these undeveloped countries to look for their supplies of capital? Great Britain has for some years past never invested less than \$500,000,000 per annum in her colonies and in foreign countries, and recently the amount has been in the neighborhood of \$1,000,000,000. The yearly flow of French investments to other lands is estimated at from \$400,000,000 to \$500,000,000. Germany's foreign investments probably amount to \$200,000,000 to \$300,000,000 per annum,

while Belgian and Dutch investments probably have amounted to not far from the same figures. These sources of capital will probably be closed for years to come. It is unthinkable that the disastrous effects upon the flow of capital which were seen after the Napoleonic wars, after our own Civil War, after the Franco-Prussian War, will not be repeated on an even larger scale after this, the greatest of all wars. The European channels for investment will be closed and it remains to the United States to take up this work of development and expansion."

Ex-Senator Theodore E. Burton, of Ohio, spoke on "The Effect of the Present Conflict on the Rates of Interest and the Business of Investment Bankers." He said the following results might be looked for from the war:

"An enormous decrease in capital available for investment.

"Temporary shrinkage in the aggregate volume of commercial and industrial activities. Expenditures for rehabilitation and reconstruction will have preference over those for the development of new enterprises.

"Higher rates of interest. A greater degree of discrimination on the part of the investing public and a wider disparity in the rates of interest among the various categories of investments.

"Interest on high grade bonds probably will decline.

"Certain classes of domestic enterprises, including the building of electric railways between cities and probably the building of steam railroads will experience a material decline."

United States Senator Charles S. Thomas, of Colorado, spoke upon "Patriotism," and Carter B. Keene, director of the Postal Savings System, spoke upon "Postal Savings from Behind the Scenes."

George B. Caldwell, former president of the association, made an address on "Publicity as Affecting the Investment Banker."

The election of officers of the Investment Bankers Association resulted as follows: President, Lewis B. Frank-

lin, New York; vice-presidents: Allen G. Hoyt, New York; John E. Blunt, Jr., Chicago; Stedman Butterick, Boston; A. C. Foster, Denver; E. Edgar Elliott, Chicago; secretary, Frederick R. Fenton, Chicago; treasurer, J. Herndon Smith, St. Louis. Members of the board of governors: Richard Morris, New York; George C. Clark, New York; George A. Taylor, Chicago; H.

L. Stewart, Chicago; J. Sheppard Smith, St. Louis; R. E. Fields, Cincinnati; Charles L. Stacy, Toledo; Lynn H. Dinkins, New Orleans, and W. L. Ross, Milwaukee.

Denver bankers liberally entertained the delegates to the convention with automobile rides, trips about the beautiful surrounding mountain country, and with a banquet.

Mobilizing American Dollars

By T. D. MACGREGOR, Vice-President Harvey Blodgett Co.,
St. Paul, Minn.*

I AM very glad to appear before this splendid organization, and I wish to congratulate you and the Associated Advertising Clubs of the World upon your recent decision to cast your lot with that great association. I know that this action will result in much mutual benefit.

A few weeks ago in St. Paul we had a joint meeting of the Minneapolis Ad. Forum and the Town Criers of St. Paul. President Houston of the Associated Advertising Clubs of the World was present, and when he announced that the four clubs of your affiliation had joined the Associated Advertising Clubs of the World, the applause was loud and prolonged. Informally, I bring you the greetings of the advertising clubs of the Twin Cities.

Your president has been kind enough to refer to some of the writing that I have done, but I want to forewarn you that I feel that perhaps I can write better than I can speak. There will be no oratorical gems except when I am quoting someone else. As for carrying out my own theories, you know that Doctor Johnson said:

"No man practises so well as he writes."

When I was considering a suitable dedication for my recently published work, "The Book of Thrift," I wrote something like this:

"Dedicated to my Mother, who did wonders on a small income; and to my Wife, who wonders what she would do with a large one."

But one of the ladies involved raised the objection that it would not do because I was telling others how to get rich and yet was not rich myself. I mentioned this criticism to the publishers, but they said:

"Oh, that's all right. That's just the kind of stuff that Rockefeller and Carnegie are always getting off."

So the dedication stood as originally planned.

As I am going to say more or less about thrift in this talk, there's another thing that I want to dispose of right at the start. As my name indicates, I am of Scotch descent. Therefore I have a right to tell stories of thrifty Scotchmen

*Address delivered before the Cleveland, Ohio, Advertising Club, October 27th, 1915.

like Sandy who had proposed to a bonnie lassie by letter with the request that she send her answer by wire. He waited around the telegraph office all day but still no answer came. The operator, who was in the secret, finally said:

"Sandy, ye'd better gie her up. If she take sae lang to make her decession she'll no be wantin' ye sair."

"Na, na," replied Sandy. "The lass that bides for the night rates is the lass for me."

But the conventional funny paper Scotch story is more along this line:

"Wull ye oblige me wi' a match?" asks one smoking compartment traveler addressing the other. The match is forthcoming, but soon the matchless one discovers that he is also without tobacco.

"I find," he says, "that I hae left ma tobaccy at home."

"Oh, aye," says the other. "Sae ye has left your tobaccy at hame! Then ye'll no be wantin' the match and ye can just gie it back to me."

Such yarns, while they make us smile, do not seem to me to be a true reflection of Scottish life and character as a whole. The fact that a man is a Scotchman does not, per se, make him thrifty. Anyway, there is a vast difference between being really thrifty and being a plain tightwad.

So some of our most generous spenders are Scotchmen. Take the canny Laird of Skibo, for instance. To date, that thrifty soul has given away \$324,657,399—almost a third of a billion. Included in his gifts are 6,539 organs to churches and more libraries (to be supported by the communities receiving them) than there are books on the shelves of the average home.

So much for that base canard about the Scotchman being stingy.



DESTRUCTION OR CONSTRUCTION?

FIFTEEN months ago, when the European war broke out, we peaceful Americans were astounded at the

rapidity with which the armies of the belligerent nations were mobilized—especially those that were prepared.

The outstanding need in America today is for a mobilization of our dollars in preparation for the great financial responsibilities and opportunities that are before us and that will continue to come to us in constantly increasing measure.

While English pounds, German marks, French francs and Russian roubles are being mobilized for war and destruction, we ought to be mobilizing our American dollars for peace and construction.

The benefit of much that we do along this line now will be enjoyed by those who are to come after us. Perhaps some of you feel like the Irishman who said:

"Why should I be doing so much for posterity. What the divvle has posterity iver done for me?"

But my fellow townsman, James J. Hill, the Empire Builder of the Northwest, says:

"The highest conception of a nation is that of a trustee for posterity. The savage is content with wresting from nature the simple necessities of life. But the modern idea of duty is conservation of the old, and modeling of the new to the end that posterity may have a fairer dwelling place, and thus transmit the onward impulse. What we have now represents the concentrated efforts and plans and hopes of a mighty past—every act of self-sacrifice of the father for his child, every reward of labor told into the treasury of savings for the future, the pulse of the strong hearts and the strain of the mighty sinews of all the millions who are now in their graves and have handed down to us their sacred trust."

The expression "a mobilization of reserves" has been used in connection with the operation of the Federal Reserve System. But the mobilization of dollars I have in mind is something more widespread and more fundamental than that.

In some places at present it is true that the banks have more money than they know what to do with. Their reserves are away above the point required by law or good banking.

THE GREAT DEMAND FOR CAPITAL

BUT bankers are men of broad vision, and they are bound to look beyond such purely local and temporary conditions of money redundancy to the needs of the nation at large at a future and we hope not far-distant time when the din of war shall cease and in its place shall arise an insistent, world-wide cry for capital, capital, and still more capital, to repair the ravages of war and to restore the interrupted industry and commerce of the world.

This great war cannot last forever. It will end sooner or later, and then will be the day of America's greatest opportunity.

The question is, will she be ready for it?

Already the financiers of the old world have come to us for assistance. Already it seems that the world's central money market has been transferred from London to New York, and that our country has permanently assumed increased obligations in the field of international finance.

Our duty and our opportunity are so clear that it does not need the arguments of an Adam Smith or of a John Stuart Mill to convince us of the necessity that is laid upon us to conserve and develop our resources to the uttermost.

And the solution of the problem of getting ready is likewise a simple one. The way to conserve capital is to quit wasting it.

The war abroad has put us Americans absolutely upon our own resources for capital to continue the financing of our great industrial and transportation developments.

President Frank A. Vanderlip of the National City Bank of New York estimates that for the next five years an average of \$8,000,000 a week of new capital will be required for the proper development of the electrical industry alone.

Within that same period it is estimated that \$1,000,000,000 of steam

railroad securities will mature, calling for refinancing of some kind.

States and municipalities in the next five years, even if they use no more capital than they have in the past five-year period, will absorb a billion and a half more.

But railroads, public utilities, states and municipalities are by no means the only prospective borrowers. There are the rank and file of the nation's industries, its merchants, and perhaps most important of all, its farmers, for in addition to all the other problems of capital this mooted question of rural credits, so ably championed by your former Governor, Mr. Herrick, is one which must be worked out in the near future.

Then there is the certain demand that will be made upon us to help the Latin-American nations finance their big enterprises, because they have been left in the lurch by the withdrawal of the aid they used to get from Europe.

It is even possible that Mexico, when peace and stable government finally are restored there, will look to her watchfully waiting friend, Uncle Sam, for financial assistance.

Moreover, we will be asked again, as we have just been asked, to help bear the war debt of Europe. But let us hope that it will always be in the form of credits to be expended for our own goods. Soon also, without a doubt, there will be placed upon us the great but necessary burden of larger armament of our own, and we must remember that every dollar paid out by the Government must first have been paid in by the community.

Another thing to contend with will be the high rates that Europe certainly will offer for money after the war, and in spite of patriotism money goes where it can be most profitably employed just as naturally as water seeks its level.



WHERE IS IT COMING FROM?

NOW we come to the crux of the whole situation. Where are we going to get the vast sums of money

that will be required to meet even a portion of these many and importunate demands that have been mentioned?

Not from Europe, certainly, though formerly that was one of our chief sources of supply. Europeans, for a generation to come, are more likely to sell back some of our securities they now hold than to buy any more from us. The prodigious borrowing that is being done by the nations at war will call for all the capital that their citizens and subjects can rake and scrape together for many years to come, to say nothing of the money needed for the actual reconstruction of property destroyed by the war.

We naturally look to the bankers for light and leading in such a situation as confronts us. Here and there among them a voice is being raised to sound a note of warning concerning our national extravagance and the need for a new spirit of economy. For instance, Mr. James G. McNary, vice-president of the First National Bank of El Paso, Texas, says:

"I believe that the greatest constructive service the bankers of any city, or of any state, or of the nation, can perform at this time is to endeavor, by every means at their command, to impress upon the minds of the people the necessity for each individual man, woman and child striving to practise the virtue of thrift."

Mr. Elmer H. Youngman, editor of THE BANKERS MAGAZINE, says:

"There never was a time when so much of individual benefit, of national welfare, and of incidental banking profit, could be derived from a vigorous and properly-directed campaign for the stimulation of the savings habit among the people of the United States."

Many bankers are already doing their share of this work in their advertising. It is estimated that the banks of the United States spend at least \$10,000,000 a year for publicity. Undoubtedly more than half that amount is used to stimulate saving and thrift—to encourage the mobilization of American dollars.

The nearly 7,000 building and loan associations, with their billion and a half of assets, are also doing a great

deal by example and precept to encourage the right kind of thrift in this country, while the Government's Postal Savings Bank is exerting a steadily increasing influence in this direction.

To talk about bank advertising in Cleveland, I feel, is something like "carrying coals to Newcastle," as the English say, or "carrying coal to Scranton," as we might say.

For the past eight years I have been editing the "Banking Publicity" department of THE BANKERS MAGAZINE of New York. In that time there has passed before me in review a procession of thousands of bank booklets, circulars, form letters, street-car cards, newspaper advertisements, and so forth, and in all that time I do not remember ever having seen a poor one from Cleveland.

Cleveland bank advertising was first brought to my attention years ago when the banking-by-mail propaganda was at its height. In the days before the financial advertising pages of such magazines as the "World's Work," "Review of Reviews," and the "Literary Digest" were given up almost exclusively as at present to bonds and mortgages, I was on the follow-up list of both the Cleveland Trust Company and the Citizens Savings and Trust Company, and it was a dull day when I didn't receive a letter or a booklet from one or the other of those institutions. I feel as though I owe them quite a bill for postage, but perhaps this free ad. will liquidate the debt.



ADVERTISING FOR DEPOSITS

IN the past decade there has been a marked improvement in bank advertising. Several reasons can be assigned for this. In the first place, there has been a steady advance in the sum total of general advertising knowledge by means of the advertising periodicals, by many new books, and by the educational work of advertising clubs like yours.

Coincident with this has been an improvement in the mechanical processes of printing and engraving. But per-

haps most important of all, the magazines and newspapers have had a house-cleaning and truth and decency are paramount in the advertising pages of every respectable medium. So no longer does the advertising banker have to rub elbows, as it were, with the quack and the get-rich-quick fakir.

A good deal of specific information dealing with the problems and opportunities of the bank advertiser has been promulgated in one way and another, by books, by articles in the banking press, addresses at bankers' conventions, and by banking publicity associations.

More banks than ever before now have advertising managers, directors of publicity, managers of the department of advertising and new business, and so forth. Some of the best known are your own president, Mr. Rose, and several others in this city; Mr. Fred W. Ellsworth of the Guaranty Trust Company, New York; Mr. E. B. Wilson of the Bankers Trust Company, New York, and Mr. E. G. McWilliam of the Security Trust and Savings Bank, Los Angeles.

Quite a number of bank advertising service agencies have sprung up in different parts of the country and are of genuine assistance to the banker. The dean of the bank advertising specialists is one of your fellow members, Francis R. Morison.

There probably is more advertising for savings deposits now than there ever has been. Strange as it may seem, the biggest and oldest mutual savings banks in the East do the least advertising. As they are not money-making institutions, their trustees do not feel that they have a right to use depositors' money in carrying on an extensive campaign of advertising. Maybe they are right, but my own idea is that as they are semi-public institutions, the State, in the interest of the general welfare, should encourage them to do a certain amount of real advertising to aid the popular education in thrift and to increase the effective working capital of the community.

The Federal Reserve Law has made

it more practicable for national banks to operate savings departments and a great many of them are now doing so. Trust companies and state banks everywhere are also pushing their savings departments.

There is no other branch of bank advertising that permits of so much of the "human interest" element in it, or at least that has such possibilities in that direction.

I will illustrate what I mean by human interest savings advertisements by reading a few.

I know one bank president who turned down some such advertisements when submitted for use by his bank because, he said, they made him sick.

Now, I think his nausea was due to the fact that the milk of human kindness had curdled within him.

The trouble with some bank presidents, outside of Cleveland, when it comes to a consideration of the advertising copy of their institutions, is that they fail to put themselves in the position of their prospective depositor. The language and style that the banker would like to use is such as he would employ if he were talking or writing to a group of other bank presidents of like attainments, habits and substance as himself.



COMMUNITY BANK ADVERTISING

A NEW development of interest in this connection is the movement toward community bank advertising such as the trust companies in your city have been doing to some extent. I believe this method was first proposed by my associate, Mr. Harvey A. Blodgett, several years ago in an address before the Oregon Bankers' Association.

Some of his ideas are as follows:

"Why and what should banks advertise jointly?"

"Why? For the sake of efficiency, economy and results.

"What? The fundamentals of banking—the advantages of being a bank depositor,

checking or saving; the essentials of credit; the pitfalls of investment; the business customs which find their expression in the various functions of the banks.

"Thus far all banks are on common ground in their publicity. The degree of efficiency with which individual banks meet the needs of their clients can never be handled in a community way.

"Stating it broadly, community advertising should begin and end with the educational side of banking. This done effectively, the individual advertising of banks can be devoted to the exploitation of special individual facilities and factors of safety.

"Individual bank publicity will be infinitely more productive of results when the fundamentals of banking are made clear through community effort.

"Banks jointly can present the rudiments of bank service in a more lucid, logical, continuous story than can a number of banks each telling the story in its own way and with varying degrees of skill.

"When the community plan is adopted each bank can use less space to tell its own individual story. With the desire for service created elsewhere, it can get right down to brass tacks and make plain its special qualifications to render that service.

"A campaign of inspiration on the subject of Thrift, backed by all the banks in the community receiving savings accounts, would be vastly more effective than the scattered efforts of the same institutions.

"Take the amount expended annually by all the banks in a community which supports two or more, use it on a well-planned campaign, each bank maintaining its own publicity on a smaller scale, and the results to each one of them would be far greater than under the present system. The concentrated effort would perform the necessary educational function and the individual efforts would guide the convert in his choice of a bank."

The idea is for the banks of a city to get together and pool their advertising appropriation to buy large space in local newspapers, for instance, to run a campaign of thrift education or other matter of benefit to all the banks whose names appear at the bottom of the advertisement. I have samples here of how this is done by Des Moines and Minneapolis banks. The same plan is being used more and more by banks in different sections of the country, and it is an idea which has great possibilities in it, as the need for concerted action along this line by the banks becomes increasingly apparent.

THE A. B. A. CAMPAIGN

FOR several years now the Savings Bank Section of the American Bankers Association has been conducting a systematic campaign of popular thrift education which has wide ramifications.

Firstly, the section is doing all it can to encourage the establishment and maintenance of school savings banks.

Then it prepares and sends out every month to a list of about a thousand newspapers and bankers a set of weekly "Talks on Thrift" for use as free editorial matter in the newspapers and as advertising material by the bankers. These are being used extensively.

A two-reel motion picture play, entitled "The Reward of Thrift," issued partly under the auspices of the Savings Bank Section, has been shown in almost 3,000 theaters and about 2,000,000 people have seen the play, which portrays the fortunes of a thrifty workman and his little family, showing how thrift in time of prosperity tides over a time of adversity.

The section is also co-operating with Y. M. C. A. organizations by providing them with a thrift exhibit and furnishing them with a personal cash account folder for free distribution to members. A recent issue of the official Y. M. C. A. organ, "Association Men," was called the "Thrift Number" and was entirely devoted to that subject, containing articles by James J. Hill, Henry Ford and other men of prominence.

The latest activity along this line is a nation-wide campaign for the encouragement of thrift to be conducted through the various chapters of the American Institute of Banking, the organization of bank clerks, which in their several communities will conduct courses of popular lectures on banking and thrift.

I realize that probably the majority of those listening to me are connected with businesses which, at first thought, one would say are more likely to want people to spend money rather than to save it. They are paying out good money in advertising to induce people to spend.

In the Twin Cities the laundrymen had an indignation meeting the other day and declared that people were getting so thrifty that they were wearing collars two days instead of one and making their wives do the ironing. So that one laundry advertised: "Don't kill your wife. Let the Blank Laundry do the work."



THRIFT HELPS BUSINESS

LET us look into this matter a little. Thrift means wise buying as much as it does earning and saving. Thrift is not meanness but management. A thrifty person is likely to be more temperate and industrious than the thriftless and shiftless one. Usually his earnings, and consequently his buying power, are greater. Besides that, eventually the interest on his savings and the income from his investments will give him additional money to spend. He can then well afford to spend and he will pay cash.

Suppose you are a merchant dealing in necessities, or even in luxuries, and had your choice of locating in one of two communities. In the first, the people are all shiftless, intemperate, careless, living from hand to mouth and always seeking credit at the store. In the other, the citizens are industrious, thrifty, temperate, bank depositors, home-owners rather than renters, taking pride in their surroundings, paying cash and anxious to make the best use of their incomes, and day by day increasing their possessions, and consequently their buying power.

In which place would you prefer to do business?

It is said that the spendthrift puts money into circulation. But compare \$10,000 spent for a millionaire's whim or folly of some kind and the same amount used to drain a swamp and convert it into productive farms. In the former case the money is spent and some persons get temporary benefit from it. In the other case just as many people get the temporary benefit from

the expenditure, but in addition a barren tract has been made productive and will go on year after year giving employment, yielding its returns and becoming of constantly greater benefit to mankind.

And there is another angle to this. That is, every effort to encourage thrift is a blow at hoarding, and the hoarder is worse than the spendthrift, because the latter's money does get into the banks eventually and through them into general circulation, whereas the millions stowed away in old socks and bureau drawers is entirely non-productive.

The word education, etymologically, means a drawing out. Real thrift education will tend to draw out thousands of good American dollars from their hiding places and give them a chance to do their duty in promoting the general prosperity.



THRIFT IN THE SCHOOLS

YOU Clevelanders make a good deal of the fact that yours is the "Sixth City." That refers only to size. I know that in some other respects Cleveland is the first city.

For instance, I know that Cleveland is the first big city to secure a 3-cent fare on local traction lines.

I know that Cleveland is the first city to have a City Immigrant Bureau and that your work in teaching aliens is favorably known among social workers everywhere.

I know that your public library system in practical efficiency stands first or near it among all the public libraries of the United States.

There is an opportunity for you to make Cleveland the first city to take up the matter of systematic thrift education in its public schools.

I understand that a number of years ago a school savings plan was attempted in Cleveland but that it failed, largely because of objections made by teachers who claimed that this work interfered with their other duties.

I will admit that the public school curriculum is pretty full now and that the teacher's task is not an easy one.

But I believe that we should heed Abraham Lincoln's advice and "Teach economy. That is one of the first and highest virtues. It begins with saving money."

I believe in the school savings bank, and I believe that where it does not exist and supplementing it where it is in operation, there should be a well-worked out course of study in the value and use of money. To make it easier for the teacher, there should be a textbook taking up such subjects as these:

Economical household buying;
The earning power of money;
The essentials of safe investment;
The safety and service of banks;
How railroads and other great enterprises are built with the savings of the people;

Stories of men and women who have succeeded through thrift;

Quotations from the lips of successful men and women who have gone on record as to the importance of saving.

I believe that such instruction as this for girls as well as for boys would result in great good. It would not only prevent much loss and bitter disappointment in later life, but it would result in positive and tangible benefit to the city and state, increasing the nation's wealth and adding enormously to the sum total of happiness and prosperity.

Perhaps you say that such instruction as this is work for the parent. So it is, but unfortunately many parents themselves are not thrifty. Some are not intelligent. Others are careless and incompetent. No; in this, as in many other matters, the teacher must act *in loco parentis*.

In writing me on this subject, my friend Frank C. Mortimer, cashier of The First National Bank of Berkeley, California, said:

"One of the most glaring defects of our present educational system considered as a means of preparation for life's work is the lack of any general and systematic training in the practice of thrift. For a people as practical as we are the omission of any

such provision is significant. It points to the fact that our boundless natural resources and the countless opportunities for making money have lulled us into a false security. The future seemed so assured it appeared hardly worth while to stint ourselves in the present.

"But this is the gambler's attitude towards life, and education, drawing upon the wisdom of experience, should furnish the corrective. Experience teaches that success in life depends not so much upon the ability to make money as on the ability to save it.

"But in educating our children we seem to go upon the assumption that the very reverse of this is true. Or do we go upon the assumption that children who have spent the most impressionable part of their lives in careless disregard of thrift will suddenly, and, as it were, overnight, become frugal and provident? If so we are making a grave mistake. Thrift does not come at our beck and call, nor can it be slipped on or off like an old coat. It is established by practice rather than by theory, by example rather than precept.

"Great as is the value of thrift from the point of view of economics, yet its value is not limited wholly to that field. The training afforded by its practice calls for the exercise of qualities that are predominantly moral in their character. Thrift means self-control. It means self-mastery. It means that we must learn to forego immediate pleasure for the sake of some more distant good.

"In order to bring about desirable results in this field of instruction, it is necessary to provide a carefully modeled system of education along these lines. Educators should make this a branch of their work. It should be attached to the schools as a part of the regular curriculum. We should make thrift fashionable once more. Restore this normal attribute of respectable independence to its rightful place in the esteem of our world of society as well as business."



A BIG NATIONAL SUBJECT

THAT public men are beginning to take this matter seriously is evident when the Governor of Michigan goes so far as to set aside the first Sunday in September as a day upon which the gospel of thrift is to be preached from the pulpit to the people of that state. In his proclamation, Governor Ferris said:

"The lack of thrift among American youth is an alarming symptom. Thrift does not mean stinginess, nor does it mean undue

regard for the dollar. With it other desirable habits are invariably associated. Thrift is really a practical form of patriotism. This nation, in order to maintain its high position in civilization, needs to train American youth to habits of thrift.

George E. Roberts, former Director of the United States Mint, says:

"The waste of humanity in war is not more deplorable than the waste of humanity in peace. We need to understand that every dollar of capital saved and accumulated, no matter who owns it, is useful to the entire community. The whole world needs to join in a campaign to promote efficiency and thrift. A great effort is being made, under the pressure of necessity, to teach

this lesson of frugality abroad, but nowhere is it more needed than in the United States."

In the days of Poor Richard, America was rich only in possibilities. Practically everyone was struggling for existence, and thrift was a necessity to prepare the people for their opportunities.

To-day we are struggling against the dangers of extravagance, and the teaching and practice of genuine thrift are more necessary than ever if we are going to be prepared for the new situation which is opening up before us individually and as a nation.

The Railroads and the People

THIS was the subject of an address made by President Sproule of the Southern Pacific Company at the recent bankers' convention at Seattle. He made out a strong case for mutuality of interests between the railroads and the people. Here are a few of his points:

"There are in the United States over a quarter of a million miles of steam railroad, which have about six hundred thousand shareholders and about a million and three-quarters of employees. This figures roughly one shareholder to three employees. So little is thought about the shareholder that I would wish to say more about him, and I take this opportunity to tell you that if you will average the railroad shareholders according to the railroad mileage they would stand within seven hundred yards of each other along every mile of steam railroad in the nation. This means that throughout the United States each shareholder would be in plain sight of two other shareholders along the right of way, under conditions of normal vision. Yet because of the free-and-easy way in which the public has attached to railroad properties the names of well-known men, the people generally have a vague belief that the

railroads are owned by a very few wealthy people.

"The savings banks have for their depositors about eleven millions of the people. These depositors rely upon the ability of the savings bank to earn with safety and certainty enough money on their deposits to pay to the depositors a satisfactory rate of interest, with such a banking profit added as will maintain the integrity and solvency of the bank without question. These savings banks carry between eight hundred and nine hundred millions of dollars in railroad bonds and stocks. Upon the earnings derived from them these savings banks properly, and in accordance with the laws of their respective states, are dependent for an important part of their income, and their income is for the benefit of their depositors. To state it another way, if these railroad securities owned by the savings banks were to be averaged among the depositors, each depositor would have an interest in the railroads of between seventy-five and eighty dollars.

"Among the large holders of railroad securities the life insurance companies are of vast importance to the people. Nearly every man of family carries in-

insurance of some sort. It is the duty of the insurance companies to find profitable investment for the millions confided to them by their policy-holders, and what form of investment should be more secure and more profitable than that which appertains to the greatest industry in this country or in any other, the American railroads? In the United States there are over thirty-four million life insurance policies. Every holder values dearly his insurance, whether for himself or those dear to him who may later be dependent upon the proceeds of that insurance, and so every policy-holder is interested in the railroads and the stability of their securities.

"It is time for the railroads and the people to take counsel together, for the uncertainty which touched the railroads first has reached to all the people. This

nation needs prosperity more than it needs anything else. No business prospers by repression. The effects and influences of government should be stimulating or they are a failure. The American people prosper together. When we prosper we are all prosperous. The pursuit of life, liberty and happiness has prosperity for its reward, the railroads and the people in conjunction and alike.

"The common sense of the people can be relied on to bring about the conditions that make prosperity. They are merely looking for light. When they find it we shall have enlightened prosperity, all the brighter for the dark uncertainties through which we have been passing. There is no room for pessimism; the country is all right and the people are all right. We are in their hands."



Growth of an Idea

HOW an idea has grown was thus told by M. W. Harrison in his recent report as secretary of the Savings Bank Section of the American Bankers Association:

"The story goes that one Patrick Colquhoun, a local magistrate in London, in April, 1816, sent a letter with a pamphlet to a man in New York city by the name of Thomas Eddy, Jr., which described the plan of a savings bank which he was instrumental in forming over in London. The Hon. James Savage, of Boston, received one at about the same time. Plans were drawn up and subsequently perfected for a savings institution in Boston, and on December 13, 1816, the Provident Institution for Savings was chartered. A few weeks previous to this time a savings bank was organized in Philadelphia. On November 29, 1816, a meeting was held in the City Hotel in New York and the Bank for Savings was organized. However, the savings bank did not commence business until its incorporation in 1819.

"These great institutions, of which

there are 634 of the kind called Mutual Savings Banks, are run only for the benefit of the depositors; and those with capital stock, called Stock Savings Banks, numbering 1,466, have assumed huge proportions since their establishment, until today the aggregate deposits amount to \$4,667,525,744.98, with 10,502,438 depositors. Including the savings deposits in National and State banks, loan and trust companies, school savings banks, postal savings banks and building and loan associations, we would have the enormous total of \$8,554,757,839.36 in savings in the United States, with 24,189,489 depositors. Conservative estimates give us \$20,000,000,000 as the combined savings in the banks of the world. This is all the result of an idea which came to the Rev. Henry Duncan in Ruthwell, Scotland, in 1810, who had the ability to put his ideas into practice. It is a good illustration of the cumulative value of an idea. If you want success in life—save your money and follow the idea of the savings bank."



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THOMAS COCHRAN
PRESIDENT LIBERTY NATIONAL BANK, NEW YORK

Liberty National Bank of New York



GRANDFATHER'S
CLOCK PRESENTED
TO THE BANK BY
MR. HENRY P.
DAVISON, A FORMER
PRESIDENT

FOR the second time since its organization, twenty-five years ago, the Liberty National Bank of New York has found it expedient to remove to larger premises. The latest removal, which has only recently taken place, was into one of the Broadway corners of the new Equitable Building, which has the distinction of being the largest business structure in the world. The rooms secured for the Liberty National Bank are ample in size, well lighted, and perfectly arranged for banking purposes. Both customers and the working staff of the bank have been thoughtfully provided for and the requirements of safety and convenience fully met at all points. Moreover, the banking rooms and offices present a most cheerful and homelike appearance, the decorations and furnishings being quietly attractive. The main banking room is finished in marble with German silver grilles, and the officers quarters and the public space are commodious and inviting. The additional room and more complete equipment which the bank's increased business demanded have been gained in the new quarters, and provision made for future growth as well. In point of location—the heart of the city's great financial district—the new banking rooms are ideally situated.

A unique feature in the lobby is a central chandelier in the form of a globe of the world. Owing to the fact that the detail of this figure may undergo actual changes from time to time, it was decided to select the globe as it would appear according to the maps prevalent in the Sixteenth Century, and the reproduction has been faithfully made as of that period.



HISTORICAL SKETCH

THE organization of the Liberty National Bank dates back nearly a quarter of a century ago, to October 5, 1891. Henry C. Tinker, a man of wide experience, was the first president, and these were the directors: Henry C. Tinker, Henry Graves, George F. Baker, J. Rogers Maxwell, E. F. C. Young, William Runkle, Dumont Clarke, John H. Starin, H. C. Fahnestock, J. A. Garland and Hon. Garret A. Hobart.

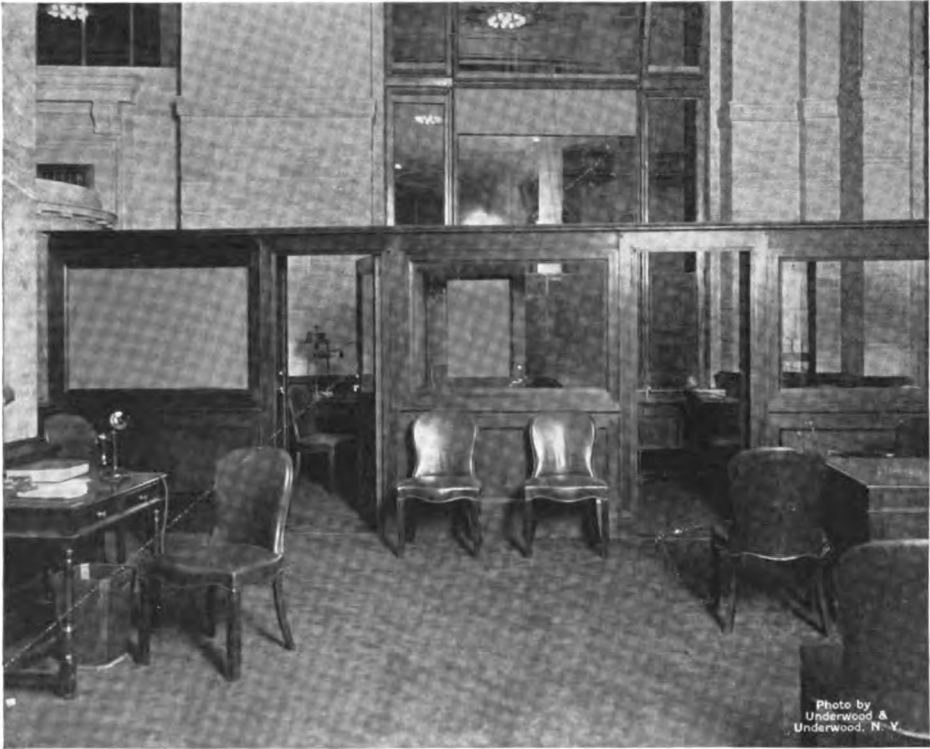
Business was begun in the Central Railroad of New Jersey building at the foot of Liberty street, the new institution having a capital of \$500,000. It grew moderately for a time, but in 1894 a change occurred which had a marked influence on the bank's future. This was the election of Henry P. Davison (now of the firm of J. P. Morgan & Co.) as assistant cashier. At the time of his election Mr. Davison was paying teller in the Astor Place Bank. He was, soon after becoming assistant cashier of the Liberty National Bank, made cashier, and active in the bank's management. His subsequent prominence in the financial world dates its beginning from this time. He was promoted to the vice-presidency of the bank, and later to the presidency, the bank having prospered under his direction so that at the time



INTERIOR, LOOKING DOWN THE LOBBY FROM FRONT DOOR



**LOOKING DOWN LOBBY TOWARD FRONT DOOR
LIBERTY NATIONAL BANK, NEW YORK**



PORTION OF OFFICERS' QUARTERS WITH GLIMPSE OF PRESIDENT'S OFFICE
LIBERTY NATIONAL BANK, NEW YORK

he was elected president deposits were \$5,500,000. Indeed, the increase of business was sufficient to warrant removal to Broadway, and an appropriate home for the bank was erected at No. 139, which was occupied from 1903 until the recent change into the Equitable Building.

When the Liberty National Bank moved into this home, it was the only bank in the Wall street district of New York city having a building devoted exclusively to its use.

Shortly after the bank moved to Broadway, Mr. Davison resigned the presidency to become vice-president of the First National Bank, and was succeeded as president by Edmund C. Converse, under whose guidance the success of the bank continued.

The Bankers Trust Company, now in its own beautiful building on Wall street, was organized and took over the

unexpired lease which the Liberty National Bank held on the quarters in the building at the foot of Liberty street.



MANAGEMENT AND GROWTH

UNDER the presidency of Henry C. Tinker, Henry P. Davison, Edmund C. Converse, Frederick B. Schenck, Seward Prosser and Thomas Cochran, the Liberty National Bank has steadily developed to its present rank among the very large and strong banks of New York, its capital now being \$1,000,000, surplus and profits, \$3,000,000 and deposits exceeding \$60,000,000—a development that has been reached without consolidation of any kind. Of course, the bank has been most wisely officered, and has an exceptionally notable board of directors.

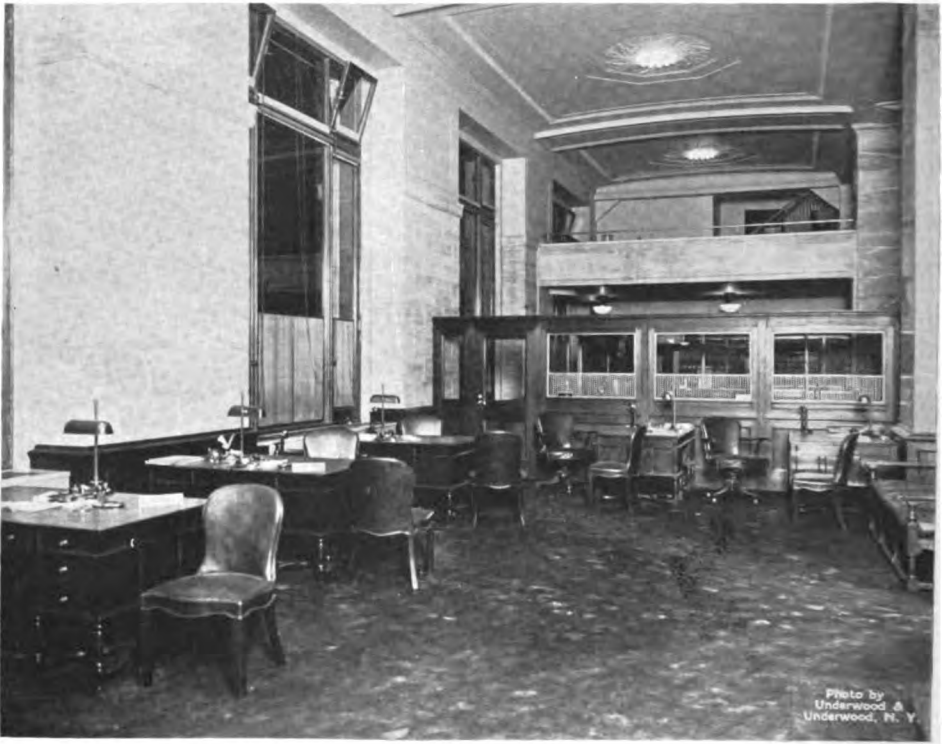


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PORTION OF OFFICERS' QUARTERS



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DIRECTORS' ROOM
LIBERTY NATIONAL BANK, NEW YORK



CONFERENCE ROOM
LIBERTY NATIONAL BANK, NEW YORK

The officers are: Thomas Cochran, president; Daniel G. Reid, vice-president; Harvey D. Gibson, vice-president; Charles W. Riecks, vice-president and cashier; Alexander M. Hall, 2d, vice-president; Frederick P. McGlynn, Theodore C. Hovey and Louis W. Knowles, assistant cashiers.

Thomas Cochran, the president, was born at St. Paul, Minn., in 1871, was graduated from Phillips Andover Academy in 1890, and from Yale in 1894. He has taught school and had experience in railroad business. His election as president and director of the Liberty National Bank occurred October 7, 1914, prior to which date he was vice-president and director of the Astor Trust Company. How intimately Mr. Cochran is associated with financial and social organizations may be seen from this partial list of his affiliations: president and director, Liberty Na-

tional Bank; director, United Dry Goods Co.; Associated Merchants Co., Lord & Taylor, American Piano Co., International Motor Co., Morris Plan Co., Governor Bankers Club of America; secretary and treasurer Group 8 New York State Bankers Association; member Chamber of Commerce of the State of New York, University Club, Union League Club, Yale Club, Englewood Club, Bankers Club of America, and Knickerbocker Country Club.

Daniel G. Reid, vice-president, is a native of Indiana, and began his business career in the Second National Bank of Richmond in that state, later becoming a director and vice-president. In 1892 he became interested in the manufacture of tin plate, and in 1898 was made president of the American Tin Plate Co., removing to Chicago. In 1900 he came to New York and assisted in organizing the United States Steel

Corporation, of which he was elected a director. Subsequently he became largely interested in railway management.

Harvey D. Gibson, vice-president, graduated from Bowdoin College in 1902 and became connected with the American Express Co., Boston office. Later he was appointed financial agent of the company in Montreal, and the assistant manager at Boston, in charge of the financial department for New England. He came to New York to be assistant manager in charge of financial business in the Eastern Department. On March 1, 1912, he entered the service of the Liberty National Bank as assistant to the president, later becoming vice-president.

Alexander M. Hall, 2d. vice-president, was for many years with the bond house of Rhoades & Co., New York, and worked up until he became a member of the firm. He was elected vice-president, of the Liberty National Bank on July 1st, 1915. He is a recognized expert in bonds and other securities and specializes in the bank's activities in that direction.

Charles W. Riecks, vice-president and cashier, prior to the organization of the Liberty National Bank, was a clerk in the First National Bank of New York. He went to the Liberty National Bank as a teller when the bank started, and is now the only officer who has been with the bank since its inception. Mr. Riecks has been assistant cashier, cashier, and is now vice-president and cashier.

The other officers have won their way to the positions they now hold as a re-

sult of efficiency in the various departments of the bank.

In its board of directors, the Liberty National Bank numbers several of the representative banking and financial men of the country, as will be seen by the following names of the directors with their respective connections: Union N. Bethell, president New York Telegraph and Telephone Co.; Newcomb Carlton, president Western Union Telegraph Co.; Thomas Cochran, president; Edmund C. Converse, New York; Otis H. Cutler, president American Brake Shoe and Foundry Co.; Henry P. Davison, J. P. Morgan & Co.; Zoheth S. Freeman, New York; Samuel L. Fuller, Kissel, Kinicut, & Co.; Harvey D. Gibson, vice-president; Thomas A. Gillespie, president the T. A. Gillespie Co.; Francis L. Hine, president First National Bank, New York; Edward E. Loomis, vice-president D. L. & W. R. R.; Arthur F. Luke, Luke, Banks, & Weeks; H. W. Maxwell, vice-president Atlas Port. Cement Co.; Ambrose Monell, president International Nickel Company; Edward S. Moore, vice-president American Brake Shoe and Foundry Co.; Daniel E. Pomeroy, vice-president Bankers Trust Company; Seward Prosser, president Bankers Trust Company; Daniel G. Reid, member executive committee Lehigh Valley Railroad; Charles W. Riecks, vice-president and cashier; Charles H. Sabin, president Guaranty Trust Co.; Charles H. Stout, New York; Charles H. Warren, treasurer Mutual Life Insurance Co.; Albert H. Wiggin, president Chase National Bank.



The Confession of a Bank President

I AM the president of a bank in one of our larger inland cities. I suppose I would come under the head of "self-made men."

I remember reading once of some popular lady novelist who mentioned in an interview that she had been of "poor, but Irish parents." Mine were not particularly poor, but they were especially Irish. They permitted me to finish my common-school education before putting me to work. I have been working ever since.

I got my first job in the bank of which I am now president.



I was placed in full charge of the Dept. of Sweeping and Cleaning

In the beginning I was placed in full charge of the department of sweeping and bank cleaning. I ran errands for recreation and exercise.

Nowadays I don't work as many hours a day, but I am more tired when I get home at night. Sometimes my rest is broken. Lately I have had nights when I did not sleep at all. Still, I suspect that the office boy envies me.

People in our neighborhood say that I understand the banking business better than any man in this part of the state. I should. I have practically spent my life in this bank.

I understand the routine of each department. I could take the place of any

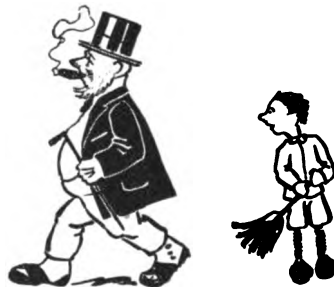
of my clerks tomorrow if I had to. To do them justice, there are a number of them who would tell you in confidence that such an exchange could not fail to benefit the bank.

My directors live right here in town where depositors can keep one eye on them all the time.

If ever we are tempted to branch out a little way in the manner of living, we prepare our explanation first and rehearse it at the breakfast table every morning for a month to see if there is anything that could excite suspicion in the most credulous mind.

One of the directors was fired not long ago with a desire to possess an automobile. As a matter of fact he could easily afford it. But prudence and an eye single to the welfare of the bank suggested that he await the long-expected demise of a maiden aunt in a neighboring city conveniently remote.

When the event finally occurred, he had all our papers copy her obituary and confided to a select and well-chosen few the glad news of a legacy. Thus he was enabled to purchase the machine



I suspect that the office boy envies me

without exciting suspicion and imperiling our credit.

I have reason to know that he inherited exactly forty dollars. Thus it is

that a virtue is often indebted to the subterfuges of guilt.

Nearly all our directors are merchants or manufacturers. They have no outside business besides running this bank. They understand its policy.

When they get too busy to direct, they resign.



When they get too busy to direct they resign

They know that our depositors won't stand for high-sounding, wire-pulling representatives of "special interests," or pin-headed sons of rich fathers.



Pin-headed sons of rich fathers

Two years ago—it seems like two centuries!—we decided to build a new bank. Our surplus warranted it. Our business demanded it. Our stockholders clamored for it. I only got nervous prostration over it.

Hence this "Confession."

Our old bank building was an affront to the eye—a glorified expression of the sort of conservatism which is next door to hopelessness. It was a fine example



Our old bank building was an affront to the eye

of the horsehair-furniture, Mansard-roof, black-walnut-finish, cupola and worsted-motto period of art.

The interior was designed with an eye to honest discomfort on the theory that comfort insidiously leads to luxury. Everybody knows what luxury leads to. Everything on the inside was made of black walnut except the safe and the



The clerks sat in their light

window panes. The windows were small and far apart. The clerks sat in their own light. Later on they wore spectacles.

The plumbing was boxed in with the accumulated dust of fifty years. On very cold days the furnace went out. On warmer days you couldn't have told it from the gas works. Our overcrowded, badly arranged, ponderous vault was possibly fireproof, but it was half a century behind the up-to-date burglar.

So we decided to build.

On the theory that he who runs may build, my directors insisted that I serve

on the building committee. The other members were two of the oldest and most conservative members of the board.

One of them was the owner of the largest mill.



Two of the oldest and most conservative members

The number of thousand of square feet of floor space that that mill contains you wouldn't believe, so why should I try to remember it! Anybody can see it for himself by going to the Water-front Park. It stands right where you used to stand to get the best view of the river.



The other member was a scrappy lawyer

The other member of the committee was a scrappy lawyer who had the reputation of possessing what is described as good taste. Also, he had been in every state of the Union and had spent a memorable summer in foreign parts.

Furthermore, his wife had gone in for architecture before she had gone in for matrimony. She herself had drawn the plans for their first home. They are still living in it. There is nothing else they could do with it.

The first meeting of the building committee was a memorable occasion. To me it was a revelation.

My co-members disclosed beneath the crust of sobriety and sanity which they wore on the surface a volcanic quality of vituperation and invective which was as amazing as it was unexpected. "Low-browed utilitarian," which term the lawyer applied to the mill-owner, was the only printable epithet that I can now recall.

The mill-owner insisted that there must be no frills about the new bank. Something plain and practical would alone appeal to the solid business sense of our community. He alluded almost with tears to the fact that the floors of his mill were guaranteed to stand a dead weight of five hundred pounds to the square foot. Decidedly the new bank should be handed over to the industrious young man who had done so well for him. Besides, he lived in town. Also, he was a depositor. The mill-owner regarded the whole matter as settled.

The lawyer took the opposite view. He stood for art.



He was for art

Here was the opportunity to rebuke that odious commercial spirit which, like the boa-constrictor, was strangling every art impulse we had once possessed. It was our duty not merely to build a bank. We must erect a monument.

Let generations yet unborn point with pride to the edifice we would erect.

Who could say but that history might record that the first real impulse toward a national feeling for art had started at this very moment?

He said a great deal more. He said too much.

For myself I modestly urged that some thought be given to interior arrangement. I wanted a banking-room of sufficient size to enable us properly to handle our growing business. I wanted a system of lighting that would preserve the eyesight and restore the good temper. I wanted a system of heating calculated to strike somewhere between suffocation and chilblains. I wanted a modern bank vault, properly arranged and sufficiently large.

For any attention I received from the other members of the committee I might have been addressing the black walnut chairs of the directors' room.



I might have been addressing the black walnut chairs

For the next month I felt as if I was giving my business absent treatment. I certainly had scant time personally to attend to it.

My mail consisted chiefly of letters from architects and in behalf of architects. I never before realized how many old friends I had completely forgotten. I filed all these letters to await the next meeting of the building committee.

Not only did I discover that every man on the board of directors had a relative or the son of a dear old friend who was an architect, but that the depositors unconnected with architects were in every sense of small account.

People who could not afford the time to call on me personally sent their representatives.

In despair I abandoned my private office and cunningly left the door open so that it could be seen that the room was empty, then did my work on a kitchen table behind the vault. I went to and from my house by devious alleyways. I had one satisfaction. I learned that the mill-owner was completely surrounded by clerks and extra office boys hired for the emergency.

As for the lawyer, at the end of the second week he disappeared altogether.



The automobiling director took us on a sightseeing tour

And then the committee had another meeting. This time, at my suggestion, the automobiling director took us on a sightseeing tour of the town.

We gazed in scornful wonder at the varied types of architectural monstrosities erected by our "hated rivals." We agreed to have an open competition. To agree on anything was a blessed relief.



"Plans"

For the next two months the plans poured in without let or hindrance. I ate plans, I drank plans, I sat on

plans by day—they covered the walls, the desks, the chairs and the floor of my office—I dressed plans by night.

They represented every known type of building, every school of architecture, and a number of absolute discoveries on hitherto unheard-of lines. The beaux arts and the bizarre were alike represented.

The detail that we were planning to build a bank was for the most part completely ignored.

We had every conceivable plan submitted, from a Greek temple to a reinforced concrete roundhouse. For two weeks the committee wrangled. Then I had an inspiration.

We summoned the other directors in consultation. It was then that I realized pandemonium. Two of the directors resigned before the meeting was over. I am sorry to say that I was responsible for one resignation. I can only plead that I was a nervous wreck, or I wouldn't have made so feeble a joke. We were considering one design which the lawyer insisted was a facsimile of the ark constructed by the late Noah.

"There is one difference," said I. "Noah's ark was pitched within and without. We need only pitch this out."



We need only pitch this out .

Unfortunately, this was the design of the favorite nephew of the wife of one of our oldest directors. He immediately resigned, but remained at the meeting.

I have no recollection as to how the final choice was made. Of course, no

one had ever heard of the successful competitor. He came by the first train after receiving his notification. His design had been selected largely because it satisfied both the mill-owner and the lawyer as to externals. It had been pointed out that any little point as to the interior arrangement he would naturally be glad enough to change as I might suggest.

He was a pleasant-mannered individual with an enormous amount of knowledge as to periods, styles of architecture, and art terms, who was most clever in explaining away any seeming difficulties, and who made building seem, while he was talking, like a pastime.

The first point I brought to his attention was that we preferred to have both a vault and a safe. The alternative of having the cashier and the clerks carry the bank's money home each night I declined to consider. There was nothing in their contracts, I pointed out, asking them to do it. The architect smiled a superior smile.

"If you had examined my plan more closely you would see that I have made provision for vaults in the cellar," he answered.

"Those in the basement are the safe-deposit vaults," said I. "I am speaking of the ones in which the bank's money and securities and books are to be kept."

"As I am not in the banking business myself I am not supposed to know that you wanted two sets," replied the architect. "Still, I can alter the plan at a very small cost by removing those six windows."

"I can see only two objections to that; we can't possibly do without the windows, and I fail to see why we should use up a portion of our appropriation, which has been very closely figured, to pay for your error."

I pass on to the point where I was asked to go over the specifications which were to be submitted to the contractors for bids. Why I was asked to look over them I am sure I do not know.

Why should a hard-working bank

president with only a common-school education be expected to decipher a cuneiform inscription or write an essay on baseball in the vernacular? Have you ever read a specification? What did you take it to mean?



To decipher a cuneiform inscription

I recall in especial one phrase which occurred with maddening frequency. It was something about all the stone being carefully "furred and nosed" from the point. I ask you!

Well, I read them all through several times. Then I passed them along to the other members of the committee. The mill-owner said, as far as he could make out, they were an exact copy of the ones he had read when he was building his mill. According to him they were up to the standard of specifications. He thought it was like a lease. They were all drawn up in classic form.

The lawyer privately advised me to decline to give any opinion on the ground of not being willing to incriminate or degrade myself. Moreover, he promised to stand by me and fight it out on that line if it took all winter. We shook hands on it. He remarked that the phraseology originated at the Tower of Babel.

I have never realized how many people it takes to erect a building. As nearly as I can recall they came in something like this order:

First came the excavation; then there were the masonry and foundation contracts, the steel contract, the fireproofing; then the roofer—which seemed al-

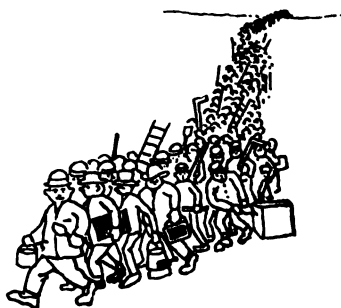
most premature; plumbing, electric lighting and heating followed; and finally in order came the plasterer, the carpenter, the marble and tile man, and the ornamental iron worker—ornamental referred to his work, not to his appearance—bronze work, cabinet work, furniture, floor coverings, decorations, lighting fixtures, signs, screens, etc., etc.

We had set aside one hundred thousand dollars to cover all expenses. When all the estimates arrived we found that our bank would cost us just sixty-one thousand more. Of course, that was out of the question. But before the meeting called to consider this question I found myself as chairman of the building committee asked to pass on trifles such as:

"Did we want comb-grained Georgia pine?"

"Would we prefer bone-dried or kiln-dried stock?" This was in reference to the floor of the directors' room. Again, I ask you!

The architect attended the next meeting. He was as indignant as possible over the outrageous figures of the contracts. We firmly insisted that we could not and would not depart from our original figure. He said of course



The people it takes to make a building

he could make changes in the original plan.

When he exhibited the proposed changes at the next meeting, the mill-owner asked if this was the picture of the bank after the fire. The building was completely gutted.

I cannot go into the dreary details of how we sacrificed a window here, a door there, reduced the number of ornamental columns at the portico, lopped off this ornament, pruned down the floor space, etc., etc. It was simply maddening.

Finally we got within twenty-six thousand dollars of our original estimate. That was the best we could do and have anything that resembled a bank inside or out.

And then the real "fun" began in deadly earnest. Of the heart-sickening delays, caused by mistakes, disagreements, and delayed shipments of various material—it seemed as if there was a hideous conspiracy to prevent any of us living to see the building under roof, much less completed—I will not venture to write.

The men quarreled like children. For example, the plumber broke a hole through the plasterer's pet piece of work, his chef d'oeuvre apparently, to put in a silly piece of pipe that led from nowhere to nowhere and then started on its return trip. Neither one would

architect's mother or wife pretended to die, and the building committee was called upon to arbitrate.

It was fortunate for the lawyer that he had made his reputation years before. The way he conducted the case was more than feeble. We capitulated and paid everybody something. I don't know what for. I met the boss plumber's wife in a new bonnet a few days later.

When finally we had finished, the new bank bore as strong a resemblance to the building we had planned as an "after-taking" picture does to a "before-taking." And if the advertiser knows his business, there isn't any.



The Board Meeting

As the full board sat at their first meeting in the new board room (only half life-sized), sitting on the same old chairs which looked more disreputable than ever and altogether out of place—we had been compelled to abandon all ideas of new and appropriate furnishings—we gazed sadly into one another's faces, aged and seamed by worry and care. Here we were in a building which none of us wanted, without any new furniture, and for which we had paid in good hard money, not to speak of mental and bodily strain and wear and tear on the moral fibre, just exactly forty-six thousand more than we had bargained for.

"There's only one word for it," said the mill-owner. "Stung!"

BANK PRESIDENT.



I met the boss plumber's wife in a new bonnet

repair the job. So the plasterers and the plumbers both "went out."

That, as I recall it, was one of the sanest excuses for any of the numerous strikes. It was at this juncture that the



HENRY C. SWORDS
PRESIDENT FULTON TRUST COMPANY, NEW YORK CITY

The Fulton Trust Company of New York—Twenty-Fifth Anniversary

LAST month the Fulton Trust Company of New York completed twenty-five years of successful service as a financial institution designed to conserve the judicious investment of trust and other funds committed to the company's keeping. Looking back upon the record made after a quarter of a century, it is found that while the Fulton Trust Co. has prospered, returning to its shareholders a fair rate on their investment and out of the earnings building up a surplus considerably in excess of the capital, besides gradually adding to its deposit totals, the aim of the organization has been from the first absolute safety gained by the strictest adherence to sound banking principles. Upon this rock the success of the company has been built, and the future will see no deviation from this safe rule.

In the quarter of a century since the organization of the Fulton Trust Co. the country has been devastated by several financial cataclysms—two or three of them of exceptional severity. But this institution has been unaffected by them, for the reason that its operations are far removed from anything resembling in the remotest respect speculative transactions, and its investments are not in such securities as can have their values destroyed or even materially lessened by the fluctuations in prices incident to financial upheavals.

The Fulton Trust Co. operates under the carefully-prescribed regulations of the banking law of the State of New York, whereby the greatest possible degree of legal safeguard is thrown around banking transactions, and these regulations are supplemented by a sound policy initiated and rigidly ad-

hered to by the company's officers and trustees.



THE MANAGEMENT

AT the head of the Fulton Trust Co. is President Henry C. Swords, an experienced and capable banker, of well tried judgment in the financial world and one whose sound methods and principles have been put to long and practical tests. Mr. Swords was for fourteen years governor of the board of the New York Stock Exchange, and for six years treasurer of the Stock Exchange, and only withdrew from the latter position a short time ago because of temporary illness. He is ably supported in the management of the company by Vice-President H. H. Cammann, Second Vice-President Henry W. Reighley, Secretary Charles M. Van Kleeck, and Assistant Secretary Arthur J. Morris. It will be seen also from the accompanying list that the Fulton Trust Co. has an exceptionally strong board of trustees: Henry C. Swords, president; H. H. Cammann, vice-president; Henry W. Reighley, second vice-president; Charles C. Burke, Lisenard Stewart, Henry Lewis Morris, Edwin A. Cruikshank, Charles S. Brown, Henry K. Pomroy, J. Roosevelt Roosevelt, Frank S. Witherbee, Robert Goelet, Frederic De P. Foster, Alfred E. Marling, Richard H. Williams, Howland Pell, Archibald D. Russell, Arthur D. Weekes, Charles M. Newcombe, Robert L. Gerry, James S. Alexander, Charles Scribner, Edward De Witt, John D. Peabody.

COMPANY'S PRESENT POSITION

THE growth of the Fulton Trust Co. has been steady but continuous, and at the present time the resources are close to ten million dollars. An accurate idea of the present position of the company may be had from the accompanying statement:

REPORT OF THE CONDITION OF THE
FULTON TRUST CO. OF NEW
YORK

at the close of business on the 25th day of
September, 1915:

Resources.

Stock and bond investments, viz.:	
Public securities (book value, \$330,141.14), market value.	\$334,840.00
Private securities (book value, \$1,937,493.33), market value	1,944,112.89
Mortgages owned	530,500.00
Loans and discounts secured by other collateral	5,074,639.00
Loans, discounts and bills purchased not secured by collateral	90,500.00
Overdrafts secured	22,093.82
Due from approved reserve depositaries, less amount of offsets	808,386.97
Specie	609,390.00
United States legal-tender notes and notes of national banks..	86,876.73
Other assets, viz:	
Accrued commissions	\$3,735.00
Accrued interest entered on books at close of business on above date	6,338.71
Estimated accrued interest not entered on books at close of business on above date	56,941.55
Uncollected items...	824.90
	<hr/>
	67,840.16
Total	\$9,569,179.57

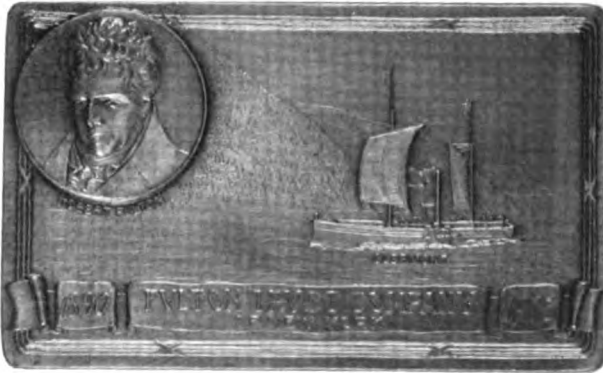
Liabilities.

Capital stock	\$500,000.00
Surplus on market values:	
Surplus fund	\$250,000.00
Undivided profits.	399,777.23
	<hr/>
	649,777.23
Surplus on book values, \$638,458.81.	
Deposits:	
Preferred, as follows:	
Due New York State savings banks...	\$27,029.30
Other deposits due as executor, administrator, guardian, receiver, trustee, committee, or depository	292,120.74
Deposits by State of New York...	15,000.00
Other deposits secured by a pledge of assets...	38,252.55
Not preferred, as follows:	
Deposits subject to check	6,725,180.90
Time deposits, certificates and other deposits the payment of which cannot legally be required within 30 days	719,560.29
Demand certificates of deposit	472,844.25
Other certificates of deposit	25,067.81
Cashiers' checks outstanding, including similar checks of other officers...	3.44
Unpaid dividends..	115.00
Due trust companies, banks, and bankers	51,444.79
	<hr/>
	8,366,619.07
Other liabilities, viz.:	
Reserves for taxes, expenses, etc...	\$1,164.51
Estimated accrued interest not entered on books at close of business on above date	50,608.26
Estimated unearned discounts	1,010.50
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	52,783.27
Total	\$9,569,179.57

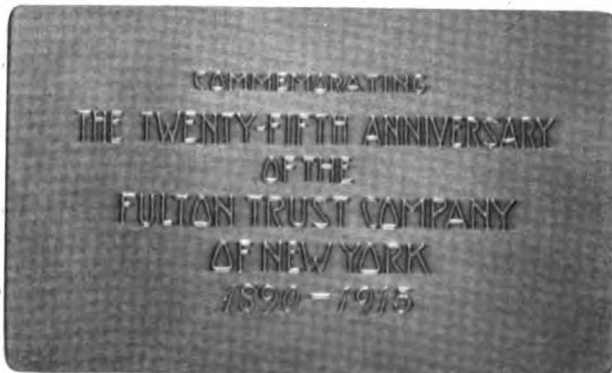


H. H. CAMMANN. VICE-PRESIDENT

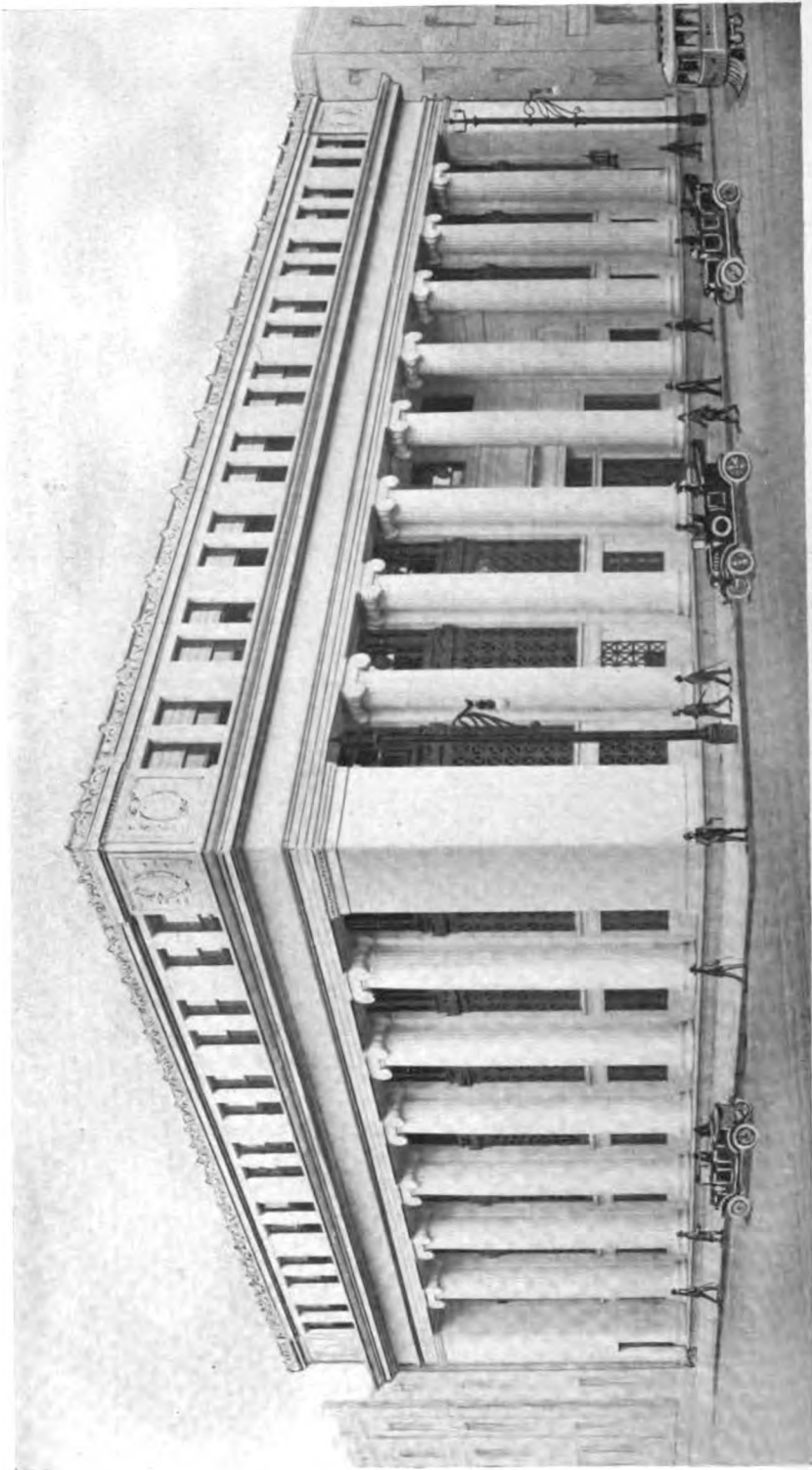
HENRY W. REIGHLEY, 2D VICE-PRESIDENT
FULTON TRUST COMPANY OF NEW YORK



BRONZE PAPER-WEIGHT DISTRIBUTED BY THE FULTON TRUST COMPANY IN
COMMEMORATION OF ITS TWENTY-FIFTH ANNIVERSARY



REVERSE SIDE

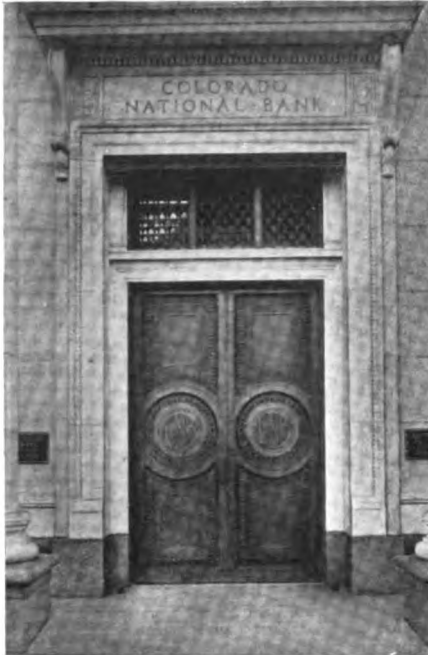


NEW HOME OF THE COLORADO NATIONAL BANK, DENVER, COLO.

Modern Financial Institutions and Their Equipment

Colorado National Bank, Denver, Colo.

BANKING progress in Denver is fittingly illustrated in the new building lately completed and occupied by the Colorado National Bank. It represents a development from a private banking business modestly begun



BRONZE DOORS
COLORADO NATIONAL BANK, DENVER

by the Messrs. Kountze Brothers in 1862, and which gradually grew to a point where a building of the size and equipment of the new structure was required.

In point of dignified and appropriate bank architecture this building may well

serve as a model. Its classic beauty, and the snowy whiteness of its marble, call forth expressions of warm admiration from every visitor to Denver—for even in a city having many imposing bank and other business buildings, it stands out in striking distinctness.

The new building has an exterior of pure white Colorado marble, while in the interior French and Tennessee marbles have been employed. Steel and concrete were used in the framework, wood being entirely discarded. While the building is only four stories in height, provision has been made for adding eight more stories at any time if desired. On the two upper floors are fifty-six modern offices.

Dimensions of the building are 100 by 125 feet, and of the main banking lobby sixty-six feet long by thirty-six feet wide, with a height of 34 feet to the ceiling. The banking room is lighted by a twenty-six foot dome. Art metal cages and interior finishings, marble seats, and desks of classic design, combined with rich and tasteful furniture in the various departments and officers' quarters, are all in complete harmony with the chaste designs of the architecture, so that a singularly fine general result has been attained.

Vault foundations consist of a slab of reinforced concrete, seven feet thick, located thirty-five feet below the street level. The vault walls are of cage work of iron and steel, set in concrete, with steel armor plate lining. There are four tiers of vaults, comprising a storage vault in the sub-basement, safe deposit vault also in the basement, money and securities vault on the main floor, and a book vault on the mezzanine floor. An idea of the extraordinary strength of the vault equipment may be gained from the fact that the two main vault doors



SECTION OF MAIN BANKING ROOM

have a weight of 60,000 pounds each.

On the mezzanine floor is the directors' room, paneled to the ceiling in oak, with dark red and old gold rugs and draperies. The officers' rooms are paneled in mahogany, with green carpet and draperies.

Denver has just reason to take pride in so fine a bank building, and more especially in the example of the success of sound banking policy which is told in this stately structure.

A BIT OF HISTORY

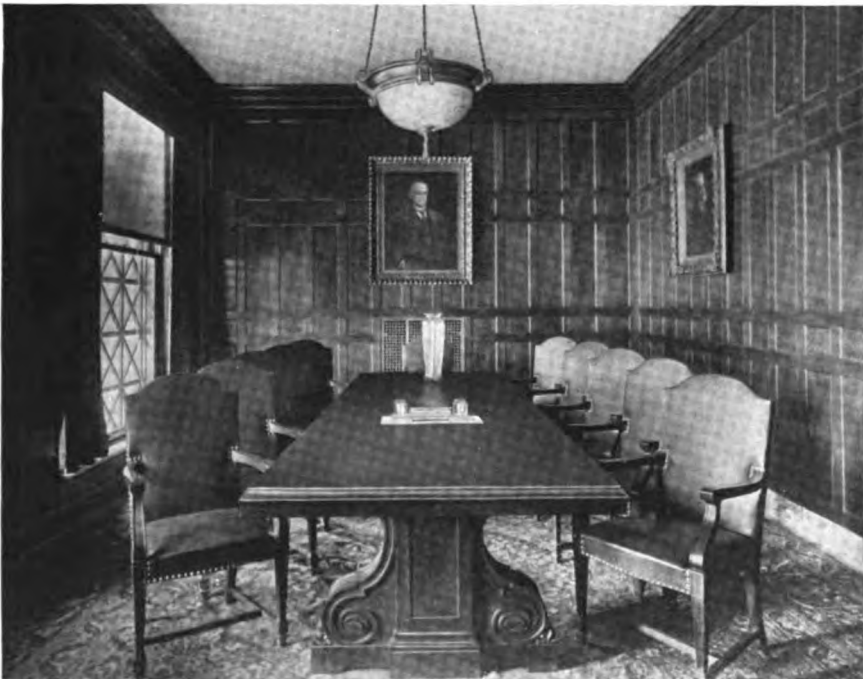
WHEN the banking business of the Messrs. Kountze Brothers was established at Denver in 1862, the future modern city was only a frontier town, and mining was the dominating industry. But the city has grown, and the adjoining country has developed and diversified its industries, and with these changes the modest private bank of the early days has become a great and pow-



ANOTHER VIEW OF THE MAIN BANKING ROOM
COLORADO NATIONAL BANK, DENVER



AN OFFICER'S ROOM



DIRECTORS' ROOM
COLORADO NATIONAL BANK, DENVER

erful financial institution. Four years after the opening of the private bank a charter was issued to the Colorado National Bank as its successor. Luther Kountze, who with his brother Augustus had founded the First National Bank at Omaha, where they had been in the banking business since 1855, was the first president of the Colorado National Bank. Charles B. Kountze, a younger

and most successful private banking firms in the United States.

In 1871 Charles B. Kountze was chosen president of the Colorado National Bank to succeed Luther Kountze, and William B. Berger came to the institution as cashier.

In 1882 the bank was moved to its own new building at Seventeenth and Larimer streets, which building it has



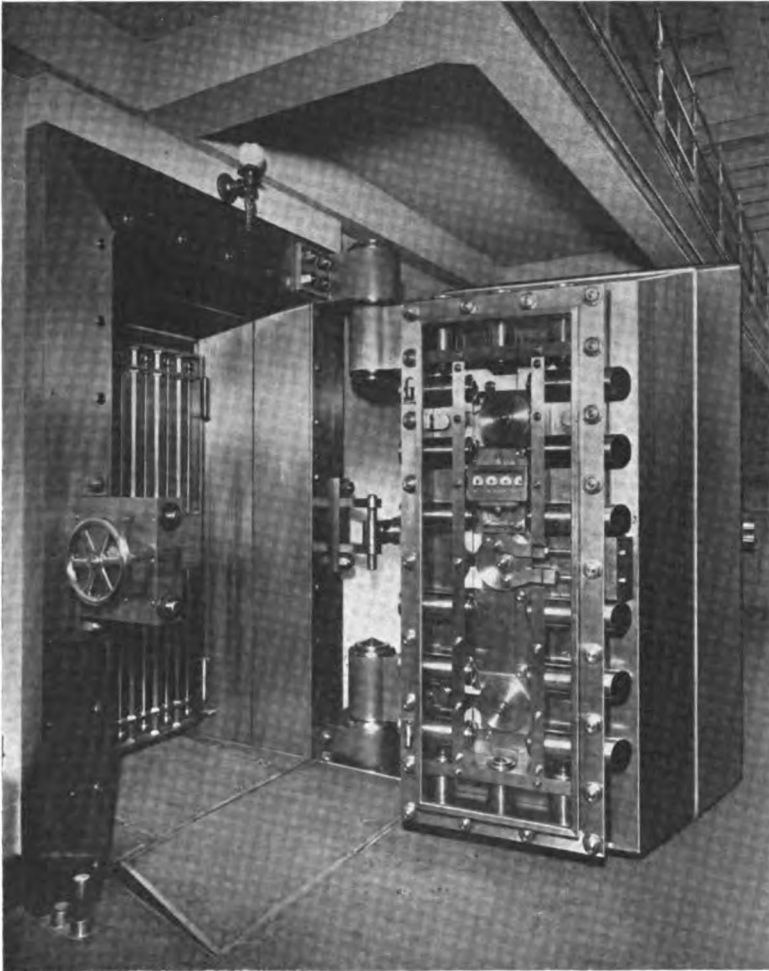
SAFE DEPOSIT VAULTS
COLORADO NATIONAL BANK, DENVER

brother, was the first cashier. The new bank opened for business on Blake street near Fifteenth. In April, 1863, the building which the bank occupied was burned, and removal was made to the corner of Fifteenth and Market streets.

In 1868 the firm of Kountze Bros. was established in New York, the firm including the officers of the Colorado National Bank, as above named, and Herman Kountze. As is well known, this has long ranked as one of the strongest

occupied until the recent removal to the fine new home herein described.

Charles B. Kountze died in 1911, and was succeeded as president by George B. Berger, who came to the bank as assistant cashier under his father in 1889 and became cashier in 1890, on the death of the elder Berger. William B. Berger, the present cashier, came to the bank in 1893, succeeding his brother George as cashier when the latter was made vice-president in 1900. Harold



ONE OF THE MASSIVE VAULT DOORS—WEIGHT 60,000 POUNDS
COLORADO NATIONAL BANK, DENVER

Kountze, vice-president and chairman of the board of directors, came to the bank in 1907. He was elected assistant cashier, and on the death of his father, Charles B. Kountze, was elected to the position he now holds. Mr. Dennis Sheedy, one of the most successful men in the West, has been a director and vice-president of the institution since 1882.

T. R. Field and J. H. Kolb, both assistant cashiers, came to the Colorado National Bank in 1890 and 1880 respectively. Many of the other employees have been with the institution for many years.

It will be seen that the management of the Colorado National Bank has been uninterruptedly in the hands of men of long and successful banking experience, whose identification with the interests of their community has extended over a period embracing the very earliest times to the present. It may therefore justly be said that in its management, as well as in the splendid new equipment herein illustrated and described, the Colorado National Bank is in a position to give to its community the very best possible banking service.

The capital of the Colorado National Bank is \$500,000; surplus and undi-



THE NEW HAVEN BANK, N. B. A., NEW HAVEN, CONN.

vided profits, \$1,559,134; deposits, \$18,000,000; and total resources about \$20,000,000. Officers of the bank are: President, George B. Berger; vice-president and chairman of the board, Harold Kountze; vice-president, Dennis Sheedy; cashier, Wm. B. Berger; assistant cashiers, T. R. Field, J. H. Kolb and K. H. Woodward—all but the last-named constituting also the board of directors of the bank.



New Haven Bank, N. B. A.

THE New Haven Bank, N. B. A.—a merger of the City Bank, the New Haven County Bank and the National New Haven Bank—is

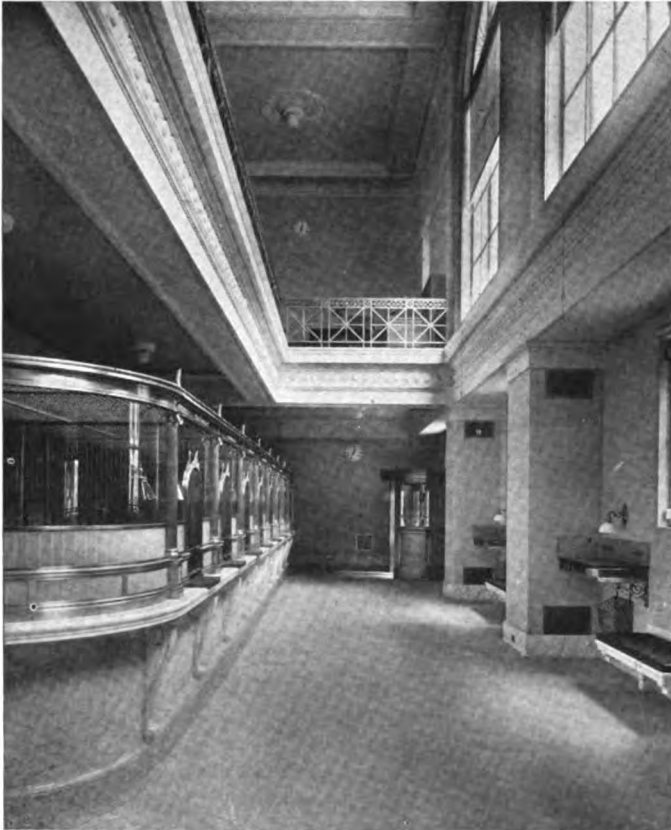
now housed in one of the handsomest bank buildings in the State.

The new structure stands at the corner of Chapel and Orange streets—a site selected because of the fact that it had been occupied by a successful bank for the past one hundred and twenty-two years and has come to be regarded by New Haven citizens as almost consecrated to the use of financial institutions. The utilization of this site, however, presented a problem which required the greatest skill and experience to solve. The housing of the business of a consolidation of three banks in the confines of a lot 25x85 feet required an arrangement which included every foot of available space.

The unusual construction of the building; the utilization of the basement, thus obtaining every available inch of space

to use on the first floor; the two entrances, giving the public space a large added capacity, and the unique features of the counterscreen, giving a twelve-foot lobby, were all factors in the solution of the unusual problems presented and make the New Haven Bank highly

and heavy packages are cared for by a sidewalk power elevator. On the main floor are wickets for twelve tellers to wait on customers, and desks, with customers' chairs for six officers, giving the bank a capacity for handling a large number of transactions daily. A mezz-



VIEW OF MAIN BANKING ROOM
THE NEW HAVEN BANK, N. B. A., NEW HAVEN, CONN.

interesting from an architectural standpoint.



THE BUILDING DESCRIBED

THE basement contains facilities for safe deposit and storage vaults, coupon and customers' rooms, ladies' retiring rooms and toilets, while trunks

and heavy packages are cared for by a sidewalk power elevator. On the main floor are wickets for twelve tellers to wait on customers, and desks, with customers' chairs for six officers, giving the bank a capacity for handling a large number of transactions daily. A mezzanine floor is fitted up to accommodate the bookkeepers, transit department, stenographers, files, etc., while in front, accessible by elevator, is situated a consultation room for customers. On this floor are also a committee room and library. On the top floor are arranged the large directors' room, with its committee room off, coat room and toilet. A lounging room for the clerks is also provided on this floor. The vaults are

all in the basement, accessible by two elevators and two flights of stairs. Here the mechanical plant is also installed.

An interesting feature is the system of air exhaust which allows the windows and doors to be closed and the dust kept out, while an ample flow of clean pure air, cooled in summer and heated in winter, is drawn into the building either by the exhausting fan or accentuated by an added intake fan provided for the purpose.

The color scheme employed in the main banking room is most pleasing.

method and it marks the fourteenth bank operation conducted by Hoggson Brothers in the city of New Haven alone.



HISTORY OF THE BANK

HISTORICALLY the New Haven Bank has an interesting background, Noah Webster having served as director in the days when the bank president himself attended to the locking up at night and carried the big front



DIRECTORS' ROOM
THE NEW HAVEN BANK, N. B. A., NEW HAVEN, CONN.

The combination of pink Tennessee marble floor, English-veined Italian marble screen, and light tone solid bronze with a background of Caen stone effect, contrasted by the rich mahogany furniture, produces an effect highly gratifying to the eye.

The new building is distinctly colonial in type, is constructed of Vermont marble and North Haven brick, being in keeping with many of the remarkably, handsome public buildings recently erected in New Haven. The building was designed, built and equipped under the Hoggson building

door key home with him for safekeeping. It was founded in 1792.

The officers of the consolidated institution are: E. G. Stoddard, president; Thomas W. Farnum, Samuel Lloyd and Edward E. Mix, vice-presidents; William G. Redfield, cashier; Charles E. Cornwall and Charles H. Raymond, assistant cashiers.



STATEMENT OF CONDITION

THE condensed statement of the condition of the New Haven Bank, N. B. A., as reported to the



COMMITTEE ROOM AND LIBRARY ON MEZZANINE FLOOR
THE NEW HAVEN BANK, N. B. A., NEW HAVEN, CONN.

Comptroller at the close of business September 2, 1915, was:

RESOURCES

Cash and exchanges.....	\$493,312.65
Due from banks and bankers..	1,543,044.96
Loans and discounts.....	4,278,958.83
United States bonds.....	714,000.00
Other bonds and stocks.....	852,855.98
Banking house	359,556.00
Total	\$8,241,728.42

LIABILITIES

Capital	\$1,200,000.00
Surplus	1,200,000.00
Undivided profits	134,325.42
Circulation	70,700.00
Deposits	5,006,703.00
Total	\$8,241,728.42

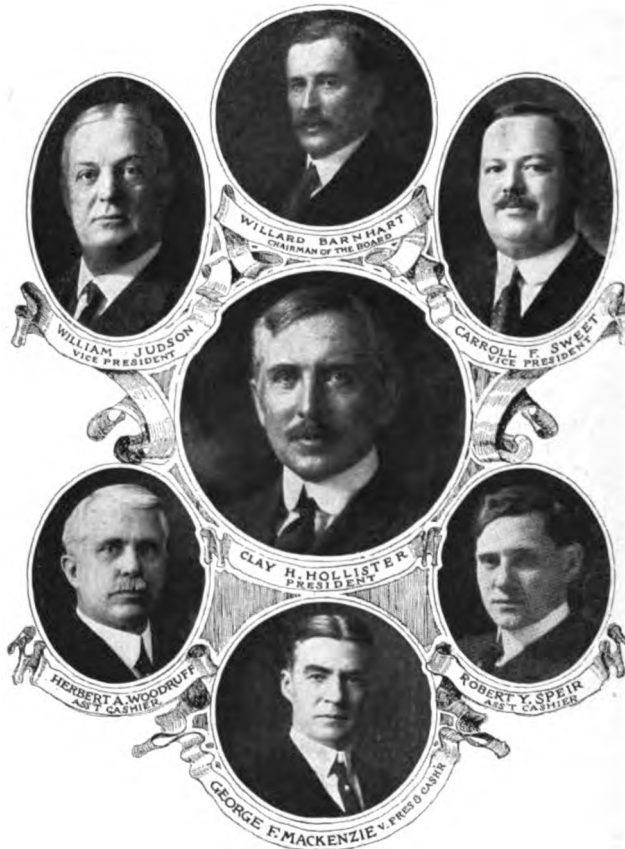


Old National Bank, Grand Rapids, Michigan

THERE are banks which because of their age and their character become veritable institutions of the community—like the churches, schools and public buildings. The mem-

ory of those who constitute the active generation of business men of the day does not compass a period when they did not exist as a vital force in carrying forward the work of production, exchange and development. Such banks are never thought of otherwise than as real component parts of their locality, for they have literally grown up with it. Every department of production and of trade has felt their vivifying influence and as a populous and prosperous city has developed out of a small country town, and happy homes have multiplied, the banks that have well performed their appointed service have attained to a position of dignity and power—their usefulness fully demonstrated and their trustworthiness unshakably established.

To this class of banks belongs indisputably the Old National Bank of Grand Rapids, for it has from modest beginnings quietly and steadily grown as its city and community have increased in population and wealth, until it is now a very large institution housed in a new and modern banking home of its own, and enjoying the absolute confidence of the people, based upon care-



OFFICERS

OLD NATIONAL BANK, GRAND RAPIDS, MICH.

ful banking service extending over a period of more than sixty-two years. Deferring for a time a description of this old bank's new home, let us turn to a brief consideration of the institution's origin and history.



ITS BEGINNINGS

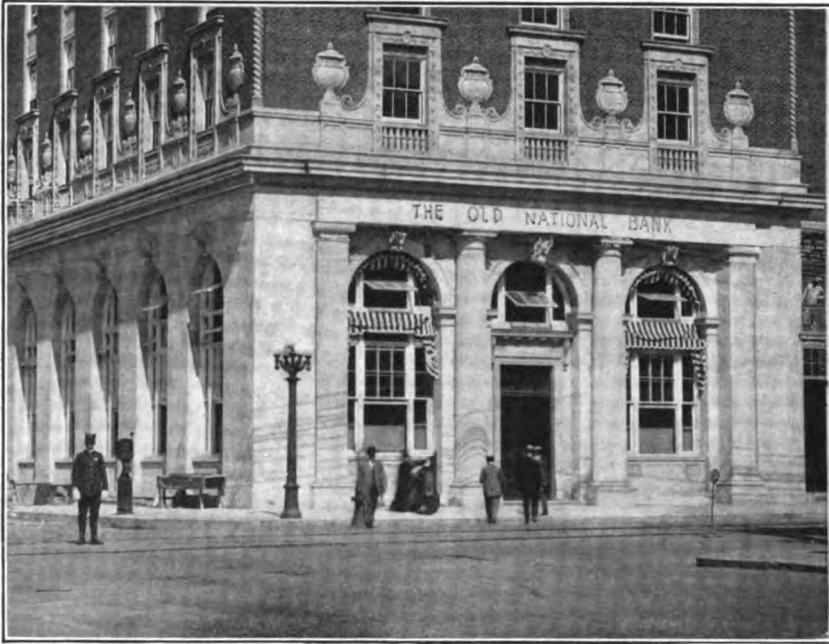
IT was along back in 1853 that there was established in Grand Rapids a banking business from which the present Old National Bank has gradually evolved. This was the private bank of Daniel Ball & Co., a partnership formed between Daniel Ball and Harvey J. Hollister. In 1861 this business was changed into the private bank of

Martin L. Sweet & Co., with Mr. Sweet as owner and Mr. Hollister cashier, and two years later, with the inception of the national banking system, this private bank was converted into the First National Bank of Grand Rapids, with \$50,000 capital. Martin L. Sweet was president, James M. Barnett, vice-president and Harvey J. Hollister, cashier. Mr. Sweet had been chiefly instrumental in organizing the bank, and contributed one-half the initial capital. During the life of the charter the capital was gradually increased as the business of the bank grew, so that at the end of twenty years the capital had risen to \$400,000.

In 1883 the Old National Bank was organized and assumed the business of the First National Bank, the capital

at that time being \$800,000. Solomon Withey became president, the other officers remaining as before. In 1884 Mr. Sweet resumed the presidency for another ten years. On the renewal of the charter in 1903 the surplus and undivided profits had grown to \$348,000. The officers at that time were: President, James M. Barnett; vice-presidents, Willard Barnhart and Harvey J.

point which not only fully warranted the erection of a new building but made such a step a positive necessity for the accommodation of the enlarged and constantly increasing business. The site chosen was that on which the bank has been located from the time of its organization. The exterior of the bank, which occupies the ground floor of the southern unit of the new Pantlind Hotel



OLD NATIONAL BANK, GRAND RAPIDS, MICH.

Hollister; cashier, Clay H. Hollister; assistant cashier, Frank S. Coleman. Following a prudent policy the bank gradually accumulated and set aside a large surplus fund, which now amounts to over \$900,000, being considerably in excess of the capital.



A NEW BUILDING

IN the fifteen years from 1900 the total resources of the bank had risen from \$3,755,000 to \$9,639,000, and the volume of transactions had grown to a

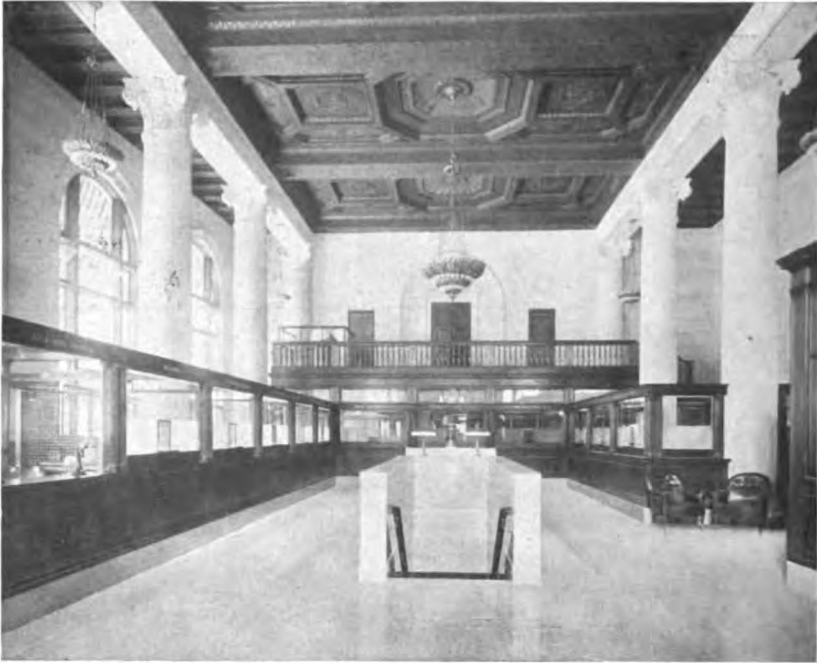
—on ground which the bank owns—is of light stone, pierced by lofty windows. Its architecture is uniform with that of the hotel structure, and it forms the base of the tall column of building which surveys the city's heart. It was the aim to give to the new building an atmosphere of dignity and progress, tempered by friendship and co-operation. When the projectors of the new bank conferred on plans for the interior, they insisted unanimously that it should have woodwork which would typify the mother-industry of Grand Rapids, and skilful cabinet-making and

fanciful decoration have realized their wishes.

And so, by masters of their art, the stability and austerity of stone, the live quality of light upon surfaces of warm color, and a consummately ingenious adaptation of every square foot of space to the requirements of a highly specialized business, have been com-

tilation system keeps fresh air constantly in circulation. And for dark, cheerless days, two black-and-gold chandeliers pendant from the ceiling, and the light from a fireplace in the north wall will counteract the dullness of the weather.

The offices surround the center of the banking room. A counter-barrier of



MAIN BANKING ROOM
OLD NATIONAL BANK, GRAND RAPIDS, MICH.

bined to build an office which typifies the Old National Bank.

Especial attention was directed to the matter of lighting, and in all the great banking room, a hundred feet long, there is hardly a corner where daylight cannot penetrate. Lofty stone columns, the effective use of stone on the walls, the ceiling treatment, where walnut beams and coffers have been painted with a happy Sixteenth-century Italian design, and the substitution of glass for unsightly grill-work, are all elements which reflect light, rather than obscuring it. A forced ven-

walnut, traced with a bronzed line, and carried to a low cornice by plate glass in the departments where protection is necessary, travels three sides of the room. A desire that the bank's customers shall have every convenience has provided a ladies' room, a men's room, each equipped as a business office, and each as comfortable as a library; committee rooms, where customers may hold private consultations, or meetings of the directors of their own businesses; and a library, where complete files of banking publications and all available information on finance will be at the cus-

tomer's disposal. Like the officers' rooms, these rooms for customers are panelled high in walnut, and communicate directly with the main office.

Below the main floor a safety deposit vault system has been installed. The vault chamber is guarded by a round door of ten-inch steel, of the type known to safe men as "mob-proof." The presence of coupon-rooms and com-

counter cages on the main floor. A closer acquaintance with the institution, and a consequently better co-operation, is effected by this system; the customer deals always with one teller, and may know immediately the status of his account. Full typewritten statements of account are sent to each customer monthly.

Space, economy and comfortable



VAULTS

OLD NATIONAL BANK, GRAND RAPIDS, MICH.

mittee-rooms within touch of the safety deposit boxes makes a complete unit of a new feature of the bank. The entire vault system is surrounded by a clear corridor, equipped with reflectors, making secret attack impossible.

The bank's system of combining the duties of the paying and receiving tellers is now carried out by assigning a bookkeeper and teller to each alphabetical group of customers. Each pair occupies one of the light, accessible

working conditions in the operating department of the bank have unquestionably been attained. Telephone service to all desks saves time; so does an electric elevator communicating with the vault corridors belowstairs, and with a staircase to the transit department on the mezzanine floor. The directors' room off the balcony of the mezzanine floor, is a sky-lighted chamber paneled to the ceiling in oak, so isolated as to be well adapted to the deliberative nature of its

meetings, and yet overlooking the entire bank.

Vaults and storage rooms in the basement, securely fortified, complete the operating equipment. A dining-room, locker rooms for both men and women, and reading rooms for both make the

enjoyed the implicit confidence of the public. It has always been the aim of the management to render every service to the business community compatible with safe and conservative methods. The bank has had a prosperous career



CIRCULAR VAULT DOOR
OLD NATIONAL BANK, GRAND RAPIDS, MICH.

conditions of employment no less fine than the equipment of the bank.

It will thus be seen that the Old National Bank possesses a complete physical equipment for the safe and convenient transaction of its business, and in its organization thorough provision has been made for all required banking service.



GROWTH AND MANAGEMENT

IT is a matter of special gratification to the officers and directors of this bank that during its entire history it has

largely because its patrons have prospered, while it realizes with pleasure that it has been an important factor in their success. The men prominent in the bank's management have been honored at home and abroad with evidences of confidence, and the bank has by unremitting care in management and a genuine desire to render effective and helpful service attained an enviable reputation for banking strength.

An idea of the gradual development of its business may be had from the accompanying table:

	Deposits.	Capital Surplus and Undivided Profits.	Resources.
1900..	\$2,668,828.11	\$241,942.36	\$3,755,150.47
1901..	3,233,690.93	304,333.01	4,533,173.94
1902..	4,080,492.07	318,632.77	5,399,124.84
1903..	4,217,960.41	381,488.09	5,799,448.50
1904..	4,421,941.03	426,887.35	6,448,828.38
1906..	4,856,728.79	521,490.36	6,978,219.15
1908..	4,836,199.90	546,298.75	7,030,498.65
1910..	5,545,426.82	603,969.24	7,649,396.06
1912..	6,149,922.54	726,110.50	8,476,033.04
1915..	7,067,283.04	972,449.27	9,639,732.31

Few banks have been from the first more fortunate in the character of their management. The sound policies and traditions of the early days have been maintained and strengthened, with a wise adaptation to the enlarged needs of modern business. Those who guide the operations of the Old National Bank today are men of experience in the banking and business world, as may be seen from the following list of officers and directors:

Officers: Willard Barnhart, chairman

of the board; Clay H. Hollister, president; William Judson and Carroll F. Sweet, vice-presidents; George F. MacKenzie, vice-president and cashier; Herbert A. Woodruff and Robert Y. Speir, assistant cashiers.

Directors—James F. Barnett, capitalist; Willard Barnhart, chairman of the board, president Nelson Matter Furniture Co.; John Duffy, president Grand Rapids Hardware Co.; Benjamin S. Hanchett, president Grand Rapids Railway Co.; Clay H. Hollister, president; John C. Holt, vice-president and general manager Antrim Iron Co.; Frank Jewell, president Clark Iron Co.; William Judson, vice-president Judson Grocery Co.; Edward Lowe, capitalist; William R. Shelby, director and late vice-president Grand Rapids and Indiana Railroad Co.; William Alden Smith, United States Senator; Wilder D. Stevens, president Foster Stevens & Co.; Carroll F. Sweet, vice-president; Lewis H. Withey, president Michigan Trust Co.



Interest on Deposits

Editor BANKERS' MAGAZINE:

SIR: I wish to call attention to a practice followed by banks in Germany of paying interest on deposits, which might well be adopted in this country. The following are the rates of interest of a typical German bank of deposit:

On deposits that may be withdrawn at six months' notice: $\frac{1}{2}$ per cent. below the current discount rate of the German Imperial Bank, with a minimum, however, of $2\frac{1}{2}$ per cent. and a maximum of four per cent.

On deposits at three months' notice: one per cent. below the discount rate of the Imperial Bank, but not less than $2\frac{1}{2}$ per cent. nor more than $3\frac{1}{2}$ per cent.

On demand deposits: a fixed rate, generally two per cent.

This changing rate of interest makes

the system very elastic. In times of cheap money it is not necessary to reduce the rate by a vote of the board of directors, nor is it necessary to raise the rate in times of high money; the rate is always in accord with existing conditions, and leaves to the bank practically always the same margin of profit, because the greater proportion of its investments is earning a rate of interest based on the Imperial Bank's discount rate.

Interest is paid beginning with the day succeeding the day of deposit and is credited to the account once a year on January 1.

In case a depositor gives less than the required notice or no notice at all, the bank makes an interest deduction of from fifteen to forty-five days. By this practice deposits which require a with-

drawal notice under rules agreed to by the depositor are made available to the depositor at any time.

The manner of figuring the interest, although it may seem rather complicated, is nevertheless very easy. The writer's practical experience enables him to assert that clerks with little experience, by means of a table brought up to date every morning, can compute interest after this method practically as quickly

as if the rate were the same all the year.

Why cannot the banks of this country adopt the above German system by paying a rate governed by the current discount rate of the Federal Reserve Bank? The depositor would then know that as soon as financial conditions improved he would profit by this change and receive automatically an increased rate of interest. OTTO H. LUKEN.

New York, Oct. 20.

Banking Publicity

Conducted by

T. D. MACGREGOR

Car Card Publicity

By Victor B. Johnson*

IN view of the fact that street car advertising has become a recognized medium of great value to the world's largest advertisers, a discussion of its possibilities as a medium for bank advertising should prove interesting to the readers of this magazine.

It is good policy to add a few facts concerning street car cards to your store of general advertising knowledge, even though you may not find immediate use for them.

Tomorrow or the next day an inter-urban trolley line may invade the territory served by your institution, and just as surely as it does, a salesman for the company controlling the advertising privileges of that line will call to discuss the closing of a contract for displaying the advertising of the bank you represent. What is offered here in the way of observations may then prove of help to you in deciding upon the terms of such a contract.

Or some reader of this article may be called upon at any time to take charge of the publicity work for a bank in another city where street cars have long since been used to carry that institution's thrift talks.

Here is a familiar fact but one that bears repetition: Ninety per cent. of the adults (logical prospects) of the large cities follow a given route every day of their lives. They go downtown to business in the morning, back home in the evening, out to the theater and back home again in the street cars.

Street-car advertising covers the territory and reaches the readers of all other mediums. It reaches the newspaper reader, the magazine reader, the billboard reader, and even influences the foreign-speaking population who can appreciate a picture (in natural colors) of your bank building if you choose to use it as a part of your card copy.

It has remained for a New York car

*For the material upon which this article is built, as well as for the illustrations herewith, I am indebted to the Street Railways Advertising Co.—The Author.

advertising expert to invent the phrase: "Everybody rides, everybody reads." There you have the true basis for sizing up car advertising—a psychological truism that is unanswerable.

Street-car advertising is the only equal space medium. All cards are of the same size, 11x21 inches, and no advertiser wins over another by his purse. All chance that your bank's ad-

trated effort to attract new depositors. But the people you want to reach out for are the laboring classes, the average individuals whom it will require more than beautifully illustrated folders or nicely worded invitations printed in newspapers to convert into bank depositors.

Constant repetition, continuous representation, does the trick, as many



HALF A DOZEN CAR CARDS SHOWING THE POSSIBILITIES IN THIS FORM OF BANK PUBLICITY

vertisement is going to be "buried" is eliminated the moment the cards take their place in the cars. Do you get preferred position in your local newspapers? How many of your beautifully printed booklets and cleverly worded form letters hit home?

These are some of the highlights of bank advertising, against which street cars stand out as a medium in brilliant contrast. It is all right, and most times your duty, to use newspapers, booklets and form letters in a concen-

banks are proving to their satisfaction. And where else but in the street cars can you get your message before these desirable prospects two, three and four times in a single day, and day after day, without rifling the vault to pay the bills?

Undoubtedly the most surprising thing that can be related of street-car advertising is its trifling cost as compared with the results obtained. The real secret of its economy (if I may call it such) is, briefly, this: The com-

pany that controls practically every street-car line in the country over has developed a syndicated bank advertising service that is made a part of the contract for displaying the advertising of one bank in a district. This service, compiled by high-priced copy writers and artists, surpasses in beauty and human interest anything that a local printer might devise, even when working in conjunction with the bank's publicity expert.

Quite a number of these ideas are reproduced here. It is unfortunate that they cannot begin to suggest the harmonious blending of the three, four and five colors that enter into the make-up of the full-sized cards.

You will notice that space is left for imprinting the bank's name in color across the bottom of the cards. As you read the text matter of these cards now used by such progressive institutions as the Marshall and Ilsley Bank of Milwaukee; the Texas Bank and Trust Co. of Galveston; the Commercial National Bank of Shreveport; the City Bank and Trust Co. of Mobile; the Commercial National Bank of Columbus, Ohio, and scores of others, you feel that the ideas they put forth are big and wholesome. Note how the copy keeps away from anything that savors of "We respectfully invite your account." Human interest applied in the right way, you must admit.

I think it was the editor of this magazine who once exclaimed in my presence: "Who says that bank advertising should be dignified?" Perhaps that very morning he had received another of those cute little folders inviting his account from a bank near his home. At any rate, he hit the nail squarely on the head that time.

No one can gainsay the lack of dignity in this street-car style of copy, but it is far from being dry and uninteresting. And if we are to judge by the returns the banks mentioned have secured through its use, it must be mighty good advertising.

In closing, I wish to say that street-car advertising strikes a new note in the

financial world and opens avenues of increased business with no sacrifice of that dignity so dear to every banker's heart.



An Educational Campaign by a Los Angeles Bank

OUT in Los Angeles, a city renowned for the efficiency of its bank advertising, as well as for its wonderful climate, the German-American Trust and Savings Bank has launched an educational publicity campaign in the daily press that is attracting much favorable comment.

As explained in the first ad which appeared, the series was to consist "of short articles describing and explaining the functions of banks in California." Further explaining the purpose of the series, the ad continues:

"The average person, particularly one who does not have occasion for active relations with a bank, is often much dissatisfied with his indefinite knowledge of the HOW, WHAT and WHY of modern banking.

"Sometimes this feeling is even extended to the banking system itself, from a natural instinct of unfriendliness towards the unfamiliar or unknown. This is only one of many excellent reasons why every one ought to become familiar with the workings of a bank.

"Knowing what a bank is, why it exists, and how it operates will produce not only an understanding, but also a greater appreciation of the valuable services rendered by this modern institution, and enables us to take advantage of those services.

"A bank is an institution legally authorized to receive and safeguard funds on deposit, and to repay such funds to, or at the order of the depositor, under such conditions as may have been previously agreed upon.

"It exists in response to the demand which has been developed for such services. Its operations are carried on by means of so using the funds de-

posited as to produce a revenue which will meet the expense of all those operations.

"Obviously, these statements are very general in their nature. A thorough explanation, however, will be presented in short articles to be printed in later issues of this paper. All the practical processes and activities will be described in detail, beginning with a bank's organization, and extending

ing the mistake of casting a shadow of suspicion on banking in general by over-emphasizing the safety of this particular institution as compared with other banks. It is constructive publicity of the very best sort.

To illustrate, it is stated in the article on "Banking Principles": "How can any bank depositor imagine for a moment that his interests are separate from those of his banker? The advan-

Banking in California
A Banks Organization

The First of a Series of Short Article Booklets
and Explaining the Functions of Banks in California

A BANK is an association of persons legally organized as a corporation for the purpose of conducting a particular kind of business, namely, banking.

Those persons are the stockholders, each of whom has paid in a certain amount to form the bank's "Capital." Upon application of these stockholders, and when all legal requirements have been met, a certificate is issued authorizing the transaction of banking business.

As suggested in our previous article, the authorization of a "national" bank is secured from the Federal (national) government; that of a "state" bank (commercial, trust or savings) is issued by the State.

In California no institution may conduct or advertise that it conducts a banking business unless it possesses authority conferred by either state or national government.

Three kinds of banking are recognized by law — commercial, savings and trust. The first two differ chiefly in that "savings" deposits are credited repayable with interest, according to agreement with depositors. This is not true of "commercial" deposits, which generally bear no interest, and may be withdrawn "on demand" whenever required.

Further encouragement for savings deposits is afforded by the provision of the State law, that such deposits are not subject to taxation.

Our next article will continue on the character of bank organizations, including a brief discussion of the subject of "Trust" Banking.

German American
TRUST AND SAVINGS Bank
SPRING & SEVENTH STS. LOS ANGELES
Savings — Commercial — Trust

Banking in California
Authorization and Control

The Second of a Series of Short Article Booklets
and Explaining the Functions of Banks in California

One of the important facts to be remembered about banks in California, is that each of them is under the strict and continuous supervision and control of either the State or National Government.

National banks are conducted under the authorization of the Comptroller of Currency at Washington, D. C.; State banks under the State Superintendent of Banks, who has one office in San Francisco and one in Los Angeles, and whose duties are prescribed by the California "Bank Act."

It is easily seen that the receiving and safeguarding of funds on deposit is a service of no slight importance to any active, enterprising community. Small, indeed, would be the incentive to thrift, economy, and many other business-like and character-building virtues, if no safe and sure depository existed for the protection of funds.

Highly important, therefore, are the legal provisions governing the business of banking, and particularly fortunate are depositors in this State in having the "Bank Act," one of the most complete and intelligent laws ever devised to promote the security of bank deposits.

Adequately supplemented as is this "Act" by strict supervision and frequent examination by the State Superintendent of Banks, as well as by general cooperativeness on the part of the bankers themselves, it is no wonder that institutions in recent years have unexampledly thrived when any California bank has been forced to close its affairs at a loss to its depositors.

Our next article will describe in further detail the steps necessary to be taken to maintain the best provisions for safeguarding and conducting a bank.

German American
TRUST AND SAVINGS Bank
SPRING & SEVENTH STS. LOS ANGELES
Savings — Commercial — Trust

TWO OF A SERIES OF EDUCATIONAL TALKS ON BANKING CONDUCTED BY THE PUBLICITY DEPARTMENT OF A LOS ANGELES BANK. THESE ADVERTISEMENTS APPEARED DAILY IN THE LOS ANGELES PRESS AND ATTRACTED MUCH FAVORABLE COMMENT

down to the simplest transactions with depositors.

"Concerning the subject of organization, our next article will deal with the legal authorization and control of banks in California."

The bank has lived up to its prospectus. The ensuing articles take up in a thoroughly interesting and popular manner the various functions and phases of banking in California. The series not only strikes a blow for this particular bank, but does a real service to banks in general, for the advertisements point out in a clear and forceful way the advantages to be derived from having a bank connection without mak-

tages or disadvantages of both are one; yes, even the banker is not more directly interested in the successful conduct of banking than is the depositor whom he represents." Advertising such as this benefits every bank in the community, and at the same time builds up a good will towards the bank whence it emanated infinitely more valuable than any selfish boast or personal glorification.

Feeling that there was more or less criticism on the part of the public questioning the use of banking funds and accusing the banks of withholding funds from borrowers unnecessarily, the regular series is supplemented with a

number of miscellaneous advertisements covering the subject of loans, with such headings as "An Applicant for a Bank Loan," "A Bank's Loanable Funds," "Local or Foreign Investments?" "Protecting and Loaning Deposits," "When Your Bank Loans Your Money," "The Object of a Loan Affects Its Desirability," "The Welfare of the Community."

Space does not admit of our reproducing the substance of these advertisements, although all of them are interesting and worthy of close study. The general purpose was to show why a bank loans its funds, what precautions it must take and why, what funds it may loan, etc. This is all done in a frank, open and sincere fashion and in a way calculated to bring about a better understanding between the public and the banks.

This bank has tackled a big subject in a big way and the publicity man who is interested in sane, constructive and logical advertising will do well to study this campaign.

We reproduce herewith two advertisements of the series showing the layout and arrangement of the copy.



Another Ford Story

THE advertising manager of the Mississippi Valley Trust Co. secured first use of the list of St. Louis Ford owners who received \$50 rebate checks on the year's business of the Ford Automobile Co.

The same day the list was received, a letter was sent to the names it contained, eliminating firms and corporations. The letter was as follows:

DEAR SIR—Henry Ford is sending you a check for \$50 to cover your share of the Ford Automobile Company's profits for a year. May we make a suggestion?

Why not deposit your Ford check in a Mississippi Valley Savings Account the day you get it? There it will draw 3½ per cent. interest, under the protection of a financial institution nearly twenty-five years old, with over \$8,000,000 capital, surplus and profits.

You can then deposit the money you save by running a Ford—putting each dollar to work the day you clear it. You can do this by mail as easily as in person.

As time goes on and you get ready to invest in real estate or mortgages or bonds we have well organized departments to take care of your needs in those directions.

We want you for a customer.

Respectfully,

W. G. LACKEY,
Vice-President.

P. S.—During the month of August we are presenting an "Ezyfill" Radiator Cap to Ford owners who give us business. Don't fail to read the attached.

The attachment was as follows:

WITH OUR COMPLIMENTS

We have arranged for a limited supply of the new "Ezyfill" Ford Radiator Caps. One of these we will present with our compliments to every Ford owner who gives us new business in any of our departments during the month of August.

The "Ezyfill" sells for \$1. It is made of solid brass with inside fittings of heavy rubber. It opens and closes like a watch at the touch of a finger, thus obviating the difficulty of untwisting and twisting whenever you want to fill your radiator, and saving your fingers, should that radiator be hot.

There are no strings to this offer, and it applies to all our departments and to every Ford owner, whether he bought his car yesterday or years ago.

MISSISSIPPI VALLEY TRUST COMPANY,
Fourth and Pine.

Arrangements were made with a dealer in automobile accessories to honor the Mississippi Valley Trust Co.'s orders for "Ezyfill" Radiator Caps and Ford owners are still getting them.



Thanksgiving Month

THANKSGIVING DAY is at hand again, and as this year we Americans have special reasons for thanksgiving if we ever had, bankers can well use a special Thanksgiving advertisement or letter. Of course, the obvious thing is to remind people that they can have unusual cause for thanksgiving if they have money in the bank at this season.

“Baby Accounts”

How a Michigan Bank Got a Lot of Them

THE experience of the Commercial Savings Bank of Adrian, Mich., in interesting parents of new-born infants in saving for them is told by an officer of the bank, as follows:

We started our campaign during our gala week festivities in October, 1913, giving during that week a bank account with deposit of \$1, together with one of our metal banks, to each baby in this county not over two years of age whose name and address and the parents' names and address were given us. This was followed with a campaign of four days around Valentine Day, February, 1914, and again in October, 1914, during our second gala week, and finally in February of this year. As a follow-up system on these accounts, we sent them first, a baby's record book, and then one of the Mother Goose series, both of which were inexpensive but effective.

We confined the advertising to the local newspaper, first running a catch ad. to attract attention, and following this later with large explanatory ads. of our offer. In this manner we have given away 700 accounts and of these 700 but seven have been withdrawn on account of moving from the city or death. The amounts on deposit now average from two or three dollars to \$150.

We are highly elated over our success in this affair and feel that we have been repaid, especially on account of the small number who have withdrawn.



Comment on Reproductions

The Toledo Savings Bank & Trust Co.—This single column is a good idea, but if the newspaper's rules would permit, it would have been made more effective to have used the same space in a shallow ad. across three columns. Then the index finger would have led the eye more naturally, as we are used to read-



GIVING THE YOUNGSTERS A LIFT

Madams Remind Your Husband

Deposits made at this bank before September 30th draw 6% interest on them September 1st.



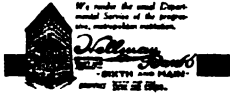
The Toledo Savings Bank & Trust Co.

Corner Broadway and Jefferson, Toledo, Ohio



Could You Go to Your Bank at Midnight?

It is, indeed, a big convenience for you as a housewife when you are able to go to the bank and get banked funds at night. There is only one bank in Los Angeles that goes as far as midnight—the Hellman Bank. Tell us how to accept deposits, pay out money or receive New Accounts all night. You can bring money to your Safe Deposit box until 10 p.m. The advantages of the night Service are too many to mention. Think it over and let your account have a Service of this kind will meet your needs better.



We make the usual Departmental Service of the progressive, modern bank.

S. O. S.
Save O Save

Not only a wireless signal that bring help in time of stress but the signal that assures your success in the channels of life.

S. O. S.

By starting a savings account with us. It will draw 5 per cent interest and be an anchor to windward against the storms of life.

Dakota Trust Co.

"An Institution That is a Community Necessity"

UTILITY COMPANIES' SERVICE CHARGE OF \$5 BARRED

State Mutual Comstock Division \$2.00 Limit of Deposit Barred!

Open a Savings Account With It!

Perhaps you will have money returned from the Utility Companies when the ruling outlined in the following lines reproduced becomes effective.

We suggest that any money you derive from this source be immediately placed in this bank, where it will form the nucleus of a savings account.

We gladly receive deposits of as little as \$1.00—and your gift interest, compounded and semi-annually.

LOS ANGELES TRUST AND SAVINGS BANK
1150 2nd Street, Los Angeles, California

**Industry earns—
Economy manages—
Prudence plans—
Frugality saves—**

—But Thrift earns, plans, manages and saves

Your future depends upon what you save now. Practice Thrift by opening an account in this bank now. Deposits of \$1 or more earn 4 1/2% interest compounded semi-annually.

LOS ANGELES TRUST AND SAVINGS BANK
1150 2nd Street, Los Angeles, California

Savings Bank Graduates

Are there who have been thrifty, and having accumulated a little surplus, are ready to require permanent investments?

Every day we welcome persons who have only recently begun their savings plan. We take unusual pains to help such beginners to get a right start, and have had the pleasure of seeing many of these starting out with the conservative bank of advantage.

Bond Department
The Dexter Horton National Bank
Seattle, Wash.

A Salary Problem

"This is Fred's dilemma, how can I meet higher living costs, and still make a success of life?"

No matter what your salary is, you will not find this the only solution—**LEARN TO SAVE MONEY.** You must learn this if you would succeed and there's no better school for you than a savings account at the

Des Moines National Bank
CAPITAL \$750,000
4% INTEREST

THEY ALL HAVE GOOD POINTS

ing from left to right and not from the bottom up. Also inasmuch as it is probable that there are more women savings depositors than men, perhaps it should have been a woman's hand, and the heading, "Husband: Remind Your Wife."

Hellman Bank—A novel presentation of an unusual service.

Dakota Trust Co.—The signal for "Come Quick, Distress," does not seem to be the best one for a financial institution to nail to its masthead, but the idea has the good quality of not being hackneyed at any rate. Typographically, the ad. would have been improved by the omission of the second "S. O. S."

call. Yes, those are nest eggs in the border.

Los Angeles Trust and Savings Bank—An advertising manager who was "on the job," and a good way to use a suitable newspaper clipping. In the second ad. of the same bank we see again that the writer is a student, as the matter is based on material found in "The Savings Bank and Its Practical Work," and also in "The Book of Thrift." The average ad. compositor feels that everything must balance and be symmetrical, but that is not always true from an advertising standpoint. A typographical jog such as occurs in this last mentioned ad. is a good thing sometimes. It invites attention.

The Dexter Horton National Bank—This strikes a new note in investment advertising and it rings true.

Des Moines National Bank—There are mighty few salaried people who don't have this problem to solve, so we opine that this ad. received a lot of attention in Des Moines.



How Banks Are Advertising

Note and Comment on Current
Financial Advertising.

“**F**INANCIAL SYRACUSE” is an attractively gotten up folder advertising the First National Bank of Syracuse, N. Y., and giving some interesting facts concerning the city industrially and commercially.



Miss Jordan, the advertising manager of the American National Bank, Richmond, Va., writes:

Our “Vacation Club” has increased to 750 members. People do not seem to be as interested in a vacation as one might think, but every one nearly wants to save for Christmas. You know I think that shows to a certain extent a spirit of unselfishness on the part of the general public. They are willing to save to give other people but not to give themselves a good time. From what I can understand one or two more banks are going to open “Christmas Clubs” next year.

One thing about the depositors we are getting in the “Vacation Club” is that I believe they are people of more means. The majority are taking out the larger clubs, which means more to the bank than a larger number of small ones.



The advantages of having a trust company act as custodian are brought out clearly in some of the advertising matter of the Columbia Trust Co., New York. The details of the service are summarized as follows:

Under this service we take your securities, issue a receipt for them, list them in books of record and lock them in the vault.

The Liberty National Bank

of New York

cordially invites your inspection
of its new offices

Broadway and Cedar Street

Equitable Building

AN IMPORTANT EVENT SUITABLY ANNOUNCED



THIS CHICAGO BANK HAS DISTRIBUTED 70,000 OF THESE POCKET DIME BANKS IN INCREASING THE BUSINESS OF ITS SAVINGS DEPARTMENT

We collect your income the day it is due and credit the amount to your checking account.

This relieves you of all trouble in—

- 1—Making out of Income Tax Certificates.
- 2—Collection of coupons.
- 3—Collection of dividend checks.
- 4—Collection of mortgage interest and watching tax payments.
- 5—Collection of rents and inspection of real estate.
- 6—Presentation and collection of bonds called for redemption.
- 7—Collection of income from any other source.

A small fee is charged for Custodian Service.

“Strength, Organization, Service” stands out in bold type on the cover of a board covered booklet issued by the Bankers Trust Co. of New York. Many fine etchings, principally views of the company’s building and banking quarters at 16 Wall street, ornament the deckle-edged pages. The subject matter is a clear exposition of the various functions of the institution.

During the discussion of the Anglo-French loan, many banks who did not propose to go into it advertised that fact to reassure their depositors. One California savings bank called attention to

the fact that the law under which it was operating would not permit it to invest in that way, even if the trustees had any inclination to do so.

Many Western banking institutions feature their certificates of deposit as an investment. The Harrington State Bank, of Harrington, Wash., has gotten out a booklet entitled “A Safe and Profitable Investment,” which tells all about its certificates except the interest rate. Neither is this mentioned in the form letter accompanying the booklet. This is like “Hamlet” with *Hamlet* omitted, or like the cub reporter who got all the facts about an accident except the man’s name.

A bi-monthly house organ called the “Citizen-Bank Bulletin,” is put out by The Citizens State Bank of Sheboygan, Wis. It is a four-pager, and, because of the large Teutonic element in that part of the country, two pages are in English and two in German, the articles being largely the same in both languages. This is a good idea.

That famous literary gem, the “Last Will and Testament of Charles Lounsbury,”

**The Federal Title & Trust Company
of Beaver Falls**

Will conduct an exhibition of Asters at its Banking House, corner of Seventh Avenue and Eleventh street, Beaver Falls, Saturday September 11th, from 1 P. M. to 6 P. M.

The Public is Cordially Invited

Prizes will be given for the best collection of Asters grown from the seed recently distributed by the company.

ANNOUNCING A FLOWER SHOW



BOOTH OF THE BUFFALO TRUST COMPANY AT THE WHOLESALE MERCHANTS EXPOSITION RECENTLY HELD IN BUFFALO. THIS BANK WAS RIGHT ON THE SPOT WITH SOME INTERESTING ADVERTISING MATTER WHICH IT DISTRIBUTED TO VISITORS AT THE EXPOSITION

bury," is reproduced by the Spokane & Eastern Trust Co., of Spokane, Wash. The circular includes a perforated return postal addressed to the trust officer and containing this request to be signed by the sender:

I desire to make use of your free filing service offered any resident or property owner of Spokane County, whereby my will may be filed in a sealed envelope in your trust vault, subject to withdrawal only upon the surrender of the receipt you issue therefor accompanied by my written demand or, upon proof of my death, to the party or parties whose names are endorsed thereon.

⊙

"Where MacGregor sits is the head of the table." This old Scotch proverb is used as a text for a trust booklet issued by the German-American Trust and Savings Bank of Los Angeles, the title of the brochure being "The Head of the Table." The idea is that every

man is, or should be, master of his own estate. "But," reads the introduction, "Some day you will be missing from the familiar circle and your chair will be vacant. Someone else will be asked to occupy your seat. Who will that someone else be to succeed to the management of your affairs?"

Two other good pieces of advertising literature issued by this bank are "Banking Explained" and an 8-page folder illustrating "A Man's Accumulating Period by Decades."

⊙

"How the Clearing House Originated" is another in the interesting series of historical booklets used by the First National Bank of Brooklyn.

⊙

"How's Business, and Why?" is the interesting title of a commercial bulle-

tin issued by the Union National Bank of Cleveland. It was printed in pamphlet form.

let form by the Traverse City State Bank, Traverse City, Mich.

The Tradesmen National Bank of Philadelphia has shown in its current advertising a keen grasp of that elusive element known as "popular interest." A recent pamphlet entitled "The Dollar Credit for Financing Imports" explains in a brief, convincing manner the rudiments of this very timely topic.

The October number of "Service," issued monthly by the Mississippi Valley Trust Company of St. Louis, is given over entirely to the commemoration of the twenty-fifth anniversary of that institution. The history of the bank and a review of its personnel is presented in an attractive and interesting manner.




WORLD-WIDE

Aided by an institution of seventy years commercial banking experience and with correspondents in every important city on the globe the "COUNTRY BANK" is enabled to serve its depositors in any banking transaction, whether domestic or foreign.

Such INTER-BANK service is supplied by the

Tradesmen National Bank
PHILADELPHIA, PA.
ESTABLISHED 1840



THE ALLIES

of the Tradesmen are its two thousand correspondents located in every important city on the globe. There is therefore no banking facility which we cannot supply.

Tradesmen National Bank
PHILADELPHIA, PA.
ESTABLISHED 1840



MUNITIONS

In the battle for new accounts this bank's activities are supported by—

Seventy years successful campaigning
Ample Capital and Surplus
Prompt and Efficient Service
Two Thousand Correspondents.

We have the equipment to serve and the ability to serve well.

Tradesmen National Bank
PHILADELPHIA, PA.
ESTABLISHED 1840

BY APPLYING THE NOMENCLATURE OF THE WAR IN EUROPE TO ITS CURRENT ADVERTISING THIS BANK HAS PRODUCED SOME ADVERTISING COPY OF WIDE AND POPULAR APPEAL

We reproduce elsewhere three advertisements recently put out by this institution which have taken advantage of the popular interest in the war to drive home a strong talking point in the terminology of the European conflict.

The cover is in colors and in keeping with the autumnal season.

Another bank to conduct a flower show successfully is the Federal Title & Trust Co., of Beaver Falls, Pa., which had a prize exhibition of asters at its banking house on Sept. 11 last.

Bank Advertising Exchange

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

Watch for new names and other changes.

F. R. Adams, Will Co. National Bank, Joliet, Ill.
American National Bank, Richmond, Va.
D. Ansley, care Central Trust Co., San Antonio, Texas.

Carl W. Art, manager publicity department, Union Trust & Savings Bank, Spokane, Wash.
A. F. Bader, publicity manager, City National Bank, Evansville, Ind.

Suggestions for bank agricultural exhibits are issued in illustrated pamph-

Deposits of Minneapolis Banks \$115,000,000

Minneapolis is the financial center of the most prosperous region in the United States.

It is conceded that agriculture is the basis for the only permanent prosperity.

Minneapolis is the Market Center for the largest crop district in the world—Minnesota, the Dakotas and Montana.

According to the latest Government Report, these four states will produce crops of all grains amounting to 830,000,000 bushels. Threshing returns indicate that the final estimate will be 900,000,000 bushels.

Minneapolis Commercial Banks, backed in case of need, by the Federal Reserve Bank, will finance the crop movement. They will, without difficulty, finance the greatest total crop yield ever produced in the Northwest.

The wheat crop is the largest ever grown in these four states and the quality is unusually fine. Unfortunately, the crop of the winter wheat states is very poor.

This situation gives spring wheat mills a decided advantage.

The amount of spring wheat flour made this crop season will be the greatest in the history of the Northwest.

Minneapolis is the greatest Milling Center in the world. More wheat will be ground in Minneapolis this season than ever before.

Minneapolis Banks finance the milling business.

Minneapolis is one of the largest Terminal Elevator Centers in the world. There is storage capacity for 25,000,000 bushels of wheat here, besides great capacity for other grain.

Minneapolis terminal elevators will be filled with wheat this winter.

Minneapolis Banks finance the grain storage business. Minneapolis is the most important Primary Wheat Market in the world. Yet its facilities will be taxed to the fullest this season to handle its share of the bumper crops.

Financing the movement of crops is one of the most important functions of the banks of the United States.

But a few years ago there was not wealth enough in the Northwest to move the crops to market and carry wheat in store until needed by the mills. New York and Canadian banks were called upon for millions of dollars.

This season the Minneapolis Commercial Banks and the Federal Reserve Bank will supply the necessary funds.

Business prospects in Minneapolis are the brightest they have ever been. As the Financial Center of the Northwest, all business here should expand and prosper as never before.

Minneapolis is the Market Place and Banking City for the Great Northwest, because of the big crops and their excellent quality, enjoys advantages possessed by no other city.

The Northwest is the most fortunate region in the world today.

Minneapolis Clearing House Association Members

Northwestern National Bank
First and Security National Bank
Hennepin County Savings Bank
German-American Bank
St. Anthony Falls Bank
Scandinavian-American National Bank

Deposits in Minneapolis Banks \$115,000,000

CO-OPERATIVE ADVERTISING

C. W. Bailey, cashier, First National Bank, Clarksville, Tenn.

The Bankers Magazine, New York.

H. C. Berger, Marathon County Bank, Wausau, Wis.

C. J. Bevan, cashier, Exchange Bank, Genoa, Ill.

E. L. Bickford, cashier, First National Bank, Napa, Cal.

W. O. Boozer, treasurer, American Trust Co., Jacksonville, Fla.

R. A. Bradham, cashier, The Commercial & Savings Bank, Sumter, S. C.

D. R. Branham, 6252 Leland Way, Los Angeles, Cal.

Jesse E. Brannen, cashier, First National Bank, Westwood, N. J.

Bank of San Rafael, San Rafael, Cal.

E. M. Baugher, president, The Home Building Association Co., Newark Ohio.

O. W. Beerbower National Exchange Bank, Roanoke, Va.

H. C. Bollman, assistant cashier, First National Bank, Collinsville, Okla.

T. J. Brooks, cashier, The Guaranty Trust & Savings Bank, Jacksonville, Fla.

- J. A. Buchanan, Guaranty Trust Co., Lancaster, Pa.
 F. B. Bunch, cashier, Merchants & Farmers Bank, Statesville, N. C.
 E. C. Burton, vice-president, Penn. National Bank, Chester, Pa.
 Stephen L. Burwell, vice-president, First National Bank, Jackson, Miss.
 A. Bush, Jr., Ladd & Bush, bankers, Salem, Oregon.
 The Citizens Bank & Trust Co., Tampa, Fla.
 Citizens National Bank, Oconto, Wis.
 Commercial Bank, Midway, Kentucky.
 Allan Conrad, Box 385, Fort Huron, Michigan.
 B. S. Cooban, 518 W. 63rd Street, Chicago, Ill.
 H. Beed Copp, assistant advertising manager, Old Colony Trust Co., Boston, Mass.
 Arthur S. Cory, Chehalis National Bank, Chehalis, Wash.
 David Craig, Tradesmens National Bank, Philadelphia, Pa.
 M. Clarence Crowson, cashier, Home Banking Co., High Point, N. C.
 Eugene E. Culbreth, Commercial National Bank, Raleigh, N. C.
 Bradley Currey, c/o Fourth & First National Bank, Nashville, Tenn.
 H. A. Dalby, Naugatuck Savings Bank, Naugatuck, Conn.
 Dexter Horton National Bank, Seattle, Wash.
 T. R. Durham, assistant cashier, Chattanooga Savings Bank, Chattanooga, Tenn.
 W. R. Dysart, assistant cashier, First National Bank, Ripon, Wis.
 J. C. Eberspracher, assistant cashier, First National Bank, Shelbyville, Ill.
 A. A. Eklirch, secretary, North Side Savings Bank, New York City.
 F. W. Ellsworth, publicity manager, Guaranty Trust Co., New York.
 Federal National Bank, Denver, Colo.
 The Franklin Society, 88 Park Row, N. Y.
 E. W. Finch, assistant cashier, Birmingham Trust & Savings Co., Birmingham, Ala.
 First National Bank, Lead, S. D.
 H. Gavere, asst. cash. of Scandinavian American Bank, Grand Forks, N. D.
 B. P. Gooden, advertising manager, New Netherland Bank, New York.
 C. F. Hamsher, First National Bank, Los Gatos, Cal.
 Victor F. Hann, manager publicity department, The Fifth Avenue Bank, New York City.
 J. W. Hansen, cashier, Citizens State Bank, Sheboygan, Wis.
 D. L. Hardee, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.
 E. A. Hatton, cashier, First National Bank, Del Rio, Texas.
 John R. Hill, Barnett National Bank, Jacksonville, Fla.
 Jessamine G. Hoagland, publicity manager, National City Bank, Chicago, Ill.
 N. M. Hokanson, State Bank of Chicago, Chicago, Ill.
 Frank K. Houston, vice-president, Third National Bank, St. Louis, Mo.
 L. M. Howard, vice-president, Continental Bank & Trust Co., Shreveport, La.
 Indiana Bldg. & Loan Association, South Bend, Ind.
 Charles D. Jarvis, c/o Savings Bank of Utica, New York.
 W. L. Jenkins, Farmers & Mechanics Trust Co., West Chester, Pa.
 Theodore Jessup, Woodlawn Trust & Savings Bank, 1204 E. 63rd Street, Chicago, Ill.
 N. W. Johnston, president, Illinois Trust & Savings Bank, Champaign, Ill.
 W. P. Jones, assistant cashier, First National Bank of Commerce, Hattiesburg, Miss.
 W. R. Kay, Jr., advertising manager, Sacramento Bank, Sacramento, Cal.
 C. B. Keller, Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
 Grover Keyton, New Farley National Bank, Montgomery, Ala.
 M. E. Knauft, assistant cashier, Merchants National Bank, St. Paul, Minn.
 George L. Kreeck, treasurer, Farmers State Savings Bank & Trust Co., Lawrence, Kans.
 A. T. Kahn, vice-president, Commercial National Bank, Shreveport, La.
 Henry M. Lester, National City Bank, New Rochelle, N. Y.
 A. E. Lindhjem, assistant cashier, Scandinavian American Nat. Bank, Minneapolis, Minn.
 L. W. Lovell, assistant cashier, The Lovell State Bank, Monticello, Iowa.
 E. G. McWilliam, publicity manager, Security Trust & Savings Bank, Los Angeles, Cal.
 Ralph H. Mann, President Gloucester National Bank, Gloucester, Mass.
 H. Warner Martin, assistant cashier, Lowry National Bank, Atlanta, Ga.
 Charles S. Marvel, The First-Second National Bank, Akron, Ohio.
 H. B. Matthews, S. W. Straus & Co., Straus Bldg., Chicago, Ill.
 J. C. McDonald, advertising manager, The City National Bank, Sulphur Springs, Texas.
 Merchants National Bank, Lawrence, Kansas.
 Frank Merrill, advertising manager, The Northwestern National Bank, Minneapolis, Minn.
 Chas. H. Moore, publicity manager, Spokane & Eastern Trust Co., Spokane, Wash.
 Will E. Morris, assistant cashier, Farmers & Merchants Bank, Stockton, Cal.
 E. R. Mulcock, Commercial National Bank, Syracuse, N. Y.
 Nebraska State Bank, Ord., Neb.
 Northwestern Trust Co., R. P. Sherer, vice-president, St. Paul, Minn.
 W. W. Norton, Treas., Robbins Burrall Trust Co., Lakeville, Conn.
 Old State National Bank, Evansville, Ind.
 J. A. Overton, cashier, The National Bank of Smithtown Branch, Smithtown Branch, N. Y.
 R. B. Parrish, cashier, National Bank of Commerce, Williamson, W. Va.
 A. E. Potter, president, Broadway National Bank, Nashville, Tenn.
 W. W. Potts, treasurer, The Federal Title & Trust Co., Beaver Falls, Pa.
 John W. Pratt, Real Estate Officer, The Kennett Trust Co., Kennett Square, Pa.
 C. W. Rowley, manager, Canadian Bank of Commerce, Winnipeg, Can.
 Wm. J. Ruff, cashier, Luserne County National Bank, Wilkes-Barre, Pa.
 W. W. Russell, cashier, First National Bank, White River Junction, Vt.
 George J. Schaller, cashier, Citizens Bank, Storm Lake, Iowa.
 Almot Schlenker, assistant cashier, First National Bank, Brenham, Tex.
 Paul T. Schulze, assistant cashier, State Bank of La Crosse, La Crosse, Wis.
 E. P. Simpson, Jr., assistant cashier, First National Bank, Toccoa, Ga.
 Sloux City Trust & Sav. Bank, Ben W. Frieden, cashier, Sloux City, Iowa.
 T. K. Smith, Jr., manager, Gimbel Brothers, Bankers, New York City.
 J. G. Spangler, cashier, The Mesa City Bank, Mesa, Ariz.
 F. E. Stewart, secretary and treasurer, Commercial Savings Bank & Trust Co., Toledo, Ohio.
 T. H. Stoner, cashier, The Peoples National Bank, Waynesboro, Pa.
 C. E. Taylor, Jr., president, Wilmington Savings & Trust Co., Wilmington, N. C.
 A. C. Tonsmeire, cashier, City Bank & Trust Co., Mobile, Ala.
 Union Trust Co. of D. C., Washington, D. C.
 F. H. Williams, assistant treasurer, Albany City Savings Institution, Albany, N. Y.
 John W. Wadden, Lake County Bank, Madison, S. D.
 Wessels Van Blarcom, assistant cashier, Second National Bank, Paterson, N. J.
 C. C. Willson, care of Continental & Commercial Trust & Savings Bank, Chicago, Ill.
 Frank A. Zimmerman, Chambersburg Trust Co., Chambersburg, Pa.
 Paul E. Zimmerman, cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAME

J. W. Groves, advertising manager, Minnesota Loan & Trust Co., Minneapolis, Minn.

Foreign Banking and Finance



SIR EDWARD HOLDEN

European

THE ANGLO-FRENCH LOAN

COMMENTING on the negotiations in connection with the Anglo-French loan, the "Bankers Magazine" of London says:

"Perhaps the most difficult circumstances with which the financial com-

mission had to contend in their negotiations in New York was the fact that a great deal of very real mistrust of what must be termed our business efficiency and management on this side had been aroused in that nation of practical business men by the manner in which the Treasury had allowed the exchange position on London to drift before taking practical steps to deal with the matter,

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

and, indeed, there can be no question that in this matter of the American exchange the Treasury is under a debt of gratitude to the banking community, and not least to Sir Edward Holden, for having taken up the matter vigorously and persuaded the Treasury of the enormous importance which attached to measures of relief being secured. And if our forecast should prove correct and the financial mission should return having accomplished its object with complete success, the special thanks of the community will undoubtedly be due to Sir Edward Holden and Lord Reading for the very great services which they have performed. We place Sir Edward Holden's name first, not necessarily because the services which he has rendered are any greater than those which have been performed, not only in the present instance, but throughout the year of crisis, by Lord Reading, but because in this matter of the financial mission to the States Sir Edward Holden may be said to have been a pioneer in bringing home to the Treasury the truth of the position and in infusing the necessary energy and determination required to handle the situation."



BRITISH WAR FINANCE

ONE cannot but wish, says the "London Statist," that those persons who are spending money so freely and

so gaily at the present time should be placed under the necessity of answering the questions of how the country's great national expenditures are to be met in the absence of private economies, and how it will be possible for the country to provide for its present adverse foreign trade balance unless everyone contributes his share by keeping down his domestic expenditures to the lowest possible level consistent with efficiency. Already practically the whole of the war loan issued early in July has been expended, and in a very short time a fresh loan will be needed. The whole of the Government's existing financial resources consist of not more than about £75,000,000 still to be received on account of war loan, the £50,000,000 about to be raised in the United States, and current revenue, which may be expected to come in at the rate of about £4,000,000 a week. Roughly speaking, therefore, the funds in hand and the revenue that is being received are now only about sufficient to last not longer than until the end of October, and it will soon become necessary for bankers to subscribe for additional large amounts of Treasury bills, while preparations for another great loan cannot be long delayed. Mr. McKenna recently told the country that the expenditure in the current year would be £1,590,000,000. To this sum, however, must be added an expenditure of £3,000,000 against capital and the repayment of £160,000,000 to the Bank of England. Hence the total sum which the country has to provide in the current fiscal year is no less than £1,753,000,000. Here are the figures:

Estimated Expenditures Current Fiscal Year.

Expenditure	£1,589,706,000
Capital expenditure	3,275,000
Repayment to Bank of England	160,427,000
Total	£1,753,408,000

Of this total of £1,753,000,000 the expenditure up to the end of September has been £674,497,000 in respect of interest and services, £160,427,000 has been repaid to the Bank of England,

and other expenditures have amounted to £2,474,000—an aggregate expenditure to date of £837,398,000. The actual expenditures for the first six months of the year are set out below:

<i>Actual Expenditures Six Months to September 30.</i>		Per Day.
June quarter	£258,473,000	£2,840,000
September quarter..	416,024,000	4,522,000
<hr/>		<hr/>
Total	£674,497,000	£3,681,000
Repaid to Bank of England	160,427,000	.....
<hr/>		
Other expenditures (net)	£2,474,000	.....
<hr/>		
Total deficit ..	£837,398,000	

This means that if the estimates of expenditure are attained the sum that will have to be provided in the last six months will be no less than £915,000,000, or at the rate of exactly £5,000,000 a day. In the first six months of the year the revenue has been £102,867,000, and the net sum borrowed has been £716,268,000, leaving a deficiency of £19,264,000 to be provided out of the cash balance. The manner in which the expenditures of the country have been financed in the first six months of the current fiscal year is shown below:

<i>Revenue Expenditure and Loans Six Months to September 30, 1915.</i>	
Expenditure	£837,398,000
Revenue	102,867,000
<hr/>	
Deficit	734,531,000
4½% War loan....	528,000,000
4% War loan.....	35,798,000
Exchequer bonds ..	242,345
Treasury bills (net)	176,338,000
Other advances ...	1,000,000
<hr/>	
Total	741,378,345
Debt repaid	26,110,000
<hr/>	
Net sum borrowed	715,268,000
<hr/>	
Deficiency	19,263,000

Thus towards meeting total estimated payments of £1,753,000,000 for the current year, £818,000,000 has been provided so far, leaving a balance of £935,273,000 to be supplied in the sec-

NOYES & COMPANY

Established 1879

Foreign Bills

Government and Municipal Bonds

8, Place Edouard VII.

PARIS - FRANCE

ond six months. The calculation is as follows:

<i>Estimated Payment 12 Months to March, 1915, and sums already received.</i>	
Payment to Sept. 30	£837,398,000
Last six months...	916,010,000
<hr/>	
Total year	1,753,408,000
Revenue received...	102,867,000
Sums already borrowed	715,268,000
<hr/>	
Total sum provided first six months..	818,135,000
<hr/>	
Balance to be provided six months to March 31, 1915...	935,273,000

If the budget estimate of revenue is not exceeded, the amount of income that will be received in the six months to the end of March next will be £202,000,000. To this should be added the balance of the war loan not yet received. How much this will amount to has not been publicly stated. Mr. McKenna informed the House of Commons that subscriptions to the war loan through the Bank of England had amounted to £570,000,000, and that substantial subscriptions had been received through the savings banks. But we find from the returns of savings banks deposits that the money needed to meet war loan subscriptions by depositors was almost entirely drawn from the deposits of savings banks, which between June 12 and September 4 were reduced nearly £23,000,000. Inasmuch as the Government

has to provide the money for these withdrawals, it is evident that the subscriptions for the war loan received through the post office must be almost entirely disregarded. The diminution in the deposits of the savings banks since June is shown below:

not greater than the subscriptions to the Bank of England the sum still to be received from the war loan is not more than £42,000,000. If, however, we include post office subscriptions, the amount to be received may be about £75,000,000. To this must now be

Deposits of Savings Banks.

1915.	Trustee	Post Office	Total
June 12	£55,118,000	£199,156,000	£254,274,000
July 10	54,607,000	197,512,000	252,119,000
Aug. 7	50,372,000	181,649,000	232,021,000
Sept. 4	49,826,000	181,632,000	231,458,000
Reduction since June.....	—5,292,000	—17,524,000	—22,816,000

In view of this reduction in the deposits of the savings banks it is presumable that the total amount to be received on balance in respect of the war loan is not a very large one. On the assumption that the net amount of the loan was

added £48,000,000 net that will come from the American loan and the revenue to be collected in the last six months of the year. The manner in which the revenue has so far come in is exceedingly encouraging, and we anticipate that the estimated income of £305,000,000 will be exceeded. Should, however, it not be exceeded, the amount of revenue to be received will be £202,000,000. Thus the total funds in sight to meet the payment of £915,000,000 in the next six months is £325,000,000, and the deficiency still to be provided is about £600,000,000. If the cash balance is restored to the amount at which it stood on April 1 last, the deficit to be provided in the current six months is £610,000,000. The calculation is below:

Estimated Further Borrowings Next Six

Months Still Needed to Cover Budget Deficit for Year to March 31, 1915.

Balance of expenditure to be provided 6 months to March 31, 1915, as above.....	£935,273,000
<i>Sums in Sight.</i>	
Balance of war loan, say.....	75,000,000
American loan	48,000,000
Revenue to be received.....	202,000,000
Total sum in sight.....	325,000,000

Remaining deficit to be provided for 610,000,000

Of course, concludes "The Statist," no one doubts that this great sum of money will be obtained by the Government in one way or another. But it is

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NEW YORK CITY :
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in New York

LONDON :
Baring Bros. & Co., Limited

PARIS :
Morgan, Harjes & Co.

BERLIN :
L. Behrens & Soehne

MADRID :
Garcia, Calamarie y C.

of the greatest importance that the country should recognize the vastness of the sum to be raised and should take in good time the measures necessary for providing it. Certainly the extravagant expenditures that are still going on, taken in conjunction with our enormous adverse trade balance and the relatively onerous terms which we have had to pay for money borrowed from a foreign nation, should make even the man in the street stop to think and debate with himself whether the situation ought not impose rigorous economy as a duty upon every British citizen, whether man or woman.



BANK ABSORBED

THE banking business of Thomas Barnard & Co., Bedford, England, has been merged with Parr's Bank of London. This was one of the few remaining old provincial banks and had been doing business since 1799. Its deposits were about £400,000 and capital £80,000.



SWEDISH BANKING COMPANIES

BOOKLET entitled "Swedish Banking Companies, 1824-1913," was issued recently in English for the San Francisco Exposition by the Swedish Banks Association. It gives a brief history of the development of "enskilda" or unlimited liability banks and joint-stock banks in Sweden, including a brief synopsis of the bank act of June, 1911. Special mention is made of the rigid method of bank inspection and the thorough control the board of bank inspectors has.

The charts in this publication bring out in a striking manner the phenomenal increase in the business of the banks, particularly during the last twenty years. Discounted bills increased from \$20,536,304 in 1873 to \$142,169,980 in 1913. Loans increased from \$20,247,132 to \$832,961,324; cash credits, from

\$13,923,136 to \$137,480,052; deposits at call, from \$8,351,952 to \$60,958,476; deposits at notice, from \$32,058,160 to \$392,494,576; capital, from \$17,646,192 to \$105,659,804; reserve fund, from \$3,364,276 to \$69,300,244; total balance sheet, from \$92,860,392 to \$763,294,284. Deposits per capita of the whole Swedish population increased from \$9.38 in 1873 to \$80.40 in 1913.



UNITED STATES AND ITALY

THE American Chamber of Commerce in Milan has been studying the problem of exchange between the United States and Italy. Heretofore, even in time of peace, it has been impossible for Italian merchants, however good their credit, to get any bank to discount a bill of lading for goods

Established
July 15, 1895

Banco de
Guatemala

Guatemala
C. A.

Directors
ADOLFO STAHL **D. B. HODGSDON**
J. R. CAMACHO
C. GALLUSSER, Manager

Authorized Capital **\$10,000,000.00**
Capital subscribed and paid up **2,500,000.00**
Reserve Fund **7,652,576.16**
Contingency Fund **3,500,000.00**

Foreign Correspondents

New York: Messrs. G. Amsinck & Co.; Messrs. J. & W. Seligman & Co.; The National City Bank of New York. **San Francisco, Cal.:** The Anglo & London Paris National Bank of San Francisco. **New Orleans:** The Whitney-Central National Bank. **Mexico:** Banco Nacional de Mexico. **Paris:** Messrs. de Neufilze & Cie. **London:** Deutsche Bank (Berlin). **London Agency:** London County & Westminster Bank Ltd. **Hamburg:** Deutsche Bank Filiale Hamburg; Messrs. L. Behrens & Rohne, Messrs. Schroeder, Gebrüder & Co.; Mr. Carlo Z. Thomsen. **Madrid:** Messrs. Garcia Calamarte & Cia. **Barcelona:** Messrs. Garcia Calamarte & Cia.; Banco Hispano Americano. **Milano:** Credito Italiano.

Agencies in Guatemala

Antigua	Puerto Barrios	Escuintla
Jutiapa	Zacapa	Mazatenango
Pochuta	Coban	Ocosingo
Coatepeque	Retalhuleu	Tumbador
Livingston	Salama	

General Banking Business, Special Attention Paid to Collections from Abroad and Letters of Credit.

shipped to the United States. In making remittances thither they have been compelled to employ banks which, carrying no credit balances in New York, avail themselves in such operations of the indirect and expensive medium of London or Paris exchange.

The finance committee appointed by the board of directors has lost no time, and negotiations looking to the foundation of a bank which shall treat directly all financial and commercial transactions between the United States and Italy have already reached an advanced—in fact, almost a final—stage, and it is expected that the project will soon assume definite organization. The plan is for a specialized institution for purely financial and commercial operations, making possible direct dealings without the assistance of intermediaries, and thus doing away with additional charges.



Australasia

COMMONWEALTH BANK

THE sixth annual balance-sheet under date of June 30, shows that the Commonwealth Bank has already grown to an important position amongst the Australian banks, its total resources having now reached £16,768,465. Deposits in the savings bank department are increasing, standing at £7,420,647 on the date named.



BANK OF AUSTRALASIA

AFTER providing for rebate on bills current, for British and Australasian rates and taxes, and after making provision for bad and doubtful debts and other contingencies, the net profit of the Bank of Australasia for the half-year ended April 12 last amounted to £208,778. To this sum must be added £114,575, brought forward from the

previous half-year, making a total of £323,353, out of which the directors have declared a dividend for the half-year at the rate of fourteen per cent. per annum, or £2 16s. per share, and a bonus at the rate of three per cent. per annum, or 12s. per share, together £3 8s. per share, free of income tax. The dividend and bonus will absorb £170,000, and the directors have further apportioned £40,000 to the reserve fund. There will then remain £113,353 4s. 11d. to be carried forward.



STATE SAVINGS BANK OF VICTORIA

THE State Savings Bank of Victoria has issued a very attractive pamphlet entitled "Savings." This little book presents in a readable manner some interesting and valuable information about savings and investments and points out how the depositor may best take advantage of the facilities which the bank affords.

The remarkable progress made by the State Savings Bank of Victoria is shown by the following figures:

Year.	No. of open accounts.	Amount remaining on deposit.		
		Total.	Average to each depositor	
		£	£	s. d.
1853	2,549	142,655	55	19 4
1862	13,309	634,884	47	14 1
1872	52,479	1,405,738	26	13 0
1882	122,584	3,121,246	25	9 3
1892	313,493	5,983,648	19	1 9
1902	410,126	10,131,604	24	14 1
June 30, 1912	641,736	19,662,465	30	12 9
Dec. 31, 1914	711,111	*24,166,000	30	19 3

*Including six months' interest.

There are now 126 branches in the larger cities, suburbs and towns of Victoria, and 329 agencies in the smaller towns. The 126 branches give all the facilities of a head office in every town, and represent nine-tenths of the business transacted by the State Savings Bank; and so much do the local resi-

dents appreciate these facilities, that it is intended shortly to convert a large number of the 329 agencies into branches.



POSTAL SAVINGS IN NEW ZEALAND

DEPOSITS in the post office savings banks of New Zealand amounted to \$92,697,233 at the close of 1914, a gain of \$6,332,801 for the year. This means a per capita saving account of very nearly \$90.



Asiatic

JAPANESE BANK IN AUSTRALIA

THE Yokohama Specie Bank was, according to the Japan "Advertiser," to open a branch in Sydney on Aug. 3 in view of the growing trade relations between Japan and Australia. In this connection, it is explained, that the trade with Australia has in recent years steadily increased, the figures for 1914 being \$5,434,000 exports and \$7,290,000 imports. This tendency has been especially conspicuous since the war broke out and from the fact that Japanese goods are now quite popular

in Australia there is probability of the trade increasing. The lack of exchange facilities for direct dealing has, however, been badly felt. Formerly the greater portion of the drafts for import have been settled in London, as have those for exports with few exceptions. This direct exchange has in the past caused great inconvenience to the Japan-Australian trade. It will now be obviated.



SINO-JAPANESE BANK

JAPANESE financial authorities have for some time been investigating the best means of establishing a Sino-Japanese financial organ to meet the necessity of developing closer relations between the two nations, and it is now reported that the authorities have drafted a definite plan, obtained the consent of the cabinet council, and have submitted the same to the consideration of prominent bankers and business men.

The business of the Sino-Japanese Bank will include general banking business, loans against the securities of real estate, flotation of loans, and the issue of bank notes. No details have yet been decided upon.

It was first reported that the capital of the new bank will be 50,000,000 yen (\$24,900,000), but the authorities have consented to only 20,000,000 yen (\$9,-

MERCANTILE BANKING COMPANY, Ltd.

Avenida Francisco I. Madero No. 12

CITY OF MEXICO, D. F.

Capital and Surplus, \$600,000.00

GEO. J. McCARTY,
President

K. M. VAN ZANDT, Jr.,
Vice-President and Manager

H. C. HEAD,
Cashier

Members: American Bankers' Association, Texas Bankers' Association, Mexico City Clearing House

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960,000). It was originally intended that the new bank would be a joint-stock concern, with Japanese and Chinese capital in equal amounts, but since such a course may delay the opening of the bank, it has now been decided to open the bank first with Japanese capital only and let the Chinese take shares afterwards, if they desire to do so, and elect directors from among Chinese shareholders, if they hold sufficient shares.

It has been decided that the Government will guarantee a certain minimum dividend for the shares, and will further afford various facilities for the enterprise.

The shareholders shall, as far as possible, be limited to prominent bankers and business men, so that the basis of the new bank will be sound and strong, though, of course, some shares will be offered to the public. No details are yet definitely settled.



REDUCTION IN JAPANESE DEPOSIT RATES

JAPANESE bankers decided on reducing rates on August 7, as the result of discussion in the Tokyo Bankers' Association. The new rates are four per cent. per annum on fixed deposits, a reduction of one per cent.; 0.004 per cent. per day on current account, a reduction of 0.001 per cent., and 0.009 per cent. per day on petty accounts, a reduction of 0.001 per cent.

In Osaka, Kobe, Yokohama, and Nagoya the same decision was reached. All bankers in other cities will follow their example. Semi-official banks also have, it is reported, decided to follow their confreres in Tokyo, though the decisions they have reached are still informal. Savings-deposit rates, on the other hand, will not be changed, pending the change in postal-savings banks' rates.

This step taken by bankers generally is an event which has no parallel in the history of banking in Japan. In

the level of rates, for instance, there is no other parallel to be found in the past fluctuations of money in Japan than in the rates adopted by bankers on March 1, 1910.



BANKING HOUSES IN JAPAN

ACCORDING to investigations there were 2,166 banking houses in Japan at the end of March last and their combined capital was 942,549,265 yen. Semi-banking houses numbered 10, their capital amounting to 94,500,000 yen.



TOKYO CLEARING-HOUSE

CREDIT is shown to have suffered from the hard times attendant on the war in the past half year's report of the Tokyo Clearing-House, which covers the accounts of 283 banks, inclusive of the Bank of Japan, post offices, and others. Paper cleared during the past half year is valued at \$1,125,480,000 in round figures, against \$1,137,930,000 for the same time last year—a decrease of \$12,450,000.

In the number of bills exchanged there is a still more disastrous falling off reported for every one of the six months just concluded, except May. The total number comes to 2,208,440, a falling off of 74,019 as compared with the same time last year. Even the increase for May is not a real gain, for the same month last year saw the house closed for two days on account of the death of the late Empress.



BANK OF JAPAN

THE Bank of Japan held a general meeting on August 21, 1915. The chairman presented the report on the business for the past half year, and, after having it approved by the meeting,

recommended the following profit and loss account:

Net profit for the term.....	\$1,374,621.95
Brought over from last account	1,029,733.41
Total	2,404,355.36
To be distributed:	
Ordinary dividends at 6 per cent per annum	560,250.00
Reserve	249,000.00
For depreciation in properties..	4,980.00
Bonuses for officers and social expenses	81,174.00
Secondary dividends at 6 per cent per annum.....	560,250.00
Carried forward to next account	948,701.36

As may be seen in the account just quoted, some items were sacrificed to maintain the usual rate of dividends in spite of the rather poor result of business obtained for the term. Compared with the preceding term there is a decrease of \$1,992 in bonuses and social expenses and of \$81,032 in the balance carried forward, for example. Perhaps because of the high rate of discount having been maintained in the teeth of the slackening tendency in the money market on one hand and of the disturbances attending the war on the other there is an all-round falling off in the items in the accounts presented. In the first place, under the profit head there is a decrease of \$286,848 in the receipts from advances of \$70,716 in interest on Government bonds, \$85,656 in receipts from discounting paper, and of varying magnitude in all other items, thus bringing up the total loss in receipts to \$343,012. But as the result of retrenching expenses and other items under loss heads the net loss in the accounts is brought down to \$18,571.



BANK OF CHINA

THE Hankow branch of the Bank of China has signed a contract for the erection of a new bank building in Hankow, to cost \$40,000 to \$50,000 gold. The architects are Atkinson & Dallas, Ltd., Hankow, and the material is to be brick and reinforced concrete.

NEW BANK BUILDING

THE Hongkong and Shanghai Banking Corporation is constructing an imposing modern bank building adjoining the present quarters. The growth of the bank has demanded larger quarters, and this old and large financial institution is not often far behind the local demands, and its enlargement is a sound index to the growth of Hankow.

The new building is to be of reinforced concrete and to cost 600,000 taels (\$363,000 gold at \$0.605), the internal fixtures and arrangements will be up to date. Hemmings & Berkley are the architects.



South Africa

THE BANKING SITUATION

THE outstanding features of the South African banking situation are increased deposits and note circulation, and decreased loans, resulting in a plethora of funds.

The statistics of the five banks operating in South Africa show marked changes during the half year ended June 30, 1915. The following table summarizes the position within the Union as at June and December:

	Dec., 1914.	June, 1915.
Note circulation...	\$11,487,928	\$12,613,980
Fixed deposits	77,020,448	85,497,913
Floating deposits ...	95,325,478	109,215,671
Coin reserves	28,414,647	31,910,268
Advances, etc.	141,642,913	135,817,246
Paid-up capital ...	25,081,382	25,205,283
Reserve funds	14,365,416	13,535,183



Latin-America

FEDERAL RESERVE BANK BRANCHES

IN transmitting to the President of the United States the proceedings of the recent Pan-American Financial Conference at Washington, Hon. W. G.

McAdoo, Secretary of the Treasury, has written a letter to the President containing the following interesting proposal:

"There was unanimous opinion that two things are essential to the development of trade and improved relations between the Latin-American nations and the United States, viz:

"'1. The granting by United States bankers and business men of ample credits to Latin-America and the prompt provision of the necessary organization and facilities for this purpose.

"'2. The prompt establishment of adequate steamship facilities between the leading ports of the United States and South America, which the Conference, by resolution, declared 'a vital and imperative necessity.'

"As to the first of these necessities, viz., credits: Central and South America have, heretofore, relied almost wholly on Europe for their financial requirements. The great war has seriously disturbed and injured those countries by the sudden derangement and withdrawal of European credits. United States credits must be substituted if the orderly development and progress of Latin-America is to continue, and if we desire to enlarge the trade and financial influence of the United States in those countries.

"Manifestly enlightened interest in the welfare of our friendly neighbors should induce us to extend to them every facility that our resources will permit. Such a policy will inure to their and our advantage.

"It is nothing short of providential that the Federal Reserve system has been established. Happily it offers the means by which the great objects in view can be largely, if not wholly, attained. The Federal Reserve Act has so consolidated and organized our credit resources that our bankers are, for the first time in our history, able to engage in world-wide financial operations. We now have the available resources. It is merely a question of their intelligent use.

"The first step should be the estab-

lishment of the necessary branches or agencies in the leading cities of all of the countries of South and Central America by a bank or banks having the necessary resources to take the business that is open to them. One of our largest banks has had the enterprise to establish branches in some of the largest cities in South America, but manifestly the resources of a single bank or of several of our largest banks are insufficient to meet the demands of the situation as it now exists and as it will develop in the future. What is needed is the use of the consolidated banking power of the United States applied through agencies established in the leading cities of Latin-America.

"The Federal Reserve Act has supplied the necessary authority, and it only remains for the Federal Reserve banks, with the approval of the Federal Reserve Board, to make practical use of that power. Section 14 (paragraph e) of said act gives every Federal Reserve bank the right:

"'To establish accounts with other Federal Reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain banking accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell with or without its indorsement, through such correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than ninety days to run and which bear the signature of two or more responsible parties.'

"In addition to these powers, the Federal Reserve banks may, 'under rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, at home or abroad, either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers and bankers' acceptances and bills of exchange of the kinds and maturities by this act made eligible for rediscount with or without the indorsement of a member

bank,' and may 'deal in gold coin and bullion at home or abroad, make loans thereon,' etc., and 'buy and sell, at home or abroad, bonds and notes of the United States,' etc. Enlargement of these powers would be desirable to increase the usefulness of foreign agencies of Federal Reserve banks and it is probable that the Congress would grant such enlarged powers upon good cause shown.

"The twelve Federal Reserve banks could, with the consent of the Federal Reserve Board, establish *joint* agencies in each of the countries of Latin-America, their interest in such agencies to be in proportion to the capital stock and surplus of each participating Federal Reserve bank. The combined capital stock and resources of our Federal Reserve banks, utilized in this way for the extension and promotion of our foreign commerce, would give them unrivaled financial power. They could maintain themselves in foreign fields in competition with the world and perform a service of incalculable value to the American people.

"During the Pan-American Financial Conference the suggestion was made by some of our leading bankers that the national bank act might be amended so as to permit a number of the national banks to become stockholders in an independent bank organized for the purpose of doing business in foreign countries. This plan, even if it were not

open to objection, would be manifestly inferior to the agency of the combined Federal Reserve banks. The Federal Reserve banks comprise in their membership every national bank in the United States, as well as a number of our leading state banks and trust companies. They constitute a financial organization of unequalled strength, and their operations in foreign countries will be for the common benefit of all of the national banks, state banks, and trust companies composing the Federal Reserve system. These agencies in foreign countries could, in addition to their banking business, render a great service to American business men and bankers by furnishing credit reports and general information about trade and finance in the various countries in which they operate.

"The power of the Federal Reserve banks to establish such joint agencies in foreign countries, with the consent of the Federal Reserve Board, appears to be beyond question. The initiative rests with the Federal Reserve banks. While they can not be compelled to establish such agencies, I believe that upon a careful study of the situation and with the encouragement of the Federal Reserve Board they will be prompted to take this important step.

"The establishment of Federal Reserve agencies will not prevent the member banks from carrying on and enlarging the business they are now doing in

Banco de Nuevo Leon

MONTEREY, N. L., MEXICO

ESTABLISHED OCT. 1, 1892

Capital paid up, \$2,000,000 Reserves, \$919,682.79 Deposits, \$3,308,318.68

GENERAL BANKING BUSINESS TRANSACTED

Principal Correspondents:—NEW YORK, National Park Bank, Mechanics & Metals National Bank; LONDON, Dredner Bank, Credit Lyonnais; BERLIN, Deutsche Bank, Berliner Handels Gesellschaft; PARIS, Credit Lyonnais; Comptoir National d'Escompte; HAMBURG, Deutsche Bank Filiale Hamburg, Commerz und Disconto Bank; MADRID, Banco Hispano Americano, Banco de Castilla; HABANA, Banco de la Habana.

RODOLFO M. GARZA, Manager]

ARTURO MANRIQUE, Accountant

AMADOR PAZ, Cashier

foreign countries. It is gratifying to note that many of our national banks and trust companies are showing commendable enterprise in supplying credits to Latin-America."

[At present the Federal Reserve Board has decided not to approve of this suggestion.]



CENTRAL AMERICAN COLLECTIONS

AS a sample of the way some banks—though it is hoped a very few—handle their Latin-American business, the following letter is given from a Central American bank, names being withheld for obvious reasons:

—, July 13, 1915.

The — National Bank, New York.

DEAR SIR: Referring to your favors of April 1st and June 24th (in the matter of our collection from — & Co. of this city for your account, the sum of \$25.97) claiming a difference of 18 cents in your favor, we beg to point to the following facts:

Collections for American manufacturers are usually made thirty days after receipt of goods by merchant here. In the case of European manufacturers, ninety days and more. In your case we succeeded in collecting not only before goods arrived here, but before they left New York without merchant having had a chance to examine merchandise. In fact, these goods only arrived here a few days ago, months after we had remitted funds to you. We therefore secured not only a cash payment, but a payment months in advance of receipt of goods. Now, American manufacturers generally grant a two per cent. discount for cash payments and should give more for collection in advance, but nothing was deducted from remittance made to you on this score.

This two per cent. amounts to about 52 cents. Besides, your clients had the use of the money long before they were entitled to it, and, therefore, interest accrued is all to their credit.

Our bankers in New York charge us one-eighth per cent. commission for paying our sight drafts drawn against our own funds. Now, one-eighth per cent. of our remittance of \$25.29 is about 5 cents, but we did not deduct it from same.

Our postal expenses connected with this collection, including the present letter, are over 10 cents, which we did not deduct from our remittance either.

Admitting that we made an error of 18

cents in subtracting, our account with you stands as follows:

2% (no more) discount to be credited to — & Co. for payment in advance.....	.53
1/8% acceptance commission charged by our New York bankers on payment of our remittance sight draft for \$25.29 .....	.04
Postage (two foreign letters) ..	.10
	<hr/>
	.67
Less 18 cents, our error in subtraction .....	.18
	<hr/>
Balance in our favor.....	.49

We also beg to call your attention to the expenditure of time, labor, energy, stationery, interest, and 10 cents postage on our part and 10 cents on your side, a total of 20 cents, spent in order to collect 18 cents to which you have no right in a country 5,000 miles away.

Where, as in Central America, people live scattered over a large territory and collecting facilities are extremely deficient, it is often more difficult to collect \$3.00 than \$3,000. You have to dun people ten times before you get results. Our charges hardly pay expenses and do not at all compensate for the trouble and time involved.

Very truly yours,

—, Manager.



NEW BANK FOR VENEZUELA

A NEW bank, to be called Banco Commercial, has been established at Maracaibo, Venezuela. Although it will have a capital of only 400,000 bolivars (\$77,200), it will probably be of great local importance, owing to the fact that it will introduce new banking methods and that its operations will tend to relieve the small borrower from the high rates of interest charged by local capitalists, i. e., two to four per cent. per month. The shares, 2,000 in number, are now being sold. According to the prospectus, the Banco Commercial will (1) accept deposits of money, corporation stock, precious stones, etc., draw drafts or letters of credit, and remit funds; (2) make loans as small as 50 bolivars (\$9.65) on personal guaranties or property security at a rate not to ex-

ceed one per cent. per month; (3) discount various kinds of commercial paper, and (4) open a savings department, receiving deposits of 10 bolivars (\$1.93) and up and paying interest on amounts of 100 bolivars (\$19.30). Bank notes to the amount of 800,000 bolivars (\$154,400) will be issued, some of which will be of the denomination of 10 bolivars—another innovation. The promoters are Eduardo Leseur and Soto Rivera & Co., of Maracaibo.



BANKS OF VENEZUELA

There is presented herewith a table showing the reserves, deposits in accounts current, credits in accounts current, cash, cash holdings, advances, and discounts of the Bank of Venezuela, Caracas, at the close of business June 30, 1915; of the Bank of Caracas on July 31, 1915, and of the Bank of Maracaibo, of Maracaibo, on July 31, 1915. While these three are the only chartered banks in Venezuela maintaining numerous branches and agencies throughout the republic, many business houses engage in the banking business to some extent, especially in the sale of drafts, but no figures are obtainable as to the extent of their activity. The amounts given are in United States gold:

Items.	Bank of Venezuela, June 30, 1915.	Bank of Caracas, July 31, 1915.	Bank of Maracaibo, July 31, 1915.
Reserves	\$1,140,371	\$246,102	\$14,028
Deposits in accounts current.....	3,263,808	683,265	48,628
Credits in accounts current.....	1,590,675	478,477	217,845
Cash	2,662,669	931,505	161,876
Cash holdings	3,864,727	5,294,306	87,268
Advances	1,624,450	481,225	237,957
Discounts	308,895	82,968	993

INCREASE IN SAVINGS

The National Savings Bank of Chile (Caja Nacional de Ahorros) has published data in regard to the increase in savings in Chile in 1914. This

bank, at the end of 1914, had in operation 120 establishments throughout the country. The number of deposit accounts on December 31, 1913, was 359,622, and by December 31, 1914, the total had reached 396,488, a net increase for the year of 36,866.

The deposits on hand in the Caja Nacional de Ahorros and its branches totaled \$57,032,670, Chilean paper currency, on December 31, 1913, and \$62,327,057 on December 31, 1914, a net increase of \$5,294,387, Chilean currency.



CAIBARIEN-REMEDIOS WATER WORKS CO., CUBA.

The Caibarien-Remedios Water Works Company, of Caibarien, Cuba, has appointed as their fiscal agents J. G. White & Company, Inc., 43 Exchange Place, New York, and awarded contract for the engineering to the J. G. White Engineering Corporation, of 43 Exchange Place, New York.

Construction is to be started immediately, and will probably be completed within one year. It is to be a gravity system water supply from a series of springs, the main pipe line extending from the springs, through Remedios, to the city of Caibarien. In all, the system will require approximately thirty-

seven miles of pipe line to properly cover the two cities, and the cost of the entire development will be between \$400,000 and \$450,000.

Caibarien is located in the province of Santa Clara, on the north coast of

Cuba, and is one of the largest shipping ports on the island.



EXPORT DUTY ON GOLD BULLION

A DECREE of June 15, 1915, imposes an export duty of fifteen per cent. ad valorem on all gold bullion of

Costa Rican origin. Each gold-mining establishment in the country must make a monthly report of production and must deposit with the Secretary of the Treasury bills of exchange sufficient to cover export duties, against which such duties will be charged. No exportation will be allowed until satisfactory deposits have been made.



Financial Advertisers Association

AT a meeting of the National Commission of the Associated Advertising Clubs held in New York on October 16, the application for a Financial Advertisers Department was accepted. This application was presented by W. C. D'Arcy of St. Louis, a member of the commission, and the organization will be known as the Financial Advertisers Association.

The movement that led to this organization was inaugurated by men connected with St. Louis financial institutions, and was first presented in the form of a resolution at the Chicago convention of the Associated Advertising Clubs. John Ring, Jr., publicity manager of the Mercantile Trust Company, St. Louis, is chairman of the organization committee. Others taking part in promoting the movement were: M. E. Holderness, assistant cashier Third National Bank, St. Louis; B. W. Moser, secretary St. Louis Union Bank; H. M. Morgan, secretary American Trust Company, St. Louis, and G. W. Cooke, advertising manager First Trust and Savings Bank, Chicago.



STANDARDS OF PRACTICE

BELIEVING that financial advertising is a field in which the highest standards of business and advertising

ethics are and should be maintained, the members of the Financial Advertisers Association—a department in the Associated Advertising Clubs of the World—subscribe to the following standards of practice, to the end that efficiency and adherence to these principles may be promoted:

First.—To encourage clean and efficient advertising.

Second.—To discourage the publication by newspapers and periodicals of financial advertising that does not measure up to the highest standards.

Third.—To develop among financial institutions mutual points of contact which will tend to improve their advertising so that this betterment will become permanent and nation-wide.

Fourth.—To encourage by advertising the investment through reputable financial institutions of the surplus moneys of the American people.

Fifth.—To discourage unreliable and unsafe investments.

Sixth.—To make financial institutions realize the value of advertising, and, by co-operation, determine the most effective means of building business, through advertising, in the various departments of a modern financial institution.

Book Reviews

THE PRACTICAL WORK OF A BANK.
By William H. Kniffin, Jr. New York: The Bankers Publishing Company. (8vo., 610 pp.; price \$5.)

IT is the declared aim of this treatise on practical banking "to show the fundamental principles of money, the practical work of a bank in detail, and, particularly, credit in its relation to banking operations."

In recent years the machinery of banking has undergone a process of evolution as the increasing demands of the business world have made shorter and quicker methods necessary. To give these improved methods of doing things and at the same time to treat of those subjects heretofore handled by other authors from a new viewpoint have been the author's aims. He has succeeded in this plan, and in the process has put together a great fund of solid information about money, bank credits and the detailed methods of carrying on the various departments of bank work, and has made a most readable book.

The method of treating the various subjects is the author's own, and the result is an interesting and helpful treatise, intended to supplement rather than to supplant earlier works like those of Barrett and Patten.

Mr. Kniffin is exceptionally qualified for the duty he undertook in the preparation of this volume. He has had long banking experience and is at present an active bank officer. To this important qualification he unites the tastes of a scholar with a fondness for banking subjects and unflagging industry. "The Practical Work of a Bank" is a contribution of sound and permanent value to the banking literature of the country.



HUMAN NATURE AND RAILROADS. By Ivy L. Lee. Philadelphia: E. S. Nash & Co. (price \$1).

MR. LEE was formerly executive assistant of the Pennsylvania Railroad, and his viewpoint is neces-

sarily that of the railroad man. He presents a case on the theory that the people have been misled by demagogues into an attitude of unthinking hostility toward the railroads. This has been partly due, he believes, to the indifference of the railroads in setting the people right on the question, and a wider and more intelligent system of railway publicity is favored as a remedy.

His treatment of the subject is clear, good-humored and forceful, and every one ought to read what he has to say in order to get a fair idea of how the railroads feel about the public hostility toward them.



INCOME—AN EXAMINATION OF THE RETURNS FOR SERVICES RENDERED AND FROM PROPERTY OWNED IN THE UNITED STATES. By Scott Nearing, Ph. D. New York: The MacMillan Company. (Price \$1.25.)

IN this volume Prof. Nearing discusses two forms of income which he considers to be essentially different in character. These he designates as "property income" and "service income." The latter is the income which an individual derives from his personal efforts in the production of wealth. It is his share in the wealth which he produces. Property income, on the other hand, is income which is derived through virtue of ownership, regardless of any actual effort on the part of the owner. The author believes that the modern economic world is inclined to over-favor property income and to under-favor service income. In other words, it is his opinion that the actual producers of wealth do not get their share of the wealth which they produce. "An effective system of income distribution," says the author, "will recognize service as the greatest economic asset; will reward service with values that service creates. Until those who serve receive a return equal to the value of their service, the questions of income distribution can

never be settled, because until then they never can be settled right."

Prof. Nearing's book is both timely and significant in the light of present-day labor problems and discussions, and presents facts which concern every individual, whether wage earner, high-salaried man or property owner.



TO ALL THE WORLD (EXCEPT GERMANY). By A. E. Stilwell. London: George Allen & Unwin, Ltd. Price 3/6 net.

THIS book, written by an American financier, is devoted to a consideration in all its aspects, of the terrible crisis through which the world is now passing. It is an appeal to the civilized peoples of the world to respect their faith and abolish the war-idea. "War is madness," writes Mr. Stilwell, and in his arguments against it he appeals "to the higher instincts of man, to his religious instincts, if he have any, and, on the material plane, to his selfish instincts." Mr. Stilwell's book is an interesting addition to the fund of literature which the war has evoked.



HOW TO DEAL WITH HUMAN NATURE IN BUSINESS: A Practical Book on Doing Business by Correspondence, Advertising and Salesmanship. By Sherwin Cody. New York: Funk & Wagnalls Company (Price \$2 net.)

IN this book Mr. Cody attempts to reduce human nature to a known quantity. From a careful analysis of the human equation he has discovered that in nine cases out of ten a given stimulus will produce an identical reaction. The practical application of this principle to business is discussed in detail. Mr. Cody illustrates with concrete examples how various problems in human nature should be dealt with. For example, he shows how to collect money by letter, how to answer a complaint, how to get an answer from an indifferent prospect, and many other cases of equal interest. That human nature is a huge, vital fac-

tor in business is being more and more recognized. Mr. Cody handles the subject in a thoroughly scholarly and scientific manner which should appeal to any one who is anxious to keep abreast of the progress of commercial science.



HISTORY OF THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK. By Frederic B. Stevens. New York: Doubleday, Page & Co.

THIS volume gives a concise and authentic resume of the work accomplished by The Savings Banks Association of the State of New York, from its inception in the year 1894 to date, a period of twenty years. The mutual or trustee savings bank is an institution founded in pure benevolence and free from the slightest taint of human selfishness. An association founded for the purpose of furthering and promoting the interests of such institutions cannot but have an ideality of purpose and breadth of vision which are reflected in the character and accomplishments of the men of whom it is composed. In this book Mr. Stevens has selected from the proceedings of the association the most interesting and valuable matter—matter which constitutes a compendium of the best thought on the savings bank idea during the past generation. Mr. Stevens has made a notable contribution to savings bank literature.



THE BOOK OF THRIFT: Why and How To Save and What To Do With Savings. By T. D. MacGregor. New York: Funk & Wagnalls Co. (Price \$1 net.)

NOT merely saving, but the utilization of savings, constitutes the theme of Mr. MacGregor's "Book of Thrift." Could we thoroughly instill the principles he lays down into the lives of American children, the future of the country would be much more secure than it now is with the undoubted tendency to extravagance. The argu-

ments and examples to prove the virtue of thrift are irrefutable and overwhelming, and both as a nation and as individuals we should do well to heed them. The admonition this book contains comes most opportunely, for as a people the need of a development of the savings habit is now more urgent than ever before, for we have got to supply ourselves and some parts of the world with capital, and this can be done in no other way except through saving. We shall

go capital-hungry in the near future unless we severely prune from the tree of our national life some of the extravagances which Mr. MacGregor points out.

The admonitory character of this work does not render it dull; on the contrary, it is a peculiarly interesting work. Its lessons, laid to heart, will make better men and women and immeasurably add to individual and national welfare.



Transit Managers Discuss Collection Plans

TRANSIT managers of the twelve Federal reserve banks held a conference in Chicago this month for the purpose of discussing plans for the extension of the check collection system now in operation in all of the districts.

Among those in attendance were: C. C. Bullen, acting chief clerk, Federal Reserve Bank of Boston; L. H. Hendricks, assistant cashier, Federal Reserve Bank, New York; F. M. Hardt, cashier, Federal Reserve Bank, Philadelphia; M. J. Fleming, auditor Federal Reserve Bank, Cleveland; George H. Keesee, cashier; C. V. Blackburn, transit manager, Federal Reserve Bank, Richmond; J. B. Pike, cashier, Federal Reserve Bank, Atlanta; C. R. McKay, deputy governor, Federal Reserve Bank, Chicago; O. M. Attebury, transit manager, Federal Reserve Bank, St. Louis; Gray Warren, transit manager, Federal Reserve Bank, Minneapolis; Jerome Thralls, cashier, Federal Reserve Bank, Kansas City; Lynn P. Talley, cashier, Federal Reserve Bank, Dallas, and John Perrin, chairman of board, Federal Reserve Bank, San Francisco.

Up to the present time the check collection activities of the reserve banks has been limited to intra-district business—that is, the reserve banks are accepting on deposit checks drawn by one member bank on another member bank, provided the bank at which the checks are payable is a member of the check collection organization. In addition, the reserve banks are receiving for collec-

tion, in accordance with a fixed schedule of days, checks drawn on other reserve banks.

The adjustment of credits and debits between the twelve Federal reserve banks is made weekly by telegraph, there being in Washington a so-called central gold fund which is the basis for settlements. The settlements do not require the shipment of currency, but are limited to mere book entries, the ownership of part of the gold being shifted from one reserve bank to another.

What remains to be done in regard to the extension of the check collection facilities is an arrangement for clearing or collecting items deposited by a member bank in one district which are drawn on a member bank of another reserve district. When this is done there will be a national agency for the clearing of all checks for all the 7,600 or more members of the Federal reserve system. This problem of handling checks and transit items has been puzzling bankers for some time, but the provisions of the Federal Reserve Act providing for the collection of checks at par has resulted in considerable agitation and has been productive of some direct results. Par collections points are being created all through the country as a result of this movement and in consequence is being worked out by the clearing house along lines similar to those put into operation recently by the New York Clearing House through the establishment of its collection department.



FRANK A. VANDERLIP
PRESIDENT NATIONAL CITY BANK OF NEW YORK

Banking and Financial Notes

EASTERN STATES

New York City

—At the annual meeting of the New York Clearing-House Association, held on October 5, Frank A. Vanderlip, president of the National City Bank, was elected president, and James S. Alexander, president National Bank of Commerce, was elected chairman of the clearing-house committee, succeeding Francis L. Hine, president of the First National Bank, and Albert H. Wiggin, president of the Chase National Bank, respectively.

Joseph Byrne, vice-president of the Merchants National Bank, was elected secretary, succeeding Stuart G. Nelson, vice-president of the Seaboard National Bank. The following officials were re-elected: William Sherer, manager; William J. Gilpin, assistant manager, and Charles A. Hanna, examiner.

The other members of the new clearing-house committee are: Clarence H. Kelsey, president Title Guarantee and Trust Company; Stephen Baker, president Bank of the Manhattan Company; Gates W. McGarrah, president Mechanics and Metals National Bank, and Edward Townsend, president Importers and Traders National Bank.

Following are the principal items in the manager's annual report showing the clearing-house transactions for the year ended September 30, 1915.

	1915.	1914.
Exchanges ..	\$90,842,707,723	\$89,760,344,971
Balances	5,340,846,740	5,128,647,302

Total trans- actions ..	\$96,183,554,464	\$94,888,992,273
Average daily transactions:		
Exchanges ..	\$299,810,916	\$296,238,762
Balances	17,626,556	16,926,228

Total	\$317,437,473	\$313,164,991
Total transactions since organization of Clearing-House (sixty-two years):		
Exchanges	\$2,599,876,748,777	
Balances	123,137,986,997	
Total	\$2,723,014,735,775	

—The rapid growth of the Fifth Avenue business and shopping section has led the Metropolitan Trust Co. to establish an uptown office at 716 Fifth Avenue for the greater convenience of its patrons. This will be opened about February 1, 1916. Work has already commenced. Above the foundation a practically new building is to be erected on the site.

The facade of white Vermont marble



Mr. Branch
Our first President

Merchants National Bank

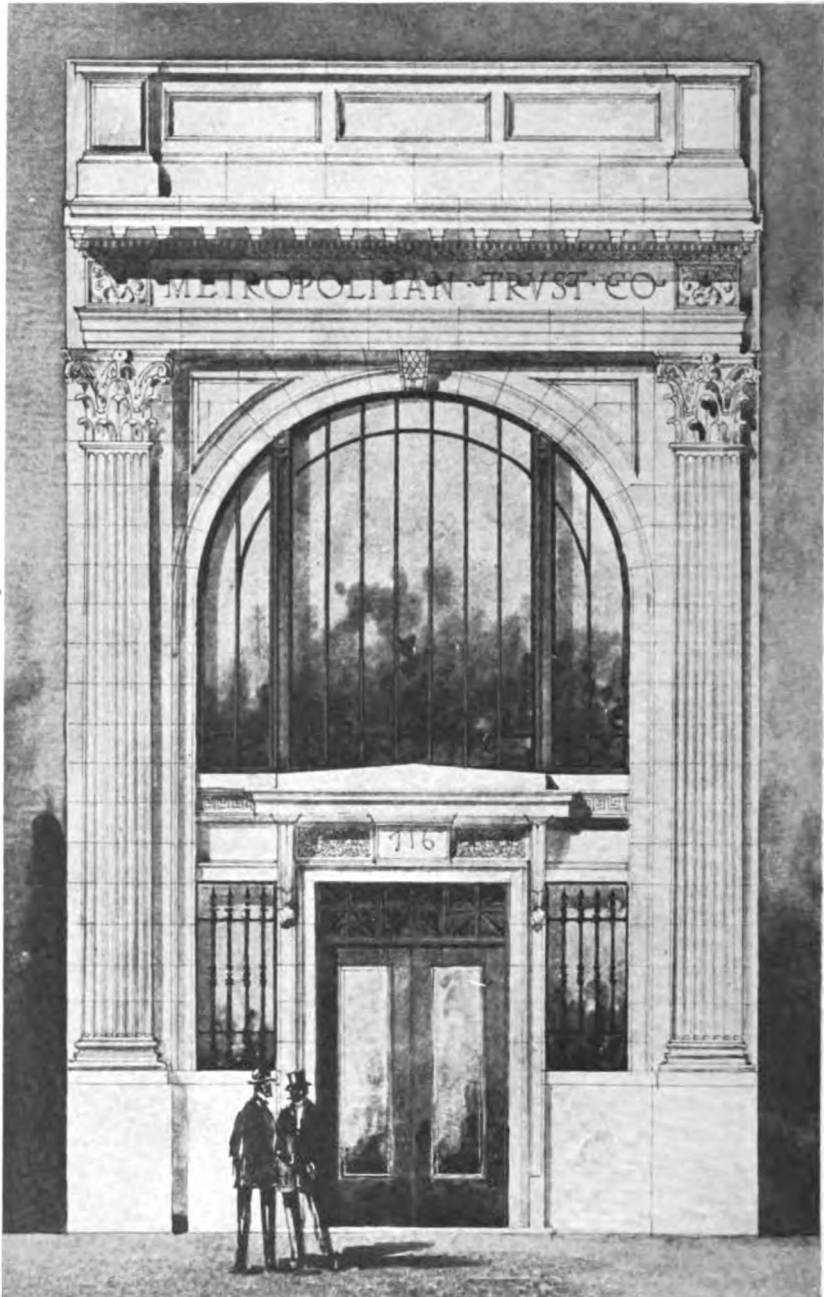
RICHMOND, VA.

Capital \$200,000
Surplus and Profits over 1,000,000

The Gateway to and Collection
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Send Us Your Items

"ON TO RICHMOND"



UPTOWN OFFICE OF THE METROPOLITAN TRUST COMPANY WHICH WILL BE OPENED ABOUT FEBRUARY 1916

is of classic design, suggesting dignity and strength. The interior walls are wainscoted in panels of Italian Breche opale marble with pilaster treatment.

The screens are also of this marble, bronze trimmed. The panelled circular plaster ceiling rises twenty-four feet above the marble floor, and the banking



THE STORAGE FILES THAT FIT YOUR records and fit YOUR bank combine space-economy, strength, durability and lightness with the attractive appearance of baked-on Olive Green enamel. This check-size unit is only one of the

Seven sizes of Baker-Vawter Steel Storage Units

In one rigid stack you can place one-drawer letter units, two-drawer check and deposit-ticket storage units, and four-drawer card-units—and they look good in stacks. Order your Storage Units by the stack—8 letter units \$15.00 f. o. b. either factory. Ask for circular No. BB1510.

Bank Accounting and Filing Equipment

BAKER-VAWTER COMPANY

Benton Harbor, Mich.

Holyoke, Mass.

room is lighted by a large window on Fifth Avenue, and a decorative skylight in the ceiling. The bank is lighted artificially from the cornice, the sources of light being invisible.

A special feature is the convenient ladies' alcove with access to the tellers. A marble and iron stairway leads to the large directors' room on the mezzanine at the rear which is finished with seven-foot panelled mahogany wainscoting with fireplace.

The acoustics of the building have received particular attention and a suction ventilating system has been provided to insure a constant supply of fresh air in the banking room and safe deposit vaults. These vaults are in the basement, reached by marble staircase or electric elevator. They are constructed of three-inch non-drillable steel. Electric protection and other modern devices render these vaults burglar and fire proof.

The Metropolitan Trust Co., whose downtown office is at 49 Wall Street, has been established thirty-four years. Its recent rate of growth is indicated by the fact that the deposits have increased almost exactly 100 per cent during the last year. The company possesses every facility for transacting a modern banking and trust company business. George C. VanTuyt, Jr., is the president of the company, Beverly Chew, vice-president, and Edwin F. Rorebeck, second vice-president.

The architects of the new uptown building are Holmes & Winslow, 103 Park Avenue, New York, a firm that is

specializing in bank and office building architecture. Edward Corning & Co. are the general contractors.

—Objections made by the Department of Finance of the city of New York to the inclusion of the assessed valuation of state and national bank stock in the equalization upon which the states taxes are to be apportioned, have been set aside in a formal opinion by Attorney-General Woodbury. He has held that the State Board of Equalization was within its rights and acted legally when it included this bank stock

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Modern construction. Only in use short time. Price including delivery very low. Write for plans and specifications.

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Read this from the contract renewal letter:

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We consider that yours is the best and most complete service ever offered."

Bankers seeking complete, productive business-building Service should consult us.

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PHILADELPHIA, PA.



GATES W. MCGARRAH
PRESIDENT MECHANICS & METALS NATIONAL
BANK, NEW YORK

in the equalization recently made. The opinion had been requested by State Controller Travis and follows a hearing given representatives of the New York City Department of Finance.

The assessed valuation of the stock affected by this opinion is \$485,896,899, the larger part of which is in the Borough of Manhattan.

—A controlling interest in the New York Produce Exchange Bank has been secured by large stockholders of the Mechanics and Metals National Bank. The syndicate that acquired the stock was headed by Gates W. McGarrah of the Mechanics and Metals, and John D. Ryan.

The following letter regarding the proposed merger was sent to the stockholders of the Produce Exchange Bank under date of October 8:

"Your officers and directors announce

that the following very favorable offer has been made by people prominent among the stockholders of the Mechanics and Metals National Bank for the stock of this bank at \$205 per share. It was decided, however, that the stockholders would prefer not to be delayed in receiving their usual October divi-

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BUILDER FURNISHER

ELECTRICIAN

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Redmond & Co.

33 Pine Street

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Grant facilities whereby American Banks may draw direct drafts on China, Japan and other Oriental Countries

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Jordaan & Cie., Paris

London & South Western Bank, Ltd.

[London

Investment Securities

Finance Corporations, act as Fiscal Agents and underwrite entire issues of Securities

Members New York Stock Exchange

dend, and that dividend of \$4 per share was accordingly declared, payable October 15. Such dividend being paid by the bank to the stockholders, the net amount to be received from the depository, as hereinafter stated, is \$201.

"The terms of this offer are as follows: It is conditioned on two-thirds of the stock being offered on or before November 15, 1915. The stock certificates are to be deposited with the Guaranty Trust Company, 140 Broadway, for which deposit certificates will be issued. As soon as two-thirds of the stock is deposited holders of certificates of deposit will be notified at once and may present their certificates and get the cash for their stock at \$201 per share.

"Mr. Parker, who founded the bank, has now served it and its stockholders for thirty-two years. During that period the value of each share of the stock has steadily increased from \$100, the amount at which it was originally subscribed, until now he has the satisfaction of presenting them with an offer

of over double their original subscription, to wit, \$205 per share. Mr. Parker, after these years of service, desires to be relieved of his responsibilities. The officers and directors consider this offer so advantageous that they have agreed to sell their holdings on the above terms and they strongly advise the other stockholders to do the same.

"The purchasers require two-thirds of the stock so that they will be in a position to take such action as they shall desire.

"If it will be a service to any stockholder the bank, on receiving the stock certificate duly endorsed, will make the deposit of stock and will get the deposit certificate for the stockholder."

It is understood that while the personnel of the board of directors may be changed, as Forrest H. Parker, the president, desires to retire on account of his long service of thirty-two years as president, no further change in the official staff of the bank or its branches is contemplated.

The Liberty National Bank of New York

Broadway and Cedar Street

Equitable Building

On and after October the fourth, The Liberty National Bank of New York will occupy its new quarters at the corner of Broadway and Cedar Street, Equitable Building.



Capital \$1,000,000.00

Surplus & Profits \$3,000,000.00

Deposits \$55,000,000.00

The New York Produce Exchange Bank and its branches will continue as an organization as heretofore, and will have the added facilities afforded by an affiliation with the Mechanics and Metals National Bank.

It is within the possibilities that a merger may be ultimately effected, in which event the business of the New York Produce Exchange Bank and its branches would be conducted under the name of the Mechanics and Metals National Bank.

It is interesting to note that Mr. McGarrah, the president of the Mechanics and Metals National Bank, was connected with the New York Produce Exchange Bank from the time of the organization of the latter until the year 1898.

In the event that this merger is carried out, the Mechanics and Metals will be the second national bank in this city to maintain branches, the first one having been the Chatham and Phoenix,

which recently acquired the Century, with its eleven branches. Under the national banking law, a national bank may not establish branches, but when such an institution takes over a state bank having branches the law does not require the abolition of these branches.

Some idea of the growth in the business of the Mechanics and Metals may be gleaned from the fact that the institution's resources exceed \$180,000,000. According to its report to the Treasury Department, its deposits as of September 2 reached \$155,603,615, of which \$89,638,053 were individual accounts and \$65,965,561 bank accounts. The comparison between the June 23 and September 2 bank calls is interesting, the deposits standing at \$124,666,435 June 23, comparing with \$155,603,615 September 2, and aggregate resources \$146,773,432 and \$180,297,037, respectively. The loans and discounts September 2 were \$86,589,753; cash and due from banks, \$66,979,099, and combined capital resources, \$15,155,845, of which \$9,155,845 represents surplus and undivided profits. The official staff is headed by Gates W. McGarrah, president, while Nicholas F. Palmer, John McHugh, Frank O. Roe, Walter F. Albertsen, Harry H. Pond and Samuel S. Campbell are vice-presidents; J. S. House is cashier, and J. Robinson, E. W. Davenport and A. M.

BANK POSITION WANTED

THOROUGHLY EXPERIENCED ACCOUNTANT AND BANKER, thirty-three years old, wants position as Cashier, Assistant Cashier or Teller in city or country bank. Best reference. Address P. O. Box 55, Wise, Virginia.



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*Directors' Room, Woronoco Savings Bank,
Westfield, Mass.*

Your success in banking depends largely upon the sufficiency of the data upon which you base your decision.

The work of successfully altering or rebuilding your banking quarters depends on the same thing—adequate data [of similar undertakings.

This is the service our organization can offer—the experience based upon our work for nearly five hundred other banks.

We are waiting for a word from you to send you an outline of the scope of our service.

May we have the word?

**BANKERS ENGINEERING
COMPANY**

**NO. 106 EAST 19TH STREET
NEW YORK**

Aiken are assistant cashiers; N. McLean is manager of the foreign department.

The New York Produce Exchange Bank, which has a capital of \$1,000,000, has branches at Columbus avenue and 93d street, 38th street and Seventh avenue, Broadway and 86th street, Madison avenue and 60th street, 116th street and Third avenue, 103d street and First avenue, Manhattan street and Amsterdam avenue and 14th street and Second avenue.

—Mr. Raymond E. Jones, who was recently appointed one of the New York agents of The Royal Bank of Canada, entered the service of that institution fifteen years ago as junior clerk, and has gone from the bottom to the top of the ladder. He succeeds Mr. Stephen H. Voorhees, who was elected a vice-president of The National City Bank a short time ago. Mr. Jones was



**RAYMOND E. JONES
RECENTLY APPOINTED NEW YORK AGENT
ROYAL BANK OF CANADA**

born in New York, and is well known in the younger banking set.

—The National Bank of Commerce has announced the election of J. Howard Ardrey, of Dallas, Tex., to the vice-presidency of that institution. Stevenson E. Ward, formerly cashier, has also been made a vice-president. Paris R. Russell, an assistant cashier, has been made cashier, and Archibald F. Maxwell, manager of the credit department, has been appointed an assistant cashier.

J. Howard Ardrey was born in Dallas, Tex., forty years ago. After graduating from the University of Texas he spent the next few years as a merchant and grain buyer. At the age of twenty-five he entered the profession of banking, with which he has since been uninterruptedly identified. In course of time he was elected cashier of the City National Bank of Dallas, which is one of the strong financial institutions of the Southwest, and later he became vice-



J. HOWARD ARDREY
VICE-PRESIDENT NATIONAL BANK OF COM-
MERCE, NEW YORK



STEVENSON E. WARD
VICE-PRESIDENT NATIONAL BANK OF
COMMERCE, NEW YORK

president of that institution. On November 1 he is to take up the important duties of a vice-president of the National Bank of Commerce in New York.

Upon the organization of the Federal Reserve system, Mr. Ardrey was elected a member of the Federal Advisory Council, representing the Eleventh, or Dallas district. He is widely and favorably known to the business men and bankers of Texas.

S. E. Ward, who has been promoted from cashier to vice-president, is a native of Mansfield, O. He is 36 years old, and received his education in Mansfield, and at the University of Michigan at Ann Arbor.

After leaving college he became actively engaged in business in Mansfield. In 1912 he resigned the cashiership of the Bank of Mansfield to become assistant cashier of the Bank of Commerce, and in October of the same year was elected cashier.

Paris R. Russell, who has been elect-



PARIS R. RUSSELL
CASHIER NATIONAL BANK OF COMMERCE
NEW YORK

ed cashier, was born in Franklin, Tennessee, thirty-two years ago. He spent his childhood in Mississippi and his boyhood days in Northern Texas.

For about two years after graduating from high school he was in the cotton business in the South.

In 1901 he entered the Western National Bank in New York as a messenger, coming to the Bank of Commerce upon its consolidation with the Western National Bank in 1903. His rise was so rapid that within four years he became assistant cashier. Now, eight years later, he has been elected cashier of this great bank.

Mr. Russell's father was a well-known clergyman.

A. F. Maxwell, the new assistant cashier, was born and brought up in Davenport, Ia., and is 34 years old. After graduating from high school he entered the service of R. G. Dun & Co. in Davenport as a messenger, and by the time he was 19 was a full-fledged

credit reporter for the company. After a few years he left R. G. Dun & Co. to go to Cornell College, Iowa. He graduated in 1905, and went to work in the credit department of the Mellon National Bank in Pittsburgh. From 1906-13 he was assistant treasurer of the Pittsburgh Gage & Supply Co., where he had charge of credits and collections. He was elected a director of the Pittsburgh Association of Credit Men and during 1911-13 was its vice-president. He came to the National Bank of Commerce in New York in 1913 to take charge of the credit department; was elected a director of the Credit Men's Association of New York, and of the New York Chapter of the American Institute of Banking. He is also a member of the faculty of Columbia University Extension Course.

—It is reported that a controlling interest in the International Banking Corporation has been bought by J. S. Bache, of J. S. Bache & Co., and sold



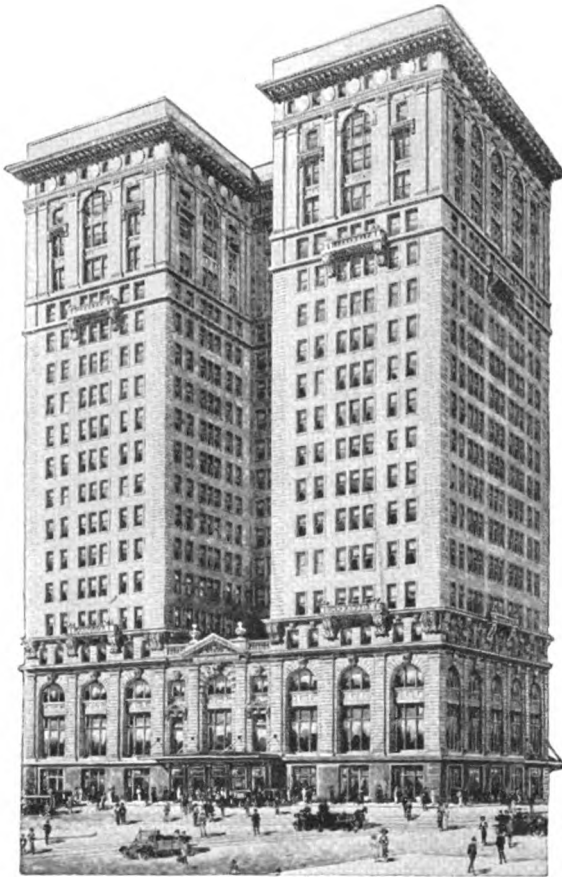
A. F. MAXWELL
ASSISTANT CASHIER NATIONAL BANK OF
COMMERCE, NEW YORK

MINNEAPOLIS

First and Security National Bank

Resources Sixty-five Million Dollars

Bankers who require the services of a thoroughly progressive yet safe and conservative institution will appreciate the service we render. Correspondence invited.



HOME OF THE FIRST AND SECURITY NATIONAL BANK, MINNEAPOLIS

to the National City Company, representing the investing interests of the National City Bank.

The International Banking Corporation operates under a Connecticut charter, and is the owner of the International Bank, a subsidiary, which is chartered under the laws of the State of New York. Under the New York State Banking law foreign corporations are not permitted to receive deposits in this state, and it was for the purpose of being in a position to do a New York business that the bank was organized.

The International Banking Corporation operates branches in Bombay, Calcutta, Canton, Cebu, Colon, Hankow, Hong Kong, Kobe, London, Manila, Panama, Pekin, San Francisco, Shanghai, Singapore and Yokohama.

It has a capital of \$3,250,000, and its surplus and undivided profits amount to \$4,200,000. According to the last published statement, its deposits are in excess of \$22,000,000.

H. T. S. Green is president and general manager of the International Banking Corporation, and John Hubbard is vice-president and treasurer.

Following are the directors of the corporation: Charles B. Alexander, Jules S. Bache, Guy Cary, Haley Fiske, Frank P. Frazier, H. T. S. Green, Lionel Hagens, John R. Hegeman, William G. Henshaw, Erskine Hewitt, William T. Hincks, Colgate Hoyt, John Hubbard, Minor C. Keith, Henry P. McIntosh, George H. Macy, Pierre Mali, William Barclay Parsons, William Salomon, William Shillaber, Hermann Sielcken, Valentine P. Snyder and James Gilbert White.

As the National City Bank already has several branches in South America and Cuba, it is surmised that eventually the International Banking Corporation may be nationalized and incorporated as a part of the National City Bank system.

—Charles F. Minor, manager of the Bronx branch of the Columbia Trust Company, has been elected a vice-president of that institution with headquarters in the Bronx. Fred Berry, assist-

ant manager of the branch, will succeed Mr. Minor as manager.

Mr. Minor began his banking career in the employ of the Knickerbocker Trust Company in 1899. In 1900 he was made assistant cashier of the Washington Bank and when this institution was taken over in 1903 as the Bronx branch of the Knickerbocker Trust Company he was made its assistant



CHARLES F. MINOR
RECENTLY ELECTED VICE-PRESIDENT OF THE
COLUMBIA TRUST CO., NEW YORK

manager. In 1911 he was advanced to manager.

Mr. Minor is a progressive type of young banker and his painstaking methods and genial personality have won for him the hearty good will and moral support of the representative business men of Harlem and the Bronx. He was president of the New York Chapter, American Institute of Banking, 1909-1910, and is a member of many clubs and civic organizations.

THE TRAYMORE ATLANTIC CITY

THE LARGEST FIREPROOF RESORT HOTEL IN THE WORLD



The Spirit of America at Play : Magnitude and Cheerfulness

Belvedere

Submarine Grill

Restaurant Traymore

The Promenade in the Marble Exchange

Three Decks Fronting the Boardwalk and the Ocean

Library Tower

Two Golf Courses

Evening Musicales

Cloister Garden

DANIEL S. WHITE, PRESIDENT

JOSEPH W. MOTT, MANAGER

—The Fifth Avenue Bank, whose existence has been contemporaneous with the wonderful development of the thoroughfare from which it took its name, celebrated its fortieth anniversary last month by the issuance of an illustrated history of what many people are pleased to call the most famous street in America. The book is richly supplied with modern photographs and rare prints, and contains a great amount of information not available elsewhere.

The Fifth Avenue Bank was organized in 1875 in what was then a residential district, at the northwest corner of Forty-fourth street and Fifth avenue. It was the first bank of deposit and discount in the Forty-second street district of the city. From the beginning the bank attracted the uptown residents it was primarily designed to serve. To this day many of its original depositors, their families and descendants, have continued relations begun forty years ago.

The bank has capital stock of \$100,-

000, surplus and earnings of \$2,254,017, and deposits of \$16,768,432. A. S. Frissell is president, B. H. Fancher and Theodore Hetzler, vice-presidents, and Gardner Wetherbee, A. S. Frissell, John D. Crimmins, James G. Cannon, T. S. Van Volkenburgh, W. H. Porter, B. H. Fancher, Henry R. Ickelheimer, Howard C. Smith, Cornelius N. Bliss, and Alfred E. Marling, directors.

On account of the many officers of other banks who gained their experience with the Fifth Avenue Bank it has become widely known as a "school for bankers." The location of the bank in the fashionable shopping district has brought a large number of women depositors. The institution is furthermore notable as one of the exceptionally profitable banks of the country.

—The Guaranty Trust Company of New York has appointed George Weston as an additional assistant to Vice-President Max May in the management of their foreign business. Mr. Weston

Resources

\$11,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service

and you will be entirely satisfied

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Cashier
C. G. FEIL, Asst. Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier

will have charge of the general organization of that branch of the company's activities, and will be known as manager of the foreign department.

Mr. Weston comes from the American Express Company, where for a number of years he has had supervision of their financial business in the eastern department, covering the Eastern States and the Dominion of Canada. He was identified almost from its inception with the organization and development of the



GEORGE WESTON
 MANAGER FOREIGN DEPARTMENT GUARANTY
 TRUST CO. OF NEW YORK, 140 BROAD-
 WAY, NEW YORK CITY

foreign exchange business of the American Express Company, and thus has had wide experience in international exchange operations.

Mr. Weston is a native of Ohio and received his early education in that state. This was later supplemented by special courses at Pratt Institute, Brooklyn. He entered the service of the American Express Company in 1892 as junior clerk, and successively filled practically all positions in the financial and foreign exchange department of the company. In 1910 he was chosen to organize and develop that branch of the company's business in the newly-created Pacific division, with headquarters at Portland, Ore., and in

1912 returned to New York to assume charge of the company's financial business in Europe. Mr. Weston has traveled extensively and has an unusually wide acquaintance among the bankers of the United States.

—Deposits of the Chase National Bank passed the \$200,000,000 mark for the first time on record, as revealed by the Comptroller's report as of September 2. The statement shows total deposits of over \$201,000,000, an increase of about \$30,000,000 since June 23.

—The first annual election of directors for the Federal Reserve Bank for this district is to be called on November 16. The three men who retire are Messrs. Locke, Palmer and Peabody, members of the three different classes of directors.

—F. T. Martin has been promoted from the cashiership to the vice-presidency of the Corn Exchange Bank of New York and is succeeded by Edward S. Malmar in the cashiership.

—Henry R. Carse has resigned as vice-president of the Hanover National Bank to become president of the Submarine Boat Company.

—Report of condition made by the Bankers Trust Co. as of September 25 shows deposits of more than \$213,000,-

000. This is the first time that the statement of the company has shown deposits as high as \$200,000,000 at a time of the Banking Department's call, although the deposits actually passed that mark some time previous to the last call. There are three other institutions only in New York city having more than \$200,000,000 deposits, namely, the National City Bank, the Guaranty Trust Co. and the Chase National Bank.

—At a recent meeting of the board of directors of the National City Bank, W. S. Kies was elected a vice-president. Mr. Kies has been with the bank for the past two years in charge of the foreign trade department. He is a lawyer by profession and was formerly general counsel for the Western Indiana Railroad Co., and connected with the legal department of the Chicago & Northwestern Railroad Co.

—The Columbia Trust Co. recently declared an extra dividend of two per cent., in addition to the regular quarterly disbursement of five per cent.



Philadelphia

—The Market Street Title and Trust Co. has declared an extra dividend of ten per cent. besides its regular semi-

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$550,000

OFFICERS

JULIAN P. FAIRCHILD, WILLIAM HARKNESS, D. W. McWILLIAMS, WILLIAM J. WASON, JR.,	}	JULIAN D. FAIRCHILD, <i>President</i> <i>Vice-Presidents</i>	THOMAS BLAKE, <i>Secretary</i> HOWARD D. JOOST, <i>Assistant Secretary</i> J. NORMAN CARPENTER, <i>Trust Officer</i> GEORGE V. BROWER, <i>Counsel</i>
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ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS.



Planters National Bank

RICHMOND, VIRGINIA

Capital - - \$300,000

Surplus & Profits \$1,625,000

Total Resources \$8,000,000

RICHARD H. SMITH
President

J. J. MONTAGUE
Vice-President

R. LATIMER GORDON
Vice-President

CONWAY H. GORDON
Cashier

D. V. MORTON
Assistant Cashier



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collecting Items on Vir-
ginia and the Carolinas**

annual dividend of three per cent., both payable November 1 on stock of record October 15. Coincidentally the directors issued a call for the payment of \$5 per share on the capital stock, bringing this stock to \$30 paid in, par being \$50. The surplus account was increased \$25,000 to \$150,000.

—The Philadelphia Chapter of the A. I. B. has outlined the following program for November:

November 1—Debate Section, Chapter room, 8 p. m.

November 3—Class in Business English, Chapter room, 7:30 p. m.

November 4—Negotiable Instruments Class, Mercantile Library building, 7:30 p. m.

November 5—Chapter Meeting.

November 8—Post-Graduate Forum, Chapter room, 7:30 p. m.

November 9—Commercial Law Class, Mercantile Library building, 7:30 p. m.

November 10—Class in Business English, Chapter room, 7:30 p. m.

November 11—Negotiable Instruments Class, Mercantile Library building, 7:30 p. m.

November 15—Debate Section, Chapter room, 8 p. m.

November 16—Commercial Law Class, Mercantile Library building, 7:30 p. m.

November 17—Class in Business English, Chapter room, 7:30 p. m.

November 18—Negotiable Instruments Class, Mercantile Library building, 7:30 p. m.

November 19—Members' Night, Griffith Hall, 8:15 p. m.

November 22—Post-Graduate Forum, Chapter room, 7:30 p. m.

November 23—Commercial Law Class, Mercantile Library building, 7:30 p. m.

November 24—Class in Business English, Chapter room, 7:30 p. m.

November 30—Commercial Law Class, Mercantile Library building, 7:30 p. m.

—The Philadelphia National Bank, at the close of business October 1, had

established a new high record for the amount of resources of any national bank in Pennsylvania. The total was \$100,865,000, this being the first time that the \$100,000,000 mark had been passed. The total deposits were \$88,850,000, which is also believed to be a high record.

—The Corn Exchange National Bank of Philadelphia in a recent issue of its monthly publication, "The Advance," draws up the following interesting balance sheet of trade factors:

CURRENT

DEBIT ITEMS

- Railway Receiverships.
- Railway Income Unsatisfactory.
- Railway Improvements Below Normal.
- Dyestuffs Shortage.
- Labor Troubles Increasing.
- Hostile Business Laws.

CREDIT ITEMS

- Record Grain Crop.
- Record Foreign Trade Balance.
- Money Abundant.
- Failures Decreasing.
- Steel Business at Capacity.
- Pig Iron Strong.
- Less Idle Freight Cars.
- Solution of Foreign Exchange Problem.

FUTURE

DEBIT ITEMS

- Low Tariff Menace.
- Danger of Overexpansion and inflation.

CREDIT ITEMS

- Probable Lull in Anti-Business Legislation.
- Larger Foreign Markets.

—Since October 1, 1914, four of the principal savings institutions of Philadelphia report a gain of nearly \$6,000,000 in deposits and a substantial increase in the number of depositors.

—Reports by Philadelphia banks recently made to the Comptroller show a remarkable advance in the amount of investments held. The total stood at \$50,905,275 against \$28,617,000 in the nearest corresponding period a year ago. This expansion has been caused by a desire on the part of the banks to employ their surplus funds. The bulk of

the increase represents investments in short term equipment and other securities.

The figures also revealed record breaking deposits of \$379,194,000, or an increase of \$44,123,900 over September figures twelve months ago. Meantime, cash reserves mounted up from \$75,754,000 to \$103,494,000, while loans increased \$15,144,000, the aggregate being \$251,364,000.

—The steady deposit growth of the Corn Exchange National Bank of Philadelphia is strikingly demonstrated by the following table, showing growth of deposits from 1900 to 1915:

September 5, 1900.....	\$11,471,000
August 25, 1905.....	15,480,000
September 1, 1910.....	20,505,001
September 4, 1912.....	23,967,000
September 12, 1914.....	25,116,000
September 3, 1915.....	29,639,841
October 2, 1915.....	31,130,000



Pittsburgh

—The People's National Bank of Pittsburgh in its October business letter remarks on the appreciable increase in the daily average exchanges of the Pittsburgh Clearing-House. Payrolls for the district are said to be up to the maximum of record and retail trade is reported as unusually brisk. In the steel industry further advances in prices of finished products are reported. Confidence is expressed in the maintenance of a maximum volume of output. Export iron and steel business is reported to be larger than ever before. The coal trade is in better shape than at any previous time in more than a year, producers being much less anxious than consumers to contract ahead on present prices. Another indication of business improvement is the unusually favorable report of the Philadelphia Company which supplies gas, electricity and rapid transit service to a large section of the Pittsburgh district.

Local financial conditions are said to

The First National Bank

of Saint Paul

Oldest Bank in Minnesota

Capital and Surplus \$5,000,000
Deposits over \$45,000,000
Resources over \$50,000,000

continue favorable, a moderate improvement in the demand for money being noted.

—Recent statements of national and state banks and trust companies showed aggregate deposits of a little more than \$443,000,000 in the institutions of the city proper, an increase of \$12,500,000 over the June returns and of \$40,000,000 over the the nearest corresponding date a year ago, or about ten per cent.



—Work is about to be started on a new individual bank building for the Nassau County Trust Company, of Mineola, Long Island, to cost in the neighborhood of \$72,500. The contract has been awarded Hoggson Bros., of New York, and the work will be done under the Hoggson building method, a single contract for the structure complete, with the cost guaranteed. H. Van Buren Magonigle is the architect.

The building will follow the Florentine style of architecture, and is to be constructed of rug-faced tapestry brick, with terra cotta base and trimmings. It will be occupied jointly by the Nassau County Trust Co., and the Nassau-Suffolk Bond and Mortgage Guarantee Co., two institutions which are closely affiliated.

The Nassau County Trust Co. was established in 1910, and its growth has been rapid. The officers of the institution are: George S. Emory, president; E. L. Frost and John A. Albertson, vice-presidents, and John O. Bergen, secretary. The president and vice-presidents of the bank, together with Frederick C. Hicks and E. F. Post, constitute the building committee.

—Albany Chapter of the American Institute of Banking is planning for an unusually busy winter. Regular meetings will be held as usual on the third Thursday of each month and will consist of papers and debates by chapter

FIRST NATIONAL BANK TRUST & SAVINGS CO.

CLEVELAND, OHIO

Capital \$3,750,000.00

Deposits \$52,200,000.00

Resources over \$60,000,000.00

Our institutions offer complete banking and trust company facilities. Our officers and directors are all successful men—well known for their experience, judgment and integrity. Their interest in these banks extends to all who deal with them. Large resources, perfect banking organization and equipment, and a genuine desire to be helpful are at your service.

members and addresses by prominent men. Law lectures will be held on the first, second and fourth Thursdays.



Buffalo

—The Central National Bank has now a capital of \$1,000,000 and a surplus of \$600,000. Feeling that the original capitalization was inadequate the directors and officers decided last August to issue six thousand shares of stock which were sold at \$200 per share producing the present capital and surplus. On September 27 the full amount was paid in cash and papers forwarded to Washington. This bank has now as large a capital as any bank in Buffalo with one exception.

• A site has been bought by the Bank of Buffalo at the northeast corner of Main and Division streets, and as soon as the property is vacated the bank will begin putting up a modern building for its new home. The location is a central one and sufficient ground has been bought to provide for a spacious building.

At the head of the Bank of Buffalo is Elliott C. McDougall, a former president of the New York State Bankers Association, president of the Buffalo Clearing-House Association, and one of the very successful bankers of the United States. The other officers are: Vice-presidents, Laurence D. Ramsey and Robert K. Root; cashier, John L.

Daniels; assistant cashiers, Louis C. Olden and Charles D. Appleby; assistant to the president, Ralph Croy.

The Bank of Buffalo has aggregate resources of \$20,000,000, and its deposits are approximately \$17,000,000—an increase of more than \$3,000,000 in the past year. The capital is \$1,000,000 and surplus and profits \$1,616,000.

As an evidence that the Bank of Buffalo urgently requires more room may be cited the fact that in the past two years deposits have shown a greater increase than in the first thirty-three years of the bank's history.

President McDougall is careful of the welfare of his institution, and realizes that such growth is an unmistakable indication of a need of larger and better equipped banking quarters.



NEW ENGLAND

Boston

—According to the latest Comptroller's statements the First National Bank of Boston heads the list in the development of foreign banking and commercial credits by the national banks of the United States.

The grand total of letters of credit, outstanding acceptances and foreign bills rediscounted by the First National of Boston footed up to \$8,951,000, which exceeds by \$2,151,000 the similar total reported by the National City of

W. E. Higginson

QUALIFIED EXPERT
EXAMINER
QUESTIONED DOCUMENTS
WRITING, SIGNATURES
AND ACCOUNTS

40 State Street

BOSTON

New York, the largest national bank in the country and the first in the field with a South American branch. In point of "acceptance" business, the new field opened to national banks by the Federal Reserve Act, the First National leads the National City by some \$2,000,000, having \$3,057,951, as against \$1,018,992. Only one other national bank, the Mechanics and Metals of New York, has over \$1,000,000 outstanding.

The following tabulation shows the extent of the foreign trade activities of the fifteen largest national banks in the United States, the figures being based upon the last Comptroller's call:

	Letters of Credit.	Acceptances Outstanding.	Foreign Bills Re-dis- counted.	Total.
First of Boston.....	\$5,528,836	\$3,057,851	\$365,096	\$8,951,783
National City, N. Y.....	5,781,753	1,018,992	.....	6,800,745
First of Chicago.....	5,729,779	.....	143,121	5,872,900
Chase of New York.....	5,329,733	148,759	.....	5,478,492
Mech. & Metals, N. Y.....	3,174,299	1,230,075	.....	4,413,377
Philadelphia National.....	3,052,823	222,627	.....	3,275,450
Nat. Bank of Com., N. Y.....	2,960,122	225,665	.....	3,185,787
Con. & Com., Chicago.....	2,084,023	.....	698,340	2,782,363
Nat. Shawmut, Boston.....	2,556,534	191,585	.....	2,748,119
Irving, N. Y.....	1,023,142	357,464	.....	1,380,606
Amer. Exchange, N. Y.....	306,890	827,379	.....	1,134,269
National Park, N. Y.....	78,966	493,187	.....	572,153
Corn Exchange, Chicago.....	325,306	.....	.....	325,306
Hanover, N. Y.....	77,552	.....	.....	77,552
First of New York.....	6,000	.....	.....	6,000

—Lee, Higginson & Co., of Boston and New York, have been appointed fiscal agents in America for the Italian government.

—The National Shawmut Bank of Boston in its August Foreign Trade Report gives the figures for imports and exports from and to foreign countries clearing through the port of Boston. Total imports for August, 1915, were \$13,304,515 as against \$10,976,048 in

August, 1914. Exports for August, 1915, were \$8,663,918, as against \$3,101,236 in August of 1914. The principal articles imported were hides and skins and the principal article exported was leather.

—The Metropolitan Trust Co., which represents a merger of the Mutual National and the First Ward National Banks, opened for business last month. The main office is at 40 State street, and the East Boston office will be conducted as a branch. The aggregate resources of the new institution are \$4,396,000 and deposits \$3,777,000.

It is intended that a prominent fea-

ture of its service shall be the personal attention which has characterized the service of the consolidated banks; and accounts are being solicited on this basis.

Chandler M. Wood, the president, has had a notable experience as an attorney at the Boston bar. Wm. H. Stickney, his associate in active management, has been cashier of the Mutual Bank since its foundation in December, 1909. Officers of the Metropolitan are as follows:

President, Mr. Wood; vice-president and treasurer, Mr. Stickney; vice-president, Walter S. Crane; secretary and assistant treasurer, Frank F. Cook; assistant treasurer, Robert J. Gove; assistant secretary, Herbert T. Greenwood.

—Frederick W. Sawyer, who was recently elected president of the New Hampshire Bankers Association, has been for many years cashier of the Souhegan National Bank, of Milford, N. H. For the two years 1911 and 1912 he was also president of the



FREDERICK W. SAWYER
NEWLY ELECTED PRESIDENT OF THE NEW
HAMPSHIRE BANKERS ASSOCIATION

Northern Bankers Association and further experience in leadership has been gained in his connection with the New Hampshire Masons, of which he was grand master in 1908 and 1909. He is a native of Milford and was made cashier of the Souhegan Bank in 1898, previous to which time he was assistant cashier for fifteen years. He is now vice-president. He started his banking

career with the Blackstone National Bank of Boston. Besides his connection with the local Bankers Association, which extends back for many years, he has given much attention to civic affairs, having been treasurer of the town of Milford for the past eighteen years. The Souhegan National Bank is a solid and prosperous institution, with capital of \$100,000, surplus and profits of \$94,000 and deposits of \$450,000.

—The First National Bank of Boston has issued another of the series of booklets entitled the "Wealth of America." The subject of the present pamphlet is cereals, and the importance of this great industry is interestingly described.



—The Quincy Trust Co. is the name of a new trust company whose application for a charter to do business in Quincy, Mass., has recently been approved by the Massachusetts Bank Commissioners. The new institution will have an authorized capital of \$100,000 and begins business with a surplus of \$25,000. The surplus has been created by the sale of 1,000 shares of stock at \$125 a share; \$100 of each share went towards giving the new company a working capital of \$100,000, and the balance was set aside for the surplus.

Chester I. Campbell, mayor of Quincy, will be president, and Herbert Curtis, treasurer. Mr. Curtis has been for some time the local representative of the Fidelity Trust Co. of Boston.

—The Park Trust Co., Worcester, Mass., which was incorrectly reported as having opened for business, will not open until about January 1, when the handsome quarters now being prepared will be ready for occupancy. The new institution will have modern safe deposit vaults, savings department, ladies' room, and the latest equipment throughout.

—It is the opinion of Bank Commissioner Augustus L. Thorndike that the statutes of Massachusetts prohibit any savings bank or the savings department



THROUGH THE FACILITIES OF

The Live Stock Exchange National Bank

AND

The Chicago Cattle Loan Company

Bankers interested in financing the development of the live stock industry or in the purchase of high grade, self liquidating paper, are assured prompt and satisfactory service. Correspondence invited.

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CHICAGO, ILLINOIS**

of any trust company within the commonwealth from subscribing to the foreign loan.

—The banks of Hartford have entered into a new exchange plan whereby the department of collections of the New York Clearing-House receives daily all the checks drawn on every Hartford bank and cashed by any New York bank, and sends them in a single envelope to the Hartford bank, on which they are drawn, and receives in return a check covering the value of all. The sum is then distributed among the New York banks, no charge being made.



WESTERN STATES

Chicago

—The October business letter of the National Bank of the Republic of Chicago is optimistic in tone and reviews in a comprehensive manner general

business conditions throughout the country.

—The National City Bank of Chicago in its October trade letter comments as follows on the grain situation:

“There has been a large movement of spring wheat which is of excellent quality, but much of the winter wheat is of low grade. Owing to the lower prices it is not being rushed to market. Corn still needs warm weather in various sections to insure the best results. The crop is likely to be very satisfactory and estimates are still held of close to three billion bushels. There is certain to be a large crop of fodder. The total crop outlook is favorable and the expectation is that the final yields will be about as satisfactory as the last Government estimates indicate. Grain prices as a whole are relatively good, but farmers in some sections are inclined to await higher figures before selling. The railroads are handling



25th ANNIVERSARY

October 3rd, 1915

This Trust Company celebrates not age but Growth, not time but the Use of time, not years but Service.

7 Complete Departments

Correspondence Invited

Mississippi Valley Trust Co., St. Louis

Capital, Surplus and Profits over \$8,000,000

less grain than last year and some uncertainty exists as to the extent of the foreign demand. It is felt, however, that with the consummation of the Anglo-French loan, there will be an increased foreign demand for our food-stuffs. Although it is possible that serious damage to corn may result from early frosts, it is not expected that the injury will be sufficient to prevent an abnormally large crop being raised."



St. Louis

—Ernest W. Stix, president of the Rice-Stix Dry Goods Company, has lately been elected a director of the Mercantile Trust Company, to fill the vacancy created by the death of David Eisman.

—At a meeting of the board of directors of the Security National Bank held on September 14, Walter A. Ellis, formerly trust officer of the Security Trust and Savings Bank, of Los Angeles, was elected cashier of the National Bank to succeed James B. Gist, who recently resigned to take up the management of the financial affairs of large eastern interests. While Mr. Gist has severed his relations as an officer, the bank still will have the benefit of his experience and advice as a director and member of its finance committee.

Minneapolis

—The total resources of the Northwestern National Bank are now \$47,000,000 instead of \$41,000,000 as of September 2, 1915. This increase of \$6,000,000 in the resources of this bank has occurred since the time of the last report to the Comptroller of the Currency, September 2, 1915. Including the affiliated Minnesota Loan and Trust Co., the combined increase has been \$8,000,000. On October 2 the deposits of the Northwestern National passed \$40,000,000 for the first time in its history. Deposits at the close of business on October 1 totaled \$40,089,000.

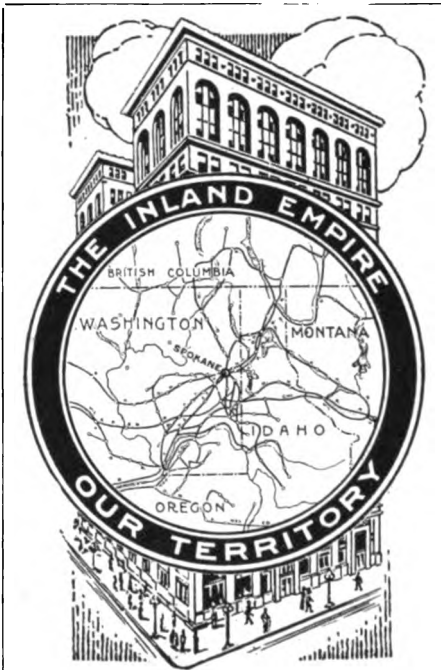
Average daily deposits for 1914 were \$30,500,000; for 1904, \$8,243,000; for 1894, \$2,777,000; for 1884, \$1,560,000; for 1874, \$161,000.

The bank was organized in 1872.

—The Northwestern National Bank of Minneapolis commenced the unit system of paying and receiving September 15. The announcement of the bank reads as follows:

Pursuant to its policy of extending to customers the best possible service, the bank has decided, after careful investigation, to install what is known as the unit system for the paying of checks and receiving of deposits.

For convenience, the accounts of patrons will be divided alphabetically into seven units. A teller having charge



The Old National Bank of Spokane

WITH direct connections in every banking point throughout the "Inland Empire"—a region three times the size of Alabama, of which Spokane is the financial and railroad center—The Old National has the facilities to collect your Pacific Northwest items with exceptional economy and dispatch.

OFFICERS

D. W. TWOHY, President
T. J. HUMBERD, Vice-President
W. D. VINCENT, Vice-President
J. A. YEOMANS, Cashier
W. J. SMITHSON
G. H. GREENWOOD J. W. BRADLEY
Assistant Cashiers

RESOURCES : \$13,000,000



of units will both pay checks and receive deposits from customers in his unit, thereby enabling him to become better acquainted with his customers.

—The German-American Bank of Minneapolis has been included in the list of banks which may receive postal savings fund deposits, having recently been admitted to the Federal Reserve System. There are five banks in Minneapolis listed to receive postal savings deposits, being the First and Security National, the Northwestern National, the Scandinavian-American National, the German-American and the Metropolitan National. The first and second get the bulk of the deposits with 56.4 per cent., 31.3 respectively.



St. Paul

—The organization of a new trust company in this city is being conducted by Lyman D. Baird of Austin, who, it is understood, will have an active part in its management. The new company will be known as the Bankers' Trust Company and its stock will be held by upwards of 1,500 bankers in Montana, North and South Dakota, Minnesota, Wisconsin and Michigan.

Mr. Baird is an ex-national bank examiner and is widely known in the Northwest.

—The Produce Exchange Bank, Tenth and Jackson streets, opened recently. The bank has a capital stock of \$25,000 and a surplus of \$5,000. The new institution is in the center of the new commission district, and in the busy months of the commission men the bank will open at 6 a. m. each day. Einar Pederson, of Burt, N. Dak., is president. Former Mayor H. P. Keller is a member of the board of directors.

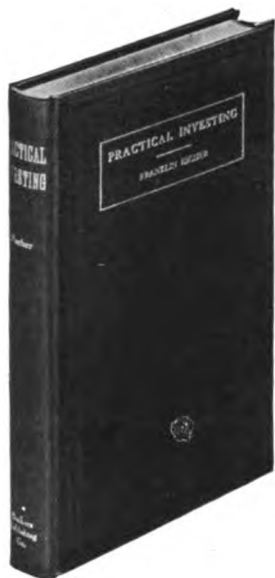
—Business conditions in St. Paul are unusually good. Since the last call of the Comptroller deposits in the larger banks of the city have been increasing

The Book That Tells You What You Want to Know About Securities and the Things that Affect Their Value

Practical Investing

By FRANKLIN ESCHER

"Where can I get a book that will tell me all about the different kinds of stocks and bonds and what makes their prices rise and fall?"



—that question, asked by thousands of people in every part of the country, is responsible for "Practical Investing" having been written. To fill the long felt want for a book which, in simple and understandable language, tells all about securities as they are and as the man who goes into the market with money to invest will find them—that has been the author's aim.

There is nothing of the theoretical treatise about "Practical Investing." It is just a plain straightforward description of securities and the markets made by a man who combines long practical experience in investment matters with the ability to write about them clearly and interestingly. Mr. Escher knows what the investor needs to know and in this book he tells it.

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IV.—How to Judge the Value of a Stock.
V.—The Cardinal Virtues of the Ideal Investment.
VI.—How to Divide Up an Investment so as to get into It a Real Element of Diversity.
VII.—The True Nature of Bonds Convertible into Stock.
VIII.—An Unbiased Comparison of Bonds and Real Estate Mortgages.
IX.—Business Barometers and How to Read Them.
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Contains 175 pages, printed on fine paper, and handsomely bound in cloth.

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Enclosed please find \$1.60 for which send me prepaid a copy of "Practical Investing" By Franklin Escher. It is understood that if the book when received is unsatisfactory to me, I am to have the privilege of returning it and getting back my money.

Name _____ Address _____

The National Cattle Loan Company

NATIONAL STOCK YARDS, ILLINOIS

Capital, \$200,000.00



Sells over its endorsement loans made by responsible cattle men, secured by cattle inspected by our own representatives to banks wishing safe, short-time, liquid investments.

CORRESPONDENCE INVITED

AT THE ST. LOUIS NATIONAL STOCK YARDS

at the rate of nearly \$200,000 per day. The improvement in business conditions is enhanced by the great crops, the marketing of which is now under way.



—Iowa has 1,176 banks and trust companies operating under state charters, classified as 832 savings banks, 323 state banks and 21 trust companies. Their combined deposits on September 11 were \$327,155,572, and resources \$400,848,705.

—Kansas banks are actually overflowing with money. There is a provision of the state law that at no time is a state bank permitted to have deposits exceeding ten times the capital and surplus and many institutions have added to these accounts, so that they could accept additional deposits.

—The Colorado National Bank of Denver is now installed in its new building at the corner of Seventeenth and Champa streets.

—According to its latest statement, the State Trust and Savings Bank of Peoria, Ill., has a paid-up capital of \$200,000, surplus and profits of \$70,000 and deposits of \$1,050,000. In five years the deposits of this bank have increased from \$300,000 to over a million.

—The six groups of the Kansas Bankers Association have arranged to

hold their meetings during November. The dates arranged and the localities selected for the meetings are as follows:

Group I at Leavenworth.....	November 18
Group II at Olathe.....	November 17
Group III at Pittsburg.....	November 16
Group IV at Ellsworth.....	November 9
Group V at Hutchinson.....	November 10
Group VI at Winfield.....	November 11



E. M. WING

VICE-PRESIDENT BATAVIAN NATIONAL BANK
LA CROSSE, WIS., TREASURER A. B. A.

1870

1915



Capital, \$1,000,000

Surplus, \$600,000

Located at the "Gateway of the South"

Having been established as The State Bank of Virginia 45 years ago, we have served continuously financial institutions in all parts of the South. This long period of successful service has resulted in a banking equipment that is unexcelled at

Richmond, Virginia

Another result of handling the accounts of Southern Bankers for these many years is that we know accurately the needs of financial institutions located in Southern States. Your Southern business solicited. Direct routing of items our specialty. Correspondence cordially invited.

National State and City Bank

WM. H. PALMER, President
 WM. M. HILL, Vice-President J. W. SINTON, Vice-President
 JULIEN H. HILL, Cashier

SOUTHERN STATES

—John J. Nelligan has been elected president of the Baltimore Safe Deposit and Trust Company to succeed the late Michael Jenkins. John W. Marshall has been elected vice-president to succeed Henry Walters, elected chairman of the board of directors.

—The ninth annual meeting of Group 5, Virginia Bankers Association, was held at Roanoke on October 19. Hon. William Ingle, chairman of the Federal Reserve Bank of Richmond, gave an address on "The Federal Reserve Banks." Other speakers were C. B. Scott, Assistant State Highway Commissioner, who spoke on "Good Roads," and Rev. J. A. Dove, a director of the National Exchange Bank of Roanoke, who took as his topic "The Banker and Agriculture."

—The October Trade Letter of the Birmingham Trust and Savings Co.

gives the following cotton figures for August:

"Cotton consumed in August amounted to 464 thousand bales compared with 384 thousand bales for the same month last year. Exports of cotton for August were 163 thousand bales compared with 21 thousand bales a year ago, and imports were 19 thousand bales compared with 27 thousand bales a year ago. Cotton spindles active in August numbered 31,065 thousand against 30,348 thousand a year ago."



Richmond

—To fill the vacancy caused by the death of James N. Boyd, former president of the Planters National Bank of Richmond, Va., Richard H. Smith has been elected president of that institution. R. Latimer Gordon, assistant cashier, has been made a vice-president.



RICHARD H. SMITH
PRESIDENT PLANTERS NATIONAL BANK
RICHMOND, VA.

and Conway H. Gordon, assistant cashier, has been promoted to be cashier. J. P. Taylor has been made chairman of the board of directors, and John W. Boyd, son of the late James N. Boyd, was elected a member of the board to fill the vacancy caused by the death of the president of the bank.

Mr. Smith, the new president, has been connected with the Planters National Bank for the past thirty-one years, having entered its employ in the capacity of discount clerk in 1884. He was rapidly promoted and in 1891 was made cashier. In 1911 he was made cashier and vice-president.

R. Latimer Gordon, the new vice-president, has been connected with the bank for the past eighteen years. Beginning his service as a messenger he has filled all of the offices up to his present position.

Conway H. Gordon, the new cashier, has been connected with the bank for

the past twenty-eight years. He is regarded as one of the best bankers in Richmond.

The Planters National Bank was established on December 8, 1865, with a capital of \$200,000. This was increased to \$300,000, in 1868, although at a time when the South was facing one of the worst crises in its history. At the time of the last call of the comptroller this bank had resources of \$8,-



R. LATIMER GORDON
VICE-PRESIDENT PLANTERS NATIONAL BANK
RICHMOND, VA.

256,963 and deposits of more than \$6,000,000. Its profit and surplus account is \$1,625,813, and since organization the bank has earned more than \$3,200,000.

—According to figures compiled by W. P. Shelton, assistant cashier of the First National Bank, the total assets of all Richmond banks, at the end of business September 2, were \$75,048,799.58. Of this sum, \$60,579,057.13 represents

loans and investments and \$3,660,015.20 cash and clearing-house exchange.



—Consolidation of the Merchants and Mechanics' Trust and Savings Bank with the Jefferson County Bank, Birmingham, Ala., is announced. A. E. Jackson is president and W. A. Porter chairman of the board of the Jefferson County Bank, which is the name that will be retained.

—It is officially estimated by Fred W. Davis, State Commissioner of Agriculture, that the total cotton yield of Texas for 1915 will not exceed 3,000,000 bales. His estimate is based on the reports which he has received from the various field agents of the department. His estimate of the prospective yield is far below that which expert cotton men give. It is the opinion of



CONWAY H. GORDON
CASHIER PLANTERS NATIONAL BANK
RICHMOND, VA.

Utah Savings & Trust Company Salt Lake City, Utah

General Banking—Trust—Bonding
Title Insurance—Safety Deposit Vaults

Capital . . . \$300,000
Surplus & Profits, 45,000

OFFICERS:

W. S. McCornick, President
Anthon H. Lund, Vice-President
Geo. Albert Smith, Vice-President
F. M. Michelsen, Cashier

**Facilities for thorough
Banking service.
Expedient and intelligent
handling of collections
throughout this inter-
mountain country.**

26 Years Old

cotton buyers and others who have made a close investigation of the condition of the crop that while insect pests and other damaging conditions have greatly reduced the prospective yield the state's production will be in the neighborhood of 4,000,000 bales, and that it certainly will not be below 3,500,000 bales.

—The First National Bank of Fort Worth, Texas, having agreed to pay the city three per cent on daily balances, has been designated as city depository. No overdrafts will be permitted.

—The Federal Reserve Bank of Dallas, Texas, has purchased a five-story building for \$112,500, and is probably the first Federal reserve bank to own its own home.

—At the annual meeting of the Bankers Association of the District of Columbia, the following officers were



The American National Bank

SAN DIEGO, CAL.

Capital \$200,000.00
 Surplus and Undivided Profits 160,000.00
 Total Resources over 2,200,000.00

J. W. SEFTON, Jr., President
 C. L. WILLIAMS, 1st Vice-Pres. L. J. RICE, Cashier
 I. ISAAC IRWIN, 2nd V.-Pres. T. C. HAMMOND, Asst. Cash.

Q A new building, the best equipment, an able and experienced staff of officers and employes—these are some of the things that enable us to give excellent service to customers and correspondents. We are thoroughly familiar with investment opportunities in this prosperous region and cordially invite correspondence in regard to them.

elected: President, Wm. T. Galliher, president American National Bank; first vice-president, John Poole, president Federal National Bank; second vice-president, Corcoran Thom, vice-president American Security and Trust Co.; secretary, Edmund S. Wolfe, cashier District National Bank; treasurer, Albert S. Gatley, cashier Lincoln National Bank.

PACIFIC STATES

Los Angeles

—On October 7 the German-American Trust and Savings Bank of Los Angeles celebrated its twenty-fifth anniversary. This institution has established an enviable record during the past quarter century and has been not the least important factor in the growth and prosperity of the city in which it is located.

The first deposit made in the German-



The Officers and Directors of The First National Bank Mobile, Alabama

present their compliments to their friends and take pleasure in announcing that October the eighteenth will be the **Fiftieth Anniversary** of the Founding of the Bank. They avail themselves of this opportunity to express their appreciation of the cordial business & personal relations that have existed and which they hope may be continued for many years to come.

ATTRACTIVE ENGRAVED ANNOUNCEMENT SENT OUT BY THE FIRST NATIONAL BANK OF MOBILE ALABAMA, IN COMMEMORATION OF THE FIFTIETH ANNIVERSARY OF THIS INSTITUTION



THE PRESENT HOME OF THE GERMAN-AMERICAN TRUST AND SAVINGS BANK

American Trust and Savings Bank was received on October 7, 1890, at a little store room office at 114½ South Main street, a twenty-five foot frontage in the old Grand Opera House building, known as the "Childs Block." The main portion of that building was then,

and until recent years, used for theatrical purposes; a small jewelry store, as now, occupied the next door office; and the tiny vault with the bank's name on it still stands in the corner of the room where the infant savings bank first opened for business.


The original force of four officers and employees has grown to 125, but Dr. M. N. Avery, one of those original officers, now as president of the bank, has an active part in determining the policies of the institution he helped to organize so long ago.

In addition to Dr. Avery, three others of those who organized the bank, Messrs. Flint, Schumacher, and Rowley, are at the present time serving on the board of directors. These are a few of the many examples of that permanency of management which, as much as any other single circumstance, has brought about the steady, consistent growth for which this bank is noted.

In 1894 came the first outward sign of expansion, when the bank moved to quarters in its own building on First and Main streets, where it remained until the consolidation in 1906 with the Union Bank of Savings. The location of the latter, at 223 South Spring, then became the main office of the German-American Savings Bank, although a branch was continued for some time at First and Main.

Three more of the officers whose names have ever since been associated with this bank became a part of its organization at the time of this consolidation. The late Mr. W. S. Bartlett had for eight years been president of the Union Bank of Savings, and filled the same office in behalf of the new bank until his voluntary retirement in 1910, after which he acted as chairman of the board of directors until his death in 1914.

Messrs. W. E. McVay and J. F. Andrews, now vice-presidents of the German-American Trust and Savings Bank, had also served the Union Bank of Savings as cashier and assistant cashier, respectively, previous to the consolidation, and immediately there-




Berkeley, California

YOUR BERKELEY
business is invited on the basis of prompt and efficient service. This bank is the oldest in the city and offers advantages worth the consideration of other bankers having business in this locality.

A. W. NAYLOR.....President
F. L. NAYLOR.....Vice-President
W. E. WOOLSEY.....Vice-President
F. C. MORTIMER.....Cashier
W. F. MORRISH.....Asst. Cashier
G. T. DOUGLAS.....Asst. Cashier
G. L. PAPE.....Asst. Cashier

**FIRST NATIONAL
BANK of BERKELEY**



after occupied official positions in the new institution.

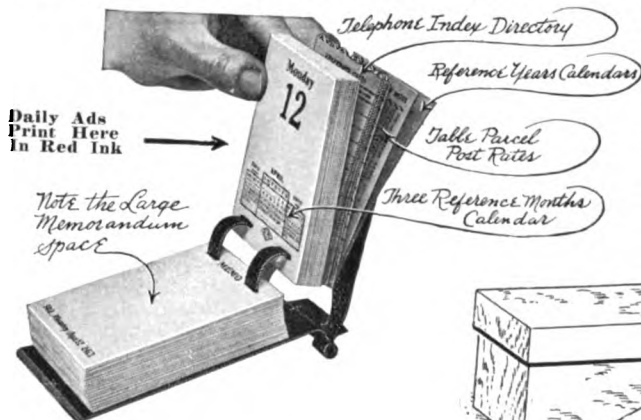
Within two years a large increase in patronage made removal to more suitable quarters necessary, and temporarily adequate accommodations were secured at the southeast corner of Fourth and Spring streets. These quarters proved sufficient for the purposes of the rapidly growing bank for only five years, during which time the number of depositors was doubled; twice the capital was increased, raising it from \$600,000 to the present total of \$1,000,000; the trust department was added; and the list of officers was lengthened by six names, to include Messrs. R. P. Hillman, W. W. Gibbs, Jr., J. Veenhuyzen, W. R. Morehouse, O. C. Schmidt, and L. B. Howe.

With its facilities crowded far beyond capacity, the bank was again

THE CALENDAR THAT TALKS

TO YOUR CUSTOMER EVERY DAY of the YEAR

It is used as an advertising medium and it has brought large returns



"The Chicago Bonding and Surety Company wrote us on March 4, 1915:

"It afforded us much pleasure to renew our order with Mr. Cole, your representative here, for Acme Calendars for 1918.

This will make our third year in the distribution of your calendars, and we are very glad we took up this method of advertising and publicity, as the favorable results we have secured have well paid for the expense in connection therewith."

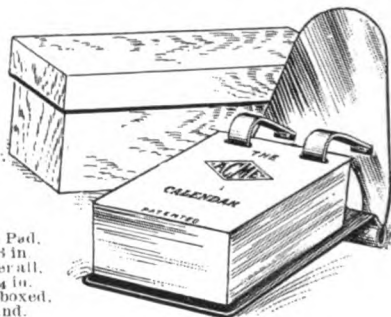
(Signed) O. F. Roberts,
Sec. & Gen'l Manager.

Write for Sample and full information

THE SOUTHGATE PRESS

85 Broad St., Boston, Mass.

Size of Pad,
4 3/4 x 3 in.
Size over all,
6 3/4 x 3 3/4 in.
Weight, boxed,
1 pound.



forced to seek a new location. This was finally arranged for, and a forty-three-year lease was made for the entire first floor and basement in the new Union Oil Building at Seventh and Spring. The determination this time to make permanent provision for the future was fully participated in by the stockholders, who are local people, with justifiable pride in their city's institutions. It was the "building fund" provided by the stockholders which made possible the present banking rooms, containing more than five times as much floor space as the largest quarters previously occupied. In this splendid equipment the officers and directors feel that they have laid such a mechanical foundation as will insure "Efficient Service" to all patrons for many years to come.

Since the removal to Seventh and Spring a new vice-presidency occupied by Mr. J. F. Andrews has been created; Mr. Hillman exercises the responsibilities of cashier as well as secretary, and an additional assistant cashiership

is now filled by Mr. R. E. Zimmerman.

This is a brief outline of the events which have marked the progress of this bank from the obscurity of 1890 to the position of one of Los Angeles' foremost financial institutions. Many of the depositors who favored with their business the small but aggressive bank of earlier times, still maintain accounts at its present beautiful, completely equipped office. Of the 1,500 and more new accounts opened each month, at least half come through the recommendation or personal introduction of these and other loyal friends which the bank has made during the past twenty-five years.

This bank is to be congratulated upon the quality of the relationship existing between itself and its friends. That cordial relation, which is the result of a quarter-century of mutual, harmonious service, is to-day this bank's greatest asset, and the one most highly prized by every officer and director.

Ask Your Stationer for
Bankers Linen and Bankers Linen Bond

Made in Flat Papers, Typewriter Papers and Envelopes

They are fully appreciated by the discriminating banker desiring high grade,
 serviceable paper for correspondence and typewriter purposes

SOLE AGENTS

F. W. ANDERSON & COMPANY

34 Beekman Street, New York

—Important gains have been made by all of the national banks of Los Angeles during the past few months. Among the most noticeable of these is the showing of the Continental National Bank. This bank opened for business last December and in its statement of September 2 last shows deposits of \$834,000 and total resources of more than \$1,209,000.

—H. S. McKee, president of the First National Bank of Long Beach, California, states in a recent trade letter issued by his institution:

“It is characteristic of the best residential localities that they are supported by money earned in other neighborhoods, and this is a striking characteristic of this one. The possessor of wealth invested in productive industry in his home city does not reside at the factory. He probably has a home in the West End; and upon the same principle, applied in a larger way, if his investment is not of such a nature as to compel him to live near it, he will move to Southern California, provided he knows about it.

“This locality, therefore, bears the same relation to the industrial, agricultural and commercial sections of the United States that the best residential section in any city bears to that city’s business and factory district. In other words, it is supported, to an important extent, by business owned here but carried on in the East.”

San Francisco

—A recent trade letter of the American National Bank of San Francisco gives the following figures issued by the California Development Board, which show the value of products of the state for the year 1914:

Orchard products	\$87,750,000
Vineyard products	30,500,000
Garden products (fresh).....	9,850,000
Dairy and poultry products...	53,369,389
Farm products	100,166,000
Other field crops.....	31,110,000
Fish industry	12,000,000
Forest and lumber products...	45,000,000
Petroleum	47,487,000
Other mineral products.....	46,222,630
Farm and other animals.....	65,422,000
Sundries not included above...	32,450,000
Manufactures	582,737,100
Total	\$1,144,064,119

—Conditions in California are thus interestingly commented on in a recent monthly letter of the Anglo and London Paris National Bank:

“In this state as elsewhere in the country, the supply of money for commercial and industrial purposes is rather more than ample. There is a quiet but steady absorption of high class bonds. Short time investments are preferred as there is a feeling that interest rates must greatly advance. Our beet sugar industries are having a prosperous year. Beans, almonds, walnuts and raisins are finding good markets. Hops are doing much better than last year. The war tax on domestic wines is found,

as to sweet wines, to be prohibitory and nearly so as to the cheaper grades of dry wines. Great quantities of grapes will be fed to stock or allowed to rot. Reduced production and improved demand are helping the oil industry. The lumber, cement and other building industries continue depressed.

"There are large areas of excellent land in California which in the interest both of their owners and the state should be irrigated, subdivided and sold to families. In such enterprises the investment is often large and the cost has frequently been increased by inadequate initial financing, so that it has been difficult to effect sales at prices yielding a fair profit to investors. Selling expenses have been heavy. And where land has been purchased, usually largely on deferred payments, the buyer has still to incur the expense of levelling his land and erecting the buildings.

"The resulting situation is bad for the settlers, bad for the investors and bad for the state. Reason and experience elsewhere indicate that before offering irrigated lands for sale, they should be fully prepared to receive the water, and shelter be provided for the family and the stock. The buyer will then know precisely what his completed farm is to cost and will be in a position to get income from his first year's work. It is believed that such irrigated farms will sell quickly and at small selling cost if offered at prices justified by the income to be reasonably expected from the production and sale of annual staple crops. There is a feeling that investors already involved in these enterprises will get out of them quicker and with more money by adopting this policy. A bill authorizing state authorities to undertake one such project as an object lesson failed of passage at the recent session of the Legislature, but is now under consideration by a commission created to investigate that and other rural policies. Should that plan be adopted, its competition would compel private owners to adopt a similar policy, while the free advertising which the state's enterprise would certainly get

throughout the entire country might benefit private projects as much as that of the state. Once started, however, the state authorities, whoever they might be, would never voluntarily let go even if their object lesson perfectly accomplished its purpose. It is desirable to consider all sides of such questions."

—The strong position of San Francisco's national banks is shown by the following figures taken from reports to the Comptroller on June 23 and September 2:

	June 23.	Sept. 2.
Deposits	\$157,586,979	\$177,319,678
Loans and discounts	112,813,536	113,951,100

Deposits are the highest in the history of the city, having increased nearly twenty million dollars between calls. Loans, however, have increased but slightly over one million dollars, showing there is no inclination toward inflation.



Seattle

—Action looking to the revision of the Washington state banking law was taken at the convention of the Washington State Bankers Association in session at Seattle on September 7. Following the adoption of a resolution offered by J. H. Edwards, vice-president of the Dexter Horton Trust and Savings Bank, Seattle, a committee of five members of the association was appointed to aid in the revision of the banking code.

H. C. Lucas, president of the Yakima Trust Company, North Yakima, is the new president of the Washington State Bankers Association. Other officers are: Vice-president, Ralph S. Stacy, president National Bank of Tacoma; secretary, W. H. Martin, cashier Pioneer National Bank, Ritzville; treasurer, E. C. Davis, president Ephrata State Bank, Ephrata.

O. M. Green, vice-president Exchange National Bank, Spokane, was elected a member of the executive committee; J. A. Swalwell, vice-president of

ADRIAN H. MULLER & SON

55 WILLIAM STREET, Corner of Pine Street, NEW YORK

AUCTIONEERS

The Business of Banks, Bankers, Investors and Dealers in Securities generally, receives prompt and careful attention.

STOCKS AND BONDS AT AUCTION

REGULAR AUCTION SALES OF ALL CLASSES OF STOCKS AND BONDS EVERY WEDNESDAY

Real Estate at Public and Private Sale

Prompt Returns on all business entrusted to us

the National Bank of Commerce, Seattle, was elected Washington vice-president of the American Bankers Association, and E. T. Coman, president Exchange National Bank, Spokane, member of the executive council.



San Diego

—A controlling interest in the United States National Bank has been sold by Louis J. Wilde to Frank C. Spalding and other prominent men of Los Angeles and San Diego. Among those associated with Mr. Spalding in the purchase of the bank are Frank Pfaffinger of Los Angeles, W. R. Powell, president of the Azusa Savings Bank of Azusa, and J. F. Spalding, a capitalist of Kansas City. Frank C. Spalding, the heaviest stockholder, was elected to the presidency upon the resignation of Mr. Wilde. Under the new regime extensive improvements to the bank are planned. The bank is capitalized at \$100,000, and has resources totaling \$647,651.81, and deposits of \$437,181.22.



Tacoma

—"There is a slight change for the better in general business conditions in this state," says S. M. Jackson, manager of the Bank of California of Tacoma. "A better feeling is noticed. The

bottom of lumber prices undoubtedly has been reached. Any change of lumber prices will be for the better. The State of Washington is sixth in the Union in wheat production and with the enormous wheat crop now being harvested things should be active along this line."



Spokane

—Spokane has been selected as one of forty cities as the scene of an educational thrift campaign. It is planned that the campaign will be put on locally with the co-operation of the American Institute of Banking.

—The Exchange National Bank of Spokane is now installed in its new quarters in the Exchange Building. At the public reception given at the time of the official opening 3,000 citizens of Spokane were present and tendered felicitations to officers of the bank.



CANADIAN

—In a recent interview C. A. Bogert, general manager of the Dominion Bank, speaks as follows about the business situation in western Canada:

"The crop is turning out even better than was expected," said he. "The yield is higher than was anticipated and the quality of the grain is uniformly

good all through the country. Improvement in financial conditions is already observable, for the West is going to take advantage of the big return from the sale of the grain to reduce its obligations, a process which will be indirectly beneficial in the East as well."

Asked as to whether he had paid any attention to the question of freight rates on western grain consigned to transatlantic ports, Mr. Bogert stated that the matter had been very much in evidence during his visit to Winnipeg. "The high ocean rates are due to the shortage of carriers," he said. "It is not an artificial situation. With so many ships taken over by the admiralty it must be obvious that the normal condition of our shipping is very much disorganized.

"I understand, however, that an arrangement has been concluded between the governments of Great Britain and Canada, whereby ships will be supplied to assist in transporting our grain across the Atlantic."

Next to the present important task of marketing Canadian grain, Mr. Bogert is of the opinion that the greatest problem confronting Canada, particularly the western districts, is to secure immigration. This need was brought home to him very strongly while in the West. "In order that our former prosperity may return it is absolutely necessary for us to encourage immigration to this country," said he. "In this connection it must be borne in mind that at the conclusion of the war all the European nations which were engaged in the great struggle will strive to induce their peoples to stay at home to assist in rehabilitating their countries. Canada will have to devise means to obtain desirable settlers, not only from Europe, but from the United States to occupy our vacant lands, particularly in the prairie provinces."

—Owing to prolonged ill health, Alexander Laird has resigned as general manager of the Canadian Bank of Commerce, Toronto. The directors have ap-

pointed John Aird, formerly assistant general manager, to assume the duties of Mr. Laird. H. V. F. Jones, manager of the London, Eng., branch, has been appointed assistant general manager.

A portrait and biographical sketch of the new manager appears elsewhere in this issue.

—Another bank is about to begin business in Quebec, the Provincial Bank. For the purpose the directors of the bank have acquired the premises located at 93 St. Peter street, owned and at present occupied by Mr. Neuville Belleau, stock broker.

The building purchased by the bank is a spacious one, and not much change will have to be made to fit it for banking purposes. It is understood that as soon as the proposed changes are made the bank will commence business. It is also stated that the manager who will be placed in charge of the local branch is connected with a Quebec bank, but his name is not given out.

—In acreage, in average yield per acre, and in total yield this year's grain crop is the highest on record in Canada. That is the official Government estimate of the bountiful harvest reaped in the Dominion this year. A bulletin issued by the Census and Statistics Office says:

"The preliminary estimate of this year's wheat crop in Canada is a total of 308,839,800 bushels from 12,986,400 acres, representing an average yield per acre of 23.78 bushels. This total is 147,559,800 bushels, or 91 per cent. in excess of last year's inferior yield of 161,280,000 bushels, 77,122,800 bushels, or 33 per cent. in excess of the previous highest yield of 231,717,000 bushels in 1913, and 112,814,000 bushels, or 58 per cent. in excess of the annual average yield of 196,026,000 bushels for the five years 1910 to 1914. In acreage, average yield per acre, and in total yield the present estimate is the highest on record for Canada."

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ELMER H. YOUNGMAN, Editor

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The Basis of Present Prosperity

REMINDERS are being addressed to American business men from time to time of the precarious nature of the present era of prosperity in the United States. The word "prosperity" is employed somewhat advisedly, for while in several lines production approaches the top notch, in others marked depression yet prevails. Of the latter the railroads and building operations furnish the readiest illustrations.

The reason why these reminders should receive careful attention lies in the fact that much of the present prosperity rests without question upon war orders. Presumably the world will not forever go on fighting, and the day is perhaps not far distant when those establishments now making war materials must turn their attention to other lines. The difficulty consists less in the ability of the manufacturers to make this sudden turn than in the finding of markets for the commodities of peace. Hardly can it be expected that when the war ceases the demand for ordinary supplies will be large enough to call for the employment of all the labor and machinery now engaged in the manufacture of war materials. Furthermore, in a reasonable space of time much of the foreign capital and labor now devoted to war must engage in peaceful industry. A sharp readjustment in our manufacturing must follow close upon the end of the war. That much at least is certain.

But while fully sharing in the belief that the present situation is one calling for the exercise of the greatest prudence, one may at least inquire whether there are not some factors making for a reasonably permanent prosperity. In the first place, two successive

years of good crops in a country where agriculture constitutes so large a share of the national wealth must count for much. Then it must not be forgotten that until the recent revival business in this country had been for several years unusually quiet, and without sanctioning the cycle theory of prosperity and panics, one must admit that a period of dull business will be succeeded in time by one of activity. There exists another reason for better business: the political assault upon prosperity has subsided, and there is even some disposition to concede that the country has had enough of agitation against large business units. The friends of a high tariff do not like to grant that the prevailing prosperity extends much beyond the war demand. They believe that but for the war many of our industries would have been shut down long before now.

It could well be wished that the activity in many lines of business at the present time were based upon something more solid than the manufacture of military supplies for which the demand is certain to prove only temporary; and yet, if the gains from this industry are wisely applied, American manufacturers and laborers may find themselves well able to stand the shock of readjustment when it comes. Both the men who direct enterprise and those who work for daily wages need to take advantage of these prosperous tints by laying aside a very large share of their earnings.

NATIONAL BANKS AND SAVINGS ACCOUNTS

CONTROVERSY over the right of national banks to advertise their savings departments has arisen in the State of California, where the superintendent of banks declares that it was not the intention of Congress in the Federal Reserve Act to give national banks the authority to engage in savings bank business. A provision of the Banking Act of California is also cited which says that "no banking association shall advertise savings or in any way solicit or receive deposits in the manner of a savings bank unless it is chartered as a savings bank under the California law."

Section 19 of the Federal Reserve Act, in fixing the reserves

on various classes of deposits, says: "Demand deposits within the meaning of this act shall comprise all deposits payable within thirty days, and time deposits shall comprise all deposits payable after thirty days, and all savings accounts," etc. Section 2 also continues the right of certain national banks to receive time deposits and to pay interest on the same. This section likewise confers on these banks the privilege of making loans on real estate. This looks a good deal like a savings department, if not a savings bank.

The notion that a national bank may not advertise savings or solicit or receive deposits in the manner of a savings bank, seems far-fetched. In conferring trust company powers upon national banks, the Federal Reserve Act expressly limits such extension of powers to those states where the state law does not conflict. But there is no such limitation in regard to savings accounts or to loans on real estate, or as to time deposits. It would seem to be a fair inference from the language of the act that Congress meant to legalize savings departments in national banks, and to sanction practices which have grown up in these institutions. If this is true, how can a state lawfully prohibit a national bank from advertising any part of its business? It may, possibly, prohibit the use of the term "savings bank," although this may even be doubtful. The courts have sustained the right of Congress to legislate on the subject of banking, and the state law will probably have to bend in this case before the superior power.

California is not alone in raising the objection mentioned, nor is it wholly groundless. Many of the states carefully regulate the investment of savings, and throw greater restriction about the handling of these funds than is contained in the National Banking Act or the Federal Reserve Act. The California banking law in this respect is most carefully drawn, and it is easy to see why the chief banking authority of the state should not look with favor on the invasion of the savings bank field by institutions which he considers are less thoroughly equipped to care for the savings of the people of the state. For the savings banks, too, it is a practical question, since the national banks, with their greater freedom in investing savings funds, may be able to offer a higher rate of interest than the regular savings banks operating under the severer restrictions of the state laws.

As has been said above, the superior power of Congress in this matter appears probable; nevertheless, it is not a matter for satis-

faction if the carefully drawn state laws for safeguarding the people's savings are to be substantially nullified by the action of Congress. Why should not the nation, in legislating on this subject, be quite as fully concerned about the safety of the country's savings as are the banks chartered under state authority?

AMENDING THE FEDERAL RESERVE ACT

PROPOSALS of various kinds are being put forward for amending the Federal Reserve Act. These proposals include a reduction of the capital of the Federal Reserve banks, a limitation of the power of the Secretary of the Treasury in regard to making deposits of public funds, and the abolition of the office of Comptroller of the Currency.

As the demand for rediscounts from the Federal Reserve banks is very light, these institutions, in order to earn expenses and the dividend for which member banks are undoubtedly looking, feel constrained to use their funds in buying choice investment securities, and thus become competitors of the member banks in this particular field; at least, this is the common view. But is it not an erroneous one? How can the Federal Reserve banks "compete" with member banks? How can a man compete with himself? The Federal Reserve banks are owned, not in part merely, but absolutely, by the national banks of the country and a few of the state banks, and are therefore but an arm or department of the member banks.

With the very modest operations of the Federal Reserve banks up to the present time the capital equipment does seem out of proportion to the obligations assumed. But is it not true that these institutions are purposely dormant under ordinary circumstances so that they may the better serve the special needs of the banks under unusual conditions? And when these conditions arise, as inevitably they must, will not the capitalization of the Federal Reserve banks be a source of added strength precisely at the point where such strength is needed?

In these times of money plethora and ease the tendency will be to forget the precautions that are essential to the successful functioning of the Federal Reserve banks when the financial weather changes. A good many bankers chafe and fret when they see "idle" money piled up and out of use; they want to see every dollar kept actively earning a return all the time. But is it not a fundamental principle of the Federal Reserve system that it husband its resources in ordinary times so as to be able to meet the extraordinary calls sure to be made in seasons of stress?

Congress should think very carefully before reducing the capital requirements of the Federal Reserve Banks.

As to the proposal to limit the power of the Secretary of the Treasury in depositing public funds in the banks, such limitation would seem desirable on the ground of consolidation of policy in the hands of the Federal Reserve Board. Should the Secretary use his own discretion he and the Federal Reserve Board might play at cross purposes to the injury of the public welfare. If, for example, the Federal Reserve Board should determine that in a certain section a restrictive policy was the wise one, and the Secretary should deposit large amounts of public funds in the banks of that section, the board's policy would be defeated. The Treasury and the Federal Reserve Board ought to work together in this matter. Of course, the notion that the Secretary of the Treasury is the almoner of the money market is one that has long persisted, and it will die hard; but it is a function that never has been, in the long run, of much benefit, and with the powers conferred on the Federal Reserve Board any reason for its retention that may ever have existed disappears.

So far as taking away this power from the Secretary of the Treasury on the ground that he is liable to make political use of it, the suggestion is theoretical rather than practical. Secretaries of the Treasury are human, and where they have such juicy plums to hand out as millions of Government money they might incline rather more toward the sections where the placing of such funds would do the most good politically; but at the same time the Secretaries of the Treasury are generally men who would hardly stoop to employ the public funds for political purposes.

But aside from these considerations, if a Secretary of the Treasury might manipulate the deposits of public funds for political

purposes, what is there to hinder the Federal Reserve Board from doing the same thing? The Secretary of the Treasury is appointed by the President; so are the members of the Federal Reserve Board. What warrant have we for believing that the members of the board will be less subject to political bias than the Secretary? Divided authority by no means invariably spells an access of wisdom or virtue.

Still, on the whole, and chiefly with a view of unifying the financial policy of the Government, the handling of the public deposits should be committed to the Federal Reserve Board.

The proposal to abolish the office of Comptroller of the Currency seems to strike a responsive chord in the hearts of the bankers of the country. In favoring this change, it is always pointed out that no reflection is intended upon the present occupant of the office. And yet the departure of Mr. Williams from power over the banks of the country prior to the expiration of his official term would probably be an event which most of the bankers would view with a complete degree of resignation. He has made both himself and the Comptroller's Bureau extremely unpopular. In addition to this, it has become apparent that since the enactment of the Federal Reserve Law and the establishment of the Federal Reserve Board there is a double governmental supervision over the national banks of the country, and therefore no good reason for the maintenance of the Comptroller's Bureau.

EXCESSIVE INTEREST RATES

NATIONAL banks that charge more than the legal rate of interest in the states where they are located have been warned by the Comptroller of the Currency that such a course is in violation of the oaths taken by directors of national banks to abide by the laws governing these institutions.

Generally the penalties provided by state laws for the taking of illegal interest are very light, and this probably explains the failure of some banks to show much regard for such statutes. Moreover,

the action which the Comptroller of the Currency may take in these cases—proceedings to forfeit the charter of the offending bank—is too drastic to be effectual.

In some states there are no provisions against usury, and there are economic authorities who contend that this does not result in a high rate but has a contrary effect by attracting money until competition forces the rate down. Probably in a good many cases, if banks are prohibited from taking more than the customary rate, it will result in shutting off a large class of loans altogether, and perhaps this might not be a bad thing for all concerned, though in the absence of any other institution to which a borrower who has not good banking credit may go, some hardship will be caused.

Seven per cent. is the maximum allowed by the National Bank Act unless the state law sanctions a higher rate. In the case of demand collateral loans this limit does not apply.

What is the reason that in portions of the country there are banks which charge a few of their customers more than the legal rate of interest? Is the practice purely referable to the greed of the banks? Or is it because the banks have learned by experience that the risks incident to these loans demand an adequate compensation? The instances where even borrowers in fair credit are charged a pretty stiff rate possibly show that the service rendered by the banks is worth more than allowed by the law. Is it not inconsistent that state legislatures should fix over a long period of years, or perpetually, the rental that may be charged for the use of money, while those who have other property to rent or to sell may get the market price for it? This, of course, sounds like a defence of "the money power" and an apology for usury. And yet why is it immoral and wicked for A to get a return of ten per cent. on the money he places at hire, while B gets at the rate of 100 per cent. for an automobile which he rents to the public and no one says anything about it? A runs the risk of losing all his money, while B is reasonably certain to get his car back again.

It is true, of course, in these days that the governmental power must intervene to protect the people from the depredations of the "money trust," and Comptroller Williams has been zealous in this respect. But is it at all certain that he knows any more about bank management than the men who manage the banks?

The Federal Government has completely usurped the powers of

note issue once inherent in the banks, and thus deprived these institutions to a large extent of the power of extending loans in the poorer communities. Since the Government has itself gone into the banking business so extensively, there will be a disposition on the part of the people to hold the Administration responsible for excessive interest rates, and Comptroller Williams evidently scents this political danger.

Perhaps, if the banks do not heed the warning they have received, the next step may be an amendment to the Federal Reserve Act that will permit Federal Reserve Banks to issue their notes in sufficient volume to lend to all borrowers at a nominal rate, or without any interest.

BRANCH BANKING MAKING HEADWAY

SEVERAL events have occurred recently in the banking world which would indicate that the branch banking system is gradually coming into vogue in the United States. Many of the state laws have always permitted branches, but the National Banking Act has prohibited branches of national banks, though it permitted a state bank having branches to retain these on coming into the national system. Probably the aim of this latter provision was to induce state banks, existing at the time the law was passed and having branches, to come into the national system. It was very likely not intended that in later years state banks should establish a number of branches and then come under Federal charter. In practice, at least, this has been the construction placed on the law until quite recently. Except in the case of the Bank of California, whose head office is at San Francisco, with branches at Seattle, Tacoma, Portland and Virginia City, no recent instance of a state bank coming into the national system with its branches is recalled until the Chatham and Phenix National Bank of New York absorbed the Century Bank, retaining its branches. Later still the Produce Exchange Bank of New York, with its branches, has been absorbed by the Mechanics and Metals National Bank, though they are not yet operated as branches of the latter.

The Federal Reserve Act somewhat liberalized the provisions of the banking law in relation to branch banking by permitting national banks with \$1,000,000 capital and over to establish branches in foreign countries, subject to the approval of the Federal Reserve Board.

A late announcement is to the effect that interests affiliated with the National City Bank of New York have bought control of the International Banking Corporation, which has a number of foreign branches, and that the head office and branches of this institution will become a part of the National City Bank system.

It will be seen that all a national bank has to do in order to have branch banks is to buy up state banks with branches, and it could probably organize banks in all states where the law permits branches and convert these later into national banks and swallow them up in the metropolitan institution.

The tendency of the present interpretation of the banking law would appear favorable to those who want branch banking, and if this tendency continues we shall probably see in the near future the gobbling up of a lot of the small banks by the big city banks.

The movement to decentralize banking and credit seems to have reversed itself, for the consolidation of banking power now going on is such as the country has never before witnessed.

JACKSON AND THE FEDERAL RESERVE NOTES

WHOEVER is responsible for the placing of the portraits of historic personages upon the paper currency in use in the United States must have been gifted with a special sense of the fitness of things when he put the likeness of Andrew Jackson upon the new Federal Reserve notes of the ten-dollar denomination; for as any one knows who is at all conversant with the financial history of the country, Jackson was the ardent champion and friend of a central bank! But perhaps this selection is less incongruous than appears at first sight. Jackson was one of the earliest, as he was also one of the most forceful, antagonists of banks from

his time until the present day. This hostility in Jackson's case was directed against the most conspicuous object of banking power, which then happened to be the second Bank of the United States. In later days the attack was again launched against concentrated banking power as represented by the banks of the great cities, particularly the banks of New York.

It is curious, at least, to the student of our financial history to witness a portrait of Andrew Jackson staring from the face of a note issued by what is substantially a new Bank of the United States, for of course the Federal Reserve Banks are nothing more nor less. Jackson was a hard hitter in politics, honest and exceedingly popular, and he fought the Bank of the United States to a finish. Now, long years after his death, the project is revived in another form by his own party, and his rugged features adorn the notes that ~~this~~ "political monster" (for so doubtless he would have termed it) puts out. To what base uses may we come at last.

The opposition which Jackson displayed toward the Bank of the United States has usually been ascribed to ignorance. But we are not so sure that this judgment is a just one. Jackson was far from being an educated man in the commonly accepted sense. But he knew the spirit of his country, and in him America was incarnate. Did he not more accurately gauge the sentiment of the people than the more cultivated Clay?

If the political activity of a great bank in that day was dangerous to the liberties of the people, by what magic has its evil power been exorcised in the twentieth century? Unless the human element which in any age must direct and control bank management has marvellously changed since Jackson's time, what warrant have we for believing that concentrated banking as represented by Biddle and his coadjutors in the management of the Bank of the United States will not find its prototype in the concentrated power lodged in the hands of the authorities who direct the operations of the vastly more powerful Federal Reserve Banks? It may be held that this great power can never be a source of danger so long as it remains in the hands of the President, which is merely another way of imputing divine wisdom to whoever may happen to be the incumbent of the Presidential office. Is it not possible that Jackson, in opposing the concentration of banking power, was wiser and more in accord with American traditions than some of the highly educated

financial authorities who have laughed at his "prejudice and ignorance?"

RESERVE PROVISIONS OF THE FEDERAL RESERVE ACT

AN argument in favor of putting into immediate operation the complete provisions of the Federal Reserve Act, furnished by George J. Seay, Governor of the Federal Reserve Bank of Richmond, is published elsewhere in this number. Governor Seay bases his argument chiefly on two grounds, namely, that if the reserve provisions are carried out gradually during the next two years as the Federal Reserve Act provides, great and dangerous inflation may ensue, and that at the end of the two years it may be impossible to make the necessary shifting of reserves. On the other hand, it is pointed out that the present is an especially opportune time for transferring the reserves to the Federal Reserve Banks on account of the large cash holdings of member banks. The demand for cash, to carry out the suggestion made by Governor Seay, would fall upon the central reserve city banks—a demand which he insists they are well able to meet under conditions as they are to-day. By the elimination of several hundred millions of the redeposited reserves a fictitious element would disappear from the banking system.

It is not altogether easy to foresee, under present circumstances, just what will be the banking situation two years hence. Indications now point toward a very marked revival of business—indeed, such revival has already taken place—but no one can say with certainty that this prosperity will last for another two years. Of course, the mere elimination of the fictitious element in the banking reserves will not decrease the actual cash holdings of the banks, though it will, temporarily at least, curtail their lending powers. Whether the readjustments incident to a sudden shifting of reserves from the central reserve cities to the Federal Reserve Banks can be made without considerable friction is another matter. The

banks in the central reserve cities are just now carrying on some huge operations in connection with war financing, not only in the loans made to foreign governments but in the way of providing for large domestic transactions that have to do with the war in one way or another. Perhaps the banks in these cities would not look with favor on an immediate call on them for \$166,000,000 for the purpose of making this transfer of reserves to the Federal Reserve Banks. The principle of a gradual transfer of reserves, as embodied in the Federal Reserve Act, seemed wise at the time, although the remarkable changes in recent months have given a new aspect to the problem, and it is quite possible that it would be easier and better to make the transfer all at once than to spread it out over two more years. At all events, the proposals made by Governor Seay is an interesting one and should receive full consideration.



National Bank Reserves

An Argument in Favor of Putting Into Immediate Operation the Complete Reserve Provision of the Federal Reserve Act

By GEORGE J. SEAY

THERE is now afforded the best opportunity this country has ever had, and, so far as human foresight can determine, in the light of experience, the best opportunity it can ever hope to have to complete the regeneration of its banking system.

Moreover, if undertaken now, no risk will be incurred, but on the contrary, there will be put into action the most effective means within our command to correct a situation which, by almost common consent among experienced bankers, contains a growing menace, and from which we can hardly otherwise emerge without a repetition of some of the evils which have been the

outcome of similar situations in times past.

The enormous and continually-piling-up bank reserves under the combined effect of the new system, and the overlapping operation of the old, afford a supply of credit far beyond any sum ever before made available in this country. Human nature has never heretofore been able to resist using too abundant bank resources for speculation and inflation, and we cannot reasonably expect it to resist the present opportunity, even under the restraining influences of present world-conditions.

As a direct result of the Federal Reserve Act in its first period of opera-

THE RESERVE SITUATION, COMPTROLLER'S ABSTRACT, MAY 1, 1915
DEPOSITS REQUIRING RESERVE. ✓

Central Reserve Banks	Reserve City Banks	Country Banks	Total
\$2,032,000,000	\$2,035,000,000	\$3,130,000,000	\$7,197,000,000

RESERVES NOW HELD

Central Reserve	In Vault	In Federal Reserve Banks	Total Held In Vaults and Federal Reserve Banks	Balances With Agents	Total Reserve Held
Cities	\$356,978,000 ✓	\$154,415,000 ✓	\$ 511,393,000 ✓	.....	\$ 511,393,000 ✓
Reserve Cities	173,049,000 ✓	65,475,000 ✓	238,524,000 ✓	\$294,314,000	532,838,000
Country Banks	209,110,000	74,848,000	283,958,000	454,382,000	738,340,000
	<u>\$739,137,000</u>	<u>\$294,738,000</u>	<u>\$1,033,875,000</u>	<u>\$748,696,000</u>	<u>\$1,782,571,000</u>

NEW RESERVES REQUIRED UNDER FULL OPERATION OF THE ACT

Central Reserve					
Cities 6-18..	\$121,925,000	7-18	\$142,246,000	\$ 365,775,000 ✓	.....
Optional 5-18.	101,604,000		.....	.....	.....
Reserve Cities					
5-15.....	101,769,000	6-15	122,123,000	305,307,000	.....
Optional 4-15.	81,415,000		.....	.....	.....
Country Banks	127,876,000	5-12	159,845,000	383,628,000	.....
4-12.....			.....	.....	.....
Optional 3-12.	95,907,000		.....	.....	.....
	<u>\$630,496,000</u>		<u>\$424,214,000</u>	<u>\$1,054,710,000</u>	<u>\$1,054,710,000</u>

Amount of member bank balances which would be eliminated from reserves if the act were put into immediate and full operation..... \$727,861,000 ✓

tion, the volume of credit which the banks could legally grant, based upon the reserves held, was enormously increased at a time when an increase was needed as never before.

The subsequent growth of these reserves to such a remarkable extent has been due to causes well understood; but it should not be overlooked that this growth is being to some considerable degree augmented by the continued operation of that provision of the act which diminished the percentage of reserves required to be held.

If the act were to be put in full operation at the present time, or if within a little more than two years from now the act should go into full operation, under conditions similar to those now existing, the effect will be to di-

minish the legal reserves by an amount greater than the amount of the reserves released at the inauguration of the system, and thus correct in a great measure a condition of superabundant reserves temporarily brought about by operation of the act.

The provisions of the act governing the transfer of additional reserves to the Federal Reserve banks at recurring periods within the two years will alter the whole reserve position but very slightly, so long as balances remaining with reserve agents during that period are allowed to count as legal reserve. The amounts involved in each transfer are relatively too small to have appreciable effect. To illustrate: The present reserves required are as follows: ✓

	Reserves Held	Reserves Required	Excess
Central reserve cities.....	\$ 511,393,000	\$ 365,775,000	\$146,318,000
Reserve cities	532,838,000	305,307,000	226,811,000
Country banks	738,340,000	383,628,000	354,732,000
	<u>\$1,782,571,000</u>	<u>\$1,054,710,000</u>	<u>\$727,861,000</u>

(By reference to the table with which this article commences, it will be seen that the entire excess of reserves consists of "balances with agents.")

The additional transfers to reserve banks required at intervals of six months are as follows:

Reserve City Banks—

November 16, 1915—1-15.....	\$ 20,352,000
May 16, 1916— 1-15.....	20,352,000
November 16, 1916—1-15.....	20,352,000
(Leaving 3-15 with agents which may count as reserve)	<u>\$ 61,056,000</u>

Country Banks—

November 16, 1915—1-12.....	\$ 32,208,000
May 16, 1916— 1-12.....	32,208,000
November 16, 1916—1-12.....	32,208,000
(Leaving 2-12 with agents which may count as reserve)	<u>\$ 96,624,000</u>

Total amount required to be transferred by November 16, 1916.....	<u>\$157,680,000</u>
The amount now held on deposit with agents amounts to.....	\$748,000,000

Should the amount required for transfer be withdrawn from agents, there would remain \$590,000,000, which for twelve months longer—completing the three-year period of the act—would be counted as reserve, after which time it would be deprived of the reserve quality.

Therefore, it is the elimination of balances with agents from "legal reserves" which will work the transformation at the end of the two-year period from this date, and give for the first time a sound reserve system.

The creation of reserves out of these balances by the old law, and their entire elimination as reserves by operation of the act, thus correcting an unsound condition, afford a graphic illustration of the creative and destructive powers of the law. Experience with the old law has abundantly demonstrated the dangers which inevitably follow the enactment into law of such arbitrary provisions when they are not based upon sound economic principles.

It is too easily forgotten that these balances have always been gravely lacking in the quality of real reserves at every time of crisis.

While the amount of reserves "released" at the inauguration of the system was about \$450,000,000, the amount which will be eliminated when

the act goes into full operation will be about \$727,000,000—the calculations being based upon existing conditions. (For illustration, refer to the statement on page 781.)

If the partial compensation of increased reserves in Federal Reserve

banks is taken into account the amount of eliminated reserves will be reduced to about \$598,000,000.

If, therefore, within the next two years, bank loans should become expanded in any measure approximating the limit possible upon the present basis of reserves, in which process the excess balances now with agents would become a part of the required reserve, the contraction which will be brought about by putting the act into complete operation—if it can then be put in operation—cannot fail to produce a convulsion.

If upon top of this, as the end of the period approaches, and in the event of the ending of the war, the other nations take measures—which they undoubtedly will then be able to take—to recover the gold which they have been compelled to send us, and which they will be needing badly to put their own financial houses in order, the situation will be still more gravely complicated. This subject will be treated more extensively further on.

Since both of these eventualities are to be seriously reckoned with, it becomes a matter of very grave consequence to consider whether the act should be at once amended so as to enable all of its reserve provisions to be put into immediate effect while it can be done with ease and benefit.

It is almost certain that when the time approaches to put the act in operation, given conditions of inflation or even legitimate absorption of surplus reserves on a large scale, opposition to it will arise, because of the contraction which must ensue; and that fact will be a powerful argument to postpone, if not defeat, the completion of the act.

The sound credit and reserve provisions were put in the act only after many years of preparation and effort and against all kinds of opposition.

To have to compromise now upon any important principle, after victory has been won, would be a calamity.

Since this argument was written it has been reported that at the recent convention of the American Bankers Association a resolution, approved by the administrative council, was submitted and passed advocating the attempt to procure an amendment to section 19 of the act to permit country banks to keep four per cent. of their reserve with any national bank in a reserve or central reserve city.

If this means a reserve of four per cent. on the amount of their deposits—as it was doubtless intended to mean—it would be a sum one-third greater than the “optional reserve” required to be held under the act, and would involve \$128,000,000, if calculated upon present deposits.

Such a provision would be a dangerous weakening of reserves, especially when coming upon top of the reduced requirements, and would be a sacrifice of the principle of the act and bring discredit upon the system.

It would also be a decided step towards that inflation of which many bankers have already accused the act.

The passage of this resolution will serve to illustrate the dangers the act will inevitably have to run while going through its various stages of development. At each change opposition of some character is likely to arise.

At the time the Federal Reserve banks were launched it would have been impossible, without disaster, to make the adjustments required to put the act into full operation.

The amount of cash held by the banks was then short of actual requirements by \$134,000,000, and the amount which would have been required to make the adjustments back and forth between reserve and central reserve and country banks would have caused a much heavier deficiency before final adjustments could have been accomplished and no reserves would have been released. Rediscounting, of course, could have been resorted to in order to make up the deficiency in cash, but severe disturbance would have followed in any event.

Conditions now are radically different, and the act can now be put in full operation with far greater facility than that with which the initial transfers were accomplished.

To illustrate the extent to which the act in its present chrysalis stage is responsible for existing huge legal bank reserves, it is highly illuminating to examine into what would be the reserves under the old law. This is shown in the appended table:

Showing What Would Be the Amount of Reserves Required Under the Old Law, and the Proportion of the Amount Now Held Which Could Be Counted as Legal Reserve

	Central Reserve Cities	Reserve Cities	Country Banks
Reserve required.....(25%)	\$508,000,000	(25%) \$500,000,000	(15%) \$443,300,000
Legal reserve.....	511,396,000	492,546,000	558,418,000
Excess	\$ 3,396,000	Def. \$ 7,454,000	\$115,118,000
Net excess			111,060,000
Excess balances with agents, not allowed to count as reserve—			
Reserve cities			37,000,000
Country banks			187,800,000
Excess reserves under present law.....			\$727,861,000
Difference between old and new reserves.....			\$616,801,000

It is interesting to compare this statement with the condition of the banks on October 31, 1914, just prior to the opening of the Reserve banks.

It is for this reason that the comparative analysis has been made in the tables appended, with perhaps rather unnecessary detail and with some repe-

Statement Showing the Reserve Condition of National Banks October 31, 1914

	Central Reserve Cities	Reserve Cities	Country Banks
Reserve required	\$411,255,000	\$484,083,000	\$537,910,000
Reserve held	409,304,000	455,619,000	576,484,000
Excess or deficit..... Def.	2,051,000	Def. 28,464,000	Excess 38,574,000
Net excess			8,059,000
Excess balances with agents, not allowed to count as reserve—			
Country banks			111,420,000
The Reserve city banks held an excess in cash of.....			20,520,000
But were short in their reserve with agents.....			48,984,000
Making the net shortage in reserve, as above.....			28,464,000

It is reasonably clear upon the face of things that the act could now be put into complete operation without disturbance or injury to finance or commerce, and with benefit to the banks in steadying interest rates—now thoroughly demoralized and endangering profits.

The amount of cash required for adjustments in comparison with the amount held by the banks is shown in the statement at the head of this article.

But the transition should not be made without intimate foreknowledge of its effects upon the banking situation.

tition, but the attempt has been made to omit no important detail upon which comparative knowledge might be desired.

All the tables are based upon the condition of the banks on May 1 shown in the comptroller's abstract. The June report was not available when this analysis was made.

It will, however, give additional assurance to those who may entertain any doubts about the advisability or the effect of making the change to know that the banks now hold a much greater amount both of cash and reserve.

REQUIRED RESERVES

Central reserve banks—	
18% of demand deposits; 5% of time deposits (\$2,032,000,000)	\$ 365,775,000
Reserve city banks—	
15% of demand deposits; 5% of time deposits (\$2,035,000,000)	305,307,000
Country banks—	
12% of demand deposits; 5% of time deposits (\$3,130,000,000)	383,628,000
Total amount of cash reserve required	\$1,054,710,000

CASH HELD

Including Amount Now in Federal Reserve Banks	
Central reserve banks.....	\$ 511,393,000
Reserve city banks.....	238,524,000
Country banks	283,958,000
Total	\$1,033,875,000
Cash deficiency	20,835,000
The central reserve banks will have a surplus.....	145,618,000
The reserve city banks will be short.....	66,783,000
The country banks will be short.....	99,670,000
	\$ 166,453,000

AMOUNT OF CASH NEEDED BY THE BANKS TO MEET THE NEW RESERVE REQUIREMENTS

mand for all the cash required, namely, \$166,453,000.



RESERVES RELEASED

A BRIEF synopsis of the situation of the banks is given on page 784.

The new reserves under the act will, of course, be upon a cash basis. While they may be created by rediscounting, it is nevertheless a system of cash reserves.

Provided, therefore, the reserves required are built up in cash by transfers between the three classes of banks, the following statement will show the amount of cash which will be required and the amount of cash now held to meet the requirement.

The whole demand for cash will therefore fall upon the central reserve banks.

To present more fully the state of preparedness of the three classes of banks to make the adjustments, the accompanying table is given:

BY paying out that amount of deposits, their required reserve will be diminished by eighteen per cent, \$29,961,000, so that a deficit of \$20,835,000 will be turned into a surplus of \$9,126,000. The cash now held by the banks is therefore adequate for the required adjustments for the first time since the inauguration of the system.

In order to present in logical sequence the effect of the required adjustment under present conditions upon the banking position of the country, the table which appears on page 786 is given.

This is counting due from Federal Reserve banks as cash reserve in all cases.

The total excess reserves of the banks, if readjusted upon the basis of condition in the report of June 23,

Comparison of Reserves Now Held in Vault and in Federal Reserve Banks with Reserves Which the Banks Will Be Required to Hold Under Full Operation of the Act.

	By Central	By Reserve	By Country	Total
	Cities	Cities	Banks	
Reserves held in vault and F. R. Banks.....	\$511,393,000	\$238,524,000	\$283,958,000	\$1,033,875,000
Reserves to be required.....	365,775,000	305,307,000	383,628,000	1,054,710,000
Excess	\$145,618,000			
Deficiency		\$ 66,783,000	\$ 99,670,000	\$ 20,835,000
Deficiency in reserves of reserve city banks, as shown above.			66,783,000	
Deficiency in reserves of country banks, as shown above ..			99,670,000	
Excess in reserves of central reserve city banks, as shown above..				166,453,000
				145,618,000
Net deficiency of cash reserves now held jointly in vaults and Federal Reserve Banks compared with the new reserves required, as shown above.....				\$ 20,835,000

While the country banks will undoubtedly draw against their balances in the reserve city banks for part of the cash needed, those banks in turn will have to pass the demand on to the central reserve banks, and will be compelled to draw upon them for the amount of their own deficiency, plus the amount which country banks withdraw, so that the central reserve banks in any event will have to meet the full de-

would probably be approximately \$51,000,000 greater than shown herein, or, say, \$69,000,000, leaving practically the entire resources of the Federal Reserve banks available for additional credit—a sum greater than any available reserve ever held before the inauguration of the Reserve System, and surely great enough for orderly legitimate expansion, even in this country of tremendous resources.

Total Bank Reserves of the Country (Federal Reserve System) After Adjustment—
Also Comparing Present Reserves with New Reserves.

	Present Reserve Held	New Reserve Required	Excess of Present Reserve	Excess of New Reserve	Balance With Agents (Not Reserve)
Central reserve cities	\$ 511,393,000	\$ 365,775,000	\$146,318,000	\$ 9,126,000	.....
Reserve cities..	532,838,000	305,307,000	226,811,000	9,000,000	\$167,531,000
Country banks.	738,340,000	383,628,000	354,732,000	.....	354,712,000
	<u>\$1,782,571,000</u>	<u>\$1,054,710,000</u>	<u>\$727,861,000</u>	<u>\$18,126,000</u>	<u>\$522,243,000</u>
F. R. Banks (Aug. 20)...	294,738,000	424,214,000	.....	.....	.....
	<u>\$2,077,309,000</u>	<u>\$1,478,924,000</u>			
Fictitious bank reserves eliminated.....					\$727,861,000
Net total of reserves eliminated, (after taking into account the increase in Federal Reserve Bank reserves).....					598,385,000

INCREASE IN RESERVES SINCE MAY 1

The Comptroller's report of June 23 shows that the reserves of the central reserve banks have increased since May 1,	45,239,000
While the reserve city and country banks have increased as follows:	
Reserve city banks—increase in cash reserves	13,413,000
Country banks	9,906,000
Making a total increase in cash reserves	68,558,000

It is a conservative situation to have this argument and the figures presented based upon a condition less favorable than the above.

There is a very wide margin to provide for any probable adverse change between now and the time within which the act could be put into full effect.

The condition of Federal Reserve banks after readjustment would be about as follows:

act into immediate operation, as illustrated in the foregoing, would therefore have about the same effect upon member bank reserves as a return to the old law, but with this vital difference the huge resources of the reserve banks would be available for the grant of additional credit to the country, and this flexible reserve would be under concentrated control, with the ability to regulate the credit situation to an ex-

LIABILITIES

Capital stock—statement September 11.....	\$ 54,772,000
Reserve deposits—minimum required after adjustment	424,714,000
Federal Reserve notes—net.....	17,527,000
All other liabilities	3,068,000
	<u>\$500,081,000</u>
The amount of "optional reserves" required to be carried by the banks would be	\$278,926,000

It is reasonable to suppose that some portion of these reserves will be carried in Federal Reserve banks.

Government deposits have not been considered, although the banks now hold \$15,000,000 of such deposits.



IT has been shown that a return to the old law would have the effect of reducing excess bank reserves from \$727,000,000 to \$111,000,000.

Putting the reserve provisions of the

tent now wholly beyond the power of the banks or the Reserve Board. While a very large amount of legal reserves will be eliminated, they are surplus reserves, not needed, performing no service, a source of embarrassment and possible danger—and may be the direct means, by lowering the interest rate too greatly, of expelling gold later on to countries able and willing to offer more for it. Reference to this point will be made further on.

It was the direct purpose of the act

to eliminate from reserve balances due by other banks, at a time when it might be safely done, and for that purpose the provisions of the act were so framed as to be brought into operation gradually.

It is fully understood that after the transfers of reserves required by November 16, 1916, only three-fifteenths of the required reserves of reserve city banks, and two-twelfths of required reserves of country banks, may count as legal reserve in the hands of agents. This sum would at present amount to \$105,000,000, and, of course, in an extended situation, with deposit liabilities greatly built up, would be much more.

Therefore, the final change cannot be other than abrupt, and should it occur at a time when conditions are not favorable, might be distressing.

Even a \$100,000,000 surplus has not heretofore been a common thing.

It therefore appears that, given a situation when the act can easily and safely be put into operation, not only with benefit, but as a safeguard against evils almost certain otherwise to arise, and when delay may even mean defeat of the deferred provisions of the act, the present opportunity should not be permitted to pass without action.

The following benefits may be reasonably expected to follow from putting the act in complete operation:

1. It will insure the accomplishment of the reserve provisions, which will be endangered by delay.

2. By eliminating a huge amount of legal, but fictitious, reserves it will be using the most effective means at command to safeguard against undue expansion which all previous experience has taught us is likely to occur.

Inordinate expansion at this time would probably be attended by exaggeration of many troubles which have hitherto afflicted us, and by a string of evils peculiar to the circumstances arising from war conditions.

The economic effects which must come from the extensive use of the credit now made available—the effect upon prices, the cost of living, the condition and wages of labor at a critical

time when labor has been made unusually scarce by the war, are all to be considered.

The most conspicuous phase of current conditions is the labor situation in industries made phenomenally prosperous by war business, here and abroad—“A little leaven will leaven the whole lump.”

A financial system properly chargeable with the present banking situation has a heavy responsibility.

3. It will give the Reserve System a better control over the credit situation of the country. Control of the “surplus” gives control of the whole.

4. It will benefit member banks by steadying interest rates, and will go far to insure profitable, but always reasonable, rates. Cheap credit and excessively low rates have an element of danger.

It will take from member banks a large amount of bank deposits, but at a time when they are not profitable, and it will be no hardship to give them up. Conditions might change and opposition arise.

5. By eliminating an unreal surplus, it will insure to the reserve banks a better income by creating a more active rediscount demand. Member banks having to borrow will be more than compensated by the better rates they will be enabled to charge.

6. It will aid more than any other factor in solving the collection problem of the reserve banks.

With reduced balances, member banks will probably not find it profitable to continue making collections free of charge, and the reserve banks will be called upon for that service.

7. By having better control over interest rates, and with a well developed collection system, the power to draw state banks into the system will be greatly increased.

If substitution of Federal Reserve notes for national bank notes can be made in a wholesale way, then by having measurable control over interest rates, with a superior collection system and the exclusive power of note issue, the attraction to state banks should be

such as to give early hope of a "unified system."

8. The greater strength of the reserve banks will give them increased control over the gold supply.

Contrary to the argument advanced in certain quarters, the issue of reserve notes indirectly against gold has no concern with the provisions of the act in-

gold supply and the interest rate can be placed in the hands of the Reserve Banks, or under concentrated control, it should be done.

The foreign financial problem will become ours after the war.

Since August 1, 1914, the following changes have taken place in the foreign banking situation:

	August, 1914	July, 1915	Increase
Bank of England:			
Gold holdings	\$ 190,000,000	\$ 260,000,000	\$ 70,000,000
Deposits	335,000,000	1,035,000,000	700,000,000
Bank of France:			
Gold holdings	825,000,000	785,000,000	*40,000,000
Deposits	260,000,000	485,000,000	225,000,000
Circulation	1,335,000,000	2,440,000,000	1,105,000,000
Bank of Germany:			
Gold holdings	420,000,000	590,000,000	170,000,000
Deposits	235,000,000	400,000,000	165,000,000
Circulation	470,000,000	1,300,000,000	830,000,000
Bank of Russia:			
Gold holdings	800,000,000	785,000,000	*15,000,000
Deposits	420,000,000	750,000,000	330,000,000
Circulation	730,000,000	1,750,000,000	1,020,000,000
The total increase in gold holdings is			185,000,000
And the increase in deposit and circulation liabilities....			4,375,000,000

*Decrease.

tended to give flexibility to the currency, and cannot by the substitution of one dollar for another create an inflated currency.

Flexibility can be created by the addition or withdrawal of a relatively small surplus, and is affected by redemption laws more than by any other cause.

The reserve banks by this process have accumulated a reserve supply of credit, which must be added to their apparent resources. The greater their accumulation of gold in this or any other way, the greater the protection to our supply. The strength of the reserve banks is to be measured by their note-issuing power—by their gold holdings.

In whatever way the control of the

The contest for the gold supply will be keen, and the countries with the highest interest rates and the greatest need will act as suction pumps on the supply.

9. To put the act into full force at once will remove a source of unsettlement which the frequent changes can hardly fail to cause, and will tend to quiet the disposition to criticise and amend it. It will also lead to a quicker and more comprehensive appreciation of its aims and purposes, and promote a better understanding of sound credit and banking. It will put to rest the frequent accusation that the act is the cause of inflation. If it is not done, the accusation will become a true one.



Banking and Commercial Law

CASE COMMENT AND REVIEW

No Trial Balance for Thirty-nine Years

THE importance of trial balances in savings banks is forcibly shown in the case of Lippitt vs. Ashley in this number, which for its human interest bears careful reading.

The Windsor Locks (Conn.) Savings Bank was organized in 1871. Alfred W. Converse held the office of treasurer from organization until 1910, during which time he embezzled approximately \$93,000, and also made false reports to the trustees, by reason of which they paid dividends of nearly \$100,000 in excess of the earnings. The bank was operated with great economy, its total expenses being about \$1,800 a year. The deposits were substantially \$581,000. Deposits and withdrawals were entered in registers, one side representing all deposits and dividends, up to date, and the other the withdrawals to date, the difference between the two being presumably the amount due the depositors. Converse's method of embezzling consisted in falsifying the entries on the registers, or altering the postings so that the figures indicated a less amount than he had received, or by omitting to make entry of amounts received at all. To make the other books agree with the falsifying registers, erroneous entries were made on the general books.

During all this time the individual depositors' accounts were accurately kept, and the balances of these accounts indicated correctly the indebtedness of the bank to the depositors. The total amount due depositors as indicated by the individual accounts was never

taken off, and therefore the discrepancy was not discovered.

The individual ledger did not tally with the general ledger, the condition of the bank as reported by Converse being of course from the falsifying entries. Audits were made from time to time under direction of the trustees, and also by state officials, and in the general oversight of the bank no fault could be found with the administration, the sole weakness being in a failure to check the important items of liabilities, and also to test the actual earning power of the bank.

It seems inconceivable that for over thirty-nine years this simple test was not made, or insisted upon by the supervising officials, but the fact remains that it was never done until the embezzlement was discovered.

The liability assumed by the trustees in this case will be understood by a perusal of the case, sufficient to say here that any bank which does not make periodical tests of its deposit ledgers to ascertain if they agree with the controlling accounts, and that the individual accounts agree with the pass books, is grossly negligent, in failing to make the simplest and most necessary test of the condition of an institution.

It is a comparatively easy matter to verify the assets of a bank. They consist of cash on hand and on deposit with the bank's correspondents, bills and notes, collateral loans, real estate, bonds and other securities, all of which are easily accounted for and the value determinable; and these are usually on hand in the amounts called for by the statement; but with the liabilities it is different. These consist of debts due

depositors represented by pass books or other evidences of debt, in the hands of many people. To verify these means to communicate with each individual creditor. The defalcation that takes place in banking consists of one of two processes: (a) Receipting for that which the corporation does not get (as in this case), which makes the real liability greater than the apparent; (b) abstracting assets, or substituting fictitious for real assets. The latter is difficult to determine without communication with each debtor to the bank, but this is also possible. Both of these safeguards are possible but not easy to apply; but the taking of a trial balance is so simple and so efficient a test that it seems incomprehensible that any bank should neglect it even for a year.

for a period of nearly 40 years, require the treasurer to furnish them with a trial balance, although the accounts were kept in such a manner that they could have been balanced, and did not require the bank examiner or private auditors to make such trial balance, was negligence.

Reports by private auditors and the bank commissioners as to the condition of a savings bank, made up practically by the bank's treasurer, which on their face showed that no trial balance had been cast, do not justify directors in failing to require the taking of a trial balance, for such reports merely show that the treasurer's report and the entries in the books correspond.

Where directors of a savings bank did not, for nearly 40 years, require the treasurer to furnish any trial balance or auditors to take one, their negligence will be deemed the proximate cause of the defalcations of the treasurer, for it was thus simple to conceal them.

(94 At. Rep.)



STATEMENT OF FACT

ACTIONS by Norris S. Lippitt and others as receivers, against F. L. Ashley and others, Ezra B. Bailey and others, George P. Clark and others, and James T. Coogan and others. From judgments for defendants, plaintiffs appeal. Affirmed as to the last two actions, reversed and remanded as to the first two.



THESE are four actions brought by the receivers of the Windsor Locks Savings Bank against the directors of the bank, arranged in four groups according to their terms of office, to recover damages for the alleged negligence of the directors in permitting the assets of the bank to be stolen by its treasurer, and to recover, under section 3453 of the General Statutes of 1902 the amounts of certain dividends declared and paid in excess of net profits. These actions were tried together in the superior court, and were heard together on the appeals from judgments for the defendants rendered in each case.

The Windsor Locks Savings Bank was incorporated in 1871, and in that

Leading Case

Liability of Savings Bank Trustees

CONNECTICUT

Negligence — Embezzlement — Trial Balance in Savings Banks.

Supreme Court of Errors, Connecticut, July 16, 1915.*

LIPPITT VS. ASHLEY ET AL.

Bank directors occupy a fiduciary position, and must exercise reasonable care and prudence in the discharge of their duties.

The high degree of care required of bank directors should not be relaxed in the case of directors of a savings bank, and they should exercise that degree of care required by such common usage.

That savings bank directors fully discharged their duty in all other respects does not excuse them from the duty of exercising reasonable oversight and supervision over the treasurer's conduct of his office.

That directors of a savings bank did not

*Note: Owing to the extreme length of this case it has been greatly abbreviated by omitting the court's ruling on the application of the statute of limitations.—Ed. Law Department.

year Alfred W. Converse was elected secretary and treasurer of the bank, an office which he continued to hold until November 28, 1910, when he resigned. Charles F. Cleveland was elected secretary and treasurer as successor to Converse, and performed the duties of that office until May 17, 1912, when the plaintiffs were appointed receivers. During his administration of the office of treasurer Converse embezzled approximately \$93,000, and also made false reports to the directors, in consequence of which they declared and paid dividends amounting to nearly \$100,000 in excess of earnings.

Converse was a veteran of the Civil War, and a successful business man, postmaster, town clerk, treasurer and registrar of the town of Windsor Locks for many years, and was universally trusted and respected. He received and paid out all moneys of the bank, kept all the books, drew and signed all checks, made out all reports, and, with some clerical assistance, performed all the other clerical duties of the bank.

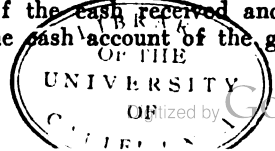
The bank began as a very small institution and grew gradually, and at the time when the receivers were appointed its deposits were substantially \$581,000. During the greater part of its existence its office was in a small room in the Converse Block. It was operated with great care and economy, the total expenses for the whole forty-one years of its existence averaging somewhat over \$1,800 a year for rent, salary of treasurer, taxes and all other general and incidental expenses.

The books of the bank comprised deposit and withdrawal registers, a general ledger, a daily balance book, and depositors' ledgers containing the individual accounts of the depositors. The deposit registers purported to contain a list of all deposits made by depositors, the name of each depositor, the number of the account to which the same was credited on the individual ledger, and the amount of each deposit, all arranged in chronological order. The total semi-annual dividends credited depositors at any dividend date was also entered in this register in a single lump sum. The

items entered on these books were footed continuously from beginning to end, so that the footing at any given date purported to indicate the gross amount of all sums (including both deposits and dividends) credited to depositors from the organization of the bank to the date of such footing.

The withdrawal register purported to contain a list of all sums withdrawn by depositors, showing the days on which such withdrawal was made, the number of the account to which the same was charged on the individual ledgers, the amount so withdrawn, and the signature of the depositor or his agent. These items were also footed continuously from beginning to end and the footing at a given date purported to indicate the gross withdrawals charged against depositors from the organization of the bank to the date of such footing. In the general ledger the gross deposits and gross withdrawals, gross income received from interest, and all other items of receipt and expense, were entered from time to time. With the exception of the entries in the expense account the items in this ledger are not self-explanatory, but were carried into the general ledger from the deposit and withdrawal registers, and from other books.

Shortly after Converse's appointment in 1871 he began the embezzlements which continued until his resignation, nearly forty years later. Generally speaking, the method employed by him to conceal his embezzlements consisted in either falsifying the footings upon the deposit register so that the footings indicated a less amount than had been in fact received and credited, or by omitting to make entries on the deposit register of amounts actually received. In order to make the other books agree with the falsified deposit register Converse falsified the entries of total deposits in the general ledger and entered the total withdrawals for the various months in sums larger than the actual withdrawal as indicated by the withdrawal register, and further made false entries of the cash received and paid out in the cash account of the general ledger.



During all this time the individual depositors' accounts in the depositors' ledger were correctly kept, and in all instances correctly showed the deposits actually received from, and the withdrawals actually made by, each depositor, and also correctly showed the balance, if any, due each depositor at any given time. The total balances due depositors were not footed on the individual depositors' ledger, and the result of this system of falsifying the books was that the total liabilities of the bank to its depositors, as appearing in the deposit and withdrawal registers and carried from them into the general ledger, were greatly understated, but the same were properly and correctly stated in detail, though not in gross, in the depositors' ledger.

The finding of the court is that these embezzlements and falsifications would have been discovered at any time by a reasonably careful audit of the books of the bank, or by any reasonably careful comparison of the depositors' ledger with the deposit and withdrawal ledgers. The by-laws of the bank prior to 1877 required the annual appointment by the directors of two auditors, who should audit the treasurer's accounts quarterly and make written reports of the result.

In 1874 this section of the by-laws was amended, so as to require semi-annual audits. In 1877 the General Assembly passed a statute, now section 3447 of the Revision of 1902, requiring the directors, managers, or trustees of every savings bank to annually appoint two or more auditors, not directors, managers, or trustees thereof, who should examine the books, accounts, and securities belonging to such bank and make a sworn statement, showing the true condition thereof on the 1st day of October in each year. The directors complied with the by-laws of the bank, and the statute, and appointed annually two competent auditors, who went through the form of auditing the books of the bank at least twice in each year, and sometimes oftener, and reported to the directors the results of their examination.

The report made as of October 1st in each year was upon a printed form prescribed by the bank commissioners of the state. None of these reports purported on its face to exhibit a comparison of the liabilities to depositors as shown by the deposit and withdrawal registers, or by the general ledger, with the liabilities to depositors as shown by the depositors' ledger, and none was in form a trial balance of the kind hereinafter referred to. The bank commissioners of the state of Connecticut for thirty-nine years, in accordance with section 3457 of the General Statutes, and their published reports of it showed the condition of the bank to be the same as that shown in the statements of the treasurer and auditors to the directors. The finding of the court is that reasonable care on the part of the auditors required that they should make a reasonable effort to compare a substantial number of items entered in the individual ledgers with corresponding entries in ledger at least once in two years; that no such effort was ever made by the auditors during the entire history of the bank; that no reasonable careful audit of the books of the bank was ever made by any person prior to January, 1912, and no attempt to compare the net amount due depositors as indicated by the depositors' ledger with the net amount due depositors as indicated by the deposit and withdrawal ledgers. It is also found that the embezzlements and falsifications of Converse could have been discovered at any time by such an audit or by such a comparison.

From time to time the directors required Converse to furnish them statements of the condition of the bank and its earnings, to be considered by them for the purpose of determining whether dividends had been earned. Such statements were furnished by Converse, and showed that dividends had been earned, but they were in fact untrue statements, taken from the false balances in the general ledger. Believing these statements to correctly state the condition of the bank and its earnings, and relying upon their knowledge of the bank as

derived from the reports of the auditors and bank commissioners, the directors declared dividends semi-annually from 1872 to 1912, excepting the semi-annual dividend for July, 1878, which was omitted. In declaring these dividends the directors supposed that their total amounts would be calculated upon the false and grossly understated amounts of deposits as reported to them by the treasurer.

In point of fact the dividends at the rate per cent. voted by the directors were paid out by Converse upon the actual amounts due depositors, and for that reason were very much larger in amount than the directors supposed, and larger in amount than the earnings of the bank as reported to the directors by the treasurer, and in every instance except thirteen the semi-annual dividends as actually credited to depositors were in excess of the net income actually earned by the bank during the six months last preceding, less one-eighth of 1 per cent. of its deposits, and as to such excess were illegally declared and paid. None of the directors ever individually, or as a committee appointed for that purpose, made any examination of the treasurer's books. They made no inquiry of the auditors as to the character of their audit, and gave no instruction to the auditors as to the nature, character, or detail of the audit which they were employed to make. No trial balance of the depositors' ledgers, or comparison of the deposits, as stated in the general ledger, with the deposits as stated in the depositors' ledger, was ever presented to or required by the directors. Beyond inquiring of Converse from time to time as to the condition of the bank and its affairs, the directors appear to have relied upon the reports made by the treasurer and the reports of the auditors and the reports of the bank commissioners, and to have made no other attempt to supervise the treasurer's conduct of his office.

The directors themselves were representative men of Windsor Locks, interested in its welfare, animated by a sense of public spirit, and served without

compensation. All of them, with one or two exceptions, were substantial depositors throughout the existence of the bank and at the time of its failure. They were diligent in attendance at directors' meetings, which were frequently called, and met often informally to discuss the business of the bank. At these meetings they discussed the investments of the bank and passed on all purchases of bonds and securities, and in these matters acted with such diligence and prudence that the investments of the bank were at all times of a high order and the mortgages such that none were ever foreclosed. At these meetings they had before them and discussed carefully the reports of the auditors and of the bank commissioners of the state and of the treasurer, and in addition they inquired from time to time of Converse as to the condition of the bank. On several occasions different bank commissioners told several of the defendants at the time of making their stated examinations that the bank was in fine shape; that it was a nice little bank, and all right. And these remarks were repeated and discussed at directors' meetings. On the other hand, the surplus of the bank never accumulated, on Converse's own story, to an amount equal to 3 per cent. of its deposits.

It is found that:

"The defendants believed that Converse kept his books correctly and proved his balances; they believed that the auditors examined the books of the bank with care and proved from a thorough examination of its books the different items shown on the statement rendered to them; they believed that the bank commissioners examination the bank thoroughly and verified their statement of its liabilities by a thorough examination of its books; in reliance upon the statements of the treasurer, the auditors, and the condition of the bank as found by the bank commissioners, they believed that all dividends declared were earned, and they never had any reason to suspect the honesty of Converse or to doubt but what the auditors

were making a thoroughly proved report of the bank's condition."

The last paragraph of the finding is as follows (paragraph 108):

"The defendants in the above-entitled actions complied with the statutes of the state and observed the by-laws of the bank. They exercised, in the performance of their duties, reasonable care, good faith, and ordinary prudence; they supervised and directed the affairs of the bank with that care and diligence that ordinarily prudent men would exercise under like circumstances; and they were not negligent as alleged in the complaints in said actions."



OPINION OF THE COURT

BEACH, J. (after stating the facts as above. * * * The first question presented by this appeal is whether the finding of reasonable care expressed in paragraph 108 is purely a finding of fact, in which case this record presents no appealable question, or whether it is a conclusion of fact and of law, in which case the record presents the question whether the proper standard of legal duty was applied to the case, and whether the conclusion of the court is logically deducible from the premises of fact set forth in the finding. When a defendant is sued for negligence in his individual capacity as a private person, the question whether he has or has not exercised that degree of care which under all the circumstances might reasonably have been expected of an ordinarily prudent man is, generally speaking, a question of fact. But these defendants are sued as bank directors and the standard of reasonable care required by law of bank directors is affected by their fiduciary position, by the nature of the business and by the fact that in accepting the office they hold themselves out as reasonably competent and reasonably qualified to perform the duties of the

office. So that the issue in this case is not whether the defendants have conducted themselves as might reasonably be expected of ordinarily prudent men, but whether they have conducted the affairs of this bank as might reasonably be expected of ordinarily prudent bank directors. Moreover, a finding of reasonable care in the conduct and direction of the affairs of a bank for a period of forty years is more likely than not to be a conclusion based upon other findings of fact as to the nature of the defendants' conduct in several different lines of action; and it is evidently so in this case, for the findings of fact are not only numerous, but many of them sum up the whole course of the defendants' conduct with reference to some particular line of action or omission. The ultimate finding of reasonable care is necessarily a conclusion founded on these intermediate generalizations, and, if logically inconsistent with them, may be reviewed in this court.

Bank directors, in their relation to the corporation, its creditors and depositors, occupy a fiduciary position. Many authorities regard them as trustees, others as not technically trustees, but all agree that by accepting the office they become obligated to exercise reasonable care and prudence in the discharge of their duties.

In the view which we take of this case it is unnecessary to examine the numerous authorities upon the subject, for they are all agreed that such is the general rule.

The difference in the relation between a savings bank and its depositors on the one hand and an ordinary bank of discount on the other, is well understood, and without going so far as to say that the directors of a savings bank are trustees in any higher sense than those of other banks, it is nevertheless evident from the character of the institution that the rule requiring bank directors the exercise of reasonable care and diligence in the performance of their duties should not be relaxed at all in the case of savings bank directors.

Reasonable care in the performance of the duties of director of a savings bank means the exercise of the same degree of care that ordinarily prudent directors of savings banks would exercise under like circumstances. It seems clear that a due performance of the duty of reasonable care on the part of savings bank directors involves at least a compliance with the statutes of the state, the by-laws of the corporation, and the usages of the business. Absolute uniformity of usage is not required, but in savings banks, as in the conduct of other business, the omission to make use of an ordinary and approved precaution against the known risks of the business is, in the absence of any substitute for such omitted precaution, prima facie evidence of a want of reasonable care.

The directors were careful in selecting as treasurer a man who enjoyed, in a peculiar degree, the confidence of the community; they used care in the selection of competent auditors; they were diligent in attending directors' meetings; they were prudent and successful in investing the funds of the bank, and they were themselves honest, prudent, and successful business men. Nevertheless, the fact that they fully discharged their duty as directors in these other respects does not release them from the discharge of the very important duty of reasonable oversight and supervision over the treasurer's conduct of his office. That such was their duty is well settled. * * *

Irrespective of authority it would be clear that the whole duty of bank directors is not done without reasonable oversight and supervision of the mode in which the appointed custodians of its funds conduct their office. This duty of supervision is not performed by reposing confidence in such officers, however worthy of confidence they may seem to be. The history of the business, known to every bank director, shows that confidence without supervision has often proved to be a temptation and an opportunity. We do not mean to say that

directors are required to proceed on the theory that their officers are under suspicion, or to examine the books themselves, or to employ expert accountants specially commissioned to detect possible defalcations. Until something happens which is calculated to put reasonably prudent bank directors on inquiry, they are entitled to assume that their officers, if selected with reasonable care, are honest. Yet there is a proper field for oversight and supervision of books and accounts within these limits, and for the purposes of this case it is sufficient to say that bank directors are bound to see that an approved system of bookkeeping is adopted, which will tend to furnish some protection to the bank against mistakes and false entries; and that they are bound to exercise reasonable care in seeing that the bank gets the benefit of the protection which such a system of bookkeeping purports to give. No system of bookkeeping pretends automatically to prevent or detect embezzlement; but approved systems do provide opportunities for checks and comparisons which are adapted to discover honest mistakes, and which have some tendency to discourage dishonest impulses; and the duty of making a reasonable effort to see that the bank gets whatever measure of protection its system of bookkeeping purports to give is very plainly a part of the directors' duty of reasonable oversight and supervision. Otherwise there would be no object in requiring them to adopt an approved system.

In this case an approved system of double entry bookkeeping was adopted which contemplated that a certain measure of protection would be afforded by comparing one set of entries with the other set, from time to time. Such comparisons involved the taking of so-called trial balances of the depositors' ledgers. Yet during the thirty-nine years over which Converse's stealings extended the directors did not require that such trial balances should be taken, and none were taken; and by reason of that omission the bank was deprived of

whatever measure of protection against mistake or dishonesty its double entry system of bookkeeping purported to give. The findings of the trial court on this point are as follows:

"(77) The embezzlements of said Converse would have been discovered at any time after 1879 by any competent bookkeeper or auditor taking a so-called trial balance of the depositors' ledger; that is, by totaling the balances due depositors as of any given date as stated in the several individual accounts in the individual ledger and comparing such total with the net amount due depositors as stated in the general ledger and on the daily balance books, or as appearing from the net difference between the gross deposits and the gross withdrawals as stated in the deposit and withdrawal registers.

"(78). It is customary in savings banks in Connecticut to have a trial balance of this kind taken by their treasurers at periods varying from once in three months to once in two years.

"(79). No trial balance was ever taken of the depositors' ledger and the general ledger of the Windsor Locks Savings Bank until shortly prior to the appointment of the receivers.

"(80). About January, 1912, the existence of the shortage and defalcations was at once discovered by taking such a trial balance."

In this connection we are referred to other paragraphs of the finding, which read as follows:

"(98). The bank followed the usual method of conducting its business found in other banks in this state of a like kind, and in other banks in this state of the size of this one the treasurer keeps the books and proves his balances, and the directors rely for knowledge of its condition upon the statements of the treasurer, the reports of the auditors appointed in accordance with section 3447 of the General Statutes, and upon the examination and reports made by the bank commissioners.

"(99) It is not customary for directors of other banks to instruct their treasurer how to keep his books, nor to

instruct the auditors appointed in accordance with law how to make their audit."

We see no inconsistency between the specific findings as to trial balances and the general findings as to conduct of the business of this bank, or the customs of directors of other banks. Taking these findings as a whole, the important difference between other banks and this bank was that in other banks it was customary to require the treasurer to take trial balances of the depositors' ledgers from time to time, and in this bank not.

It does not appear how long this custom of requiring such trial balances has existed, but the fact that it is found as a custom shows that it has been a general practice for a period long enough to make it a material fact in this case; that is to say, long enough for the defendants to have known of it, if they had been reasonably diligent in informing themselves of their duties as directors of a savings bank. Otherwise the finding would have been qualified by some limitation of time or lack of opportunity for knowledge on the defendants' part.

That the custom itself is reasonable goes without saying. Indeed, it is not only reasonable, but a necessary incident of such a mode of bookkeeping that a financial institution, which keeps its statements of liabilities in two different forms, should make some effort, from time to time, to see if the two statements agree. This much seems to have been taken for granted at the trial, for the court has found, as if in mitigation of the failure to require such trial balances to be taken, that the defendants believed that Converse proved his balances, and believed that the auditors thoroughly examined the books, and believed that the bank commissioners verified their statement of liabilities by a thorough examination.

Upon what ground these beliefs rested is not found, unless upon the reports of the treasurer, auditors, and bank commissioners, none of which purported to be or to embody such a trial balance. The fact remains that the directors never asked for or saw such a trial bal-

ance during their entire period of service, although it was customary in savings banks in Connecticut to have such trial balances taken by the treasurer from time to time, and although it was a reasonable and a necessary incident of their system of bookkeeping that such trial balances should be taken from time to time for the protection of the bank. This, we think, was an omission which constituted want of reasonable care, unless some other precaution was adopted in its place.

It is said that the reports of the auditors and bank commissioners were a sufficient substitute; but, as already stated, they are not, in form or in substance, trial balances. Then it is said that the directors had a right to believe from the reports of the auditors that the statement of liabilities in the general ledger had been compared with the statement of liabilities in the depositors' ledger. But the finding is, in this regard, that none of the defendants at any time made any inquiries of the auditors as to the character of their audit or the amount of time occupied, or the method employed, or gave them any instructions, but that the only directions or instructions given to the auditors were given by Converse, and that all the reports of auditors—with two possible exceptions—were entirely in the handwriting of Converse except the signatures of the auditors appended thereto. Upon this finding, nothing remains to justify the directors' belief that trial balances of the depositors' ledgers had actually been made, except the auditors' reports themselves.

It is not necessary in this case to determine whether the directors, having failed to require the treasurer to take such trial balances, were in duty bound to direct the auditors to do so. We refer to these findings simply to point out that the failure of the directors to give directions to or make inquiries of the auditors leaves their mistaken belief that the auditors actually made such trial balances or comparisons without any foundations, except such as may be found in the reports themselves and in the inferences to be drawn

from their examination. These reports were in two forms: First, a certificate annexed to the treasurer's summary of assets and liabilities, as follows:

"This certifies that we have this day examined the books and vouchers of the Windsor Locks Savings Bank and found this above statement correct."

The reports in this form are, on their face, merely verifications from the books of the treasurer's figures of assets and liabilities. They import no examination of the books, except to see that the figures in the treasurer's statement agree with those appearing on the face of the books, and do not purport to be an audit or examination to see whether the books were correctly kept, or whether they agreed among themselves. The other form of auditor's report was on the blank prescribed by the bank commissioners, and reads as follows:

"We, the undersigned, not being directors, managers or trustees of the Windsor Locks Savings Bank, having been appointed, by the directors of said bank, auditors to examine its books, accounts, and securities, do hereby certify that we have made the examination, required by section 3447, General Statutes of Connecticut, and find that the condition of said bank, on the 1st day of October, 19—, was as follows, viz."

Then follows a statement, the words and figures all in Converse's handwriting, as the defendants knew, and evidently, therefore, prepared by Converse in advance of the audit. We doubt whether an audit of this kind is a compliance with section 3447, which plainly contemplates that the auditors shall find out for themselves, by an independent examination of the books, what is the condition of the bank. But however that may be, it is clear enough that these reports are not, and do not purport to be, based upon trial balances of the depositors' ledgers. To any one who knew that they were in the handwriting of the treasurer, they would fairly indicate that the auditors had verified the treasurer's statement of

the amount of the deposits, and had examined the books and accounts for that bank for that purpose, which would not necessarily or reasonably involve anything more than an inspection of the figures in the deposit and withdrawal registers and of the total deposits as stated in the general ledger, and daily balance books; these being the only books which contain any statement of the total deposits. In short, all these auditors' reports are, on their face, directed to the single purpose of ascertaining the assets and liabilities of the bank as shown on its books, and not to the purpose of ascertaining whether the statement of liabilities to depositors as shown in detail by the depositors' ledgers agrees with the statement of total deposits as shown on the other books. That such was the common understanding in banking circles is shown by the survival of the custom of having the treasurer take trial balances of the depositors' ledgers from time to time.

All other savings banks were required by statute to have their books and accounts examined by auditors annually, and the form of the audit prescribed by the bank commissioners was presumably uniform for all savings banks, yet other boards of savings bank directors continued to require their treasurers to take trial balances from time to time and did not regard the statutory audit as a substitute for such trial balances. In 1913 the Legislature amended section 3447 by adding these words:

"Such auditors shall cause to be exhibited the last trial balance of the depositors' ledgers, verifying the same with the controlling account in the general ledger, and immediately report any variance to the bank commissioners." Public Acts of 1913, ch. 187, section 6.

The statute as amended still requires the auditors to examine the books and make a sworn statement of the true condition of the bank, and the amendment does not require the auditors to take a trial balance of the depositors' ledgers. It assumes that such a trial balance has already been taken by the officers of the bank, and requires the last

trial balance to be exhibited to the auditors.

From the form of the reports, the usage of the business, and the amended statute, it is apparent that both bankers and legislators have always assumed that the statutory audit did not involve the taking of a trial balance of the depositors' ledgers. And if these defendants, ignorantly and without asking any questions, believed that their auditors did take such trial balances, we think they were not, on the facts found, reasonably justified in that belief. The same considerations apply to the reports of the bank commissioners, and to the finding that the defendants believed that the bank commissioners verified their statements of the bank's liabilities by a thorough examination of its books, and also to the finding that the defendants believed that Converse had balanced all his books.

Being obligated to exercise reasonable care and prudence in the discharge of the duty of general supervision of the affairs of the bank, the defendants were not, on the facts found, warranted in dispensing with any actual supervision over the methods of bookkeeping, and in assuming, without asking any questions, that trial balances of the depositors' ledgers were taken.

We cannot assent to the argument that the state by section 3447 has undertaken to give directors of savings banks instructions how to supervise the treasurer's accounts, and that the directors have fully complied with their duty in this regard by appointing competent auditors, and then leaving the whole supervision of the treasurer's accounts to such auditors and to the bank commissioners. The duty of supervision rests ultimately on the directors and, on this finding, that duty was not fully discharged by believing without inquiry, and without reasonable justification from the form of their reports, that the treasurer and auditors and bank commissioners had taken trial balances of the depositors' ledgers. The defendants' argument assumes, and wrongly so, that the statutory audit is in lieu of the common-law duty of the directors.

For reasons which are manifest, the Legislature did not, and did not intend to, shift the whole responsibility for supervision of the books and accounts from the board of directors and put it upon auditors appointed annually for a special purpose, and having no connection whatever with the bank except for a few hours in each year.

Our conclusion is that the specific findings of the court with reference to the omission to require trial balances of the depositors' ledgers from time to time according to custom are, under the other circumstances disclosed by the specific findings, inconsistent with the conclusion of the trial court as expressed in paragraph 108 that the defendants have performed the duties of their office with reasonable care and ordinary prudence, and that they supervised and directed the affairs of the bank with that care and diligence that ordinarily prudent men would exercise under like circumstances.

The question then arises whether the defendants' neglect of their duty of supervision, of which the failure to require trial balances of the depositors' ledgers from time to time is the most prominent feature, can be regarded as the proximate cause of the loss, in view of the fact that the trial court has included in its findings a statement to the effect that such trial balances, taken by a dishonest treasurer, would not have disclosed the actual condition of the books. The argument that the defendant ought not to be held liable for the omission to require trial balances, because trial balances made by a dishonest treasurer would amount to nothing, cannot be pushed very far without practically nullifying the rule laid down in *Lowndes v. City National Bank*, supra, that the law requires of directors the duty of reasonable oversight and supervision; for such an argument leads ultimately to the conclusion that if the person or persons in charge of the books are dishonest, all ordinary methods of supervision by directors become useless, and may therefore be dispensed with.

To say that the taking of trial balances of the depositors' ledgers by the

treasurer of a bank is a useless precaution because he may falsify the trial balances as readily as he may falsify the books is to contradict the best opinions of those experienced in the banking business, as indicated by their custom of requiring such trial balances to be taken. We cannot say that the taking of such trial balances in this case by Converse would necessarily have resulted in a discovery of his stealings. Yet we can say that the knowledge that such trial balances would not be asked for made the chance of discovery seem more remote. It cannot be assumed that Converse was a predestined criminal. It is quite as reasonable to suppose that he yielded to temptation and continued his stealings because it was made easy for him to do so without fear of detection. The history of most defaulting bank officials is that they feel compelled to keep the depositors' ledgers in balance with the other books by a system of false debits on individual accounts, a system which is the case of savings banks presents peculiar difficulties, in view of the necessity of semi-annual calculations of interest on depositors' balances.

Converse, however, had no apprehension that a trial balance of the depositors' ledgers would be asked for, or that a false trial balance, which would have been on record, if it had been asked for, might be audited by third persons. He did not feel it necessary to falsify depositors' accounts in detail. He followed the easier path left open by the neglect to require any trial balances; and the system, or lack of system, under cover of which he successfully began and continued his course of embezzlement, was the natural result of such neglect. What would have happened if the directors had, unexpectedly to Converse, asked for a trial balance of the depositors' ledgers we cannot say. It is not possible, in such cases as this, to demonstrate the causal relation between neglect and injury as clearly as if the problem was one of mechanics. But it is certain that unless we are to abandon the salutary doctrine of *Lowndes v. City National Bank*, these bank directors must be held responsible for a neglect to

take an approved precaution against the known risks of the business, which obviously made it easier for Converse to continue and to cover up his embezzlements in the particular manner which he chose to adopt for that purpose. Such negligence, so related to the loss, being apparent on the findings, we do not think it is a good defense to conjecture that Converse would have stolen just as much even if the directors had not been negligent.

On the whole case we are of opinion that the trial court has failed to apply the proper standard of legal duty to the defendants' conduct in this case; that the reasonable care which the law requires of savings bank directors is that degree of care which might be expected of reasonably prudent directors, having regard to the reasonable usages of the business, as well as to the statutes and to the charter and by-laws of the cor-

poration; that the custom of requiring the treasurers of savings banks to take trial balances of depositors' ledgers from time to time, as found by the trial court, is a reasonable usage of the business; and that the failure to require such trial balances was, under the circumstances of this case, a proximate cause of the loss, and of the illegal declaration of dividends.

* * * * *

The defense of the statute of limitations is upheld as to all losses incurred and illegal dividends paid more than six years before the time of serving the citation on the Windsor Locks Savings Bank for the appointment of receivers, to-wit, February 6, 1912. Section 3471, Gen. St. 1902.

In Nos. 536 and 537 there is no error. In Nos. 534 and 535 there is error and new trials are ordered.

(94 At. Rep. 995.)



The School Bank in Michigan

AT Houghton, Mich., the school bank is being successfully used. In a recent talk Principal De Haven, head of the commercial department in the high school, thus explained the purpose of the school bank:

"The ultimate purpose of the school bank is education—instruction in banking methods—but the bank has come also to serve a largely felt economic need. Many families who formerly deposited in an old shoe or a broken teapot have been led, through the children, to put their money in the school bank and receive the benefit of the interest. That the bank may reach its fullest measure of service, the way of the depositor must be made easy, and the responsibility of doing that rests with the teacher. She must encourage the children to deposit—teach them that capital means power and that it also means saving, self-denial and industry. At present 75.5 per cent. of the pupils have money in the bank. Of the twen-

ty-two school banks in Michigan only one surpasses this record. At Alma 76.34 per cent. of the pupils are depositors. The greatest effort should be directed toward the remaining twenty-five per cent. who lag behind, so that no pupil shall remain outside the fold of those joyous ones who own bankbooks. Invariably, the establishment of a bank in a school has been attended with good results, three being especially noticeable. Not so many grimy pennies and nickels are spent for candy and chewing gum; they go into the bank instead. In the second place, the spirit of giving is increased, as witnessed by the great number of withdrawals at Christmas time. When there is the means to give, the spirit is willing enough. Most important, however, is the sense of responsibility that comes with ownership of a bankbook. In many cases it is the only piece of property in the home which the child owns personally—for which he is accountable to some one else."

Specialty Advertising by Banks

By W. R. MOREHOUSE, Assistant Cashier German American Trust and Savings Bank, Los Angeles

AS only a minority of our bankers discriminate in the use of the words novelties and specialties, we find them used in an interchangeable relation. The facts are, there is a wide difference in the import of the two words; as, for instance, novelties are confined solely to things that are new and unusual, while specialties not only include merchandise that is new and unusual but all merchandise used as an advertising medium. Furthermore, we may safely include under the term specialty advertising not only the gift, but the plan that will scientifically place the specialty into the hands of a prospective customer.

With these explanatory remarks it is evident that we have no need for the word novelty in our business-getting plans. Therefore, what some bankers have been taught to regard as novelty advertising, hereinafter will be spoken of as specialty advertising, which is the correct term.

Perhaps no subject of corresponding importance has been so little discussed by our bankers, notwithstanding there are few banks that have not at some time in their history used specialty advertising, if not doing so today. The unusual thing about it is that so many bankers have but the vaguest idea of the value of specialties as a business-getting medium, and will at the same time spend large sums of money each year upon specialties. In this connection it can be truthfully said that the banks have made practically no scientific effort to reduce the amount of money expended each year on specialties.

A careful analysis of the specialty situation discloses the fact that banks

are very much divided upon the subject. We have four general classes:

1.—Banks that once used specialties but do not now.

2.—Banks that once used a large number of specialties but now only use a few.

3.—Banks that now use a great many specialties without any apparent knowledge of the results obtained.

4.—Banks that use suitable specialties, distribute them according to a well-defined plan, and consequently get good results.



BANKS THAT ONCE USED SPECIALTIES BUT DO NOT NOW

IN order to consider without prejudice the various uses to which specialties have been put in the past, we must fix in our minds that there are in the last analysis two standards by which to measure specialties; namely, the suitability of the specialty to banking, and the distribution of the same according to a well-defined plan.

In a large majority of cases where banks have discontinued the use of specialties it will be shown on investigation that the specialty selected was not suitable, notwithstanding it may have been beautiful or clever and thus attractive to the average person. In addition to being unsuitable, which alone places specialty advertising at a great disadvantage, the specialty was not scientifically distributed according to a well-defined plan. If we go deeper into the history of many cases, we will find that the specialty was manufac-

tured for an entirely different purpose than that of producing business for banks.

Throughout the banking fraternity there are many bankers who decline to consider specialty advertising for various reasons, chief among which is the following: "I purchased some specialties once, and because I did not get results, have discontinued to use them."

A progressive eastern savings bank tells of its experience with specialty advertising in the following words: "The policy of this bank has been very adverse to the issuance of novelties (specialties) of any kind. We have only issued one novelty (specialty) since the bank was organized, that being a baseball schedule, and we did not consider it successful, and discontinued." Here is a concrete case where a single failure caused a progressive savings bank to discontinue specialty advertising. It is evident specialty advertising did not have a fair opportunity to demonstrate its true worth. In the first place, the specialty was not suitable; and, furthermore, it was distributed to baseball "fans" who do not have the reputation of being susceptible to an appeal along thrift lines. Also, the invitation was directed to a particular class of men to the exclusion of all other persons, when, as a matter of fact, women are more easily appealed to by specialty advertising, and in this case they were not reached at all by the effort. The best that can be said is that a feeble effort was made to reach a class of men not easily approached on the subject of saving.

The publicity manager of a large trust company in New York city, in speaking of the merits of specialty advertising says: "Not that we love novelties (specialties) less, but that we love other forms of publicity more." Here is a case where undoubtedly the character of business sought does not respond to specialty advertising, and therefore other mediums become necessary to produce results.

The largest bank and trust company in a Southern State gives quite a differ-

ent reason for discontinuing the use of specialties: "We do not use novelties (specialties), because they go to persons wanting something for nothing." This bank is situated in a rich farming country, and naturally its depositors are largely farmers, therefore the use of any specialty possessing utility should be found very effective. However, in this particular case, it is assumed that specialty advertising was tried but failed to produce results. It is surmised that this is another case where there was no plan of distribution.

A large trust company in St. Louis gives the following reason for not using specialties: "We do not use novelties (specialties) because, as a rule, they go to people who are already our customers." Here is a case very similar to the one just referred to, and unquestionably there was no plan of distribution.

A large national bank in Michigan discontinued the use of specialty advertising for fear of offending those of its patrons who did not receive the courtesy. In speaking of specialties, the new business manager says: "Unless they are distributed among all customers, we are liable to make enemies of some who do not receive the favor." Here we have a case where specialties were considered solely from the standpoint of their ability to create good will among old customers. But there is also a warning in the statement that is well worth heeding, especially by banks which are distributing specialties by a hit-and-miss method. Not a few bankers have been embarrassed by having a good customer complain that he was discriminated against at a time when the bank was distributing gifts to its patrons.

A large savings bank on the Pacific Coast once mailed an exceptionally attractive wall calendar to all persons who had during that year been instrumental in securing one new customer for the bank. Accompanying this token of appreciation was an engraved card expressing the bank's appreciation for the service rendered. Many of the recipients of this handsome calendar took pride in showing it to their callers, and

a few at least expressed their delight in receiving the calendar from "their bank" in glowing terms, similar to the following. "Just see what my bank sent me." In many instances the callers were also good customers of the bank, and not being told the reason the bank had in bestowing this favor, were easily offended, and at the next opportunity so informed the bank. The plan of sending a token of appreciation at the close of the year to all those who had done substantial work was a good one in theory, but as the good done was more than counterbalanced by unfavorable comment, the plan was never used again.

Occasionally a bank is found which does not use specialty advertising simply because it has never become interested in this means of publicity. For instance, a leading bank in Pennsylvania passes judgment on the use of specialties in just six words: "Do not think much of them." Another equally enterprising bank, but in Tennessee, gives its answer when questioned as to the merits of specialties, in just two words: "Doubtful proposition."



BANKS THAT ONCE USED A LARGE NUMBER OF SPECIAL- TIES BUT NOW USE ONLY A FEW

THIS class of specialty users are gradually aligning themselves with banks that do not use specialties; in fact, they would be in no other class today if they had the courage of their convictions. Like those who have already discontinued, they, too, have exhibited the same indifferent interest in specialty advertising. However, they feel compelled to use specialties because a competitor uses them without stint. In other words, they are willing to spend the necessary money for specialty advertising in order to have a "peace offering" to give those asking for a specialty, and in this way not appear penurious. As a large savings

bank in Chicago states it: "We do not use novelties (specialties) for the purpose of buying accounts. We do use them for the purpose of cultivating the good will of our customers." Any bank can carry out this kind of a programme, for it is an easy matter to secure the good will and gratitude of the recipients of your gifts. Any medium which appeals to the emotions is sure of the most favorable recognition.

Before passing to the banks in the third class, let us consider briefly why those banks in the first and second class failed to get results. Perhaps a further consideration of their failure may help us to avoid the same mistakes. In the majority of instances it is safe to assume that the specialty was not suitable. But undoubtedly the weakest point was in the method of distribution.

Until recent years it was universally a popular practice among banks to apportion all specialties among the employes for distribution; in fact, the same practice is in evidence to-day. In theory this appears to be a most excellent method for distributing specialties, but put into practice it fails to bring results. The employees are glad to assume the duties of specialty distributors, and will be faithful to the extent that, after giving their own particular friends a specialty, they will distribute those left over at the very earliest possible moment without any special attention as to who receives them. By just such methods of distribution the bulk of the specialties purchased in the past have gone into the hands of old depositors with an occasional one to a prospective customer. Not a few banks have made the mistake of advertising specialties for free distribution, and naturally, as in the other instance, the old customers are first to secure one of the specialties advertised. How natural that he should be among those to derive the benefit of the bank's generosity. He knows the shortest route to the bank, and has every reason to believe that if he applies to his teller with whom he is on friendly terms he will receive the gift. Consequently,

with this assurance, he seldom fails to make it the first order of business to call upon the bank. Circumstances are very different with the stranger, who as yet is but a prospective depositor, for he is not acquainted at the bank, and it may be that he even surmises that the specialty is offered as an inducement to get him into the bank for the purpose of securing his account.



**BANKS THAT NOW USE A GREAT
MANY SPECIALTIES WITH-
OUT ANY APPARENT
KNOWLEDGE OF THEIR
WORTH OR EFFEC-
TIVENESS**

WE have thousands of banks that now use specialties in the most wasteful way, and receive only a minimum amount of benefit. They purchase specialties because they are either beautiful or clever, or it may be that they strike the fancies of the purchasing agent, who will likely appropriate one or more to himself, and will also want a generous supply to distribute among his very intimate friends. If specialties possess one or both of the qualities mentioned, the bank is assured that it will have no difficulty in getting rid of them, and that in the end there will be none left to go to the incinerator. But the practice of simply buying specialties with a view to getting rid of them by the easiest method is an indictment of good banking. What bank can afford to buy specialties simply because they have the assurance that people will carry them away? But so long as specialties are free, the recipient can lose nothing, even if the gift should turn out to be absolutely worthless, then why not carry them away?



**BANKS THAT USE SPECIALTY
ADVERTISING EFFECTIVELY**

WE have a great many banks that can trace substantial results to specialty advertising.

The new business manager of one of the large trust companies in Cleveland makes the following convincing statement in commendation of specialty advertising: "I believe in novelties (specialties). A piece of merchandise that can be used by an individual is always effective and with our card (ad printed on it) tied to it, I claim you have a good advertising medium."

This statement from one in authority on "deposit building" ought to convince even the most skeptical that there is merit in specialties, as is evident from the following statement: "Our general opinion of novelties (specialties) is that the chief results is the general publicity secured."

A progressive savings bank in the Northwest is very strongly in favor of the use of specialties under certain conditions. They say in commenting on the subject: "If the distribution of novelties (specialties) was made to signal some unusual event in the history of the bank, such as the removal to a new banking home, the attaining of a milestone in the amount of deposits, or the passing of a tenth or twentieth anniversary, there could be no doubt of the fitness of the gift. It would be doubly appreciated by the recipient, and the event much longer remembered." Here we have a bank that is favorable to specialties and is using good judgment in the distribution thereof. A large savings bank in Chicago emphasizes the necessity of having a definite plan of distribution in the following words: "Depends entirely, in our estimation, upon the distribution of the same. If properly handled, we feel that a good novelty (specialty) is always worth more than it costs."

Before undertaking to explain the secret of success in specialty advertising, let us deal briefly with that class of banks which use specialties in order to buy good will of their customers. In only a very few cases, if any, should it be necessary to do this. However, if it seems necessary to resort to specialty advertising for this purpose, there is certainly something radically wrong with

the treatment afforded the patrons of the bank. On the other hand, if so small a thing as a specialty will buy the good will of the customers, then there is most certainly something equally wrong with them. If fair treatment, efficient service, and a little personal attention will not secure and hold the good will of a bank's customers, then there is no cure known for this unfortunate condition.

Assuming that the banks, as a rule, have the good will of their respective customers, we may hereinafter consider specialties exclusively as an advertising medium. In order to set aside all prejudice we will "wipe the slate clean," so to speak, and begin at a bank's history when it is considering specialty advertising for the first time. Our first step is not, as many would do, to look over a lot of specialty samples, but we will ascertain with a certainty that there is an actual need for more aggression along business-getting lines, and further, that this need can best be met with specialty advertising. We must therefore ask and then answer many questions. For instance, will the use of a specialty bring the desired results? Unfortunately, only a few banks give enough consideration to diagnosing the conditions which compel increased activity along business-getting lines, and then they only guess that specialty advertising will produce the requisite results. For instance, take the only bank in a small town, and if it has always given the people efficient service, there isn't much use of specialty advertising, still they will appropriate funds for this purpose, which should be added to strengthen the bank's surplus. Quite different is the case of the bank that is one of several banks in the same city, and all of them after as much new business as they can secure. In this case there is need for aggressive work, and the question is, will specialty advertising influence persons unaffiliated or who are not satisfied with present banking connections to open accounts?

Or, if a bank is located in a large city where competition between banks is

keen, it may be necessary to bring into use every legitimate form of advertising, in which case specialty advertising properly handled will be of material assistance.

Just as soon as conditions relative to new business are diagnosed and a bank is convinced that specialty advertising will be effective, the next step is to determine what constitutes a suitable specialty.



SUITABILITY OF A SPECIALTY

WITH but few exceptions every failure in specialty advertising by banks was due either to the unsuitability of the specialty, or to the lack of a definite plan of distribution, or to both. What, then, constitutes a suitable specialty for banks? Unless a bank wishes to reach the children it can eliminate from consideration all toys, trinkets, novelties and perishable articles, and concentrate its attention upon specialties which have the greatest utility. The greater the utility the greater the effect, as frequent usage enhances the value of a specialty as an advertising medium as nothing else can do. Thus a specialty to be suitable must possess utility or usefulness. It may be made of paper, wood, cloth, glass, celluloid, metal, or leather, or a combination of two or more of these materials and possess utility; the length of time that it will prove useful, of course, depends entirely upon the wearing quality of the material selected and the use made of it. In this connection metal specialties have precedence over paper, leather, and cloth, etc. In scale of cost of material they generally grade about as follows, beginning with paper specialties which are usually the cheapest: Wood, cloth, glass, celluloid, metal and leather.



APPEARANCE OF SPECIALTY

AS soon as a specialty which promises to give good service is found, you must next consider it from the stand-

point of general appearance. If it will impress the recipient that it actually costs several times what you paid for it, you have received full value. If your appropriation does not permit you to buy a specialty that has good wearing qualities, the money should be used in some other way. Avoid all cheaply-made specialties, as they will reflect upon your reputation, and in the end the effect will be injurious. Even when you have succeeded in finding a specialty that possesses utility, quality, and appears well, there is no assurance that it is practical in your case. A specialty to be suitable must be such as will carry your message or invitation with a "punch" to prospective customers.

For instance, we will say that you wish to carry your banking message to the women of your community. In this case the specialty must possess a charm which will appeal to women, and besides appealing to them it should be an article which women will have occasion frequently to use. There is no specialty that appeals as strongly to women as a class as an art calendar, price considered, and providing it is well designed and highly finished in colors. But notwithstanding this popularity of the wall calendar with women, banks are, of necessity, discontinuing to use wall calendars. Within very recent years this once suitable specialty has become the commonest of merchandise. To-day they are not only used by banks, but every class of business, with woodyards and livery stables not excepted, while they have fallen in quality and price to a cheap print calendar costing about three cents. For these, and other equally good reasons, banks are beginning to see that the wall calendar is fast losing its old-time effectiveness.

A large savings bank on the Pacific Coast after using calendars ten years has recently laid plans for gradually discontinuing to use them as an advertising medium. For the coming season they will have a limited number to offer to customers of the bank who insist that "their bank" furnish them with a calendar. This bank has instituted a

unique plan for handling the situation, and will in time be able to discontinue giving away annually wall calendars without creating the least unfavorable comment. The calendars to be used this coming year will bear no printing whatever, thus persons not receiving one will have no way to know where the calendar can be secured, unless, of course, they inquire, which only a few are likely to do. These calendars will include twenty or more different designs, thus the individuality of any particular calendar is eliminated. This order calls for the factory "odds and ends" with a guarantee that the calendars be of a certain grade, which enables the bank to secure a liberal discount on a high-grade calendar. Thus these calendars will all be of a good grade, at the same time owing to a liberal discount, inexpensive.

Instead of reaching the women, you may wish to reach men only, or a certain class of men, in which case you will confine your selection of a specialty to one possessing great utility, and for out-of-door workmen, something that he can carry with him conveniently, or if you wish to reach the office men, a specialty that will add to his desk equipment is only appropriate but also effective. If your aim is to reach the children, the specialty must be such as will entertain. Circumstances may be such, as for instance, a limited appropriation, that you may wish to reach men, women and children with but one specialty, in which case it may be necessary for you to make a somewhat extended search before finding something suitable to these three classes.



A FEW SPECIALTIES THAT ARE SUITABLE FOR BANKS

THE specialties illustrated represent utility and quality and are also attractive to the average person. They range in price from a Dixon high-grade lead pencil, costing in twenty-five gross lots three cents each, to a desk calendar

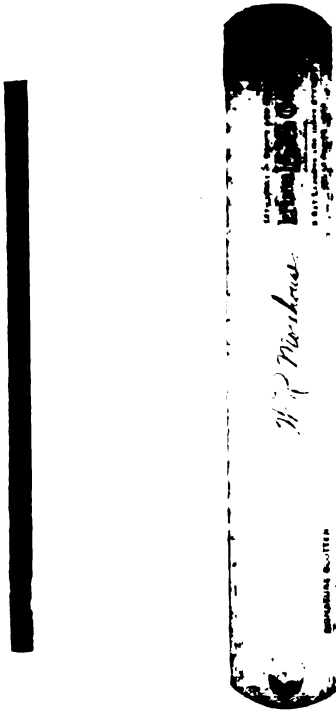


FIGURE 1

FIGURE 3



FIGURE 5

and daily tickler, costing thirty-five cents each.

The lead pencil is classed with wooden specialties. The one shown is

highly finished in green enamel with a superior rubber tip, and with the name of the bank stamped in gold. No other advertisement appears on the pencil,

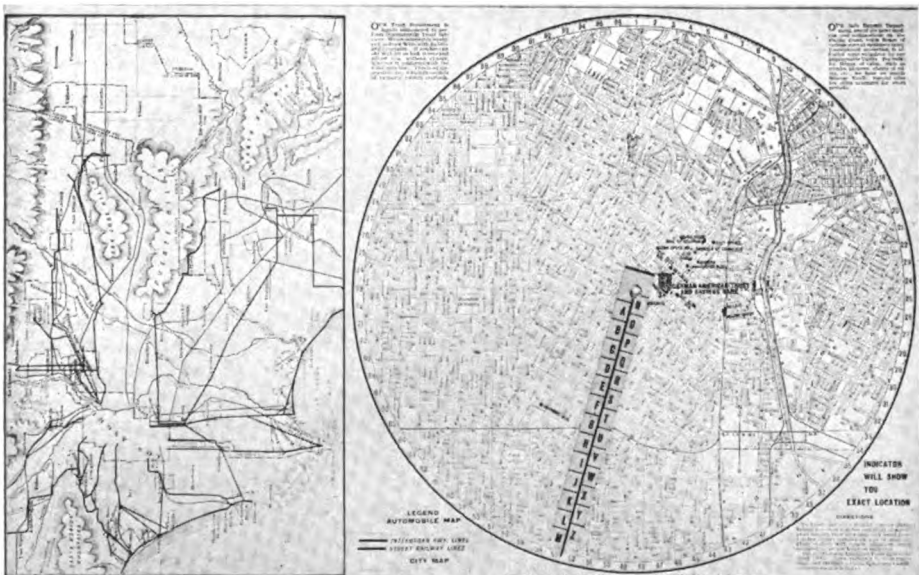


FIGURE 2

which lends to its value, especially with men who are sensitive as to using a strictly advertising specialty. As to its utility, what article in the stationery line is used more?

The second specialty is the indicator map, which belongs to the paper line of specialties. It also possesses great utility, especially in the hands of recent arrivals in your city, or to those touring. It is unique, having an indicator, which by a very simple manipulation will locate the street, park, hotel or public building which you wish to find. It costs in lots of 25,000 a trifle under four cents each.

The third specialty is the signature blotter, which not only possesses great utility but is an addition to the office man's desk. The writer has used the blotter shown, daily for the past eight months, and would not be without one. It is classed with celluloid specialties, and costs approximately five cents each.



FIGURE 4

The fourth specialty is the blotting stone, a combination of stone, metal and paper. It possesses great utility, and lends to the ornamentation of any desk. It invariably arouses considerable interest, inasmuch as it is uncommon to find a stone that is a perfect ink absorbent. It is guaranteed by the manufacturers to remain a perfect blotter for at least five years. It costs, wrapped separately in a neat box, about twenty cents each.

The fifth specialty is a leather card case and currency fold, a very popular specialty with men. It possesses great utility, as it serves many purposes. For instance, it provides a fold for currency, is a card case, a postage stamp case,

and there is provided a place for lodge and identification cards. It is made of serviceable morocco grained leather, which guarantees long service. In lots of 1,000, it costs approximately twenty-seven cents each.

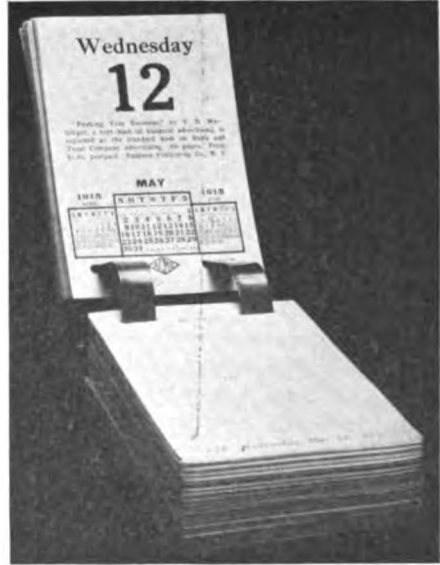


FIGURE 6

The sixth specialty is ideal in many ways, and, price considered, is as suitable a specialty as any bank could wish to use as a personal gift to a selected list of office men. In the first place, this daily desk calendar and tickler is something which every office man must buy if one is not given him. It is not a luxury but a necessity. The office man's desk equipment is incomplete without it, and therefore it is essential. On every upturned page there is not only the day, month and year, but a separate calendar of the past, current and coming month. Upon this same page and printed in red ink, is an ad carrying with it a message from the bank to the recipient, with a new ad appearing each day for sixteen consecutive days. Then there is a second page for data. This desk calendar costs thirty-five cents each, packed in a neat box.

HOW TO DISTRIBUTE
SPECIALTIES

THE success or failure of specialty advertising depends to a large degree on the method or plan of distribution. Many specialties which, if properly handled, would produce gratifying results have been ineffective owing to the plan of distribution. For instance, many suitable specialties are distributed during the Christmas holidays, with little results, as the interest which they would ordinarily create is divided with the hundreds of presents.

The writer's little son, three and one-half years old, is partial to miniature trains. Last Christmas he received among other toys several trains of cars, a fire engine and a hose wagon. Christmas day proved strenuous for the little fellow, as he could scarcely find time to eat his meals, to say nothing of time for a nap. It was one big race with him from train to train, then from fire engine to the hose wagon, and back to the train again. He had so many playthings to absorb his attention that he was unable to decide which one was to be a favorite with him, and that evening went to bed undecided, with his toys scattered about on the floor. The following day his mother hid away all of his toys but two or three, and naturally the boy's affections at once centered on the few that were left, especially a certain train. In fact, that evening the little fellow insisted on taking the train to bed with him, which he was finally permitted to do, and was later found, when his mother went to tuck him in for the night, asleep with the little train held tightly in his arms. Compare this scene with the night before when the little boy, undecided as to a favorite, went to bed leaving all of his toys scattered about on the floor.

In this country of plenty the American people, along about Christmas time, begin to work themselves up to a degree of intoxication. In fact, we save for months in order to be very lavish with our presents. The average person receives more gifts than are actual-

ly good for him. In face of this condition, some banks undertake to force upon the attention of people, already absorbed by the act of giving and also receiving, some sort of a specialty, with the expectation that it will receive due attention and will eventually result in benefit to the bank. How absurd! The effort cannot be otherwise than wasted under such conditions, and banks have no right to expect results when they voluntarily enter into competition with thousands of mercantile establishments, not to mention our millions of individuals, who are also giving merchandise away. Therefore, the logical time to use specialties with a view to making a lasting impression, is when the people are not occupied by similar exploitations. If you select a specialty which owing to its nature should be given out just before the new year, you will make a deeper impression upon the mind of the recipient if you distribute before Christmas, preferably not later than December 15. Banks should limit specialty advertising as far as practicable to merchandise that can be appropriately given out at any time during the year.



PERSONAL SPECIALTY ADVERTISING

BANKS will get better results if they follow, as far as possible, what may be termed, personal specialty advertising. What is meant by this term? Just this: A bank instead of distributing its specialties to the great mass of people should select a list of recipients, and then provide a plan for personally delivering the specialties. The most effective way is to invite the persons listed to call at the bank for the specialty, providing a bank can be reasonably sure they will respond. An officer should meet them, and deliver the specialty which they have called for, not failing to include the best wishes of the bank. At this time a short friendly conversation, or even a

friendly remark, will do much toward securing the prospect's business. In the event that those invited fail to respond, the next best step is for the bank to send out a representative whose duty will be to call on the persons selected at the homes or offices and deliver the specialty, and while there make it a point to assure the prospects that the bank would appreciate a share of their business.

There is one method which is almost universally used, which the writer does not recommend, and ought to be avoided unless it is well-nigh impossible to use either of the two plans suggested. This is to deliver the specialty through the mails or by express. In not a single instance is the bank afforded the opportunity to impress the recipient with its good intentions. In almost every instance where a specialty is thus sent no impression is made upon the recipient, consequently he soon forgets the donor. Is it to be expected that when a bank mails a card case, that the person receiving it will remember who sent it to him? There was nothing unusual about the method employed, and it may be that the recipient had other equally as useful articles come to him by the same

mail. Had he rubbed up against some pleasing personality at the time the gift passed into his possession, there would have been added interest, which would help him to remember that the little gift was not given him by some specialty peddler.



SPECIALTY ADVERTISING TO THE MASS OF PEOPLE.

IN a few instances specialty advertising can be carried on very effectively in dealing with people collectively. To illustrate, an electric sign carries a message to all who read it. The German-American Trust and Savings Bank, Los Angeles, has three electrically lighted display boxes in its windows to advertise home safes. This display has proven by the results obtained that there is value in specialty advertising, although directed to the public at large. Hundreds each day passing the bank pause to read the invitation to open accounts and secure the free use of one of the home safes. Hundreds have responded to the bank's proposition and are now its customers.

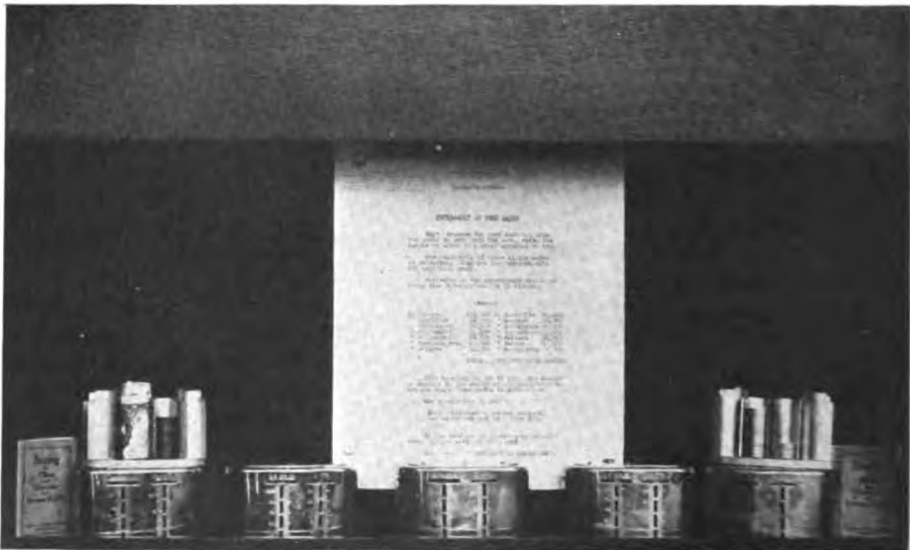


FIGURE 7

It is obvious that there are many specialties on the American market just as appropriate as those illustrated, yet it is a truism that for every suitable specialty there are ten that are unsuitable for use by banks.

As a banker, assure yourself that specialty advertising will be of material assistance in your case, then select a suitable specialty and distribute it scientifically, and gratifying results are sure to follow.



Economies and Advantages of Dollar Credits

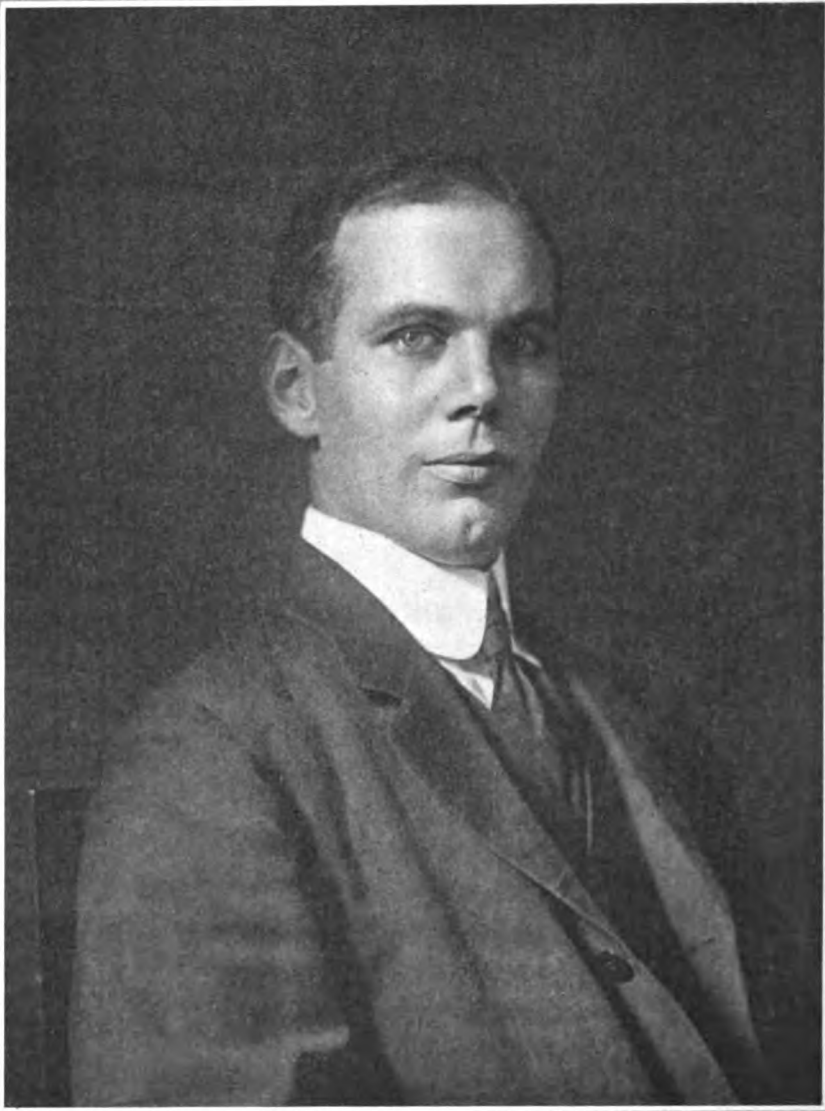
By JOSEPH T. COSBY, Manager Foreign Department National City Bank, New York

UNDER existing conditions in the New York Money Market, and considering the present low rates of interest actually in effect, the use of dollar credits is proving to be particularly attractive to the American importer as the medium of financing his importations. The rate of discount in New York for prime bank acceptances is $2\frac{1}{8}@2\frac{1}{4}$ per cent. per annum, and a broad, well-developed discount market now exists, with an ever-increasing demand in evidence for this class of paper. On the other hand, the rate of discount in London for prime 90-day bills is $4\frac{3}{4}$ per cent. per annum, with operations restricted in a far from normal market. A comparison of these two discount rates will show a difference in favor of New York at $2\frac{1}{2}@2\frac{5}{8}$ per cent. per annum. In addition to this difference in interest, there is also a difference in the initial cost in the form of commission for issuance, as between credits available by 90-day drafts drawn on New York in dollars and those available by 90-day drafts drawn on London in £ sterling. This difference in commission in favor of New York will average $\frac{1}{2}$ per cent. per annum, and when added to the saving in discount or interest already noted, will show a net saving on the dollar credit of $3@3\frac{1}{8}$ per cent. per annum, which accrues to the importer through the use of dollar credits in his operations.

Quite apart from the direct economy to the individual resulting from the use of dollar credits, is the broader question of the economic value accruing to the nation as a whole through the designation of the dollar as the basis of value in our credit transactions with the rest

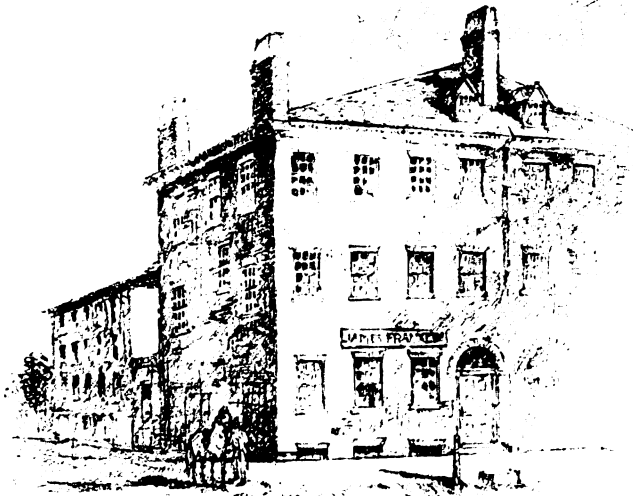
of the world. Since 1903, when the total of our imports amounted to \$1,025,719,237, the volume of our imports has increased rapidly, and in 1914, the total imports reached the enormous sum of \$1,893,925,657. These figures cover products from all parts of the world shipped direct to our own shores, and while no nation enjoys higher international credit than the United States, yet it is a fact that in order to finance the movement of our imports we have been compelled to have recourse to indirect channels and call on foreign money centers to furnish us with the necessary credit facilities to take care of a large part of our importations. Naturally, we have been obliged to pay for this accommodation, and the service has cost us millions of dollars annually in interest, commissions, etc.

These charges can be saved and an important economy effected, thus benefiting our commerce as a whole by the general designation of dollars in our foreign credit transactions. The purchasing power of the dollar in foreign markets is much greater today than it is in normal times because of the varying premium of from $\frac{1}{2}$ per cent. to cover 100 per cent. which the dollar commands at present practically throughout the world. The time is unquestionably opportune to increase the prestige of the dollar and to standardize its use in the liquidation of our direct purchases abroad. Co-operation and concerted action on the part of our merchants to the end of generalizing the use of dollar credits is therefore a duty, which will bring about lasting benefit to the economic fabric of our commerce.



PHILIP STOCKTON

**PRESIDENT OLD COLONY TRUST CO., BOSTON, WHICH HAS 30,000 DEPOSITORS. \$100,000,000
DEPOSITIS. AND \$12,000,000 CAPITAL AND SURPLUS**



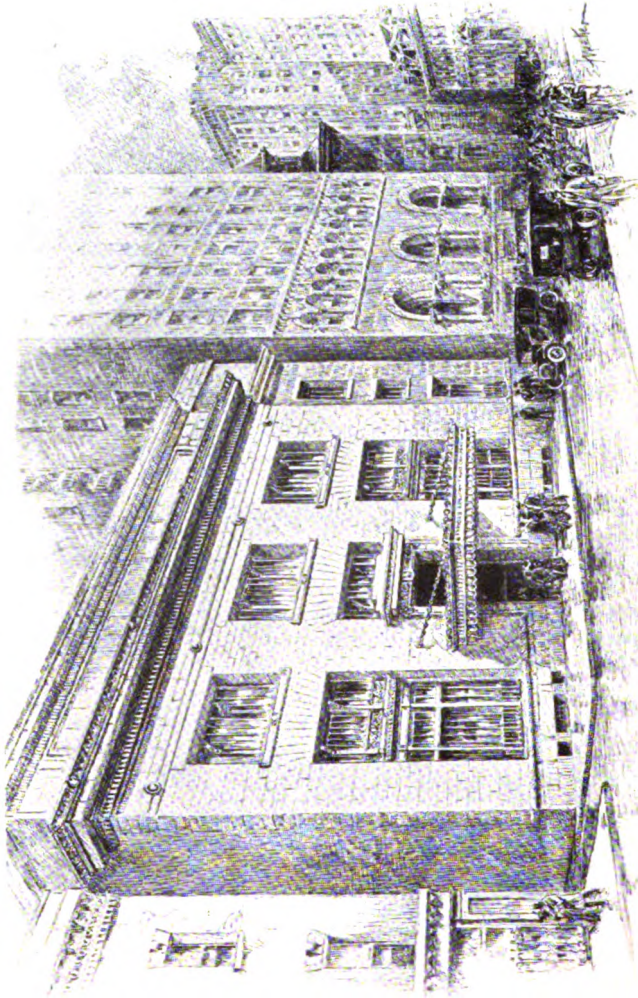
BITS OF OLD BOSTON—THE DOSSETT HOUSE.
BUILT IN 1681. ON THE SITE OF THE MAIN
OFFICE OF THE OLD COLONY TRUST CO.

Twenty-fifth Anniversary Old Colony Trust Co.

DURING the week of October 25 the Old Colony Trust Co. of Boston celebrated the twenty-fifth anniversary of the founding of the company in 1890. At the time of its inception it was the youngest and smallest of 272 trust companies—all there were in the country at that time.

On its anniversary date it ranked as the sixth largest in the United States out of some 1,900 similar corporations then existing. It had also become the largest trust company in New England and the largest with one exception in the country outside of New York City.

Some idea of the growth and present



MAIN OFFICE, OLD COLONY TRUST CO., BOSTON



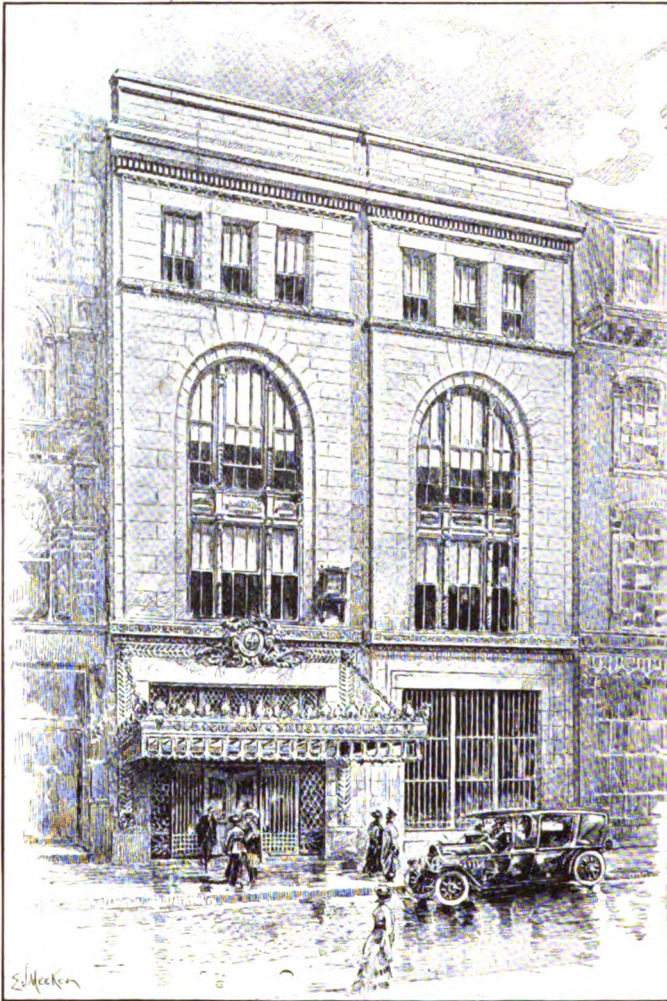
BITS OF BOSTON—TEMPLE COURT IN 1860. NEAR THE SITE OF THE PRESENT
TEMPLE PLACE BRANCH, OLD COLONY TRUST CO.

size of the Old Colony may be gained from the fact that it now has capital and surplus of over \$12,000,000 and deposits of over \$100,000,000. Its depositors number 30,000 and it has over 50,000 customers in all departments.

The main office of the company has always been located in the financial section, but branches accommodate the shopping and other business sections of the city. Its first office was in a back

room at 50 State street, quarters in the Ames building being occupied in 1892, which were gradually enlarged until the erection of the present commodious building became necessary in 1909.

This new building provided fifty per cent. more room than the old quarters, which was fortunate, as in February, 1910, the City Trust Co. was absorbed and just previously the Copley Trust Co. was taken over. The City, which



TEMPLE PLACE BRANCH. OLD COLONY TRUST CO.

had started in business in 1902, had grown rapidly, partly because it had absorbed the Mercantile Trust Co. (which in turn had merged the Massachusetts Loan & Trust Co.) and the Bunker Hill National Bank. When the City was taken over by the Old Colony, it had approximately \$28,000,000 in deposits.

The branch in Temple Place was opened in 1902, the business increasing so rapidly as to require several enlargements of the building occupied by that branch. The Bay State Trust Co., for-

merly controlled by the Old Colony, was absorbed and became a branch in 1914. It also occupies a well equipped building of its own.

While the Old Colony is largely a local institution it has depositors in every state in the union except five, and in many foreign countries.

Five hundred people are required to conduct the business of its many departments. These include the safe deposit vaults, which are provided at all the branches and in the main office are among the most spacious in the coun-



BITS OF OLD BOSTON—BOYLSTON STREET IN 1875.
NEAR THE PRESENT BAY STATE BRANCH.
OLD COLONY TRUST CO.

try. The company acts as transfer and registrar for over 300 corporations and is fiscal agent for many of the largest corporations in the country. It certifies bonds of municipalities in all parts of the United States and acts as agent for payment of coupons and dividends. Through its trust department it acts as trustee for issues of bonds to an aggregate authorized amount of over \$1,000,000,000, and it acts as executor and trustee under wills, etc., to an

amount over \$16,000,000. It also conducts a thoroughly equipped bond department.

The Old Colony has had a large part in the financing by Boston banks of innumerable worthy enterprises in Boston, in Massachusetts, New England and throughout the country; it has become one of the important factors in the upbuilding of Boston and New England.



Banking Publicity

Conducted by

T. D. MacGREGOR

Some Cleveland Bank Advertising

Strong Financial Publicity Work in the "Sixth City"

ON October 27th last, I did a little barnstorming in Cleveland, Ohio.

I was the guest of the Cleveland Advertising Club and of the officers of the First National Bank and the First Trust and Savings Company, its affiliated institution.

Part of the address I made before the Advertising Club was published in this magazine last month. A portion of my other talk made at the initial meeting of the First Club of the two above-mentioned institutions is reproduced at the end of this article.

Mr. William Ganson Rose, who is director of publicity of the First National Bank, is "some punkin'" in the advertising field as he is likewise president of the Cleveland Advertising Club of over 600 members, and of the Advertising Affiliation, consisting of the very progressive ad. clubs of Cleveland, Buffalo, Detroit and Rochester.

In the morning he chug-chugged up to the Hotel Statler in his Peerless car and took "ye scribe" for a long ride out Euclid avenue and along the lake front. He showed his keen sense of humor by urging me to buy the palatial home which Mrs. John Hay is offering for sale at \$300,000.

Early in the afternoon an inspection was made of the famous Cleveland Public Library system under the personal direction of Librarian Brett and Professor Arbuthnot of the Economics De-

partment of Western Reserve University.

Later came Mr. F. D. Conner, advertising manager of the Guardian Savings and Trust Co., in his Overland car and took the protagonist of thrift for a ride through the western and southern parts of the city, after having shown an interesting window display which gave an ocular demonstration of how systematic saving and compound interest make money grow. The display was in two windows built into a boarding surrounding a new building being constructed over an old one where business was "going on as usual." In one window were piles of silver dollars showing how monthly savings of \$10 mount up year by year when aided by compound interest. In the other window was exhibited a bond such as could be obtained through the bank when the depositor had accumulated sufficient funds.

In regard to this display, Mr. Conner said: "Our advertising windows in the temporary walls at the New Guardian building are attracting a great deal of attention. The letterhead pasted on the window is entitled 'Comments from the Crowd'; in this way we record some of the remarks of the interested spectators. We are making changes occasionally to keep up the interest. We are hearing comments from all over the city regarding this unusual display. Our New Arcount window is greatly stimulated and our New Account teller advises me that business was never better."

In the evening following the banquet of the First Club, a brilliant white light was thrown upon the facade of the First National Bank Building from a roof across the street. The illumina-

tion came from a battery of reflectors, the combined rays exceeding 1,250,000 candle power. The sculptured details of the massive Corinthian building stood forth in daylight whiteness, sharply defined against the city's night. According to experts this new lighting system, perfected by the National Lamp Works, marks a new era in the exterior illumination of monumental structures.

The main portion of the speech before the First Club follows:



DIFFERENT KINDS OF BANK ADVERTISING

THERE has been more or less discussion in the advertising journals as to the best definition of the word "advertising."

In making up my mind concerning the meaning of a word, whenever possible, I like to go back to the roots from which the word has sprung and see what light is thrown upon the subject in that way. Using this method in case of the word advertising, we find that it is a "turning to," and I like to think of bank advertising in that way—as an effort, first, to get people to turn their attention toward the bank and later to get them to turn to it every time they are in need of any of its many functions and services.

It is a mistake for any bank man, from the chairman of the board down to the humblest runner, to think that the matter of advertising the bank is something which can be relegated entirely to the advertising department if there is one.

I want to tell you that every man or woman connected with a bank is an advertisement for it.

- Some are "well displayed";
- Some have "good position";
- Some are "well set up";
- Others are of very 'small type';

And many of them should be put "next to good reading matter" so that they can the better lead people out of

the "Help Wanted" columns into the classification where there are "Financial Opportunities."

The French have an expression which I like pretty well. It is "Noblesse oblige"—rank imposes obligation. I think that you men who are connected with the First National Bank and the First Trust and Savings Co., should feel that your institution has a rank



WILLIAM G. ROSE
PRESIDENT CLEVELAND ADVERTISING CLUB

which imposes an obligation upon you. The First National Bank is what its name indicates—the oldest national bank in Cleveland. It is also the largest bank in the State of Ohio. That is certainly something of which to be proud.

I like Cleveland's slogan of the "Sixth City." To demonstrate its effectiveness from an advertising standpoint, I will say that being an American citizen of perhaps average intelligence, I know that New York is the first city, Chicago the second, Philadelphia the third, and

I think, St. Louis the fourth. But, for the life of me, I can't tell you which is the fifth. I know positively that Cleveland is the sixth, but whether or not the fifth is Boston, Pittsburgh, Detroit, San Francisco or Los Angeles, I can't tell you. Inasmuch as none of these cities seem to want it badly enough to advertise the fact, I hope that Cleveland will soon move up into fifth place at least.

What I want to emphasize is that you good people here ought to make



G. W. BITTEL

MANAGER BUSINESS DEPARTMENT FIRST NATIONAL BANK AND THE FIRST TRUST AND SAVINGS CO., CLEVELAND

much of the word "First" in your title and try to live up to the spirit of it all the time and endeavor to have it known that it is "First" in many other points besides age and size as I have no doubt that it is.

The printed matter that we commonly speak of as advertising is in reality only part of the great sum total of advertising that a bank is doing or that is being done for it, consciously or unconsciously as far as its personnel is concerned.

A bank's building is an advertisement for it. So is its location. So are the character, ability and courtesy of the officers and staff. It is these things that furnish material for the valuable word-of-mouth advertising which in turn creates good-will for an institution.

This club itself is going to be a fine advertisement for your allied institutions. It is bound to do much to maintain your *esprit de corps*. It ought to provide a very pleasant social life and lead to the creation of lasting friendships and the establishment of the fraternal spirit which makes living and working really worth while.

One of Marshall Field's maxims for clerks was, "The customer is always right." Exactly this rule would not do for a bank as the bank customer is so patently wrong sometimes that going on that principle would work a hardship to other customers.

However, the spirit of the rule is a good one. If the atmosphere of a bank is surcharged with the spirit of helpfulness and courtesy, customers will feel at home there. They will have such a friendly feeling toward the banker that they will go away thanking him even when he is compelled to refuse their requests. And there is a good deal of truth in the saying that, "A satisfied customer is the best advertisement."

I realize that in a large bank it is not practicable for the president, or even the cashier, to spend much time in the lobby mingling with the customers as they come and go and getting personally acquainted with them. But somebody besides the police officer ought to be out there to represent the bank and to direct people who need direction, and every officer or window man who comes into contact with the public ought to cultivate the amenities of life to the greatest possible extent.

I say this not from the standpoint of a bank executive but looking at the matter from the outside viewpoint of the public, your customers, actual and prospective, and I have seen enough of discourtesy and inattention to cus-

tomers, especially on the part of tellers, in different banks and in different cities, to convince me that it is a point that cannot be overemphasized.

I have seen some bank men who seem to have partaken of the hard and cold nature of the marble and bronze fixtures that shut them in. However, fortunately, such men are very rare, and if every man in a bank would cultivate the friendly spirit of the new business department they would become as extinct as the Dodo bird.

I feel that the greatest danger is in slighting the man whose account is small. I know some banks that charge a dollar a month for keeping accounts whose average balance falls below \$200. This may be all right from a banking standpoint, but in addition to that charge a man ought not to be made to feel small just because his account is a small one. Besides small accounts have a way of growing into large ones.

There's a homely but true saying to the effect that you can't tell from the looks of a frog how far he is going to jump. This is illustrated by the story of Theodore Roosevelt. When he was a little boy he was not very robust, more of a student than an athlete in those days. Upon one occasion when there were guests at his father's house he was more interested in a collection of bugs and butterflies than in the company or his dinner. So the little Theodore was ignored by his elders, who said "It's only Teddy and his bugs." But in time the slight and bespectacled student became the mighty nimrod and faunal naturalist of the White House who bestrode his country like a Colossus.

I believe that the advertising manager of a bank is entitled to a great deal more assistance than he often gets from his fellow-workers in other departments of the bank.

In many department stores, the day's big newspaper ad. of the store is tacked up on bulletin boards where the salespersons can become familiar not only with the special offerings of their own departments but with those of other departments as well. It is also

the object of the advertising manager to get the people on the firing line thoroughly imbued with the spirit of the store as it breathes out of the advertising.

How something similar to this was



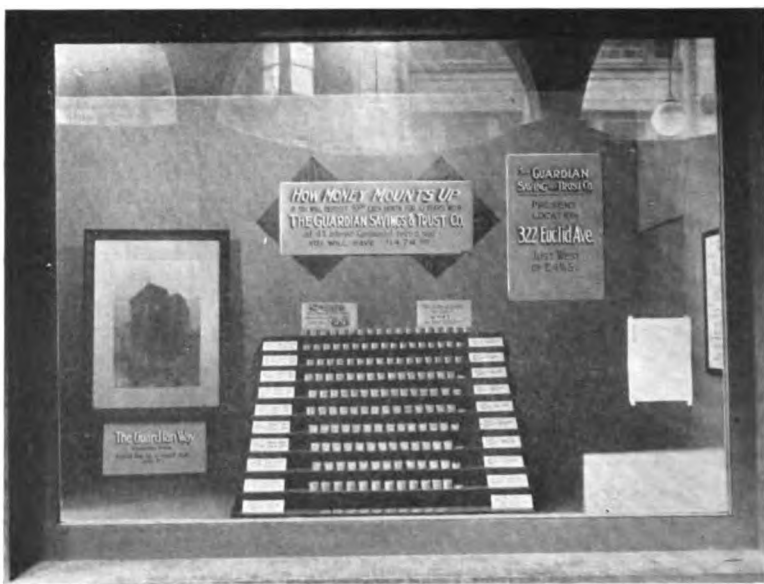
MIDNIGHT ILLUMINATION OF THE BUILDING OF THE FIRST NATIONAL BANK, CLEVELAND

done in a large bank is illustrated by this letter sent to all employees by the president of a Los Angeles institution upon the eve of the launching of a special advertising campaign:

TO THE EMPLOYEES OF THE SECURITY

This bank will inaugurate, upon December 1, a new policy of publicity, and the management asks the earnest co-operation of each employee in carrying the campaign to successful conclusions.

The purpose of the campaign will be to convey to the public a clear idea of what this bank stands for in the community. The functions of the various departments will be



WINDOW DISPLAY BY THE GUARDIAN SAVINGS AND TRUST CO., CLEVELAND

explained in an endeavor to encourage their broader use. The bank's policies will be made known as far as practicable. Throughout its advertising assurances will be given of interested, courteous and considerate attention, pledges which, of course must be redeemed by the employees, with whom the public comes chiefly in contact.

The fact that it is impossible for the officers to meet and deal personally with the many who come daily in the transaction of business, places upon employees the responsibility of properly reflecting the ideals of the institution. In order that you may do this you are urged to follow carefully the advertising and to do your part in seeing that patrons find here the atmosphere and the service which will be promised in the bank's publicity.

You are asked to read in the newspapers all the advertising of the bank and keep yourselves "in tune" with it. Be solicitous of the interest of all who call, and direct inquirers to the proper sources of information. See that each inquirer leaves you with the feeling that this bank is a pleasant one to deal with, and reflect always *unostentatiously*, the spirit of cheerfulness and service.

You are asked also to become familiar with all the booklets and printed literature which the bank will issue from time to time, even though they do not concern your particular department. By doing so, you will enlarge your own ideas of the scope of Security service, and will develop opportuni-

ties to cultivate new business, which, if not alert, you might easily overlook.

When you discover the name and address of a newcomer, or any one who might possibly be interested in any feature of the bank's service, make a note of it and hand it to the advertising manager.

The management will be pleased to receive suggestions or criticisms concerning our advertising, or any new ideas for developing new business.

With the hearty co-operation of every employee of the bank, the Security is destined not only to become greater and stronger, but also to be a larger factor in the success of the individual and business enterprise in the community.

J. F. SARTORI, *President*.

Like your local restaurateur who used to advertise, "Mr. Finley eats in his own restaurants," the spirit of this bank president is that of a man who believes in his institution and wants everybody else to believe in it.

An Iowa bank, to induce all of its employees to study the advertising of the institution, uses this argument:

"That any one, part of an institution the success of which depends largely upon solicited patronage, may be able to treat that patronage, and the public back of it, according to promises made

and inducements held out by that institution, he must be fully informed as to those promises and familiar with the policy that prompts them, and the results ought to be attained, and must be in full and sympathetic accord therewith, and instant to fulfill promises and carry out the policies of, and support the management responsible for them.

"To that end, that one, besides being familiar with the policy of the management and understanding the results sought, must be familiar with circulars and advertising matter issued by the bank from time to time."

A bank's advertising is bound to reflect the spirit of the bank and I think it is quite possible that a bank's advertising can have a reflex influence on the men in it. They say that the founder of a well-known piano business—Chickering, I think—was once introduced as being just like his pianos, "grand, square and upright," so I think it would be an honor for any of you to be considered just like your advertising—truthful, forceful and helpful.

I think it would do you men who are not directly connected with the advertising work of your institutions a lot of good to consider for a moment or two some of the reasons why your bank advertises.

If your bank didn't get new business right along and likewise hold most of the business it already has, eventually it would have to close its doors and you would all be looking for some other job.

That is why the capital prizes in the commercial field go to the man who can produce new business, whether as a salesman, an advertising man or as a "good mixer."

To realize the importance of a bank's advertising think of one of the best accounts now on your books, that of a very successful business man. His account would be a hard one for any other bank to take away from you or for you to take away from any other bank.

Ten years ago this man was not so rich nor so successful as he is today, but he was coming along strong.

Twenty years ago he had just gotten

a fair start and was learning by practical experience the value of a good banking connection.

Twenty-five years ago he was a mere beginner and somebody, probably an officer of your bank, was helping him to get the right start. Of course, a quarter of a century ago was the stone age of bank advertising, but this man was influenced in some way to cast in his lot with your institution and he has stayed there ever since.

Now, it is the mission of your present-day advertising to catch these future captains of industry and shining lights of the business world when they are young, and it may not be necessary



PART OF A WINDOW DISPLAY BY THE GUARDIAN SAVINGS AND TRUST COMPANY OF CLEVELAND WHICH WAS WATCHED WITH GREAT INTEREST BY THE PUBLIC

to wait a quarter of a century for the full fruition of your hopes and prayers in the form of an account upon which your competing banks will look with envious eyes.

There are many ways in which you can help your director of publicity. I

don't know whether you are doing so in any of these ways or not, but I'm just going to suggest a few things that I would find mighty helpful myself in a similar position.

You can tell him of any incidents that occur in the relations of customers and the bank that you think would help him in preparing advertising matter. You know a true story from life in a booklet, a letter or a circular is just like a picture in a book or an apt anecdote in a speech: it attracts attention and holds interest.

So try and develop what newspaper people call "a nose for news" as far as it relates to incidents that could be used convincingly in the advertising matter of your institution.

Whenever some new business comes to the bank endeavor to find out in a tactful manner whether or not the advertising had any influence in securing it and if it had be sure to tell the advertising manager.

Keep thoroughly posted on what is being said in your bank's advertising and do your part to make good on the promises made therein.

If you have any ideas whatever on advertising do not hesitate to turn them in to the new business department. Every little helps, as the burglar said when he robbed the baby's bank.

Advertising plays such an important part in our daily lives that you cannot ignore it if you would. Recently some clever advertising people in New York got up a play entitled "Mr. Noad's Ad-less Day." It described the terrible experience a man had who got so tired of advertising that he made up his mind to go through one day without using anything that was advertised.

The possibilities of such a condition are simply appalling.



INASMUCH as advertising is so especially important for the modern financial institution under existing competitive conditions, and at the same time so little understood by many in the bank who are not directly interested in

it, perhaps a brief consideration of some of the principal factors and forms of bank advertising will not be out of place.

First, let us think a little about copy, that is, the text matter of advertising, because words are the tools which the advertising man works.

Did you ever stop to think how powerful words are?

Even leaving out of consideration the Divine word which said "Let there be light!" and there was light, and which we believe from time to time has guided the destiny of mankind, think for a moment of what human words, written and spoken, have accomplished all down through the ages.

Think of the Magna Charta.

Think of Newton's Principia.

Think of the Declaration of Independence.

Think of the Emancipation Proclamation.

Think of all the world's history, its science, its literature, its political and financial wisdom, in short, the sum total of human knowledge—all recorded in words.

I do not feel that it is taking a step from the sublime to the ridiculous to pass from these broad concepts to a consideration of the words used in advertising to influence us in our everyday lives.

The words used in advertising should be simple and the writing should be such as can be readily understood. The advertising man wants to get results and therefore he should not reduce the size of his audience by using language which many readers cannot understand.

He should not say too much. Let him avoid the mistake that was made by Sandy McPherson who in a hasty moment while "roamin' in the gloamin'" stammered to the girl at his side, "M-Mary, lass, w-wull ye m-marry m-me?"

"Oh, aye, Sandy," was the prompt reply, and after several moments of profound silence, she said:

"Why dinna ye say some mair, lad-die?"

"Aweel," replied Sandy at last, "I

think over much has been said already."

Conciseness is greatly to be desired in advertising copy because it makes for easy reading and it saves space.

A good model is the schoolboy's composition on Elijah, which was as follows:

"Once there was a man named Elijah. He had some bears and he lived in a cave. Some boys bothered him. He said: 'If you throw any more stones I'll turn the bears loose and they'll eat you up.' And they did, and he did and the bears did."

Then the matter of timeliness is important. The advertising writer must say the right thing at the right time. He should not be like the modern Mrs. Malaprop who when about to make a call of condolence upon the widow of a neighbor who had hanged himself in the attic was warned by her husband not to say anything about hanging. She thought that the weather was a safe topic, but when the widow said there had been so much rain of late that she found it difficult to dry her clothes, Mrs. Malaprop blurted out, "Yes, but you have such a lovely dry attic to hang things in!"



THERE should be as much of the "human interest" element in the copy as possible. What I mean by that is the advertising matter should be made to appeal to the reader personally.

Sometimes I believe that an advertising writer can learn from the preacher. That is, the real live one like Jonathan Edwards or Billy Sunday who makes people "hit the sawdust trail" to repentance by direct personal appeals and the kind of talk that makes it impossible for the listener to say "That's a good one for my neighbor, Mr. Jones."

To accomplish this, the use of the personal pronoun "You" and the relation of true incidents from life, or the picturing of incidents that might occur

Important Steps In Safeguarding Your Estate

FIRST—Decide definitely that you will make your Will without further delay.

SECOND—Consult our Officers who will be pleased to give you the benefit of their advice without charge.

THIRD—Have a competent lawyer draw up your Will so as to make certain that it is legally correct in every detail.

FOURTH—Name this Company as Executor and thus ensure the prompt, economical and efficient settlement of your estate for the benefit of your heirs and other beneficiaries.

FIFTH—Deposit your Will in the fire and burglar proof vaults of this bank, thus providing absolute protection against the possibility of the document being mislaid, lost or destroyed. When this Company is named as your Executor no charge is made for safeguarding your Will in our vaults.



THE OLDEST AND LARGEST TRUST COMPANY IN OHIO

A GOOD TRUST AD.

in the daily experience of the average individual, is advisable.

But right here I don't want to be misunderstood. Bank advertising must be dignified. I maintain, however, that human interest and dignity are not incompatible.

pieces of advertising matter have been submitted to me for criticism in the Banking Publicity Department of THE BANKERS MAGAZINE, New York. Oftentimes I have seen good copy and poor typography and vice versa. Sometimes both are bad. I remember one time I criticised an advertisement by saying that the copy was poor and the set-up was rotten, but that otherwise it was a good ad.

This was suggested by the story of the lady who complained to her milkman that the milk furnished her was thin and sour. The milkman wrote her a letter in which he said, "Dear Madam, I note that you say that my milk is thin and sour. I hope that in all other respects it is entirely satisfactory."

Newspaper advertising usually forms the backbone of any bank publicity campaign because practically everybody that can use a bank reads the daily newspapers.

Street-car advertising is also an important medium.

Then there are all the various forms of direct advertising through the mails and otherwise—booklets, mailing cards, house organs, novelties, calendars and good-will producers of various kinds.

The time at my disposal will not permit going into detail concerning the many forms of advertising used by banks. The mere mention of a few of them, however, will give you some idea of the wide range of possibilities there are along this line.

Christmas and Vacation Savings Clubs, Thrift Clubs, Prosperity Clubs and Weekly Savers.

Bill-boards,
Moving picture advertising,
Electric signs,
Prize contests of various kinds,
Personal solicitation of accounts, usually in connection with little home banks,
Flower shows,
Corn-growing contests,
Information bureau,
A bulletin board,
Market letters,
Window displays,
Lobby placards,
and so on, almost ad infinitum.

I trust that I have succeeded in impressing upon you the importance of the work of your advertising department, and that to some extent I have made you realize that part of the responsibility for its success rests upon you.



Banking at Yuletide

The Christmas Appeal in Bank Advertising

HEREWITH is reproduced a collection of last year's Christmas ads. of banks. Undoubtedly they are suggestive of ideas for use this season.

Some of the points, aside from the obvious one of a savings account for a Christmas gift, brought out by these advertisements are:

Recipient's name stamped on leather case enclosing the pass-book.

Home safe packed in a holly box.

Gold and crisp bank notes.

Certificate of deposit.

Banking by mail.

Christmas savings club.

Christmas shopping.

Last year there was a noticeable absence of foreign draft Christmas advertising. Probably there will be this year, though European relatives will need Christmas remembrances more than ever now.

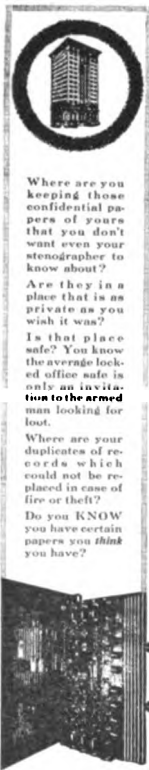


"He Gave Himself a Raise"

A Human Interest Ad. of the "First National Bank in the United States"

"THERE is a young man working here in Davenport, who three years ago asked his boss for a raise.

"The boss told him that he was sorry but he couldn't give him a raise, as he was getting all they could afford to pay for that class of work, in fact he was getting more money than they had ever paid before, for that job.



Are your things safe when you say good night?

Careful business men and women keep their deeds, bonds, contracts, leases and legal and confidential papers, jewelry, silverware, heirlooms, mementoes, and other valuables in our safe deposit vault. Why don't you?



A HOLD BAD MAN

"The young man then faced this proposition. Either he had to quit and look for another job, or work at his old job without hope of a raise in the future.

"He liked his boss and the fellows he worked with. In fact, he liked his job.

"He was getting more money than he needed for his expenses, and not having a good education he doubted whether he could better himself by a change.

"Then he figured it out this way:

"He would stay at his old job, put ten dollars (\$10.00) a week in a savings account in the First National Bank, and every month his interest would amount to a few cents more than it did the month before, and every year his 'raise' as he called it would be larger.

"Now his interest is more than five dollars (\$5.00) a month (the amount of the raise he asked for) and besides he has a fine surplus, has strengthened his character and increased his happiness."

How Banks Are Advertising

Note and Comment on Current Financial Advertising.

WE'VE seen some good bank mailing cards this month. The Heard National Bank of Jacksonville, Fla., sends out one printed in red and green, with the interesting heading in large script, "How Much Money Is Coming to You?" The text for the little talk is the fact that about \$65,000 interest on savings is paid out quarterly by Jacksonville banks. This bank is issuing some other very strong illustrated printed matter. Charles H. Woodruff is responsible for it.

©

Reproducing an editorial article from the Chicago "Daily News" on "Big Banks and Savings," the National

Our officers, branch girls, are ever ready, eager and willing to be of any assistance in any matter, any time.

- A. B. BAKER, President
- A. B. BAKER, Vice-President
- A. B. BAKER, Cashier
- A. B. BAKER, Secretary
- A. B. BAKER, Treasurer
- A. B. BAKER, Director
- A. B. BAKER, Director
- A. B. BAKER, Director
- A. B. BAKER, Director
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- A. B. BAKER, Director
- A. B. BAKER, Director
- A. B. BAKER, Director
- A. B. BAKER, Director
- A. B. BAKER, Director

We Would Have You Know:

That this is a bank for the people, for all the people, because we are here to help you.

That this is a bank whose officers are willing and ready to be of any assistance in any matter, any time.

That this is the largest bank in the state.

THE COMMERCIAL NATIONAL BANK

A WELL ARRANGED PAGE DISPLAY BY A SOUTHERN BANK. THIS COPY WAS WRITTEN BY R. LYNN BAKER OF SHREVEPORT, LA.

graphed the spot and issued a little folder containing the picture. These were complimentary to the Woman's Club and doubtless received wide circulation through the members.

©

Mr. Eley of the Virginia National Bank, Petersburg, Va., submitted some newspaper advertisements for criticism. We wrote:

As Mr. Eley admits, the typography of these advertisements is poor. The impression one gets at once is a lack of uniformity and simplicity. There is too much display. Just as a lot of people shouting together would drown each other's voices, so too many display lines spoil an ad. Another thing, while there is some good matter in these ads, the headings are not strong enough. Whenever possible have a verb in the heading that will give it life. Instead of "A Large Sum of Money" for a heading you could have used, "This Man

ver. To W. R. Morehouse is due much of the credit for the excellence of the booklet.



Evidently opposed to loans to European nations at war, the Tracy Loan and Trust Company of Salt Lake City, Utah, advertised:

We have no money to invest in bonds when that money is used to produce bloodshed, widows and orphans,
—but we always have money to assist a father in buying or building a home for himself and his happy family.



The depositors of the Exchange National Bank of Spokane, Wash., found this insert with their vouchers on the 1st of November:

AN APPRECIATION

To Our Customers and Friends:

The deposits of the Exchange National Bank, for the first time in its history, have passed the \$6,000,000 mark. A gain of ONE MILLION DOLLARS was made in 1914, to which has been added another ONE MILLION DOLLARS in 1915. A growth of 50 per cent. in the space of two years in any bank, anywhere, at any time, would be a notable incident, but it is especially so when it is considered that business has not been particularly active during that period. While our enlarged quarters and increased facilities have been responsible for part of this satisfactory showing, we feel that it is largely due to the cordial support which the bank has received from its customers and friends. We desire at this time to extend our appreciation for such support, and urge upon our customers to favor the officers with any suggestions whereby the bank can give better service in furthering their interests, and contribute in a still greater degree to the growth and development of the community of which it is a part.

Yours very sincerely,
EDWIN T. COMAN, *President.*



Bank Advertising Exchange

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

Watch for new names and other changes.

F. R. Adams, Will Co. National Bank, Joliet, Ill.
American National Bank, Richmond, Va.
D. Ansley, care Central Trust Co., San Antonio, Texas.

Carl W. Art, manager publicity department, Union Trust & Savings Bank, Spokane, Wash.
A. F. Bader, publicity manager, City National Bank, Evansville, Ind.
C. W. Bailey, cashier, First National Bank, Clarksville, Tenn.
The Bankers Magazine, New York.
H. C. Berger, Marathon County Bank, Wausau, Wis.
C. J. Bevan, cashier, Exchange Bank, Genoa, Ill.
E. L. Bickford, cashier, First National Bank, Napa, Cal.
W. O. Booser, treasurer, American Trust Co., Jacksonville, Fla.
E. A. Bradham, cashier, The Commercial & Savings Bank, Sumter, S. C.
D. R. Branham, 6252 Leland Way, Los Angeles, Cal.
Jesse E. Brannen, cashier, First National Bank, Westwood, N. J.
Bank of San Rafael, San Rafael, Cal.
E. M. Baugher, president, The Home Building Association Co., Newark Ohio.
O. W. Beerbower National Exchange Bank, Roanoke, Va.
H. C. Bollman, assistant cashier, First National Bank, Collinsville, Okla.
T. J. Brooks, cashier, The Guaranty Trust & Savings Bank, Jacksonville, Fla.
J. A. Buchanan, Guaranty Trust Co., Lancaster, Pa.
F. B. Bunch, cashier, Merchants & Farmers Bank, Statesville, N. C.
E. C. Burton, vice-president, Penn. National Bank, Chester, Pa.
Stephen L. Burwell, vice-president, First National Bank, Jackson, Miss.
A. Bush, Jr., Ladd & Bush, bankers, Salem, Oregon.
The Citizens Bank & Trust Co., Tampa, Fla.
Citizens National Bank, Oconto, Wis.
Commercial Bank, Midway, Kentucky.
Allan Conrad, Box 336, Port Huron, Michigan.
B. S. Cooban, 513 W. 63rd Street, Chicago, Ill.
H. Reed Copp, assistant advertising manager, Old Colony Trust Co., Boston, Mass.
Arthur S. Cory, Chehalis National Bank, Chehalis, Wash.
David Craig, Tradesmens National Bank, Philadelphia, Pa.
M. Clarence Crowson, cashier, Home Banking Co., High Point, N. C.
Eugene E. Culbreth, Commercial National Bank, Raleigh, N. C.
Bradley Currey, c/o Fourth & First National Bank, Nashville, Tenn.
H. A. Dalby, Naugatuck Savings Bank, Naugatuck, Conn.
Dexter Horton National Bank, Seattle, Wash.
T. E. Durham, assistant cashier, Chattanooga Savings Bank, Chattanooga, Tenn.
W. E. Dyrart, assistant cashier, First National Bank, Ripon, Wis.
J. C. Eberspacher, assistant cashier, First National Bank, Shelbyville, Ill.
A. A. Eklrch, secretary, North Side Savings Bank, New York City.
F. W. Ellsworth, publicity manager, Guaranty Trust Co., New York.
Federal National Bank, Denver, Colo.
The Franklin Society, 33 Park Row, N. Y.
E. W. Finch, assistant cashier, Birmingham Trust & Savings Co., Birmingham, Ala.
First National Bank, Lead, S. D.
H. Gavere, asst. cash. of Scandinavian American Bank, Grand Forks, N. D.
B. P. Gooden, advertising manager, New Netherlands Bank, New York.
J. W. Groves, advertising manager, Minnesota Loan & Trust Co., Minneapolis, Minn.
C. F. Hamsher, First National Bank, Los Gatos, Cal.
Victor F. Hann, manager publicity department, The Fifth Avenue Bank, New York City.
J. W. Hansen, cashier, Citizens State Bank, Sheboygan, Wis.
D. L. Hardee, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.
E. A. Hatton, cashier, First National Bank, Del Rio, Texas.
John E. Hill, Barnett National Bank, Jacksonville, Fla.
Jesamine G. Hoagland, publicity manager, National City Bank, Chicago, Ill.
N. M. Hokanson, State Bank of Chicago, Chicago, Ill.

Section, American Bankers' Association, the practices complained of by the Comptroller are confined only to some sections of the country and are not general; and, that, as a matter of fact, millions of dollars are loaned by the banks at much less than legal rates; and,

Whereas, the letter of the Comptroller was given very wide publicity and has created a bad impression and has done a great injustice to the great majority of bankers throughout the country, it is therefore

Resolved, That this Executive Committee respectfully asks the Comptroller of the Currency to make such modifications and corrections of his statement as will do justice to the great number of banks which have not violated the statutes relating to rates of interest.

The officers of the National Bank Section are: President, Frederick W.

Hyde, cashier National Chautauqua County Bank, Jamestown, N. Y.; first vice-president, Joseph S. Calfee, cashier Mechanics-American National Bank, St. Louis, Mo.; J. Elwood Cox, president Commercial National Bank, High Point, N. C.; H. E. Otte, vice-president National City Bank, Chicago, Ill.; Oliver J. Sands, president American National Bank, Richmond, Va.; J. W. Spangler, vice-president Seattle National Bank, Seattle, Wash.; W. H. Buchholz, vice-president Omaha National Bank, Omaha, Neb.; W. M. Van Deusen, cashier National Newark Banking Co., Newark, N. J.

[A very strong reply to this protest has been made by the Comptroller of the Currency. This was received too late for publication in this number, but will appear in the January issue.—Editor.]

Sixteen Years of Banking Success

THE American National Bank, Richmond, Va., of which Oliver J. Sands is the president and guiding spirit, reached its sixteenth anniversary last month, having begun business on the 1st of November, 1899. An "anniversary statement," made at the close of business October 31 last makes the following showing:

RESOURCES	
Loans and discounts.....	\$6,041,401.00
Farm loans	50,000.00
Bonds with U. S. Treasurer..	1,191,074.97
Other bonds and securities....	329,897.68
Stock in Federal Reserve Bank	48,000.00
Banking house ..\$400,000.00	
Bonds owned by bank	300,000.00— 700,000.00
Furniture and fixtures.....	25,504.94
Cash, due from banks and U. S. Treasurer.....	1,625,499.61
Customers' liability account of acceptances	100,000.00
Total	\$10,111,378.20

LIABILITIES	
Capital	\$1,000,000.00
Surplus and profits	731,734.09
Circulation	999,997.50
Deposits	6,618,401.41
Bond account	468,600.00
Reserved for unearned dis- count, taxes, etc.	67,645.20
Acceptances guaranteed	125,000.00
Acceptances based on imports and exports	100,000.00
Total	\$10,111,378.20

This statement reveals the very gratifying position the American National Bank has attained in its first sixteen years' history, and the progress may be seen more in detail from these figures, giving the total resources by four-year periods:

First year	\$1,123,000.00
Fourth year	2,599,000.00
Eighth year	4,487,000.00
Twelfth year	6,274,000.00
Sixteenth year	10,111,000.00

lar section of the state that heretofore has never had anything but steamboat transportation, which in the winter season is very unreliable. This Northern Neck territory is not only rich in agricultural products, fish and oysters, but is one of the historic sections of Virginia, containing the home sites of many of the distinguished families of Revolutionary days.

There is a great deal of wealth in the section, many of the plantation owners having large farms stocked with high-grade cattle, horses, swine and other stock. These people have been compelled to make long drives in order to get to steamboat landings or railroad stations and they are now enthusiastic over the prospects of a new railroad that will enable them to come to Richmond over an all-rail route.

The proposed new road will connect with the Southern Railway at West Point and will cross the country through King and Queen, Middlesex and Gloucester counties to Urbanna, on the Rappahannock. The river, which is several miles wide at this point, will be crossed by ferry from Urbanna to Irvington, in Lancaster county, and from that town the road will extend to Reedville in Northumberland county. Reedville is a very rich town, the fishing industry alone representing many millions of dollars in annual output.

Rappahannock river steamers plying

Norfolk, will connect with the new railroad at Urbanna, thus giving quick railroad transportation to both passenger and freight business to Richmond, Washington, Baltimore and the North and West.

No one seems to understand why a railroad has never been built into this territory before, as it is conceded to be one of the richest sections of the state. The oyster industry alone in this section amounts to many millions dollars every year and the road will open up one of the best trucking sections in the South.

The new road should prove to be a very valuable piece of property and will be a rich feeder to the great Southern Railway, as it will connect with that road at West Point. An all-rail route will thus be established from the peninsular territory by way of West Point and the Southern Railway to Richmond and then over the Richmond, Fredericksburg & Potomac and Pennsylvania Railroads to Washington, New York and other northern cities.

Mr. Sands has absolute confidence in the proposed road as being an excellent business proposition. The plans for the construction of the road are about complete and it is expected that the contract for the building of the line will be awarded in the next few weeks and the line will be in active operation in less than a year.



American Bankers Association—Spring Meeting of the Executive Council

THE spring meeting of the executive council of the American Bankers Association will be held at Briarcliff Manor, N. Y., May 8, 9 and 10, 1916. This decision was reached at a meeting of the administrative committee at which the relative

merits of the various places suggested were carefully gone over. As in former years when the spring meeting has been held at Briarcliff, the hotel will be turned over to the exclusive use of the bankers, and a pleasant and profitable meeting is anticipated.



**FORMER HOME OF THE NATIONAL CITY BANK OF MOBILE, ALABAMA,
NOW OCCUPIED BY THE FIRST NATIONAL BANK WHICH HAS TAKEN
OVER THE BUSINESS OF THE FORMER INSTITUTION**

Loans and discounts.....	\$6,173,414.33	
Overdrafts	168.70	
U. S. bonds.....	300,000.00	
Other bonds and securities....	264,239.57	
Stock in Federal Reserve Bank	27,000.00	
Banking house	64,500.00	
Other real estate.....	14,000.00	
Cash:		
In vault	\$ 554,041.01	
With banks.....	1,252,924.25	
With U. S. Treas-		
urer	15,000.00	1,821,965.26
		<u>\$8,665,287.86</u>

LIABILITIES.

Capital stock	\$300,000.00	
Surplus and profits (all earned)..	654,452.37	
Reserved for taxes.....	12,500.00	
Reserved for interest.....	18,000.00	
Circulation outstanding.....	299,995.00	
Re-discounts	None	
Bills payable (notes of the National City Bank of Mobile assumed by us on this date)....	600,000.00	
Deposits:		
Individual	\$6,300,813.69	
Bank	474,576.80	
U. S. Postal Savings	4,950.00	6,780,340.49
		<u>\$8,665,287.86</u>



HISTORY OF THE BANK

THE First National Bank of Mobile, Ala., the oldest institution in Alabama, and one of the highly respected banks in the South, celebrated recently the fiftieth anniversary of its foundation. The First National is one of those staunch Southern institutions which safely weathered the troublous times immediately following the Civil War, and has taken a part in the wonderful re-awakening and rejuvenation of the Southern States. As was stated by one of its friends, "it has passed through periods of clouds and periods of sunshine, to stand to-day unscarred in the rays of a brilliant future."

On May 8, 1865, a committee was appointed to prepare a charter and to draw up by-laws in accordance with the National Banking Act, passed in June of the previous year. The following were present at the meeting: B. F.

Pleming, M. D. Foote, Moses Waring, W. J. Ledyard, William Flash, J. M. G. Parker, D. O. Grady, C. W. Gazzam and C. K. Foote. After this committee had reported subscription books were opened, the capital stock of \$100,000 was readily subscribed, and on June 5, 1865, the stockholders were ready to elect their first board of directors, con-



CHARLES D. WILLOUGHBY
VICE-PRESIDENT AND CASHIER FIRST NATIONAL BANK, MOBILE, ALA.

sisting of the following: J. C. Chamberlain, William Flash, C. K. Foote, C. W. Gazzam, W. J. Ledyard, C. G. Richards, G. W. Tarleton and Moses Waring. The first directors' meeting was held June 6, 1865, and C. W. Gazzam was elected first president. Lloyd Bowers was elected cashier June 20 of the same year. The historic old building now occupied by James K. Glennon & Co., at Royal and St. Francis streets, was the bank's first home, and business began there October 18, 1865. The rent

the chief executive of this great banking institution.

For a number of years Mr. Hall was ably assisted in his duties by Jacob Pollock, who served as vice-president. On account of ill-health Mr. Pollock was compelled to resign and the office was filled by Leopold Hammel who remained vice-president until his death.



J. W. WOOLF
ASSISTANT CASHIER FIRST NATIONAL BANK
MOBILE, ALA.

The first cashier of the First National Bank was Lloyd Bowers, who held that office until 1890. He was succeeded by Charles D. Willoughby, who had previously served the bank as bookkeeper and assistant cashier. A thorough test of Mr. Willoughby's personal ability as a banker and business man came in 1897,

when for several months during the dreadful epidemic of yellow fever of that year he was the only officer of the First National Bank who remained in Mobile, and the responsibilities of guiding the affairs of the institution fell entirely on his shoulders. In January, 1914, Mr. Willoughby was elected vice-president as well as cashier of the bank and his official title is now vice-president and cashier.

E. H. Shaffer, at present assistant cashier and manager of the foreign exchange department, first entered the employ of the bank in 1888 as a bookkeeper. In 1897 he was made an assistant cashier. In connection with his other duties as assistant cashier, Mr. Shaffer, through concentrated effort during the past years, has built up excellent connections with foreign countries, especially in Great Britain and the Continent. Mr. Shaffer has at all times taken the deepest interest in the affairs of the bank and has conscientiously performed the duties of his office.

Junius W. Woolf entered the service of the First National Bank as runner in 1885. In official seniority he is the oldest officer in the bank. Among his other duties in the bank he has served as both paying and receiving teller. In 1909 he was elected assistant cashier and now holds that office. Mr. Woolf's large acquaintanceship with the people of Mobile qualifies him eminently for the position he now holds.

So far there has been no change in the officers of the First National since its consolidation with the National City.

Since organization the First National has paid in dividends nearly two millions of dollars. Its total earnings amount to over \$2,500,000. To show the growth of this institution two statements of condition, one under date of October, 1866, the other under date of October 15, 1915, are given herewith:

THERE has been incorporated at Albany, N. Y., the American International Corporation, with a capital of \$50,000,000. The company's charter gives it exceptionally broad powers, including the acquisition of all kinds of securities, the construction of buildings, hotels, electric power plants, telephone and telegraph lines and development of agricultural, timber and mining properties and the sale and purchase of general merchandise. The directorate of the company comprises executives of the leading banking institutions, railroads and industrial corporations in the United States.

Frank A. Vanderlip, president of the National City Bank, is chairman of the board; Charles A. Stone, of Stone & Webster, of Boston, is president, and Willard O. Straight, formerly of J. P. Morgan & Co., is vice-president. R. P. Tinsley has resigned as treasurer of the Standard Oil Co. of New York to become secretary and treasurer of the new corporation.

There are to be twenty-four directors, divided into four classes of six each, serving one, two, three and four years, respectively. The names of twenty-one already announced are as follows:

Ogden Armour, Armour & Co.; Charles A. Coffin, General Electric Co.; William E. Corey, Midvale Steel & Ordnance; Robert Dollar, Robert Dollar Steamship Co.; Joseph P. Grace, W. R. Grace & Co.; James J. Hill, Great Northern Railway Co.; Otto H. Kahn, Kuhn, Loeb & Co.; Robert S. Lovett, Union Pacific Railway Co.; Ambrose Monell, International Nickel Co.; Henry S. Pritchett, Carnegie Foundation; Percy A. Rockefeller, Standard Oil Co.; John D. Ryan, Anaconda Copper Co.; Charles H. Sabin, Guaranty Trust Co.; William L. Saunders, Ingersoll-Rand Co.; James A. Stillman, National City Bank; Charles A. Stone, Stone & Webster; Theodore N. Vail, American Telephone & Telegraph Co.; Frank A. Vanderlip, National City

Bank; Edwin S. Webster, Stone & Webster; Albert H. Wiggin, Chase National Bank; Beekman Winthrop, Robert Winthrop & Co.

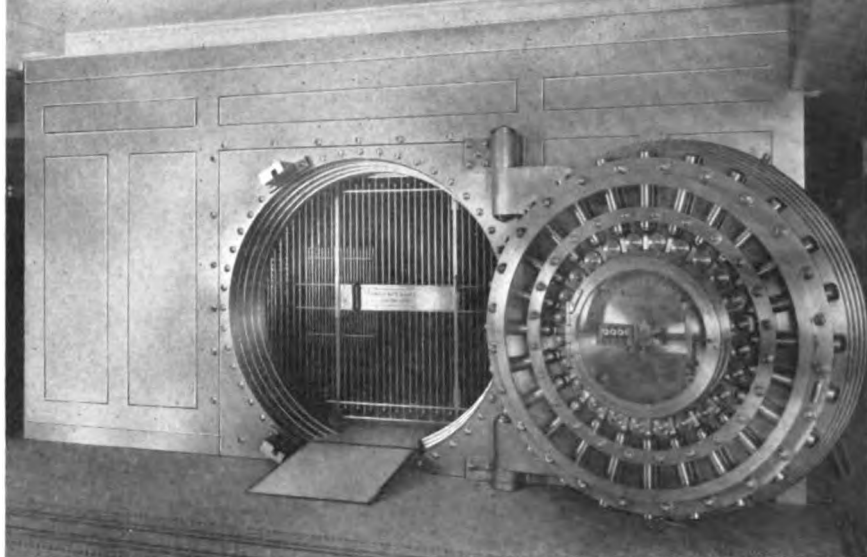
Mr. Stone, in discussing the plans of the corporation, said:

"It has been organized for the purpose of doing an international business and to promote trade relations with the different countries which will help make a world market for our products; for the financing and promoting the development in foreign countries by American engineers and manufacturers of great public and private undertakings; for the assisting in financing the rehabilitation of industries in foreign countries; for the purpose of undertaking such domestic business as seems advantageous in connection therewith."

Supplementing Mr. Stone's remarks, Mr. Vanderlip said that the corporation would exert its efforts with the view of strengthening trade relations between the United States and South America, China, Japan, India, Russia, and other countries with which trade can be carried on.

Although the scope of the new concern will be world wide, it is believed that South America will receive first attention, largely because this field has been paralyzed through the withdrawal of European capital on account of the war. Russia will ultimately receive much of the attention of the new concern for the reason that the wonderful resources of that country offer unbounded opportunities for new capital.

"It will seek to find a market for American products, and then endeavor to supply that market," explained Mr. Vanderlip. "Any country that is pushing its foreign trade is handicapped if there is no company ready to finance that development, and the United States has been so handicapped up to this time. We believe that eventually this corporation will have a profound effect on our foreign commerce."



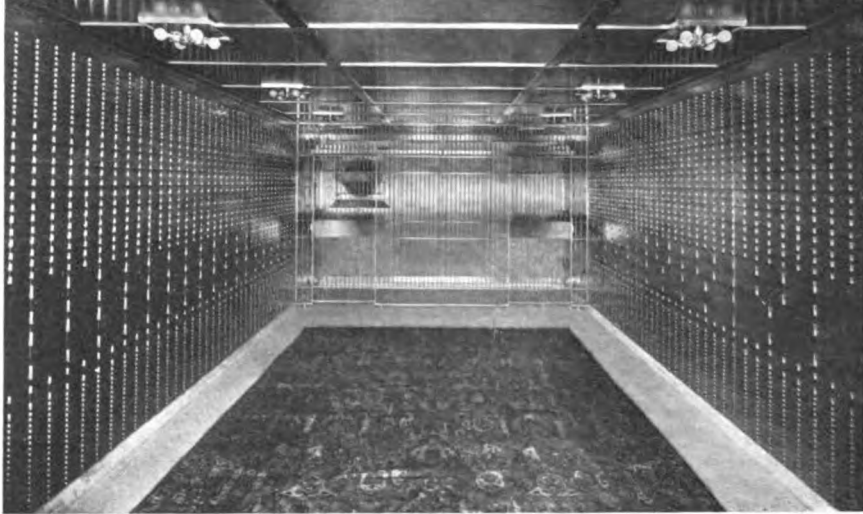
MAIN DOOR TO THE VAULTS OF THE NEW YORK COUNTY NATIONAL BANK—OPEN WIDE

A heavy steel cladding covers these walls, not only adding strength thereto but also permitting the carrying out of the scheme of finish.

In the rear of the vault separated by a heavy steel grille, are the banking compartments, fitted with security safes of the latest approved construc-



ANOTHER VIEW OF THE MAIN DOOR TO THE VAULTS OF THE NEW YORK COUNTY NATIONAL BANK—DOOR IS HALF CLOSED



THE SAFE DEPOSIT BOXES OF THE NEW YORK COUNTY NATIONAL BANK

ember 10 made the following showing:

RESOURCES.

Loans and investments.....	\$8,723,791.71
United States bonds	250,000.00
Real Estate and fixtures.....	88,908.77
Due from banks	90,009.94
Exchanges for clearing-house.	423,654.87
Due from Federal Reserve Bank	705,500.00
Cash and reserve	1,692,548.09
	<u>\$12,774,413.38</u>

LIABILITIES.

Capital stock, surplus and profits	\$1,788,595.31
Circulation	198,300.00
Deposits	10,787,518.07
	<u>\$12,774,413.38</u>

Officers are: Francis L. Leland, president; James C. Brower, vice-president; Thomas A. Painter, cashier; Lawrence J. Grinnon, assistant cashier.

Book Reviews

MAKING MONEY. By Owen Johnson. New York: Frederick A. Stokes & Co.

IN this tale Wall Street appears only as a background and we are spared the familiar jargon with which so many writers who have ventured into this region have disfigured their work. It is an interesting story, whose central characters are a young man whose obsession to make money gives way to higher business ideals, an operator of the plunger

type, a selfish mother and one daughter, a copy of the maternal pattern, and another who is human and lovable, together with several miscellaneous lay figures.

At this time, when the public mind is infected with the speculative mania, such a book may be read with profit for the ethical standards incidentally developed in the course of the telling of a very delightful human interest story.



ENTRANCE VESTIBULE

UNITED STATES NATIONAL BANK, OMAHA, NEB.

Resources
\$11,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service
and you will be entirely satisfied

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Cashier
C. G. FEIL, Asst. Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier

Pittsburgh
—The People's National Bank, in its November trade letter, comments as follows on business conditions in the Pittsburgh district:

"In the Pittsburgh district the eleventh month of the year opens with industrial operations generally nearly up to capacity, and with commercial affairs more active than at any previous time in two years. Here and there, for special reasons, a mill or mine is not operating, or is running on short time; but taking the leading industries as a whole, they are well employed. The daily capacity of pig iron furnaces in blast represents an absolutely new high record; the output of steel is virtually up to the previous maximum in the country's history, and the production of coal and coke is limited only by the available supply of labor and transportation facilities. In some lines of manufacture requiring highly skilled labor, extra hours and extra wages are the rule. It is to be observed, however, that in recent years output per capita of labor employed has been reduced by the gradual shortening of the hours constituting a day's work, although invention and labor-saving machinery have tended to offset changes involving the human factor."

—C. F. McCombs has been promoted from the cashiership of the Third National Bank of Pittsburgh to the rank of vice-president. C. M. Gerwig has been elected cashier of the same institution. Mr. McCombs has been connected with the Third National for a number of years. Mr. Gerwig is well known in banking circles, being for a number of years vice-president of the Lincoln National Bank, which was liquidated by the People's National recently.

—James Douglas Ayres, vice-president of the Bank of Pittsburgh, N. B. A., has been elected president of the Clearing House Section of the American Bankers' Association. The Bank

Street, vice-treasurer, Frederick W. Klemm; clerk, Henry S. Ormsby.



—The Union Market National Bank, Watertown, Mass., John F. Tufts, cashier, has recently opened a savings department, which is now in successful operation.

—The Worcester (Mass.) National Bank has inaugurated a savings department to be run in connection with its established banking business.

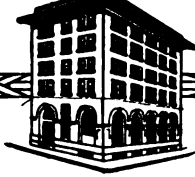
In connection with the opening of the savings department, President John E. White has contracted for an unlimited amount of small safes which will be loaned to depositors. These small safes will not be sold, but loaned, the object being to promote savings. The key of the safe will be retained by the bank. The safes will be returned to the bank from time to time to be unlocked and the contents deposited by the holder.

—Frederick L. Bunce, president of the Phoenix National Bank of Hartford, Conn., died on November 2. Mr. Bunce's father, John L. Bunce, was the fifth president of the Phoenix National, and his grandfather, Russel Bunce, was one of the original directors of the bank. Mr. Bunce entered the employ of the Phoenix in 1865, becoming cashier in 1889. In 1904 Mr. Bunce succeeded Henry A. Redfield as president of the bank. Since Mr. Bunce has held the office of president the deposits of the Phoenix have increased nearly seven millions.



Providence, R. I.

—The semi-annual statement of the Rhode Island Hospital Trust Company, Providence, as of October 30, 1915, shows total deposits of \$46,844,083.17 and assets of \$52,860,487.18. Surplus,



Berkeley, California

YOUR BERKELEY business is invited on the basis of prompt and efficient service. This bank is the oldest in the city and offers advantages worth the consideration of other bankers having business in this locality.

A. W. NAYLOR.....President
F. L. NAYLOR.....Vice-President
W. E. WOOLSEY.....Vice-President
F. C. MORTIMER.....Cashier
W. F. MORRISH.....Asst. Cashier
G. T. DOUGLAS.....Asst. Cashier
G. L. PAPE.....Asst. Cashier

FIRST NATIONAL BANK of BERKELEY



ity. In the textile industries—which for several months have been fairly busy—manufacturers seem in a fair way to maintain prices which will net them a much-needed and heretofore-lacking fair margin of profit.”

—To accommodate the important manufacturing district in the vicinity of Roxbury Crossing, Boston, the Lincoln Savings Bank is being organized and will commence business as soon as possible. The officers will be: President, James W. Colgan; vice-presidents, William L. Ratcliffe, Ernest L. M. Rueter, Charles Liffier, Ferdinand von Scholley, Thomas F. Hunt; treasurer, Joseph Engel, 78 Devonshire



THROUGH THE FACILITIES OF
The Live Stock Exchange National Bank
AND
The Chicago Cattle Loan Company

Bankers interested in financing the development of the live stock industry or in the purchase of high grade, self liquidating paper, are assured prompt and satisfactory service. Correspondence invited.

Address : UNION STOCK YARDS
CHICAGO, ILLINOIS

guaranty fund and undivided profits now aggregate \$3,336,604.01, with capital of \$2,500,000.

—The Rhode Island Morris Plan Company has begun business with a capital of \$250,000 subscribed and \$500,000 authorized. Though this is the twenty-seventh company now operating the Morris Plan of industrial loans and investments in the United States, it is the first that has been organized to operate throughout an entire state. The main office is in Providence, where at present the loansharks are doing a large and profitable business; but branches will be opened at Pawtucket, Woonsocket, etc., and among the thirty-eight directors are representatives of these towns. The president of the new company is James R. MacColl, treasurer Lorraine Manufacturing Company, Pawtucket; vice-presidents are Herbert W. Rice, president and treasurer United States Gutta-Percha Paint Company, Providence; E.

R. Richardson, treasurer H. & B. American Machine Company, Pawtucket, and Edward H. Rathbun, president Rathbun Knitting Company, Woonsocket; the treasurer is Herbert J. Wells, president Rhode Island Hospital Trust Company, Providence, and the secretary-manager is William F. Lythgoe.

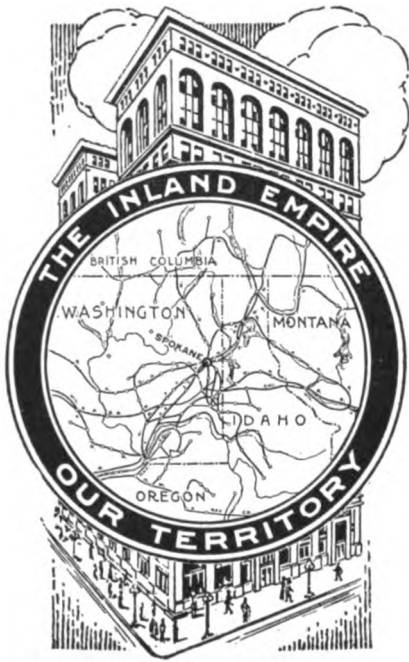
The laws of the State were amended this year to permit the operation of the Morris Plan as a relief to small borrowers from the exactions of usurious money-lenders.



WESTERN STATES

Chicago

—Through the medium of the Chicago School Savings Banks, \$27,118 has been saved by pupils since the first one was started, in April, 1914. The plan of these banks is to encourage saving, and deposits of five cents or any



The Old National Bank of Spokane

WITH direct connections in every banking point throughout the "Inland Empire"—a region three times the size of Alabama, of which Spokane is the financial and railroad center—The Old National has the facilities to collect your Pacific Northwest items with exceptional economy and dispatch.

OFFICERS

D. W. TWOHY, President
T. J. HUMBIED, Vice-President
W. D. VINCENT, Vice-President
J. A. YEOMANS, Cashier
W. J. SMITHSON
G. H. GREENWOOD J. W. BRADLEY
Assistant Cashiers

RESOURCES : \$14,000,000



...ed as George M. Reynolds, president of the Continental and Commercial National Bank; James B. Forgan, president of the First National Bank; Mrs. Charles Zimmerman, president of the Illinois Federation of Women's Clubs; James B. McDougal, governor of the Federal Reserve Bank; L. A. Busby, president Chicago Surface Traction Lines; Simon O'Donnell, president Chicago Building Trades Council; Charles G. Dawes, president Central Trust Company of Illinois; Charles A. Comiskey, president of the Chicago White Sox; Charles H. Thomas, president of the Cubs; Charles Weeghman, president of the Whales, and hundreds of others.

—James B. Forgan will resign as president of the First National Bank and the First Trust and Savings Bank of Chicago, at the annual meeting to be held on Jan. 11 and will become chairman of the board of directors of the First National, which governs the affairs of both institutions. Frank O. Wetmore, second vice-president, will become president of the First National and Emil K. Boisot, vice-president, will be elected president of the First Trust and Savings Bank.

James B. Forgan, whose salary is \$75,000 as president of the two banks, arose from a clerkship in the Royal Bank of Scotland, while the men who are to succeed him in the presidencies of the two banks also have advanced from a low rank in the service. Mr. Wetmore came to the First National in April, 1886, as a messenger, beginning at a salary of \$25 a month, and Mr. Boisot joined its forces in December, 1878, as a clerk at a monthly stipend of \$25. Both men now command more than \$25,000 a year.

Mr. James B. Forgan, who retires to a less active position in the banking world than he has long held, is one of the best-known bankers in the United States, and under his presidency the First National Bank has maintained and strengthened its position as one of the leading banks of the country. Mr.



NATIONAL STOCK YARDS, ILLINOIS

Capital, \$200,000.00

Sells over its endorsement loans made by responsible cattle men, secured by cattle inspected by our own representatives to banks wishing safe, short-time, liquid investments.

CORRESPONDENCE INVITED

AT THE ST. LOUIS NATIONAL STOCK YARDS

September 2, 1915, this bank reported deposits of \$37,886,942.28 and resources of \$43,670,238.74. On November 10, 1915, it reported deposits of \$48,159,411.08 and resources of \$54,013,361.72. This constitutes an increase of over ten millions in deposits and a corresponding increase in resources. Both of these reports were furnished in compliance with the official call of the Comptroller. This bank has just recently moved into its splendid new building, which will house not only the bank but the Great Northern and Northern Pacific Railways. It is one of the largest office buildings in the country west of Chicago.

—James D. Armstrong has been elected vice-president and trust officer of the Merchants Trust and Savings Bank and a director of the Merchants National Bank of St. Paul, succeeding, in the latter institution, G. M. Hannaford, who has resigned.

Albert P. Hendrickson of the Minnesota Loan and Trust Company of Minneapolis has been elected assistant secretary and assistant treasurer of the Merchants Trust and Savings Bank.

Mr. Armstrong, who was born in St. Paul in 1866, has been a member of the Ramsey County bar since 1889, and is regarded as one of the most able attorneys in the Northwest.

Mr. Hendrickson has been with the Minnesota Loan and Trust Company

five years and has had a wide experience in trust company affairs.



Madison, Wis.

—Among the many bankers who are taking an active share in movements for the upbuilding of their respective localities may be mentioned Mr. E. B. Steensland, president of the Savings, Loan and Trust Company of Madison, Wis., and president of the Madison Board of Commerce. Madison is one of the most attractive and healthful cities of the United States, and under the inspiration of its live commercial organization is rapidly and steadily growing.

—Plans have been completed for the publication of twelve agricultural bulletins through the co-operation of the Wisconsin Bankers Association with the agricultural department of the University of Wisconsin. The subjects chosen for the 1915-1916 series cover many of the activities of the farmer and his family. The list includes the following:

November, "Sell Products of High Quality;" December, "Do Not Overcapitalize the Farm;" January, "How to Make the Small Farm Pay;" February, "Why Carry Water—Let It Run Into the House;" March, "How to Secure Seed Grain;" April, "How to Beautify the Home Grounds;" May,

Capital, \$1,000,000

Surplus, \$600,000

Located at the "Gateway of the South"

Having been established as The State Bank of Virginia 45 years ago, we have served continuously financial institutions in all parts of the South. This long period of successful service has resulted in a banking equipment that is unexcelled at

Richmond, Virginia

Another result of handling the accounts of Southern Bankers for these many years is that we know accurately the needs of financial institutions located in Southern States. Your Southern business solicited. Direct routing of items our speciality. Correspondence cordially invited.

National State and City Bank

WM. H. PALMER, President
WM. M. HILL, Vice-President J. W. SINTON, Vice-President
JULIEN H. HILL, Cashier

at six per cent., as follows: Interest, \$15; elevator charges, \$37.50 on 1,500 bushels; total, \$52.50. A loan of \$1,000 from the First National Bank of Devil's Lake for ninety days at eight per cent. on wheat in the farmer's granary would cost him \$20, or \$32.50 less than it would cost at six per cent. if borrowed on money obtained from the Federal Reserve Bank on wheat stored in an elevator."



SOUTHERN STATES

Richmond

(Special Correspondence.)

—In order to expedite the collection of country checks and to reduce the expense of handling this feature of the banking business here, the national banks of the city have just completed

the organization of the Richmond Country Clearing Association, which will have its headquarters in the Merchants National Bank building.

Similar associations have been organized in New York, Boston and other financial centers and have proven very successful. Richmond has recently been brought to the front as an important financial city because of the fact it is the home of the Fifth Reserve District Bank.

H. G. Proctor has been elected manager of the new association and has entered upon the discharge of his duties. About fifteen experienced bank clerks are to be employed in the office.

Mr. Proctor has been in the banking business here for the past ten years. Since the failure of the Commonwealth Bank three years ago he has been associated with the receivers in settling up the affairs of that institution. He was twice elected president of the local chapter of the American Institute of

Gould, New York city; Thomas S. Wheelwright, F. Sitterding, Henry W. Anderson, Coleman F. Wortham of Richmond, Finlay J. Shepard, George H. Taylor, Arthur W. Kelly and Nathaniel A. Campbell of New York city, F. W. Roebing, Jr., Trenton; P. M. Chandler, Philadelphia; R. Lancaster Williams, Baltimore; Caldwell Hardy and Fergus Reid, Norfolk.

The board of directors will meet in New York, December 17.

—Jaquelin P. Taylor, recently elected chairman of the board of directors of the Planters National Bank, follow-



JAQUELIN P. TAYLOR,
CHAIRMAN BOARD OF DIRECTORS,
PLANTERS NATIONAL BANK,
RICHMOND, VA.

ing the death of James N. Boyd, president of the bank and member of the board, was born and reared in Orange County, Va. He is widely known in

Virginia and the Carolinas. When quite a young man Mr. Taylor came to Richmond and accepted a position with Alexander Cameron & Co., manufacturers of tobacco, with whom he remained four years. He then went to Danville, Va., and entered the leaf tobacco business for himself and remained in that city five years.

In 1886 Mr. Taylor went to Henderson, N. C., where he established the firm of J. P. Taylor & Co., leaf tobacco dealers and exporters. The home office of this concern is still in Henderson.

In 1912 Mr. Taylor came to Richmond, where he established the head office of his company and has remained here ever since. Shortly after his removal to this city he was elected a member of the board of directors of the Planters National Bank. He was a warm personal friend of Mr. Boyd and has taken an active interest in the financial affairs and banking interests of Richmond.

The other members of the board of directors of the Planters National Bank are J. J. Montague, M. B. Rosenbaum, R. H. Smith, H. W. Anderson and J. W. Boyd. The latter is a son of the late James N. Boyd and succeeded his father as a member of the board.

As shown by a recent statement of the Planters National Bank, the resources are \$9,110,247.22; capital, \$300,000, and surplus, \$1,000,000. This bank for years has declared a semi-annual dividend of ten per cent.

—The total amount of rediscounts for the Richmond Reserve Bank since the institution opened, a year ago, is \$41,652,758.

The fact that the rediscounts are now less than they were two months ago is indicative of the excellent financial condition of the South at this time, in the opinion of Richmond bankers, who state that money was never so plentiful in the South as it is at the present time.

—Richmond, the home city of John Skelton Williams, Comptroller of the

National Bank, National State and City Bank, Old Dominion Trust Company, Planters National Bank, Richmond Bank and Trust Company, Richmond Trust and Savings Company, St. Luke Penny Savings Bank, Savings Bank of Richmond, South Richmond Bank, Union Bank, Virginia Trust Company and West End Bank."



—An increase in the dividend rate of the Citizens National Bank of Louisville, Ky., to twelve per cent. was recently made by the board of directors of that institution at their regular meeting. A semi-annual dividend, payable December 1, was declared and provision was made to make the dividends payable quarterly instead of semi-annually. The Citizens National has been on a dividend basis of eleven per cent.

—The Atlanta National Bank recently celebrated its fiftieth anniversary. This bank was organized on September 2, 1865, and began business on December 18, 1865. Its present officers are: C. E. Currier, president; F. E. Block and J. S. Floyd, vice-presidents; G. R. Donovan, cashier; J. S. Kennedy and J. D. Leitner, assistant cashiers.

—The Baltimore Commercial Bank opened for business on October 18, 1915, with an authorized capital of \$500,000 and a surplus of \$100,000, all of which has been subscribed.

The paid-in capital at the close of October 15, 1915, was \$250,000 and the paid-in surplus \$50,000.

Officers of this bank are: W. M. McCormick, president; R. S. Mooney, vice-president; R. A. Welsh, cashier; Gwynn Crowther and H. C. Jones, assistant cashiers.

—In addition to its monthly trade letter, the American National Bank of Nashville, Tenn., will furnish its

ary letter on trade conditions, which will give actual figures, as near as possible, and the names of the firms to which they refer. This will enable the readers to keep in touch with their lines and give them information as to just what is being done in every line of industry.

—An outline of the programme for the Cotton States Bankers' Conference at New Orleans, December 6 and 7, has been announced by Joseph Hirsch chairman of the conference committee and president of the Texas Bankers' Association. The conference, Mr. Hirsch said, will point the importance of continuing campaigns in all cotton States for diversification of crops and building up of live stock industry.

Other discussions will include importance of general cotton warehouse construction throughout the south, gradual marketing of cotton and uniform warehouse laws.

W. P. G. Harding of the Federal Reserve Board and the governors of the reserve banks at St. Louis, Atlanta, Richmond, New Orleans and Dallas have been invited to attend.

—The First State Bank of Dallas, Texas, has moved into new quarters at 1305-7 Main Street. This building was formerly occupied by the Federal Reserve Bank, which has opened its new home at Martin and Commerce streets.



PACIFIC STATES

Portland

—The Merchants National, one of the oldest of Portland's banks, has consolidated with the Northwestern National. There will be no change in the latter's organization except that some of the officers of the Merchants National will join its staff. The latter will surrender its charter. M. L. Holbrook, vice-

foreign business each bank was handling on Sept. 2, the date of the Comptroller's last call. Taking the figures as presented as correct, and comparing them with statements of the nine national banks of San Francisco of the same date, we find that the San Francisco banks apparently do a larger foreign business, in proportion to their capital, than the banks of New York, Boston, Philadelphia and Chicago. The figures are:

	15 Largest Banks in United States	National Banks in San Francisco
Capital and surplus	\$328,140,000	\$50,882,000
Letters of credit in force Sept. 2....	38,015,758	8,028,075



Los Angeles

—Walter A. Ellis has been appointed cashier of the Security National Bank of Los Angeles to succeed James B. Gist, who has resigned. Since 1907 Mr. Ellis has been a trust officer of the Security Trust and Savings Bank and before that was connected with the Southern California Savings Bank. Mr. Gist will remain as a director and member of the finance committee of the Security National Bank.



CANADIAN

—According to a report recently issued by the Canadian Government, the total area of the forest reserves of the Dominion amount to 152,935,593 acres, divided among the Provinces as follows:

Province.	Acres.
Quebec	107,997,513
Ontario	14,430,720
Manitoba	2,606,400
Saskatchewan	6,195,705
Alberta	16,813,376
British Columbia (on railway belt)	2,417,638
British Columbia (outside of railway belt)	2,474,241

Columbia, all lands west of the Cascades bearing more than 8,000 feet, board measure, of timber per acre, and all lands east of the Cascades bearing more than 5,000 feet, board measure, of timber per acre, are removed from entry.

—The report of the Bank of Montreal for the year ended October 30 shows that total assets established a new high record when the fiscal period ended. Assets amounted to \$302,980,554, a gain of \$43,500,000 over the preceding year, of which cash, call and short loans and balances due from other banks totaled \$170,007,668, equivalent to 64.27 per cent. of the institution's liabilities to the public.

Deposits displayed a substantial gain, the total of those not bearing interest being \$75,745,729, compared with \$42,689,031, while the interest-bearing deposits were \$160,277,083, against \$154,533,643 the year before. Current loans amounted to \$99,078,506, a decline of \$9,845,000 from the record of 1914.

The year brought smaller earnings than 1914. The profits were \$2,108,631, against \$2,496,451 the preceding year. This was equivalent to 13.18 per cent. on the paid-up capital stock. Of this \$1,920,000 was paid out in dividends and \$127,347 was devoted to the war tax on banknote circulation.

"Ever since the outbreak of the war," said a statement accompanying the report, "it has been known that the Bank of Montreal, as the premier institution of the country, was adhering to a policy of keeping especially strong, but it is questionable whether a year ago even the leading officials could have hoped that in another twelve months a position of such unusual strength would be shown. Such a showing is opportune at the moment, as it should be of material help in assisting the Dominion Government to make a great success of its forthcoming first public loan, as such a statement cannot but instill great confidence in the Canadian financial outlook."

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SOLE AGENTS

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—The Dominion Government's report on Canadian bank shareholders as of December 31 last has been sent out. It shows that there were outstanding at that date 1,115,000 shares of the chartered banks, and of these, trust companies hold some 32,023 shares, valued approximately at \$10,000,000, taking the minimum stock market level as the basis.

—Commenting on banking conditions in Canada the "Financial Post" says:

"The 'Calgary Herald' says the Canadian banking system needs an auxiliary wheel that will take care of the smaller business which is so dependent upon local sympathy and local financial help. Consideration, it is alleged, is not supplied by the arm of a Canadian bank. The inference is that the more amalgamation the less will be the sympathy between the local banker and his clients. While we do not agree with the 'Calgary Herald' in this respect we do agree with that newspaper in that every effort on the part of a local community to find its own capital for banking purposes is desirable. More amalgamations between banks would probably stimulate this desirable tendency. The 'Financial Post' believes that the average board of a Canadian bank would welcome more local independence than at present exists. We doubt whether there is a single bank in Canada that can pride itself in having been as careful as it should have been in any locality, east or west, during the piping

days of inflation which are now being written in history. They gave too much credit and they are now justly reaping some criticism.

"According to the 'Credit Men's Journal,' Mr. G. M. McBride, who has charge of the credits of one of the largest and best known commercial houses in the Canadian West, maintains that in that field too much credit has been given. What he says and as commented upon by the Journal in question is as follows:

" 'Competition resulting in eagerness to do business without sufficient investigation of the standing of the applicants for credit, and the deliberate extending of credit obviously beyond the ability of the applicant to pay, are two of the most frequent reasons for losing money in the wholesale trade. This sentence sums up our difficulty in this country. We hear a great deal about providing machinery for the extension of credit, but what we really require is a little less credit. The ordinary credit and financial institutions of the country are pointed at as usurers and so forth because they refuse to grant credit in the quantities that this optimistic country would like. As a matter of fact, if this new country is ever to achieve that condition when it will not be subject to terrible economic upheavals from time to time, the lesson must be learned by those granting credit that a smaller volume of business and a minimum of losses is better than a large volume and huge losses every few years.'

MANITOWOC, Wis., Nov. 17, 1915.

Editor BANKERS MAGAZINE:

SIR: The main reason why the Federal Reserve Banks were established was to retire all bond-secured national bank notes and substitute Federal Reserve notes, "asset currency," on the theory that these would be more elastic.

After the passage of the Federal Reserve Act, the general opinion prevailed that, under it one-twentieth of our national bank notes would be retired each year for twenty years, and that thereafter all our national currency would be retired and Federal Reserve notes would take their places. This, I believe, was the intention of Congress. With a view of nationalizing our bank, I scrutinized the new act, but failed to find anything therein which would assure such retirement; but on the contrary, that our national currency could rather increase than decrease.

The substance of Section 18 of the Federal Reserve Act, relating to the retirement of national bonds and currency, is as follows:

After two years from the passage of this act, and any time during the period of twenty years thereafter, any member bank desiring to retire the whole or any part of its notes, may file with the Treasurer of the United States an application to sell for its account, at par, United States bonds securing circulation to be retired. Whereupon, the Federal Reserve Board may, in its discretion, require the Federal Reserve Banks to purchase such bonds, not to exceed \$25,000,000 in any one year.

At this rate it would take thirty years to retire our 750 million national bank circulation; not twenty years, as generally supposed.

Now, it will be seen that the retirement of national bank notes is optional with the banks; and if they should make application to do so, it is discretionary with the Federal Reserve Board to grant it. And even if nation-

al banks should offer to sell their bonds to retire circulation and the Federal Reserve Banks would buy them in such case, on these same bonds the Federal Reserve Banks are authorized to issue the same national bank notes as those retired, except from a different source.

Section 18 says: "Such notes shall be the obligation of the Federal Reserve Banks, and of the same tenor and effect as national bank notes now provided by law." The net profit on circulation is practically $1\frac{1}{2}$ per cent. when United States bonds are at par. Might this $1\frac{1}{2}$ per cent. not be an inducement for the Federal Reserve Banks to again take out national bank notes for all bonds so purchased? And if so, there would be no retirement.

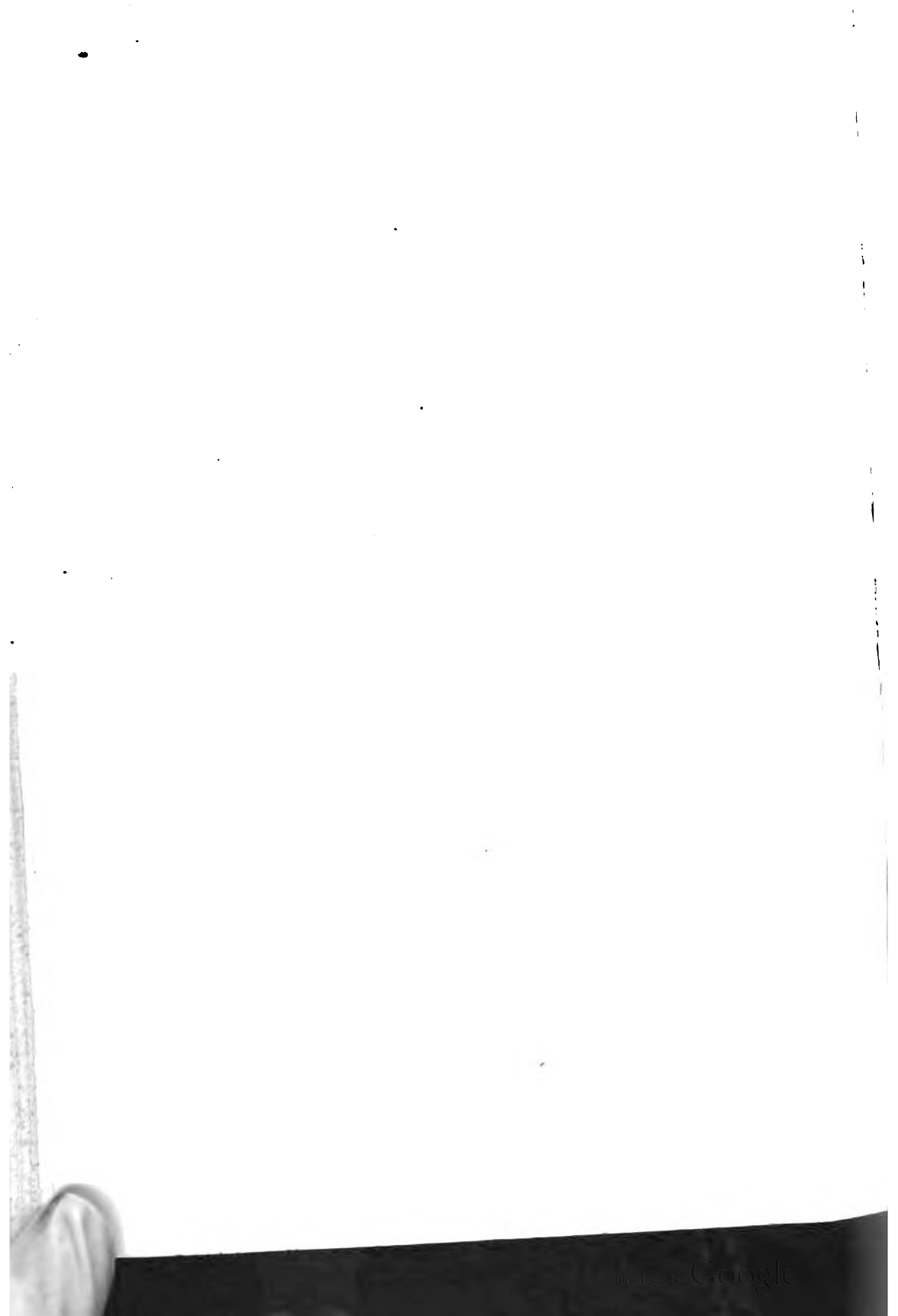
Why would any bank want to retire any of its circulation by which they would lose $1\frac{1}{2}$ per cent. each year, when many of these were stimulated to organize, when the net profit on circulation was only one per cent., owing to the premium on bonds?

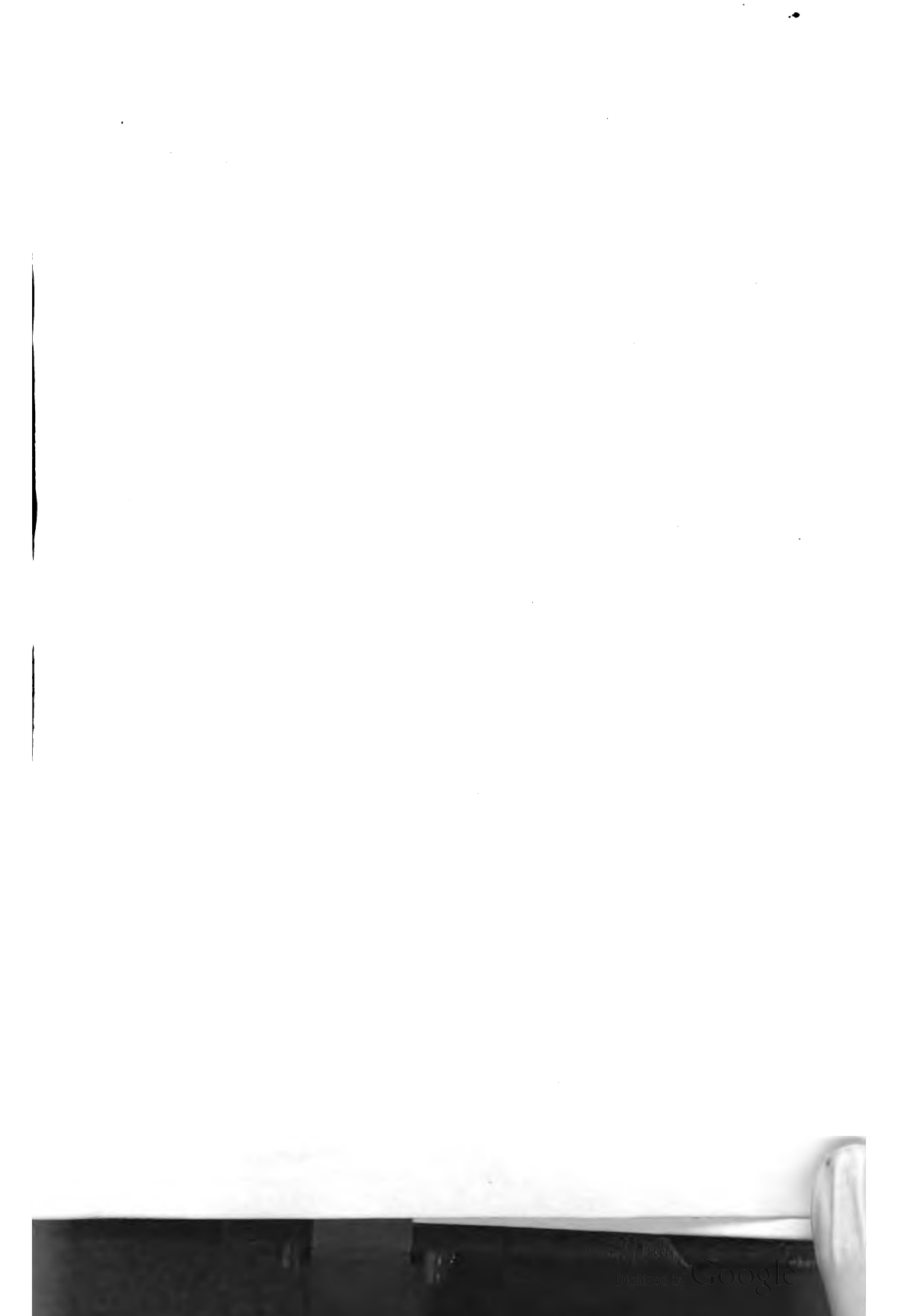
If I am right in my conclusion, (if not, I should like to be corrected), does it not seem that our national currency will rather be increased instead of decreased? And if not, why not? The only reason why not, that I can see, is the fear that Congress may take away the circulation privilege on the United States bonds without at the same time redeeming the bonds at par. If this was not possible, our bank, and many others, would nationalize at once.

When I read the address of a member of the Federal Reserve Board, delivered before the American Bankers' Convention, I see that he still maintains that the act provides for the gradual retirement of United States bond-secured currency through a period of twenty years, and supplements it with an elastic currency known as Federal Reserve notes not secured by United States bonds but by commercial paper.

But as the retirement is not compulsory, I should like to be shown how it is to be done.

JOHN SCHUETTE.





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